



A Youth Jobs Guarantee

About the National Youth Commission Australia's Inquiry into Youth Employment and Transitions

The National Youth Commission Australia launched the Inquiry into Youth Employment and Transitions in March 2019 to develop ideas on how young people could be better prepared and supported in their transition from school to work, now and in the future.

The Inquiry heard from over 1,200 individuals and organisations at public hearings and community consultations across all states and the Northern Territory over a total of 47 days. Of the 1,200 people who Commissioners and workshop leaders met face to face, more than half were young people of school age or in early adulthood, both in and out of the workforce. The Commission also convened focus groups with young people to gather information on their experiences.

The Commission convened the Youth Futures Summits in August 2020 and June 2022, bringing together over 1800 participants in two virtual events to discuss some of the biggest issues facing young people. Participants included young people, educators, employers, community service workers and policy-makers from around Australia. The Inquiry's interim findings report, *What Future?*, and the proposed Youth Futures Guarantee were released during the 2020 Summit.

The Youth Futures Guarantee

The Youth Futures Guarantee lays out a framework of reforms and initiatives that will support young people to meet the challenges of the future, but these also benefit Australian businesses and the wider Australian community. The Guarantee consists of nine policy pillars reflecting the priority concerns expressed to the Commissioners at public hearings, in community consultations, in submissions and during the Youth Futures Summit.

Within each of the nine policy pillars, the Commission has identified contributions from governments, organisations, businesses, and communities that will improve the lives of young people and assist their transition from adolescence to adulthood.

A Youth Jobs Guarantee is part of the job creation pillar of the Youth Futures Guarantee

Before the COVID-19 pandemic, the Commission formed a picture of a generation of young people who were underemployed, underutilised and increasingly despairing about their prospects. Employment was insecure and underpaid. Young people without employment risked losing the related benefits of social integration, mental health, and the ability to maintain housing. It appeared that many young people were losing hope for their future.

The evidence obtained by the Commission shows how a lack of employment experience is a significant barrier to getting a job for many young people. A group of young people from regional Victoria summed it up:

The issue everyone has before they land their first job:
Every job wants you to have experience, but you can't get any experience until you get a job!
How can you break this cycle?

Young clients of Brophy Family and Youth Services,
Submission, 28 November 2019

There were almost zero opportunities to get a job without experience:

We know that one in three young people are unemployed or underemployed, and we know that less than one per cent of jobs are advertised with no experience necessary.

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

During the height of the pandemic, youth unemployment spiked, and young people were less likely to benefit from the Government's JobKeeper program because they were more likely to be casual employees. Workers in the hospitality and retail industries lost work due to the emergency health measures closing shops and cafes.

The experience of earlier economic crises, such as the Global Financial Crisis, saw similar increases in youth unemployment followed by a slow decline. However, this time it was different. The end of the suppression stage of managing the pandemic led to an unprecedented drop in youth unemployment. While it is still more than double the overall unemployment rate, the youth unemployment rate has dropped to lows not seen for generations. There are now a substantial number of job vacancies and businesses report difficulty in filling many roles. The recovery in the labour market is now so extensive that Australia has a shortage of skilled workers in many occupations and in almost all industries.

The turnaround in the labour market has been remarkable but a substantial number of young people are still unable to find work or are not looking for work and not enrolled in an education or training program. As of February 2023, there were around 275,300 young people (aged 15 to 24 years) who were not working or undertaking any education or training.¹ There were also around 114,000 unemployed young people who were enrolled in some form of education or training. In addition, there were around 327,100 young people who were working part-time and wanted more hours of work (i.e. they were underemployed). Combined, these young people represent a huge potential increase in the work force.

