

Bearing the Brunt

Youth employment and the pandemic in New South Wales

The COVID-19 pandemic has exacerbated labour market problems for young people in NSW. By several measures, young people in NSW have been the hardest hit in Australia. There are a range of policies available to the NSW Government to address this crisis.

Eliza Littleton
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April 2022

Commissioned by Youth Action, the peak advocacy organisation representing young people and youth services in NSW.

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ISSN: 1836-9014

About Youth Action NSW

Youth Action is the peak organisation representing young people and the services that support them in NSW. We work towards a society where all NSW young people are supported, engaged, valued, and have their rights realised. We represent over 150 Member organisations and regularly engage with young people and youth workers from all over the state, as we have for over 30 years.

Principles that underpin our work

We give a particular focus to young people who are regional, First Nations, LGBTIQ+, with disability, from culturally and linguistically diverse communities, including migrants and refugees, and doing it tough. We use a rights-based lens to focus on programs, policy and advocacy that achieve meaningful outcomes, embed strengths-based approaches, and are informed by data and evidence. We are an ally to the self-determination of First Nations communities, are led by the expertise of young people and the Sector, and are a trust-worthy partner and collaborator.

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Summary

Even before the COVID-19 pandemic, the labour market in NSW was tough for young people. In May 2019, 71,000 people aged between 15 and 24 were unemployed, an unemployment rate of 10.1%. While young people made up only 16% of the state's total labour force, they accounted for 36% of total unemployment. In other words, more than one in three unemployed people in NSW was between 15 and 24.

The COVID-19 pandemic has exacerbated labour market problems for young people across Australia, and by several measures, young people in NSW have been the hardest hit:

- More than 80,000 youth jobs were lost in the 2020 lockdown and 96,000 in 2021, the highest numbers in the country.
- Young people not in employment, education or training (NEET) increased from 71,000 in 2019 to 112,000 in 2020, the greatest increase of any state.

Addressing these issues requires an understanding of how unemployment affects different groups of young people, and also of which policy responses might assist which groups, both now and into the future.

One reason that youth unemployment in NSW was worsened so dramatically by COVID-19 is that a relatively large proportion of young people work in the industries hit hardest by the pandemic, whereas workers over 25 are more evenly distributed throughout the economy. In particular, hospitality and retail—which employed 22% and 20% of young people, respectively—experienced significant job losses: almost 30% of hospitality and 7% of retail jobs were lost in the 2020 lockdowns. Meanwhile, 37% of jobs were lost in arts and recreation services, another sector important for youth employment.

Official statistics show that the impact of the pandemic on employment was worse for young women than for young men, with the lockdowns in 2021 causing employment to drop by 43,000 for young women and 31,000 for young men across NSW. Statistics are limited for groups such as First Nations people, people from culturally and linguistically diverse backgrounds, LGBTIQ+ people, and people with disability. The partnership with Youth Action for this report ensured the lived experience of these young people was included. The interviews conducted for this report showed that they have been hit hard.

Unemployment rates are higher in regional NSW, up to 24% pre-pandemic in the Southern Highlands and Shoalhaven, 14% in Mid North Coast Taree area and 13% in the Illawarra. While unemployment rates are higher in regional and rural NSW, the largest numbers of unemployed young people are in Western Sydney. During the 2020 shutdowns, 35% of youth jobs were lost in the Outer West, 33% in the South West and 29% in Blacktown. Far

smaller losses were recorded in the more affluent Northern Beaches (19%) and Northern Sydney (14%), while the eastern suburbs saw a small increase.

Youth employment policies can be loosely categorised as those that increase the demand for youth labour (demand-side) and those that aim to increase the quality of youth labour supply (supply-side). NSW policies are heavily focused on the supply side, with programs such as:

- Smart, Skilled and Hired: a package of initiatives that was funded up to June 2020. It focused mostly on connecting eligible young people with training, support and job search assistance.
- Smart and Skilled: government-subsidised training through TAFE NSW and other approved private and community training providers, with the aim of increasing participation in vocational education and training (VET) and meeting industry needs.
- Skilling for Recovery: a program to offer 100,000 fee-free vocational education and training places to school leavers, young people and jobseekers.
- Regional VET Pathway: a scheme that funds providers to deliver career advice, mentoring, training and employment brokerage services to people who are aged 15-19 and disengaged from education, training or work.
- Educational Pathways Program: a program that introduces NSW public high school students to a range of post-school training and employment pathways.

Reducing the cost of vocational education and training is important and has been identified as being valuable in interviews with young people for this report. However, there is only so much supply-side policy can do to support aspiring young workers if there are not enough jobs—or the right jobs—to apply for. In other words, concentrating on supply can only help so much when there is insufficient demand.

The pandemic highlighted and exacerbated this problem: at the height of the pandemic in 2020, there were six unemployed people for every job vacancy in the state. However, even outside of lockdown periods, there are usually around 100,000 more jobseekers than advertised jobs in NSW. Addressing this issue will therefore require governments of all levels, Federal, state and local, to focus on job-creating, demand-side policies.

NSW has a range of demand-side policies at a state level. Examples include:

- Infrastructure Traineeship: aimed at providing government funded work and study opportunities in construction for early-school leavers.
- NSW Government Graduate Employment Program: entry-level, 18-month positions to people with tertiary-level qualifications.
- Elsa Dixon Aboriginal Employment Program: a program that subsidises the employment of First Nations people in public service agencies and local government.
- Dine and Discover NSW: increases demand for participating NSW hospitality and tourism businesses through vouchers issued to NSW residents.

Only the first of these programs is targeted exclusively at young people. However, many young people are participants in the Graduate Employment Program and the Elsa Dixon Program, while young workers benefit from Dine and Discover NSW due to their concentration in hospitality and tourism.

These policies are a good start, but insufficient. The NSW State Government has considerable ability and responsibility to improve youth employment policy and address the supply and demand side issues that confront young people in the labour market.

Summary of policy recommendations:

- The NSW Government should implement a **youth employment strategy** to ensure a coordinated approach to the youth employment crisis. The development of this strategy should:
 - Involve a review of existing programs and policy;
 - Identify overlap with Federal programs;
 - Identify gaps and develop policies for improving the quality and quantity of youth employment in the state;
 - Be developed in consultation with young people, representative groups, and experts with specialised knowledge of youth employment; and
 - Be properly resourced.
- This strategy should include a **Youth Jobs Guarantee**. Youth Job Guarantees and similar initiatives aim to ensure that eligible people are offered either a job, a paid internship, or a training opportunity within a short time after registering as unemployed. Nordic countries, led by Finland, have had youth guarantee policies for almost a decade, and the concept is being adopted in other European countries. A jobs guarantee is not one policy; rather, it entails a suite of reforms to both the demand and supply side of youth employment policy. Examples of such reforms include:
 - Expanding and implementing programs such as:
 - State Government graduate employment;
 - The Disability and Aboriginal Internship Program; and
 - Public service traineeship for young people without tertiary education, as has been implemented in Victoria.
 - Implementing wage subsidy programs for businesses and community organisations to employ young people;
 - Expanding and refining Dine and Discover NSW;
 - Filling the gap left by Smart, Skilled and Hired;
 - Improving youth services and career advice programs;
 - Increasing funding for, and access to, TAFE;
 - Improving transport affordability and reducing the digital divide; and
 - Improving labour market and educational information systems.

- Young people are experts on their lived experiences, so better **representation for young people** is essential to solving the challenges they face. This can be achieved by:
 - Including the views of young people in decision making;
 - Introducing measures to ensure young workers rights are realised; and
 - Increasing funding and review funding models for non-government organisations supporting young people.

Data and methods

The full impact of the COVID-19 pandemic on employment outcomes for young people will be complex, long-term, and will not be fully understood for some time. As the fallout from the pandemic is still unfolding, this report uses a combination of the best data available at the time and direct input from consultations with young people across NSW to examine how this crisis is affecting employment outcomes for people aged 15-24.

The analysis in this report draws on the following major sources:

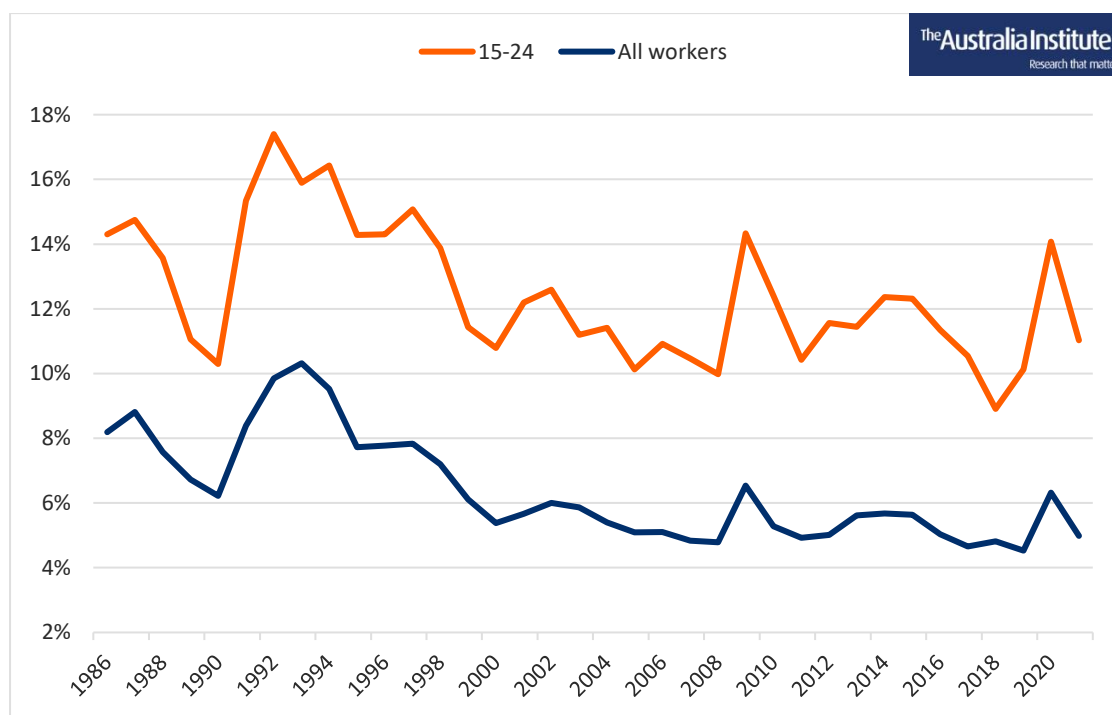
- Australian government resources, including Australian Institute of Health and Welfare, multiple Australia Bureau of Statistics (ABS) datasets – labour force, education and engagement data, and Department of education employment program data.
- A review of existing literature and research on the effectiveness of youth employment policies and programs, the impact of economic downturns on young people, and the effects of unemployment on young people.
- Qualitative data based on consultations with young people conducted by Youth Action between July and September 2021. Youth Action held eight focus groups with a cross-section of young people in NSW, including young people from rural and regional communities, First Nations, LGBTIQ+, those living with diverse abilities, from culturally and linguistically diverse communities. The focus groups aimed to bring the voices of young people into the research, contributing their lived experiences of unemployment, looking for work, juggling study and work, and dealing with youth employment services, along with their attitudes towards the future and their thoughts on policy solutions.

