Youth Unemployment in the Illawarra: An Investigation into the Problems Facing Young Jobseekers in our Region

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Youth Unemployment in the Illawarra: An Investigation into the Problems Facing Young Jobseekers in our Region

Abstract

Unemployment, and in particular youth unemployment, is one of the most significant economic and social issues facing the Illawarra region. Whilst the official youth unemployment statistics can be debated from one month to the next, what is clear is that for at least the past two decades our region’s young people have experienced a consistently higher rate of unemployment than most of their peers living elsewhere in Australia.

The study upon which this report is based has sought to explore the reasons why the Illawarra region has a consistently higher youth unemployment rate than other places throughout the nation. It seeks to outline those factors impacting young jobseekers in all regions, as well as uncovering those factors either more prominent within, or perhaps unique to the Illawarra region.

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Youth Unemployment in the Illawarra
An investigation into the problems facing young jobseekers in our region

FINAL REPORT

Prepared for
The Unemployment Forum
Research Steering Committee

By
IRIS RESEARCH

June 2008
Youth Unemployment in the Illawarra
An investigation into the problems facing young jobseekers in our region

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Summary

Unemployment, and in particular youth unemployment, is one of the most significant economic and social issues facing the Illawarra region. Whilst the official youth unemployment statistics can be debated from one month to the next, what is clear is that for at least the past two decades our region’s young people have experienced a consistently higher rate of unemployment than most of their peers living elsewhere in Australia.

The study upon which this report is based has sought to explore the reasons why the Illawarra region has a consistently higher youth unemployment rate than other places throughout the nation. It seeks to outline those factors impacting young jobseekers in all regions, as well as uncovering those factors either more prominent within, or perhaps unique to the Illawarra region.
Introduction

Background

The Illawarra region has experienced high unemployment relative to most other regions throughout Australia for decades. In April 2007 the Lord Mayor of Wollongong invited the region’s key stakeholders and community members to take part in an Unemployment Forum to discuss the issues. The objective of the Forum was to provide leadership in the fight to secure a better job future for the region’s jobseekers.

One of the key concerns discussed at the forum was the issue of youth unemployment. The 15 to 24 year age group suffers from a disproportionately high unemployment rate relative to the adult (25-64yr) population. According to the December 2007 figures from the Australian Bureau of Statistics, while the overall unemployment rate in the Wollongong Statistical Region was 6.8%, the youth unemployment rate was 21.6%. This was primarily fuelled by the 15 to 19 years age group, with an unemployment rate of 28%. Moreover, the Illawarra consistently has a youth unemployment rate amongst the highest of any region in the state.

The need for action is clear. However, for the Unemployment Forum to take a leadership role on youth unemployment, it is important the nature of youth unemployment in our region is first well understood. To this end, Forum participants agreed that research was required into the underlying drivers of the region’s unacceptably high youth unemployment rate and to build into existing research the ongoing difficulties faced by young job seekers over many years in the Illawarra. Stubbs and Associates (1999) carried out extensive research into the problems facing young unemployed people in the Illawarra nearly a decade ago highlighting the plight of young job seekers. IRIS was commissioned to undertake a study investigating the causes and consequences of youth unemployment, and policy and program responses. This report outlines a proposed approach to that research.
Study Objectives

The overall aim of the study is to give the Unemployment Forum sufficient information to make decisions and policy recommendations that will positively impact on the employment prospects of the region’s young adults. The specific research objectives were to:

1. Provide an overview of current labour market and youth unemployment trends impacting young job seekers in our region;

2. Develop a geographic, demographic, socioeconomic, social and behavioural profile of the region’s youth labour market;

3. Provide an understanding of the key family, social and cultural issues underlying poor education and employment prospects;

4. Identify specific support needs for those young people most ‘at risk’ due to non-participation in education and employment;

5. Provide an overview of recent youth focused employment programs undertaken in our region.
Key Concepts

Youth

For the purpose of this report, persons aged 15-24 years are classified as youth in terms of unemployment levels and youth needs. This classification follows the standard Australian Bureau of Statistics (ABS) definition of youth, as utilized in its official labour force statistics. However, as the needs and experiences within this broad age group can vary significantly, wherever appropriate, the data and experiences of teenagers (15-19 years) are separated from those of young adults (20-24 years).

Labour Force Status

The official measure of unemployment has been a contentious issue for some time. So too has the common practice of comparing youth and adult unemployment rates. Given this, it is important at the outset to define these important measures so that the reader is aware of the limitations attached to the official figures, whether they are quoted in a report such as this one, or in the local media.

The ABS defines the labour force as those people aged 15 and over who are either employed or actively seeking employment. The structure of the labour force, as defined by the ABS, is shown in Figure 1.

According to the ABS definition used for both the Census and the monthly Labour Force Survey, there are specific criteria for those considered to be employed or unemployed. A person is considered employed if they are aged 15 and over and match the following criteria during the reference week:

1. worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or

2. worked for one hour or more without pay in a family business or on a farm (ie. contributing family workers); or

3. were employees who had a job but were not at work and were:
   - away from work for less than four weeks up to the end of the reference week; or
• away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
• away from work as a standard work or shift arrangement; or
• on strike or locked out; or
• on workers’ compensation and expected to return to their job; or
• were employers or own account workers, who had a job, business or farm, but were not at work.

Figure 1 Structure of the Labour Force

(Source: Australian Bureau of Statistics)
Conversely, people are considered unemployed if they match the following criteria:

1. had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and;

2. were available for work in the reference week; or

3. were waiting to start a new job within four weeks from the end of the reference week, and could have started in the reference week had the job been available then.

