Youth Unemployment in Australia:

a contextual, governmental and organisational perspective

Kristy Muir with Anne Maguire, Daniel Slack-Smith and Maree Murray
A report by The Smith Family for the AMP Foundation
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Executive Summary

Youth unemployment rates have remained high over the past decade in Australia and internationally, we have continued to fare poorly in this regard. This report considers the prevalence of youth unemployment for teenagers (15-19 year olds) and young adults (20-24 year olds). It identifies those youth at greatest risk of unemployment and the individual and societal costs that result from unemployment among this group. Section B examines government policies and programs aimed at addressing youth unemployment; focussing in some detail on mutual obligation. The third section benchmarks a number of not-for-profit organisations’ programs against selected best practice criteria.

The main findings are:

Section A

- In September 2003 21.6 per cent of 15-19 year olds were unemployed
- 45 per cent of Indigenous teenagers were not in full-time education or employment
- In May 2003 23 per cent of 20-24 year olds were not in full-time education or employment
- The labour market for youth has shrunk by 6.9 per cent since 1995
- Youth most at risk of unemployment are characterized by one or more of the following circumstances, they are from low socioeconomic backgrounds, have left school early, have low levels of literacy and numeracy, are from NESB backgrounds, are Indigenous, live with one or more unemployed persons and/or live in a rural or regional area.
- Completing Year 12 provides a significant buffer against unemployment.
- Indigenous high school retention rates are half that of non-Indigenous youth
- Early school leaving costs Australia $2.6 billion a year
- Unemployed youth are at a higher risk of poverty
- Young males not in the labour force have a mortality rate 8.6 times higher than their working or studying counterparts
- Youth unemployment may result in future low wages, underemployment and unemployment.
Section B

- Some direct job creation and employer subsidy programs have been successful in Australia in the past
- Mutual Obligation as a philosophy and a program dominates current federal government policies and programs addressing youth unemployment
- Complementing this approach, the Commonwealth Government oversees a suite of programs facilitating youth transitions into employment and youth enterprise
- A preventative community based approach to youth unemployment under Building Stronger Families and Communities has also been adopted by the federal government

Section C

- In benchmarking programs targeting youth unemployment the following six best practice criteria should be addressed:
  - Promote well-being
  - Provide transitional support and help youth build the necessary bridges
  - Provide education and training
  - Ensure sustainability
  - Have positive outcomes including program evaluation
  - Provide support services

- Ardoch Youth Foundations, Beacon Foundation, Breakthrough Youth Foundation, The Smith Family and Young Achievers Australia were identified as some organisations who follow the best practice criteria cited above.
Introduction

Over the last decade Australia has experienced prosperity, low inflation rates, economic and export growth and high labour productivity, but youth unemployment has remained higher than average. This is particularly the case for youth seeking full-time work, as youth employment tends to be dominated by part-time and casual positions. The prospects for full-time employment are especially low for young people who have not completed school, males, Indigenous and non-English-speaking-background youth and those who live in rural or regional areas.

Given that Australia is experiencing an ageing population, it is becoming increasingly important to ‘harness the potential of our young people’. This includes ensuring all young people have opportunities to learn and develop skills needed to fully participate in the labour market.

This report examines the prevalence of youth unemployment, some of the main causal factors, those most at risk of unemployment and it considers the cost of youth unemployment, both at a micro (individual) and a macro (societal) level. It traces government and not-for-profit programs addressing these issues. Best practice criteria have been identified and six organisations with programs dealing with the youth unemployment have been benchmarked against these.

Section A

Statistics, risks and costs relating to youth unemployment in Australia

Prevalence

Male and females aged between 15 and 24 years account for 41 per cent of the world’s unemployed, an estimated 74 million people. Compared to other nations, Australia’s youth unemployment rates are high. By 1993 Australia had the fifth highest youth unemployment rate among thirteen OECD countries, and ten years later Australia still fares poorly. As the OECD stated in 2003, ‘teenage unemployment and early school leaving rates in Australia exceed the area-wide average. Moreover, the employment disadvantage of poorly qualified school leavers, compared to their better educated counterparts, is somewhat above the OECD average’. Furthermore, Australia is ranked fifteenth out of twenty-six OECD nations in relation to 20-24 year olds not in education who are unemployed or not in the labour force, and Australia has the second highest rate of 20-24 year old males who are working part-time and not studying.

According to ABS trend statistics, in September of this year 21.6 per cent of 15-19 year olds in Australia were unemployed. Female teenagers (23.3 per cent) had a higher unemployment rate than their male counterparts (20.6 per cent). This is in stark contrast to the 5.9 per cent of unemployed adults. Thus in September teenagers were over two and a half times more likely to be unemployed than adults. The number of unemployed teenagers may be even higher, if the 11.5 per cent of 15-19 year olds who are not in the labour force are taken into consideration. Alarmingly, 15.3 per cent of all Australian teenagers are neither employed full-time, nor attending an educational institution. Although the adult unemployment rate has almost halved since 1993, the percentage of teenagers in these ‘marginal activities’ (not in full-time employment or study) has persisted over the last ten years.

Some groups of the population have even higher proportions of teenagers in ‘marginal activities’. While 15.3 per cent of all teenagers are not in full-time employment or in full-time education, per cent of Indigenous teenagers are in the same situation. Teenagers living in certain states are also less likely to be working or studying full-time – in the Northern Territory this is the case for 32.2 per cent of teenagers, 18.4 per cent in Western Australia, 18.1 in Queensland and 17.8 per cent in South Australia.
For young adults (20-24 year olds), unemployment rates are also high. In May 2003 almost one in four (23 per cent) young adults were not in full-time education or full-time employment. Indigenous youth of the same age were three times more likely to be neither in full-time study or work. The rate of unemployment among Indigenous youth is especially alarming given that they form 2.8 per cent of all young adults and yet they account for only 1 per cent of those in full-time education, 1.4 per cent of full-time workers, 3.7 per cent of part-time workers and 7.6 per cent of those unemployed or not in the labour force. These issues require urgent redress, especially as the young adult Indigenous population is estimated to double over the next two decades and unemployment can be generational.

**Reasons for youth unemployment/partial participation**

**A shrinking job market**

Research has shown that youth unemployment is high because of the ‘shrinking’ labour market, or ‘demand’, for this group of Australians. There has been a 6.9 per cent decrease in full-time jobs available for teenagers and a 15.2 per cent drop for young adults since 1995. This has pushed many young people into casual or part-time positions and, as a result, some have failed to learn additional skills and gain adequate experience, which has further limited their likelihood of finding future full-time employment.

A decrease in labour market opportunities for young people is also apparent in apprenticeship availability. Over the last decade the rate of apprenticeships offered has declined. Between 1993 and 2003 apprenticeship training has decreased by 16 per cent (especially in metals, electricals and electronics) in comparison to the preceding two decades (1974-1992 period). Toner argues that if the training rate had not decreased over the last ten years, there would be 19,000 additional job opportunities.

**Part-time work, education and underemployment**

Chapman and Gray argue that the prevalence of ‘marginalised youth’ has been exaggerated because of an increase in youth attending educational institutions and working part-time. Part-time youth (15-19 years) participation rates have increased substantially over the last few decades, from 12 per cent in 1980 to about 34 per cent in 2000. The increase in youth working part-time can be partly attributed to the uptake of education. Twenty-three per cent of teenagers are studying part-time. However, a number of youth working part-time are not in this position by choice. A 1994 survey found 45 per cent of youth working part-time preferred to be working longer hours. Similarly, according to 1997 ABS data, one in four part-time workers preferred to be working more hours. Watson maintains this figure would be higher if there were realistic opportunities for an increase in working hours. The Dusseldorp Skills Forum also contest the claim that youth are increasingly working part-time because they are combining it with part-time study. Of the 24 per cent of males and 22 per cent of females who were not studying in 2001, less than half had full-time employment (48 per cent for males and 40 per cent for females). Thus for these youth part-time work was not accompanied by part-time education.

**Turnover**

It has been argued that youth unemployment is deceptively high because of youth turnover in the labour market. The duration of youth unemployment is often shorter than adult unemployment. Teenagers are three times more likely to change their labour force status than adult men, and twice as likely as adult women. This turnover can only partly be attributed to youth ‘exploring’ the labour market in search of more interesting work and the seasonal nature of work for a number of students. Overall few youth voluntarily leave their jobs. ABS data from 1994 found only 15 per cent of unemployed youth had chosen to leave their job, while 24 per cent had lost their positions. This trend was corroborated by OECD analysis. In addition, although youth
unemployment is likely to be for a shorter duration than adult unemployment, if the hours of unemployment are compounded over time, youth are unemployed for longer periods.36

Education

Education is a major factor in influencing employability. An international forum on youth unemployment concluded that barriers to education, a lack of appropriate education and a mismatch between skills gained through education and job opportunities are contributing factors to youth unemployment.37 The OECD maintains that the high rates of youth unemployment can be largely attributed to the fact that numerous young people leave school without the skills needed to enter employment.38 An International Adult Literacy Survey also found ‘employment and unemployment are strongly related to levels of literacy proficiency’.39 And while internationally Australia is competitive in regard to the proportion of students with low literacy levels (12 per cent of all 15 year olds remained at the lowest level),40 The effects of education on employment outcomes for Australian youth will be further highlighted in the section below.41

Youth ‘at risk’ of unemployment

In all OECD countries similar groups of youth are unemployed. These are people from low socioeconomic backgrounds, those who leave school early, those who live in communities with high unemployment rates and those who have poor academic results.42 The 1999 OECD Employment Outlook suggested that these inequities in youth unemployment were on the rise.43

Within Australia similar trends are evident. Early school leavers, those from a low socioeconomic background or living in a low SES area, those who have low levels of literacy and numeracy, those from non-English speaking backgrounds, Indigenous youth and those living with at least one other unemployed person are at greatest risk of unemployment.44 Often young people in these circumstances face multiple challenges, but the factor linking these ‘at risk’ youth is usually early school leaving. The school to work transition, especially for early school leavers, is a critical period in determining whether youth successfully enter the workforce, or become unemployed.45

The importance of education

Education plays an instrumental role in determining whether both ‘at risk’ and those not at risk successfully enter the labour market. Those with the lowest levels of education are most at risk of unemployment.46 Those who finish Year 12 have higher participation rates, higher employment to population ratios and lower unemployment rates than those who have not completed Year 12.47