Introduction

Well before the COVID-19 pandemic, labour market conditions for young residents of NSW—people between the ages of 15 and 24—were tough. In May 2019, young people made up 36% of total unemployment in the state. In other words, more than one in every three unemployed people in NSW was between the age of 15-24. In total, some 71,000 of the approximately 1m young people living in NSW were unemployed.¹

It has always been tough for young people to get a start in the labour market—they lack experience and qualifications, and often require relatively flexible working arrangements due to other commitments such as education. These difficulties can also be compounded by personal and contextual factors, like gender, household income and geography. Figure 1 shows that youth unemployment in NSW has been consistently higher than that in the overall population since the Australian Bureau of Statistics (ABS) began collecting this data in 1986.

Figure 1: NSW unemployment rate, by age group

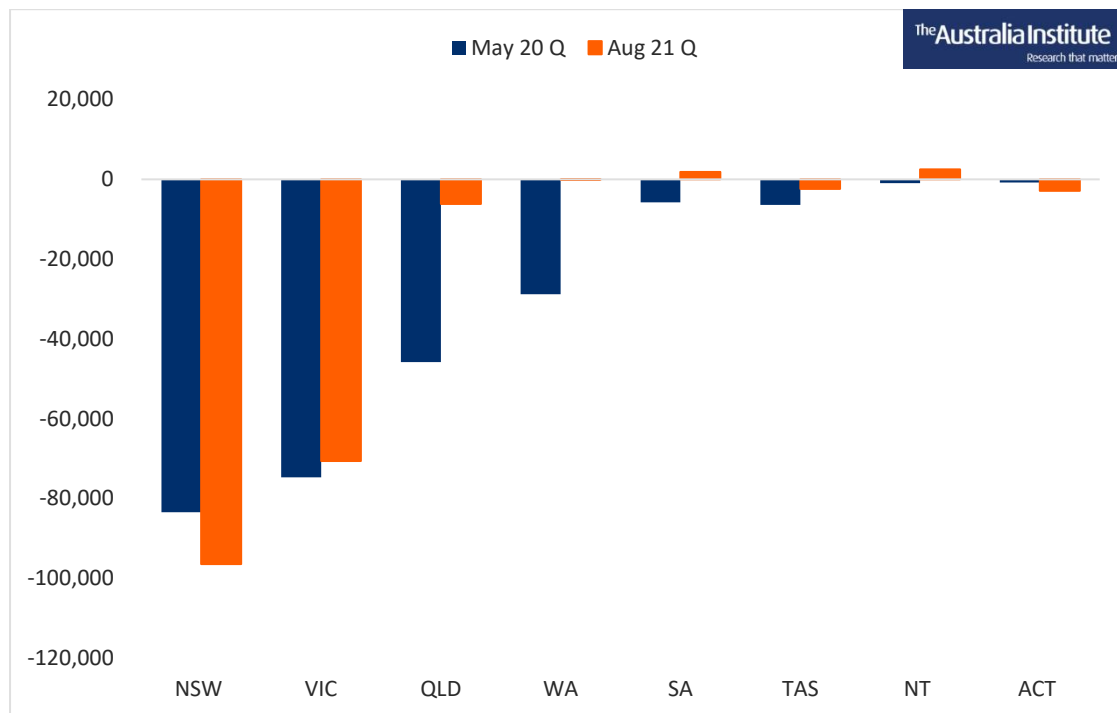


Source: ABS (2021) 6202.0 Labour Force, Australia, Table 4 and Table 16

Figure 1 shows that not only are young people more likely to be unemployed, they are also hit particularly hard by economic downturns: the graph shows that unemployment for young people increased far more than it did for the rest of the workforce during the 1990s recession, the Global Financial Crisis and—most recently—the COVID-19 pandemic.

During the pandemic, unemployment for all workers increased from under 5% to just over 6%, while for young people the increase was 10% to 14%. The pandemic has also exacerbated poor labour market outcomes for young people in NSW. By several measures, young people in NSW have been the hardest hit in Australia, particularly through 2021, as shown in Figures 2 and 3 below:

Figure 2: Youth job losses during lockdowns in 2020 and 2021, by state and territory

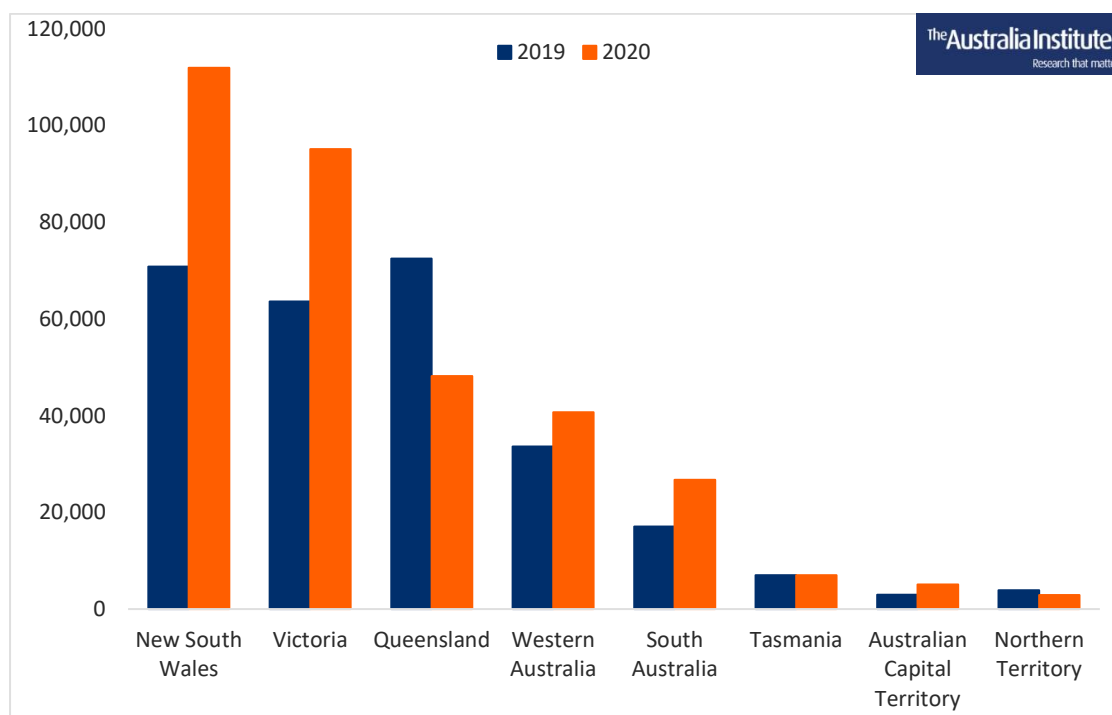


Source: Author’s calculations based on ABS (2021) *Labour Force, Australia*, Table 16

Job losses for young people were roughly proportional to the distribution of Australia’s youth population across states and territories during the initial lockdowns in 2020. But 2021 saw heavy losses for young people in NSW and Victoria, with NSW actually losing more youth jobs in 2021 than 2020. In the August 2021 quarter, 96,441 young NSW residents that lost work, or a 16% drop in employment. NSW makes up 31% of Australia’s youth employment, but the state saw 55% of the nation’s youth job losses in the 2021 August quarter.

Mass youth unemployment during the pandemic has also led to an increase in the number of young people considered not in employment, education or training (NEET). Here again, young people in NSW fared badly, with 41,100 young people (a rise of 58%) leaving both the labour market and study between 2019 and 2020. Victoria also saw a large increase—31,500, a rise of 50%—over the same period. By contrast, Queensland, the Northern Territory and Tasmania either experienced a decrease or no change to the number of young people not in education or employment. The data is from May 2020, when all states and territories began to ease restrictions.

Figure 3: Number of young people considered NEET, by state and year



Source: ABS (2020) Education and Work, Australia, Table 34

While the spike in COVID-19 cases in early 2022 has not been met with official stay-at-home orders and lockdowns, the impact on business and thereby employment will nevertheless be tangible as people work from home where possible and avoid crowded public places like cafés, restaurants, cinemas, shopping centres and bars. This will restrict the capacity for job growth across key sectors of the economy threatening the stability of employment for young people.

Young people in NSW have been affected disproportionately by job losses, unemployment, and disengagement over this multi-year global health crisis. The differences can in part be explained by the longer lockdowns in NSW (and Victoria), which in turn reflected the higher case numbers in these states than in the rest of the country. However, these outcomes also reflect the capacity for policy—and, in particular, youth employment programs—to support young people during this tumultuous time.