Getting more young people into work is an effective way of filling many existing job vacancies and creating a capable workforce for the future, especially when work is combined with education and training. However, some young people may not be capable yet of holding down a job as they face multiple barriers to employment such as homelessness or insecure housing, poor mental health, lack of transport, and low levels education and training.²

With inflation at high levels and interest rates rising due to tightening of monetary policy, the current economic recovery will eventually slow, and Australia may enter another economic recession. When a recession occurs, young people will again be at great risk of unemployment, as occurred in previous recessions. Systems should be put in place now to ensure all young people can access work at decent pay for long enough to acquire the skills and work experience for successful working lives. With the right policies and programs, Australia can avoid the scourge of youth unemployment in the future.

One solution presented to the Commission during the Inquiry was a jobs guarantee. For example, the Per Capita think tank has proposed a national jobs guarantee:

A job guarantee would actually provide secure work with adequate conditions, with paid sick leave, annual leave at award wages around Australia. And they could be delivered through local government networks in such things as green jobs as they're known, caring for the land, but also a lot of care work, that is a growing area of employment.

Emma Dawson, Per Capita, Sunshine VIC, 26 March 2019

The Victorian Local Learning and Employment Network proposed a state-wide guarantee:

So, we are really looking for that state-level aspiration supported by place-based partnerships around young people, where no matter where you live in Victoria as a young person, you have that guarantee of an entry level employment opportunity, supported by your community, by industry and by government.

Trent McCarthy, Victorian Local Learning and Employment Network, Preston VIC, 12 March 2019

The Commission proposes a national Youth Jobs Guarantee that creates a variety of opportunities for young people to gain and sustain employment, enhance skills, and improve their medium to long-term career prospects.



What is a jobs guarantee?

A 'jobs guarantee' ensures all people who want to work are provided with paid work. It affirms access to employment as a human right for people who are able and willing to work. Usually, a jobs guarantee aims to provide paid work for people without work (i.e. its aim is to absorb excess labour capacity caused by economic downturns). A jobs guarantee keeps people active who would otherwise not be working as well as maintaining and enhancing their skills and experience. When the economy recovers and job vacancies re-emerge, those working under the guarantee are able to transfer to work in the general labour market.

Jobs guarantees can include work in the public sector, the not-for-profit sector and in the private sector. Wages and costs can either be fully paid for or partially subsidised by governments. The jobs will tend to be full-time but may be part-time, especially if linked to accredited training.

Lessons from similar programs in Australia and Europe

Working Nation

Policies and programs like a jobs guarantee have been tried before in Australia. The *Working Nation* White Paper, announced in May 1994 by Prime Minister Paul Keating, introduced policies and programs to reduce unemployment. *Working Nation* included an ambitious program to reduce long-term unemployment, called the Job Compact. The Job Compact ran for two years in 1995 and 1996. Its main features were wage subsidies for jobs and/or skills training, case management, and changes to improve financial incentives to work.

The Job Compact funded full wage subsidies for six months of what was called 'work experience'³ in public and community organisations through New Work Opportunities, and in community organisations through Jobskills.⁴ Jobskills offered six months of paid work experience and part-time vocational training. A program already in existence, called JOBSTART, was expanded and offered private sector employers wage subsidies to cover half the cost of wages. Other programs like SkillShare offered pre-employment preparation and JOBTRAIN placed people into skills training.

The most successful program among Job Compact programs, in terms of keeping people in their jobs was JOBSTART, which offered participants paid jobs for six months with a private employer and achieved around 41 per cent rate of retention in work three months after the placement and wage subsidy ended.⁵ Jobskills, offering 12 months of paid work experience and related vocational training in a public sector entity, only resulted in around 30 per cent of participants being retained after the placement ended.⁶ New Work Opportunities, a larger scale program offering full wage subsidies to public and community sector organisations, resulted in only around 22 per cent of participants transitioning into jobs after the placement.⁷ The larger scale meant that some of the placements were

not particularly useful and could have been improved by focussing on employers' needs, so that participants would learn skills that they could transfer to ongoing employment.⁸

The conclusion from this is that the combination of private sector placement and a lower rate of subsidy was the most successful, but these conditions also suggest a likely higher threshold for hiring suitable candidates and lower volume of jobs created this way. A possible reason for the relative success of JOBSTART was the limit of 50 per cent subsidy meant that placements were concentrated on work required by employers rather than additional to the essential workforce. Also, New Work Opportunities was rapidly expanded under the pressure to achieve targets, and this, along with Jobskills as these jobs were very different to 'mainstream' jobs in the labour market and hence led to poor transitions to unsubsidised jobs.⁹ At the same time, the program assisted many long-term unemployed people develop work habits and skills.

