Unrefereed Conference Paper

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YOUTH UNEMPLOYMENT IN AUSTRALIA

...emerging findings from a three year research and advocacy project

Presented by:

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Mission Australia

Transitions and Risk – New Directions in Social Policy Conference,

23-25 February 2005
**Purpose**

The purpose of the paper is to report some emerging findings and impressions from the first two years of a three year research and advocacy project examining youth unemployment in Australia. The project has been undertaken by Mission Australia in partnership with the Youth Strategy and Advocacy Group (YSAG), which is chaired by Mr Rupert Myer. The project commenced in late 2002.

**Structure**

The emerging findings are reported in the context of the following questions:

- Does Australia have a youth unemployment problem, and if so, why?

- In what ways, and how effectively, has Australia addressed youth unemployment in policy and program terms?

- What do young people and those who work with them or employ them have to say about the interaction of the youth labour market and the associated policy and program infrastructure? The conclusions are drawn from approximately forty one-on-one or group discussions with young people, business, community and government representatives, an internal Job Network manager survey and teleconferences with Mission Australia co-ordinators of JPET, PSP and WFD.

**Does Australia have a youth unemployment problem, and if so, why?**

Considerable progress has been made in reducing youth unemployment and addressing associated Youth Transition and Risk issues in the Australian context during the last decade but it has not all been smooth sailing. Australia, despite over a decade of solid economic and employment growth, continues to have a residual and hard to solve youth unemployment problem.

*Demand-side Youth Labour Market Developments*

The extent of youth unemployment in Australia has been declining since the early 1990s and this has delivered many positive economic, social and personal benefits to young
Australians. This has been a welcome development and has mirrored the generally more benign economic conditions in the Australian economy over the last decade.

The ABS (2004) reported that national youth unemployment for those aged 15-24 fell from 18.9% in 1992 to 11.7% at August 2004. This represented a substantial reduction in the total number of young unemployed Australians from 351,100 in August 1992 to 221,500 at August 2004, with the majority of this decline being achieved between 1992 and 1996 when youth unemployment had fallen to a total of 264,400.

The ABS also reported that while youth unemployment was coming down, the total number of young people in the Australian labour force had risen moderately to over 1.67 million by August 2004, up some 13% from 1.48 million in 1983. Tangible progress had been achieved in both growing youth jobs and reducing youth unemployment.

Teenage labour force participation actually edged up from 54% to 56.6%, while it declined for young adults from 81.4% to 77.6% in the period August 1992 to August 2004. The comparable rates for those aged 25 to 54 hovered around the 80% mark.

Some other relevant developments in the youth labour market, but over a longer time frame, were as follows:

- Whilst there has been some growth in the youth labour market in recent years, there has been a long term decline in full time jobs for young people. Full time employment for teenagers declined by approximately two thirds between 1971 and 2004 and by 13% for young adults. The number of full-time jobs for young Australians now numbers just over 900,000 compared to just under 1.1 million in 1991.

- There has been a significant shift in the balance of full-time and part-time work for young Australians. The full-time to part time ratio has changed from 82:18 in 1983 to 54:46 by August 2004. Assuming that this trend continues, part-time work will soon become the norm for Australians under 25. Compare this with the fact that 73% of the unemployed young adults at August 2004 were seeking full-time work.

- The ABS (2004) also reported that approximately half of youth jobs in terms of occupational status were concentrated in the basic and intermediate clerical, sales and service workforce in August 2003. This represented an increase of 6% since 1986 and warrants continuing attention.
• The proportion of young people in trade occupations is declining (Toner 2003). For both teenagers and young adults those in trades over the same period (1986 to 2003) fell to 12.8% and 16.8% respectively.

• There has been a solid increase in professional and associate professional or managerial work and advanced clerical and service workers, mainly for young adults.

**Supply-side Youth Labour Market Changes**

On the supply side of the youth labour market commentators have noted the generally increasing rates of teenage and young adult participation in education and training (Dusseldorp Skills Forum 2004, NCVER 2002).

Table 1 provides an overview of these changes with teenage participation in education rising from approximately two thirds in 1988 to over three quarters in 2003. The comparable figures for young adults rose from just under one fifth to over a third in the same period.