The most important policy response to the pandemic is, of course, to keep people healthy. Beyond this, however, there are options for governments to reduce impacts on young workers. Reducing these impacts requires an understanding of how unemployment affects different groups of young people and which policy responses might assist which groups now and into the future.

Who is most affected?

Not all young people in NSW are equal in the labour market. To some extent, of course, the availability of employment depends on a person's knowledge, skills and qualifications. However, it also depends on factors that an individual cannot necessarily control: geographical location, personal and family circumstances, socio-economic status, caring commitments, health, and well-being.

There are also contextual factors, including macro-economic factors, types of labour market policies, structural discrimination, and the quantity and quality of available jobs. All these can have a significant impact on a young person's prospects. So too can policy.²

COVID-19 restrictions have had disproportionately negative impacts on casual workers and those employed in customer-facing sectors like retail and hospitality. Young workers are concentrated in these industries, and also in casual work. Available data and interviews conducted for this research suggest also that young workers that are female, with low levels of education, First Nations people and those with disability are most at risk.

“I'm pretty concerned about ... people with disabilities, because they might not know how to write a resumé, [or] just build up the courage to go and give their resumé to a workplace and ask for employment. I don't really see much supporting that. The workplace itself matters a lot, because someone with anxiety and autism, like me, wouldn't really cope in a fast-food restaurant or a fast retail place. It would just be too overwhelming. But I've noticed that's where most of the jobs for young people are” – Young person, Hunter region consultation

Data is limited on employment, unemployment and labour force status for vulnerable and minority groups. This is often because certain groups, including First Nations people and those with disability make up a very small proportion of the population and, aside from the census every five years, key data sources come from surveys with small sample sizes, so the results are not reliable at this granular level. Similarly, data on the intersections between age, industry of employment, types of employment and location is not always publicly available. This creates barriers to analysing employment outcomes for vulnerable population groups. The following analysis relies on available data and extrapolates trends. It is not always NSW specific, nor does it always refer to COVID era data.

INDUSTRIES OF EMPLOYMENT

All industries have been affected by the COVID-19 pandemic. However, those effects manifest in different ways across different industries. Industries with high levels of personal contact were particularly constrained by restrictions on domestic and international travel,

stay-at-home orders, and limits on the operation of non-essential services. The distribution of job losses broadly reflects the direct and indirect impacts of COVID-19 policies.

Of the 19 broad industry categories measured by the ABS, 14 saw a decrease in employment between February and May 2020. Hospitality, referred to by the ABS as *Accommodation and food services*, saw the largest number of jobs lost—almost 300,000 nationwide—as shown in Table 1 below:

Table 1: Changes in employment in selected industries, Australia, Feb to May 2020

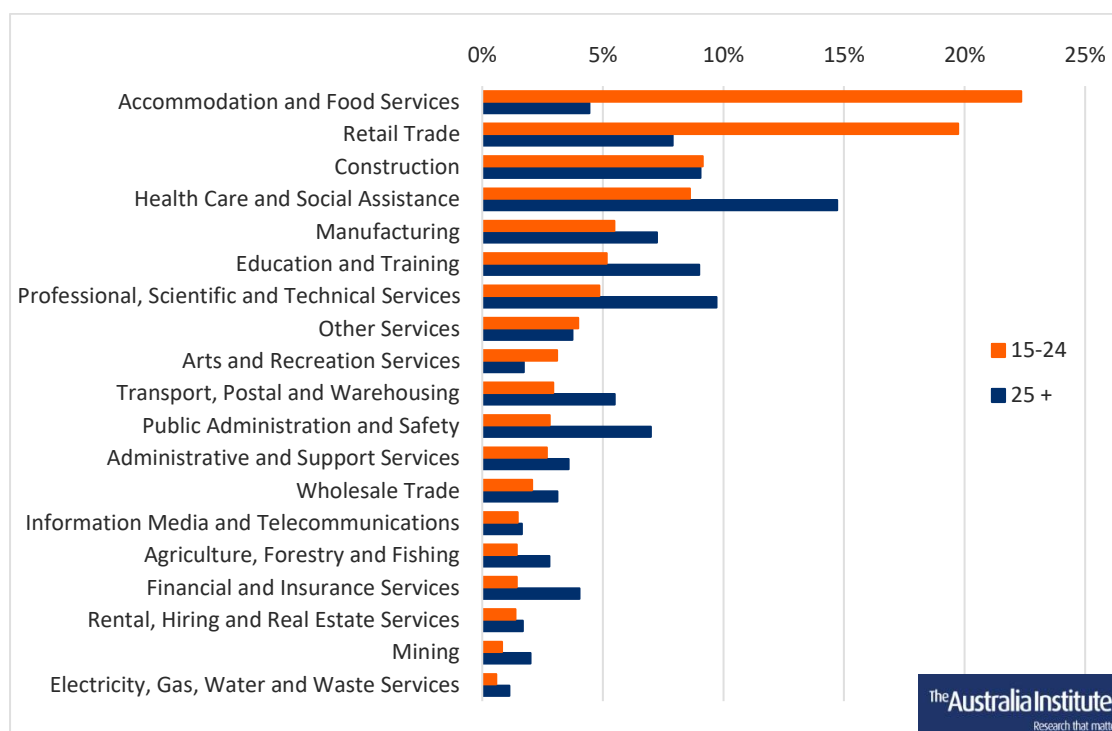
	No. of jobs lost	% of industry jobs lost	Industry share of total employment	Industry share of total jobs lost
Accommodation & Food Services	-277,051	-29.8%	7.1%	29.1%
Transport, Postal & Warehousing	-98,200	-14.7%	5.1%	10.3%
Arts & Recreation Services	-93,221	-37.0%	1.9%	9.8%
Retail Trade	-84,350	-6.7%	9.7%	8.8%
Administrative & Support Services	-59,580	-13.2%	3.5%	6.2%
Other Services	-51,972	-10.5%	3.8%	5.5%
Information Media & Telecommunications	-24,026	-11.3%	1.6%	2.5%

Source: ABS (2021) 6291.0.55 *Labour Force Australia, Detailed*, Table EQ12

Beyond hospitality, Table 1 also shows that 10.3% of job losses were in the transport sector, 9.8% in arts and recreation, and 8.8% in retail. Arts and recreation experienced the biggest contraction, losing 37% of jobs in the industry between February and May 2020.

Young workers were concentrated disproportionately in the industries hit hardest by job losses. This made those workers particularly vulnerable during the pandemic. Most young Australian workers were employed in the hospitality (accommodation and food services) and retail industries, as shown in Figure 4 below. Hospitality and retail made up 22% and 20% respectively of employment for young people, whereas workers over 25 were more evenly distributed throughout the economy.

Figure 4: Employment, by industry and age group, Australia



Source: ABS (2021) *Labour force, Australia, Detailed*, Table EQ12

QUALITY OF EMPLOYMENT

Young people are much more likely to be employed on a casual basis compared to older workers. In 2019, just over half (54.3%) of all young people were employed in casual or “gig” based jobs and had no access to sick leave, paid leave or other entitlements. This compares to only 18.2% of workers over 24 being employed in casual positions.³

Half a million casual jobs were lost between February and May 2020, accounting for two thirds of total job losses.⁴ In other words, workers in casual positions were much more likely to lose their jobs—and those workers were far more likely to be young people.

This remains the case—casual workers are much easier to hire and fire than full- or part-time employees. They have limited job security and no leave entitlements.

“I think security and stability [are] massive in the context of COVID. The majority of young people are casual and have been hit so hard through COVID. ... I think that it really emphasises what precarious work is like when a pandemic hits. What stability do you have? You don't.” – Young person, First Nations consultation

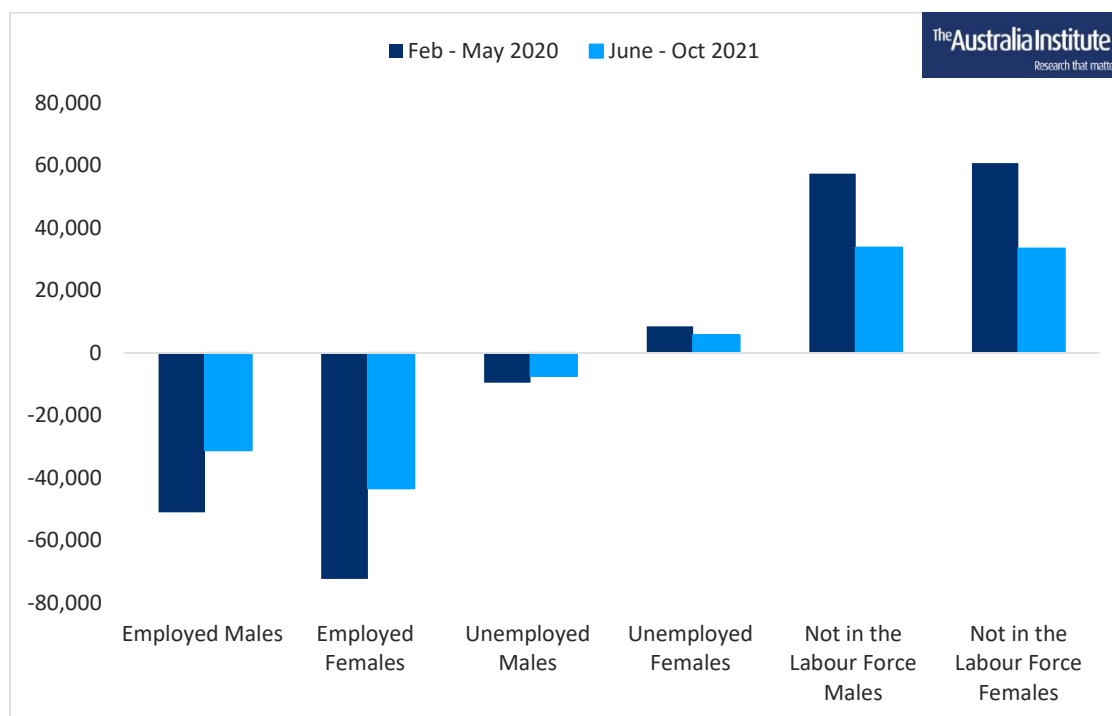
The low quality of employment most young people have has made them vulnerable during the pandemic and other economic downturns.