Every year one in three teenagers leaves school without completing Year 12. Some return to education and complete their higher education later, but one in five never complete this level of education, placing them at a higher risk of unemployment.48

Five months after leaving school, 49 per cent of youth who left in Year 10 were not employed or working full-time. Thirty-six per cent of those who left in Year 11 were in the same situation.49 Overall, 28 per cent of early school leavers were unemployed, not studying, working part-time but not studying, or not in the labour force, compared to 11 per cent of school completers.50

Post-school education provides a further buffer against unemployment, especially long-term unemployment. According to the ABS Transitions from Education to Work survey (based on the 1996 census), 22.1 per cent of 15-24 year olds who did not finish school were unemployed, compared to 5.6 per cent of 15-24 year olds with a higher degree, postgraduate degree or bachelor degree.51 Similarly, ABS 2001 data found 72 per cent of unemployed people had not completed Year 12 and 40 per cent of these individuals had been unemployed for 26 weeks or more, compared to 19 per cent of unemployed people with a bachelor's degree.52
Youth at risk of early school leaving and subsequent unemployment

Many youth who leave school early fall within the other ‘at risk’ categories. Since Year 12 participation was first measured by the Australian Council for Educational Research in 1980, early school leavers have been more likely to be males, Indigenous Australians, from low SES backgrounds, have poor literacy and numeracy, have an English-speaking backgrounds, a dislike of school, live in rural or regional areas or certain communities and attend government schools.53

Males

The Australian Council for Educational Research’s longitudinal surveys of Australian youth found males were more likely to leave school than females. In 2003 ACER reported that 26 per cent of males left school before completing Year 12, compared to 16 per cent of females.54

Low SES

Both parental education and employment can affect whether individuals complete school. Youth of university qualified mothers were more likely to finish school than those whose mothers had not achieved this level of education.55 In regard to parental employment, only 15 per cent of students with professional or managerial parents left school before completing Year 12, in comparison to 26 per cent of students whose parents worked in unskilled manual positions.56

The Australian Council of Social Services maintains that youth from low socioeconomic families may feel pressured to leave school to help alleviate the financial stress of their households.57 And the majority of early school leavers mistakenly believe that once they leave school they will find work or an apprenticeship.58

Low socioeconomic status also influences an individual’s access to information and communication technology (ICT), which in turn, may affect their academic results and thus labour market outcomes.59 People from high income backgrounds and those who have higher levels of education are more likely to have access to and greater usage of ICT than those from low socioeconomic groups and with limited education. This is otherwise known as the ‘digital divide’. The digital divide extends beyond access to the physical hardware of ICT into what has been coined the ‘ABCs of the digital divide’ – Access, Basic Training and Content.60

After comparing students and families from The Smith Family’s Learning for Life program with national averages, The Smith Family found low socioeconomic families were significantly less likely to have a computer at home (59% compared to 74% of all Australian households) and be connected to the internet (32% and 58% respectively). Parental education also influences household computer ownership and Internet access. Only 43% of households with parent(s) educated for less than ten years had computer access in the home and 18% were connected to the Internet. In contrast, 88% of parent(s) educated over ten years provided computer access within the home and 57% were connected to the Internet.61 Therefore pre-existing inequalities between lower and higher socioeconomic groups and poorly and highly educated individuals are further exacerbated by the digital divide.

Indigenous Youth

Indigenous youth are over twice as likely to experience unemployment than non-Indigenous youth (31.4 per cent and 15.4 per cent respectively)52 and their low educational attainment may be largely attributed to this. The high school retention rates for Indigenous youth are only 35 per cent, compared to 70 per cent for non-Indigenous young people.63

The significance of education for Indigenous Australian youth becomes sharper when education levels and employment prospects are assessed. If Indigenous youth complete Year 10 or Year 11 their employment prospects are increased by 40 per cent and completing Year 12 adds another
13 per cent of employment likelihood. Post-secondary education increases employment prospects by between 13 and 23 per cent.\textsuperscript{64}

\textbf{English speaking}

Students who speak English at home were also found to be more likely to drop out of school early (23 per cent), compared to those from non-English speaking backgrounds (10 per cent).\textsuperscript{65} Khoo \textit{et. al.} found second generation youth from non-English speaking backgrounds are more likely to both complete Year 12 and participate in tertiary education than their third generation counterparts or second generation youth from UK or Western European countries.\textsuperscript{66} Yet unemployment rates are higher for second generation youth who are in the work force, than third generation youth, even though they are proficient in English. For youth of Turkish or Lebanese background unemployment rates are highest. Turkish youth were twice as likely to be unemployed as those from Italian origin. In 1996 25 per cent of first generation 20-21 year old males were unemployed compared to 18 per cent of second generation Australians and 17 per cent of third generation Australians.\textsuperscript{67}

\textbf{Geographic}

Geographically, regional students are most likely to drop out of school (14 per cent), followed by those in remote areas (10 per cent).\textsuperscript{68} While youth unemployment is high among regional students, Abbott-Chapman suggests that rural and regional areas have high levels of social, economic and emotional support to draw on in difficult times. Yet this support may result in families discouraging youth from moving to areas where employment is more likely, and therefore lead to adverse employment outcomes. Staying close to home is perceived as important because rural and regional families and communities can support each other through difficult times. Siblings are also of significant influence in the decisions youth and families make about moving away for employment or further education.\textsuperscript{69}

Youth living in certain ‘disadvantaged’ communities are also more likely than other young people to have poor labour market outcomes. The Vinson report revealed the most disadvantaged areas in the 1970s were still disadvantaged in the 1990s.\textsuperscript{70} This is further reinforced by the concentration of youth unemployment in specific areas.\textsuperscript{71} The top ten youth unemployment ‘hot spots’ that were identified in 1997 were not all regionally based:

1. Fairfield-Liverpool NSW \hspace{1cm} 25.1%
2. Richmond-Tweed & Mid-North Coast NSW \hspace{1cm} 24.5%
3. Barwon-Western Districts \hspace{1cm} 23.2%
4. Wide Bay-Burnett QLD \hspace{1cm} 22.2%
5. Illawarra NSW \hspace{1cm} 21.9%
6. Western Adelaide SA \hspace{1cm} 21.7%
7. Gippsland VIC \hspace{1cm} 21.3%
8. Outer Western Melbourne VIC \hspace{1cm} 21.2%
9. Northern & Western SA \hspace{1cm} 21.2%
10. Hunter NSW \hspace{1cm} 20.5%\textsuperscript{72}

\textit{Does high youth unemployment encourage ‘at risk’ youth to continue education?}

Trewin argues that the state of the labour market may influence individuals' decisions about whether they continue to participate in education and training.\textsuperscript{73} Other research indicates that this may be the case for those who already have high levels of education, but not necessarily for
those who have poor school outcomes. An international study which interviewed unemployed youth in ten countries concluded that those who returned to study after being unemployed were predominately those who had already achieved higher levels of education. Therefore those with the lowest education levels were the least likely to return to study after a period of unemployment.74 This was further corroborated by an Australian study which indicated very few students were in the education system because they could not find full-time work. Only 2.3 per cent of the 1.3 million young people in the education system would prefer to be working full-time.75

**Attitudes: Do ‘at risk’ students want to learn?**

Research has shown that while early school leavers often leave school voluntarily, they have ‘not made a positive decision to leave’. Marsh and MacDonald interviewed 14-18 year olds living in two Victorian regions where youth unemployment is high. Half of the group were early school leavers and the other half were in Year 10 or 11 and were at risk of leaving school early.76 All of these youth believe education and training were important in relation to employment and the majority ‘had not made a positive decision to leave’.77 Expulsion, academic, behavioural or social reasons were given for early school leaving. These youth highlighted the importance of respectful learning environments, increased teacher support, smaller class sizes and more vocational opportunities as key aspects for positive learning.78 Students who had moved to an alternative learning environment felt that these aspects were present; they were encouraged to participate and had the opportunity to learn.79 The students interviewed felt they were ‘pushed’ rather than ‘pulled’ from the education system and they revealed that they wanted to learn and that they believed education was the key to their future employment outcomes.

**Attitudes: Do unemployed youth want to work?**

In some quarters there is a simplistic assumption prevalent that unemployed people do not really want to work. However, several studies provide evidence to the contrary.80 For example, Tiggemann and Winefield’s study of adolescent school leavers found, ‘no evidence to support the ‘dole bludger’ view of unemployment’.81 Their methodologically superior work revealed ‘very high levels of work commitment’ in both employed and unemployed school leavers.82 More recently, Bryson and Winter’s study of a working class suburb in Melbourne found that the unemployed were ‘keen to have jobs and participate in mainstream society’.83 Informed and effective employment strategies thus, are those that address the structural problems causing unemployment rather than mistakenly labelling unemployed people and their attitudes as the problem.

**The Cost of Youth Unemployment**

Youth unemployment affects the individual lives of jobless youth, but the effects transcend the individual. The economic, social and health effects of youth unemployment affect society on a macro level.84 The ‘collective wellbeing’,85 that is families, communities and the nation, suffers as a result of youth unemployment.86 Canadian researchers Keating and Hertzman describe this phenomenon as the ‘gradient effect’. In their work on the Developmental health and the wealth of nations they showed that the greater the socioeconomic and health differences between groups in any society, the larger the gradient and the poorer the nation’s overall wellbeing.87

**Economic**

Financial problems are among the most tangible effects of youth unemployment. Low benefit payments, coupled with a lack of acquired assets, place unemployed youth at a high risk of poverty.88 For three quarters of all jobless households who are in the lowest income quintile financial hardship has significant ramifications.89 According to the 2003 results from the first wave
of Household Income and Labour Dynamics in Australia Survey, 27.7 per cent of jobless households could not pay their electricity, gas or phone bills on time, 11.9 per cent could not pay their mortgage/rent on time, 14.3 per cent had pawned or sold something, 11.7 per cent had gone without meals, 24.5 per cent had asked for financial help from families or friends and 14.2 per cent had sought help from welfare or community organisations.90

Unemployed youth under twenty-one years are legally the financial responsibility of their families. This financial burden may push some families into poverty. For unemployed youth with their own families, the financial stresses of unemployment place great strain on their family unit.91

As a nation, youth unemployment accounts for a large amount of expenditure. The cost of youth unemployment in regard to unemployment benefits and the cost of countering and treating crime and mental and physical health problems are very difficult to quantify. In terms of early school leaving, however, some figures have been quantified. The Dusseldorp Skills Forum estimate that ‘the cost to individuals, governments and the rest of society as a result of the disadvantages of higher unemployment, lower incomes and other costs arising from early school leaving in Australia is estimated at $2.6 billion every year’.92 Applied Economics estimated that if half of all early school leavers over a five year period are provided with a Year 12 or equivalent education, unemployment benefits would be reduced by approximately $80 million per annum.93

Developmental

Youth is a period of significant change for individuals. It is a time when identity is formed, independence is often attained and a form of ‘political and civil citizenship’ is developed.94 Employment plays a crucial role in these changes. Independence is directly related to income. Even if individuals are not dependant on the state, they are usually dependant on family or friends.95 While income is important, the psychological benefits that usually accompany employment are also key factors in this developmental stage. Thus unemployment becomes a barrier, not only because of financial limitations, but also because individuals miss out on the sense of personal, social and adult identity that is derived from employment. Work provides youth with skills, responsibility, avenues for decision making, and social interaction with individuals of various age groups. All these opportunities combine to instil a sense of adulthood into youth. While these experiences are not solely limited to the work environment, those working are more likely to be perceived by society as useful and productive. Thus employment provides individuals with a sense of being socially valuable.96 For some unemployed youth the developmental consequences are far more marked, in the form of mental health problems.