The rapid rollout of a full wage subsidy program for work on projects that were time-limited and demonstrably 'additional' to the jobs of existing workers was not as good in promoting the absorption of program participants into ongoing employment.





The government's evaluation criticised the implementation of the Job Compact. The evaluation suggested:

... that a job guarantee for all disadvantaged clients is not the most appropriate strategy for assisting the long-term unemployed. The high cost and low outcomes of the brokered programs [New Work Opportunities and Jobskills] suggest that some limits should be placed on the number of placements on these programs. This could be done by reserving access to these programs for the most disadvantaged clients who may not meet the job readiness requirements of many private employers.¹⁰

The Commission considers that the most disadvantaged jobseekers are more likely to benefit from an intermediate labour market program comprised of subsidised, temporary employment in a supportive environment, training, personal development, and other supports. At the same time, young people able to work but without sufficient experience or skills would benefit from a temporarily subsidised job that

leads to ongoing secure employment.

European Union's Youth Guarantee

In 2013, the European Union (EU) introduced the Youth Guarantee in response to the high rates of youth unemployment and a significant population of young people not in employment, education, or training (NEET) exacerbated by the global financial crisis. The EU members committed to ensure that all young people under the age of 25 have access to a job, further training, an apprenticeship, or an internship within four months of becoming unemployed or upon completing their professional training or university studies. Every member state developed a national plan to implement the Guarantee.¹¹ In 2020, a 'reinforced' Youth Guarantee was introduced which extended eligibility to people up to the age of 30 years¹² as the COVID-19 pandemic wreaked havoc on economies across the world.

The EU's Youth Guarantee has had mixed success because of:

- the variability of its implementation across member states;¹³ and
- the differing socio-economic circumstances of young people even within a member state with the most disadvantaged least likely to benefit from the guarantee.¹⁴
- lack of funding to fully implement the guarantee.¹⁵

A report on the implementation of the Youth Guarantee highlighted the difficulties in putting the policy into practice:

Youth guarantees are not simply adjustments to ALMPs [active labour market programs] already in place, but rather their proper implementation often requires the creation or reform of vocational training schemes, education systems and public employment services (PES). Moreover, the success of these programmes is based on their ability to forge cooperative agreements with employers' organizations, trade unions, schools and training centres and non-governmental organizations, which can often be laborious and time consuming.¹⁶

The differing implementation and success of the Youth Guarantee across EU member states is, therefore, not surprising. It shows that adapting the implementation of a guarantee to local conditions results in substantial variation.

Further, adapting the implementation of the guarantee to suit different cohorts of young people, based on their socio-economic circumstances, will lead to greater success. Some young people need more assistance than others.

Successful implementation of a youth guarantee requires funding. While the EU provided member states with some funding, additional national funds were required but not always provided in sufficient amounts.

The Proposed Youth Jobs Guarantee

The Commission is proposing a national Youth Jobs Guarantee aimed at young people who are not in education, training, or employment or who are underemployed. Under the proposed Youth Jobs Guarantee an entry-level job is to be provided to young people by the public, private and not-for-profit sectors. The Australian Government will pay for all or some of the costs of labour (wages, superannuation, leave entitlements etc) and training for young people.¹⁷

In addition, pre-employment, skills development, and intermediate labour market programs should be offered to those young people who are not ready for work, as part of the Youth Jobs Guarantee. This would include a comprehensive assessment of the young person and then linking them with the appropriate services and training to ensure they are ready and able to work. Such an assessment would consider literacy and numeracy levels, skills and aptitudes, ambitions and aspirations for an occupation or industry, possession of a driver's license, transport availability amongst other matters. The young person would be offered the support necessary and/or referral to other services (e.g. housing, health, mental health services, etc) to bring them to a situation where being able to gain and sustain employment becomes a possibility. Intermediate labour market programs offer opportunities for the young person to earn some money from work but must be considered an interim a step to a Jobs Guarantee placement that leads to secure, long-term employment.

