# CONTENTS

## CHAPTER 1  YOUTH UNEMPLOYMENT IN AUSTRALIA

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation jobless: more than half a million young people underemployed or unemployed</td>
</tr>
<tr>
<td>Barely working: young and underemployed in Australia</td>
</tr>
<tr>
<td>Youth unemployment: as bad as it is now, Australia has seen worse</td>
</tr>
<tr>
<td>Employment outlook: how does Australia compare?</td>
</tr>
<tr>
<td>On the treadmill: young and long-term unemployed in Australia</td>
</tr>
<tr>
<td>Long-term youth unemployment triples in six years: study</td>
</tr>
<tr>
<td>Welfare groups warn of tough times as youth unemployment skyrockets</td>
</tr>
<tr>
<td>Young people’s employment</td>
</tr>
<tr>
<td>The nature of young people’s jobs</td>
</tr>
<tr>
<td>Is job insecurity becoming the norm for young people?</td>
</tr>
<tr>
<td>Employment for new graduates: slow but steady</td>
</tr>
</tbody>
</table>

## CHAPTER 2  RESPONDING TO YOUTH UNEMPLOYMENT

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian youth unemployment snapshot</td>
</tr>
<tr>
<td>Finding a policy fix for youth unemployment</td>
</tr>
<tr>
<td>No easy fix for youth unemployment</td>
</tr>
<tr>
<td>Recommendations: opportunities to boost youth employment</td>
</tr>
<tr>
<td>Youth unemployment and underemployment: the issues</td>
</tr>
<tr>
<td>The consequences of youth unemployment</td>
</tr>
<tr>
<td>Australian youth stuck in the jobless queue</td>
</tr>
<tr>
<td>Unemployment is hitting youth hard: this is what we should do</td>
</tr>
<tr>
<td>Pain now, rewards later? Young lives cannot be relived</td>
</tr>
<tr>
<td>Earning, learning or confused: mixed signals on jobs for young</td>
</tr>
<tr>
<td>Why rising youth unemployment demands our urgent attention</td>
</tr>
</tbody>
</table>

### Exploring issues – worksheets and activities | 49
- Fast facts | 57
- Glossary | 58
- Web links | 59
- Index | 60
INTRODUCTION

Youth Unemployment is Volume 387 in the ‘Issues in Society’ series of educational resource books. The aim of this series is to offer current, diverse information about important issues in our world, from an Australian perspective.

KEY ISSUES IN THIS TOPIC

Currently, young people are more likely to be underemployed than at any time in the last 36 years; the national unemployment rate among 15-24 year olds stands at around 14% — the highest rate since October 2001, and twice the overall jobless rate.

The pool of entry-level jobs available is diminishing and the jobs available to young people are mostly casual, temporary or part-time. For an increasing number of vulnerable young people the basic goals of having a decently paid job and owning a home are becoming elusive. As employment opportunities are denied and government welfare benefits reduced, self-respect and dignity are eroded, and potential is lost. With no easy fix in sight, is job insecurity becoming the norm for many young Australians?

This book presents the latest youth employment statistics and key report findings, and explores a range of government and social sector strategies aimed at tackling youth unemployment and underemployment.

SOURCES OF INFORMATION

Titles in the ‘Issues in Society’ series are individual resource books which provide an overview on a specific subject comprised of facts and opinions.

The information in this resource book is not from any single author, publication or organisation. The unique value of the ‘Issues in Society’ series lies in its diversity of content and perspectives.

The content comes from a wide variety of sources and includes:

- Newspaper reports and opinion pieces
- Website fact sheets
- Magazine and journal articles
- Statistics and surveys
- Government reports
- Literature from special interest groups

CRITICAL EVALUATION

As the information reproduced in this book is from a number of different sources, readers should always be aware of the origin of the text and whether or not the source is likely to be expressing a particular bias or agenda.

It is hoped that, as you read about the many aspects of the issues explored in this book, you will critically evaluate the information presented. In some cases, it is important that you decide whether you are being presented with facts or opinions. Does the writer give a biased or an unbiased report? If an opinion is being expressed, do you agree with the writer?

EXPLORING ISSUES

The ‘Exploring issues’ section at the back of this book features a range of ready-to-use worksheets relating to the articles and issues raised in this book. The activities and exercises in these worksheets are suitable for use by students at middle secondary school level and beyond.

FURTHER RESEARCH

This title offers a useful starting point for those who need convenient access to information about the issues involved. However, it is only a starting point. The ‘Web links’ section at the back of this book contains a list of useful websites which you can access for more reading on the topic.
The Brotherhood of St Laurence analysis of Australian Bureau of Statistics data found when you add those who are without any work, more than 580,000 young Australians are now either underemployed or unemployed. Overall, this represents more than a quarter of 15 to 24 year olds in the labour market.

“This devastating data highlights just how much the job market has changed for youth attempting the transition from school to work in the Australian economy,” said Tony Nicholson, Executive Director of the national anti-poverty group.

“Young Australians are facing a dual assault on their aspirations for the future. The unemployment rate for young people now stands at the highest since 2001 and the underemployment rate for young people is the highest since 1978.

“As a nation we really need to develop the potential of our emerging generation, but far too many of our young people are now at risk of joining the ranks of ‘Generation Jobless’ in the modern economy,” he warned.

Mr Nicholson’s comments follow the latest national unemployment rate nationally for those aged 15 to 24 registering at 14.1 per cent in July – the highest rate since October 2001.

The Brotherhood of St Laurence report, Barely Working: Young and Underemployed in Australia, shows that:
• With more than 15 per cent of 15-24 year olds in the labour market underemployed, young people are more likely to be in this limbo situation than at any time since 1978 when this ABS data series began.
• The trend to youth being underemployed has intensified since the Global Financial Crisis.
• The proportion of employed people between 15 and 24 years of age who are underemployed is now twice that among the overall working-age population.
• Young people are much more likely to be employed precariously, on casual or fixed-term contracts. For every year but one between 2001 and 2012 the proportion of employed young people in non-permanent work was more than 50 per cent, while for all age groups it ranged between 30 and 35 per cent.

Mr Nicholson said that the Global Financial Crisis had ushered in tighter labour markets, limited job opportunities and insecure employment – especially for young people.

“Young people really do aspire to the same mainstream life goals as their parents and grandparents – they want a home, a job, relationships and a decent income,” Mr Nicholson said.

“Alarmingly, these goals are becoming unattainable for an increasing number of youth. There are fewer entry-level jobs and the work they can get is increasingly casual or temporary. These insecure jobs are more vulnerable to being axed and less likely to offer training and career advancement.

“The way we deal with young people going through one of the most vulnerable periods of their lives must foster aspiration and real hope, not further alienation.

“Just tinkering with welfare policy won’t help and withdrawing benefits for some of our most marginalised young people will have harsh unintended consequences.

“Australia really needs a national youth transitions strategy to assist young people to build their qualifications, skills and experience to obtain a job and create a good future for themselves,” Mr Nicholson said.
BARELY WORKING: YOUNG AND UNDEREMPLOYED IN AUSTRALIA

It’s the great untold story of the current youth jobs crisis: youth unemployment in Australia has risen sharply but so has youth underemployment, reports the Brotherhood of St Laurence.

Today, young people are more likely to be underemployed – to have some work but want more hours – than at any time in the last 36 years. With the unemployment rate among those aged 15 to 24 at July 2014 standing at 14.1 per cent – itself the highest rate since October 2001 – young Australians are facing a dual assault on their aspirations for the future as they negotiate the modern economy ...

TREND ANALYSIS: The bad news about youth and underemployment

Presently, there are more than 310,000 people aged 15 to 24 who are underemployed in Australia. When you add the numbers who are without any work, more than a quarter of 15 to 24 year olds in the labour market – that is, more than 580,000 young Australians – are either underemployed or unemployed.

Figure 1 shows the rate of underemployment for the 15-24 age group and for the overall employed population from February 2000 to May 2014. The proportion of employed people between 15 and 24 years of age who are underemployed is now twice that among the overall working-age population.

The graph also shows an upward trend in underemployment among young workers, which accelerated after the Global Financial Crisis (GFC) in 2008. By May 2014, more than 15 per cent of workers in the 15-24 group were underemployed – the highest rate since this ABS data series started in 1978, when the rate stood at 3.1 per cent.

TOO FEW YOUNG WORKERS IN PERMANENT JOBS

Young people in the workforce are more likely to be underemployed because of the types of jobs open to them. In particular they are more likely to be in non-permanent jobs than other age groups.

Figure 2 compares the proportion of employed 15 to 24 year olds who are employed on casual or fixed-term contracts with that of all workers aged 15 to 64. For every year between 2001 and 2012 except 2008 the proportion of employed youth with a non-permanent contract was more than 50 per cent, well above the proportion for all workers, which ranged between 30 and 35 per cent.

The gap has widened since the GFC as the proportion of young employees in precarious jobs has grown faster than for any other age group. This suggests a serious
deterioration in the employment conditions of many young people, who face increasing difficulty in finding secure employment.

**KEY INDICATOR:**
Labour underutilisation nears historic high

The labour force underutilisation rate is a measure that combines the numbers of the unemployed and the underemployed, as a proportion of the labour force. It is another revealing indicator of the scale of the problem facing young people seeking work today.

*More than a quarter of the young Australians in the labour force are either unemployed or working fewer hours than they would like.*

As Figure 3 shows, the GFC was a turning point in the trend of underutilisation of the youth labour force in Australia. By May 2014 the underutilisation rate for the 15-24 age group had risen steadily to 28 per cent, close to the historic high of 30 per cent reached in the early 1990s.

**THE HUMAN COSTS OF UNDEREMPLOYMENT**

While young people today are negotiating a more complex world than their parents and grandparents, their aspirations are surprisingly similar. They want and need the most basic things: a home, a job, relationships and a decent income. In Australia, these are understood to be utterly mainstream ambitions.

Yet for an increasing number of young people these goals are fast becoming elusive. The pool of entry-level jobs available to young people is diminishing and the jobs they can get are increasingly casual, temporary or part-time. These insecure roles are also more vulnerable to being axed and less likely to offer career development, opportunities and training.

Tinkering with welfare policy, while ignoring the realities of the new risks and opportunities present in our modern economy, is not going to provide an answer to the dual challenges of youth underemployment and unemployment.

The 580,000 young people identified in this paper are at risk of becoming a lost generation. Quite apart from their economic value to the labour market, as a society we can’t afford to waste their broader potential.
Youth unemployment: as bad as it is now, Australia has seen worse

The latest unemployment numbers show the jobless rate in Australia declined last month from a 12-year high in July 2014. But for young Australians aged 15 to 24, the unemployment rate remains stuck at close to 15 per cent. And though it may be hard to believe, Australia has seen much worse than that in the past, reports ABC News social affairs correspondent, Norman Hermant.

More than three decades ago, in 1982, some 270,000 young Australians aged 15 to 24 were unemployed. That is about the same number of young jobless as there is now. But back then, Australia had 8 million fewer people. The key difference is that now, the participation rate – the number of young people actively looking for work – is smaller.

The participation rate for young people has been going down consistently over time. And that means as a percentage, fewer young people are in the job market.

Professor Phil Lewis, director of the Centre for Labour Market research at the University of Canberra, says over the decades, more young Australians have finished high school and gone on to study at TAFE or university.

“The participation rate for young people has been going down consistently over time,” he said.

And that means as a percentage, fewer young people are in the job market.

“The number left wanting to participate in the labour force has actually been shrinking as a per cent of the total population,” Professor Lewis said.

Professor Lewis’s point is not so much that youth unemployment today is not serious, it is more like a problem Australia has struggled with for decades.

“We have to be very careful,” he said.

“I’m not belittling the problem. We saw it coming in the ‘70s and ‘80s, and very little’s been done about it.”

Mission Australia warns of increased casualisation of workforce

Of course, the fact Australia experienced higher levels of youth unemployment in the past is no comfort to those now struggling to get young people jobs.

Mission Australia CEO Catherine Yeomans said unemployment rates of 20 per cent for young people in some areas may actually significantly underestimate the real scope of the problem.

“When we look at our economy we can see an increased casualisation of the workforce,” Ms Yeomans said.

“We may be able to find people in employment but they are simply not getting the hours they need.”

In short, Ms Yeomans said the numbers do not tell the full story.

Eighteen-year-old jobseekers like Daniel Kirk would be happy for even part-time work. He left school a year early, planning to work for 12 months before focusing on a training course.

Of course, the fact Australia experienced higher levels of youth unemployment in the past is no comfort to those now struggling to get young people jobs.

His job hunt has been underway now for eight months, and so far there is nothing.

“Before starting work for the dole, I was doing the jobseeker diaries, doing those quotas, so all up getting up to 100 jobs,” he said.

“I haven’t even gotten as far as interviews.”

Like hundreds of thousands of other young people, he does not really have a choice. He will keep searching.

“You don’t really realise how hard it is to find a job when you’re unemployed until you have to find one,” he said.

“The problem is everyone’s looking for experience in their fields, and at my age you just don’t have that.”

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EMPLOYMENT OUTLOOK: HOW DOES AUSTRALIA COMPARE?

The latest edition of the *OECD Employment Outlook* reviews recent labour market trends and short-term prospects in OECD and key emerging economies. It zooms in on how the crisis has affected earnings, provides country comparisons of job quality, examines the causes and consequences of non-regular employment, and estimates the impact of qualifications and skills on labour market outcomes.

Despite recent increases in unemployment, Australia continues to fare better than many other OECD countries

Unemployment in Australia rose to a 12-year high in July of 6.4% (seasonally adjusted). While the short-term impact of the Global Financial Crisis had been comparatively modest, the unemployment rate has been increasing steadily over the past two years (by 1.2 percentage points since July 2012), driven by declines in mining investment and slower growth in China.

This stands in contrast with the experience of some other OECD countries, such as the United Kingdom and the United States. In these two countries, unemployment initially rose more than in Australia as a result of the crisis but is now on a downward path.

Despite the uptick in the unemployment rate in Australia, it still remains well below the average rate for the Euro area and for the OECD as a whole. Australia’s employment rate also remains well above the OECD average. In the second quarter of 2014, the rate for 15-64 year olds was 71.7% – 6.1 points above the OECD average – although 1.7 points down from its peak in 2008. Moreover, according to the most recent OECD economic projections from May 2014, the unemployment rate in Australia will begin to edge down in the second half of 2015, with a pick-up in general demand offsetting declining investment in the resource sector.

But more than one in ten youth are neither in employment nor in education or training

At 13.3% in the second quarter of 2014, the unemployment rate of young people (aged 15-24) has increased by 3.6 points in Australia since the end of 2007. But among out-of-school youth, inactivity, which is often the result of discouragement and marginalisation, is a bigger problem than unemployment.

A measure that captures both the risk of unemployment and inactivity is the share of youth neither in employment nor in education and training. Over the five years to December 2013, this share increased by 2.6 points to reach 11%, with inactive youth making up the largest part of it (nearly 60%).

The Australian Government has introduced a number of new initiatives starting from 1 July 2014 to help disadvantaged youth move away from welfare dependency and into a job, including: financial incentives to find and keep a job (the Job Commitment Bonus), skill development programmes (a reinvigorated Work for the Dole) and initiatives to support apprenticeships and traineeships (Jobs 2014). Measures were also announced to restrict access to unemployment benefits and the length of these benefits for young first-time job seekers. For some youth, these measures could result in increased financial hardship, and so their impact should be closely monitored.

Rising unemployment has put the brakes on wage growth

Starting from the second quarter 2012, real wage growth has slowed dramatically. This follows three years of sustained growth, as compared with stagnant or falling real earnings observed for the OECD area as a whole over the same period. The slowdown has been sharp in Australia: over

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**YOUTH NEITHER IN EMPLOYMENT NOR IN EDUCATION OR TRAINING**

Percentage of population aged 15-24, Q4 2013

- Young inactives and not in education or training
- Young unemployed and not in education or training
- NEET rate

Source: OECD calculations based on quarterly national Labour Force Surveys.

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Youth Unemployment Issues in Society | Volume 387

The 12 months to December 2013, real hourly wage fell by 0.5 points, as nominal earnings growth was outpaced by inflation. Data for Australia for the second quarter of 2014 suggest that real wages have fallen further.

**Australia performs well in terms of job quality**

People spend most of their day and a significant part of their life at work. Therefore, job quality is a key determinant of wellbeing. The 2014 OECD Employment Outlook paints a broad picture of job quality across OECD countries.

This is based on three main aspects of job quality: earnings quality (level of earnings and degree of inequality); labour market security (risk of job loss and income support available); and quality of the working environment (work demands and conditions, and resources and support available to cope with work demands).

Compared to other OECD countries, Australia performs well in two of these three dimensions. Australia does relatively well in terms of labour market security because of a relatively low risk of unemployment by OECD standards and a welfare system that, while not overly generous, still provides unemployed workers and their families with an effective income safety net. It also does very well in terms of the quality of the working environment. Relatively few workers report difficult and stressful working conditions, where high work pressure and difficult tasks are combined with insufficient resources and support in the workplace to accomplish job duties.