<table>
<thead>
<tr>
<th></th>
<th>1988</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>66.0</td>
<td>77.5</td>
</tr>
<tr>
<td>20-24</td>
<td>19.5</td>
<td>37.5</td>
</tr>
</tbody>
</table>

Source: ABS Cat. No 4102.0 and 4111.0

The rise in educational participation is reflected in increasing secondary school retention rates, a relatively recent phenomenon in Australia according to Keating (2003) that mainly kicked in during the 1980s and an increased uptake of Technical and Further Education (TAFE) and higher education, mainly concentrated in the 1990s. Many commentators have reported on exceptions to these generally positive pictures especially for boys, those young people who live in certain rural and regional areas and where family income is often an issue (ACER 2002).

Table 2 indicates, for example, a considerable and generally increasing retention rate differential between males and females for the period 1981 to 2003. It also shows that school retention jumped in the 1980s and peaked at the time of the early 1990s recession – further, the retention rate is yet to return to the level recorded in 1992.
Table 2  
Apparent School Retention rates (%)  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 12</td>
<td>34.8</td>
<td>48.7</td>
<td>77.1</td>
<td>71.3</td>
<td>73.4</td>
<td>75.4</td>
</tr>
<tr>
<td>Fe Yr 12</td>
<td>37.8</td>
<td>52.1</td>
<td>82.0</td>
<td>77.0</td>
<td>79.1</td>
<td>80.7</td>
</tr>
<tr>
<td>Ma Yr 12</td>
<td>32.0</td>
<td>45.6</td>
<td>72.5</td>
<td>65.9</td>
<td>68.1</td>
<td>70.3</td>
</tr>
</tbody>
</table>

Source: ABS Schools Australia 2003 (Cat. 4221.0), ABS Social Trends 2004.

Retention rates appear to respond inversely to the buoyancy of the youth labour market but over time they also appear to have been assisted by the restructuring of upper secondary schooling to offer more applied or practically oriented Vocational Education and Training (VET) (Teese and Polesel 2003, MCEETYA 2003).

Total VET enrolments delivered by TAFE and other publicly funded agencies have also risen almost 40% in the twelve years to 2003 (NCVER 2002, 2003). Within this broader picture, involvement by indigenous students in TAFE has more than doubled over a similar period. More generally too, it appears that a considerably higher proportion of all young people are now undertaking studies at TAFE outside the traditional trades.

NCVER reported that the total number of apprenticeships and traineeships increased by just under 150% from 163,300 to 406,900 in the seven years to 2003, with most of that growth recorded in traineeships (Table 3). In looking at a range of ABS data sources the project concluded that participation in higher education of those aged 15-24 grew from 7.7% in 1983 to 19.6% in 2003.

Table 3  
Apprentices and Trainees in training (000) – Dec 2003 Quarter.  

<table>
<thead>
<tr>
<th></th>
<th>Apprenticeships</th>
<th>Traineeships</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>101.3</td>
<td>62.0</td>
<td>163.3</td>
</tr>
<tr>
<td>1999</td>
<td>107.9</td>
<td>147.3</td>
<td>255.2</td>
</tr>
<tr>
<td>2003</td>
<td>125.3</td>
<td>281.6</td>
<td>406.9</td>
</tr>
</tbody>
</table>

Source: NCVER 2004, NCVER 2004 (a)  
* Less than 10% over age 25.

The preceding analysis has noted the longer term trends to increased teenage and young adult education participation but some concerns persist. The ACER (2001, 2003) and the BCA (2003) amongst others, report that approximately 90,000 young Australians still leave school each year before completing year 12. Marks (ACER 2003) suggested that approximately one third of these find ongoing work and another third will find a mix of
work and study. In national policy terms, these commentators tend to express most concern about the 30,000 or so who appear to leave school and find little or no immediate work and undertake no further study.

The broad interaction of these changing youth labour market and education and training patterns of participation for the period 1986 to 2004 is summarized in Tables 4 and 5. The year 1986 has been chosen as a baseline because it represents a mid point between Australia’s two most recent recessions.

Table 4 illustrates a significant decline for teenagers in full time employment over the period 1986 to 2004 and a welcome decline in unemployment. The proportion of teenagers in full-time education and full time schooling or tertiary education rose from 53.5% in 1986 to 72.0% in 2004.