Health

A plethora of research has correlated unemployment with mental and physical health problems.97 The difficulty, however, is in establishing whether unemployment causes poor physical and/or mental health, or whether poor health results in joblessness. While debates over cause and effect continue, the unemployed face greater health problems than their employed counterparts. In the ABS’s National Health Survey unemployed men were 11 per cent more likely to report a chronic illness, than employed men, and unemployed females were 22 per cent more likely than employed females. The differences were more marked in regard to the reporting of a ‘serious chronic illness’ - unemployed males were 26 per cent more likely and unemployed females 42 per cent more likely than their employed counterparts to report this type of illness. In general unemployed men were 110 per cent more likely to rate their health as ‘fair-to-poor’ than employed men and unemployed women were 85 per cent more likely.98

Perhaps it is easier to link mental health problems with unemployment because of the isolation that often comes with unemployment. The unemployed may lose contact with ‘the mainstream’,99 become isolated, lose autonomy, feel they have lost control and become marginalised from society.100 Hammer maintains marginalisation occurs when long-term unemployment is coupled with a loss of social networks and therefore a loss of community support.101 Social exclusion is difficult, if not impossible to quantify, yet its significance is such that it requires acknowledgement and consideration. Unemployment and the possible subsequent exclusion from society may result
in low self-esteem, dependence, pessimism, life dissatisfaction, depression, and/or even suicide.102

Unemployment has been shown to affect an individual's sense of well-being. Unemployed men were 4.3 times more likely to report being unhappy than employed men.103 Even more worrying are the results from the Australia Longitudinal Surveys of Young People. Young males (16-25 years) not in the labour force were found to have a mortality rate 8.6 times higher than their employed or student young male counterparts. When unemployed youth and those not in the labour force are grouped as one, they are 4.4 times more likely to die prematurely than youth who are employed or students. In 1996 498 youth deaths in Australia, 35 per cent, were attributed to unemployment or not being in the labour force or studying.104

Many studies have shown the correlations between ‘unemployment and low life satisfaction, low self-esteem, and high levels of anxiety, depression and suicide’.105 Morrell et al., for example, examined employment levels and suicide between 1966 and 1990 and found they were correlated.106 Headey persuasively argues that these correlations are a result of unemployment affecting well-being, rather than well-being influencing employability. He uses a German study which interviewed 15,000 people over fifteen years to show that although there were some unemployed in this position because of their mental health state, the study found unemployment caused increased anxiety and lower levels of life satisfaction. Individuals who had only been employed for one period in their lives reported higher satisfaction levels after finding employment, than individuals who had experienced repeated unemployment.107 Interestingly, in Germany unemployment benefits are much higher than in Australia, and therefore the psychological effects of unemployment cannot be solely tied to economic loss.108

An Australian longitudinal study, which examined mental health of unemployed youth, similarly found that the majority of unemployed youth with psychological problems were not suffering from these problems prior to unemployment.109 Another Australian study found youth who became unemployed after leaving school suffered from greater unhappiness, boredom, anger with society, loneliness and helplessness than employed school leavers.110

Crime

Australian and international studies have shown interplay between youth unemployment and crime.111 Two links between unemployment and crime are popularly supposed. One is the belief that boredom and other situational factors of unemployment increase opportunity for, and thus likelihood of, criminal activity. Another common view holds that if needs and wants cannot be sufficiently and legitimately met by employment, then individuals will seek illegitimate ways to meet these. Thus wages from employment are used to provide food, clothing, shelter and other goods and services, but unemployment and a consequent lack of wages by which to meet these needs may lead to the attractiveness of criminal activity. These common views are essentially in concurrence with much of the scholarly work.112

It would be simplistic and overly reductive to argue that unemployment causes crime in a direct straightforward, without-exception fashion. Unemployment may be one influence on an individual’s likelihood of undertaking criminal activity. And, as with other aspects of disadvantage, youth unemployment may combine with other disadvantaging factors (such as socioeconomic disadvantage, region, duration of unemployment, prior criminal behaviour, early school leaving, weak links to the labour market and Indigenousness) to result in criminal activity.113

Long-term unemployment is an antecedent of crime.114 Scholars have highlighted at least two influences regarding intersections between long-term unemployment and crime. Firstly, unemployment duration is inversely linked to labour market attractiveness. As Chapman et al, drawing on Rummery 1989, reason, ‘The longer the period of joblessness…the greater the atrophy in human capital.’115 Thus, given the link between human capital and success in the labour market, the longer a person is unemployed the less likely they are to find employment. As the likelihood of employment decreases the more the likelihood of ‘illegitimate earning activity' increases.116
Secondly, long-term unemployment may affect an individual’s attitude regarding future employment opportunities. A poor expectation of future employment prospects combined with a period of unemployment is more likely to result in criminal activity than the combination of unemployment with more positive expectation of future employment. As Chapman et al. explain, ‘individuals who do not expect to remain unemployed for long are much less likely to engage in crime’.

For many unemployed youth, the above characteristics may be coupled with the first significant time in their life course where they are not subject to supervision and authority. They also may not have an acceptable place to be, in the way that school and the tertiary sector provide ‘place’ and ‘space’. Unemployed youth therefore negotiate a confluence of several challenging factors; they cannot find employment and have little prospect and expectation of doing so. They are without a significant degree of formal supervision and authority and without ‘place’ and occupation. Unemployed youth often have little, or no, experience in the labour market. While these challenges confront unemployed people of all ages, they are particularly adverse, and may be amplified, for youth who face them with only limited experience and maturity. When considering crime and unemployment ‘immaturity’ must be taken into account.

The long-term consequences of youth unemployment

Once social effects have arisen, it becomes difficult for individuals to overcome these effects. Consequently, reemployment may be unlikely because of low self-esteem and isolation. Disillusionment may be such that some youth may opt out of the labour market altogether. These individuals may not only be lacking the human capital to gain employment, but also the networks. The importance of informal contacts in relation to accessing the job market are well known and job searching support services cannot fully replace social networks as an avenue into the labour force. Youth who come from households where others are unemployed are less well-connected to labour markets and potential labour markets. Their knowledge of paid work and the labour market is understandably limited. For these youth the ‘informal’ job market is rarely an option and the formal market is unfamiliar and difficult to access.

Full-time participation, even in the first year out of school, has been found to have long-term implications on the labour market outcomes of individuals. Youth who are unemployed, working part-time and not studying or outside the labour force in the first year after they leave school are much less likely to make a successful future transition into full-time employment.

In the long-term, unemployed youth are also more likely to experience low hourly wages, under-employment, repeated unemployment and increased periods of unemployment. A low skilled low waged position may not only subject the individual to a ‘working poor’ income, but also compromise their skill sets – they may lose skills, their skills may become redundant and they may fail to develop new skills. This is especially critical to long-term outcomes because of the loss of human capital in the early years. Low wages may also result in future unemployment. One study which tracked low paid workers over two years found one-third of the lower paid workers were unemployed at the end of two years.

Unemployed youth are also less likely to find future employment because of the negative stigma surrounding unemployment. If they are employed, they are more likely to be paid at a lower rate because of their employment history. Unemployed youth are also at risk of future employment in what economists call the ‘secondary sector’. That is, ‘low-wage, dead-end jobs with poor working conditions’ where there is very little likelihood of progression into the primary job sectors (relatively high wages, stable employment, good working conditions and opportunities for promotion).

Future underemployment is known to be another consequence of youth unemployment. In a study of male part-time workers, 73 per cent of part-time workers who had been unemployed for between 51-75 per cent of their time in the labour force expressed a preference for full-time work, compared to 45.1 per cent of part-time male workers never unemployed. The longer an individual is unemployed the less working hours they are likely to get in the future and the more likely they will remain unemployed. Underemployment may entrench individuals in poverty. Poverty rates only really fall when there is at least one member of the family working full-time.
The impact of unemployment on the economic and social outcomes of young people are acute and their impacts widespread. More than just disadvantaging individuals, unemployment and its ramifications affect the wider community as a whole at local, state and national levels. With this in mind, it is worth exploring the role of governments in addressing youth unemployment and the rationale behind their approach.
Section B

Government policies and programs and youth unemployment

Over the last decade government policies and programs have addressed youth unemployment from various perspectives. In the mid 1990s the Keating Government introduced Working Nation, a scheme containing both direct job creation and employer subsidies. Although some state governments continue to implement similar policies, under the current federal government the Commonwealth has embraced the philosophy of mutual obligation to underpin primary strategy and policy on unemployment. Accompanying mutual obligation is the Active Participation Model and affiliated programs. Mutual obligation directs responsibility back onto unemployed youth, and also effectively shifts a certain amount of responsibility onto communities. Community organisations who take on this challenge may be offered financial support through the Building Stronger Families initiative, an initiative demonstrating federal commitment to a preventative approach.