However, the index of earnings quality is not particularly high in Australia as it is dragged down by relatively high earnings inequality even though average earnings are also relatively high.

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OECD (September 2014).
OECD Employment Outlook 2014 – How does Australia compare?
ON THE TREADMILL: YOUNG AND LONG-TERM UNEMPLOYED IN AUSTRALIA

A report from the Brotherhood of St Laurence My Chance Our Future campaign, which aims to highlight the issue of youth unemployment

Youth unemployment has been marching upward in Australia in the aftermath of the Global Financial Crisis in 2008. The unemployment rate nationally among those aged 15 to 24 at March 2014 stands at 12.5 per cent – more than double the overall rate of unemployment.

The experience of being young and unemployed is also changing. The inexorable rise in the incidence of youth unemployment has come alongside an increase in the length of unemployment for those aged 15 to 24. In January 2008, the average duration of unemployment for a young person in Australia was slightly above 16 weeks. More than five years later – by February 2014 – the average duration had risen to nearly 29 weeks (ABS, 2014).

As Figure 1 shows, the number of young people who are long-term unemployed, defined as unemployed for 52 or more weeks, has significantly increased since 2008. According to the latest Australian Bureau of Statistics data, in February this year, more than 50,000 people aged between 15 and 24 have been on the unemployment treadmill for more than 52 weeks.

The number of long-term unemployed in this age group has more than tripled since 2008. As a consequence of this increase, the ‘long-term unemployed’ category now accounts for an increasing share of youth unemployment. In short, by February 2014, more than 18 per cent of the unemployed young people in Australia were consigned to long-term unemployment.

The impact of being young and long-term unemployed

A growing number of Australian youth are in danger of being locked out of stable employment for the long term. While the dynamic Australian economy offers immense opportunities, it also comes with great risks especially for young people. With employers now placing a premium on education, skills and work experience, securing that first step on the job ladder has become a harder and more complex task. The current labour market is a tough environment for all young people to

FIGURE 1: LONG-TERM UNEMPLOYED PERSONS (000’S) AUSTRALIA, 15-24 AGE GROUP, JAN 2008 – FEB 2014

FIGURE 2: PROPORTION OF UNEMPLOYED YOUTH IN LONG-TERM UNEMPLOYMENT (%) AUSTRALIA, 15-24 AGE GROUP, JAN 2008 – FEB 2014

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Youth Unemployment Issues in Society

The experience of unemployment hurts a young person's financial and psychological wellbeing, and these effects are felt more severely by those who experience long-term unemployment. The length of unemployment critically influences the prospects of securing employment because the longer a person stays out of the labour market, the less likely they are to find a job.

More than immediate hardship

The consequences of youth unemployment go beyond the immediate hardship experienced while unemployed. In fact, being unemployed as a young person increases the risk of unemployment later in life and has a deleterious impact on long-term welfare.

The impact of youth unemployment on future employment was recently analysed by Buddelmeyer and Herault (2010) (www.ncver.edu.au/publications/2318.html). These authors used data from the Longitudinal Surveys of Australian Youth (LSAY) to look at the impact of youth unemployment on subsequent outcomes. They found evidence of the scarring effect of youth unemployment, that is, experiencing unemployment or underemployment can increase the chances of subsequent and ongoing unemployment. Unemployed people lose 'employability skills' or are overlooked by potential employers.

The scarring effect can be particularly important among low-skilled individuals, as for this group accumulating job experience is critical to their engagement in the labour market.

Ongoing research at the Brotherhood of St Laurence aimed at analysing the impact of youth unemployment suggests a link exists between being unemployed when young (15-24 years of age) and adverse outcomes later in life. This research makes use of the longitudinal data from the Household, Income and Labour Dynamics in Australia (HILDA) survey. Started in 2001, the HILDA survey interviews about 13,000 individuals every year.

Of the 2,172 individuals included in our sample, 312 reported having been unemployed when they were young. Table 1 above compares the levels of unemployment and education of individuals in this group when they were 25 or older with the levels of those who did not experience unemployment when young.

Our results suggest that those who experience unemployment while young are more likely to be unemployed, have poor health and have lower educational attainment when they are older than those who are not affected by unemployment while young.

We found that more than 20 per cent of those who experienced youth unemployment were unemployed again when they were above 25 years of age. This proportion is more than three times as high as among those who were not unemployed while young (6.4 per cent). Youth unemployment is also associated with lower educational attainment: more than 62 per cent of those unemployed in their youth have less than Year 12 education and only 4.5 per cent have tertiary education. Lastly, those who were unemployed in their youth also report poorer health outcomes than the comparison group.


TABLE 1: YOUTH UNEMPLOYMENT AND OUTCOMES LATER IN LIFE

<table>
<thead>
<tr>
<th>Characteristics when aged 25+</th>
<th>Persons who were unemployed in their youth (N=312)</th>
<th>Persons not unemployed in their youth (N=1,860)</th>
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<tbody>
<tr>
<td>Unemployed (%)</td>
<td>20.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Education: tertiary (%)</td>
<td>4.5</td>
<td>13.3</td>
</tr>
<tr>
<td>Education: less than year 12 (%)</td>
<td>62.2</td>
<td>34.7</td>
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Source: HILDA survey, waves 1-11.
LONG-TERM YOUTH UNEMPLOYMENT TRIPLES IN SIX YEARS: STUDY

The number of young Australians unemployed for more than 52 weeks has tripled since 2008, reports Kylar Loussikian from The Conversation

More than 50,000 young people have been unemployed for more than a year, with the average length of unemployment almost doubling – from 16 to 29 weeks – over the last six years.

This means nearly 18% of unemployed 15 to 24 year olds now fall into the ‘long-term unemployed’ category, according to a new analysis released today by the Brotherhood of St Laurence.

While the study did not say why there had been an increase in the length of time young people were unemployed, researcher Francisco Azipitarte says it “clearly suggests that since 2008 there has been a decline in employment opportunities for young people”.

“This is reflected in the increasing number of youth who are unemployed and the rise in the average time that young individuals stay unemployed once they lose their job.”

Veronica Sheen, research associate at Monash University, said youth unemployment has increased since the financial crisis, but it was also important “to bear in mind that it has been as high as it is currently and indeed much higher for many years”.

“The unemployment rate for young Australians has hovered between 12% and 16% for most of the past 40 years. It hit almost 20% in the recessions of the early 1980s and 1990s,” she said.

But not only does long-term unemployment “hurt a young person’s financial and psychological wellbeing”, it could also increase the chances of ongoing unemployment, the report found.

Those who experience unemployment while young “are more likely to be unemployed, have poor health and have lower educational attainment” than those who are employed at that age, according to the researchers.

Earlier research for the Household, Income and Labour Dynamics in Australia (HILDA) survey found more than 20% of those unemployed when they were young were unemployed again after the age of 25.

Dr Azipitarte said this could be explained “by the loss of employability skills and the negative effect that unemployment (especially long-term) has on employer’s assessments of job candidates”.

The earlier research found low-skilled individuals would be worst effected by long-term unemployment, because job experience was ‘critical’ to their ability to find work.

“In fact, research has found having post-school qualifications reduces the scarring effects of unemployment over time,” Dr Azipitarte said.

More than 62% of those unemployed in their youth have not completed high school.

“Despite years of effort to increase education retention, and improve skills for the contemporary workforce, there has been no real inroads into the problems,” Dr Sheen said.

“It’s partly an issue of generational social capital, whereby the effects of class and social advantage are felt very strong especially in the youth labour market.”

“This includes factors such as parents income and employment, going to a private school, and geographical location.”

Kylar Loussikian is Assistant Editor for Business and Economy at The Conversation.

The Conversation

Welfare groups warn of tough times as youth unemployment skyrockets

Employment and welfare groups are warning that Australia’s youth unemployment figures are increasing at an alarming rate, reports Matt Wordsworth for ABC News

While the overall unemployment rate is 6 per cent, the figure among the nation’s youth is more than double that and growing rapidly.

While the overall unemployment rate is 6 per cent, the figure among the nation’s youth is more than double that and growing rapidly.

The number of 18 to 20-year-olds receiving Newstart allowance is up almost 30 per cent in two years.

And that is not including those on other benefits who are also trying to find a job, such as Nicole Dray, who lives in the unemployment hotspot of Logan, south of Brisbane.

Ms Dray left home at 15 after falling out with her father and left school in Year 10 to pursue a career as a hairdresser.

“The way I saw it at that age was if I leave school and start my career ASAP then I can get on top ASAP, but it really didn’t go that way,” she said.

But while studying at TAFE she began suffering intense back pain from standing up for long periods.

“So I would actually have to leave the classroom and lay down on the couches outside. I couldn’t stand up.

“I had to sit or lay and even when I was sitting or laying it hurt.”

X-rays revealed she had a spine condition, scoliosis, which crushed her career hopes.

“The doctor said to me the worst two career lines I could have gone down were hairdressing or dentistry. So plan A failed,” she said.

Shortly after that diagnosis she fell pregnant, giving birth to a daughter, Amber, at the age of 16.

She had another girl, Skye, a little over a year later.

Fast forward to 2014 and the 23-year-old is unemployed, unskilled and finding it hard to get a job.

“Just being young in general and having kids I do get looked down upon by other people ... but even with my scoliosis I’m not going to let that hold me back,” she said.

It is a struggle fellow Logan resident Rebekah McMaster knows well. Rebekah left school at the end of 2012. She did not want to go to university but could not crack the job market.

“It is disheartening and it makes you feel like you’re not really worth anything,” she said.

“I was applying for like 10 [jobs] a week – anything I could find – admin, fast food. I just wanted something to get me started.

“[I] just wanted my foot in the door but you’re not even getting nos. Sometimes you’re just not getting noticed.”

Finally, after more than a year on unemployment benefits her luck changed and she won a 12-month contract as a trainee admin officer.

“I was told there were 340 applicants,” she said.

“And that’s only the people going for admin. That’s impossible...
Youth Unemployment

Issues in Society

Volume 387

to compete against so it’s all about chance.”

Worst-case scenario unfolding, group says

A report by the Brotherhood of St Laurence has found a double whammy in youth unemployment – the rate is rising rapidly and those on Newstart benefits are on them for longer. It says the unemployment rate for 15 to 24 year olds is now 12.5 per cent, more than double the overall unemployment figure.

In Cairns, the youth unemployment rate has jumped 88 per cent in two years. In Brisbane’s south and west it is more than 60 per cent. In Sydney’s Hills district it is up 73 per cent and in Melbourne’s east the increase is almost 50 per cent.

Brotherhood of St Laurence executive director Tony Nicholson says the average duration of unemployment has also risen – from 16 weeks in 2008 to 29 weeks as of February 2014.

“We knew we had a big problem with young unemployment but this is almost the worst-case scenario unfolding before our very eyes, where large numbers of young Australians are unemployed for longer than a year and really struggling to get a foothold in the world of work,” he said.

Mr Nicholson says there are simply fewer unskilled jobs for school leavers.

“What I fear is if this trend continues – and there’s nothing I can see that suggests that it won’t – and nothing is done about it, unemployment rates amongst our young people of between 20 per cent and 35 per cent is going to be commonplace in Australia within the next two or three years,” he said.

At the same time that the youth unemployment rate is rising, the Federal Government looks set to cut funding to Youth Connections, a nationwide network of services for the young unemployed.

National executive officer Rebekha Sharkie says the providers have helped about 30,000 jobseekers with support and training advice.

“It’s our understanding that Youth Connections will end this December,” Ms Sharkie said.

“For future funding for young people, whether that be Youth Connections or something similar, we will be looking for something in this May budget and we’re not seeing any indications of that at the moment.”

A spokesman for the Government says the future of Youth Connections will be revealed in the budget, but existing services for adults are well placed to support the young unemployed.

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Wordsworth, M (30 April 2014). Welfare groups warn of tough times as youth unemployment skyrockets.
After education, the other prime indicator of how young people are faring is their entry to, and participation in, employment. This section looks at young people's employment from a number of perspectives. This includes an examination of rates of full-time employment, unemployment, casual employment and underemployment. Additionally, young people's transitions to work are examined.

The section concludes with four vignettes to complement the employment data. These vignettes consider young people not fully engaged in employment, education and training, how Australia compares to the OECD, the impact of the 'Asian Century', and the skills young people need for the future.

The analysis in this section begins with Figure 8, which shows how full-time employment to population rates have changed for young people since 1986. As a comparison, full-time education to population rates are also included. For both age groups, the charts clearly show decreases in full-time employment, which are offset by increases in full-time educational participation.

The charts also indicate sudden drops in full-time employment after the GFC. The drops in full-time employment have persisted since then.

Another important labour market indicator is youth unemployment. While youth unemployment rates had been recording a downward trend since the recession of the early 1990s, Figure 9 shows a sudden spike in unemployment following the GFC. The increase in unemployment has been much more pronounced for 15-19 year-olds than for 20-24 year-olds. As with decreases in levels of full-time employment, increases in the unemployment rates have persisted since 2008. As of 2012, the unemployment rate for 15-19 year-olds not in full-time education was 17.7% while for 20-24 year-olds it was 8%.

Many young people work while in full-time education. Figure 10 shows employment trends for 15-19 and 20-24 year-olds who are in full-time education. For 15-19 year-olds, the all employment figure only is shown, as full-time employment is only approximately 1% of this group, meaning the vast majority are employed part-time. Employment has increased substantially for the 15-19 year-old group in full-time education, peaking at 39% in 2006 and decreasing to just over 35% in 2012. Further information in the data attachment shows that about 40% of females in full-time education were employed by comparison to almost
For 20-24 year-olds, the employment rate (both full-time and part-time) has steadily increased over time, but dipped slightly after 2008. In 2012, 6.8% of 20-24 year-olds in full-time education were employed full-time, with a further 46% employed part-time. Males were nearly twice as likely to be employed full-time as females (see Table 17 in the supporting document).

In addition to measures of full-time employment, the proportion of young people in casual employment can be used as an indicator of the stability of the labour market. Data from the Australian Bureau of Statistics (ABS, 2011b) indicate that the proportion of casual workers in the workforce overall has fluctuated slightly over time, with 18% of the workforce being employed on a casual basis in 1998, 21% in 2007 (the peak) and 19% in 2011. The Independent Inquiry into Insecure Work (2012) indicates, however, that casual work is concentrated among young people, with 20% of all casual workers aged 15-19 years.

Figure 11 uses Household, Income and Labour Market Dynamics Australia (HILDA) survey data to show the proportions of young people not in full-time education and employed in casual work across two time periods: 2001 and 2011. Clearly, young people are much more likely to be employed in casual work than those aged 25 and above. The incidence of casual work had also increased considerably for 15-19 year-olds and to some extent for 20-24 year-olds in the period 2001 to 2011, whereas this was not the case for those aged 25 and above.

Table 18 in the supporting tables document indicates that 15-19 year-old females were much more likely to be in casual employment than their male counterparts. 20-24 year-old males were more likely to be in casual employment.

The proportions of young people in casual employment may indicate underemployment, defined by the ABS as part-time workers who are available to do more work. The ABS also derives a labour underutilisation rate which is the addition of the underemployment rate and the unemployment rate. These rates are shown in Figure 12.

Figure 12 shows a marked increase in the underemployment and labour force underutilisation rate after the GFC and a subsequent return to pre-2008 levels has not been recorded. The data on underemployment are consistent with the decline in full-time employment and the increases in unemployment after the GFC, which also have not been significantly reversed since. Underemployment and labour force underutilisation rates for 15-24 year-olds are considerably higher than for the whole labour force population. In 2012, the underemployment rate for the whole population was 6.9% whereas it was 12.6% for 15-24 year-olds. Similarly, the underutilisation rate for the entire labour force population was 11.9%, compared to 23.7% for 15-24 year-olds in the same year.

Table 19, in the supporting document, indicates that the underemployment rate is higher for 15-24 year-old females than for males (14.4% vs 11% in 2012), although the labour force underutilisation rate is lower for females (23.2% vs 25.1% in 2012).

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Issues in Society | Volume 387

Youth Unemployment
Youth Unemployment Issues in Society | Volume 387

is only marginally higher (24.2% as compared to 23.3% for males).

TRANSITIONS TO WORK

This section examines young people’s transition from education to work. Firstly, the extent to which young higher education graduates are absorbed into the labour market is examined. Using data from the *Australian Graduate Destination Survey*, Figure 13 shows the percentage of graduates who are employed full-time as a proportion of graduates who are available for full-time employment.

The figure shows that, after full-time employment grew from 2003 to 2008, there was a rapid decline after the GFC which has persisted (a trough of about 10 percentage points from 2008-2012). As the figure shows, the pattern was similar for males and females.

