



Pre-Budget 2018/19 Recommendation

Youth Employment

About Youth Action

Youth Action is the NSW peak body for the state's 1.25 million young people aged 12 – 25, and the services that support them. Our work helps build the capacity of young people, youth workers and youth services, and we advocate for positive change on issues affecting these groups.

Youth Employment in NSW: The Current Context

It has never been harder for young people in NSW to find a job. Since 2008 the youth unemployment rate has been steadily climbing to today's post-GFC high of 13%, with a further 20% classified as 'underemployed' as they seek more working hours¹.

Since 2008 the number of full-time jobs for 15 – 19 year olds available nationally has halved and where jobs growth does exist it is often in sectors such as retail and hospitality where a large percentage of the jobs are casualised and at risk of automation over the next decade.²

Young people are embarking on a more complex road to employment once they leave secondary education and are predicted to hold 17 jobs in five different careers during their working lives.³ It takes young people today much longer to

¹ O'Neill, P. 2017. *Youth Unemployment in Western Sydney*, Centre for Western Sydney.

² Ibid.

³ Foundation for Young Australians (FYA). 2015. *How Are Young People Faring in the Transition from School to Work?* Accessed at <http://www.fya.org.au/wp-content/uploads/2015/11/How-young-people-are-faring-report-card-2015-FINAL.pdf>

find full-time employment than they did in previous decades -- once they finish full-time education it takes on average 4.7 years to find full-time employment compared to only one year in 1986.⁴

Added to this is that in current market there's a mismatch between the jobs available and the jobs that young people can fill -- young people are often competing with more experienced workers for positions that they find it hard to acquire the experience or expertise to qualify for in the first place.

Right now in NSW, about one quarter of young people in NSW aged 17 – 24 do not hold either a full-time job or a full-time place at a university or training institution⁵. When young people miss out on work and education opportunities it has serious long-term effects, including poorer health and wellbeing outcomes and lower rates of lifetime employment. Intervening early and with significant funding and relevant policy to re-engage young people in work and study is an invaluable investment in young people's future and in the future of NSW.

Youth Action's Budget 2018/19 Recommendations

Expanding current youth employment initiatives

In June 2017 the NSW Government announced \$65 million to target youth employment as part of the government's *Smart, Skilled and Hired* initiative. Young people in Western Sydney, the Hunter / Central Coast, New England / North West and the North Coast are eligible for the program which is largely run through employment services providers and interested employers. Youth Action applauds the NSW Government for this investment in this critical area.

Youth Action recommends investing a further \$65 million in the 2018/19 Budget to the Youth Employment Program to expand it state-wide and:

- Create a youth-friendly portal to access information about the program and proactively promoting the program through community services providers, youth workers, employment agencies and online advertising
- Introduce wage subsidies to add an extra incentive for employers to take on young people area by partnering with local employers in sectors identified for future growth under the NSW Government's *Smart and Skilled* policy.

To ensure the program is effective and successful, the NSW Government should publish a strategy for the program to be released with the 2018/19 Budget after consulting with relevant stakeholders detailing:

⁴ Ibid.

⁵ O'Neill, P. 2017. *Youth Unemployment in Western Sydney*, Centre for Western Sydney.

- Target numbers of young people gaining employment, internships or training as part of the program
- How it will implement a system of formal agreements that clearly establishes each party's (young person, employer, employment agency) ongoing role in the program
- How the program will provide recognised qualifications and experience for each participant
- How the program will be contextually and locally relevant.

Assist young people as they transition between education, employment and work

When young people are more informed about their education choices, the labour market as a whole and the careers available to them, they make better decisions about their futures. Young people gather information about education and employment from multiple sources including friends, family, online information, school, education providers and community service providers.

The NSW Department of Industry sits at the intersection of so many of the sources of information young people use as they undertake transitions and holds the latest information about the labour market and employment in NSW. The Department of Industry has established links with employment providers, industry groups, schools (through VET in schools and other programs) and community service providers.

Youth Action recommends investing \$25 million over four years to establish a Youth Transitions Taskforce.

The taskforce should sit within the NSW Department of Industry as an independent unit and hold accountability for increasing access to knowledge and training that will result in better transitions to employment for young people. The taskforce should be responsible for:

- Establishing a user-friendly online portal that is user-friendly and intuitive for young people and makes gaining advice about career, employment, education and training in NSW simple
- Bringing together the latest employment, careers and education information and disseminating it to partners who have high levels of contact with young people, including community service workers, youth workers, job employment agencies, welfare agencies, schools, universities and training institutes
- Educating young people through community events, workshops, open days and seminars
- Fostering partnerships with organisations and individuals who have high levels of contact with young people.