PERSONAL CHARACTERISTICS

It is well documented that certain groups within the community face additional barriers to employment, including discrimination, fewer opportunities, behavioural expectations, and resource constraints. These groups include women, people with disability, First Nation Australians, people from culturally and linguistically diverse backgrounds, and LGBTQIA+ people. COVID-19 has exacerbated existing labour market inequalities, making it even harder for young people from disadvantaged demographic groups to find work.

The impact of the pandemic on employment was worse for young women than for young men. Figure 5 shows that during the initial lockdowns in 2020, employment dropped by 72,000 for young women and 51,000 for young men across NSW. Young women were also more likely to leave the labour force (not employed or actively looking for work) than young men, 61,000 compared to 57,000 respectively.

Figure 5: NSW change in key labour market indicators, 15 – 24, by gender



Source: Author's calculations based on ABS (2021) 6291.0.55.001 Labour Force, LM1

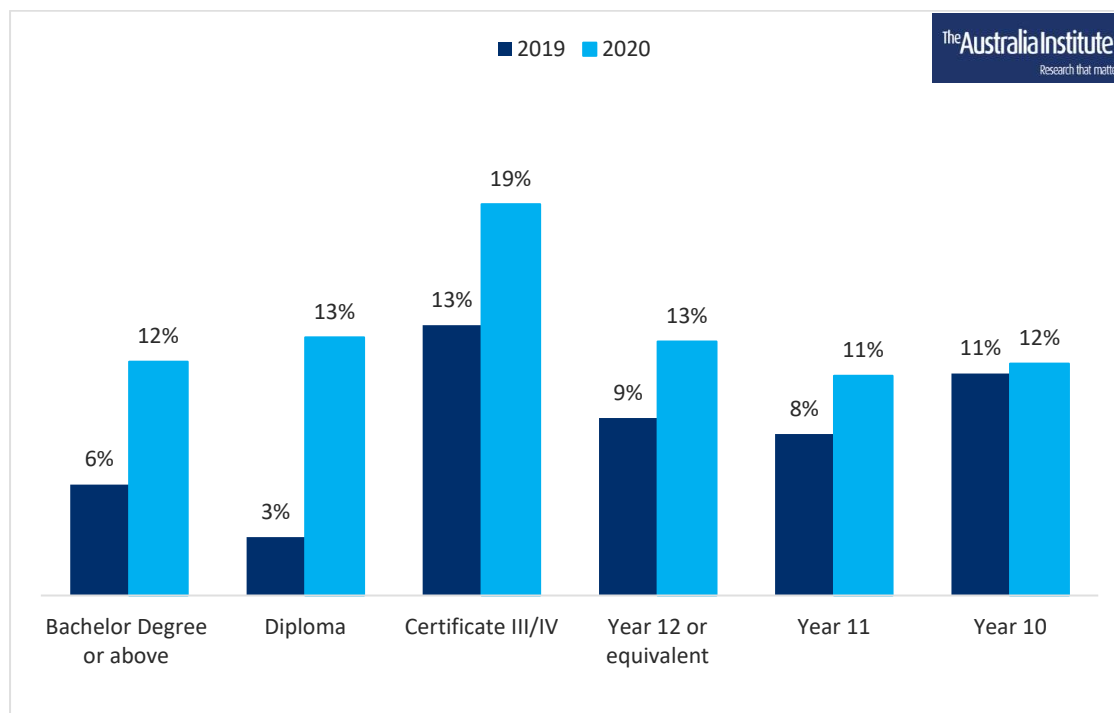
Young women were again hit harder by the lockdowns in late 2021, losing 43,000 jobs while young men lost 31,000 jobs in NSW. A similar number of young women and men dropped out of the labour force during this series of lockdowns. Young women are more likely to be employed in retail, hospitality and administrative workers, industries which have been affected badly by COVID-19 related shutdowns, as explored above. By contrast, young men are more likely to be in construction and trades, industries which have been less employed impacted by restrictions.⁵

Mass job losses for young people led to an increase in disengagement. Just over one in ten (11%) young people in NSW were neither working nor studying in May 2020, up from 6.8% in 2019.⁶ This suggests that pandemic conditions have disrupted many young people’s trajectories between study and work.

Young people who are unemployed and not engaged in education differ greatly in personal characteristics, family background, and the barriers they must surmount in order to secure a place in education or work. NEET rates are usually higher among women than men, a fact that can be attributed to traditional gender-related assignment of roles, with women doing more unpaid domestic and caring work.⁷ The proportion of young people not studying, or working is also higher among those born in Australia (12.5%) than those born overseas (10.8%). This was the case even under non-pandemic conditions.

Young people with lower levels of educational attainment are also more vulnerable to disengagement, both inside and outside of an economic downturn. Figure 6 shows that disengagement in 2019, prior to the pandemic, was lowest for young people with a bachelor’s degree or above (6%) and those with a diploma (3%). It was highest for those with a certificate (13%) or Year 10 (11%) as their highest level of educational attainment. Young people with a diploma saw the biggest increase in disengagement during the pandemic, from 3% to 13%, while those with a certificate were the most likely to be disengaged from employment and education (19%).

Figure 6: Youth NEET rates by highest level of educational attainment, Australia



Source: ABS (2021) 6227.0. *Education and Work, Australia*, Table 15

The contrast in engagement levels between skilled and unskilled youth in part reflects the rising levels of educational attainment. Young people are now more educated than ever, making the absence of qualifications an impediment to employment.⁸ The spike in NEET rates during the pandemic reflects the decline in labour demand, while for others targeted policies can help overcome barriers to employment and further education.

The gap between employment outcomes for Indigenous and non-Indigenous Australians is substantial. In 2018-19, the employment rate for Indigenous Australians living in NSW was 54.4%, compared with 75.1% employment among non-Indigenous Australians.⁹ There is no specific data available on the pandemic's effect on the employment of Indigenous Australians, but it is likely to have made this existing employment inequality worse.

People with disability also experience additional barriers to employment. This can often include inaccessible workplaces and learning environments, discrimination from employers with a lack of understanding and misinformed attitudes towards disability.¹⁰ The employment rate among people with disability is 48%, far lower than those without disability. This represents huge untapped potential as only 59% of people with disability who are not in the labour force (employed or unemployed) are permanently unable to work.¹¹ The scale of job losses for young people during the pandemic will have undoubtedly made it more difficult for young people living with disability to get a job.

“I guess the real impact of COVID is that it just made it that much harder as a disabled youth to get a job because not only am I a young person, I'm one that's in a wheelchair, so then I have all these other requirements.” – Young person, Tamworth Youth Council consultation.

Another important barrier raised by young people is accessibility of information. Quality career guidance can boost education and training completion rates by improving the match between young people and their chosen path. It can strengthen social mobility by reaching young people from disadvantaged backgrounds and providing networks and advice that may not be available at home.¹ Young people's participation in career guidance is easiest to ensure in the case of school-based career counselling. Career advisors situated in schools can access at-risk young people and can help reduce rates of post-school disengagement.

“[Having a] careers advisor ... [and] also resources are really useful, like websites that help decide, make decisions on what field you can work in. They have quizzes and things like that, decided based on your interests.” – Young person Fairfield Youth Council consultation.

However, many young people are still missing out on the benefits and support offered by in-school programs and career advice.

“[It's important] just letting people know that there's resources and stuff out there for them, because I know a lot of people that I know personally don't know that

there's career advisors and stuff like that around that can support them and help them through.” – Young person, Fairfield Youth Council consultation.

Young people are particularly vulnerable once they leave school and do not have the support of an institution to assisting them with making decisions. This is particularly true of First Nations people, young people not living at home, living with disability, or with low educational attendance. Periods of inactivity and unemployment in early adulthood have been shown to have lasting negative effects on future employment prospects and earnings.¹

“After school there's not a lot of support out there. [Not] all young people know about support that they can access to help them gain employment, so having a career advisor / job skills person [with whom young people can] work together closely will build on success stories where young people are supported throughout and after school.” – Young person Fairfield Youth Council consultation.

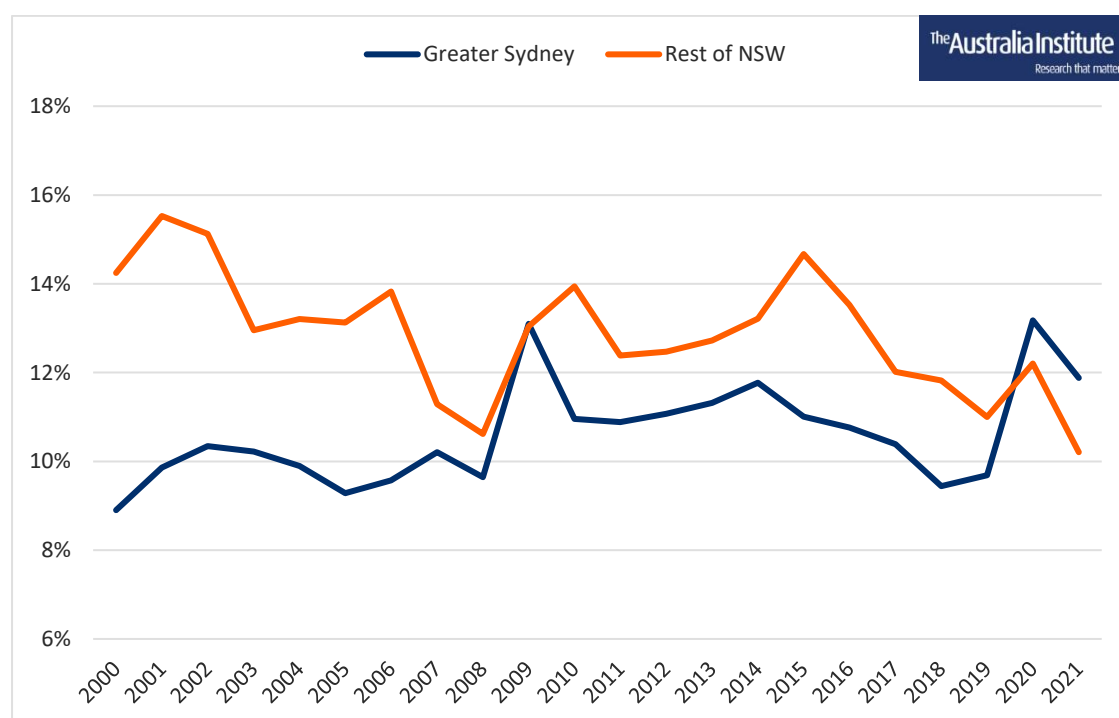
Where is NSW youth unemployment?