Direct job creation and subsidised employment schemes

In the mid 1990s the Australian Government directed funds into large scale job creation and job subsidy initiatives under Working Nation. Accompanying Working Nation was the Job Compact, which promised a legitimate job offer, either in the public or private sector, to a job seeker who had been on unemployment benefits for over 18 months. This approach offered the government a proactive, although expensive, role in tackling unemployment and it proved successful. Results indicate that three months after the conclusion of the program 30 per cent of participants were employed in unassisted positions, compared to 15 per cent of unemployed individuals who were not on the program. The experience of Working Nation suggests that job creation strategies can be effective in moving people into sustained employment.

The Queensland and Victorian Governments have also used job creation and subsidised employment schemes to address state wide unemployment. Commencing in October 1998, and scheduled to end in June 2004, the Queensland Government’s ‘Breaking the Unemployment Cycle’ initiative uses publicly-funded job placements and subsidised employment. So far, over 43,000 job seekers have been assisted into employment. Within this pool of participants, 82 per cent of those who completed a traineeship have gained ongoing employment, and significantly, over 40 per cent of participants have been employed by a different employer. This shift from the original program employer to another evidences that state sponsored employment and job placement programs can equip job seekers to succeed in the open job market.

In July 2000 the Victorian Government established the Youth Employment Scheme (YES), which offers apprenticeships and traineeships with the state government, and formal training and accredited qualifications to people aged between 15 and 24. Nearly 2,000 young people have participated in YES. The program’s existence demonstrates government recognition of the effectiveness of utilising its role as a substantial employer in its own right. This principle is also reflected in the much larger Queensland public sector employment program mentioned above. The Queensland experience suggests that skills acquisition and training initially funded by government, can facilitate job seekers’ transition into open employment outside of the public sector, which is promising for the sustainability and ongoing benefit of these types of initiatives.

Australian experiences of direct job creation and subsidised employment schemes have generally been positive. Subsidies to private employers have also proven a success in increasing youth employment rates in Canada, Germany, France, Italy, Spain, the United Kingdom, Switzerland and Sweden. However, unlike private subsidies, public sector job creation has not been overly successful internationally. Aside from being expensive, accounting for approximately 15 per cent
of spending on active labour market programs, in many cases they have not improved a job seeker’s prospects of finding ongoing employment in the open labour market.

The limitations of direct job creation are not currently an issue for the Howard Coalition Government as in 1996 they discontinued this approach to youth unemployment, except for those programs targeting Indigenous Australians. Instead, the principles of mutual obligation have been embraced.

**Mutual Obligation**

According to Centrelink, Mutual Obligation (as a program) is about an individual ‘giving something back to the community which supports [them]’. Job seekers are required to ‘actively look for work, accept suitable job offers and undertake extra activities’ to improve their chances of finding work. Young job seekers are required to fulfil Mutual Obligation if they are over 18 years of age and have been receiving Newstart Allowance or Youth Allowance for six months. Failure to meet their obligations may lead to an Activity Test penalty, which often includes a reduction in support payments. Mutual obligation requirements can be fulfilled by participating in approved employment and community programs such as Work for the Dole, training programs such as the New Apprenticeships Access Programme and assistance programs such as the Jobs Pathway Programme. These initiatives and some other programs approved for the fulfillment of mutual obligation are discussed below:

**Work for the Dole**

Apart from being the most commonly utilised activity for the fulfilment of mutual obligation requirements, Work for the Dole offers job seekers work experience and an opportunity to contribute to their communities. Originally aimed at job seekers aged 18-24, Work for the Dole has since been expanded and is no longer solely a youth unemployment strategy. It has, however, been argued that finding paid employment is not one of Work for the Dole’s primary objectives, and that work experience, basic skill development and job seekers’ engagement with the community are more important factors in the program’s rationale. This differs from the fundamental emphasis of the United Kingdom’s New Deal, which is also underpinned by an interpretation of mutual obligation. In this program, improving the employability of youth and finding jobs are key.

**New Apprenticeships and New Apprenticeships Access Programme**

A number of studies have demonstrated the successful nature of apprenticeships in facilitating young people’s transition from education to employment, both in Australia and internationally. Early school leavers who complete an apprenticeship are less likely to experience unemployment than their school leaving counterparts (5 per cent compared to a 10 per cent unemployment rate). The federal government recognised the value of apprenticeships by establishing New Apprenticeships and the New Apprenticeships Access Programme.

New Apprenticeships aim to provide nationally recognised qualifications and hands-on experience. Anyone over the age of 15 years is eligible to apply, but as even the New Apprenticeships website concedes, ‘young people stand a better chance of gaining a New Apprenticeship if they have completed Year 12, completed vocational studies at school, or have a part time job in the industry they want to pursue’. Here again, education is an important first step in the transition.

For youth who have left school early, or are similarly disadvantaged, the New Apprenticeships Access Programme provides preparatory assistance for the labour market. It tries to help these job seekers:

- identify what they need to become ‘job ready’;
- gain the basic skills needed for their particular industry;
prepare a decent CV and gain interview skills. The program also provides support for job seekers while they are unemployed and ongoing support for the first thirteen weeks of a New Apprenticeship or other job. While the Access Programme aims to assisting disadvantaged youth to enter the labour market, it must be remembered that despite this, positions predominately go to those who have completed Year 12, vocational studies, or worked in the industry. New Apprenticeships has also been effectively critiqued by Toner from the Australian Expert Group in Industry Studies, as ‘an inadequate policy response to skill shortages and the needs of individuals disadvantaged in the labour market’.

**Jobs Pathway Programme (JPP)**

Similar to the New Apprenticeships Access Programme, the Jobs Pathway Programme assists job seekers aged between 14-19 who have left school recently or plan to leave school within the next twelve months. The service assists young job seekers to identify what they need to do to enhance their likelihood of making a successful transition from school into employment or further education. It also provides information on how young people can improve their reading, writing and mathematical skills, provides information on career choices, New Apprenticeships and the labour market in general.

**Job Placement, Employment and Training Programme (JPET)**

JPET targets young homeless youth and youth at risk of homelessness aged between 15-21. It aims to not only assist these youth financially and with personal support, but also with career options. Aside from being an approved activity for the fulfilment of mutual obligation requirements, JPET Providers also offer counselling, mediation, links into education, training and work (through links with local employers), and post placement support. JPET is run by FACS’ Youth and Student Support output group and contributes to its outcome goal of ‘Stronger Families’.

**The Harvest Trail**

The Harvest Trail is a Commonwealth Government initiative aimed at connecting job seekers and employers in the fruit growing industry across Australia. The program is divided into two complementary services. The Harvest Labour Service promotes harvest work opportunities with employment service providers and in places frequented by overseas travellers (such as backpacker hostels), mobilises job seekers from other areas to meet the local labour requirements of fruit-growers, screens job seekers and liaises with growers during the harvest period. This is complemented by the National Harvest Labour Information Service which markets the Harvest Trail, produces the freely-available National Harvest Guide which outlines work opportunities, working conditions, transport and accommodation information, provides information on job vacancies through a national phone service and the Harvest Trail website, establishes networks with growers, grower associations, Harvest Labour Service providers, Job Network members, recruitment agencies and relevant government departments (this facilitates a degree of integration with other services and agencies) and maintains a feedback and complaints system. The Harvest Trail relies on a high degree of labour mobility, particularly when targeting job seekers from areas where harvest employment is not presently available.

**Community Development Employment Projects (CDEP)**

Administered by The Aboriginal and Torres Strait Islander Commission (ATSIC), the CDEP scheme seeks to provide employment, autonomy and skills to Aboriginal and Torres Strait Islander communities. Presently, over 35,000 participants voluntarily forgo their social security entitlements to work on local Community Development Employment Projects for a comparable wage. Although the grants are distributed by ATSIC, communities in urban and extremely remote areas determine for themselves the work activities they will undertake. According to
ATSIC, CDEP provides 60% of new jobs for indigenous people, and without it the unemployment rate would be doubled.\(^{164}\) The scheme is also designed to provide special youth activities within each CDEP, and in the interests of promoting youth enterprise, provide young people with information as to how they and other young people from their community could set up their own CDEP.\(^{165}\)

**New Enterprise Incentive Scheme (NEIS)**

Run by the Department of Employment and Workplace Relations (DEWR), and under the umbrella of the Job Network, the New Enterprise Incentive Scheme (NEIS) offers training and support to unemployed people who plan to start their own businesses.\(^{166}\) NEIS providers are specialised Job Network members with the capacity to assess the viability of proposed business ideas, provide accredited training in small business management, provide an NEIS Allowance as income support and offer mentoring support and business advice for the first year of the new business.\(^{167}\) According to the Department of Employment and Workplace Relations (DEWR), 80 per cent of NEIS graduates are in business or employed 3 months after NEIS assistance has ceased, and 64 per cent of all NEIS graduates are still running their businesses 18 months after NEIS assistance has ended.\(^{168}\)

**Youth Enterprise Initiatives**

The Australian Government also supports youth enterprise initiatives in a number of ways. One example is its support for the Enterprise Network for Young Australians (ENYA). ENYA ‘promotes the active participation of young people in enterprise, in an ethical and sustainable manner’.\(^{169}\) Available to young Australians aged 15-30, ENYA is equipped to provide support to young people and their enterprising initiatives, which may be businesses, social initiatives or other projects. ENYA is free to join and offers research, advocacy and mentoring support.

In March 2002, the Prime Minister announced the Youth For The Future initiative aimed at furthering youth enterprise (through the ‘Creating Common Wealth’ Youth Enterprise Development Forum to be held in November 2003), youth leadership, youth mentoring and youth volunteering.\(^{170}\) Arising out of the Commonwealth Heads of Government Meeting (CHOGM) held in Australia in 2002, and managed from London by the Commonwealth Secretariat, Youth For The Future seeks to ‘improve the relevance and usefulness of the Commonwealth of Nations for young people’\(^{171}\) and includes a suite of decentralised programs aimed at realising young people’s skills, enthusiasm and enterprising ability in Commonwealth countries.

Another government enterprise/leadership based youth program is the The National Youth Roundtable. This was established ‘to create a direct dialogue with young Australians and to ensure that their views are taken into account in policy-making processes’. Each year fifty youth aged 15-24 consult with their peers around Australia ‘to develop a comprehensive picture of the views and attitudes of young people, which are reported back to the Government’.\(^{172}\) The 2003 National Youth Roundtable also features a Leadership and Enterprise Development Team,\(^{173}\) which seeks to develop policy responses aimed at facilitating leadership and youth enterprise in the wider community.