Ongoing support during the Youth Jobs Guarantee placement should be provided to both the young person and the employer to address any specific issues arising during the placement. Experience of apprentices and trainees highlights how difficulties between employers, colleagues and the young person can lead to apprentices and trainees leaving prematurely. Success of a Youth Jobs Guarantee placement will occur only if difficulties are resolved quickly.

Recommendation 1:

That the Australian Government introduce a national Youth Jobs Guarantee program that ensures any young person who wants a to work can access a work placement or pre-employment placement.

Ongoing support during the Youth Jobs Guarantee placement should be provided to both the young person and the employer to address any specific issues arising during the placement.



Design Principles for the Youth Jobs Guarantee

The following principles are a guide for the development and implementation of the proposed Youth Jobs Guarantee. These principles are not a blueprint. That is in part because some decision-making about policies and funding should be devolved to local regions, to involve new coalitions of business, community, training organisations, and governments. There will be challenges in achieving joint and independent stewardship of public resources in the public interest, while working with the expertise and energy that all stakeholders can bring to the management and moderation of market interests for a better system. These are challenges that can be addressed through mutual accountability, transparent decision-making, more innovative thinking, and a willingness to learn and adapt.

1. The Youth Jobs Guarantee leads to employment with fair pay and security

The most important aspect of any attempt to improve the employment outcomes for young people is that a Youth Jobs Guarantee placement should lead to an ongoing job with security, fair pay, and long-term prospects.

Over the past few decades, many young people have experienced insecure, poorly paid short-term jobs. Young people told the Commission about their experiences of insecure work. For example:

I got a job in Daylesford which is an hour and a half from Bendigo. So, I would have to commute every day at 5 AM to get to Daylesford and get home which was quite hard to do especially since lots of my money that I was making was just being spent on fuel. ... So, it was just being a hotel waitress. It was very low paying job, very unskilled... but it was a job. ... but they were paying me minimum wage, so, it wasn't a lot and because it was a hotel, the hours were not... they could be anywhere between 20 hours a week to none.

Jemille McKenzie, Bendigo VIC, 26 June 2019

While some employers claim that young people want the flexibility of casual employment, research by Dan Woodman showed that young people want secure employment. He told the Commission:

So, there's lots of diversity in what young people want from work. But the young people I have studied, do want a secure job that allows them to build a good life.

Dan Woodman, University of Melbourne, Preston VIC, 13 March 2019

The current labour market is characterised by worker shortages in many occupations and industries, with skilled workers in short supply. This provides an opportunity to reduce employment insecurity. The Youth Jobs Guarantee should focus placements in areas where skill shortages exist and are most likely to lead to secure, long-term employment. This will assist employers secure their workforce for the medium to long term.

The industrial awards in some industries in which many young people are employed (e.g. retail and hospitality) allow for the payment of junior wages. These wages are below the minimum wage for a worker over 21 years doing the same job, even if the young person's skills and experience are the same or greater. Youth Law Australia suggest that:

"... junior wages sanction age discrimination, and have no justification as a reflection of a young worker's ability or skill."⁸

It was pointed out to the Commission that:

Young people do not receive discounted electricity or rent. They do not pay less for their groceries. There is just no reason why they should be paid less for doing the same work. ... young Australians support themselves entirely and rely on work to do it.



Tess Farrell, Shop Distributive and Allied Employees Association, Preston VIC, 12 March 2019

The Commission believes that wages should be based on skills and experience, not age. Aged-based wages should not be a part of the proposed Youth Jobs Guarantee.

Recommendation 2:

That the proposed Youth Jobs Guarantee focus on placements that lead to ongoing secure jobs with fair pay in occupations and industries where skill shortages exist.