Table 4  
Teenage participation (%)*  

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not In Labour Force and Not In Full-Time Education</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Unemployed and Not In Full-Time Ed.</td>
<td>7.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Part-Time Employed and Not In Full-Time Ed.</td>
<td>4.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Full-Time Employed and Not In F-T Ed.</td>
<td>31.0</td>
<td>15.0</td>
</tr>
<tr>
<td>In Tertiary Ed FT (incl. P-T Employment or Unemployed)</td>
<td>8.5</td>
<td>17.0</td>
</tr>
<tr>
<td>At School F-T (incl. P-T Em. or Unem.)</td>
<td>45.0</td>
<td>55.0</td>
</tr>
</tbody>
</table>

Source: ABS Cat. 6291.0.55.001 LM3  
* Figures do not necessarily add to 100 due to rounding.

Table 5 offers a comparable picture for young adults.

It records a significant decline in young adults involved in full-time employment and not in full-time education. There is also a welcome decline in young adult unemployment and a trebling in those young adults who are in tertiary education full-time.
Table 5 Young Adult participation (%)

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not In Labour Force and Not In Full-Time Education</td>
<td>13.5</td>
<td>11.0</td>
</tr>
<tr>
<td>Unemployed and Not In Full-Time Ed.</td>
<td>9.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Part-Time Employed and Not In Full-Time Ed.</td>
<td>6.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Full-Time Employed and Not In F-T Ed.</td>
<td>64.0</td>
<td>47.0</td>
</tr>
<tr>
<td>In Tertiary Ed FT (incl. P-T and F-T Em and NILF)</td>
<td>7.5</td>
<td>24.0</td>
</tr>
</tbody>
</table>

Source and Note: As for Table 4 above

One of the groups here that would be worth knowing some more about is the young people who are listed as NILF and not in full-time education or training. Dusseldorp (2004) reported that the NILF figure for young adults is considerably higher than for teenagers, and males in this group report a considerably higher level of disability or illness than females.

Transition and Risk problems

Whilst there has been considerable success on both the supply and demand sides of the youth labour market, Australia continues to have a persistent youth unemployment problem. There are three main dimensions to this persistence.

- Australia does continue to have a youth unemployment problem in *quantitative* terms.

Even after discounting the ABS youth unemployment figures (Biddle 2001) for those who are listed as unemployed but are undertaking full time education or training, there were still 123,3000 young Australians aged 15-24 who were identified as unemployed at August 2004 and not participating in full time education or training. This represents a sizable group numbering approximately one in every twenty young Australians aged 15 to 24.

Further, the trend rate decline in the ABS estimate of youth unemployment in Australia in recent years has been at the relatively slow rate of approximately 5,000 per year in the
eight years to August 2004, somewhat surprising given that full time employment alone grew by just under 1 million jobs in the period 1991 to 2004. Assuming that youth unemployment continues to decline at this relatively slow rate then there will still be approximately 200,000 young Australians unemployed by 2010, of whom approximately 100,000 would not be in full-time education or training.

• Australia also has a demand-side equity problem in the youth labour market. The available data shows that there are still a relatively high number of young people who remain out of work for longer than six months. As many commentators have noted this can presage ongoing employment and income difficulties (The Smith Family, 2003, Chapman and Gray 2002).

Whilst there has been a welcome reduction in the average duration of unemployment amongst young Australians, there were still approximately 36,000 who had been unemployed for longer than 26 weeks and not undertaking full time education or training at August 2004 (1).

Mission Australian and the members of YSAG are concerned that the situation of the longer term unemployed is often complicated by issues of poor physical and mental health, financial insecurity, problems at home or with family, and trouble with legal authorities.

Available ABS data suggests that while the 15-24 youth unemployment rate tends to be about twice the average of the national labour force, some sections of the youth community have considerably higher rates.

Indigenous young people, for example, have unemployment rates approximately twice as high as non indigenous youth.

An interesting outcome of the project is a finding that shows that approximately 60 per cent of Australia’s youth unemployment at the time of the 2001 Census was concentrated in about ten per cent of Australian Local Government Areas (LGAs). Fifteen LGAs accounted for 30,000 of the young unemployed in New South Wales, 18 in Victoria also accounted for 30,000, and 11 LGAs in Queensland (excluding Brisbane and the Gold Coast) contained 17,000.

• A third problem is a supply-side equity issue.

As was noted above, there is a considerable number of young Australians who leave school or study each year and do not undertake further education and training. Many commentators have noted the limited employment or precarious labour market options
for these young people (Dusseldorp Skills Forum 2004, Furlong 2004). National retention rates in a prospering economy are still lower in 2003/4 than they were at the peak of the early 1990s recession.