Many past studies have pointed out that these widely used official definitions of employment and unemployment present significant limitations in trying to provide an accurate measure of youth unemployment. Perhaps the most significant limitation relates to the fact that the youth labour force has fundamentally different needs and experiences when compared to the adult (25-64yr) labour force. Young people are in a complex period of transition - at any given point in time they can be potentially studying, job searching, unemployed, travelling or simply taking time out for leisure. Rigid measures such as those used by the government can not accurately reflect the transient situation of young people. For example, often young people try to combine study with the search for part-time, casual or, in some cases full-time work. Whilst these young adults are technically unemployed because they are searching for work, they also have a different capacity for work than most people not in study. Given their substantially different situation, it is perhaps unfair to compare their status with that of the adult labour force.

However, counterbalancing this, there are also two other definitional limitations that potentially artificially reduce official unemployment rates. Firstly, the official definition of employment is very broad, with those people obtaining just one hour of work considered to be employed. However, it may be the case that they were seeking more work than that which was available. So, whilst officially people in this situation are employed, because they desire more work they are actually underemployed. Secondly, the official definition of unemployment does not account for the phenomenon of “hidden unemployment”. For instance, many young people who have either been forced through lack of choice to stay in full time education or who have given up on looking for work due to the disillusionment that comes with ongoing rejection, are not considered part of the labour force and therefore not counted in the official unemployment statistics.
The Illawarra Region

As Figure 2 illustrates, for the purposes of this report, the Illawarra region includes the local government areas of Wollongong, Shellharbour and Kiama. Whilst official definitions of the Illawarra often also include the Shoalhaven and Wingecarribee areas, these regions were deemed to have their own peculiar labour market and youth issues and as such should be examined separately.

Figure 2  Map of the study region

Source: ABS website 2006
Report Structure

This report is structured to provide a logical and sequential discussion of youth unemployment issues in the Illawarra region. It does so in five main sections. Section 1 presents a review of important trends relating to youth unemployment. It pinpoints the key trends occurring both locally and more broadly that are impacting on the ability of young jobseekers to find work. Section 2 examines the nature of the youth labour market in our region, including a description of the various segments of the market and a profile of the region’s young jobseekers based on data collected by Centrelink. Section 3 seeks to give a more detailed review of the main causes of youth unemployment in our region and the typical barriers to employment faced by the region’s young adults. Section 4 then presents an overview of government, welfare agency and community responses to the problem of youth unemployment. Section 5 discusses the future directions to improve employment outcomes for youth in the Illawarra.

The key outcome of this process is a reference report that can simultaneously provide the Unemployment Forum with a better understanding of the broader issues at play, whilst also informing the development of policy recommendations that can improve the employment prospects of our region’s young people.
1 Setting the context

The central aim of this report is to provide a detailed overview of the labour market issues facing the young people of the Illawarra. However, prior to delving into the local issues it is helpful to first set the appropriate context by examining broader labour market trends and patterns impacting on young job seekers. To this end, this section provides a brief summary of key trends and patterns impacting on young jobseekers.

1.1 Youth unemployment is a widespread problem

The problem of youth unemployment is not peculiar to the Illawarra. In fact, the latest OECD figures for member nations reported in Figure 3 clearly show that youth unemployment is a widespread problem not just within Australia, but also in many other developed countries throughout the world. Based on 2006 figures, whilst Australia had a youth unemployment rate of 10.4% and the Illawarra a relatively higher 14.7%, countries such as Poland (29.8%), the Slovak Republic (26.6%), Greece (24.5%), and France (23.9%) had significantly higher rates.

Figure 3 Youth (15-24yrs) Unemployment Rates for Selected OECD Countries, 2006

The other significant insight from country comparisons is that, without exception, youth unemployment is at least double that of the adult (or ‘prime working age’) population aged 25-64 years. As Table 1 shows, both the Illawarra and Australia compare relatively well to the industrialised nations shown. The ratio of young unemployed people to prime age unemployed people is much lower in Australia (and indeed the Illawarra) than it is in many first world countries. Interestingly, Sweden (a country renowned for its social policy initiatives) tops the list, with 4.2 young unemployed people for every unemployed person aged 25-64 years. Many other industrialized European countries and the United States also have a higher ratio of unemployed 15-24 year olds to unemployed 25-64 year olds than does Australia or our region. However, despite these somewhat favourable international comparisons, the reality is that youth unemployment is still a significant problem for our region. The fact remains that the rate of unemployment is still two and a half times more for 15-24 year olds in our region than 25-64 year olds.

Table 1  Comparative unemployment rates for selected countries, 2006

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployment Rates</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Youth (15-24)</td>
<td>Prime Working Age (25-64)</td>
</tr>
<tr>
<td>Sweden</td>
<td>21.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Italy</td>
<td>21.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Greece</td>
<td>24.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Finland</td>
<td>18.8%</td>
<td>6.2%</td>
</tr>
<tr>
<td>United States</td>
<td>10.5%</td>
<td>3.6%</td>
</tr>
<tr>
<td>France</td>
<td>23.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>17.4%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Australia</td>
<td>10.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Belgium</td>
<td>18.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Poland</td>
<td>29.8%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Spain</td>
<td>17.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>OECD average</td>
<td>12.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Turkey</td>
<td>18.7%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>26.6%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Portugal</td>
<td>16.2%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Canada</td>
<td>11.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>Illawarra</strong>*</td>
<td>14.7%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