2. Devolve the planning and implementation of the Youth Jobs Guarantee to employment regions

The immense geographical variation in the Australian labour market points to the need for more localised responses to local industries and economic conditions, each of which will be differently affected by government stimulus measures, net flows of temporary workers and the shifting of supply and demand in different industries. Therefore, design of the Youth Jobs Guarantee needs to allow for specific response to the unique needs of employers in a region.

The Local Jobs program set up by the former Department of Education, Skills and Employment was a step in the right direction but may be hampered by limits on local discretion about key aspects of policy and resource assignment. This program established a Local Employment Facilitator, a Local Jobs Plan, and a Local Skills Taskforce comprised of local stakeholders in all 51 employment regions across Australia.¹⁹ It is unclear to what degree of control local decision-makers have over the design, development and implementation of the Local Jobs Plan.

The Commission believes that most planning and implementation decisions are best made by local coordinating bodies comprised of employers, employment services providers, education and training providers, community organisations, young people and other key stakeholders. In particular, the Youth Jobs Guarantee should be designed with reference to local conditions, recognising that while in most cases private sector employment has good outcomes, there will be a role for community and public sector employment. Choices about the mix and configuration of opportunities created through the Youth Jobs Guarantee, priorities according to the skills and progression paths these opportunities represent, are all best determined locally, in context for specific industries, employers, and sectors (i.e. public, for-profit or non-government not-for-profit).

Recommendation 3:

That local coordinating organisations be given the authority to design, implement and monitor the Youth Jobs Guarantee with reference to local conditions.

3. Consolidate information and support services for employers

Making the process simple for employers to find suitable young people who are supported by the Youth Jobs Guarantee is essential for the program's success. While employers have been more likely to hire unemployed candidates as skills and labour shortages arose, partially because of the dramatic drop in temporary immigration²⁰,



employers continue to report difficulties finding suitable candidates. Existing employment services are not seen as suitable sources of employees.²¹

In addition, employers are required to manage a complex award system with multiple pay rates and various employment conditions. One employer representative pointed out to the Commission that:

...other OECD countries don't prescribe more than 1,200 separate minimum wage rates. We do. Other countries don't regulate nineteen separate pay rates for each adult classification, more than ten separate classifications for each award across 122 awards, plus statutory minimum standards on top of that. Other countries don't publish 90 page explanatory pay guides for awards that are already 97 pages long. Minimum wages don't change in other countries depending on whether you're putting down or taking away plates from tables. We do. Minimum wages don't change in other countries when you go from serving unsophisticated drinks to sophisticated drinks.

Rebecca Kenny, Certica, Brisbane QLD, 23 September 2019

The clearest messages from employers has been the urgent need to consolidate information and service entry points for employers. In the Commission's view a support service for employers is one that will:

- **Protect employers from unwanted applications from candidates merely applying to fulfill mutual obligations.**
- **Help employers to navigate the system to support their recruitment needs, based on an understanding of the needs of their business and the industry sector in which they operate.**
- **Screen the most suitable candidates from across the wide range of programs and caseloads of different providers.**
- **Explore and agree the most effective usage of wage subsidy funding.**
- **Consult employers about their future skills and labour needs.**
- **Work with employers to contribute to careers guidance and workplace learning opportunities for a managed number of young people.**
- **Assist employers to ensure they understand the relevant awards and rates of pay for their employees.**

The closest form of delivery organisation for these consolidated functions is the previous Commonwealth Employment Service. At this stage, the management of employment services, including wage subsidies, is dispersed through Workforce Australia (formerly jobactive), Disability Employment Services (DES), Transition to Work and the Community Development Program.

For the purposes of the Youth Jobs Guarantee, there should a single support service for employers in each region to provide information, recommend youth guarantee participants and support employers.



Recommendation 4:

That information and support for employers accessing workers through the Youth Jobs Guarantee should be consolidated into a single support service in each region.