Youth unemployment varies widely across the state: between urban, regional, and rural localities, and even within cities. Partly, this is due to transportation problems. Finding a job and commuting to work can be difficult for young people who may not have the disposable income to catch public transport or afford all the expenses associated with owning a car. This is an issue that impacts urban, regional and rural young people.

“My local public transport’s useless and without a car, green slip, rego... it is hard to get to some jobs.” – Young person Western Sydney consultation.

The difficulties faced by rural and regional jobseekers compared to those living in cities where job opportunities are more plentiful is well documented.¹² For decades the unemployment rate has been consistently higher in regional and rural NSW compared with Greater Sydney, as shown in Figure 7:

Figure 7: Youth unemployment rate, Greater Sydney compared to Rest of NSW



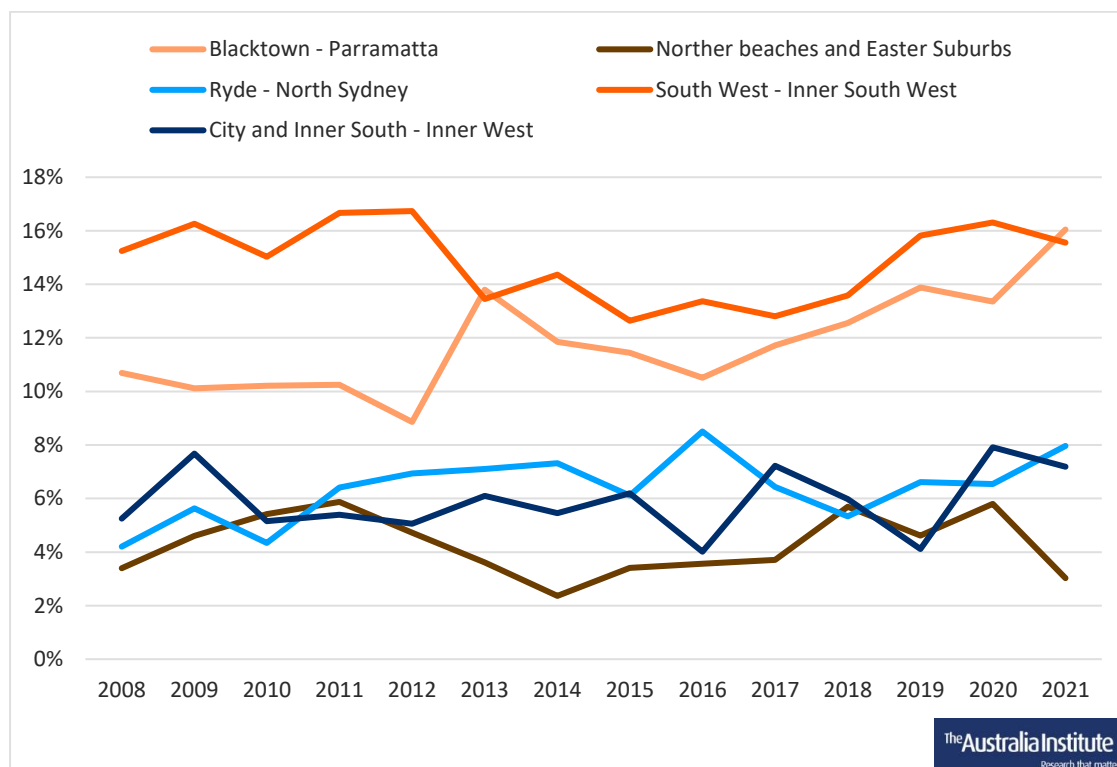
Source: Author’s calculations based on ABS (2021) 6291.0.55.001 *Labour Force, Australia, LM1*

Within regional and rural NSW, pre-pandemic unemployment rates were highest in the Southern Highlands and Shoalhaven (24%), Mid North Coast Taree area (14%) and Illawarra (13%).¹³ Beyond the rate of unemployment, it is also important to consider where the greatest numbers of unemployed young people are. Outside of Sydney, the highest total

number of young unemployed people were the Illawarra (3,954), Newcastle (3,826) and Hunter Valley (3,204).

Again, while unemployment rates are higher in regional and rural NSW, absolute youth unemployment is highest in Western Sydney.¹ Figure 8 shows the distribution of NSW's youth unemployment across key labour market regions in Greater Sydney. Young residents of Western Sydney consistently experience higher levels of unemployment compared to young people living in the Northern and Eastern regions of the city.

Figure 8: Distribution of NSW youth unemployment, by labour market region



Source: Author's calculations based on ABS (2021) 6291.0.55.001 Labour Force, RM1

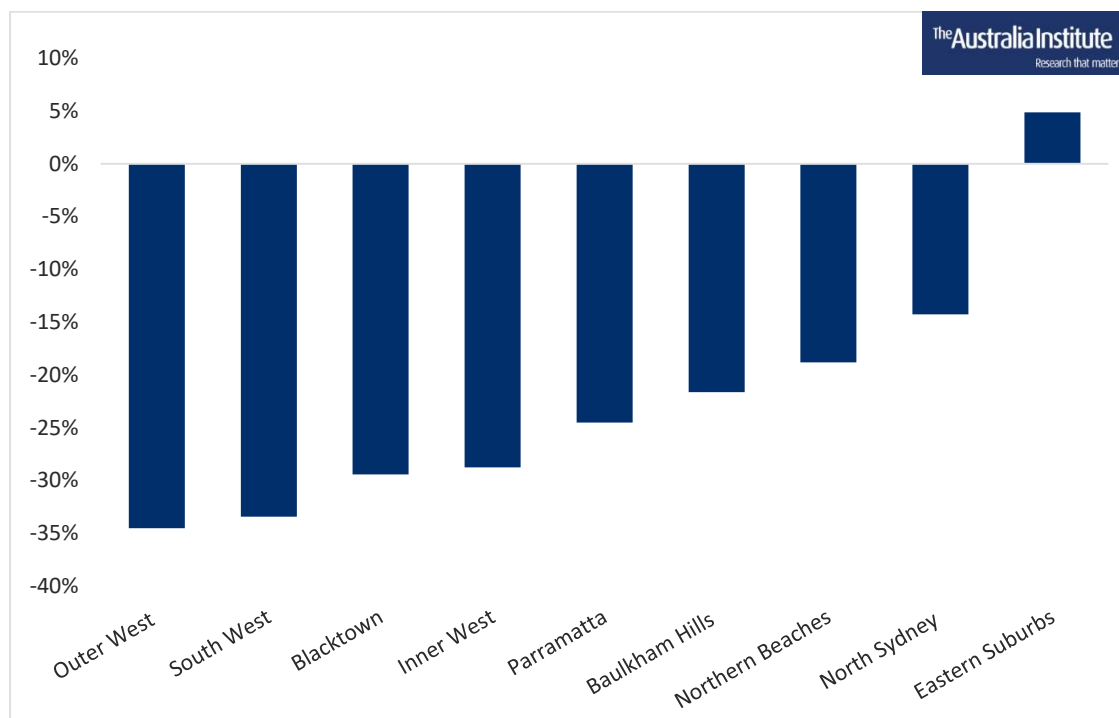
In 2008, over a third (36.5%) of all unemployed young people in NSW lived in Western Sydney, including the areas surrounding Blacktown, Parramatta, Liverpool, and Campbelltown. Comparatively, young people living in the Northern and Eastern parts of Sydney made up just 13% of youth unemployment in NSW. While minor fluctuations in the distribution of unemployment have occurred since, the picture has remained largely the same. By 2021, Western Sydney was home to 39% of the state's young unemployed people, while only 18% lived in Northern and Eastern regions. Geography is an important determinant of employment opportunities for young people in NSW and a dimension of employment disadvantage that has been made worse during this crisis.¹⁴

¹ Western Sydney refers an area spanning multiple labour market regions, including Parramatta, Blacktown, South West (Liverpool area), Inner South West (Bankstown, Penshurst area), Blue Mountains and Outer South West (Campbelltown area).

The existing labour market inequalities between West/South and North/East Sydney have been exacerbated by the pandemic. Before COVID-19, NSW’s youth unemployment rate was 10.2%, but within Greater Sydney the rate of unemployment varied considerably from between 4% and 14.3% depending on the region.¹⁵

The pandemic and policy response in NSW resulted in a loss of more than 86,000 youth jobs between March and May 2020. Figure 9 shows that a disproportionate number of these jobs were lost in Western Sydney.

Figure 9: Percentage of youth jobs lost and gained, March - May 2020, Sydney region



Source: Author’s calculations based on ABS (2021) 6291.0.55 *Labour Force, Detailed*, RM1

Within Greater Sydney, 35% of youth jobs were lost in the Outer West, 33% in the South West and 29% in Blacktown, all regions in Western Sydney. A far smaller portion of youth jobs were lost in the Northern Beaches (19%) and Northern Sydney (14%). Young people in the Eastern suburbs experienced an increase in jobs from March to May 2020. These losses were also not evenly distributed by gender. More than half of the jobs lost (55%) were held by young women and 45% were held by young men.