Data from the *Graduate Destination Survey* (see Table 20 in the supporting tables document) show that the proportion of graduates aged under 24 years available for full-time employment has declined by over 5 percentage points in the period 2008 to 2012 (66.6% to 61.3%). This decline is due to increases in the proportion of graduates enrolling in further full-time study, or who are in casual/part-time work but not seeking full-time employment. The proportion of bachelor degree graduates under the age of 24 going on to further full-time study decreased from 2002-2009 (28.8% to 21.9%) but has since increased to 24.8% in 2012 (see Table 21 in the supporting tables document).

Secondly, Figure 14 shows proportions of 20-24 year-old VET graduates (at Certificate III level and above) employed after training who were not employed before training.

The figure shows a clear downward trend for both males and females from 2008 onwards. Overall, the proportion employed after training for this group dropped from 66.7% in 2007 to 52.0% in 2012. The decrease in proportions employed is reflective of the prevailing economic conditions. Other data from NCVER’s *Student Outcomes Survey* indicate that enrolment in further study for this group did not significantly increase until 2012 (see Table 23 in the supporting tables document).

Finally, the overall period of transition from full-time education to full-time work is shown in Figure 15. Figure 15 represents the first age at which half of the group of people under consideration are not attending full-time education and are employed full-time. The calculations are based on OECD methodology which calculates durations from education to work for young people in OECD countries. Further information on the first age at which half of the group of people under consideration is not attending full-time education, or employed and not in full-time education, is provided in Table 24 of the supporting tables document.

The figure shows that the age at which young people enter full-time work has increased considerably since 1986 for both males and
females. Some of this has to do with the later age at which young people leave full-time education, which is partly accounted for by increases in the school leaving age in states and territories to the age of 17. It is noticeable that there was a sharp increase in the transition age after the GFC where it became more difficult to obtain full-time employment. This is consistent with all our other employment data.

Vignette: Young people not fully engaged in employment, education or training

This vignette views the composition of those not fully engaged in employment, education and training, and the further restricted group who are not engaged in employment, education or training (NEET). These groups are examined by size, activities and job search behaviour. Longitudinal Survey of Australian Youth (LSAY) data were used for this vignette as it provides information on activities for those not in the labour force and not studying, and also job seeking activities for those unemployed or employed part-time exclusively. LSAY data pertain to a specific age and not an age group. Consequently, the proportions differ from the OECD figure for NEET of 11.4% for 15/16-25 year-olds in 2011 (OECD, 2012). Some data need to be treated with caution as there are errors associated with them, particularly the activities for those not in the labour force. This vignette focuses on 23-year-olds in 2011. More detailed data about the composition of these groups are contained in Tables 25-29 of the supporting tables document.

Table 4 substantiates that a higher proportion of females than males are in the NEET group. The not fully engaged group is substantially larger than the not engaged group, with over a quarter of females aged 23 belonging to this group. Table 5 and Figure 16 unpack these proportions in terms of activities undertaken (for those not in the labour force) and job seeking activities (for the others).

Table 5 indicates that a large proportion of females in the NEET group who are not in the labour force are undertaking home duties and/or looking after children. In addition, a significant amount of males in this group are undertaking travel. For those unemployed, most males are looking for full-time work.

Note: The data for females levels out at age 24 as the ABS data in the data cube for full-time education finishes at age 24. However, the actual age for females transitioning to full-time employment in the latter years in the graph is unlikely to much more than 24.

Source: ABS Labour force, Australia cat. no. 6291.0.55.001, detailed, electronic delivery April 2013, cube LM3, August figures.
whereas about 30% of females want part-time work.

LSAY also contains information on the job search activities of the not fully engaged group (excluding those not in the labour force11). Figure 16 shows that approximately half of this group were seeking employment, males more so than females. The working part-time only component of this group were even less likely to report looking for work (only a third of females did so) which indicates that they are working part-time for lifestyle reasons.

While a proportion of 23 year-olds in the above analysis may be considered truly NEET or not fully engaged, the analysis also indicates that there are some in these groups who are undertaking other activities or are working part-time by choice, females more so than males.

**Vignette: How does Australia compare to overseas nations on education and employment indicators?**

Australia fares relatively well by comparison to other OECD countries on education and employment indicators.12 In terms of educational attainment, 85% of Australian 25 to 34 year-olds attained at least upper secondary education (compared to the OECD average of 82%) and 44% attained at least tertiary education (compared to the OECD average of 38%) in 2010 (OECD, 2012).

In 2010, a higher percentage of young Australians, in education and not in education, were employed as compared to the OECD average, (46.8% of 15-19 year-olds and 74.2% of 20-24 year-olds in Australia had some employment by comparison to the OECD average of 19.1% for 15-19 year-olds and 50.7% for 20-24 year-olds). The unemployment rate for 15-24 year-olds in Australia in 2011 was 11.3% compared to the OECD weighted average of 16.2%.13

A further international indicator which is becoming increasingly important following the GFC is the number of young people in neither employment nor in education or training (NEET). While the Australian economy fared relatively well following the GFC, we are in the middle of the pack in terms of NEET for 15/16 year-olds (16 out of 32). The Australian NEET rate of 11.4% for 2011, however, is better than the OECD average of 18.6%. Some young people not fully engaged in employment, education or training are undertaking other pursuits, such as home duties, looking after children or travelling.

**Vignette: The impact of the ‘Asian Century’**

Asian economies are the world’s largest and fastest growing, with growth expected to continue for many years. There is currently a shift in the global economic balance towards Asia. The University of Melbourne (2010) estimates that Asia’s real GDP will more than double from US$ 26t in 2011 to US$ 67t by 2030. This is more than the projected GDP of the Americas and Europe combined.

This economic shift is causing a higher proportion of people in these economies to move into income segments where consumption of goods and services is higher (Dobbs et al., 2012). In particular, Kharas (2010) discusses the emergence of the Asian middle class which he predicts will account for 85% of the growth in the world’s middle class. This represents notable growth in purchasing power in the Asia and Pacific regions. Figure 17 shows the predicted growth in the share of the Asian middle class.

As Asian economies continue to develop and mature, opportunities will become present on which Australia, particularly businesses, should capitalise. As a current testament to this, Australia conducts more trade with Asia than the rest of the world combined (University of Melbourne, 2012).

The Australian Government discussed the importance of creating and maintaining links with Asia by releasing a *Asian Century White Paper* (Department of Prime Minister & Cabinet, 2012), which had a focus on young Australians. The document outlined actions to ensure Australia is well placed to mutually benefit from the increasing Asian market. The White Paper recommended learning an Asian language, having knowledge of Asian markets and environments, and understanding Asian cultures in order to build Australia’s links with Asia (Department of Prime Minister & Cabinet, 2012; University of Melbourne, 2012).

There are few statistics available on school enrolments in Asian languages until 2008, suggesting that school enrolment in Asian languages is not large overall. A report by Asia Education Foundation (2010) indicated that, while there was an increase in Year 12 students enrolled in Chinese, Japanese, Indonesian or Korean from 2000-2008, much of the increase was due to native speakers in these languages.
language speakers were estimated to account for about 3 to 4 per cent of the Year 12 cohort.

**Vignette: Skills young people need for the future**

Over time, the skills and values required to be successful in the workplace change. This is unsurprising, as the world in which we live also changes and adapts. Five factors which are currently influencing the nature of work, according to Gratton (2010) include: technological developments, globalisation, demographic changes, societal trends and low-carbon developments. In some instances, employers are placing greater emphasis on broader, more general skills than they have previously when recruiting young people. While technical skills are seen as important, there is an increased focus on employability skills such as interpersonal and communication skills, critical reasoning and analytical skills, and personal drive and commitment (Arnott & Carroll, 2013).

Some employers, however, have cited dissatisfaction with young people’s business and customer awareness, self-management skills and problem-solving abilities, as well as their literacy and numeracy skills (Chamber of Commerce and Industry Queensland, 2011). Furthermore, a survey by Mission Australia (2013) found that employers rated poor reliability, immaturity and a lack of long-term commitment as their top reasons for negative experiences with young workers.

Being able to demonstrate desired key skills is becoming increasingly important in order to gain relevant employment for young people entering the workforce. Young Australians have been disproportionately affected by the GFC compared to older Australians and, as such, it is increasingly difficult to find stable employment, with many employed in part-time and casual jobs (Kahn et al., 2012). This, consequently, results in the misalignment of skills as young people are accepting jobs for which they are overqualified (International Labour Office, 2013). Carroll and Tani (2011), for example, find that 26% of Australian higher education graduates are underutilised (overeducated) immediately after course completion and 15% are still underutilised three years later.

Mavromaras et al. (2012) found that overskilling is persistent and, significantly, being overskilled in the past increases the probability of being overskilled in the future. Persistence of overskilling was found to be lowest among university graduates, although it has a greater effect on income. In another study, Karmel, Lu and Oliver (forthcoming) found that wage penalties persist for young people who start out in low-skill occupations. The implication is that young people should focus their job search in areas commensurate with their level of qualification.

Young people should be conscious that the qualifications they study may not necessarily result in employment in the intended field of specialisation. For example, in the public vet sector, approximately one-third of all graduates in 2012 were employed in the same occupation as their training course (NCVER, 2012). A further third of graduates, however, were not employed in their intended occupation but still found the training relevant. Most likely to be employed in their intended occupation were technicians and trades workers (approximately 55%) and least likely to be employed in their intended occupation were managers (approximately 10%) and clerical and administrative workers (approximately 17%). In addition, 77% of apprentices or trainees in trades occupation courses were employed in their intended occupation.

**ENDNOTES**

4. As per the ABS definition, casual workers are defined in the Household, Income and Labour Market Dynamics Australia (HILDA) survey as workers without paid holiday leave and without paid sick leave.

5. The Graduate Destination Survey (GDS) collects a variety of information on employment related outcomes, further study and various respondent characteristics of recent higher education graduates (see www.graduatecareers.com.au/research/start/agsoverview/ctags/gds/).

6. These data were not readily available prior to 2005.

7. The not fully engaged group is defined as those who are unemployed, in part-time work only, in part-time study only, or not in the labour force.

8. Due to relatively small sample numbers.

9. LSAY only asks about main activity for those not in the labour force.

10. This refers to informal study only as the NEET group by definition is not engaged in formal education.

11. By definition, those not in the labour force are not looking for work.

12. The data for the international indicators are contained in the supporting tables document in Tables 30 to 33.

13. Note, however, that the OECD average is influenced by the high unemployment rates in countries that have had financial difficulties such as Greece, Ireland and Spain.

14. Kharas (2010) defines the global middle class as people living in households with daily per capita incomes of between USD 10 and USD 100 in Purchasing Power Parity (PPP) terms.

15. This includes graduates not employed after training (about 20% of all graduates in 2011).
THE NATURE OF YOUNG PEOPLE’S JOBS

Young people can look forward to a more favourable occupational distribution once they are aged over 25 years, according to the Foundation for Young Australians.

We have seen that over a long period of time, the proportion of people studying full-time has been increasing, and the proportion of people working full-time has been decreasing. These trends are associated but it is difficult to identify the extent to which they are causally related.

Is the increased time spent in education occurring because the labour market is becomingly increasingly unfriendly to young people? Or is the decrease in the proportion of young people in full-time employment a direct result of the increasing numbers of young people in full-time education?

In this section, we attempt to look at the jobs that young people have and how the distribution of jobs has changed for them, with a view to better understanding the implications of increasing levels of education. This analysis cannot be taken to be definitive, but should give some understanding of what is present, noting that it focuses on the jobs rather than the difficulty of obtaining one. Young people are in a period of transition and, as such, we need to focus on a range of age groups to capture this period. Those aged 15-24 years are a challenging cohort because this includes some who are still at school, some who have left school and are undertaking further study, and some who have left full-time education. By contrast, the group aged 25-29 years has few individuals who have not completed initial education. The jobs that this last group has can be taken as representing the labour market facing young people once they have made their transition from youth to adulthood.

In Table 6 we see that in both the mid-1990s and 2011 that the concentration of jobs varies for each

TABLE 6: RELATIVE SHARES OF OCCUPATIONS (ASCO) BY AGE, 1996 AND 2011 (%)

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 years</td>
<td>25-34 years</td>
<td>15-64 years</td>
</tr>
<tr>
<td>Managers and Administrators</td>
<td>2.3</td>
<td>7.2</td>
</tr>
<tr>
<td>Professionals</td>
<td>9.0</td>
<td>19.6</td>
</tr>
<tr>
<td>Associate Professionals</td>
<td>7.1</td>
<td>12.3</td>
</tr>
<tr>
<td>Tradespersons and Related Workers</td>
<td>17.1</td>
<td>14.8</td>
</tr>
<tr>
<td>Advanced Clerical and Service Workers</td>
<td>3.3</td>
<td>4.9</td>
</tr>
<tr>
<td>Intermediate Clerical, Sales and Service Workers</td>
<td>20.3</td>
<td>17.5</td>
</tr>
<tr>
<td>Intermediate Production and Transport Workers</td>
<td>7.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Elementary Clerical, Sales and Service Workers</td>
<td>20.9</td>
<td>6.7</td>
</tr>
<tr>
<td>Labourers and Related Workers</td>
<td>12.2</td>
<td>7.9</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: 1996 and 2011 Census data.

TABLE 7: GROWTH IN NUMBER OF EMPLOYED PERSONS BY OCCUPATION (ASCO), FOR SELECTED AGE GROUPS, 1996 TO 2011 (%)

<table>
<thead>
<tr>
<th>Employment growth</th>
<th>15-24 years</th>
<th>25-34 years</th>
<th>15-64 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Administrators</td>
<td>-22.1</td>
<td>5.5</td>
<td>21.5</td>
</tr>
<tr>
<td>Professionals</td>
<td>17.7</td>
<td>55.3</td>
<td>57.3</td>
</tr>
<tr>
<td>Associate Professionals</td>
<td>23.5</td>
<td>26.8</td>
<td>41.6</td>
</tr>
<tr>
<td>Tradespersons and Related Workers</td>
<td>8.6</td>
<td>-2.2</td>
<td>16.4</td>
</tr>
<tr>
<td>Advanced Clerical and Service Workers</td>
<td>-49.7</td>
<td>-41.0</td>
<td>-20.1</td>
</tr>
<tr>
<td>Intermediate Clerical, Sales and Service Workers</td>
<td>24.8</td>
<td>14.1</td>
<td>42.1</td>
</tr>
<tr>
<td>Intermediate Production and Transport Workers</td>
<td>-10.1</td>
<td>-11.1</td>
<td>15.7</td>
</tr>
<tr>
<td>Elementary Clerical, Sales and Service Workers</td>
<td>29.7</td>
<td>10.8</td>
<td>32.6</td>
</tr>
<tr>
<td>Labourers and Related Workers</td>
<td>0.6</td>
<td>-11.7</td>
<td>8.9</td>
</tr>
<tr>
<td>Total</td>
<td>13.1</td>
<td>13.5</td>
<td>30.4</td>
</tr>
</tbody>
</table>

Source: 1996 and 2011 Census data.
The age groups (because of data availability we have used the 25-34 year age group).

For the younger age group, the three most important occupations are the trades, intermediate clerical, sales and service workers and elementary clerical, sales and service workers. For the 25-34 year-old post-transition age group, however, the most important occupation is professional. There are also considerable differences between 1996 and 2011, with the largest difference being the expansion in professional occupations.

Table 7 shows occupational employment growth has been inconsistent.

The growth in employment of 15-24 year-olds and 25-34 year-olds has been much less than at the aggregate. This reflects both demographics and changes in labour force participation, which is related to changes in educational participation for at least the younger age group. What we are interested in, however, is whether young people are concentrated in high growth or low growth occupations. We examine this by deriving an overall growth rate based on the occupational distribution of people in a particular age group, and comparing this derived figure with the overall employment growth.16 When we do this for the 15-24 year group we derive a growth rate of 28.4%, a little lower than the overall rate of 30.4%. This indicates that the 15-24 year-old group are concentrated, to some degree, in occupations that are growing at less than the overall rate.

A similar derivation for the 25-34 year-old group offers a derived growth rate of 31%, a little higher than the overall rate, and indicating that this age group is concentrated in the faster growing occupations. The small difference between the two derived rates and the overall rate,
An alternative way of looking at the jobs of young people is through an occupational index. By ordering occupations from ‘good’ to ‘bad’, we can illustrate how the distribution of jobs for particular age groups compares to the overall distribution of jobs, and how it has changed over time. Karmel and Stanwick (forthcoming) construct three possible occupational indexes that are suitable for this type of analysis: a skills index (based on qualification levels within occupations), an income index (based on average income for full-time workers) and a status index derived by sociologists at the Australian National University (McMillan, Beavis & Jones, 2009).17

We first look at the distribution of jobs as of 2011. A complication here is that the occupational classification changed from ASCO to ANZSCO.18 The income and skills indexes are based on ASCO, and this makes it difficult to apply them to the 2011 Census data.19 For this reason, our presentation of the 2011 occupational distribution uses the AUSEI06 index.20 We present the distributions for those aged 15-19 years, 20-24 years and 25-29 years, and for males and females separately. The focus is on full-time jobs and not part-time jobs, which are mainly associated with those in full-time education.