4. Fund careers information and pre-employment learning opportunities for young people

Young people need a trusted and independent advisor to explain how the Youth Jobs Guarantee can assist with employment and training in relation to their own goals, to enable them to navigate the systems in a more informed and empowered way.

This starts with careers information and advice, which should be available on a face-to-face drop-in basis at places that should be recognisable as government-backed careers and skills services.²² The service should offer consolidated information about occupations and industries, and accurate and real-time vacancy information, translating the information produced by the National Careers Institute into local jobs projections, local employers, and local training options.

Careers services should also offer expert and accurate information and guidance, using input from local industry bodies and employers, about occupational roles, skills training, pay and progression pathways. The same services should promote, coordinate, and broker pre-employment programs, pre-apprenticeship training, workplace visits, work experience opportunities, and the variety of workplace-based learning opportunities needed for young people to learn about and be introduced to examples of workplaces in action in their fields of interest.

This set of services will play an important role in informing young people's choices around the placements under the Youth Jobs Guarantee. The closest example of organisational form that currently fulfills this function are the Group Training Organisations, which works across multiple employment and training services providers and employers, balancing and reconciling the roles of provider, employer, and the apprentice/trainee.

The most vital principle to uphold in developing these consolidated careers information and pre-employment training services is the independence, accuracy, and currency of information and advice they provide, and for young people to visit and use services as needed. For that reason, the work of these centres should be funded to cover all their costs of operation.



Recommendation 5:

That the Australian Government fund careers information and pre-employment training services for young people in every region.

5. Involve employers in the design of wage subsidies

Negotiating a wage subsidy for a job commitment for a fixed duration of time and for a fixed number of expected hours of work locks in a contract whose terms may discourage employers from being involved in a more graduated ramp of involvement. Many employers are willing to 'give a go' to young people, if the red tape and risks of getting the wrong candidate could be managed.

Experience with JOBSTART under the Job Compact showed that that the 'absorption capacity' of private sector employers offered 50 per cent wage subsidies plateaued. A contribution to wage costs is a reasonable signal of an employer's sincerity and is arguably right-sized, at 50 per cent, to indicate at least the possibility of sustaining a placement. On the other hand, the \$200 per week subsidy under the JobMaker Hiring Credit²³ offered by the Morrison coalition government was insufficient to entice employers to take on young people.

Reflecting on current wage subsidy utilisation by employers (outside apprenticeship wage subsidies) and Job Compact wage subsidy experience pushes up this question: Is a 50 per cent wage subsidy contribution for the employer the right level? Should this be the only form of employer involvement and incentive to get to a threshold commitment to give a young person a go? Could it, and should it, be calibrated with reference to the stated hopes and goals of the young person, and if it were, would that be feasible, and what would it look like?

Recommendation 6:

That local coordinating organisations engage with employers in decisions about Youth Jobs Guarantee wage subsidies.

6. Fill a needed gap with youth-friendly intermediate work and learning experiences

The Commission heard about a 'missing middle' of learning and development experiences needed by young people. This meets the needs that fall somewhere between the repetitive activity of job search and an entry-level job. Young people not at school or in work need places to go besides home, the shops or other public places, especially when they don't have much money.



The current suite of opportunities to undertake unpaid or partly subsidised work experience is confined mainly to activities like Work for the Dole, Youth Jobs PaTH, and other activities that are brokered variously by Transition to Work providers. However, there is currently not a model – though one is needed – of a hybrid of drop-in youth work centres that develop and pursue purposeful income generating activities and offer opportunities to earn some money from work, if only on a casual or short-term basis, and as a step to a firmer and longer job commitment. These centres, which as a generic name might just be called Work and Learning Centres, could also develop and deliver community projects considered relevant and designed by young people.

This kind of intermediate labour market model is most readily recognisable as a kind of social enterprise. Much can be learned from those, but their activities might also include mentored individual self-directed micro-enterprise and trading activities, undertaken in the safety and shared endeavours of a group, with the prospect of generating income. Activities might contribute to or join in with local food rescue and relief projects, gardening and landscaping, or recycling and repair services now commonly springing up in communities.

