

WHAT FUTURE?

INQUIRY INTO YOUTH EMPLOYMENT AND TRANSITIONS,
The National Youth Commission Australia's Interim Findings Report, August 2020

EXECUTIVE SUMMARY



The vast majority of young people really want to work. They yearn for the independence that comes with working. Not being reliant on Centrelink for income. They want to work at least part-time and have the security that comes with guaranteed hours. They have dreams and aspirations and want to learn and build their skills.

John Thompson, Anglicare WA, Perth WA, 13 August 2019

So there is not - and never has been - any shortage of work to be done. There is a shortage of a thing called a job.

Charles Brass, Futures Foundation, Melbourne, 6 March 2019

I did not find any jobs. I applied for many. Cleaning, it wasn't only my focus. My focus was mainly on becoming a qualified mechanic, doing Cert III in light vehicles. But that didn't work out either. They were always saying 'you just have to pick up anything'. I thought Australia was a country of freedom. We can choose any job we want. What's going on?

But how about if the job providers look for the right people for the right jobs, they put them into the right places and at least give them that hope that this job is at least secure for one or two years. At least that much.

21-year-old male, arrived from Afghanistan, 2011.

Every job wants you to have experience, but you can't get any experience until you get a job! How can you break into this cycle?

Brophy Family and Youth Services Submission, November 2019

Youth Allowance has to be raised. We can't let people languish on payments that haven't had a real increase in over 25 years, while living costs have gone through the roof.

Jackie McKenzie, Youth Action, Sydney NSW, 30 October 2019

I saw my friends get casual work at Woolies, McDonalds, all retail positions. My first job was at a local pizza bar, a great chance to experience a busy environment. I was very below the minimum wage and they would only pay me cash in hand. I didn't know it was illegal...

I kept searching. I was offered a Christmas casual position. I was crushed to be told soon after Christmas that I was no longer needed. I continued my original job, I was lucky to continue working there.

Then I was interviewed for one of my dream jobs, working in fashion. I was successful and have been continuing to work there. However, when my work hours were cut to a minimum, I began to question what I need to do in life. Currently I'm in the process of working a second job to make ends meet in the hope of being able to save for my first house, for my first overseas trip, or sometimes just to pay our bills on time.

Rebecca, Youth Council, City of Salisbury, Adelaide SA, 16 June 2019

EXECUTIVE SUMMARY

Even before 2020 brought COVID-19 to Australia, it has been increasingly obvious for decades that despite Australia's apparent prosperity, the prospects for young people leaving school and entering the workforce have been steadily worsening. This is evident in the everyday life and experiences of young people across the nation, in families, schools, workplaces, and communities, and is backed up in trend reports and analyses coming out of government sources, the nation's think tanks and universities.

An independent Inquiry about what 15 to 25-year-olds can look forward to

The National Youth Commission Australia Inquiry into Youth Employment and Transitions is an independent, non-partisan Inquiry, leading an intergenerational community discussion about the challenges faced by young people. The Inquiry asks what needs to change if young people are to have opportunities to get meaningful and secure employment and live lives they have reason to value.

The Inquiry's **Terms of Reference** are appropriately broad to deal with the complexity of the issues faced by young people. They are based on the premise that building a better future for young people requires collective intelligence and collective action by the Australian community, and especially by young people themselves.

Learning from communities across the nation

The ten Commissioners, including four Youth Commissioners, travelled to 23 locations in all States across Australia over a total of 47 days, to hear from 336 individuals and organisations that contributed to the Inquiry. You can find out more about who they are [here](#).

At the same time, the Inquiry ran 70 discussion groups with over 800 people. Commissioners and workshop

leaders met 1200 people face to face, in the cities, regions and remoter areas. More than half of those people were young people of school age or in early adulthood, both in and out of the workforce. Workshops were organised to ensure strong representation of First Nations young people and those from culturally and linguistically diverse backgrounds; also people with disability, including intellectual disability.

What young people most need to get a start in life

The Inquiry's Interim Report presents findings about the conditions for success needed by young people as they navigate their transitions from school to work, and from entry into the labour force towards sustainable employment.