The Lorenz curves map the cumulative employment of the groups of interest (i.e. full-time employment for 15-19 year-olds in the first figure) on the Y axis against the cumulative total employment (all ages) on the X axis. The origin signifies the ‘best’ job. Thus we see, for example, that around 8% of young men in full-time employment are in jobs that equate to the 40% overall jobs with the highest status. The corresponding proportion for young women is 10%.

There is a distinctive pattern of younger people being concentrated in the poorer jobs (relative to the overall job distribution), but once past the ‘youth transition’ period however, suggests that occupational concentration is not a concern for these age groups.

FIGURE 20: LORENZ CURVE BASED ON THE INCOME INDEX, 15-24 YEARS, 1996 AND 2011

Source: 1996 and 2011 Census data.

FIGURE 21: LORENZ CURVE BASED ON THE SKILLS INDEX, 25-34 YEARS, 1996 AND 2011

Source: 1996 and 2011 Census data.

FIGURE 22: LORENZ CURVE BASED ON THE INCOME INDEX, 25-34 YEARS, 1996 AND 2011

Source: 1996 and 2011 Census data.
there is a concentration in the better jobs. This reflects the jobs that young people obtain following their initial post-school education. It is clear that, on the whole, the job market is friendly towards young people, provided that they obtain post-school qualifications. The corollary is that early school leavers in particular are likely to be trapped in low income jobs.

The other point of interest is the difference between males and females. In each age group, women in full-time jobs are, on average, in higher status occupations than men, with this pattern being particularly marked for the 25-29 year age group. Interestingly, the distribution of full-time jobs for men aged 25-29 years is very similar to the overall distribution of jobs. By contrast, women are concentrated in the jobs with higher status. For example, around 50% of women employed full-time aged 25-29 years are in jobs that equate to the top 40% of jobs overall.

We now turn to changes that have been occurring in the distribution of jobs. Here we use Census data from 1996 and 2011, and we make use of the ASCO-based skills and income indexes. In these graphs the X axis represents jobs in 1996, so that the changes are relative to the 1996 distribution of jobs. Thus the comparison is between young people's jobs in 2011 and the overall job distribution in 1996.

In making comparisons over time it is important to use the first time point as the benchmark so that we allow for structural change in the labour market. We know that over this period, there tended to be faster growth in more skilled jobs. Thus the occupation that signifies, for example, the top 20% of jobs in 1996 will correspond to a greater percentage of employment in 2011.

In making these comparisons we are constrained somewhat by the Census data availability. Hence we focus on total employment, and broader age groups for persons rather than men and women separately.

In Figure 19, we present the Lorenz curves for the 15-24 years group, using both a skills index and an income index.

While the analysis is not as detailed as what we were able to complete for 2011, the outcome is clear. There is very little difference between the 1996 and 2011 distributions of jobs in the 15-24 years age group. In conclusion, the labour market has changed very little in terms of its friendliness to young people. We now present analogous graphs for the 25-34 year age group.

We see that the labour market has become considerably ‘friendlier’ to those aged over the period of youth transition (over 25 years), irrespective of whether we use the income or the skills index. For example, using the skills index, in 1996 around 43% of 25-34 year-olds had a job in the top 40% of jobs, and this increased to over 50% in 2011.

One marked change is the level of education. Overall, the youth cohort has benefitted from the increase in educational attainment, with more young people getting ‘good’ jobs after the age of 25 years. While this is an optimistic conclusion, we need to express caution. This analysis does not look at the type of job obtained with a particular level of education and Karmel and Stanwick (forthcoming) show that, depending on the type of qualification, it has become more difficult to get a good job at a particular level of education.

To summarise, the occupational structure of the labour market is evolving, but not in a way that is detrimental to young people. Young people can look forward to a more favourable occupational distribution once they are aged over 25 years. Increasing levels of education, however, mean that those with poor education are likely to find the labour market more difficult. Finally, it is becoming increasingly difficult for unqualified people to get a ‘good’ job.

ENDNOTES
16. The overall growth rate can be expressed as a weighted sum of the growth rate of individual occupations, with the weights reflecting the importance of each occupation. The derived figures substitute age specific weights for the overall weights.
17. Karmel and Stanwick (forthcoming) show that the three indexes are highly correlated, with the lowest correlation between the three being 0.72. The status and skills index have a correlation of 0.92.
18. ASCO is the Australian Standard Classification of Occupations and is the predecessor of the ANZSCO which is the Australian and New Zealand Standard Classification of Occupations. ANZSCO replaced ASCO in 2006 (see e.g., ABS, 2005).
19. We do however have ASCO data for 2011 at a more aggregate level (broader age groups and not by gender) which will be used in analysis later in this chapter.
20. AUSEI06 is the Australian Socioeconomic Index 2006 and is the latest in the Australian National Universities occupational status scales (see McMillan, Beavis & Jones, 2009).

In recent years, job insecurity among young people has risen to unsettling proportions. Last year, *The Economist* reported that as many as 290 million 15-24 year olds were not participating in the labour market – “nearly as large as the population of America”.

According to the International Labour Organisation, 73.4 million young people – 12.6% – were expected to be out of work in 2013, an increase of 3.5 million between 2007 and 2013. Alongside this figure is “a proliferation of temporary jobs and growing youth discouragement in advanced economies; and poor quality, informal, subsistence jobs in developing countries”.

In Australia, the figures are less pronounced but still striking. As the Independent Inquiry into Insecure Work pointed out, casual work is concentrated among young people. One-fifth of all casual workers are aged 15-19 and from 2001 to 2011 the prevalence of casual work increased significantly for this age group and to some extent for 20-24 year olds for the period, but far less for older age groups. Underemployment, defined by the ABS as part-time workers who are available to do more work, rose significantly following the Global Financial Crisis and this trend has not abated.

### Trends in youth employment

Five trends are worth noting:

1. **First**, since the 1980s the number of full-time job opportunities for teenagers has been steadily declining.
2. **Second**, there has been an increase in the uptake of casual and part-time work by young people in general (aged 15-24). As I have written elsewhere in *The Conversation*, many want to work more but are unable to do so.
3. **Third**, beyond the impact of economic downturns like the financial crisis, globalisation is creating challenges for young people seeking work in Australia. As Bob Birrell and Ernest Healy pointed out last year, young working holiday makers from overseas are intensifying...
competition for jobs with young local workers. Particularly vulnerable are those “without post-school education, who are seeking less skilled, entry-level jobs”.

The stark nature of competition for jobs globally is best illustrated in the book *The Global Auction*. The authors note a German website advertising “cleaning, clerical, and catering jobs...offered by employers with a maximum price for the job; those looking for employment then underbid each other, and the winner was the person willing to work for the lowest wages”. In a highly competitive global labour market, could this be the future of working life?

Fourth, Birrell and Healy also highlight that a growing share of local workers aged 55 and over are staying in the workforce. Between May 2003 and May 2013, the share of those aged 60-64 in the workforce increased from 39% to 54%. This increasing competition for work particularly affects young people who are qualified but lack experience.

The final trend arises from a global mismatch between skills and jobs. A number of business surveys confirm the perception that young people are underprepared for working life – ranging from foundational skills in literacy and numeracy, to soft skills such as communication and problem solving. The need to better develop these skills – though valuable – could also reflect a wider need to prepare young people for a world of insecure work. Serving as a kind of adversity capital that enables young people to be more adaptive, flexible and resilient, they also reflect the need to prepare young people for more fluid working lives in which the conventional notion of a career is obsolete.

**Is full-time work becoming out of reach for young people?**

Working life in general is increasingly competitive and ‘fluid’. The rate of casualisation across the Australian workforce increased from 18.9% in 1988 to around 25% in 2012. The levels of ‘non-permanent’ work and extent of casualisation are hotly contested, with many claiming casual work is valued by young people. It is argued, for example, that “casuals do not want to lose their flexibility or their casual loading”, or that casual work is preferred “as it allows [casual workers] to take part in the workforce and balance family responsibilities or study commitments”.

But a question arises as to whether secure work awaits those ending their post-school study and training. Teenagers in part-time jobs are statistically only slightly more likely to move into full-time employment than those who are unemployed and since the latter half of the 1980s, the age at which young people enter full-time work has increased. Increasing levels of education amongst young people overall mean that those with poor education outcomes are likely to struggle in the labour market, but insecurity is not confined to those without sufficient qualifications.

There is no doubt that some young people prefer casual and part-time work because of the benefits that flexibility offers. But in the overarching context of labour market change, while things do get better past the age of 25, it would appear that for many, the option to secure full-time work is out of reach.

Lucas Walsh is Associate Professor and Associate Dean (Berwick), Faculty of Education at Monash University.

Updated graduate labour market research just released by Graduate Careers Australia shows that some recent graduates are still taking longer to find their first job after study than prior to the Global Financial Crisis (GFC).

The Graduate Destinations 2013 report noted that those with some work experience gained before or during their study years had an advantage in the labour market after graduation. Current students are encouraged to look for part-time work and to do some career planning (institutional careers services can assist with this) in advance of finishing their studies.

**GRADUATE DESTINATIONS 2013**

In 2013, 71.3 per cent of new bachelor degree graduates who entered the full-time labour market (that is, who were either in or seeking full-time employment) had found a full-time position within four months of course completion. This was down from 76.1 per cent in 2012.

The graduate employment market has yet to fully recover from the downturn experienced in late 2008 following the Global Financial Crisis (GFC).

GCA Executive Director, Dr Noel Edge, characterised the entry of new graduates into the labour market as slower than pre-GFC but steady, with graduates just taking a little longer to find jobs.

He added that while the uptake of new graduates into the labour market as slower than pre-GFC but steady, with graduates just taking a little longer to find jobs.

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In 2013, the median annual starting salary for new Australian resident bachelor degree graduates aged less than 25 and in their first full-time employment in Australia increased slightly to $52,500 from $52,000 in 2012. This was 74.6 per cent of the annual rate of male average weekly earnings ($70,300 at the time of the survey), down from 77.8 per cent in 2012 (see Tables 1 and 4 in Graduate Salaries, 2013).

• Males started full-time work on a median salary of $55,000 (unchanged from 2012) while females in full-time employment earned $51,600 (up from $50,000 in 2012).
  - GCA research has suggested that overall differences in median starting salaries between males and females can be partly explained in terms of the differing enrolment profiles of male and female students. While this initial analysis helps to explain part of the overall earnings difference seen here, there are many factors that interact to produce observed differences in median starting salaries, including differing employment factors such as occupation, type and location of employer, or hours worked.

• At $80,000, the median starting salary for dentistry graduates remained the highest for this cohort of graduates. In a ranking based on starting salaries, they were followed by graduates from optometry ($70,000), engineering ($64,000), medicine ($60,000), and earth sciences (also $60,000) (see Table 8 in Graduate Salaries, 2013).

• Graduates employed in Western Australia earned the highest median starting salary of all the Australian states and territories in 2013 ($57,000). They were followed by graduates in the ACT ($56,000) and the Northern Territory ($55,500) (see Table 6 in Graduate Salaries, 2013).
  - Graduates employed in Victoria earned the lowest median starting salary ($50,000).

Table 7A: Bachelor Degree Graduates Available for Full-Time Employment, and Percentage in Full-Time Study, by State or Territory of Institution in Which Award Was Completed, 2013 (%)*

<table>
<thead>
<tr>
<th>Available for full-time employment and ...</th>
<th>ACT</th>
<th>NSW</th>
<th>Vic</th>
<th>QLD</th>
<th>SA</th>
<th>WA</th>
<th>Tas</th>
<th>NT</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>... in full-time employment</td>
<td>69.9</td>
<td>72.1</td>
<td>68.5</td>
<td>72.3</td>
<td>72.5</td>
<td>72.9</td>
<td>68.1</td>
<td>83.5</td>
<td>71.3</td>
</tr>
<tr>
<td>... seeking full-time employment, not working</td>
<td>11.2</td>
<td>10.0</td>
<td>11.8</td>
<td>10.9</td>
<td>9.5</td>
<td>9.6</td>
<td>13.5</td>
<td>5.6</td>
<td>10.6</td>
</tr>
<tr>
<td>... seeking full-time employment, working part-time or casual</td>
<td>18.9</td>
<td>18.0</td>
<td>19.7</td>
<td>16.8</td>
<td>18.0</td>
<td>17.5</td>
<td>18.4</td>
<td>10.9</td>
<td>18.1</td>
</tr>
<tr>
<td>Total seeking full-time employment</td>
<td>30.1</td>
<td>27.9</td>
<td>31.5</td>
<td>27.7</td>
<td>27.5</td>
<td>27.1</td>
<td>31.9</td>
<td>16.5</td>
<td>28.7</td>
</tr>
<tr>
<td>Number available for full-time employment</td>
<td>1,296</td>
<td>14,751</td>
<td>10,415</td>
<td>8,646</td>
<td>3,395</td>
<td>3,869</td>
<td>739</td>
<td>248</td>
<td>43,359</td>
</tr>
<tr>
<td>In full-time study (%)</td>
<td>23.3</td>
<td>18.7</td>
<td>26.5</td>
<td>16.8</td>
<td>21.1</td>
<td>16.9</td>
<td>26.5</td>
<td>11.5</td>
<td>20.7</td>
</tr>
<tr>
<td>Number in full-time study</td>
<td>485</td>
<td>4,342</td>
<td>4,889</td>
<td>2,203</td>
<td>1,193</td>
<td>1,036</td>
<td>350</td>
<td>42</td>
<td>14,540</td>
</tr>
</tbody>
</table>

* Table based on Australian citizens and permanent residents only.

Graduate Salaries 2013
In 2013, the median annual starting salary for new Australian resident bachelor degree graduates aged less than 25 and in their first full-time employment in Australia increased slightly to $52,500 from $52,000 in 2012. This was 74.6 per cent of the annual rate of male average weekly earnings ($70,300 at the time of the survey), down from 77.8 per cent in 2012 (see Tables 1 and 4 in Graduate Salaries, 2013).

Graduate Course Experience 2013
Overall satisfaction with courses as measured by the Course Experience Questionnaire (CEQ) remains at a high level, with 93.0 per cent of bachelor degree graduates expressing broad satisfaction with their higher education experience.

The Australian Graduate Survey
Dr Edge added, “All our research shows that unemployment is not a long-term concern for graduates and it’s important to understand that getting a degree is not just about the first job after university: it’s about a life-time of advantage in the labour market as well as the potential for huge personal growth”.

The Australian Graduate Survey (AGS) is conducted annually with all Australian universities, along with a number of smaller private institutions, participating. In the 2013 AGS, more than 182,000 new domestic graduates were invited to respond to the survey four months after they had completed requirements for their awards and over 109,000 did so, giving a response rate of 60.0 per cent.

Endnotes
1. Editor: the Graduate Destinations 2013 employment figures quoted above are for new graduates who have recently completed their higher education awards.
2. Editor: the Graduate Destinations 2013 employment figures quoted above are for new domestic graduates who have recently completed their higher education awards.

Chapter 2 Responding to youth unemployment

Australian youth unemployment snapshot

THE LATEST SNAPSHOT FROM THE BROTHERHOOD OF ST LAURENCE

1. FOREWORD

A little over a year ago, I was invited to address the assembly at my somewhat nondescript old state school on the outskirts of Sydney. Given my academic achievement, it was an unusual invitation. I figured the teaching staff must have wanted my input to modernise their truancy program.

To my astonishment the school instead wanted the students to hear my advice on career achievement. I was astonished because I was what educators of the time called a problem. I was rebellious. I liked humour more than hard work. Put more simply, I was immature and foolish.

As it turned out, I was lucky – I got a second chance by getting a job in my chosen field of journalism and being trained on the job. Across the assembly hall I could see many young men who were probably a bit like I was. However, sadly, many of them won’t get the lucky break I got.

Today many school leavers don’t get the luxury of that first ‘chance’ at a job. They are not just competing for jobs against people in their classroom, across the road, or anywhere in the state or across the country. Ultimately they are competing in a global race for the best jobs.

Youth unemployment currently represents just under 40% of all unemployment in Australia. In other words, more than one in three unemployed Australians is young – between the ages of 15 and 24.

The lucky ones get the careers they cherish; others get the leftovers – or worse, no employment at all.

Many of these young Australians are being consigned to a relatively new underclass, something we have not seen in really large numbers in affluent Australia. However those numbers are rising.

Make no mistake: no skills, no job, no quality of life.

Today we are seeing youth unemployment figures that have reached crisis point.

The My Chance, Our Future campaign launched by the Brotherhood of St Laurence shines a light on an issue fundamental to the future of Australia. One that affects us all. This isn’t just an issue of concern for the parents of these young people or the organisations who support young people trying to make a successful transition from school to further study and or work.