* As defined for the purposes of this study – including Wollongong, Shellharbour & Kiama.
1.2 The Illawarra suffers higher unemployment than most regions

The greatest impetus for the current study was the fact that the Illawarra region consistently suffers an unemployment rate that is significantly higher than most other regions, not just in NSW, but throughout the nation. Table 2 shows the key regional unemployment “hotspots” from across Australia in 2007. The Illawarra region had the sixth highest average unemployment rate of any region across the country for the 12 months to December 2007 (at 6.7%). Interestingly, Newcastle, which has traditionally shared a similar economic base as the Illawarra, had a substantially lower average unemployment rate of 4.7% over the same period. Furthermore, the Illawarra unemployment rate was 2.3 percentage points above the national average for 2007 of 4.4%.

Table 2 Regional Comparative Participation & Unemployment Rates, 2007

<table>
<thead>
<tr>
<th>Participation Rate (Ave. of 12mths to Dec 2007)</th>
<th>Unemployment Rate (Ave. of 12mths to Dec 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top six regional unemployment &quot;hot spots&quot;</strong></td>
<td></td>
</tr>
<tr>
<td>Fairfield-Liverpool (NSW)</td>
<td>61.4%</td>
</tr>
<tr>
<td>Mersey-Lyell (TAS)</td>
<td>59.8%</td>
</tr>
<tr>
<td>Gosford-Wyong (NSW)</td>
<td>58.9%</td>
</tr>
<tr>
<td>Richmond-Tweed &amp; Mid-North Coast (NSW)</td>
<td>55.8%</td>
</tr>
<tr>
<td>Northern Adelaide (SA)</td>
<td>62.6%</td>
</tr>
<tr>
<td><strong>Illawarra</strong> (NSW)</td>
<td>59.2%</td>
</tr>
<tr>
<td><strong>Other NSW regions</strong></td>
<td></td>
</tr>
<tr>
<td>North Western Sydney</td>
<td>66.0%</td>
</tr>
<tr>
<td>Canterbury-Bankstown</td>
<td>56.6%</td>
</tr>
<tr>
<td>Central Western Sydney</td>
<td>60.2%</td>
</tr>
<tr>
<td>Newcastle</td>
<td>59.2%</td>
</tr>
<tr>
<td>Inner Sydney</td>
<td>68.7%</td>
</tr>
<tr>
<td>St George-Sutherland</td>
<td>66.2%</td>
</tr>
<tr>
<td><strong>NSW</strong></td>
<td>63.1%</td>
</tr>
<tr>
<td><strong>ACT</strong></td>
<td>72.8%</td>
</tr>
<tr>
<td><strong>AUSTRALIA</strong></td>
<td>65.0%</td>
</tr>
</tbody>
</table>

*Called the Wollongong Statistical Region by the ABS LFS.
This pattern of significantly higher unemployment rates for our region is even more pronounced for the youth labour market. As Figure 4 and 5 illustrate, both the teenage (15-19yrs) and young adult (20-24yrs) unemployment rates for our region track consistently above the state average.

**Figure 4** Trends in teenage (15-19yrs) Unemployment Rate, Illawarra vs. NSW

Source: ABS Labour Force Survey

**Figure 5** Trends in young adult (20-24yrs) Unemployment Rate, Illawarra vs. NSW

Source: ABS Labour Force Survey
The table below reveals that youth unemployment is higher in the Illawarra compared with other unemployment hotspot areas. In fact, the youth unemployment rate is the highest of all areas listed, including some of the most disadvantaged areas in the country.

**Table 3 Regional Comparative Youth Unemployment Rates**

<table>
<thead>
<tr>
<th>Top six regional unemployment “hot spots”</th>
<th>Youth Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairfield-Liverpool (NSW)</td>
<td>14.3%</td>
</tr>
<tr>
<td>Mersey-Lyell (TAS)</td>
<td>20.2%</td>
</tr>
<tr>
<td>Gosford-Wyong (NSW)</td>
<td>11.5%</td>
</tr>
<tr>
<td>Richmond-Tweed &amp; Mid-North Coast (NSW)</td>
<td>15.9%</td>
</tr>
<tr>
<td>Northern Adelaide (SA)</td>
<td>18.8%</td>
</tr>
<tr>
<td><em><em>Illawarra</em> (NSW)</em>*</td>
<td><strong>22.2%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other NSW regions</th>
<th>Youth Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Western Sydney</td>
<td>12.2%</td>
</tr>
<tr>
<td>Canterbury-Bankstown</td>
<td>10.8%</td>
</tr>
<tr>
<td>Central Western Sydney</td>
<td>10.7%</td>
</tr>
<tr>
<td>Newcastle</td>
<td>17.8%</td>
</tr>
<tr>
<td>Inner Sydney</td>
<td>10.4%</td>
</tr>
<tr>
<td>St George-Sutherland</td>
<td>8.4%</td>
</tr>
<tr>
<td>NSW</td>
<td>11.7%</td>
</tr>
<tr>
<td>ACT</td>
<td>6.1%</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>10.1%</td>
</tr>
</tbody>
</table>

*Called the Wollongong Statistical Region by the ABS LFS.
1.3 Young people are staying in education longer

Just a few decades ago about one in three 15-19 year olds had left school (many in Year 10) and found a full-time job. Today, there are fewer young people leaving school at Year 10, with the proportion of 15-19 year olds still in education jumping from 50.4% in 1981 to 64.2% in 2006. The result is that there is a smaller, possibly lower quality, pool of youth in the job market looking for stable long term employment. This may explain, to some extent, a higher rate of youth unemployment.