**National Policy and Program Infrastructure**

So what then have been the main features and effects of the Australian policy and program infrastructure in relation to the youth labour market, unemployment and assisting young people to make positive youth to adult transitions? And what can be said briefly from the research about the efficacy of those provisions.

*Supply-side Initiatives*

Despite the fact that most of the progress achieved in increasing school retention occurred in the period between Australia’s two most recent recessions, Australia is seen to have performed strongly on the supply side of policy and program provision for young people – this has been acknowledged in relatively positive OECD reports and assessments (2000, 2002).

Most high income countries regard increased participation in education and training as a primary source of economic growth and increased social opportunity, even though there may be significant differences in how each country or jurisdiction seeks to implement the goal of higher participation in education over the life cycle (World Bank 2000, OECD 2000).

In our federation, the States and Territories have the major responsibility for schooling and vocational education and have often acted in concert to achieve improved school and post-school study training and vocational options. The States also have the primary responsibility for TAFE and private providers of training.

Measures underway in most or many states to assist young people in the school to work or further study transitions include the rapid expansion of VET in schools, the development of applied certificates of learning at the upper end of the secondary schooling, for example the two year Victorian Certificate of Applied Learning (VCAL), and legislation to increase the compulsory school leaving age from 15 to 16.

Many of the States have instituted individual curriculum and post school study or career planning while some have complemented this with follow-up destination tracking.
The Commonwealth Government has also had an active, though smaller, role in encouraging improved school to work transition through the Jobs Pathways Program (JPP) for young people age 14-19 and the Partnership Outreach Education Model (POEMs) undertaken by approximately 1000 school leavers in 2002/2003. Other relevant Commonwealth schools projects are the Career and Transition Pilots (CATs).

Schools also offer school based apprenticeship options and an increased array of technology based, enterprise and hands on projects or study units. Many local communities have joined together to smooth out the transition of young people to further study, work and the community. Both Western Australia and Victoria have put in place Local Learning and Employment Networks which bring together educational, business and community interests to improve student post school outcomes.

The overall impact of these developments has been to lift secondary retention rates after they fell back dramatically in the mid 1990s and to encourage increased participation in post school training and higher education. As previously noted there are significant equity issues for those young people who leave school early and who do not undertake further study. There are also some significant systemic issues between states and for the nation generally about increased school retention, the kinds of studies undertaken by students, accreditation systems, comparable vocational study and equity issues for those who leave before completing Year 12.

Many states have set a target of 90 per cent involvement of young people in Year 12 or equivalent vocational studies and have achieved significant progress towards this in recent years.

Demand-side Reform

Young Australians who leave the schooling and education and training systems with varying degrees of success now encounter a significantly different set of economic conditions and national employment service than existed little more than a decade ago. Today’s youth enter an economy that is achieving significant growth but experiencing some tightening up in the labour market and where inflation pressures may be starting to reemerge.

As the OECD regularly observes, the best defence against high youth unemployment rates is a buoyant economy and this has generally been the Australian experience throughout the last decade, save for the fact that most of the increased full time work dividend seems to have been bypassing the under 25 age group. The research
concluded, for example, that full time jobs in the youth labour market contracted by over 450,000 in the period 1981 to 2004 while they rose by over 1.5 million for the over 25 age group (ABS 2004).

As commentators like Considine (2001) have reported Australians, not just younger ones, experience significantly altered employment service arrangements at the Commonwealth level that are more customer focused and commercially oriented through the Job Network. Key changes include an increased role for not-for-profit organizations and for profit-businesses, a payment system linked to client exit destinations, and new individual assistance provisions.

The Productivity Commission reported (2002) that under Job Network 2 contract arrangements, at the three months outcome point just over one third of all clients were employed, a further 40% were unemployed and 14% were not in the labour force. Finn (2001) concluded that while the new arrangements were more cost effective, the main focus of the new network was on entry level jobs.

More recently, DEWR (2004) reported that Job Network 3 delivered over half a million job placements and close to 600,000 intensive support instances in the financial year to end June 2004. Of those young people who received Intensive Support 56.3% were reported in employment after 3 months and 40.8% were off income support after three months.

One of the Commonwealth programs on the demand side of most direct importance to young Australians is Job Placement, Education and Training (JPET). Whilst approximately $1billion is spent on the Job Network annually, JPET is a complementary program costing just over $19 million in 2003/2004 that is primarily targeted to those aged 15-21 who are homeless, at risk of homelessness, refugees or ex-offenders. The average stay for a participant is 6 months and just under 14,000 participated in 2003-2004 (FaCS 2004).