Beyond the basic needs for love and social connection, family, and friends, the Inquiry found that young people need:

- **Education and training** that is meaningful to them and prepares them for life in the 21st century
- **Informed choices about employment opportunities** that come from exposure to the world of work and better understanding of the future of work
- **Work experience** to get a start in working life

- **Guaranteed secure employment opportunities** with fair pay and conditions
- **Adequate income support** when studying and during periods of unemployment, as well as enough to top up their income needs when they are underemployed
- **Housing that is stable and affordable**, and close enough to where young people work, learn, and develop social connections
- **Mental health services**, that are capable of a timely response to crisis, but also to the early onset of mental health issues
- **Transport options** that fit with times for work and learning
- **A sustainable environment** and a serious commitment to address climate change.

The full Interim Report is [here](#). A discussion paper proposing a Youth Futures Guarantee sets out the ideas for reform that resulted from the Inquiry and is [here](#). This summary is a condensed account of what the evidence has revealed to this point, and emerging ideas about reform.

Education and training: What we heard

The Australian education and training systems need urgent and major reform. The Australian Tertiary Admissions Rank (ATAR) has distorted the purpose and experience of secondary education.

Education and training: A better system would...

- Teach and recognise learning other than the ATAR
- Create a learner profile that reports on a broader range of the skills, experience and attributes of each young person
- Ensure that young people who leave school early can access further learning and receive support for their developmental needs
- Improve mainstream education settings and ensure they meet diverse learners' needs and modes of learning
- Research the long-term outcomes of alternative education and models of delivery;
- Ensure that VET environments are youth-friendly and that foundation skills like literacy and numeracy are embedded in courses.

Employment: What we heard

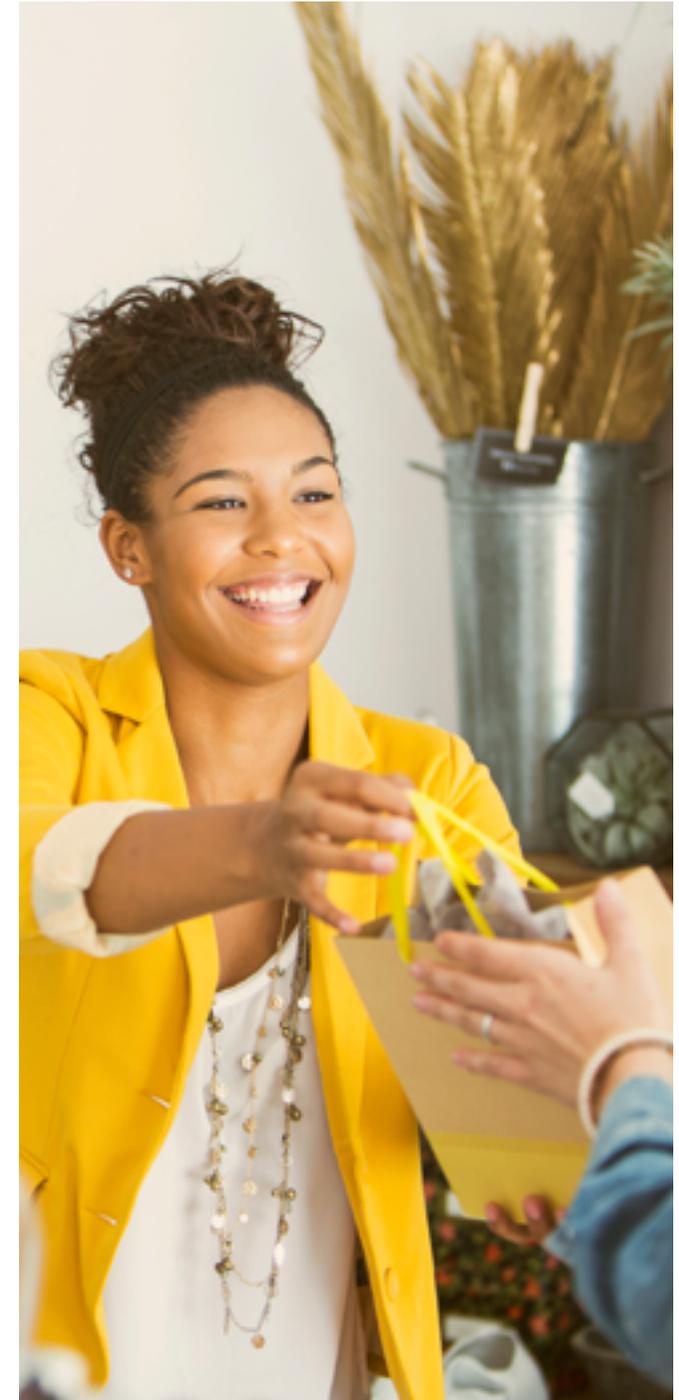
Young people face higher levels of unemployment and underemployment than older workers. Young people value and want meaningful employment but for many it is difficult to achieve in the changing economy and labour market. Young workers are vulnerable to exploitation in the workforce and there are too many examples of this.