Consequences of youth unemployment

The damage done by youth unemployment is substantial and far-reaching. Poor employment outcomes, particularly early in working life, diminish the lives of all and inflict suffering at a personal and societal level. Without work, individuals do not only lose income; unemployment can affect their job prospects, mental health, and social integration in both the short and long-term. At the macroeconomic level, unemployment entails fiscal costs to government budgets, tax revenue and output. Youth unemployment and its consequences are not desirable for anyone, individuals, and decision-makers alike. The pandemic marks an opportunity for leaders to address the long-term issue of youth unemployment in NSW.

Empirical studies uniformly find evidence of ‘scarring effects’ associated with experiencing unemployment and/or entering the labour market during a downturn.¹⁶ Economic downturns increase the likelihood of young people spending additional time out of employment and accepting lower-quality jobs, limiting upward job mobility and causing career setbacks.¹⁷ This has negative implications for employment prospects, lifetime earnings and work satisfaction.¹⁸ Unemployment and job rejection quickly erode confidence and motivation, encouraging detachment from the labour market.¹⁹ Being out of the workforce long-term can lead to a loss of physical and cognitive skills through non-practice. The combination of these experiences can be detrimental to the search for employment.

Personal suffering due to unemployment is not just a matter of financial security, but also other types of deprivations, including loss of self-respect and the dejection associated with being dependent, and feeling unwanted and unproductive.²⁰ For example, experiences of unemployment have been found to be linked with increased depression, anxiety and sleeping problems among young people.²¹ The consequences of long-term unemployment can extend beyond mental health, to physical health, family break-down and criminality.²² Long-term engagement in employment and career building are often the key pathways through which young people can build a sense of connection and contribution to society.²³

The negative effects of unemployment are cumulative, and they act individually and jointly to undermine personal and social life.²⁴ As the phenomenon of unemployment—and particularly long-term unemployment—is more likely to effect disadvantaged demographics, so too is the likelihood of unemployment scarring.

While the personal costs of unemployment for a young person can be devastating, the economic costs of high youth unemployment at a societal level are also undeniable. Unemployment has a fiscal cost for government budgets, tax revenue and economic output.

Unemployment represents a loss of goods and services those workers would have produced and the income they would have earned had they been employed. If every young person in NSW who wanted to work was employed, there would be an additional 62,044 jobs in the economy and overall wages would increase annually by an estimated \$1.2 billion in the state, as seen in Table 2.² This would lead to increased consumption of goods and services, resulting in higher GST collection for the NSW government. Not only would individual incomes increase, but ensuring all young people who want work have employment would also reduce Federal Government expenditure on unemployment income support, increase Federal budget revenue through broadening the tax base and increase business revenues and profit through the production and sale of more goods and services.

Table 2: Increase in wage bill and GDP based on youth unemployment in NSW

Number of unemployed	Foregone wages	Foregone GDP
62,044	\$1.2 billion	\$2.4 billion

Source: Author's calculations based on 2018 figures from ABS (2019) *Employee Earnings and Hours, May 2018*; ABS (2022) *Labour Force*, Table 16; ABS (2021) *Australian System of National Accounts*, Table 16

The increase in total wages plus the increase in business income (and returns to other factors) as more goods and services are sold would also lead to higher GDP. Table 2 also shows that GDP would increase by an estimated \$2.4 billion per year if all young people in NSW who wanted work were employed.³ Higher youth employment has the potential to significantly increase the size of the NSW economy, plus help circumvent the economic and emotional suffering of young unemployed people.

The COVID-19 pandemic and resulting recession saw an historic decline in labour demand, and despite signs of recovery, it will likely compound trends that were evident before the pandemic hit. Young people who were unemployed long-term prior to the pandemic now face even more difficulties in gaining work and those in employment face greater difficulties in attaining sufficient hours.²⁵ Not only has unemployment disrupted lives of young workers, but the surge in part-time jobs has also exacerbated issues of underemployment, a trend also observed following the Global Financial Crisis.

New graduates and young workers in Australia are particularly at risk of labour market scarring now and into the future, which presents a significant threat to hundreds of thousands of individuals and the economy more broadly. However, this is avoidable. Effective fiscal policy settings can protect the young from unemployment and avoid the consequences of scarring.

² This is based on the average weekly earnings of workers aged 20 years and under multiplied by the number of young people looking for work in NSW. All data used is from 2018.

³ The GDP figure was calculated by adding the labour share plus the non-labour share of GDP. The non-labour share was estimated as the difference between the labour share of GDP (52% in 2018) and GDP in 2018.

Labour supply, demand & policies

Before COVID, the NSW youth labour market was in need of new policies and programs to address the challenges young people face in finding work and during the transition from study to work. The pandemic has only exacerbated these issues and existing youth employment programs have been insufficient to support young people during the crisis.

A patchwork of youth employment policies and programs exist in Australia, delivered both at a state and Federal level. The Federal Government has always been primarily responsible for managing and funding active labour market programs for the unemployed, most recently via the Job Network of employment service providers.²⁶ In 2021, 11,000 young NSW jobseekers were part of the *Transition to Work* program and over 39,000 were part of the *jobactive* program, the two main youth-specific federal employment programs.²⁷

Each state and territory also has its own programs that aim to assist young job seekers. In NSW these include in-school mentoring and career advice, apprenticeships, traineeships and vocational education and training. While the general policy approach involves addressing supply-side issues such as work experience, qualifications, and understanding of how to find work, it also attempts to address demand-side issues including the quality and quantity of jobs available to young people.

SUPPLY-SIDE

It has always been tough for young people to get a start in the labour market – they lack experience and are often undertaking study and training, restricting working options. The employment services system is a major element in helping young people transition from school, study or training into a quality career.

The NSW Government offers a range of programs aimed at training young people, supporting them with career planning, and finding work. The responsibility of these programs is distributed over multiple departments/clusters. The connections between these bodies are difficult to ascertain based on the information publicly available. With the onset of the pandemic and changing of departmental names and associated agencies, publicly available information on the status and activity of the programs in many cases seems to be limited.

Although not comprehensive, the following is outline of some of the major supply-side young employment policies and programs in NSW. For a longer list please see the Appendix.

Smart, Skilled and Hired

The Smart, Skilled and Hired (SSH) program was a package of initiatives to support young people into employment and develop skills in employment growth areas. The program was overseen by the NSW Skills Board and was funded up until 30 June 2020.²⁸ At the conclusion of the program it is estimated that 6,250 young people had commenced employment via the program, including 1,920 people with disability. However, no information is available on the longevity of this employment or where these young people were employed. The program consisted of four initiatives:

- Youth Employment Program: This \$65 million program targeted people aged between 15 and 24 in regions of NSW with the highest youth unemployment rates, including Western Sydney, Central Coast/Hunter, New England/North West and the North Coast. It was designed to help unemployed and underemployed young people overcome employment barriers and get them into jobs.²⁹ The program was delivered by private or not-for-profit local service providers, and involved connecting eligible young people with training, support and jobs.
- Youth Employment Innovation Challenge: This initiative was launched in March 2018, and offered \$10 million worth of grants to service partners to develop and implement “better ways” of helping young people aged between 15 and 24 to find work. The NSW Government received 77 applications, from which 12 service partners were chosen. These providers received up to \$750,000 each to connect young people to training, mentoring, work experience placements and other types of support designed to build their skills and experience.³⁰ Evaluation of the program was supposed to commence in March 2021.
- Disability Sector Scale-UP: Under this initiative, 25 businesses received grants of up to \$2 million to build capacity for delivering new disability services, particularly in rural and remote areas and for culturally and linguistically diverse people.³¹ The program enabled businesses to access advice about entering or supporting the disability sector.
- Infrastructure Skills Legacy Program: This initiative was a partnership between the NSW Government and the construction industry. The program set minimum targets to encourage hiring of under-skilled/trained workers and people from diverse backgrounds. Under the program, an average of 16% of the total workforce across all ISLP projects since 2016 have been under the age of 25.³²

The NSW Government did not renew funding for the Smart, Skilled and Hired initiatives in the 2020-21 or 2021-22 budgets. Reviews for the programs have not been made publicly available and it is unclear at this stage whether the Government plans to replace these programs with new initiatives. In the last two budgets, the NSW Government has renewed funding for two other programs directed at young people in the state, and has also allocated some funding to address the impact of the pandemic.

Smart and Skilled

Smart and Skilled commenced in January 2015. It is funded and managed by the NSW Department of Education, and is open to participants aged 15 and over. The initiative offers government-subsidised training through TAFE NSW and other approved private and community training providers, with the aim of increasing participation in VET and meeting industry needs.³³ The NSW Skills List identifies the courses eligible for a government subsidy and is developed based on the quality and demand for qualifications. Subsidies and the post-subsidy fee paid by students vary by course; some courses can still end up costing students thousands of dollars.³⁴ During 2020, training providers reported that 169,646 students commenced subsidised courses, and 54,074 completed courses.³⁵

Skilling for Recovery

Skilling for Recovery is part of the NSW Government's policy response to the pandemic. The program offers more than 100,000 fee-free places in vocational education and training to school leavers, young people and jobseekers. The objective is to assist displaced workers reskill and access information on employment options. There were 70,305 enrolments in the program by May 2021.³⁶ A limited number of courses are covered by the program; these include computer skills, business administration, leadership capabilities, supervisor skills, workplace health and safety, community services and job seeking skills.³⁷

Regional VET Pathways

The Regional VET Pathways program funds providers to deliver career advice, mentoring training and employment brokerage services to people who are aged between 15 and 19 and are disengaged from education, training or work. In 2020, the program assisted 2,268 clients, with 1,599 of these clients re-engaging in school, training or employment.³⁸

Regional Industry Education Partnerships (RIEP)

The Regional Industry Education Partnerships program connects employers with school students. The aim is to expose students to possible career paths, equip them with real world information about the world of work, and develop networks with local employers. Via this program businesses have offered experiences such as workplace site tours, career expos, information sessions, mentoring and coaching, and provided work experience.³⁹ In 2020, around 400 employers engaged in the program and 23,128 students were given opportunities to participate in the program.⁴⁰

Others

The NSW Senior Pathways program coordinates various programs offered in state public schools to support students with decisions around transitioning from study to work.⁴¹ Programs including the Educational Pathways Program and the Regional Pathways Program target specific demographics, offer mentoring and advice and help young people into apprenticeships and traineeships during and after school.