The main point of what they should offer is friendly and supportive working environment offering activities that can work as a ramp taking participants from unpaid into paid employment, dependent on the skills and capabilities of the young people that turn up. With the opportunity to earn some income as a good motivator and point of engagement, this kind of work and learning model should be explored as a pre-employment training and development ramp. Its value also would consist in the role it should be able to play as a consistent and continually available point of community contact, since young people inevitably will enter and exit employment as they learn about what suits them, but also as they are subject to the vicissitudes of a choppy and insecure labour market.

These kinds of work and learning centres could argue for and be granted wage subsidy funds, to create paid employment hours, along with on-the-job learning opportunities for young people. They would need supervisors with technical and vocational skills, to give a relevant and current introduction to different vocational areas but would also need youth workers committed to employment destinations for young people.

If there are young people who are work-ready and experienced through these centres but are unable to find secure employment, this model could serve, as a short-term employment broker, like a group training organisation or labour-hire company, managing the placement and pay of workers to host organisations, but without the obligation to sign up for a vocational qualification.

This kind of program has the capacity to identify a vital set of information and intelligence that is missing in the current arrangements: how can the efforts and work commitments of young people be recognised, counted and rewarded? If wage subsidies are to be rationed, would attitude, motivation, and *voluntary* community participation be one of the reasonable



criteria for assigning these more limited opportunities? Is there a preliminary set of paid work experiences to create, to test and strengthen a larger investment and commitment on both sides to a job, with or without wages subsidies? Would it be reasonable and appropriate to develop and assess from this intermediate labour setting a young person's possession of soft skills, as part of a recommendation and reference to employers, one way to break the damaging cycle of 'no-work-experience' experienced by so many young people?

One criticism of this this kind of intermediate labour market model is that it could risk becoming an employment 'destination' rather than a place to progress out of, one of the key reasons the Community Development Employment Program in remote and predominantly Indigenous communities was wound up.²⁴ This is an acknowledged risk, but it is arguably a lower risk than failing to offer something to fill the gap this kind of proposed service aims to address.

Recommendation 7:

That the Australian Government create youth-friendly intermediate work and learning experiences across Australia

7. Protect young people's rights and choices in a complex system

Throughout the Inquiry, the Commission heard from many young people and support services about the lack of enforcement of young workers employment rights. In particular, the underpayment of young workers, sometimes referred to as 'wage theft', is disturbingly widespread.

Young people do not always have the confidence or the capacity to challenge this practice. One young woman told the Commission about her first job:

My first job I landed was in 2017, at a local pizza bar, which is a great chance to experience a busy environment. Learnt the ropes quickly. However, I was very below the minimum wage, and they would only pay me cash in hand.

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

This young woman was unaware of her rights as an employee:

I didn't know it was illegal. I didn't have that prior knowledge or experience.

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

Prior to the pandemic, when the youth unemployment rate was relatively high, young people were unwilling to question their employers even when informed of their rights. One union representative told the Commission the about one young woman who was paid \$8.00 per hour, without penalty rates or superannuation. On being informed of her entitlements, her response was:

I can go to the boss and I can tell the boss that I'm not getting paid properly and the boss would sack me straight away, and there is a line of people out the door that would walk in and accept the \$8.00 per hour job.

Brett Edgington, Ballarat Regional Trades and Labour Council, Ballarat VIC, 24 June 2019

Young people need better information about their rights at work and support to ensure these rights. This could be achieved through a network of young worker rights services that help young people understand their employment contracts and rights and responsibilities under workplace laws and, if necessary, support young workers enforce their rights through the industrial relations system.

Recommendation 8:

That the Australian Government fund a network of young worker rights services across Australia.

Conclusion

Few would disagree that we need to ensure young people can get jobs they are interested in and can commit to, that offer decent pay and conditions, and that have prospects for further skills development and progression. It is harder to think through and agree on how – even with a commitment to a large-scale wage subsidy program – we can correct some of the distortions, gaps and problems of existing labour markets and their interaction with the services and delivery system.