Twenty eight per cent of participants were in a job outcome 3 months after finishing the program and 33% were in an education or training outcome.

The Personal Support Program (PSP) is another Commonwealth funded complementary program that assists young people amongst others. Approximately 5000 of the 40,000 people assisted under this program were under 25 and overall the program achieved a one in eight tangible outcome.

Work For the Dole (WFD) involves undertaking a program of approved activity with accredited agencies and applies to all those age 18 to 49 who are in receipt of
unemployment income support. Young people are often referred to this program after three months on benefits.

Greencorps is a training and work program in environmental projects run by one agency, with quite a different structural model than PSP, WFD or JPET. It was funded to $23.5 million in 2003-2004 and involved about 1700 young people. It has a relatively high unit cost of approximately $13,800 per participant in contrast to JPET (approximately $1500) and PSP (estimated $1000).

A new program that is coming on line at the Commonwealth level is Youth Employment Consultants to work with young indigenous unemployed.

Whilst the States and Territories have limited direct constitutional responsibility for employment services or programs most States and Territories have put in place some demand side initiatives for young people. These include:

- Priority Communities capital works in 22 indigenous communities, and Skills Gaps employment and training for long term unemployed young people (New South Wales).

- Jobs for Young People program that pays a one off subsidy of $9000 to local government for young apprentices and trainees, Community Jobs and the Youth Employment Scheme (Victoria).

- Get Set for Work funding to assist 15-17 year old early school leavers reengage with education, training and employment, and Youth Training Incentives that provide a subsidy to business in rural and remote areas (Queensland).

- Public sector and traineeships in Western Australia, Youth Development Officers in South Australia, Youth Recruitment in Tasmanian Government Departments, employment and training incentives in the Northern Territory and support for indigenous businesses in the ACT (2).

Considine and Finn (2004) expressed concern that there is a lack of co-ordination between levels of government on labour market programs. They also raised concerns about:

- No immediate job referral on registering for income support with Centrelink– clients are directed to a Job Network provider.

- Delays in some clients obtaining intensive support.
• A need for a more comprehensive suite of substantial training and work options for longer term unemployed.

• A greater level of involvement with businesses and employers especially in locations of high unemployment.

• A lack of youth specialists at Centrelink and in the Job Network.

These issues place a considerable onus on the Job Network providers to move quickly. Job Network procedures have also been amended to extend job search training immediately to young people. Specific provisions are also in place to provide intensive assistance more urgently to those young people who are deemed eligible for intensive support in the Job Network.

**Youth Allowance and Social Risk**

An important component of the overall transition provisions for young people are the youth allowance and social support systems.

The frontline is the Youth Allowance which is accessed by over 370,000 16 to 24 year olds in full-time education and approximately 80,000 young people seeking work in the 16-20 age group. Approximately 85,000 young people age 21 to 24 were receiving Newstart in 2003-2004 (unpublished Centrelink data, 2004).

Just over 45,000 young people age 15-24 were receiving the Disability Support Pension (DSP) at September 2004 which is paid to young people who are not able to work a minimum of 30 hours per week.

The Commonwealth and the States, often jointly, fund a series of major programs to assist young people, including unemployed youth, in need of significant social support. These include the Supported Accommodation Assistance Program (SAAP) for homeless young people or those at risk of homelessness, the Innovative Health Services for Homeless Youth and Reconnect. As many as 32,600 young people were assisted by SAAP in 2002-2003.

Reconnect enables 12-18 year-olds to stay connected to families and supported approximately 5000 individuals at a cost of about $20 million in 2003-04. The Commonwealth and the States between them run another 10-15 programs of direct relevance to young people experiencing disrupted community and social transitions.
ranging from Youth Liaison Workers, Youth Development Programs, Post-corrections employment support, Youth Counsellors and Workers, Youth Health Teams and various Mentoring or Modelling projects.

**A Brief International Comparison**

Before turning to feedback from the consultations for the project it can be noted that Australia has not had these major Youth Labour Market, Education and Social Transitions to itself (OECD 2000). Table 6 illustrates, for example, that Australia has been a mid performing nation in terms of reducing youth unemployment. The project research found that a number of other countries have allocated considerably higher levels of funding to demand side youth labour market initiatives, for example Belgium and France. (OECD 2002).