Figure 6 Change in Education & Employment status of 15-19yr olds in the Illawarra, 1981-2006

Understanding the region’s youth labour market

1.4  Size and structure

When high youth unemployment rates are splashed across the newspaper it is easy to get swept away with the figures and lose sight of what they actually represent. For example, often teenage full-time unemployment rates are quoted. However, in actual fact, these figures are referring to a relatively small group of people due to the low labour force participation of this group. The vast majority of young people are in full time education. Figure 7 provides indicative estimates of the size and structure of the local youth labour market.

It shows that there were 3,800 people aged 20-24 who were considered unemployed as at June 2007. The number of 15-19 year olds who were unemployed was unable to be disclosed by the ABS. There were 3,200 youth who were marginally attached to the workforce, meaning that they would like to work but did not work within the reference period. This group were not technically unemployed.
Figure 7  Youth Labour Force Status in the Illawarra* – as at June 2007

* Defined as Wollongong, Shellharbour and Kiama LGAs.
Another attempt to quantify the size of the youth unemployment problem in the Illawarra is contained in Table 4, which reports the estimated average employment and unemployment levels for 15 to 19 year olds and 20 to 24 year olds over the year to June 2007. It must be emphasised however, that the sample used to estimate the ABS Labour Force Survey data for the Illawarra is quite small and therefore, can be quite volatile. This is particularly important when the data is broken down into subgroups of full time unemployment and part time unemployment for each age category, as the sample used to derive these numbers would be even smaller.

There were approximately 5,083 unemployed youth in the Illawarra on average over the year to June 2007. This was made up of 3,058 15-19 year olds and 2,025 20-24 year olds. In the 15-19 year old category there were 1,683 full time unemployed and 1,375 part time unemployed. In the 20-24 year old age bracket, there were 1,708 full time unemployed and 317 part time unemployed.

The actual unemployment rates are less important. Previous figures have shown that the Illawarra consistently has substantially higher youth unemployment than the rest of the state, and other comparable areas. Whether one concentrates on the 15-19 year old unemployment rate of 44.5% or the overall 15-19 year old unemployment rate of 24.6%, the point is that unemployment is unacceptably high in the region and must be addressed.

Table 4 Youth Labour Force Status in the Illawarra (Average in the 12 months to June 2007)

<table>
<thead>
<tr>
<th></th>
<th>15-19 Year Olds (Ave. of 12mths to June 2007)</th>
<th>20-24 Year Olds (Ave. of 12mths to June 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time – Employed No.</td>
<td>2,100</td>
<td>10,975</td>
</tr>
<tr>
<td>- Unemployed No.</td>
<td>1,683</td>
<td>1,708</td>
</tr>
<tr>
<td>- Unemployment Rate (%)</td>
<td>44.5</td>
<td>13.5</td>
</tr>
<tr>
<td>Part Time – Employed No.</td>
<td>7,267</td>
<td>5,875</td>
</tr>
<tr>
<td>- Unemployed No.</td>
<td>1,375</td>
<td>317</td>
</tr>
<tr>
<td>- Unemployment Rate (%)</td>
<td>15.9</td>
<td>5.1</td>
</tr>
<tr>
<td>Total – Employed No.</td>
<td>9,367</td>
<td>16,850</td>
</tr>
<tr>
<td>- Unemployed No.</td>
<td>3,058</td>
<td>2,025</td>
</tr>
<tr>
<td>- Unemployment Rate (%)</td>
<td>24.6</td>
<td>10.7</td>
</tr>
</tbody>
</table>

*Called the Wollongong Statistical Region by the ABS LFS.
1.5 SOME GENERAL CHARACTERISTICS

1.5.1 Youth trends usually follow adult trends

Figure 8 shows the trend in unemployment rates for the youth workforce (aged 15-24) and the workforce aged 25-64, over the last ten years. A strong positive correlation exists between movements in adult unemployment and youth unemployment rates. Youth unemployment is consistently much higher and more variable than adult unemployment, ranging between 10.9% and 22.2%, compared with unemployment for 25-64 year olds, which ranged between 4.2% and 9.0%.

As illustrated in Figure 9, there exists a strong positive correlation between youth and adult participation rates also. One major difference when compared to unemployment rates however, is that adult participation rates seem to follow changes in youth participation for the 15-24 age group. Figure 9 shows, movements in the 15-24 year old participation rate lead movements in the 25-64 year olds labour participation rate. One potential reason for this phenomenon is youth labour being highly sensitive to both economic recession and recovery (Biddle & Burgess, 1999). Changing economic conditions will therefore have a much bigger impact on labour force participation rates for 15-24 year olds than 25-64 year olds.
1.5.2 Young workers tend to be employed in service industries

Figures 10, 11 and 12 below show the proportion of each age group that is employed in a particular industry, against the proportion of each age group that is employed in all industries within the Illawarra region. They clearly show that the make-up of employment for young people tends to be focused within the services sector. The 15-19 age group makes up just 6.5% of the workforce across all industries while the 20-24 age group comprises 10.9% of the total workforce. Yet, the 15-19 year-old age group account for 16.9% of people employed in the retail industry and the 20-24 year olds account for 17.4%. Clearly, the youth workforce is heavily overrepresented in the retail industry. A similar situation occurs in other services such as the accommodation and food services industry, with 15-19 year olds accounting for 26.0% and 20-24 year olds accounting for 20.8% of people employed in that industry. For the arts and recreational services industry, 15-19 year olds represent 10.0% of persons employed, with 20-24 year olds representing 16.1%.
Figure 10  Age Profile Comparison of the Retail Trade Industry and all industries in the Illawarra region 2006.

