



Stepping Up: Helping Disadvantaged Young People on to the Employment Ladder

Foreword



In August 2014, NESAC released a policy [paper](#) looking at ways we could better support disadvantaged young people transition from school to work. When that paper was written, youth unemployment for those aged 15 – 24 years had reached 13.5%¹, the federal Government was working on a number of pilots to support young people who have disengaged from school to replace the former federal Government's Youth Connections programme and the broad issues of youth unemployment were continuing to gain prominence within the political landscape in the lead up to the G20.

Fast-forward almost nine months and youth unemployment is higher at 13.7%², competition for jobs is fierce and disadvantaged young people continue to face significant and complex barriers to employment. When I'm in Canberra, talking to politicians of all political persuasions, it is one of the first issues they raise. We all understand that we need to get young people into jobs, but there is no one silver bullet to achieve this.

With National Youth Week shining a light on issues for all young people in Australia, and the Federal Budget less than a month away, NESAC feels it is timely to revisit recommendations made which we believe can help address one piece of the policy puzzle that is supporting disadvantaged young people transition from school to work – getting a foothold on the first rung of the employment ladder.

A handwritten signature in white ink, reading 'Sally Sinclair'.

Sally Sinclair, CEO



About NESA

We are for jobs.

Established in 1997, NESA's focus remains on ensuring we have a vibrant and sustainable employment services industry, and we are dedicated to the development and improvement of employment services and related programmes to ensure that every individual who wants to participate in the world of work can do so.

As the peak body for all Australian employment services, NESA members have extensive coverage of Disability Employment Services (DES), Job Services Australia (JSA) and the new jobactive services, the Remote Jobs and Communities Programme (RJCP) as well as other critical complementary employment related programmes such as the Indigenous Employment Programme (IEP), Australian Apprenticeship Centres (AAC), Group Training Organisations (GTO) and New Enterprise Incentives Scheme (NEIS).

Our membership is diverse and includes community, not for profit and private sector delivery organisations. NESA members have a great track record of delivering employment outcomes across all programmes including those for people with disabilities and we place great importance on our relationships with employers and industry.



Youth unemployment – a complex problem

We know the issue of youth unemployment is a complex one. To start with, we have labour demand– or the availability of jobs. In March, there were just under 770,000 people listed as unemployed³ and around 152,000 advertised vacancies per month currently⁴. When you add the unemployed to those already in work who might be looking to change jobs or increase their hours through additional work (including the 1,072,800 workers considered underemployed)⁵ we realise just how limited the opportunities in the labour market are.

But the issue of labour demand is just one side of the coin. We also need to consider labour supply. Requirements for people receiving income support to actively seek to engage in the world of work is a factor influencing labour supply. On this front, Australian policies are generally considered to be well placed.

Our activation policies, which include employment services, Work for the Dole and 'earn or learn' for young people, are often looked to by other countries as highly successful in addressing the broader issues of moving people from welfare to work.

Another important aspect of labour supply is the competitiveness of those looking for work. For young people, particularly those with a background of disadvantage, this is critical as they often lack the networks or knowledge within their direct social spheres to support transitions from school to further education or work, and as a result will often slip through the cracks. Making sure tailored and holistic supports that include help to navigate the world of work and meet employer expectations are available is crucial to the future opportunities for disadvantaged young people.

Supporting disadvantaged young people to work through earlier intervention

Traditionally, education and training have been seen as the key way of increasing your chances of work (job competitiveness) - the more education or training you receive, the more employable you become⁶. While there is a strong positive relationship between higher qualification levels and employment participation⁷ - employability skills also matter. In a recent Department of Employment survey, employers rated attitude, reliability and work experience more highly than further education and training when it comes to hiring young people⁸.

We know too that young people who display characteristics of disadvantage are often at a greater risk of leaving school early, employment is rarely on their radar, and they become disengaged. Unfortunately, the longer an individual is not engaged with the world of work the higher their chance of becoming long-term unemployed. There is a considerable body of research around the best predictors of an individual's future risk of unemployment being their past history of unemployment⁹. If this unemployment happens so early in a person's career, their long-term prospects of employment success are significantly challenged.

So what does this mean for the way we support disadvantaged young people, and what does this have to do with the Government's new jobactive and Disability Employment Services?

As we put forward in our policy [paper](#) in August last year, and again in our Pre-Budget submission to Government earlier this year, NESA believes that early connection with employment pathways is critical for young people and their long-term job competitiveness. Engaging with disadvantaged young people while they are still at school and putting employment firmly in their line of sight offers significant risk mitigation and opportunities for real work related experience to be gained.

By introducing the options of work in combination with education, disconnection from school may be prevented for those at risk of leaving. Skills gained and networks developed through supported work outside school hours are likely to ease transition to post school employment later in life¹⁰.

Furthermore, for those disadvantaged young people seeking to leave school, having the opportunity to connect to services before actually disengaging would provide a smoother transition. This would keep them within a system of support, significantly reducing the risk of long-term disconnection from the workforce.

All of those supports could easily be provided within the jobactive and Disability Employment Services framework. NESA has, and continues to recommend that Government invest in expanded eligibility criteria for these employment services programmes to fully enable early intervention with disadvantaged young people.

By redefining the eligibility for employment support to young people of legal working age who are currently at school, and expanding services to include assistance to gain work outside of school hours, greater support with school based apprenticeships, and support for transition from school to work for those that need it, governments would not only reduce the risk of long term unemployment for this group, but go a long way to providing a future workforce with the key attributes employers are seeking in young people.

1. ABS, Labour Force Australia (March 2015) cat. no. 6202.0, Table 17. Labour force status by sex – Persons aged 15 to 24 years (Trend, Seasonally Adjusted and Original)

2. Ibid

3. Ibid

4. <http://lmp.gov.au/default.aspx?LMIP/VacancyReport> February 2015 Vacancy Report, accessed 8/04/2015

5. Australian Bureau of Statistics (February 2015) Labour Force, Australia, cat. no. 6202.0, ABS, Canberra Labour Utilisations Rates Numbers Underemployed (Trend) [http://www.ausstats.abs.gov.au/ausstats/maiusubs.nsf/0/567912AB155411E4CA257E050011BA2B/\\$File/62020_feb%202015.pdf](http://www.ausstats.abs.gov.au/ausstats/maiusubs.nsf/0/567912AB155411E4CA257E050011BA2B/$File/62020_feb%202015.pdf) accessed 08/04/2015

6. Foundation for Young Australians (2012) How Young People are Faring, Melbourne, pp. 9-12

7. ABS, Survey of Education and Work, Australia, May 2014, Cat. 6227.0

8. Improving the Employment Prospects of Young Australians, Department of Employment <http://lmp.gov.au/PortalFile.axd?FieldID=1454144> accessed 08/04/2015

9. For example, refer to International Labour Organisation (2011) 'Skills for Employment Policy Brief, Increasing the Employability of Disadvantaged Youth', Geneva, Switzerland

10. OECD (2010), Off to a Good Start? Jobs for Youth, OECD Publishing, p 81



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