However, the extent of direct government support for youth enterprise and employment initiatives such as those discussed above is presently, and will continue to be, dictated by the availability of government finances. This issue is more fully explored in the Commonwealth Government’s Intergenerational Report.

**The Intergenerational Report**

The Coalition Government’s approach to youth unemployment, income support and expenditure in general is largely influenced by the 2002 federal Budget’s Intergenerational Report, which examined current trends and policies and assessed the long term sustainability of Commonwealth finances for the next forty years. Sustainability is largely shaped by demographic
trends, which project an ageing population, a decreasing birth rate, and thus a low proportion of workers compared to the total population. The potential problem with these expectations is ‘Government revenue increases with growth in the economy, so slower growth in employment would result in slower revenue growth (and therefore a decrease in) revenue for government services’.\textsuperscript{174} Indeed, the 2002 Report estimated a decline in income support payments to unemployed people as a proportion of GDP over the next four decades.

These concerns lead to two conclusions for government. Firstly, demographic changes often not clearly influenced by policy decisions will dictate the size of the working age population and therefore the size of the workforce. Secondly, reduced funds for services (including income support for the unemployed), means the government has a definite financial interest in encouraging and facilitating high youth employment in the years to come.

Despite government recognising the importance of high youth employment, the Report also predicted a reduction in Commonwealth spending on education and training (from 1.8 per cent of GDP in 2001-02 to 1.6 per cent of GDP in 2041-42).\textsuperscript{175} Australia’s investment in education, as assessed on OECD indicators, is already poor with respect to other OECD countries. And, as Considine et al note, although many OECD nations cut spending on education and training in the 1980s and early 1990s this trend is shifting internationally. This shift is largely the result of education being recognised as a national, competitive need in the global, knowledge-based economy of the twenty first century. Australian investment in education, however, goes against this trend, and is still reducing in relative terms.\textsuperscript{176} Government concern appears more strongly focused on the unemployed than on the provision of education; this is further evident in the Active Participation Model.

The Active Participation Model

Announced in May 2002, and commencing operation in July 2003, the Active Participation Model seeks to ‘more actively engage job seekers through Job Network and other complementary employment and training programmes to maximise their chances of finding work as quickly as possible’.\textsuperscript{177} Some of the key features of the Active Participation Model under which Job Network services will be provided until 2006 include:

- the enhanced ability of recruitment and labour hire organisations to become Job Placement organisations;

- streamlining of the Job Network system including the allocation of a dedicated Job Network member for each unemployed person and the addition of a computerised diary system;

- the provision of Intensive Support services after three months unemployment which may include training, work experience or referral to other employment or training programs such as Work for the Dole (see discussion of Work for the Dole below);

- Job Network providers will have access to a Job Seeker Account to fund occasional expenses for job seekers such as the cost of a license, protective clothing, or a work uniform;

- the safeguard of a Service Guarantee to define the nature and frequency of services job seekers can expect from their Job Network member (provider).

The two main principles evident in the Active Participation Model are that job seekers need to be kept actively engaged through ‘regular contact with the Job Network member’\textsuperscript{178} and that more jobs, and more efficient means for job seekers to access job information, should enhance their prospects of finding employment.\textsuperscript{179}

This approach appears focused on aspects of the supply-side of the unemployment problem, implying that if the existing employment opportunities are more effectively communicated, made more widely available and accessible, and unemployed people are more effectively engaged in job seeking activities, this combination should result in more successful transitions into employment. Any accurate analysis of youth unemployment, however, needs to consider other features of the supply side of the employment equation. Youth unemployment is concentrated amongst those with low skills and education levels, and these job seekers primarily need further
education and training to overcome major barriers to the labour market.\textsuperscript{180} Greater access to job information may be helpful, but it is not an adequate solution on its own. While the federal government strategy concentrates on supply elements, the state level programs noted above successfully increase demand for employment. Efficient approaches to youth unemployment would effectively consider both ongoing supply and demand aspects of the labour market and adjust and incorporate sensitive assessments of both.

\textit{Filling the gaps in mutual obligation}

In comparing the Australian application of mutual obligation with that of the United Kingdom, it has been argued that Australian Government structures and agencies find it particularly difficult to operate in a ‘coordinated and decentralised way to deliver a set of outcomes focused on the needs of the individual’.\textsuperscript{181} This fragmentation in service provision stems partly from our system of federalism, partly from public opinion and partly from political will. However, whatever the reasons, it is crucial that community organisations and responsible corporate interests step in to assist young people at risk of falling into a life of disadvantage. These organisations can function to lift, extend, and ‘patch’ current welfare safety nets, while also endeavouring to strengthen youth from needing major assistance in the future. In this way, the corporate and community sectors are able to responsibly fulfil their mutual obligations to the communities in which they operate, broadening the concept of mutual obligation from something punitive that applies to some, to something far more positive that enriches all.

A useful perspective is contained in the Final Report of the Reference Group on Welfare Reform commissioned by the federal government in 1999, Chaired by Patrick McClure, CEO Mission Australia:

\begin{quote}
Obligations are reciprocal and they extend across the whole community, not just between government (on behalf of the community) and the individual in receipt of income support. The Reference Group believes that there are clear obligations on other parties. Business has an obligation to work with government, communities and individuals to generate more opportunities for economic participation. All these groups will need to be more active in identifying and developing opportunities for social participation.\textsuperscript{182}
\end{quote}

The federal government has attempted to bring these groups together to work towards lessening risk factors for disadvantaged youth by providing funding for programs that help build community strength. For example, the \textit{Employment Innovation Fund (EIF)}, which began in July 2003, offers up to $100,000 for 12 months to organisations that ‘develop innovative approaches to resolve specific labour market problems and open up employment opportunities’. The fund aims to:

\begin{itemize}
\item promote innovative, community-based action on employment;
\item address specific employment and labour market problems; and
\item alleviate the social consequences of local unemployment.\textsuperscript{183}
\end{itemize}

Building Stronger Families and Communities is another strategy which aims to help build family and community capacity to enable people to deal with challenges and take advantage of opportunities. The focus is on early intervention and prevention, partnerships, supporting people through life transitions and developing local solutions to community problems. There is an overall emphasis on programs addressing those at risk of social, economic or geographic isolation, and on leadership, skills development and stronger families.\textsuperscript{184}

While Building Stronger Families and Communities supports numerous programs at national, state and local levels,\textsuperscript{185} many other not-for-profit based organisations run youth employment related programs. As the section below illustrates, some community based and other not-for profit organisations more than exceed their ‘obligation’. 

Section C

Not-for-profit organisations and best practice programs

Many not-for-profit organisations in Australia provide programs aimed at ameliorating issues related to the high youth unemployment rates. These programs aim to improve labour market prospects for young people by providing them with basic skills and proficiencies relevant to the workplace in the hope of making individuals more employable. Many programs offer disadvantaged youth opportunities for education and training, while some endeavour to provide work/employment experience.\textsuperscript{186}

A collaborative approach between business, community based organisations, all levels of government, and education and training institutions is required to combat unacceptably high levels of youth unemployment. Partnerships are advantageous as they allow the sharing of resources, expertise and knowledge, provide synergies and prevent overlap. Some of the most successful youth employment initiatives have demonstrated the strengths of collaboration at a local level.\textsuperscript{187}

A best practice framework for youth programs

In order for the AMP Foundation to effectively assess programs which address youth unemployment and related education and training issues, a best practice model should be followed. The six best practice principles below are based on criteria established by the OECD and Dusseldorp. Programs focussing on youth unemployment should:\textsuperscript{188}

1. **Promote well-being**
   Improving the self-esteem and motivation of young people to work and learn

2. **Provide transitional support and help youth build the necessary bridges**
   By creating the building blocks to well paid jobs and learning opportunities. This may involve the following:
   - Working closely with local employers, doing their utmost to target jobs with relatively high earnings, strong employment growth and opportunities for individual advancement.
   - Tying training to employment in large, stable firms – albeit in some cases, in relatively low-level jobs.
   - Understanding of hiring practices of local employers, or establish strong employer support for the program.

3. **Provide education and training**
   This should improve education and skills formation and ensure:
   - An appropriate mix and intensity of education and on the job learning. For example through provision of both academic and vocational education.
   - Instruction is of high quality and educators, teachers and trainers are competent.
   - Ladders are provided to further learning.
4. **Ensure sustainability**

Organisations and their programs should be economically and financially sustainable.

5. **Have positive outcomes**

The program should be managed well in terms of collaboration between different groups (such as organisations, government, communities, business and educational institutions) and coordination of different stakeholders. Benefits to young people should be delivered, along with economic, social and environmental societal outcomes.

Organisations should conduct rigorous evaluations of their programs, and use the information to improve the quality of the program.

6. **Provide support services**

A range of supportive services tailored to individual needs, such as, childcare, counselling and placement services should be made available, caseworkers also act to provide (or find) a variety of services.