I commend the Brotherhood’s leadership role in publishing a monthly Youth Unemployment Monitor which will bring into sharp focus the issue and what we can be done to tackle it.

JOHN HARTIGAN
Former CEO News Limited (Australia)
2. THE TRENDS

Until the onset of the Global Financial Crisis and global recession, long-term youth unemployment in Australia had been trending downwards. Figure 1 highlights the significant inroads made into youth unemployment from 1992 to 2008. However over the past two years the rate of youth unemployment has been on the rise (Figure 2).

The Global Financial Crisis has had a scarring impact on the job prospects of Australia’s young people. Table 1 compares the rise of youth unemployment with that of the overall rate of unemployment since the start of the Global Financial Crisis. Youth unemployment currently represents just under 40% of all unemployment in Australia. In other words, more than one in three unemployed Australians is young – between the ages of 15 and 24.

3. YOUTH UNEMPLOYMENT HOTSPOTS

Youth unemployment is not uniform across Australia. Significant variation occurs between Australian states and territories, and, within states and territories. Significant ‘hotspots’ of youth unemployment have developed in Australia. Table 2 outlines the ten worst youth unemployment hotspots in Australia.

4. WHAT CAN WE DO?

The globalised economy offers immense opportunity, but there are also risks. For those young people who lack qualifications, skills, work experience or personal connections, securing that first step on the job ladder is becoming much harder. In this prosperous country, a job has always been the passport to build a better life. The substantial rise in youth unemployment outlined in this snapshot should be of deep concern.

TABLE 1: YOUTH UNEMPLOYMENT SINCE THE GLOBAL FINANCIAL CRISIS USING TREND ESTIMATES

<table>
<thead>
<tr>
<th>Region</th>
<th>15-24 Total UE rate %</th>
<th>Overall 15-64 Total UE rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-2008</td>
<td>9.0</td>
<td>4.3</td>
</tr>
<tr>
<td>Jan-2009</td>
<td>10.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Jan-2010</td>
<td>11.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Jan-2011</td>
<td>11.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Jan-2012</td>
<td>11.5</td>
<td>5.3</td>
</tr>
<tr>
<td>Jan-2013</td>
<td>11.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Jan-2014</td>
<td>12.4</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Source: Labour Force, Australia, Cat 6202.0, Tables 1, 13, and 17.

TABLE 2: WORST YOUTH UNEMPLOYMENT HOTSPOTS AUSTRALIA-WIDE, YEAR-TO-JANUARY 2014

<table>
<thead>
<tr>
<th>Region</th>
<th>State</th>
<th>Youth Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>West and North West Tasmania (including Burnie, Devonport)</td>
<td>TAS</td>
<td>21.0</td>
</tr>
<tr>
<td>Cairns</td>
<td>QLD</td>
<td>20.5</td>
</tr>
<tr>
<td>Northern Adelaide (including Elizabeth, Gawler)</td>
<td>SA</td>
<td>19.7</td>
</tr>
<tr>
<td>South East Tasmania (including Derwent Valley, excluding Hobart)</td>
<td>TAS</td>
<td>19.6</td>
</tr>
<tr>
<td>Outback Northern Territory</td>
<td>NT</td>
<td>18.5</td>
</tr>
<tr>
<td>Launceston and North East Tasmania</td>
<td>TAS</td>
<td>18.2</td>
</tr>
<tr>
<td>Moreton Bay North (including Caboolture, Redcliffe)</td>
<td>QLD</td>
<td>18.1</td>
</tr>
<tr>
<td>Wide Bay (including Bundaberg, Gympie)</td>
<td>QLD</td>
<td>17.6</td>
</tr>
<tr>
<td>Hume (including Goulburn Valley, Wodonga, Wangaratta)</td>
<td>VIC</td>
<td>17.5</td>
</tr>
<tr>
<td>Mandurah (including Dawesville, Falcon)</td>
<td>WA</td>
<td>17.3</td>
</tr>
</tbody>
</table>

to policymakers, jobs services and charitable sectors and the broader community. An extended period out of the workforce for a young person in this most formative period of their lives places them at risk of a life sentence of poverty and exclusion from the mainstream of our society.

If we invest in our available pool of young workers, we all benefit as a society and economy. Excluded people cannot contribute productively to our society, which adversely affects prospects for national growth and represents an avoidable dollar cost to public services. The solution is clear: invest in young people now, harness their ambitions, develop their capacities – and we will save in the long term. This national task is as vital as building roads, railways and ports.

**Investing in young people now**

The Brotherhood of St Laurence recognises the important role of young workers, we all benefit as a society and economy. Excluded people cannot contribute productively to our society, which adversely affects prospects for national growth and represents an avoidable dollar cost to public services. The solution is clear: invest in young people now, harness their ambitions, develop their capacities – and we will save in the long term. This national task is as vital as building roads, railways and ports.

**TABLE 3: WORST YOUTH UNEMPLOYMENT HOTSPOTS IN EACH STATE, YEAR-TO-JANUARY 2014**

<table>
<thead>
<tr>
<th>Region</th>
<th>State</th>
<th>Youth Unemployment Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>West and North West Tasmania (including Burnie, Devonport)</td>
<td>TAS</td>
<td>21.0</td>
</tr>
<tr>
<td>Cairns</td>
<td>QLD</td>
<td>20.5</td>
</tr>
<tr>
<td>Northern Adelaide (including Elizabeth, Gawler)</td>
<td>SA</td>
<td>19.7</td>
</tr>
<tr>
<td>Outback Northern Territory</td>
<td>NT</td>
<td>18.5</td>
</tr>
<tr>
<td>Hume (including Goulburn Valley, Wodonga, Wangaratta)</td>
<td>VIC</td>
<td>17.5</td>
</tr>
<tr>
<td>Mandurah (including Dawesville, Falcon)</td>
<td>WA</td>
<td>17.3</td>
</tr>
<tr>
<td>Parramatta</td>
<td>NSW</td>
<td>16.8</td>
</tr>
<tr>
<td>ACT</td>
<td>ACT</td>
<td>11.3</td>
</tr>
</tbody>
</table>

successive governments have played in tackling youth unemployment.

Programs such as the federally funded Youth Connections have helped over 70,000 young Australians who had disengaged or were at risk of disengaging from education or employment. Remarkably, they have demonstrated that around 95% of the participants in this program got through the thirteen week period – and were still in work or study six months later. The Youth Connections program, reconnecting young people with education, has built on the work of the Howard Government’s Youth Pathways & Connections program.

The next step in fighting youth unemployment is to bolster programs that build work readiness among Australian youth. The BSL is currently trialling a Youth Transitions Service in the most disadvantaged areas of Melbourne’s western and northern suburbs. Our early evaluations indicate that, of those who participate in our training program, 70% are successfully moving into work and or further learning.

From our experience in dealing with youth unemployment, we propose a move towards a national Youth Transitions Service that has these key elements:

**‘Employability’ skills**

Employers have identified that young job seekers are often not job-ready. They need employees who are reliable, willing to learn and able to fit into the workplace. A Youth Transitions Service would focus on building ‘employability’ skills such as punctuality, the ability to work in a team and having a practical understanding of workplace expectations – all of which are essential for successfully moving into work.

**Work experience**

Access to real workplace experience is critical to building work readiness. A Youth Transitions Service would connect young people to real-life opportunities to get a taste of varied workplace environments and obtain meaningful work experience and volunteering placements. This would enable young people to try out different jobs, build their personal networks and mentors and learn about the world of work and the available options.

**Coaching**

Intensive and sustained coaching would assist a young person identify their strengths and aspirations to make sure they are on the pathway to secure their first job. Parents also have a critical role to play. A Youth Transitions Service should also focus on directly engaging with parents to support their children’s transition to work.

**Vocational guidance**

Careers advice would be a central component of a Youth Transitions Service. Young people would be supported to identify, plan and work towards their career aspirations in a realistic way. Informed by local labour market conditions, a Youth Transitions Service would assist young people to navigate the vocational education system and to avoid being churned through training courses that do not lead to jobs.

**Rapid action**

The longer young people are disengaged, the harder it is for them to move into work. A Youth Transitions Service could actively scan local communities to identify young people who need to be re-engaged, skilled up and placed into work. This would enable rapid action to re-engage a young person and boost their likelihood of returning to study or going on to future employment.

**Connecting with local employers**

Partnerships would be established with local employers to ensure that young people are able to meet current workplace needs and to create links with real employment opportunities.
The youth unemployment rate increased from 12.8% in August to 13.2% in September seasonally adjusted, in line with the slight overall increase in unemployment.

However, the latest figures for 15-24 year olds are consistent with an unemployment rate of around 13% over the last 12 months. An important indicator of the health of the youth labour market is the under-employment rate which measures the number of young people in part-time jobs wanting more hours of work. This increased from 15.4% to 16.4% for 15-24 year olds between May and August continuing a long-term trend over recent years. This means around 29% of the youth labour force has no work or not enough work at present compared to 14.4% of the labour force as a whole.

The current government approach to youth employment policy is broadly consistent with what the OECD recommended for Australia in its 2009 report, delivered in the depths of the Global Financial Crisis.

The report was sceptical but not dismissive of the effects of labour market programs focused on employment and skills upgrading in reducing youth unemployment. It was also concerned about the large costs of such programs. However, it did support investment in education starting from early childhood as well as in the VET sector in ensuring good employment outcomes for all young people.

It also supports a carrot and stick approach with a strong ‘mutual obligations’, ‘work for the dole’, and basic ‘earn or learn’ approaches in relation to income support for young people. It sees the employment services model, which rewards providers for their outcomes in
THE POSSIBLE SOLUTIONS

The OECD made a number of recommendations in 2009 to help Australian policymakers prepare for high youth unemployment.

1. Raise average educational attainment
   - Make youth allowance conditional on having attained a Year 12 qualification.

   About 1 in 5 students in Australia currently do not complete Year 12.

Highest school level completed

<table>
<thead>
<tr>
<th>Year 12</th>
<th>Year 11</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>78.9%</td>
<td>14%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Note: For a small number of students, Year 9 was the highest school level completed.

Source: NCVER 2014, Longitudinal Surveys of Australian Youth (LSAY), Y09 cohort.

2. Early intervention for indigenous children
   - Ensure indigenous children under five use more health care and pre-schooling services.

   In 2012, 88% of indigenous children in remote areas were enrolled in a pre-school programme, down from 91% in 2011. The ‘Closing the Gap’ target is 95%.

   – Closing the Gap report, 2013 & 2014

Indigenous Year 12 attainment rates

While there have been improvements in Year 12 attainment rates, the results vary sharply by remoteness area.

3. Keep carrot and stick approach for people on welfare
   - Job Commitment Bonus
     A $2,500 bonus to those aged 18 to 30 who have been unemployed for 12 months or more if they find a job and remain off welfare for a continuous period of a year.
   - Financial assistance
     Up to $6,000 for long-term unemployed who move to a regional area for a job.
   - No Newstart for unemployed under 25s (proposed)
     Unemployed young people under 25 must rely on lower level Youth Allowance.
   - 6-month waiting period (proposed)
     People under 30 will wait six months before they are able to receive Newstart or Youth Allowance.
   - An extra upfront payment for students
     Students on Youth Allowance, Austudy or ABSTUDY get an upfront extra payment of $1,025 to help with the cost of going back to university.
   - Compulsory work-focused activities
     Compulsory work-focused activities, such as work experience for under-35s on a disability support pension.

THE CONVERSATION

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A recent report from the Brotherhood of St Laurence points to a trebling of long-term youth unemployment since the Global Financial Crisis. Executive director Tony Nicholson said he feared “large numbers of long-term unemployed people are at risk of never getting a foothold in work, of never being able to pursue their aspirations or build a life for themselves”.

The youth unemployment rate, now 13.6 per cent, is twice the economy-wide rate, and the youth employment-to-population ratio has fallen by 10 per cent since 2008. Getting our young back into work is not going to be easy. A combination of reforms to three areas – education policy, welfare arrangements and labour market settings – are needed to halt the rise of youth joblessness.

Nicholson’s concerns on the impact of long-term joblessness are not hyperbole. Research from Gary Marks of the Melbourne Institute of Applied Economic and Social Research on the school-to-work transition suggests that an initial period of unemployment after leaving school can scar young workers’ long-term job prospects, making it harder for youth to get into work. Conversely, experience signals to employers that the job seeker can cope with the expectations of work.

Work needs to be normalised as soon as young people leave school. Constant failure in the job market decreases self-esteem and reduces the motivation to look for work. Young people can also be susceptible to depression if repeated efforts at employment are unsuccessful.

This is why it is so important to get the policy settings right. Education policy is important, but more education and training is not the panacea for youth joblessness.

Evidence suggests that greater time spent in education and training leads to higher life-time incomes. For average and high-ability students, completing Year 12 substantially improves their chances in the job market. But the same results do not apply for all students. Non-academically inclined students are unlikely to benefit from an additional two years of schooling. They would be better served by entering the labour market and using those two years to gain work experience and practical skills.

Research shows nine of 10 school leavers find full-time jobs without doing training courses, while those who opt for further training or vocational education acquire little benefit.

Employers still find that a subset of young people lack adequate literacy and numeracy and so-called soft skills – discipline, maturity and an appropriate attitude. Here the government can help with targeted programs to improve literacy and numeracy skills of these job seekers. In fact, these programs already exist. In the long term, however,
the overall standard of education throughout secondary school needs to be lifted.

Educational initiatives should not become a substitute for work, and this is where the design of our welfare system is important.

Following the Global Financial Crisis, the government altered the eligibility requirements for unemployment benefits. Recipients could stay on benefits without being required to look for work so long as they enrolled in some sort of education and training. Newstart recipients can enter into work experience after 12 months and hold on to their benefits, while early school leavers who later complete Year 12 (or equivalent) can continue receiving income support.

These changes made it easier for unemployed youth to continue drawing welfare benefits without actively seeking a job. Knowing the long-term effects of an early stint of joblessness, these incentives need to change if our welfare and education system is to encourage work over welfare.

Work is the primary reason students leave school early. Therefore, those who do leave should be subject to the same job search requirements as adults on Newstart. Choosing to engage in further education or training should not be a substitute for a job.

Getting the youth back into work also means the labour market must provide enough jobs. Young workers look to low-skilled work to get a foothold in the job market. Reducing the cost of unskilled labour will increase demand for young workers, and make it easier to find work. Freezing the minimum wage would help to lower unemployment among young people.

Entry-level jobs are most often in retail and hospitality, and both sectors do a large amount of business during ‘non-standard’ hours – weeknights, weekends and public holidays. Removing the barrier of penalty rates will offer a significant number of jobs to young workers.

Australia’s minimum wage is 54 percent of the median wage and ranks fourth highest among Organisation for Economic Co-operation and Development countries. But that is not it. The award system then builds higher and higher minimum wages above this already high level. At this level many young workers are priced out of the labour market, particularly during late nights and weekends when penalty rates apply.

There are no easy fixes for youth unemployment. We are dealing with a complex problem that will need several strategies to tackle it. But there are several reforms government can pursue to arrest rising joblessness among our youth.

Alexander Philipatos is a former policy analyst for The Centre for Independent Studies.

RECOMMENDATIONS: OPPORTUNITIES TO BOOST YOUTH EMPLOYMENT

KEY RECOMMENDATIONS BY THE BROTHERHOOD OF ST LAURENCE FROM ITS REPORT, ‘INVESTING IN OUR FUTURE’

**Assist young people to build their job readiness**

1. Establish a national Youth Transitions Service to enable young people who are unemployed to become work-ready and connect with employment opportunities. It will be underpinned by strong partnerships with employers, and be responsive to local labour market needs. This service would operate at minimal cost to the budget by making better use of funding available through the vocational education and training system and redeploying resources from the national Job Services Australia network.

2. Tailor the implementation of Work for the Dole and the Green Army to provide a stepping stone into ongoing mainstream employment for young people experiencing disadvantage in the labour market.

**Lift school outcomes for our most disadvantaged young people**

3. Intensify efforts to raise educational outcomes by establishing a COAG target for 90 per cent of young people from low socioeconomic backgrounds to complete Year 12.

4. Work with the states and territories to establish a system to immediately identify, and engage support for, those who leave school prematurely.

5. Work with the states and territories to overhaul the delivery of VET in schools so that it provides an effective pathway into higher-level vocational study or work.

[We need to] work with the states and territories to establish a system to immediately identify, and engage support for, those who leave school prematurely.

**Reform the training system to better prepare young people for work**

6. Lift the performance of the vocational education and training system by:

   a. Weighting funding for training providers more heavily towards course completion rather than commencement, to lift training completion rates.

   b. Providing public training subsidies only to vocational training courses that include work experience.

   c. Specifying the minimum hours of face-to-face training delivery for vocational qualifications (as distinct from online delivery) to ensure learners can develop and demonstrate their competence.

   d. Accrediting and funding specialist providers of foundation-level qualifications to deliver the support that is critical to assisting early school leavers and other disadvantaged learners move into higher level study and work.