The recommendations in this paper have been distilled from the lessons the Commission has learned about the services and functions needed to protect and promote young people's interests. Encouragingly, we have found that these run in parallel with the interests of employers in a better way to find the right staff. The services and functions identified are:

- the level of wage subsidies, at a local level.
- information and support to employers wanting to fill Youth Jobs Guarantee placements.
- careers information and pre-employment training services for young people.
- youth-friendly intermediate work and learning experiences for young people.
- a network of youth rights services across Australia.

The Commission does not have a preferred model to implement these services and functions. Each region has its unique characteristics regarding its industries, education and training facilities and needs to combine these services and functions into a regional Youth Jobs Guarantee.

While existing worker and skills shortages may be temporary, Australia has the opportunity to build a better system to ensure a brighter future for Australia's young people and to create a skilled and knowledgeable workforce able to meet future challenges.





¹ Australian Bureau of Statistics, *Labour Force, Australia, Detailed*, Table 25b Labour Force status for 15-29 year olds by Age, Educational attendance (detailed) and Sex, February 2023.

² These barriers to employment are all addressed by the Commission in the proposed Youth Futures Guarantee.

³ The term 'work experience' was used in preference to 'jobs' because the government wanted to distinguish work under the Compact from jobs in the labour market.

⁴ Davidson, P. (2020) 'There's serious talk about a "job guarantee", but it's not that straightforward', *The Conversation* 13 July 2020, available at <https://theconversation.com/theres-serious-talk-about-a-job-guarantee-but-its-not-that-straightforward-140632>.

⁵ Johnstone, H. et al (1996) *Working Nation: Evaluation of the employment, education and training elements*, Department of the Employment, Education, Training and Youth Affairs, Canberra.

⁶ *ibid*

⁷ *ibid*

⁸ *ibid*

⁹ Davidson, P. (2020) *op cit*.

¹⁰ Peter Davidson, PhD thesis, p.136.

¹¹ See <https://www.eu2020.de/eu2020-en/-/2367090>.

¹² See <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>.

¹³ Pesquera Alonso, C., Muñoz Sánchez, P. & Iniesta Martínez, A. (2021) 'Youth Guarantee: Looking for Explanations', *Sustainability* Vol 13 No.10. Available at <https://www.mdpi.com/2071-1050/13/10/5561>.

¹⁴ Escudero, V. & Mourelo, E.L. (2017) *The European Youth Guarantee: A systematic review of its implementation across countries*, International Labour Organisation. Available at https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_572465.pdf.

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ The Youth Jobs Guarantee should be available once the young person reaches end of compulsory schooling in their state or territory to the age of 25 years.

¹⁸ Youth Law Australia (2022) *Submission to the Employment White Paper*, p.3.

¹⁹ See <https://www.dewr.gov.au/local-jobs>

²⁰ Lowe, P. (2021) *The Labour Market and Monetary Policy*, Speech to the Economic Society of Australia. Transcript available at <https://www.rba.gov.au/speeches/2021/sp-gov-2021-07-08.html>. Philip Lowe, the Reserve Bank Governor noted that a big change on the supply side of the labour market has been the closure of our international borders.

²¹ National Youth Commission Australia (2022) *A Youth Employment Services Guarantee: Making youth employment services fit for purpose*. Available at <https://nycinquiry.org.au/wp-content/uploads/2022/02/Employment-Services-Guarantee-Full-Report-Final-Version.pdf>.

²² This name is intended to indicate what is needed as a function, not to reconcile it to (more limited, but relevant) existing organisations, such as TAFE-related Skills and Jobs Centres in Victoria.

²³ See <https://www.ato.gov.au/general/JobMaker-Hiring-Credit/>.

²⁴ Under this scheme, participants were expected to 'earn' the equivalent of their dole, typically by working for 15 hours a week, but had the opportunity to earn more by working more hours. That model is not being proposed under this set of recommendations, but it is a model that



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A Youth Jobs Guarantee

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