A range of online NSW Government resources exist to help people learn about career pathways, finding courses in their local areas based on their skills and experience. Skills NSW is the online database to learn about industries careers and courses available across the state.⁴² It is connected to NSW JobTrainer, a database for 518 fee-free training courses in employment growth areas, and LifeLauncher, which offers a couple of quizzes to explore courses and career options based on strengths and interests.⁴³

As a whole, the NSW Government's current youth employment programs are heavily geared towards reducing the cost of vocational education and training. This is an important focus as young people value vocational education, and developing skills in areas where there is employment demand will undoubtedly help many young people into employment:

“I think qualifications are really important because if you want to be in a particular field, you need to be certified or have the credentials for it. In my school we offer certain courses—for example, barista and kitchenhand—and those are just to get our certificates and our qualifications, to be able to work in those careers. I think that's really helpful.” - Young person, Tamworth Youth Council consultation.

However, there are still concerns among young people about the accessibility of vocational education and the types of courses offered:

“There are lots of TAFEs around that are accessible to a lot of my friends. [TAFE is] manageable to their workload, [and] they don't have to commute two and a half hours to a university. TAFE used to provide some really great courses that gave you qualifications [and] meant you didn't have to go to university—[but] obviously we've just cut so many of them and that has just had devastating effects.” – Young person, First Nations consultation.

Uncertainty remains around the future of NSW Government funded employment services for young people—in particular, the programs under Smart, Skilled and Hired that assisted young people with developing skills and knowledge to find work and assisted disadvantaged groups.

Supply-side youth employment policy and programs are important to assist young people with making decisions about their future, providing opportunities for training, and developing an understanding of how to find and apply for work. But there is only so much

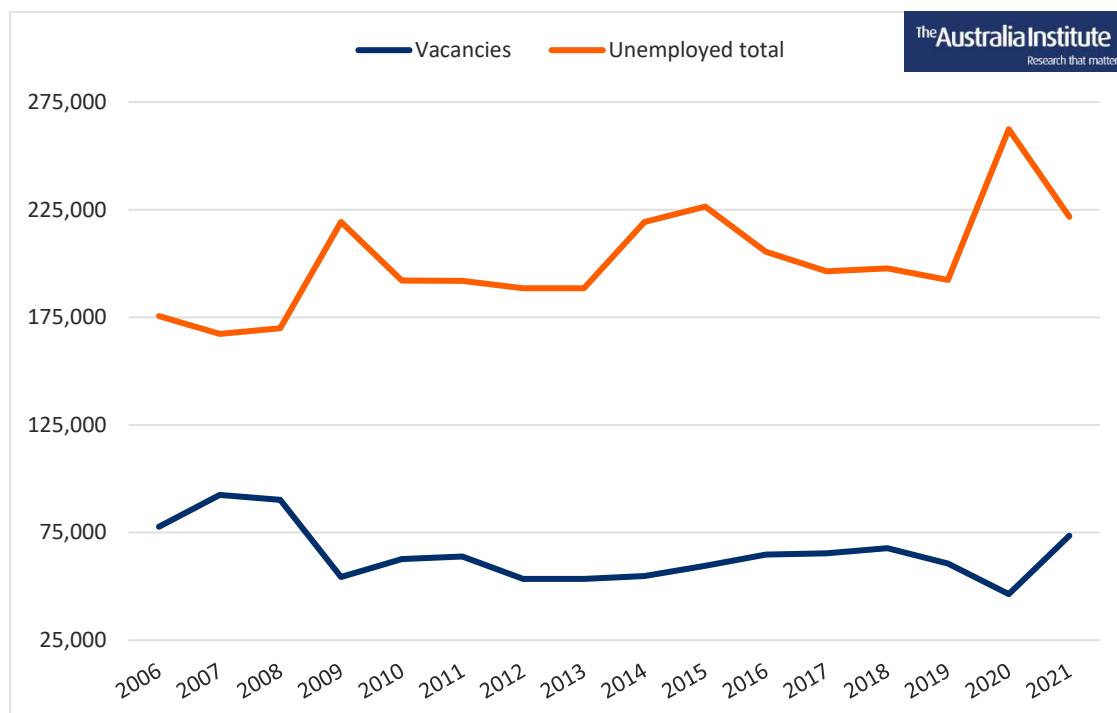
supply-side policy can do to support aspiring young workers if there are not enough jobs or the right jobs to apply for.

DEMAND-SIDE

The intermittent shutdowns (official and non-official) during the pandemic have a huge impact on the demand for labour by employers. Young workers were impacted disproportionately by job losses as they are overrepresented in casual work and in the customer-facing sectors that have been disrupted the most by the pandemic.

This is not a new issue. Demand for labour has been a problem for decades; there simply are not enough jobs for everyone who wants one. Figure 10 shows that since 2006 (when the job vacancy dataset begins) unemployed people in NSW have significantly outnumbered job vacancies. This peaked in 2020 when there were six unemployed people for every one job vacancy in the state.

Figure 10: NSW job vacancies compared to unemployed people, 2006 - 2021



Source: Author's calculations based on ABS (2021) 6202.0 Labour Force, Australia, Table 4; DESE (2022) Preliminary IVI Data – December 2021

For young job seekers, this means that it does not matter what courses they complete or how well they format their resumés, they will not all find jobs unless more jobs are created. Young people are aware of this:

“The market is now over-saturated with skilled individuals with 10 years more experience than you. You've got nothing to offer. You can't even look at an entry-

level job without needing experience these days, which is pathetic: it's an entry-level job!" – Young person, South Western Sydney consultation.

The best known programs to assist demand for labour are those run by the Federal Government, such as JobKeeper. However, state governments do have considerable ability to generate employment, and to do so in targeted ways. Examples in NSW include:

- The Infrastructure Traineeship, which is aimed at providing government-funded work and study opportunities in construction for early-school leavers.⁴⁴
- The NSW Government Graduate Employment Program which offers entry-level, 18-month positions to people with tertiary level qualifications. The program exposes participants to the work of multiple public agencies and is aimed at developing work experience, networking, and career progression.⁴⁵
- The Government's Elsa Dixon Aboriginal Employment Program, which subsidises the employment of First Nations people in public service agencies or local government authorities.⁴⁶
- Dine and Discover NSW, which increases demand for participating NSW hospitality and tourism businesses through vouchers issued to NSW residents.

The latter three programs are not exclusively targeted at young people. However, many young people are participants, or in the case of Dine and Discover NSW, young workers benefit due to their concentration in hospitality and tourism.

To reduce youth unemployment and to make young people's jobs more resistant to economic downturn, the NSW Government should prioritise boosting demand for young workers. This should be done by expanding public employment programs and incentives for private and NGO sector employment through wage subsidies. Existing programs could be expanded to include more departments and agencies, locations and to young people without tertiary education and those from disadvantaged backgrounds.

The Victorian Government has developed a program that creates quality jobs for disadvantaged young job seekers, called the Youth Employment Scheme (YES). It provides those aged 15-24 who lack post-school qualifications, are not undertaking tertiary education, and are unemployed or underemployed (not working more than 15 hours per week) with a 12-month traineeship in the Victorian Public Service while completing accredited training. The program prioritises disadvantaged groups, such as early school leavers, young offenders, those with a disability, those at risk of homelessness and Aboriginal and Torres Strait Islander people.⁴⁷ This offers young people the opportunity to earn money and receive job preparation training, experience, mentoring and post-placement support.

The Victorian Government had also responded to the employment impacts of the pandemic by offering \$250 million in wage subsidies to the private sector to employ at least 10,000

people looking for work. To qualify, businesses must employ someone from at least one demographic group highly impacted by the pandemic, including young people under the age of 25.⁴⁸

Government job creation for young people has many benefits. Creating more jobs in the public service for young people could help improve the quality of entry level of positions, by ensuring they are dedicated to skill development, and create pathways to permanent jobs. The Government could also create jobs and workplaces that meet the needs of young workers who face challenges in the private sector:

“It would be great to have more entry-level jobs, for young people that aren’t [able to carry out] physical labour jobs. So, for example, I have chronic fatigue syndrome and I find it hard to get a job. I’m at university, but I’d really like to have a casual or part-time job, using skills that I have, but that aren’t physical labour jobs or something where I have to be on my feet such as retail or hospitality. So, I don’t know how that would work... but like more accessibility, with basic skills, something that you don’t need to have a graduate degree for.” – Young person, Youth Action Health Literacy Advisory Council consultation.

Policy recommendations

The pandemic is not the only challenge facing young people making the transition from school to work. The rise of new technologies and globalisation, along with the growth of insecure and non-standard work arrangements (like gigs), will continue to disrupt labour markets in a seismic way for the young—and in doing so, it will reduce their chances of decent, stable, and meaningful employment. The evidence presented in this report confirms that the current youth employment policy settings are not addressing adequately the broad array of barriers to education and employment for young people, particularly those from disadvantaged backgrounds. The fault lines revealed by the pandemic, combined with the pre-existing and future challenges for youth employment, require a more ambitious and comprehensive policy plan.

A coordinated and comprehensive strategy to address youth employment will be essential to avoid the long-term economic effects of this crisis and those to come for young people in NSW. Ideally, this strategy would be in collaboration with Federal, state, and local governments, as each have some level of responsibility for aspects of youth employment policy. But regardless of other levels of government, the NSW State Government has considerable ability and responsibility to improve youth employment policy and address the supply and demand side issues that confront young people in the labour market.