**Benchmarking not-for-profit programs addressing youth issues**

There are a plethora of not-for-profit organisations delivering programs aimed at improving youth employment prospects in Australia. A list of many of these organisations and their programs is located in Appendix B. Comprehensive evaluation of the organisations and their programs cannot be presented within the confines of this report. Instead, many programs were benchmarked against the above criteria and six case studies were selected, which meet many of the principles noted above. The organisations are:

- Ardoch Youth Foundation
- Beacon Foundation
- Breakthrough Youth Foundation
- Infoxchange
- The Smith Family
- Young Achievers Australia
The Ardoch Youth Foundation is a community organisation striving to make education a reality for all young people. It was established in Melbourne in 1988, and works with early childhood centres and primary and secondary schools to develop and implement support programs, policies and processes to increase the learning opportunities of disadvantaged students. Ardoch activities aim at keeping at risk young people in school and assisting them to build the capacity to fully participate successfully in society (including work). Ardoch’s interventionist strategies are designed to help homeless and disadvantaged young people, to maximise learning opportunities and provide appropriate support mechanisms.189

The Foundation acts to link schools, families and communities in order to improve, build and resource appropriate, necessary, support structures and learning opportunities to make education available and positive for all young people regardless of their socioeconomic status.190 As such, the Foundation has developed a set of ‘Model Projects’ that

‘combine to form a model of best-practice both in the support of young people and families and the early intervention and prevention of issues such as youth and family homelessness, suicide, substance abuse and early school leaving’.191

The Ardoch Primary School Support Project192 is one of the model projects Ardoch has developed and implemented at Port Melbourne, St Kilda, Pines Forest, Frankston and Stonnington Primary Schools. The project acts to expand the learning opportunities of over 800 students and provides support programs for these students and their families. Additionally, this project operates to link related government and community agencies, as well as involving business and volunteers with the schools. Volunteers are trained, and Ardoch works to ensure there are opportunities for the professional development of the schools’ staff and community workers.193

The project aims to promote the well-being of students and addresses major issues, such as early school leaving, homelessness and youth suicide. It also endeavours to be responsive to the needs of individual students and their families.194

Best practice criteria addressed:

Promoting well-being: By ensuring disadvantaged young people have positive school experiences the program increases the likelihood of them completing their education and thus being exposed to more options and choices throughout life.195

Education and Training: The Primary School Support Project broadens the learning opportunities for disadvantaged students. Furthermore, by comprehensively skilling the volunteers and providing and supporting further professional development of school staff and community workers, the program is ensuring that the support and education the students are receiving is adequate.196

Positive outcomes: Ardoch’s Primary School Support Project links schools, businesses and the local communities in a way that enhances the development and resources necessary to reduce the incidence of youth homelessness, substance abuse and early school leaving. It also ensures equitable learning opportunities for all children regardless of their socioeconomic status.197

Support services: The project provides support services tailored to the individual needs of students as identified by their school community, such as a project coordinator.198
**Beacon Foundation & ‘Beacon Careers’ and ‘Beacon Seafoods’**

The Beacon Foundation is a registered not-for-profit organisation based in Tasmania. It aims to address the incidence of high youth unemployment through the development of innovative projects which encourage self-help at a local level for young people aged between 15 and 25 years. The Foundation was established in the late 1980s by a group of business and community leaders. It works with communities to address youth unemployment, mainly through local governments, educators, employers, young people and their families.

Two of Beacon’s programs have been so successful they are now being replicated throughout Australia. One of these is Beacon Careers, which aims to create small viable businesses offering permanent ongoing employment for young people. This program led to the development of an enterprise originally trading as Beacon Seafoods. The foundation selected the site for Beacon Seafoods because of the demographic and geographic features of St Helen’s in Tasmania. The fishing industry is pivotal to the St Helen’s economy; the area also had a high incidence of youth unemployment and little opportunity for post-compulsory education.

To achieve its goals of providing real jobs, self respect and dignity for local young people, Beacon funded the initial set up of the oyster harvesting and cultivating enterprise Beacon Seafoods. The project was set up so that it would be fully commercialised after a twelve month start-up period. The Foundation successfully provided fifteen young people with Level 3 Aquaculture Traineeships.

Beacon Seafoods, now known as Salty Seas, has become an individual commercially viable enterprise independent of the foundation. One trainee, Anita Paulsen, was named Trainee of the Year and was subsequently selected as Australian Trainee of the Year in 1999. Anita is now co-owner and manager of the Salty Seas enterprise, which currently employs over 30 young people.

**Best practice criteria addressed:**

Promoting well-being: The success of Beacon Seafoods in creating real employment opportunities in a region with high levels of youth unemployment and few education options has improved the self-esteem and motivation of young people in St Helen’s to work and learn.

Transitional support: By creating local employment opportunities using local resources, the Beacon Seafoods program created building blocks to well paid jobs and learning opportunities. This became evident during the project when other oyster farmers poached three trainees (this was encouraged by Beacon).

Education and training: The employment of the fifteen young people was linked to recognised industry training in the form of a Level 3 Aquaculture Traineeship.

Sustainability: The Beacon Foundation’s use of business planning to determine the commercial viability of the program before implementation helped to ensure economic and financial success.

Positive outcomes: Fifteen jobs were created for young people in an area marked by high youth unemployment. Furthermore, a viable enterprise was created, which continues to ensure additional employment opportunities in the local community.
The Breakthrough Youth Foundation is a collaborative venture between The Sydney Myer Funds, The Percy Baxter Charitable Trust and the Foundation for Young Australians. One of the Foundation’s programs, the Breakthrough Youth Employment Program, is a national employment initiative aimed at creating meaningful employment for young disadvantaged people experiencing exclusion from the labour market. It has been operating since October 1999, and currently supports five projects throughout Australia.210

The Breakthrough Youth Employment Program supports projects that lead to employment opportunities for disadvantaged young people, particularly those suffering from long-term unemployment and those living in rural, regional and remote parts of Australia. A holistic approach is utilised in working with young people suffering from further disadvantage such as, homelessness, violence, substance abuse, involvement in the juvenile justice system, abuse, mental illness, early school leaving or disability.211

On the Rails is one of Breakthrough’s projects. It commenced in November 2000 and provides jobs for disadvantaged young people aged 15 to 21 years. The project incorporates the operation of two small businesses in South Australia; a restaurant in Port Pirie and a horticultural training centre in Peterborough. After one year of operation the project had provided all forty-one participants with recognised industry skills and developed the self-esteem and confidence of the young people involved. There have been many success stories as a result of this employment initiative. Some participants who had long histories of offending, for example, were not only successful participants of the project, but also enrolled in further education. Also, five participants from the Peterborough project have gained employment on school-based traineeships, and twelve others have gained employment.212

**Best practice criteria addressed:**

Promoting well-being: The young people involved in the ‘On the Rails’ program have developed confidence by engaging with their community and political leaders. Many have progressed to further education or employment.213

Transitional support: The program ties training to employment in the two enterprises and industry. Thus, bridges are provided to further employment and learning opportunities.214

Education and training: ‘On the Rails’ provided the participants with formal education through traineeships and on the job learning. Consequently, participants complete the program with a base to continue further formal education.215

Sustainability: Both enterprises are on their way to being economically and financially viable enterprises.216

Positive outcomes: The program has provided employment and training for forty-one at risk young people in successful enterprises. Indeed, the Junction Express Restaurant was voted the best Port Pirie Regional Tourism and Hospitality Business, and won the Chamber of Commerce 2001 Regional Business of the Year Award.217
Infoxchange & ‘Green PC’

Infoxchange Australia is a national not-for-profit social enterprise focused on community development through the provision of quality information technology services. The organisation has identified the ‘digital divide’ as a major factor adversely affecting disadvantaged people in Australia’s society. Infoxchange has developed a number of programs to bridge the growing divide between information rich and information poor households, individuals and communities. Green PC is one of these programs. It was established to provide computer technology and Internet resources to low income and other disadvantaged groups.\(^{218}\)

The Green PC program provides recycled personal computers, which have been refurbished into useable Internet-ready computers, to low income individuals, households and communities. To qualify for access to a Green PC, individuals and households must be holders of a Health Care Card or be otherwise able to demonstrate their low-income status.\(^ {219}\) The program has two objectives. Firstly, it aims to provide ‘a sustainable job creation opportunity’\(^ {220}\) for young people, particularly those disadvantaged by homelessness or long-term unemployment. Secondly, it aims to use this trained labour force to refurbish second hand computers. These computers are then provided to people and organisations, previously unable to afford Internet-ready computer technology because of their income status.\(^ {221}\)

Green PC has been in operation since 2001 when Infoxchange received funding from the Victorian Government’s Community Jobs Program to provide training and employment for twenty-five unemployed people.\(^ {222}\) The program provides a six-month full-time traineeship.\(^ {223}\) Approximately three thousand computers have been recycled and the enterprise is ‘on target to reach its $1 million dollar turnover required to sustain the viability of the Green PC business’.\(^ {224}\)

**Best practice criteria addressed:**

**Promoting well-being:** Green PC’s provision of both affordable computer access to the disadvantaged, and high quality employment and training to disadvantaged youth aids in the development and improvement of young people’s self esteem as well as motivating them to work and learn.\(^ {225}\)

**Transitional support:** By providing high quality employment for young people, Green PC has developed a commercially viable business with community based initiatives targeted predominantly at young people. Two of the original participants have found full-time employment within the IT industry.\(^ {226}\) Furthermore, Green PC is establishing ‘a partnership with Hewlett Packard to provide apprenticeships as an exit point for those young people in Green PC wishing to further their employment opportunities in the IT industry’.\(^ {227}\)

**Education and training:** The program provides young participants with high quality training via a full-time six-month traineeship. Hence, the participants receive an appropriate mix of education and on the job training.\(^ {228}\)

**Sustainability:** The Green PC is both an economically and environmentally sustainable business that has recycled and provided over 3000 refurbished personal computers.\(^ {229}\)

**Positive outcomes:** The program has developed strong partnerships between community organisations and government departments and private businesses, as well as creating equitable employment opportunities for young people. It has also provided the disadvantaged with access to information technology, and as such is working to bridge the digital divide.\(^ {230}\)
The Smith Family & ‘Learning for Life’

The Smith Family is a national, independent, social enterprise established in 1922. It is a non-religious, not-for-profit community focused organisation. In order to achieve its vision of ‘A caring, cohesive Australian community’ and its mission, that ‘together with caring Australians, The Smith Family will unlock opportunities for disadvantaged families to participate more fully in society’, the Smith Family has developed a number of programs aimed at enabling disadvantaged youth to help themselves and break the cycle of disadvantage.

Recognising the impact of global and local labour market shifts, The Smith Family has focused its program initiatives to assist disadvantaged Australians in acquiring skills to participate in the new knowledge economy. Having undertaken research and assessed other published research, The Smith Family believes education is the key in assisting disadvantaged youth to progress into the labour market and obtain positive life outcomes.

The Smith Family’s preventive focus is evident in its Learning for Life program. It currently supports 21,695 primary, secondary, tertiary and TAFE students across 50 communities nationwide (8,321 of these students are located in NSW). Underpinned by three objectives of providing education support, financial scholarships and role model guidance through mentors, the program supports greater participation in education for students of low socioeconomic status. It supports the social and financial capability of families to enable improved educational outcomes for students. The program’s rationale is that improved educational attainment reduces risk factors exposing individuals to unemployment and long-term financial disadvantage.

Affiliated with Learning for Life are a number of other programs, also working to assist disadvantaged youth to fully participate in society. Computer Clubs help students from low socioeconomic backgrounds to bridge the digital divide. Student2Student and Reach Out and Read address literacy levels. OnTrack, eXLR8 and Plan-It Youth offer disadvantaged students mentors to assist them in education and to help make informed life choices. The Swan Nyungar Sports Education Program works successfully with indigenous teenagers attending Balga High School in Western Australia to improve literacy and numeracy levels and increase retention rates.