The lack of employment experience is a major barrier for many young people as they try to get a foothold in the employment of their choice. Higher level qualifications are not the advantage they once were. The youngest workers have experienced little growth in real wages over the past decade.

Employment services for young people have not kept up with the realities of the current labour market and are not fit-for-purpose. The current 'one-size-fits-all' Jobactive system is particularly ill-serving young people, and arguably has more negative consequences than benefits.

Employment services: A better system would....

- Trust and work with young people's desire to find work
- Make participation in work experience activities voluntary
- Stop compelling job search that is unlikely to be successful, and stop cancelling payments for failing to attend appointments or do Work for the Dole
- Create employment and transition services that are youth-focussed, with strong ties to local communities
- Invest in job creation at award rates of pay and fund wage subsidies that can be applied in a flexible way in local economies, related to emerging areas of jobs growth;
- Commit to employing young people in government jobs, setting an example for the business and not-for-profit sector
- Develop new and different incentives to encourage companies to employ young people.



Income support: What we heard

Australia's social security system is meant to support people of working age by creating pathways to employment. Increasingly it does not appear to be fit for purpose, being designed for earlier times when periods of unemployment were shorter, and most jobs for young people were full-time.

Rates of Youth Allowance and JobSeeker Payment (without the COVID-19 Supplement) fall well short of what is needed to meet the costs of daily living, particularly for young people living away from home or those who have no parental support. Many young people live in real poverty and this affects their ability to look for work. The income support system is complex and insufficiently flexible to meet the fluctuating needs of income support for young people.

Income support: A better system would...

- Lift the rates of youth income support to levels that will enable young people to house, clothe and feed themselves while studying or looking for work
- Ensure that income support for young people rewards participation in education, training and work. rather than imposing sanctions for non-compliance with compulsory activities
- Re-design the payment system to:
 - Provide supplementary income support to respond to the precarious wages and episodic employment experienced by young people
 - Enhance financial incentives to work
 - Communicate more effectively how earned income relates to Centrelink payments
 - Simplify and ensure greater consistency across Centrelink payment categories
 - Reduce waiting times for payment

Homelessness and housing: What we heard

Youth homelessness continues to be a troubling social problem for the nation. Over a year around 43,000 young people aged 15-24 years seek help from homelessness services and young people leaving state care are particularly vulnerable. Only a small proportion of young people can access social housing, and six out of ten young people who get Commonwealth Rental Assistance will still experience housing stress. There is an urgent need for housing options specifically designed to support young people who have been homeless.

The housing affordability crisis is a serious barrier to young people's transition to independence.

Housing: A better system would...

- Invest in early intervention services to reduce the flow of young people into homelessness
- Increase the supply of youth-appropriate social housing that supports connections with study and work, to enable rapid re-housing of young people who can't return to family living situations
- Increase the rate of Commonwealth Rent Assistance to improve housing affordability for young people in the private rental market
- Ensure that housing, education, employment and social services are joined up locally
- Commit to housing and supporting young people leaving State care beyond the age of 18.