7. Assist young people to break the cycle of homelessness and disadvantage by opening a network of Youth Foyers in TAFE Institutes across Australia that focus on education, training and skills development.

**Stimulate the availability of entry-level opportunities for young people**

8. Establish a youth-specific wage subsidy program targeted at 19 to 24 year olds that prepares young people for work and supports employers to develop the skills of the young person. It could be funded by a redesign of existing wage subsidy programs and through sharing the Job Commitment Bonus between a young person and their employer.

9. Arrest the decline in apprenticeships and traineeships by:

   a. Expanding opportunities for businesses to take on young people without carrying the employment risk. This will require stronger support for the ongoing sustainability of Group Training Organisations, which facilitate this

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employment model.
b. Creating incentives for employers to hire young people as apprentices and trainees in areas of skills shortage and priority occupation areas.

[We need to] create incentives for employers to hire young people as apprentices and trainees in areas of skills shortage and priority occupation areas.

10. Establish a dedicated trainee and apprenticeship scheme in the Australian public sector to ensure that entry-level opportunities are available in government departments and agencies for young people who experience disadvantage in the labour market.

11. Require contractors undertaking publicly-funded projects of substantial size to provide structured employment and training opportunities for young people.

Harness the efforts of business, governments and communities to tackle youth unemployment

12. Trial a collective impact approach to harness community-wide efforts to address youth unemployment in ten areas of socioeconomic disadvantage.

13. Establish a Ministerial Taskforce on Youth Employment that reports to Cabinet, to drive a whole-of-government approach to boosting youth employment. The taskforce would be charged with the responsibility of developing and coordinating delivery of a Youth Employment Action Plan, in consultation with business, unions and the community sector.

High youth unemployment and underemployment

The unemployment rate for young people is unacceptably high and is forecast to further increase. Youth unemployment shot up during the Global Financial Crisis and has not recovered. Teenage unemployment has trended upwards from 13.2 per cent in January 2008 to 17.7 per cent in April 2014. For 20-24 year olds, unemployment has risen from 6.1 per cent in January 2008 to 9.7 per cent in April 2014.

Young people are experiencing unemployment at almost three times the rate of those aged over 25 years, up from around twice the rate in earlier years.

The number of young people experiencing long-term unemployment has tripled since 2008. In April 2014, more than 50,500 young people had been on the unemployment treadmill for more than a year – nearly 19 per cent of unemployed young people.

Underemployment is also growing. In April 2014, the underemployment rate for 15 to 24 year olds was 14.9 per cent. Over a quarter of employed 15 to 24 year olds report that they want more hours of work or more regular patterns of work.

The rise of casual, part-time and temporary work

The entry-level job opportunities available to young people are increasingly casual, temporary or part-time.

Workers in these roles are less likely to have access to training and development opportunities, they may receive no paid leave entitlements, their tenure can be precarious and their work patterns irregular. They are also more vulnerable to job losses. While these jobs can provide a stepping stone to more permanent employment, this is much more likely for those young people who are combining work and study.

Since 1990 we have seen a steep rise in the proportion of young people who are solely engaged in part-time work (i.e. are not studying at the same time): from one in ten in 1990 to nearly one in four in 2012. In 1990, two-thirds of teenagers who had left full-time education held a full-time job. Now, less than half do. Recent estimates are that 27.3 per cent of young people are not fully engaged in employment, education or training, up from 23.7 per cent in 2008. For young people from low socioeconomic backgrounds, 41.7 per cent are not fully engaged.

The majority of job placements made through Job Service Australia agencies are for short-term, casual
and seasonal work, which makes it challenging for young people to remain in steady employment or stay off income support.

Young people with no or low levels of qualifications frequently find themselves in precarious, low-paid roles that provide little or no opportunity for career progression. They are on a career travellator, not a career escalator.

Dina Bowman, Brotherhood of St Laurence (2014)

Rising youth inactivity – the invisible unemployed

There are a growing number of young people who can be described as the ‘invisible unemployed’: they are not studying, not in work and not looking for a job. They do not show up in our unemployment figures and are not receiving income support or welfare benefits. While the Learn or Earn approach has focussed young people on the importance of acquiring knowledge and skills, its implementation may be contributing to the increasing number of young people who are disengaging altogether. Frustrated by the system’s increasing complexity and its lack of responsiveness to their individual circumstances, it appears some young people are essentially giving up and opting out.

Using June 2012 data, it is estimated that around 30,000 young people under the age of 20 may fall into this group. Their absence from the labour market cannot be readily explained by other factors. There will be longer-term social and economic consequences if these hard-to-reach young people cannot be re-engaged.

The changing labour market: the importance of post-school qualifications

Earlier generations of young people could walk into a job without finishing school. Today it is much harder to do so. Technological change has resulted in the disappearance of many entry-level jobs that existed a generation ago in the banking, government and services sectors. Increasingly, these sectors require tertiary qualifications. Traditionally male-dominated occupations such as manufacturing and agriculture that have typically been taken up by early school leavers and members of newly-arrived communities have also steadily declined over the past 30 years. In the early 1980s, three-quarters of unskilled men had full-time jobs; today fewer than 60 per cent do.

There is an increasing emphasis on qualifications as a prerequisite for work, and a growing demand for higher skills. It is predicted that 70 per cent of the new jobs created by 2017 will require at least a Certificate III qualification, with more than half requiring a diploma-level qualification or higher.

Growth of low-skilled jobs will effectively flat-line.

Commonwealth of Australia, Skills for all Australians (2012)

Many of these new jobs will be in traditionally female-dominated occupations such as community and personal care work. There are a number of factors driving growth in the care and social assistance occupations: the National Disability Insurance Scheme, Australia’s ageing population and the growing demand for childcare as well as community and home-based care services. Strong growth over the next five
The consequences of youth unemployment

The economic costs of high youth unemployment to our economy are undeniable. The personal costs of unemployment for a young person can be devastating. While unemployment will be a transitory experience for some young people, the longer its duration, the harder it is to move into work. Unemployment and job rejection quickly erode confidence and motivation, entrenching detachment from the labour market.

Early experiences of unemployment have lasting effects, leading to reduced future earnings and poorer work prospects. The consequences of limited education and prolonged bouts of unemployment can escalate across the life course, resulting in poorer physical and mental health and an increased likelihood of becoming entangled in the criminal justice system. Unemployment can also result in declining social networks and an increasingly restricted social life.

A Brotherhood analysis of the Household, Income and Labour Dynamic Australia (HILDA) data compares outcomes of young people who had been out of work and out of education at some stage when they were between 15 and 20 years old, with those who hadn’t. Once they reached 25-30 years of age, the former group were:

- **Four and a half times more likely to be out of work** – resulting in loss of earnings for the individual and the costs of income support payments and forgone tax revenue for government.
- **Two and a half times less likely to have completed Year 12** – resulting in lower earning potential for the individual, and lower tax revenues for government.
- **Twice as likely to describe themselves as having poor general health** – resulting in negative quality-of-life impacts and escalating costs to the health system.

These findings are consistent with similar UK research, which found that young people in comparable circumstance were four times more likely to be out of work, five times more likely to have a criminal record, six times less likely to have qualifications and three times more likely to suffer from depression.


Our CEOs are deeply concerned about youth unemployment, but even more so because many young people applying for jobs, or who are new to the workforce, don’t appear to have the right skills or capacity.

Despite significant investment in vocational education by governments around Australia, the system is providing poor value for money. Course completion rates are low and training is not providing strong pathways into work for young people experiencing barriers to employment. The move to a demand-led system is proving fraught with risks for young learners.

High youth unemployment rates translate into strong competition for available roles. This can fuel a de facto rise in minimum qualification requirements. For example, retail sales and food services industries...
continue to be big employers of people under 25 years old, but in this tight job market positions are increasingly filled by those with higher qualifications, skills and experience, and by tertiary students combining part-time work and study.

Declining apprenticeship and traineeship opportunities for young people

Apprenticeships and traineeships provide one of the few opportunities to combine paid work and structured training (both on and off the job) as part of a recognised qualification. They provide an effective pathway to a secure future in the labour force. Apprenticeships are critical to building the skills needed in our future workforce.

Apprenticeships and traineeships have traditionally been the domain of young people, but this is changing. The decline in the number of young people commencing apprenticeships has coincided with an increase in the number of adult commencements. The average age of apprentices and trainees is rising, with 48 per cent now being over 25 years old.

The volume of apprenticeship and traineeship opportunities is declining: commencements are the lowest they have been in a decade. In the 12 months to 30 September 2013, commencements fell by over 26 per cent.

Opportunities for employment have largely disappeared from the public sector, which historically employed the majority of apprentices. The tendency of larger businesses to use subcontractors has also impacted on the availability of opportunities. As such, there is an increasing reliance on small- and medium-sized businesses to employ apprentices and trainees.

Employers look for experience and work readiness when they recruit

In workplace surveys, employers routinely rank work experience as one of the most important attributes when recruiting staff. They are reluctant to interview young people without relevant experience, but there are few available opportunities for young people to acquire it. While there are some promising work experience programs for school students, opportunities for those who have left school are severely limited.

Surveys also reveal a perception by some employers that young people might not be work-ready. Employers are looking for staff with strong personal skills like initiative, motivation, good communication and an ability to fit into the workplace. Young job seekers have to overcome the negative preconceptions of some employers that they lack commitment, a good work ethic and skills.

Location matters

Certain locations and communities are linked to lower levels of labour force participation, lower skill levels, lower levels of educational attainment and higher unemployment rates. Youth unemployment is significant and notably worse in regional and remote communities, in the urban growth corridors of our major cities and in areas dealing with the aftermath of economic structural readjustment – particularly those communities losing their manufacturing industries. Youth unemployment is as high as 21 per cent in some parts of Tasmania, 16 per cent in southern Brisbane and nearing 20 per cent in parts of Adelaide.

There are dramatic variations in proximity and transport access to available jobs, even within the same city. This significantly impacts the employment prospects of young people living in our growing outer-urban communities, which is further exacerbated by young people’s overwhelming reliance on public transport. Surveys of employers indicate that a key reason for not taking on young job seekers is the lack of driver’s licence or personal vehicle.

29 per cent of businesses who hire young people do so through existing employees, colleagues and friends and word of mouth.

Mission Australia’s Survey of Employers (2013)

The importance of networks: who you know helps

Social networks play a huge role in influencing employment opportunities. Who you know will help open doors to paid work and also to unpaid work experience. Many vacancies are not advertised, but filled through personal networks. Consequently, a young person’s employment prospects are directly affected by the nature and extent of their social networks. Young people with limited networks struggle in the competition for jobs.

Australian youth stuck in the jobless queue

Mission Australia calls on the state and federal governments to make tackling youth unemployment a priority, as the latest data reveals a growing problem across the nation.

The regional Labour Force data released by the Australian Bureau of Statistics shows the national youth unemployment rate has continued to rise, it is now sitting at 12.3%, more than double Australia’s general unemployment rate of 6%.

The top ten worst regional hotspots for youth unemployment nationally are:

- Cairns: 21.5%
- Tasmania – West and North West: 20.7%
- Adelaide – North: 19.5%
- Tasmania – South East: 19.5%
- Moreton Bay – North: 18.2%
- Ipswich: 17.8%
- Launceston and North East: 17.6%
- Wide Bay: 17.4%
- Mandurah: 17.3%
- Sydney – Parramatta: 17.2%

Being unemployed is not just bad news for young people right now – the longer they languish on welfare the harder it will become for them to break into the workforce. This ultimately sets them up for a cycle of unemployment and poverty over their lifetime. We need urgent action to ensure we don’t allow this generation of young people to fall through the cracks.

As a leading provider of employment and community services for youth around the country, Mission Australia sees the impact high unemployment is having on our young people every day. Our youth are already concerned about what this means for their future. Mission Australia’s 2013 ‘National Youth Survey’ found that one in four young people fear there simply won’t be sufficient employment opportunities in their local community when they finish school. As the host of this year’s G20, we are very pleased that the Australian government has made youth unemployment a priority.

We now need to show the world that Australia has a plan to tackle youth unemployment domestically as well, rather than sweeping the issue under the carpet.

Mission Australia spokesperson, Martin Thomas

Mr Thomas said that with Australia facing another jobs slump, the opportunities for young people across the state, particularly in our regional communities to break the cycle will be even fewer.

Young people were the biggest casualty of the Global Financial Crisis and they haven’t made it back into the workforce as the economy has recovered. As the youngest, least-experienced employees, they were the first to go and they are often the last to return. The issue demands attention and investment from all levels of government to assist local young people in the transition from school to the workforce or higher education or training.

As both levels of governments undertake reviews of existing and expiring programs in preparation for the Federal and State Budgets, support for young people to stay engaged in education, training or work is vital. Given the jobless figures out today, it’s abundantly clear this is not a time to cut funding for programs that assist our youth to participate in education, training or employment. We must continue to invest in programs where the evidence shows we’re making a difference.

Mission Australia said there are a number of key actions governments need to take, including:

- **Greater effort from state governments** toward improving the outcomes achieved by young people – including addressing the gaps in mainstream education delivery, particularly in relation to job readiness and employment outcomes.
- **More flexible learning options for young people** struggling in the mainstream education system, so they can stay engaged in education and training and transition into the workforce.
- **Earlier support for students from Year 10 upward** to be actively engaged in examining career choices and undertaking work experience, with the range of options including work, training or pursuing university studies equally promoted.
- **Support and mentoring for students in the transition** from school, training or university to work, particularly in the first year of their working lives.
- **More intensive, youth-focused assistance** for young people within the employment service system, to ensure their needs are met early and job outcomes improve.

Mission Australia spokesperson, Martin Thomas

Mission Australia. Australian youth stuck in the jobless queue (Media release).
Australia came out of the Global Financial Crisis better than most industrialised countries, but did not escape altogether. With a weaker economy, the unemployment rate rose from about 4% to 6% between 2008 and 2009. It has remained around that level since then, and the longer unemployment remains at this level, the greater the costs it imposes on those affected.

The young are particularly disadvantaged by the current unemployment rate. This is not unexpected, as the young always fare worst in downturns. Slowing economic activity reduces the rate of creation of new jobs. At any point in time, the young, who are making the transition from education to work, account for a disproportionate share of job seekers. Therefore, they are also most affected by the declining availability of jobs.

In May 2012, the rate of unemployment for 15 to 19-year-olds was 18.8%; and for the broader group of 15 to 24-year-olds it was 13.1%. This compares to an unemployment rate of 5.8% for the population aged 15 to 64 years.

The young are particularly disadvantaged by the current unemployment rate. This is not unexpected, as the young always fare worst in downturns.

Long-term unemployment also becomes a more severe problem as the economic downturn lengthens. Of those 15 to 24-year-olds who were unemployed in May 2012, more than 25% had been unemployed for 12 months and longer.

These numbers have attracted growing attention to the labour market problems facing young Australians today. The main point of discussion has been how to assist the young unemployed and those who will make their transition to the labour market in coming years to obtain employment.

Focus on help, not blame

It is important to recognise that the main influence on their employment prospects is outside their control. This is the rate of economic growth. It determines the pace at which jobs are created, and therefore the unemployment rate. Recent research I have done shows that virtually all of the increase in Australia’s rate of unemployment since the start of 2008 can be explained by slower economic growth.

Once the rate of economic growth becomes sufficient to generate a higher rate of job creation, it is young job seekers who will benefit most. Being the largest share of job seekers, they will get the largest share of the new jobs. Therefore, the employment rate of the young will increase, and their unemployment rate will decrease by more than for the rest of the population.

The best way for a government to reduce youth unemployment then is to keep economic growth as high as possible. The other main way to improve labour market outcomes for the young unemployed is through targeted programs that make them ‘job ready’ and create pathways to employment. Programs that provide these services to the young unemployed can increase their opportunities to move into work when extra jobs become available.

There is, however, a problem. Having programs targeted to improve outcomes for the young unemployed sounds good in theory, but the practice has been more
difficult. Designing programs that work has been a major challenge. It is this challenge, and the challenge of long-term unemployment more generally, that was taken up this month by the Social Ventures Australia (SVA) “Employment Dialogue”. With the theme “Building better futures for those experiencing long-term unemployment”, the event brought together representatives of leading welfare agencies, service providers for the unemployed, major business groups, as well as SVA members.

At a time when the federal government’s best idea is to go back to the failed model of Work for the Dole, the discussion at the Employment Dialogue was refreshing and inspiring.

Speakers from very different backgrounds provided a broad range of ideas on what would be good policy that were striking for how much they had in common. Putting these ideas together provides the possibility of a new approach to designing policies to improve labour market outcomes for the long-term unemployed as well as those about to move into the labour market.

Policies to help young workers

Here’s my summary of the main ideas from the Employment Dialogue about policy design:

Assistance to the unemployed should ideally involve a job placement. This is the best pathway to long-term employment and the best context for increasing skills.