Source: ABS (2008), 2006 Census of Population and Housing

Figure 11  Age profile comparison of the Accommodation and Food Services Industry and all industries in the Illawarra region 2006.

Source: ABS (2008), 2006 Census of Population and Housing
Figure 12  Age profile comparison of the arts and recreations services industry and all industries in the Illawarra region 2006.

Source: ABS (2008), 2006 Census of Population and Housing

1.5.3 Low skilled occupations tend to dominate

The jobs that young people tend to have require little skill and training. Figure 13 illustrates that young people are under-represented in both managerial and professional occupations when compared to employees 25 years and above. Only 3.6% of employed 15-24 year olds have managerial positions and 9.4% of employed 15-24 year olds have professional positions. This is much lower than the 25 year & above age group, where 11.4% are employed in managerial positions and 21.7% are employed in professional positions. On the flip side, 15-24 year olds are overrepresented in lower skilled occupations when compared to the 25 years & above age group, with 23.1% of young people employed as sales workers, compared to just 7.2% of workers aged 25 & above. Also, 19.8% and 12.6% of 15-24 year olds are employed as technical & trade workers and labourers respectively, compared to just 15.8% and 9.1% of workers aged 25 & above.
Figure 13  Occupations in the Illawarra region by Age (15-24 yrs vs. All Ages) 2006

Source: ABS (2008), 2006 Census of Population and Housing
1.6 Segmenting the youth labour market by level of participation

It is important to recognise that there are different segments of the youth labour market that have differing support needs at any given time. Mission Australia (2006) has proposed a youth participation continuum that categorises young people based on their level of engagement in the labour market and society in general. This segmentation model also illustrates a critical point: those who are disengaged or marginalized suffer from a complex web of interrelated family, health, social, economic, educational and work related issues.

Table 4  Youth labour market segments and their general characteristics

<table>
<thead>
<tr>
<th>Factors influencing participation</th>
<th>Broad Youth Labour Market Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mainstream Jobseekers</td>
</tr>
<tr>
<td></td>
<td>Fully engaged</td>
</tr>
<tr>
<td>Employment status</td>
<td></td>
</tr>
<tr>
<td>Year 12</td>
<td>Combining work/study</td>
</tr>
<tr>
<td>Tertiary/post graduate study</td>
<td>May have commenced high skilled, well paid work</td>
</tr>
<tr>
<td></td>
<td>In high demand</td>
</tr>
<tr>
<td>Education and Training</td>
<td>Possibly early school leaver</td>
</tr>
<tr>
<td>Year 12</td>
<td>Completed Yr 12 – but may not have clear plan</td>
</tr>
<tr>
<td>Tertiary/post graduate study</td>
<td>Average literacy and numeracy skills</td>
</tr>
<tr>
<td></td>
<td>TAFE/training</td>
</tr>
<tr>
<td></td>
<td>May have commenced or be considering further education/training</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Aspirations/goals</td>
<td>Educational success</td>
</tr>
<tr>
<td></td>
<td>Career and salary satisfaction</td>
</tr>
<tr>
<td></td>
<td>Job opportunities</td>
</tr>
<tr>
<td></td>
<td>Travel plans</td>
</tr>
<tr>
<td></td>
<td>Relationship/family</td>
</tr>
<tr>
<td>Cont...</td>
<td>Fully engaged</td>
</tr>
<tr>
<td>---------</td>
<td>---------------</td>
</tr>
<tr>
<td>Social connections</td>
<td>Stable and supportive family and friendships</td>
</tr>
<tr>
<td></td>
<td>Socially active</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical and mental wellbeing</td>
<td>Good health</td>
</tr>
<tr>
<td></td>
<td>Ready access to appropriate treatment</td>
</tr>
<tr>
<td></td>
<td>Some level of anxiety and stress</td>
</tr>
<tr>
<td></td>
<td>Socially active</td>
</tr>
<tr>
<td>Social and emotional resilience</td>
<td>Confident</td>
</tr>
<tr>
<td></td>
<td>Motivated and enthusiastic</td>
</tr>
<tr>
<td></td>
<td>Flexible, capacity to adapt</td>
</tr>
<tr>
<td></td>
<td>Possibly still living at home</td>
</tr>
<tr>
<td></td>
<td>Secure and affordable independent or shared accommodation</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable, secure housing</td>
<td>Family financial support</td>
</tr>
<tr>
<td></td>
<td>May have part time income</td>
</tr>
<tr>
<td></td>
<td>In or on track for high skill, full time employment</td>
</tr>
</tbody>
</table>

Source: Adapted from “Youth Employment – Participation Continuum”, Mission Australia, 2006, pgs 4-5.
1.7 Profiling the young unemployed in our region

1.7.1 Where do they live?

Figure 14 provides an overall picture of the youth unemployment ‘hotspots’ in our region. It shows that there are five key suburb areas where a disproportionate number of our region’s unemployed young people live:

1. Bellambi / East Corrmial;
2. Wollongong / Coniston / Gwynneville;
3. Warrawong / Lake Illawarra;
4. Berkeley / Koonawarra / Kanahooka / Dapto;
5. Warilla / Lake Heights

Figures 14-19 show each of these hotspots in more detail, including not just youth unemployment rates but also other key indicators including educational attainment, income levels and adult unemployment rates. In each area, high youth unemployment is strongly correlated with these other indicators of social and economic disadvantage.