Best practice criteria addressed:

Promoting well-being: Preliminary results from an independent, longitudinal survey of Learning for Life students found the program had helped two-thirds of these students develop their confidence and self-esteem. In addition, 88 per cent of Year 8 and 91 per cent of Year 11 students reported high levels of happiness while on the program. Learning for Life students were also found to be more motivated regarding their education, than a comparison group of disadvantaged students not participating in the program.

Transitional support: Transitional support is indirectly provided to Learning for Life students. Building blocks to future working and learning opportunities are provided because students have the opportunity to optimise educational outcomes, which furthers their prospects of employment. Mentors assist students to learn about the labour market and to gain access to informal networks. LFL program also includes provision for support for post-compulsory education.

Education and training: Educational achievement is the clearly the aim of Learning for Life and its affiliated programs. Students and their families have reported that Learning for Life has assisted their education. In 1991 96 per cent of families evaluated reported the program had helped their child in the education system.231 Retention rates have also been positively influenced. The 2002 study utilising longitudinal data found almost half of Year 11 students surveyed considered their involvement with the program as an
important factor in their remaining at school. One in three tertiary students also reported the program as influential in their decision to attend university; while 80 per cent stated that the financial scholarship contributed.

Sustainability: The Smith Family recognises and consistently addresses the importance of financial sustainability in delivering successful programs. This is being addressed and an overall goal of 70,000 Learning for Life students has been set for the end of 2004.

Positive outcomes: Learning for Life currently provides social, economic and academic support for over 21,000 young Australians. Its success is evident in the proportion of students who report improved educational outcomes, higher levels of happiness and self-esteem. The Smith Family works in collaboration with individuals, communities, business and government to provide its programs.

Support services: Each student on Learning for Life is assigned an Education Support Worker. These workers support the students and their families, while mentoring programs also provide academic and personal support for students throughout their studies.
Young Achievement Australia & ‘Young Achievers’

Young Achievement Australia (YAA) is a not-for-profit organisation, aiming to facilitate school to work transitions for young people from all backgrounds through the provision of practical, hands on experience. Established in 1977, YAA operates nationally through a network of State and regional offices. It has international affiliations with junior achievement operations in more than one hundred countries worldwide. YAA provides programs for unemployed, Indigenous and other disadvantaged youth that are particularly at risk of poor labour market outcomes. The programs are free and approximately half of them are delivered in non-metropolitan areas.

More than 115 000 young Australians have gained skills and knowledge through YAA’s programs Australia wide. The programs are funded through sponsorships and donations from over 9000 corporate sponsors. In addition, almost 2000 business mentors provide assistance and guidance to program participants. The organisation aims to ‘provide all young people the opportunity to access vital business enterprise programs regardless of location, circumstances, curricula choice, career paths or academic strengths’.

The Business Skills Program provided by YAA, operates Australia wide in regional, rural and remote locations, as well as in major cities and towns. It has been accredited by the Vocational Education and Training Accreditation Board and it complies with the Business Services competency standards to ensure participants are instilled with the knowledge and skills that underpin commercial success. The program runs for between 16 and 24 weeks, allowing the chosen 12 to 25 year old secondary and tertiary students to operate a real company. Therefore youth experience all stages of a concentrated business cycle and assume full responsibility for all business processes. The program’s flexibility is evident in its inclusion of youth at risk, disabled youth, Indigenous youth and those not in full-time study or employment. Three to five advisors/mentors from business and industry are provided to assist the group of students throughout the program.

Promoting well-being: The program provides young people with the opportunity to run and control a real company and provides an opportunity to instil confidence and enthusiasm for work and learning.

Education and training: The program provides well-rounded training in business. Students are involved in all aspects of the enterprise from selling shares to conducting market research.

Positive outcomes: The program allows students to develop skills such as decision making, negotiating, risk taking, creativity, communication and teamwork.

Support services: The program provides the guidance and advice of mentors to assist students learning, and offer expert support in decision-making processes.

In examining a range of organisations and their programs addressing youth employment, this section has demonstrated the strengths of not-for-profits and their commitment to assisting unemployed youth and those at risk of marginalisation. These organisations are not alone in their efforts to curb youth unemployment, but they are sound examples of programs which address best practice criteria and they demonstrate that preventive programs can both target disadvantaged youth (low socioeconomic status, regional areas, Indigenous and homeless) and help these youth increase their education and develop enterprise and industry skills.
Recommendations

Unemployment among youth is a complex and multi-faceted issue, but some of the gaps in program delivery are clearly identified simply by determining which youth are at greatest risk of unemployment. Indigenous young people, for example, are three times more likely to be in a marginal situation (neither working nor studying full-time), than non-Indigenous youth. Young people from low socioeconomic backgrounds, those living in regional and rural areas and early school leavers are also at heightened risk of poor outcomes. Therefore, a key precursor to any funding, programs or policies is accurate identification of those most at risk, and therefore, in need.

If we look at what has worked to reduce youth unemployment, apprenticeship schemes and job search assistance programs have been successful in Australia. Direct job creation and subsidies to private sector employers have also had some success. Throughout Australia and most other OECD countries training and employment programs are also provided by governments for disadvantaged youth who have not graduated through the mainstream education system or vocational pathways. These programs have not always been successful. This could be associated with their reactive, rather than proactive focus. While programs are needed for youth who slip through the nets, prevention and early intervention is essential if the proportion of youth who fall into unemployment is to be reduced.

Intervention/prevention strategies are important because ‘protective’ factors, such as social support, access to health and other family support services, may protect youth from unemployment, or some of the adverse effects of unemployment. Numerous not-for-profit organisations take an interventionist and preventive role in their approach to youth unemployment. Six of these best practice programs, for example, are listed above. But not-for-profits have financial and other resource limitations.

The crucial point to remember in addressing youth unemployment is that not all pathways or programs are suitable for all young people. As such, Dusseldorp recommend ‘a package of active labour market programs’. If prevention is to be incorporated one of the major areas requiring address is education. The school to work transition is a strong determinant of labour market outcomes.


___ Poverty, policy and the cost of raising teenagers, ACOSS Info 344, March 2002.


___Declining Apprentice Training Rates: Causes, Consequences and Solutions, University of Western Sydney, July 2003.


University of Melbourne, ‘Young Achievement Australia’s Business Skills Program’, http://www.services.unimelb.edu.au/careers/students/events/yaa.html, Accessed 22/10/03.

Vinson, T., Unequal in Life: the distribution of social disadvantage in Victoria and New South Wales, Jesuit Social Services, August 1999.


Young Achievement Australia, www.yaa.org.au/frameset.html, Accessed 22/10/03.


Youth for the Future (YFF), http://www.youthforthefuture.com, Accessed 29/10/03.


### Appendix A

Proportion of 20-24 year old males in OECD countries not in education who are unemployed or not in the labour force, 2001

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Iceland</td>
<td>3.3</td>
</tr>
<tr>
<td>2.</td>
<td>Denmark</td>
<td>3.8</td>
</tr>
<tr>
<td>3.</td>
<td>Netherlands</td>
<td>5.1</td>
</tr>
<tr>
<td>4.</td>
<td>Mexico</td>
<td>5.6</td>
</tr>
<tr>
<td>5.</td>
<td>Ireland</td>
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<tr>
<td>6.</td>
<td>Norway</td>
<td>7.1</td>
</tr>
<tr>
<td>7.</td>
<td>Luxemburg</td>
<td>7.2</td>
</tr>
<tr>
<td>8.</td>
<td>Portugal</td>
<td>8.3</td>
</tr>
<tr>
<td>9.</td>
<td>Sweden</td>
<td>10.2</td>
</tr>
<tr>
<td>10.</td>
<td>United Kingdom</td>
<td>10.5</td>
</tr>
<tr>
<td>11.</td>
<td>United States</td>
<td>10.5</td>
</tr>
<tr>
<td>12.</td>
<td>Spain</td>
<td>10.8</td>
</tr>
<tr>
<td>13.</td>
<td>Belgium</td>
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<tr>
<td>14.</td>
<td>France</td>
<td>10.9</td>
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<tr>
<td>15.</td>
<td>Australia</td>
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<td>16.</td>
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<tr>
<td>17.</td>
<td>Germany</td>
<td>14.3</td>
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<tr>
<td>18.</td>
<td>Canada</td>
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<td>19.</td>
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<td>20.</td>
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<td>22.</td>
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<tr>
<td>26.</td>
<td>Slovak Republic</td>
<td>35.9</td>
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## Appendix B

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Issues Addressed</th>
<th>Contact Details</th>
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<tr>
<td>AFS Intercultural Programs Australia</td>
<td>Keeping kids in school</td>
<td><a href="http://www.afs.org.au">www.afs.org.au</a></td>
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<tr>
<td>Anglicare Australia</td>
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<td></td>
<td>Advocacy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Skills training post school</td>
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</tr>
<tr>
<td></td>
<td>Keeping kids in school</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural regeneration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Instilling the right attitude</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Keeping the community together</td>
<td></td>
</tr>
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<td>Australian Youth Affairs Coalition (AYAC)</td>
<td>Advocacy</td>
<td><a href="http://www.ayac.org.au">www.ayac.org.au</a></td>
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<td>Ballarat Group Training</td>
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<tr>
<td></td>
<td>Jobs creation</td>
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<td></td>
<td>Transition of school to work</td>
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</tr>
<tr>
<td></td>
<td>Keeping kids in school</td>
<td></td>
</tr>
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<td></td>
<td>Educational and training support</td>
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<td></td>
<td>Advocacy</td>
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<td></td>
<td>Keeping kids in school</td>
<td></td>
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<tr>
<td></td>
<td>Transition of school to work</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Skills training post school</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enterprise skills</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Keeping the community together</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Keeping kids in school</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural regeneration</td>
<td></td>
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<td></td>
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<td></td>
<td>Advocacy</td>
<td></td>
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<td>Fusion Australia</td>
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<td></td>
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<td>Organization</td>
<td>Main Focuses</td>
<td>Activities</td>
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<td>Macleay Valley Workplace Learning Centre Inc.</td>
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<td>Melbourne Citymission</td>
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<tr>
<td>Mission Australia</td>
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<td>Northern Territory Youth Affairs Network (NTYAN)</td>
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<td>The Brotherhood of St Laurence</td>
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<td>The Foundation For Young Australians</td>
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<td>Skills training post school</td>
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<tr>
<td>Youth Action and Policy Association (YAPA)</td>
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<td><a href="http://www.yapa.org.au">www.yapa.org.au</a></td>
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<td>Youth Affairs Council of South Australia (YACSA)</td>
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<td>Youth Affairs Council of Vic (YACVic)</td>
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<td><a href="http://www.ynot.org.au">www.ynot.org.au</a></td>
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</table>


4 *ibid*.