Many employers are willing to support initiatives to improve outcomes for the unemployed; for example, by providing job placements. A prerequisite for employers to offer placements is that they want workers who already have basic capabilities needed for work. They are happy to partner not-for-profits/service providers who can do the work of giving the unemployed those basic capabilities. An example profiled on the day was a partnership between Leighton Contractors and Beacon Foundation and CareerTrackers.

Not-for-profits can also successfully create job placements that improve the employment prospects of young unemployed. A leading example is the STREAT program which provides young jobless homeless youth with the training and skills for a career in the hospitality sector.

To support building relationships between business and not-for-profits or service providers it is necessary to have a local or decentralised model of assistance for the unemployed and the young who are making the transition from education to work. Part of the local assistance to young people making the transition from education to work should be a greater role for schools and suppliers of tertiary education in providing opportunities to engage with the workplace. For example, having more information on work options allows students to make better study choices and provides greater motivation for study.

Training and obtaining a formal qualification can be an important part of improving outcomes for the unemployed, but the incentives to undertake training and the value of training are greatest when it is matched to a job placement.

All this can only happen if we have government funding that supports a decentralised model of assistance to the young unemployed. Any funding model should require that specified outcomes be achieved, but must also allow greater flexibility and less bureaucracy than current government schemes.

The government funding model should recognise that “you get what you pay for”. Some young unemployed have a substantial level of disadvantage, which will require significant spending for them to acquire basic capabilities for employment. Therefore, it is necessary to take a long-run approach to benefit-cost in evaluating this type of spending.

It is important to make more effort to do rigorous evaluation of programs that seek to assist the unemployed, as a basis for refining our knowledge of what is most effective.

Applying these principles to the design of programs for young unemployed would be a big step forward in Australia. It would give us a good chance of, as one participant put it at the Employment Dialogue, “getting money to where it will be most effective and starting to make a difference”.

Jeff Borland is Professor of Economics at the University of Melbourne.

PAIN NOW, REWARDS LATER?
YOUNG LIVES CANNOT BE RELIVED

The uncertainties of young Australians’ lives already present many challenges. Any harm done by making things tougher cannot easily be undone, caution Johanna Wyn and Hernan Cuervo in this piece from The Conversation.

The federal government’s proposed budget measures are particularly harsh on young people, particularly the most vulnerable. A raft of measures, if introduced, will reduce young people’s access to income support, to education and training and to employment.

It is proposed that young people under the age of 30 will have a six-month wait until they can access Newstart or Youth Allowance. The benefit will be available for six months only. The age of eligibility for the Newstart allowance will increase from 22 to 24 years and those aged between 22 and 24 will only be eligible for the Youth Allowance.

This amounts to a loss of just under A$50 a week compared with current arrangements. At the same time, funding has been withdrawn for the organisations that provide career counselling, including Youth Connections and the Local Learning and Employment Networks (in Victoria). Support for young people who are already vulnerable, including those with disabilities, will drop to a new low.

The justification for these harsh measures, according to federal treasurer Joe Hockey, is that they are necessary to balance the budget. This, according to Hockey, will, at a future time, enable the government to provide responsibly for the vulnerable, the poor, the disabled and the sick. Similarly, prime minister Tony Abbott argues that:

The budget pain will be temporary but the economic improvement will be permanent.

The problem with this logic is that it’s not that simple. The harms that are done cannot be retracted. Young lives cannot be relived.

CRITICAL YEARS: THE EVIDENCE

This message comes across loud and clear from the Youth Research Centre’s longitudinal Life Patterns research program. Following a cohort of secondary school graduates of 1991, this research traced the impact on young people’s lives of two significant policy changes that occurred in the early 1990s: university fees and the Workplace Relations Act. These policies changed the rules of school-to-work transitions, and created the conditions for a new generation (Generation X).

It is well known that this generation were the pioneers of the ‘new youth’. The period that young people spend in educational institutions has extended into their mid-twenties. They have then spent the next 10-15 years seeking secure work before ‘settling down’.

What is not as well known is that Generation X also bore the costs of this new life stage of extended economic insecurity and dependence. Although the majority of the participants in the Life Patterns study said they expected to be in stable relationships or married and becoming parents by their late 20s, it was more than ten years later that the majority were economically secure enough to make these commitments.

Concerned about the drop in the fertility rate that its policy changes caused, the Howard government offered a baby bonus to encourage parenthood. This belated gesture is echoed in the current government’s assumption that young lives can be directed at the whim of political agendas.

In the wake of these events, members of Generation Y have largely accepted that it is up to the individual to

A majority of young Australians have the social and material resources to survive and perhaps even thrive in these times. But a significant minority are already finding it tough.
The proposed federal budget measures will effectively remove the threadbare social welfare safety net that provides a basic level of support for young people who, through no fault of their own, have little financial or social support, who have disabilities or health challenges.

Young person (and their family) to invest in education and learn how to navigate increasingly insecure labour markets. This works for some, but the evidence shows that for an increasing minority it is very difficult to work out what kind of education or training will be best and how to make this work in volatile labour markets. In other words, it’s already difficult for young people to get it right.

The report How Young People are Faring 2013 by the Foundation for Young Australians shows that it is taking young people longer to get from education to full-time work. Nearly one in four young women aged 23 and one in six young men are not in study or work.

The Life Patterns research also shows that financial hardship and combining work and study are associated with the trend towards declining mental health for young people aged 19 to 25. In other words, even now, many young people struggle against the odds to get educational or skills qualifications and to use these in the labour market. A proportion of those who do experience stress levels that are harmful to their health.

INCREASING RISK OF A LOST GENERATION

Extended periods of poverty, unemployment, lack of access to meaningful and purposeful education or training and insecure work for 18 to 25 year olds robs them of the building blocks to make productive lives. The momentum lost during these crucial years is very difficult to recover.

These conditions, it is argued in the International Labour Organisation report Global Employment Trends for Youth 2013, are creating a ‘lost generation’, who lose hope. The scarring does not just affect young people. It also affects society in the form of intergenerational conflict and escalating welfare costs in the future.

A majority of young Australians have the social and material resources to survive and perhaps even thrive in these times. But a significant minority are already finding it tough. The proposed federal budget measures will effectively remove the threadbare social welfare safety net that provides a basic level of support for young people who, through no fault of their own, have little financial or social support, who have disabilities or health challenges.

The window of opportunity that exists at this stage of their lives closes as time passes. Economically and socially, Australia has a lot to gain by supporting young people during these significant years of their life. These years hold opportunities that young people need to take now. This time cannot be relived.

Johanna Wyn is Director, Youth Research Centre, Melbourne Graduate School of Education at the University of Melbourne.

Hernan Cuervo is a Lecturer, Melbourne Graduate School of Education; Senior Researcher in the Youth Research Centre at the University of Melbourne.

THE CONVERSATION


When should a young person start getting paid as an adult? It depends on where the money is coming from, according to current government policy – policy that is sending conflicting messages about the true value of young people to Australia’s economy.

In March, the Fair Work Commission (FWC) decided to alter the General Retail Industry Award so that 20-year-olds would receive the ‘adult’ rate of pay instead of the current rate of 90%. They will now be eligible for the full adult rate once they have been in the job for six months. This means that 20-year-olds will be treated virtually the same as those aged 21.

And yet in May, the federal budget proposed that unemployed people under the age of 25 would no longer qualify for the Newstart allowance of $510 a fortnight, currently available to people after they turn 22. People under 25 will have to apply for the lower Youth Allowance of $414 a fortnight at the full rate.

Currently, the Australian Chamber of Commerce and Industry (ACCI) is leading a campaign to lower Sunday penalty rates, arguing that it will create jobs for young people. These measures send contradictory messages about when young people officially join the mainstream ‘adult’ workforce. Let’s look at each in turn.

First the FWC decision. The Australian Retailers Association has argued that changes to the system of junior rates could discourage employers from appointing young people. But as Damian Oliver from the University of Sydney has pointed out, some employers already pay young people in this age group at the adult rate.

Parts of the manufacturing and construction industries – significant employers of young males – have already removed junior rates for many categories of workers aged 18 to 20. Coles and Woolworths, the two largest employers of young people in the retail sector, have already removed junior rates for 20-year-olds from their enterprise agreements.

Casual work is on the rise

At the same time, young people face an increasingly casualised workforce, with access to full-time secure work happening later in life. The steady decline of full-time job opportunities over the last 20 years has meant that many teenagers must make do with part-time and casual work, in which associated entitlements such as access to flexible holidays are not available. Combine this with the ever-increasing challenges of entering the housing market and young people find that the secure markers of ‘adulthood’ enjoyed by previous generations are often out of reach. Recognition of a fair level of pay commensurate with ‘adults’ is one of the few concessions available in a fluid job market.

Recent surveys of business show concern that young people lack loyalty to their employers. Loyalty is a two-way street. Recognition of the value of young people’s labour through wage levels, with the expectation that in return young people will stay with employers, is one way of addressing this concern, so the FWC decision is potentially positive in this regard.

The Australian Industry Group has suggested: “The emphasis should be on preserving employment in the industry, not on imposing higher costs,” but a more sophisticated response is required that both ensures fairness as well as providing youth employment and training opportunities. Arguably, wage
Youth Unemployment Issues in Society | Volume 387

rates could be traded off against traineeships with a qualification at the end or other benefits.

A less sophisticated approach is to lower penalty rates. ACCI Chief executive, Kate Carnell, recently suggested that “With youth unemployment rates going up, and the policies announced in the budget ... you could get more jobs, especially with the young market, very quickly with movement on weekend penalty rates”.

With major employers of young people such as retailers joining the campaign, there is some justification to potentially opening up job opportunities. But again, the value of young people's work (and rest) is ambivalent. While it may create jobs, it may also inadvertently contribute to the broader lack of security that permeates the youth labour force. And the argument that these jobs will lead to secure employment becomes problematic given that teenagers in part-time work are only slightly more likely to move into full-time employment than those who are unemployed.

**Earning or learning**

Under the government’s new earning or learning regime, job-seekers under the age of 30 will have to wait six months before receiving unemployment benefits, depending on their work history. In one stroke, this policy effectively extends the age of transition from school to work by five years. It does this by treating young people under 30 as one category, consisting of those who apparently need economically punitive motivation to seek work. Advocates of this policy may characterise this as an ‘incentive’, but the outcome is the same: if you’re young and not earning or learning, you will not be supported by government support derived from societal taxation.

A consistent message needs to be sent to young people about their economic status as ‘adults’. Recognising their work through providing the adult wage level is one small way of doing this, while addressing the discrimination evident in the way young people are paid.

What this does is to extend the economic definition of unemployed youth to the age of 30. It stands in contrast to the FWC’s implied judgement that 20 year olds should be treated the same as those aged 21. The latter decision affords entitlements to a fair wage to younger Australians, the former denies entitlements to later in life. One step forward, two steps back.

At the heart of the FWR decision is that “the discounted rate for all 20 year old retail employees is not a fair and relevant minimum safety net”.

Beneath these decisions is a social question: “When does a young person become an adult?” Prior to this decision, 18-year olds working in retail are paid 70% of the full adult rate (i.e. the wage applied to those over the age of 21). 19-year olds are paid at 80% of the wage, and so on until at age 21 they are recognised as ‘adults’.

What changes between the ages of 20 and 21? Based on the evidence, the Commission found there to be “little difference in the duties and responsibilities assigned to 20 and 21-year old retail employees”. And what changes between the age of 21 and the age of 30?

A consistent message needs to be sent to young people about their economic status as ‘adults’. Recognising their work through providing the adult wage level is one small way of doing this, while addressing the discrimination evident in the way young people are paid.

The FWC described the decision to change the retail award as a special case and that this would not necessarily lead to similar findings for other awards. The federal government’s policy to alter conditions for receiving Newstart Allowance has yet to make its way through the Senate.

When viewed in combination, these approaches to youth employment suggest we are some way off from sending a consistent message to young people about the value of their work to the economy.

Lucas Walsh is Associate Professor and Associate Dean (Berwick), Faculty of Education at Monash University.

**THE CONVERSATION**

WHY RISING YOUTH UNEMPLOYMENT DEMANDS OUR URGENT ATTENTION

The number of young unemployed people has grown by more than 60 per cent in less than six years, so why are they largely ignored, asks Ken Henry

I believe there is a special case for taking an interest in youth unemployment. It is concerning that more than one-third of the unemployed people in Australia are aged 15 to 24.

In the 14 years leading up to the Global Financial Crisis in 2008, youth unemployment had been trending down. It fell from more than 380,000 (seasonally adjusted) in October 1992 to less than 160,000 in August 2008.

Today, the number of those aged 15 to 24 who are unemployed has climbed back to around 260,000. Strikingly, this is more than the total number of people, of all ages, who are employed in the state of Tasmania. Australia simply cannot afford this level of youth unemployment.

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SUSTAINING GDP DEPENDS ON YOUNG WORKERS

Unemployment is a key determinant of a country’s standard of living, which is conventionally measured by gross domestic product per capita. In fact, gross domestic product (GDP) is explained by three things: the number of people employed, the average number of hours they work and labour productivity.

And the number of people employed, in turn, is determined by the participation rate (which measures the proportion of the population aged 15 or more that want to work) and the unemployment rate.

Meanwhile, average hours of work have been declining with an increase in part-time employment. In October 1992, one-third of those aged 15 to 24 who had a job worked part-time. Today, more than half of total employees aged 15 to 24 work part-time. Part-time work has also been increasing for those aged 25 to 64, but at a much slower rate.

And in the 21st century, labour productivity has been growing more slowly than in the second half of the 20th century.

These trends in average hours worked and labour productivity are acting to reduce the rate of growth of GDP per capita. This wouldn’t matter for living standards if participation and unemployment trends were working in the opposite direction. But they are not: the participation rate peaked in 2010. And because of the ageing of the population it will continue to fall for several decades.

All of this means that initiatives to reduce unemployment are going to have to do the heavy lifting in sustaining growth in GDP per capita.

Trends in GDP per capita are not only the key measures of trends in living standards. They are also the key determinant of trends in budget revenue, shaping the ability of governments to continue to fund things
like the age pension, education, health, defence and infrastructure.

Of course, the relationship between youth unemployment and Australia’s GDP per capita is not the only reason for taking an interest in this subject.

**CRIPPLING YOUTH’S CAPABILITIES**

Most importantly, unemployment is a powerful source of “capability deprivation”. In essence, what this means is that young people who are not in the education system and who are denied work are deprived of the freedom to lead a life they would choose. They are being denied the capability to participate fully in the activities of their community.

Unemployment is a powerful source of “capability deprivation”. In essence, what this means is that young people who are not in the education system and who are denied work are deprived of the freedom to lead a life they would choose. They are being denied the capability to participate fully in the activities of their community.

In many cases, young people’s self-respect and dignity is eroded. This is true for all people who are unemployed, of course. But for those who are young, unemployment can have a permanent impact by impeding the development of their talents and potential. These are essential ingredients for Australia’s youth to be able to make good choices throughout life.

I believe these are compelling reasons to tackle the growing problem of youth unemployment in Australia.
WORKSHEETS AND ACTIVITIES

The Exploring Issues section comprises a range of ready-to-use worksheets featuring activities which relate to facts and views raised in this book.

The exercises presented in these worksheets are suitable for use by students at middle secondary school level and beyond. Some of the activities may be explored either individually or as a group.

As the information in this book is compiled from a number of different sources, readers are prompted to consider the origin of the text and to critically evaluate the questions presented.

Is the information cited from a primary or secondary source? Are you being presented with facts or opinions?

Is there any evidence of a particular bias or agenda? What are your own views after having explored the issues?

CONTENTS

WRITTEN ACTIVITIES 51
RESEARCH ACTIVITIES 52-53
DISCUSSION ACTIVITIES 54
MULTIPLE CHOICE 55-56
Brainstorm, individually or as a group, to find out what you know about youth unemployment.

1. What is 'unemployment', and how does it impact on Australia's youth?

2. What is 'long-term unemployment', and who does it most affect?

3. What is 'underemployment'? Explain how it differs from 'unemployment'.

4. What is 'workforce casualisation', and how does it affect young jobseekers and workers in Australia?
Complete the following activities on a separate sheet of paper if more space is required.

“Young Australians are facing a dual assault on their aspirations for the future. The unemployment rate for young people now stands at the highest since 2001 and the underemployment rate for young people is the highest since 1978.”

Brotherhood of St Laurence

Consider the above workforce trends in Australia. Write a few paragraphs addressing the reasons for these changes in Australia’s unemployment and underemployment rates.

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Complete the following activity on a separate sheet of paper if more space is required.

1. The trend towards young people being underemployed has intensified since the Global Financial Crisis. Research possible reasons why this may have occurred in Australia, and more generally in similar OECD countries. In your response use current statistics and clearly cite your sources.
Complete the following activity on a separate sheet of paper if more space is required.