It is telling that many of the areas highlighted include public housing estates. In fact, many of the key issues linked to unemployment such as crime, domestic violence, lower socio-economic status and poor educational outcomes are all prevalent in these areas. Regardless of the actual youth employment solutions put forward for helping our region, it is critical that these five hotspots are heavily targeted by specific programs.
Figure 14  Youth (15-24yrs) Unemployment “Hotspots” in the Illawarra, 2006

Source: ABS 2006 Census Map Stats
Figure 15  Bellambi / East Corrimal - Youth Unemployment & other key socio-demographic characteristics

Source: ABS 2006 Census Map Stats
Figure 16  Wollongong / Coniston / Gwynneville - Youth Unemployment & other key socio-demographic characteristics

Source: ABS 2006 Census Map Stats
Figure 17  Warrawong / Lake Heights – Youth Unemployment & other key socio-demographic characteristics

Source: ABS 2006 Census Map Stats
Figure 18 Berkeley / Koonawarra / Kanahooka / Dapto - Youth Unemployment & other key socio-demographic characteristics

Source: ABS 2006 Census Map Stats
Figure 19  Warilla / Lake Illawarra - Youth Unemployment & other key socio-demographic characteristics

Source: ABS 2006 Census Map Stats
1.7.2 What do they look like?

There were 3,307 persons aged 15-24 registered with Centrelink as unemployed in the Wollongong Region who are fully job network eligible as at June 2007. Within this group, there were more males (1,787) than females (1,520), and more 20-24 year olds (1,885) than 15-19 year olds (1,422). This was by no means the totality of the youth unemployed in Wollongong as there were substantial numbers of young unemployed who were not registered with Centrelink or who were engaged in full time education and were therefore not Job Network eligible. Earlier estimates taken from the labour force survey were that there were approximately 5,083 unemployed youth in the Illawarra, meaning that there is a shortfall of some 1,700 unemployed youth who are not registered with Centrelink. Nonetheless, a breakdown of the data available on young Centrelink clients helps to reveal the characteristics of unemployed youth in the Illawarra and the barriers to employment that they face.

A critical element in analysing the young unemployed population of the Illawarra is the typical duration of unemployment that young people face. Long term unemployment is a much more severe problem than short term unemployment, and it can have a large negative impact on a young person’s life, often leading to a range of other problems.

Figure 20 shows that 35.3% of unemployed persons aged 15 to 19 and 51.2% of unemployed persons aged 20 to 24 were out of work for longer than one year. Over a third of 20 to 24 year olds suffered long term unemployment of over 2 years compared with only 10.3% of 15-19 year olds.

Figure 20 Duration of Unemployment

Source: Department of Employment and Workplace Relations (2007)
Another indication of the severity of unemployment faced by young people in the region is given by their recent work experience. A lack of recent work experience may form a barrier to future employment. Figure 21 shows that 62.6% of the unemployed 15-24 year olds in 2007 lacked recent work experience, either because they were not in the workforce (41.2%) or because they could not find employment (21.4%). Almost 60% of 15 to 19 year olds were not in the workforce recently, although this result is actually a reflection that most 15 to 19 year olds would have just completed their schooling. There were a higher percentage of females (47.0%) who were not recently in the workforce compared to males (36.3%). This was probably accounted for by mothers who have newly returned to the workforce after caring for children.

**Figure 21 Recent Work Experience**

![Pie chart showing recent work experience](image)

Source: Department of Employment and Workplace Relations (2007)

Figure 22 demonstrates that 64.7% of the young unemployed persons registered with Centrelink lived with their partner/spouse in 2007 while a further 21.2% were lone parents. There were a negligible percentage of the young Centrelink recipients who were living at home with their parents, which is unusual considering that most 15 to 24 year olds live at home with their parents. The probable explanation for this is simply that those young people who were still living with their parents were less likely to be unemployed, and those that were unemployed were much more likely to be in full time education or not reliant on Centrelink benefits.
Figure 22  Who do the young Unemployed live with?

Source: Department of Employment and Workplace Relations (2007)
What issues do they have that make finding a job difficult?

The data provided by Centrelink is also useful for providing a profile of the barriers to employment that young job seekers must overcome. Once again, it should be stressed that the following data relates only to unemployed youth from Wollongong who were registered with Centrelink, and who were job network eligible. This rules out the young unemployed who were in full time education and those that are not receiving Centrelink benefits.

Figure 23 shows that poor language and/or literacy skills were a problem for 6.1% of the youth job seekers registered with Centrelink. This problem was more prevalent among male job seekers than for females.

**Figure 23** **Literacy & Language Ability**

A criminal record is a known barrier to future employment as employers often discriminate against ex-offenders. Figure 24 reveals that the vast majority (87.8%) of young jobseekers had no criminal record. Only 2.8% of the young unemployed had committed an offence that carried a sentence, while a further 6.7% of those registered with Centrelink had committed an offence which did not carry a sentence. Males were much more likely to have a criminal record than females.
Figure 24  Criminal Status

Source: Department of Employment and Workplace Relations (2007)
Note: Percentages do not add up to 100% because of non-responses.