Mental health and wellbeing: What we heard

Mental ill-health limits success in education, training and employment. Anxiety, stress, and depression are prevalent among young people, particularly for young people in contact with the justice system, in remote areas, and those in State care. The risk of self-harm and youth suicide rates are rising.

An early intervention approach in every community, including suicide prevention programs, is important. The ability to access acute care or longer-term support is a problem in many communities. The service system is complex and more coordinated service approaches are needed. Some local communities have created joined-up responses to demonstrate what can be done.

Mental health and wellbeing: A better system would...

- Prevent the onset of mental ill-health through broad-based programs in mainstream settings such as schools, including suicide prevention programs
- Ensure mental health services are widely available and do not involve long waiting times, especially in regional communities
- Ensure also that complementary alcohol and drug rehabilitation programs are available and can be accessed without a long wait
- Ensure young people have access to mental health support through bulk-billing
- Strengthen the capacity of schools, training programs and workplaces to identify mental ill-health early
- Recognise that mental health and well-being are not always improved through clinical services and that creative, cultural, outdoor, sports, fitness, and social activities have an important role to play

Transport

For young people who live on the fringes of metropolitan areas, and especially for those in regional and remote places, transport stress is a real problem. This arises when public transport is either unaffordable, not available, or too infrequent to support education or viable travel to work. Australia's long travel distances and low population density outside of the central areas of most capital cities make public transport harder to make viable. Cars remain necessary in many situations and are required for

some employment. Programs to help young people get licences really help and have many benefits, but they are oversubscribed.

Transport: A better system would:

- Address transport stress as a form of disadvantage and discrimination by employers
- Take the real costs of transport into account in designing incentives to earn income from paid employment
- Review and coordinate at the local level an improved network of public transport, community transport, and other innovative transport options
- Continue to develop and resource programs that help young people get their driver's licence.

Local responses and communities of support

There is a slow burning trend towards place-based strategies, in contrast to the status quo of programs designed and funded by government departments working in silos. Communities coming to terms with recovery from COVID-19 will be well-served by taking a renewed interest in a greater community focus, organised by coalitions of schools, VET providers, local business, industry, employment, social services and researchers. Evidence of that kind of localised design and decision-making came to the Inquiry, along with examples of what can work, such as the Hume Youth Commitment, the Geelong G21 Alliance, and the Bunbury Geographer Chamber of Commerce's Working Together Service.

These ways of working, often recognised as 'collective impact', are being taken up by more local communities, who are inspired to coordinate efforts and share resources. The Inquiry also learned about missed opportunities when centralised decision-making and policy settings were unable to respond or be harnessed to local plans. For example, free TAFE courses in Victoria decided by state-wide skills needs rather than local

needs; the fixed requirements and service approaches of the Jobactive system, mutual obligation and Work for the Dole.

Among the strengths in local communities that need to be recognised and nurtured are young people as a resource and an asset. Since they have been the most affected by the impact of the COVID-19 induced downturn, there is real potential for them to be engaged and involved in local decision-making. Young people have the biggest stake in the future and will be the longest-term beneficiaries of reform.

A better system would...

- Devolve funding and planning decisions for economic stimulus and job creation to local areas, along with the resources for employment services and other services that could be better applied to local plans
- Share, agree and work towards shared goals for young people at the local level
- Involve young people in decision-making and civic participation more comprehensively.

As the economy emerges from the crisis caused by the COVID-19 shutdown, and Australian governments are considering investments in recovery, we have a genuine opportunity and an urgent moral imperative to protect and build a better future for our young people. This is a challenge for all of us. We cannot afford to fail.

What next

The National Youth Commission Australia has developed some tentative ideas for reform based on the findings of the Interim Report. These will be released in the form of a Discussion Paper - **Youth Futures Guarantee** at the National Youth Futures Summit to be held on the 24-28 August, 2020. Please follow the links, read the suggestions in the Youth Futures Guarantee, and have your say.





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