2. Describe the possible financial, social and personal impacts of growing underemployment trends on the careers and futures of young Australian jobseekers and workers.
Complete the following activities on a separate sheet of paper if more space is required.

Young people who are not in the education system and who are denied work are deprived of the freedom to lead a life they would choose. They are being denied the capability to participate fully in the activities of their community ...

In many cases, young people's self-respect and dignity is eroded. This is true for all people who are unemployed, of course. But for those who are young, unemployment can have a permanent impact by impeding the development of their talents and potential. These are essential ingredients for Australia's youth to be able to make good choices throughout life.

Ken Henry

Form into small groups of 3-4 people to discuss the possible financial, social and personal impacts of long-term unemployment on the present lives and futures of young Australians. Compile your findings in the space below and present the key points to your class.
Complete the following multiple choice questionnaire by circling or matching your preferred responses. The answers are at the end of the next page.

1. The national youth unemployment rate in Australia currently stands at approximately how much?
   a. 6%
   b. 14%
   c. 24%
   d. 40%

2. How many young Australians (15 to 24-year olds in the labour market) are now either underemployed or unemployed (as at Sept 2014)?
   a. 280,000
   b. 480,000
   c. 580,000
   d. 680,000
   e. 880,000

3. Respond to the following statements by circling either ‘True’ or ‘False’:
   a. The trend to youth being underemployed has intensified since the Global Financial Crisis. True / False
   b. Old people are much more likely to be employed precariously, on casual or fixed term contracts. True / False
   c. Today, young people are more likely to be underemployed than at any time in the last 36 years. True / False
   d. The proportion of employed people between 15 and 24 years of age who are underemployed is now twice that among the overall working-age population. True / False
   e. Until the onset of the Global Financial Crisis and global recession, long-term youth unemployment in Australia had been trending downwards. However over the past two years the rate of youth unemployment has been on the rise. True / False
   f. Youth unemployment currently represents just under 40% of all unemployment in Australia. True / False
   g. More than one in three unemployed Australians is young – between the ages of 15 and 24. True / False
   h. The entry-level job opportunities available to young people are increasingly casual, temporary or part-time. True / False
   i. In terms of employment, older people always fare worst in economic downturns. True / False
4. Match the following terms to their correct definitions.

a. Casualisation
   1. Generally refers to people aged 15-24 years (but may also refer to those aged 15-19 years) who are actively looking for full-time or part-time work.

b. Employment
   2. Performance of work for fewer than 35 hours a week (in all jobs).

c. Full-time work
   3. Defined as being unemployed for over 52 weeks.

d. Labour force
   4. Performance of at least one hour of work for wages or salary (or in kind payments) in the week.

e. Labour force underutilisation
   5. When workers are willing and available for more hours of work than is currently on offer.

f. Long-term unemployment
   6. Status of someone aged 15 years and over and not in any paid employment who is actively looking for full-time or part-time work.

g. Part-time work
   7. Performance of work for 35 hours or more a week (in all jobs).

h. Underemployment
   8. Process by which employment shifts from full-time and permanent or contract positions to higher levels of casual positions.

i. Unemployment
   9. Sum of employed people and unemployed people; often referred to as the ‘work force’.

j. Very long-term unemployment
   10. Defined as being unemployed for 24 months and over.

k. Youth unemployment
   11. Sum of the number of people unemployed and the number of people in underemployment, as a proportion of the labour force.

MULTIPLE CHOICE ANSWERS

1. Generally refers to people aged 15-24 years (but may also refer to those aged 15-19 years) who are actively looking for full-time or part-time work.

2. Performance of work for fewer than 35 hours a week (in all jobs).

3. Defined as being unemployed for over 52 weeks.

4. Performance of at least one hour of work for wages or salary (or in kind payments) in the week.

5. When workers are willing and available for more hours of work than is currently on offer.

6. Status of someone aged 15 years and over and not in any paid employment who is actively looking for full-time or part-time work.

7. Performance of work for 35 hours or more a week (in all jobs).

8. Process by which employment shifts from full-time and permanent or contract positions to higher levels of casual positions.

9. Sum of employed people and unemployed people; often referred to as the ‘work force’.

10. Defined as being unemployed for 24 months and over.

11. Sum of the number of people unemployed and the number of people in underemployment, as a proportion of the labour force.
More than 580,000 young Australians are now either underemployed or unemployed. Overall, this represents more than a quarter of 15 to 24 year olds in the labour market (Brotherhood of St Laurence, Generation Jobless: more than half a million young people underemployed or unemployed). (p.1)

Unemployment in Australia rose to a 12-year high in July 2014 of 6.4% (OECD, OECD Employment Outlook 2014 – How does Australia compare?). (p.5)

By February 2014, more than 18% of the unemployed young people in Australia were consigned to long-term unemployment (Brotherhood of St Laurence, On the treadmill: Young and long-term unemployed in Australia). (p.7)

Research has found having post-school qualifications reduces the scarring effects of unemployment over time (Loussikian, K, Long-term youth unemployment triples in six years: study). (p.9)

As of 2012, the unemployment rate for 15-19 year olds not in full-time education was 17.7% while for 20-24 year olds it was 8% (Foundation for Young Australians, How young people are faring 2013). (p.12)

The proportion of bachelor degree graduates under the age of 24 going on to further full-time study decreased from 2002-2009 (28.8% to 21.9%) but has since increased to 24.8% in 2012 (ibid). (p.14)

The age at which young people enter full-time work has increased considerably since 1986 for both males and females. Some of this has to do with the later age at which young people leave full-time education, which is partly accounted for by increases in the school leaving age in states and territories to the age of 17 (ibid). (p.15)

26% of Australian higher education graduates are underutilised (overeducated) immediately after course completion and 15% are still underutilised 3 years later (ibid). (p.17)

Over a long period of time, the proportion of people studying full-time has been increasing, and the proportion of people working full-time has been decreasing (Foundation for Young Australians, How young people are faring 2013). (p.18)

In 2013, as many as 290 million 15-24 year olds were not participating in the labour market – “nearly as large as the population of America”. (Walsh, L, Is job insecurity becoming the norm for young people?) (p.22)

73.4 million young people – 12.6% – were expected to be out of work in 2013, an increase of 3.5 million between 2007 and 2013 (ibid). (p.22)

One-fifth of all casual workers are aged 15-19 and from 2001 to 2011 the prevalence of casual work increased significantly for this age group and to some extent for 20-24 year olds for the period, but far less for older age groups (ibid). (p.23)

Since the 1980s the number of full-time job opportunities for teenagers has been steadily declining (ibid). (p.22)

Between May 2003 and May 2013, the share of those aged 60-64 in the workforce increased from 39% to 54%. This increasing competition for work particularly affects young people who are qualified but lack experience (ibid). (p.23)

In 2013, 71.3% of new bachelor degree graduates who entered the full-time labour market had found a full-time position within 4 months of course completion. This was down from 76.1% in 2012 (Graduate Careers Australia, 2013 Graduate Jobs and Earnings). (p.24)

Youth unemployment currently represents just under 40% of all unemployment in Australia. In other words, more than 1 in 3 unemployed Australians is young – between the ages of 15 and 24 (Brotherhood of St Laurence, Australian Youth Unemployment 2014: Snapshot). (p.27)

The underemployment rate increased from 15.4% to 16.4% for 15-24 year olds between May and August 2014 continuing a long-term trend over recent years. This means around 29% of the youth labour force has no work or not enough work at present compared to 14.4% of the labour force as a whole (Palmer, C and Jevaratnam, E, Infographic: Finding a policy fix for youth unemployment). (p.30)

Youth unemployment shot up during the Global Financial Crisis and has not recovered. Teenage unemployment has trended upwards from 13.2% in January 2008 to 17.7% in April 2014. For 20-24 year olds, unemployment has risen from 6.1% in January 2008 to 9.7% in April 2014 (Brotherhood of St Laurence, Investing in our future). (p.36)

Recent estimates are that 27.3% of young people are not fully engaged in employment, education or training, up from 23.7% in 2008. For young people from low socioeconomic backgrounds, 41.7% are not fully engaged (ibid). (p.36)

In the early 1980s, three-quarters of unskilled men had full-time jobs; today fewer than 60% do (ibid). (p.37)

Around 60% of young people will not achieve a university qualification (ibid). (p.38)

Apprenticeships and traineeships have traditionally been the domain of young people, but this is changing. The decline in the number of young people commencing apprenticeships has coincided with an increase in the number of adult commencements. The average age of apprentices and trainees is rising, with 48% now being over 25 years old (ibid). (p.39).

29% of businesses who hire young people do so through existing employees, colleagues and friends and word of mouth (ibid). (p.39)

The national youth unemployment rate has continued to rise, it is now sitting at 12.3%, more than double Australia’s general unemployment rate of 6% (Mission Australia, Australian youth stuck in the jobless queue). (p.40)

The steady decline of full-time job opportunities over the last 20 years has meant that many teenagers must make do with part-time and casual work, in which associated entitlements such as access to flexible holidays are not available (Walsh, L, Earning, learning or confused: mixed signals on jobs for young). (p.45)
**Actively looking for work**
Includes written, telephoned or applied to an employer for work; had an interview with an employer for work; answered an advertisement for a job; checked or registered with a Job Services Australia provider or any other employment agency; taken steps to purchase or start your own business; advertised or tendered for work; and contacted friends or relatives in order to obtain work.

**Casualisation**
A process by which employment shifts from full-time and permanent or contract positions to higher levels of casual positions.

**Employment**
A person is considered employed if he or she performs at least one hour of work for wages or salary (or in-kind payments) in the week.

**Full-time workers**
Employed people who usually worked 35 hours or more a week (in all jobs) or others who, although usually worked fewer than 35 hours a week, worked 35 hours or more during a reference week.

**Labour force**
The sum of employed people and unemployed people. Often referred to as the 'work force' or the 'active population'.

**Labour force underutilisation**
The sum of the number of people unemployed and the number of people in underemployment, expressed as a proportion of the labour force.

**Level of highest educational attainment**
This identifies the highest achievement a person has attained in any area of study. It is not a measurement of the relative importance of different fields of study but a ranking of qualifications and other educational attainments regardless of the particular area of study or the type of institution in which the study was undertaken.

**Long-term unemployment**
Defined as a person being unemployed for over 52 weeks. Very long-term unemployment (VLTU) is defined as a person being unemployed for 24 months and over.

**Participation rate**
The labour force (aged 15 years and over) expressed as a proportion of the civilian population for the same age group (e.g. 15 years and over).

**Part-time workers**
Employed people who usually worked fewer than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work during the reference week.

**Underemployment**
When workers are willing and available for more hours of work than is currently on offer.

**Unemployment**
An unemployed person is defined as someone aged 15 years and over, not in paid employment who is actively looking for full-time or part-time work. Anyone who is doing paid work for at least one hour a week is not considered to be unemployed. Anyone can become unemployed. Statistically, however, Indigenous Australians, recently arrived migrants, people with disabilities, young people and older workers who have been retrenched are most likely to be unemployed. People living in remote and rural communities also have higher rates of unemployment.

**Unemployment rate**
A figure produced monthly by the Australian Bureau of Statistics. It is the proportion of the labour force who are unemployed.

**Youth unemployment**
Young unemployed people are a sub-set of the unemployed. Age groupings are applied to people classified as unemployed to form the population of interest. Youth unemployment generally refers to people aged 15 to 24 years, but may also refer to those aged 15 to 19 years. Depending on the schooling structure and retention of young people in education, the age group of interest may vary. For example, where young people usually look for full-time work after completing high school, the unemployment rate of those aged 15 to 19 years is likely to be useful. However, where young people generally stay on at school, completing further studies and then seek full-time work, the unemployment rate of those aged 20 to 24 years may be more useful. For comparisons of youth unemployment between countries, the International Labour Organization generally uses unemployed people aged 15 to 24 years.

**Youth unemployment rate**
The number of young unemployed people expressed as a proportion of the labour force (in the same age group). This measure is applied in the same way as the general unemployment rate.

**Youth unemployment ratio**
The number of young unemployed people expressed as a proportion of the civilian population (in the same age group). The ratio differs from the rate as it accounts for the whole population of young people not solely those in the labour force (i.e. employed or unemployed).
Websites with further information on the topic

Anglicare Australia  www.anglicare.asn.au
Australian Bureau of Statistics  www.abs.gov.au
Australian Council of Social Service  www.acoss.org.au
Australian Council of Trade Unions (ACTU)  www.actu.asn.au
Australian Research Alliance for Children and Youth  www.aracy.org.au
Benevolent Society  www.bensoc.org.au
Brotherhood of St Laurence  www.bsl.org.au
Department of Employment  http://employment.gov.au
Department of Social Services  www.dss.gov.au
Fair Work Ombudsman  www.fairwork.gov.au
Foundation for Young Australians  www.fya.org.au
International Labour Organization  www.iolo.org
Melbourne Institute of Applied Economic and Social Research  http://melbourneinstitute.com
Mission Australia  www.missionaustralia.com.au
National Centre for Social and Economic Modelling (NATSEM)  www.natsem.canberra.edu.au
National Centre for Vocational Education Research  www.ncver.edu.au
National Welfare Rights Network  www.welfarerights.org.au
Social Policy Research Centre  www.sprc.unsw.edu.au
The Australia Institute  www.tai.org.au
Young People at Work  www.youngpeopleatwork.nsw.gov.au

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▶ Foundation for Young Australians.

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INDEX

A
apprenticeships 37, 39
Asian economies 16-17

B
Brotherhood of St Laurence 1, 2-3, 7-8, 9, 11, 26-29, 32, 34-35, 36-39

C
‘capability deprivation’ 48
casualisation 23 see also employment, casual coaching 29

dependent children 31

E
economic growth 41
education 5
educational attainment 8, 31
full-time 12, 13, 15, 25
policy 32-33
retention 9
school
highest level completed 31
Year 12 completion 31, 32, 34, 38
employability skills 8, 17, 29
employers 17, 29, 39, 42
employment 12, 14, 24-25
casual 1, 13, 22, 23, 25, 31, 36, 45-46
contracts
fixed-term 1
non-permanent 3
full-time 12, 14, 15, 23, 24-25
graduate 14, 17, 24-25
opportunities, entry-level 34-35, 36
part-time 16, 22, 23, 25, 31, 36, 47
permanent 2-3
skills
index 19, 20
overskilling 17
temporary 36
youth
growth in 19-22
increasing 28-29, 30-31, 32-33, 34-35, 40
rate 4, 18-21, 30, 47

F
Fair Work Commission 45, 46
financial hardship 43-44

G
gross domestic product (GDP), per capita 47-48
Global Financial Crisis (GFC) 1, 2, 5, 7, 12, 13, 14, 15, 16, 17, 22, 24, 27, 30, 31, 33, 36, 41, 47
globalisation 22-23

I
income

index 20
support see welfare benefits
indigenous children, early intervention for 31
youth unemployment 31

J
jobs see also employment, competition for 23
insecurity 22-23
placements 42
quality indicators of job 6
readiness 34, 39
unskilled 11

L
labour market 18-21
change 22-23, 37-39
settings 32, 33
labour underutilisation rate 3, 13-14
Lorenz curve 19, 20

N
not engaged in employment, education or training (NEET) 5, 15-16
not-for-profit organisations 42

O
occupations 18-21
Organisation for Economic Co-operation and Development (OECD) countries 5-6, 14, 16, 30, 31, 33

S
school
completion 31, 32, 34, 38
leavers 11
outcomes 34
qualifications, post-school 37-39
social networks 39
stress levels 44

T
traineeships 37, 39
training 5, 34, 42

U
underemployment 1, 22
human costs of 3
rate 2-3, 4, 13-14, 30, 36
unemployment
benefits 5, 33, 37, 46
invisible 37
rates 1, 2-3, 4, 5, 7, 9, 10-11, 12-17, 22-23, 24, 26-27, 30, 31, 32, 36, 38, 41, 47
youth
consequences of, personal 38
duration of 11
global 22-23, 30
government funding, budgetary 42, 43, 44, 45
hardship from 8
location of 27, 28, 38, 39, 40
long-term 7-8, 9, 41
outcomes, later in life 8
policies 30-31, 32-33, 42
programs 28-29, 40, 41-42
rapid action 29
rate, trends in 22-23, 30
youth to adult unemployment ratio 36

V
vocational education and training system (VET) 34, 38
graduates of 14
schools in 34
vocational guidance 29

W
wages
growth 5-6
junior rates 45, 46
minimum 31, 33
penalty rates 45
welfare
arrangements 32, 33
benefits 5, 33, 37, 46
Newstart Allowance 10, 11, 31, 43, 45, 46
Youth Allowance 31, 43, 45
‘carrot and stick’ approach 31
dependency 5
workers, older (55 years and over) 23
work see also employment experience 29, 39
transition from education to 14-17, 42

Y
young people
disadvantaged 34
Generation X 43
Generation Y 43-44
supporting 43-44
Youth Connections 11, 29

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