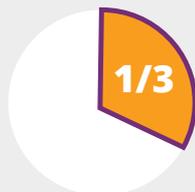


Change the story on youth unemployment

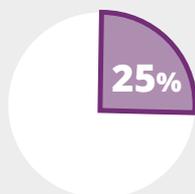
Clear pathways into sustained employment are necessary for young people to attain financial security, independence, wellbeing, a sense of belonging and skill development. All young people should be able to access meaningful, long-term employment so they can contribute to the Australian economy and community.

However, youth unemployment rates have remained stagnant, underemployment is increasing and finding work is increasingly difficult for all young people.

1 in 3
young people are
unemployed
or underemployed.¹



Around **25%** of
young people in NSW
are currently neither
engaged in full-time
work nor full-time
education.²



0.5%
of available positions
are entry-level.³



THE NSW GOVERNMENT CAN:

- Develop a government plan to tackle youth unemployment in the first 100 days of government. This plan should be created with young people and the services that support young people to ensure it is relevant to their experiences, including those young people who are at risk of disadvantage.
- Take steps to broaden the minimum target of government youth workforces, ensuring 8% of total project workforces is aged 25 and under, as in the Infrastructure Skills Legacy Program. This could take place across the work of government, including councils, departments, ministerial offices and large-scale contracts.
- Provide additional support to young people who need it, so they can gain and keep employment. *Smart, Skilled and Hired* should be evaluated, including with young people and, if found to be effective, expanded.
- Ensure tailored employment support is given to young people experiencing disadvantage by improving cultural competency, addressing language skills and provide networking opportunities through mentoring within the community.
- Reduce the cost barriers to young people finding work, such as by providing free transport to young jobseekers.

Young people have enormous potential and they are a vital resource for the Australian economy and community. Employment is important for young people to attain financial security, independence, wellbeing, a sense of belonging and achievement, as well as skill development.

Yet youth unemployment and underemployment are significant issues for Australia, with a fast changing and challenging employment landscape. Youth unemployment is twice that of the overall population, at 11.6% compared with 5.3%.⁴ Of the Australians who are unemployed, 36% are young people.⁵ Currently, there are more than 659,000 young Australians unemployed or underemployed, which is 31.5% of the youth population in Australia.⁶ This is the highest level in 40 years.⁷ The deterioration of the job market for young people since the global financial crisis (GFC) is striking and has had a lasting impact. For young people aged 15–19 the number of full-time jobs halved since 2008, and the number of part-time jobs for the same group has barely grown.

In NSW specifically, the figures are no better. In NSW, 84,900 young people are experiencing unemployment.⁸ The youth unemployment rate is twice that of the general population.⁹ These numbers are significantly higher in the Hunter Valley Region and the Mid-North Coast across NSW,¹⁰ and in the Central Coast and Western Sydney across the Greater Sydney Area.¹¹ In specific sub-regions, like the Southern Highlands and Shoalhaven, there are hotspots of youth unemployment reaching up to 28%.¹²

Increasing rates of underemployment, the rise of casual and insecure work, as well as automation and globalisation have impacted young people significantly. In many cases there is a mismatch between the jobs available and the jobs that young people can fill. Young people are competing with more experienced workers for part-time or casual positions in jobs with low stability in industries like hospitality, retail and construction.

These jobs are also highly vulnerable to automation and change, and young people are often seeking roles after completing less training or education than those who have already entered the workforce.

This is coupled with a reduction in the number of entry-level positions and apprenticeships, with less than 1% of jobs advertised with no experience necessary.¹³

Although young people are more educated than past generations, youth unemployment trends cannot be dismissed as the consequence of rising participation in education and training, particularly when looking at a local level.¹⁴

While this is the context for all young people seeking work in Australia, evidence shows that employment outcomes are worse for some young people with specific life experiences.

The impact of youth unemployment for the broader community is huge. The Foundation for Young Australians reports that 'having so many young people out of the workforce costs our economy 790 million lost hours of work each year, equating to up to \$15.9 billion in lost GDP to the Australian economy annually. The social impact is equally compelling – loss of confidence, hope and self-esteem has led to mental health issues costing Australia \$7.2 billion per annum.'¹⁵

In NSW there is no current cohesive plan that brings together the expertise and responsibility of the public and private sectors to combat youth unemployment and tackle systemic barriers.

The NSW government can put the brakes on youth unemployment and should take steps to mitigate some of the employment challenges. Changes should make it as easy as possible for young people to get and keep rewarding employment, as there are benefits for young people here and now, as well as communities into the future.

THE NSW GOVERNMENT CAN:

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ENDNOTES

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