![Table 6](Table6.png)

Table 6  Unemployment – 15 to 24 year olds (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>11.1</td>
<td>6.6</td>
</tr>
<tr>
<td>Ireland</td>
<td>17.7</td>
<td>7.6</td>
</tr>
<tr>
<td>New Zealand</td>
<td>14.1</td>
<td>10.2</td>
</tr>
<tr>
<td>Japan</td>
<td>4.3</td>
<td>10.2</td>
</tr>
<tr>
<td>Germany</td>
<td>4.5</td>
<td>10.6</td>
</tr>
<tr>
<td>Australia</td>
<td>13.2</td>
<td>11.6</td>
</tr>
<tr>
<td>United Kingdom (a)</td>
<td>10.1</td>
<td>11.5</td>
</tr>
<tr>
<td>United States (a)</td>
<td>11.2</td>
<td>12.4</td>
</tr>
<tr>
<td>Canada</td>
<td>12.4</td>
<td>13.8</td>
</tr>
<tr>
<td>Belgium</td>
<td>14.5</td>
<td>19.0</td>
</tr>
<tr>
<td>France</td>
<td>14.5</td>
<td>(b)20.2</td>
</tr>
<tr>
<td>Italy</td>
<td>31.5</td>
<td>26.3</td>
</tr>
</tbody>
</table>

Source: OECD 2002, OECD 2004  
(a) 16-24 year olds  
(b) 2002 data

**What The Consultations Found**

An important component of this project has been approximately 40 one-on-one or group discussions about the transition outcomes, processes and structures for young people with a particular focus on youth unemployment (3). Approximately one third of these
were undertaken with young people and those who work with them, one third with business and business groups, and the remainder with representatives of community, youth and government organizations.

The discussions were undertaken around Australia in both metropolitan and regional settings. The consultations were complemented by an internal survey of approximately 40 Job Network centre managers within Mission Australia towards the end of 2004 and three phone conferences with Mission Australia team leaders of JPET, WFD and PSP.

**Demand-side Transition Outcomes**

Business representatives expressed the view that the Australian youth labour market is generally robust and there is a high demand for youth labour. They noted the switch to part-time and casual work and remarked this can work for and against young people. Some business representatives noted significant youth labour market variations between cities and regions.

A national recruitment manager with a major youth retailer remarked:

*No business will turn away a young staff member with the right personality, outlook, drive, determination and the overall package – business is about finding the right people to grow it.*

A youth support centre co-ordinator who had worked with young job seekers in a metropolitan corridor for over a decade noted that this did not apply to lower skilled young people.

When the researchers surveyed Job Network managers at Mission Australia towards the end of 2004, over two thirds viewed the youth job labour market as buoyant, while one quarter responded that it was not buoyant.

Young people who had left education and had not been successful in obtaining regular work expressed the view that jobs were there to be obtained but you have to “put your head down”. Other young people seemed more selective and did not want to have to take just any job that was available.

Other young people in complementary programs remarked that “good work is hard to get” and “it’s not easy to find”.


Supply-side Processes

The survey of Mission Australia Job Network managers found that over 80% thought that fewer than 40% of young clients were job ready when they registered with our services. They identified the following factors as the major causes of longer – term youth unemployment (defined as being unemployed for more than six months), low motivation (46%), lack of transport (15%), inadequate language, poor literacy and numeracy skills (7%), substance abuse (7%) and a mix of others including cultural factors, family conflict, lack of mentors and low self esteem.

Discussions with JPET, PSP and WFD staff co-ordinators reinforced these observations with staff expressing concern about young clients with a “lack of skills”– technical, language and personal, “high special needs”, “lack of work experience”, and “poor presentation skills”.

Managers, Co-ordinators and Staff within Job Network and the complementary programs spoke positively about what they provide for young unemployed people, ranging from somewhere to come to and get practical help, through to assistance with literacy and numeracy, increased self esteem outcomes and greater self confidence. They highlighted the value of soft outcomes as distinct from the traditional emphasis on job and income outcomes.

They also spoke extensively about the accommodation and financial problems that many young people encounter. Not having a licence, getting into trouble with the law, no transport access, and family strife were factors that were identified as obstacles to successful entry to work.

Young people and those who work with them indicated that they did not think employers were without responsibility in these matters:

I talked to a young guy the other day – I organised him a job through one of the group training groups – computer whiz this kid. I got him a job putting sheds up …and the way he was treated - after two weeks he came back and said ‘listen, I don’t think I really want to work if this is what you get treated like’.