Figure 25  Residential Status

Source: Department of Employment and Workplace Relations (2007)

A basic level of education is required to even have a chance at attaining a position in most occupations. The figure below demonstrates the education level achieved by the registered job seekers in the Wollongong region. One group that is severely disadvantaged in the workforce is those who did not complete year 10, as it is a requirement for many TAFE courses and apprenticeships. Those that did not complete
year 10 comprised 17.9% of the young job seekers. At the other end of the scale, 1.9% of the registered unemployed had a degree and a further 4.7% had a diploma. This shows that Wollongong’s highly educated are not immune to unemployment woes.

**Figure 26 Education Level**

Source: Department of Employment and Workplace Relations (2007)

Note: Percentages do not add up to 100% because of non-responses

Centrelink also keeps a measure of the vocational qualifications that unemployed youth have accrued. Figure 27 shows that 37.5% of young job seekers had useful vocational qualifications. The remaining job seekers either did not have vocational qualifications or they did not consider them useful in finding employment. Understandably, fewer of the unemployed aged 15 to 19 possess vocational qualifications because they had less time available since leaving school to complete vocational courses.
Personal factors (such as family deaths, divorces, or other stressful circumstances) are known to be a significant problem for many unemployed persons trying to find a job. Personal factors had a high impact on 10.7% of the young unemployed in the Wollongong region, a medium impact on a further 5.7% and a low impact on 3.1%. The remaining 80.5% of the population were unaffected by personal factors. The rate of personal factors having a high impact was much greater for both 20 to 24 year olds and males.
Centrelink classifies some young job seekers as highly disadvantaged, meaning that they are more likely to have limited English language skills, be an indigenous job seeker, have a disability or medical condition, have a low level of educational attainment, have personal factors or matters affecting their ability to gain employment or be an ex-offender. Figure 29 below reveals that 15.4% were classified as being highly disadvantaged. Males were more likely to be highly disadvantaged than females and the 20-24 year olds were more likely to be highly disadvantaged than the younger age group.

**Figure 29  Highly Disadvantaged Youth**

![Highly Disadvantaged Youth Chart]

*Source: Department of Employment and Workplace Relations (2007)*
1.8 Summary of Main Findings

High youth unemployment is not just an issue facing the Illawarra, but is an international problem that occurs across all OECD countries. However, youth unemployment is of greater concern for the Illawarra region, as it consistently faces an unemployment rate for people aged 15-24 that is higher than both NSW and Australia.

An increasing percentage of young people have been staying in full time education over the past couple of decades, causing the size of the youth labour force to be relatively small, and therefore a smaller pool of youth looking for long-term employment.

Although the trends in both youth unemployment and labour participation rates are strongly correlated to adult unemployment and labour participation rates, the industries and occupations that the majority of 15-24 year olds are employed in are markedly different to the rest of the working population. Young people are overrepresented in service industries such as retail trade relative to their adult counterparts. They are also more likely to be employed in low skilled occupations such as sales or labouring positions.

Youth unemployment tends to be concentrated in several small hotspots located across the Illawarra. These hotspots are generally lower socioeconomic areas which also have higher rates of adult unemployment, lower incomes and lower levels of education.

Data from the Department of Employment and Workplace Relations (2007) shows that only a minority of the young unemployed have poor literacy and language ability, a lack of stable accommodation, a criminal record and other severe social problems. A majority of unemployed youth have not completed year 12.
2 Exploring the challenges facing our young jobseekers

The previous section provided a statistical profile of unemployed youth in our region. Whilst the statistics are telling, many questions remain about what lies behind the data. What actually causes youth unemployment in our region? Moreover, what are the stories of our young jobseekers? How do family, social, health, educational and other barriers impact on their ability to secure employment?

A definitive evaluation of the root causes of youth unemployment in our region is difficult in terms of isolating the impact of specific labour supply and demand factors. This is particularly true when assessing the situations of those most at risk of long term unemployment. In fact, one of the key underlying themes to emerge from the many discussions undertaken for this study was that, for a small but significant core of the youth population, unemployment is but one symptom of a far greater problem with the personal and social wellbeing of the individual. Many of our region’s young adults face a range of vocational and non-vocational barriers that can not be solved quickly or simply. For these young adults unemployment is the result of the cumulative effects of various developmental, social, economic and cultural pressures that go much deeper than poor educational outcomes or a lack of work experience. This section of the report attempts to provide an insight into these pressures.

The content of this section has been informed by research at two levels: firstly, by a review of the issues discussed in the literature, and secondly, by an extensive program of consultation with young job seekers, employers, employment service providers and government agencies (see the Fieldwork Methodology in the appendix for more detail).
2.1 **Major causes of high youth unemployment in our region**

2.1.1 *Our region struggles to create jobs*

Does the Illawarra region create the volume of local jobs it should, given its relative size and resources?

Job growth in the Wollongong Statistical District has fallen behind the levels achieved in Newcastle, NSW and Australia. Between 1996 and 2006, the WSD economy generated a net increase of 8,604 jobs, equivalent to a 10.3% expansion in employment. In comparison, Newcastle, a relatively similar region, experienced jobs growth of 18.8%. The Illawarra also failed to keep up with job growth in New South Wales (13.5%) and Australia (19.2%).

The period 1996 to 2001 was particularly lacklustre for the region, with job growth for the 5 year period equal to just 3.1%. Newcastle, New South Wales and Australia all generated more than twice this increase in job growth.