10 These are the latest ABS snapshot statistics, which are released monthly. They are presented in original, seasonally adjusted and trend form. The trend statistics are most indicative of the labour market because they account for a longer period of time and they are a smooth version of the sometimes irregular seasonally adjusted statistics. ABS, *Labour Force Australia*, 6202.0, ABS, September 2003, pp. 11-12.

11 *ibid*, p. 3.


15 *ibid*.

16 *ibid*.

17 *ibid*.


22 P. Toner, Declining Apprentice Training Rates: Causes, Consequences and Solutions, University of Western Sydney, July 2003, p. 4.

23 ibid.

24 Underemployment is when an individual is employed but wishes to work more hours.


26 ibid, p. 5.


30 Dusseldorp Skills Forum, How Young People are Faring, p. 10.


33 OECD, Employment Outlook, 1983, p. 76.

34 ibid.


37 This is in stark contrast to some other countries. In Finland, for example, only 7% of 15 year old students remain at the lowest literacy level. OECD & UNESCO-USI (United Institute for Statistics), Literacy Skills for the World of Tomorrow: Further Results from PISA 2000, France: OECD, 2003, pp. 73-74.

38 ACER’s latest report on a group of 21-25 year olds contests the claim that education is the strongest influencer of labour market outcomes. They argue that full-time work after school is the most important factor in predicting positive longer term labour market outcomes for young adults of this age. However, full-time employment has to be attained, and other research indicates that school completion is a determinant of this. G. Marks, K. Hillman and A. Beavis, Dynamics of the Australian Youth Labour Market: The 1975 Cohort, 1996-2000, Longitudinal Surveys of Australian Youth, Research Report Number 31, ACER, May 2003, p. xiii; and B. Chapman and M. Gray, Youth Unemployment, p. 9.


50 *ibid*.


53 English speaking background may be a disadvantage in regard to early school leaving, but some NESB youth are more likely to experience unemployment, as noted below. See J. McMillan and G. Marks, *School Leavers in Australia: Profiles and Pathways*, Longitudinal Surveys of Australian Youth, Research Report Number 31, ACER, May 2003, pp. ix, 18. See also S. Fullarton, et al., *Patterns of Participation in Year 12*, p. vii; and Applied Economics, *Realising Australia’s Commitment to Young People*, p. 6.


55 S. Fullarton, et al., *Patterns of Participation in Year 12*, p. 17.


60 *ibid*.

61 *ibid*, pp. 13-14.


67 *ibid*, pp. vi, 56, 70.

68 *ibid*, p. x.


71 If communities are suffering as a whole, an overall community approach may be needed to not only address youth unemployment, but disadvantage. This is otherwise known as a ‘place management’ approach. Place management involves assisting communities to build their social capital, bring about sustainable resources, provide opportunities for everyone in the community and, consequently, move beyond disadvantage. As Green and Zappala state, ‘place management is a way for some of the most disadvantaged communities to finally move towards an improved quality of life by building up social interaction and an attachment to place as well as fostering mutual support’. V. Green & G. Zappala, *From welfare to place management: challenges and developments for service delivery in the community sector*, Briefing Paper No. 2, The Smith Family, Camperdown, September 2000, p. 3.


77 *ibid*, pp. 4-5.

78 *ibid*, pp. 4, 18-19.

79 *ibid*, p. 18.
The Smith Family


82 ibid.

83 L. Bryson and I. Winter, ‘From job abundance to job scarcity’.


86 P. Saunders, The Direct and Indirect Effects of Unemployment on Poverty and Inequality, SPRC Discussion Paper No. 118, December 2002, p. i.

87 D. Keating & C. Hertzman (eds), Developmental health and the wealth of nations: social, biological, and educational dynamics, Guilford Press, New York, 1999.

88 ACOSs, ‘The Bare Necessities’, p. 12. Unemployed youth are supported by Newstart Allowance (over 21 years) and Youth Allowance (16-24 years). The levels of payment vary depending on age, whether the youth is living at home, has a partner or children. The minimum Youth Allowance is $169.70 a fortnight (for an under 18 year old youth at home) and the maximum is $406.40 (for a single youth with children). The minimum Newstart Allowance is $385.00 (single without children) and the maximum is $416.40 (single with children). For a list of benefit payments see http://www.centrelink.gov.au/internet/internet.nsf/individuals/work_payments.htm, accessed 12/11/03.


90 All of these characteristics were higher in the jobless households than those with employment. ibid, pp. 38-39.


93 Applied Economics, Realising Australia’s Commitment to Young People, pp. 7-8.


97 J. McMillan and G. Marks, School Leavers in Australia, p. 58.


99 Brotherhood of St Laurence in P. Saunders, The Direct and Indirect Effects of Unemployment, p. 19.

100 ibid; and P. Saunders, ‘The impact of unemployment on poverty, inequality and social exclusion’ in P. Saunders, and R. Taylor (eds), The Price of Prosperity, p. 177.

101 T. Hammer, ‘Youth Unemployment and Social Exclusion in Europe’.


103 Men not participating in the labour force were 4.5 times more likely to be unhappy. R. Taylor and S. Morrell, ‘The Health Effects of Unemployment’, p. 204.

104 ibid.


107 ibid.

108 ibid.
109 ibid.

110 ibid.


112 ibid.

113 ibid.

114 Long term unemployment is Australia is presently defined in ABS material as unemployment for a period over 52 weeks. By contrast in the early 1970s unemployment over six weeks was viewed as long term. ABS, ‘Measuring Wellbeing: Frameworks for Australian Social Statistics’, ABS Catalogue No. 4160.0, 2001; see especially Chapter 9: Crime and Justice.


116 ibid.


119 ibid.

120 P. Saunders, The Direct and Indirect Effects of Unemployment, p. 20.

121 J. McMillan and G. Marks, School Leavers in Australia, p. 58.


123 Strathdee and Hughes suggest that high levels of youth unemployment indicate that social networks are no longer as valuable as in the past. In their study of unemployed youth in New Zealand, they found that males without clear direction no longer had access to the social networks their fathers had used to make a successful transition into the workforce. R. Strathdee and D. Hughes, ‘Changes in Young Peoples’ Social Networks and Welfare Reform in Australia’, pp. 38, 46.


127 The working poor are individuals who are employed, but whose wages place them below the poverty line. P. Saunders, The Direct and Indirect Effects of Unemployment, p. 7.

128 B. Chapman and M. Gray, Youth Unemployment, p. 15; and Boston Consulting Group, Early intervention.


130 B. Chapman and M. Gray, Youth Unemployment, p. 15.

131 ibid, p. 16.

132 ibid, p. 17.


134 P. Saunders, The Direct and Indirect Effects of Unemployment, p. 12.


139 Applied Economics, Realising Australia’s Commitment to Young People, p. 58.

140 ibid, p. 9.

141 ibid, p. 57, Australia’s exceptionality in regard to successful job creation is possibly due to the state’s ability to deal with peculiar exigencies of the Australian situation, such as distance and need for infrastructure.
Dusseldorp suggests this approach may be required at a national level to assist those people having extreme difficulty entering the labour market. \textit{ibid}. The Indigenous direct job creation program, Community Development Employment Projects (CDEP), will be discussed below. While CDEP has proven somewhat successful, far more needs to be done to address Indigenous youth unemployment. It must be remembered that not all pathways are suitable for all youth and any programs for Indigenous Australians must be culturally and regionally appropriate and ongoing sufficient support needs to be provided.


Enterprise Network for Young Australians, \url{http://www.enya.org.au}, Accessed 29/10/03.

Youth For The Future (YFF), \url{http://www.youthforthefuture.com/}, Accessed 29/10/03.
The Smith Family


175 ibid.

176 M. Considine, S. Marginson, P. Sheehan, with the assistance of M. Kumnick, The Comparative Performance of Australia as a Knowledge Nation, Report to the Chifley Research Centre, as revised, June 2001, pp. 1-2.


178 ibid.

179 ibid.


181 R. Curtain, Mutual Obligation, p. 3.


186 See appendix for a list of not-for-profit organisations and some of their programs.


192 Primary school intervention/prevention is important. As mentioned earlier in the report, low literacy and numeracy skills are risk factors for early school leaving and subsequently unemployment. Students from low socioeconomic backgrounds are more likely to have poorer literacy and numeracy skills than their higher socioeconomic counterparts. Therefore building these skills in the primary school years is crucial to prevent individuals falling behind and numerous countries have demonstrated that it is possible to overcome the effect of socioeconomic background on educational performance. Hong Kong-China, Korea, Japan, Finland, Iceland, Sweden and Canada have achieved high levels of equality in regard to student performance, despite socioeconomic background. Australia, however, has an above average impact of socioeconomic background on student performance. What the OECD & UNESCO-USI study makes clear is that if students from varying backgrounds living in some countries can achieve high learning outcomes, then other countries like Australia should also be capable of achieving both high standards and equality. OECD & UNESCO-USI, Literacy Skills for the World of Tomorrow, chapter 6 and pp. 176-177.

193 ibid.


196 ibid.

197 ibid.

198 ibid.


200 National Office of Local Government, ‘Beacon Foundation lights the way for many young people’. 


206 ibid.

207 ibid.

208 ibid.

209 ibid.


213 ibid.

214 ibid.

215 ibid.

216 ibid.

217 ibid.


221 ibid.

222 G. Larcombe, ‘Emerging local employment opportunities for young people’, p. 16.

223 This was originally provided by the Brotherhood of St Lawrence (a registered training organisation).


225 ibid.

226 ibid.

227 ibid.

228 ibid.

229 ibid.

230 ibid.


235 ibid.

236 ibid.


ibid.


ibid, pp. 9, 57, 58.

ibid, p. 56.


Applied Economics, Realising Australia’s Commitment to Young People, p. 9.