1/ NSW YOUTH EMPLOYMENT STRATEGY

The NSW Government should implement a youth employment strategy to ensure a coordinated approach to the youth employment crisis. Development of a strategy should involve reviewing of existing programs and policy, identifying overlap with Federal programs, and identifying gaps and developing policies for improving the quality and quantity of youth employment in the state. The strategy should be developed in consultation with young people, representative groups, and experts with specialised knowledge of youth employment. A successful strategy will require:

- Adequate resourcing;
- Collection of data on First Nations young people, young people with disability, LGBTIQ+ young people, culturally diverse young people, and disadvantaged young people;
- Increased coordination and cooperation between government and non-government organisations working with young people in transitional periods;
- A review into pandemic response programs.

The following recommendations could be key components for inclusion in a NSW Youth Employment Strategy.

2/ YOUTH JOB GUARANTEE

In collaboration with the Federal Government, the NSW Government should pursue a Youth Jobs Guarantee. Youth Job Guarantees and similar policies aim to ensure that eligible people are offered either a job, a paid internship, or a training opportunity within a short time after registering as unemployed.⁴⁹ This is not one policy; rather, it entails a suit of structural reforms to both the demand and supply side of youth employment policy.

The primary objective of a youth job guarantee is smoothing the transition from school to work, providing support in career planning, preventing long-term unemployment, and addressing labour market disadvantage for young people. Nordic countries, led by Finland, have had youth guarantee policies for almost a decade, and the concept is being adopted in other European countries.⁵⁰

Demand-side

One of the key policy mechanisms the NSW Government can employ to improve the quality and quantity of jobs for young people is to engagement directly in job creation.

Public sector

- **Expand the NSW Graduate Program.** The NSW Government already offers 18-month entry level positions across a range of departments, giving new university graduates the opportunity to gain work experience, develop skills and insight into possible career paths. In 2021, 150 graduates were chosen out of 6,377 people that applied.⁵¹ There is clearly incredible demand for these graduate experiences. Just 18 of the roles were offered in regional NSW, including Gosford, Maitland, Newcastle, Orange, and Coffs Harbour. The NSW Government should increase the number of positions available, locations and participating agencies.
 - Work with local governments to resource and create similar entry level positions.
- **Expand the Disability and Aboriginal Internship Program.** These two programs offer a short-term paid internships to university students with disability and who identify as Aboriginal. Each program currently offers 10 internships.⁵²
 - Work with local governments to resource and create similar positions targeted at young people vulnerable to unemployment.
- **Introduce a public service traineeship to young people without tertiary education.** This could be similar to the program recently launched in Victoria targeting disadvantaged groups, including early school leavers, young offenders, those with a

disability, those at risk of homelessness and Aboriginal and Torres Strait Islander people. It could also be achieved by expanding the existing two-year NSW infrastructure traineeship offered to school leavers.⁵³ Traineeships could be offered in a range of state and local government controlled entities such as arts and recreation facilities, libraries, utilities, health facilities and educational institutions.

Private sector

- **Introduce a wage subsidy program for businesses and community organisations to employ young people.** This could be similar to the Jobs Victoria wage subsidy scheme which offers \$20,000 to meet the costs of employing someone for at least 19 hours a week for 12-months.⁵⁴ Engagement with the private sector, particularly with regional and rural employers would help to ensure job availability in areas where young people have limited options. This has the added benefit of supporting regional economies and address local skill shortages. Priority should be given to programs that create jobs with opportunities for training, and where those jobs provide a pathway to permanent jobs. The program should also ensure a significant proportion of the subsidies are not directed to industries which already employ many young people such as hospitality and retail. In these industries, there is a risk of subsidising positions that would have been created without the subsidy.
 - During an economic downturn, the number of subsidies should be increased, and the program should be expanded to hospitality and retail to ensure the jobs of young people are protected.
 - This should also involve increasing paid traineeships, paid internships, and paid apprenticeships for young people.
- **Expand the Dine and Discover NSW.** This \$50 million voucher program was introduced during the pandemic to boost economic activity in the Sydney CBD and support small businesses.⁵⁵ This is a great way to help reduce job losses and ensure that small businesses survive the pandemic. As the impact of the pandemic eases in central Sydney, the focus of the program should be shifted to regional NSW and areas of high youth unemployment. It should also be offered to people under the age of 18.

Supply-side

The \$100 million investment announced in October 2021 in training and skill development was a welcome contribution to improving pathways from school to further study.⁵⁶ The NSW Government's policy focus on making tertiary education more affordable for young people is commendable, but there is more that can be done and warrants further investment.

- **Fill the gap left by Smart, Skilled and Hired.** Reviews of the Smart, Skill and Hired programs, particularly the Youth Employment Program and Youth Innovation Challenge should be made publicly available. The NSW Government should improve these programs based on the reviews and reinstate funding for employment support services.
- **Improve youth services.**
 - Invest in youth-specific, individualised case management for unemployed young people.
 - Focus on outcomes related to sustained and quality employment rather than just job placement.
 - Engagement with local employers and industry partners. Directly connect young people who are at-risk of disengagement from education with local employers, through case management and the wage subsidy program.
 - Skill development should be forward focusing, encouraging young people towards areas of long-term, future employment growth.
- **Improve career advisor program.** Funding should be increased for full-time positions for career advisors in NSW Government schools, and particular attention should be given to schools in low-socio-economic areas. Additionally, resources and training for career advisors should be increased, allowing access to current information about labour market trends, government programs, pathway options, and relationships with local employer and employment services.
 - In consultation with family, school, and advisors, consider allowing young people more flexibility in school-to-work transitions—for example, allowing students earlier access to post-school training.
- **Provide more funding for TAFE.** Young people in NSW should enjoy full access to affordable and quality education that meets their current needs and prepares them for the future. According to the OCED, Australia ranked 30th out of 45 countries in the proportion of people (25-64) with Year 12 or Certificate III qualifications.⁵⁷ Currently there are not enough incentives to study vocational education and in the long term this will create skill gaps in our labour market. The NSW Government should:
 - Increase number of fee-free TAFE positions in priority courses and expand eligibility criteria.
 - When an income-contingent loan scheme is introduced for TAFE, ensure that all students who are paying fees have access to it and that there are no interest rates.
 - Increased funding for improving the quality of teaching and infrastructure.
- **Improve transport affordability.** Many young people are missing out on employment and education opportunities because they cannot afford the commute. Public transport should be provided for free to young workers and job seekers. For

those not living in areas with enough public transport, the cost of a car should be reduced, such as fees relating to licences, registration and insurance.

- **Commit to reduce digital inequity.** Young people who miss out on the opportunity to benefit from the use of the internet suffer additional barriers to study and work.
- **Improve labour market and educational information systems.** Many young people have digital skills and would benefit from an easy to use, comprehensive online resource for accessing timely, high-quality labour market information. This could be achieved through expanding the Skills NSW database. This would enhance young people's capacity to identify and respond to labour market developments as they select and pursue career goals. The data portal should:
 - Assist with matching willing and capable workers with available job opportunities.
 - Connect people with educational programs and career pathways.
 - Include detailed and reliable employment and skills forecasts.
 - Include better aptitude, career matching quizzes.
 - Be accessible to employers, students, graduates, and educational institutions.

3/ A VOICE FOR YOUNG PEOPLE

Young people are experts in their own experience and their views are essential to solving the challenges they face.⁵⁸ Young people should be better represented in government decision making and their views should be considered.

- **Include the views of young people in decision making.** Ensure inclusion of young people's voice in the program design and implementation is a standard contract provision for all NSW Government funded youth service contracts.
- **Introduce measures to ensure young workers rights are realised.** Young workers are not taught their rights in the workplace and often do not have the workplace experience to identify or enforce them. The government could bolster education around workplace rights by mandating the inclusion of this education in inductions and subsidise union membership for young workers. This would ensure young people have more employment protections and access to support, in turn helping to address workplace inequity and stress for young people.
- **Increase funding and review funding models for non-government organisations supporting young people.** The holistic support offered by youth services plays a crucial role in assisting young people with their employment and career aspirations. Securing and maintaining employment is a common goal identified by many young people in their case planning with youth workers. The work youth services undertake with young people address issues such as mental health, substance use, homelessness, experiences of trauma, and learning deficits. Youth development programs build social capital and support networks, provide early intervention

measures, and teach skills such as leadership, teamwork, and communication. These contribute to young people's capacity to achieve their employment goals. The provision of adequate and long-term funding that is non-restrictive and is structured to allow services to cooperate rather than compete is essential to the effective utilisation of funding in delivering outcomes for young people.

Appendix

As mentioned in the body of the report the analysis of existing youth-specific employment policy is not comprehensive, other programs were identified while researching and during the roundtable conducted by Youth Action. The following is a list of NSW policies and programs related to youth employment not covered in the report.

Department of Education

- Summer Skills
- WS Opportunities hub
- STEMship program
- Trade Pathways Program
- Careers NSW
- Winter Skills
- Women's Strategy (ISLP)

Department of Regional NSW

- Pilot programs: Lightning Ridge Program, Dubbo Taronga Zoo Program, Office of Sport Camps, School Alumni Event

Department of Customer Service

- Collaboration program with Training Services as part of Woman's Strategy
- Stepping Into Program
- COVID-19 recovery grant new programs

Non-government

- The Review Platform: developed by Social Ventures Australia (SVA) the platform is an online tool that can be used by youth employment program providers to design, deliver and measure effective programs.

Reference

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- ² Baum et al (2008) *Labour Underutilisation in Metropolitan Labour Markets in Australia: Individual Characteristics, Personal Circumstances and Local Labour Markets*, *Urban Studies* 45(5/6): 1193–1216.
- ³ ABS (2021) 6202.0 *Labour Force, Australia, Table EQ12* <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>; ABS (2020) 6333.0 *Characteristics of Employment, Australia*, <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/characteristics-employment-australia/latest-release>
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