An often heard issue was the de-motivation of low pay rates. Young people in a complementary program commented about pay rates for apprenticeships:

Well at the start there may not be much money – like an apprenticeship is like being unemployed, not much money and three years is too long to keep happy. I know people who hate the job but they need the job.
Or further:

Some people get more money from drugs than working for an employer...

Transition Structures

The general feedback from those who work with the young unemployed was that they often work with clients for too short a time and that more intensive and better joined up services are needed. The key priority is to “smooth the way”. The researchers were advised that many of the young people seem to be a long way from being job ready.

Business leaders remarked that they were keen to assist young people in accessing and succeeding in the youth labour market but did not always think that governments acted on this.

Young people, businesses and employment staff and managers offered many suggestions about ways to make significant inroads into entrenched youth unemployment. They included:

- Improved transport access
- More secure housing options
- Earlier intervention in the school situation
- More work experience
- Increased funding for intensive training
- Enforced participation in programs
- Same wage rates for all workers irrespective of age
- Better induction in jobs
- Mentoring and coaching.
- Higher level of business involvement.

The project has identified a number of good practice projects and programs. Five which provide some pointers to improved youth employment policy and program are as follows:

- Unilever World of Work initiative in NSW combining paid work and the potential for ongoing work opportunities to long term unemployed youth. It also includes a training component. This is a business driven response to assist longer term unemployed people.
• Regional Environment Employment Program (REEP). This has been running in a variety of formats and districts in Victoria and combines twelve months of part-time study at TAFE with paid employment in environmental rehabilitation. The program has had strong success with indigenous youth.

• Lab 3000 in Victoria offering VCAL technology units to disengaged young people who are then linked into TAFE Certificate 2 studies. Participants report remarkable improvement in motivation and self-confidence.

• The Danish Production Schools where up to 30 or 40 young people undertake relatively sustained education with strong local community support. The schools have their own legislation and local governments provide a large component of the capital support to the program. The central government funds the participants at a high cost rate.

• The Macarthur Youth Commitment in NSW where youth services are provided in a joined up way.

Concluding note

As mentioned at the outset of the paper, the research phase of the project is reaching a conclusion and more attention is now being given to the advocacy aspects of the project. It is expected that a report will be released during 2005.

An important challenge is to identify the kind of balance that best serves Australia between labour force participation, educational participation, social cohesion, and financial security. This challenge clearly impinges on how transition and risk is assessed or addressed in other age groups, not just amongst the younger members of our community (European Commission 2002).
Endnotes

1 The ABS Labour Force Cat. 6291.0.55.001.UMI reported 29,800 unemployed teenagers for longer than 26 weeks and 31,400 young adults. The ABS data also reports that 39% of teenagers were not engaged in full time education, the young adult figure is 78%. Using these assumptions it is estimated that there were 11,622 teenagers and 24,492 young adults or just over 36,000 young Australians who were unemployed and not in full time education at August 2004.

2 The forthcoming project report includes a more detailed review and assessment of major Commonwealth and State Labour Market, Education and Social Transition policy and programs.

3 As for endnote 2, the forthcoming report includes an extended discussion of views on Youth Transition Outcomes, Processes and Structures.

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Disclaimer:

All reasonable effort has been undertaken by the authors to ensure information is correct at the time of publication.

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Abbreviations

ABS  Australian Bureau of Statistics
ACT  Australian Capital Territory
ACER Australian Council for Education Research
BCA  Business Council of Australia
CAT  Career and Transition pilots
DEWR Department of Employment and Workplace Relations
DSF  Dusseldorp Skills Forum
DSP  Disability Support Pension
FaCS Family and Community Services
JPP  Jobs Pathways Program
JPET Job Placement Employment and Training
LGA  Local Government Area
LLEN Local Learning and Employment Network
LLNP Language, Literacy and Numeracy Program
MCEETYA Ministerial Council on Education, Employment, Training and Youth Affairs
NCVER National Centre for Vocational Education Research
NILF Not In Labour Force
OECD Organisation for Economic Co-operation and Development
POEMs Partnership Outreach Education Model
PSP  Personal Support Program
REEP Regional Environment Employment Program
SAAP Supported Accommodation Assistance Program
TAFE Technical and Further Education
VCAL Victorian Certificate of Applied Learning
VET  Vocational Education and Training
WFD  Work For the Dole
YSAG Youth Strategy and Advocacy Group