**Table 5 Job growth for Wollongong, Newcastle, NSW and Australia (1996, 2001, 2006)**

<table>
<thead>
<tr>
<th></th>
<th>Jobs in WSD</th>
<th>Jobs in NSD</th>
<th>Jobs in NSW</th>
<th>Jobs in Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>78,651</td>
<td>153,180</td>
<td>2,563,315</td>
<td>7,636,319</td>
</tr>
<tr>
<td>2001</td>
<td>81,107</td>
<td>163,555</td>
<td>2,734,553</td>
<td>8,232,803</td>
</tr>
<tr>
<td>2006</td>
<td>86,715</td>
<td>181,971</td>
<td>2,909,445</td>
<td>9,104,184</td>
</tr>
<tr>
<td>Change 96-01 (%)</td>
<td>3.1</td>
<td>6.8</td>
<td>6.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Change 01-06 (%)</td>
<td>6.9</td>
<td>11.3</td>
<td>6.4</td>
<td>10.6</td>
</tr>
<tr>
<td>Change 96-06 (%)</td>
<td>10.3</td>
<td>18.8</td>
<td>13.5</td>
<td>19.2</td>
</tr>
</tbody>
</table>

*Source: ABS (2008), Journey to Work Data (Unpublished), 2006 Census of Population and Housing*

The job generation data shows that irrespective of all the supply side factors, there simply may not have been the demand for youth workers required to reduce the youth unemployment rate. This explanation is consistent with the fact that Wollongong also suffers from a higher than average adult unemployment rate, which would also be a symptom of a lack of job growth. If a lack of demand is indeed the primary cause of youth unemployment then the only solution is to create more jobs for the region.

This was certainly consistent with the sentiments expressed by the young job seekers that were interviewed during the project. Zoe was a qualified child care worker who lived in Wollongong for family reasons, but had to work in Sydney because there simply wasn’t any child care work available in the area. “There is not much childcare [work] down here, a lot of it is Sydney based.” In Wollongong, the only childcare work
available is on a casual basis, which has its own problems. “I’m just on call, so I never really know when I am going to get woken up at 6 in the morning.” Zoe explained how the childcare industry works in Wollongong, “Down here, its just getting your foot in the door, they don’t advertise many full time jobs. Its just if you’re a casual, and the centre likes you and a job comes up, they will give it to a casual rather than interviewing people.”

John found that labouring work was scarce in Wollongong. While John was listed with a labour hire company, he estimates that he received three to four months worth of employment, but almost all of this work was in Sydney. John only received two days worth of work in Wollongong, and he believes that there is a complete lack of work for unskilled labour in the region. John said, “In the Wollongong region...there’s not much...I work for a labouring company and I only got one job up here in Wollongong... After that, there was no more work up here.”

John found himself in a catch 22 situation. He has nowhere to live in Sydney and cannot afford to move there on his own. Yet, Sydney is the place where John could potentially find employment.

After looking for work in Wollongong, Jenny found that the jobs that were available were limited to specific industries. As she said, “There are always jobs in the newspaper for the health service or telemarketing. That’s all your going to find”. Jenny does not currently have the skills required to qualify for most employment positions and feels that you must have connections with employers to get a job. Having lived in both Wollongong and Campbelltown, she firmly believes that our region is lagging behind in job availability. In her words, “Its ridiculous down here [Wollongong]”.

Harry is also having great difficulty looking for an apprenticeship. He has been going to the job network company nearly every day and cold calling all the local businesses involved in the painting and decorating/airbrushing fields to try and get an apprenticeship. “I have to call the actual people [employers] to see if they were interested in taking on an apprentice for painting and decorating. I would have to say I’ve looked [at] over 50 people [employers] in the phone book.” Despite this extensive searching, most employers did not even return his calls, with Harry stating “Its almost impossible to get a job around here.”
The experiences of these job seekers was sadly the norm for the young people that IRIS spoke with. Most believed that there just aren’t enough jobs available in Wollongong.

2.1.2 Fewer of the available jobs are suitable for young people

One of the primary causes of youth unemployment is a lack of suitable jobs for young people - particularly full time jobs. There has been a significant decline in full time opportunities for 15-24 year olds over the past 10-15 years. According to the Dusseldorp Skills Forum (2003), since 1995 there has been a 6.9% decrease in the number of full-time jobs available to teenagers and a 15.2% drop for young adults. Figure 31 shows this trend to part-time employment clearly, with proportion of 15-24 year olds employed in part time positions increasing from 36.8% in 1996 to 45.7% in 2006. Borland and Wilkins (1997) suggest that this trend is evidence of an increase in demand for more highly skilled workers amongst employers seeking full time employees.

Figure 30  Trends in full time vs. part time employment (15-24 yrs)

Source: ABS (2008), 2006 Census of Population and Housing

Note: Percentages do not add up to 100% because of non-responses or inadequate responses

The decline in full time opportunities has resulted in a significant shift in the composition of youth employment. The fall in full time opportunities has been more than matched by an increase in part time and casual work. The result of this shift in demand has been that many young people are left with no option but to take casual or part-time positions. Australian Bureau of Statistics Labour Force data (Catalogue 6203.0) reveals that in 1978 less than 20% of teenage workers were engaged in part time employment.
Twenty years later, that figure rose to more than 60%, while in June 2007 it surpassed the two-thirds mark. The increase over the same thirty year period for 20-24 year olds has been from less than 10% to just over 30%. Wooden (1996, p145) noted that incidence of part-time employment rose to over 9 times the 1966 level for teenagers, compared to just a fourfold increase for older workers.

For some teenagers, this trend toward part-time and casual work has deeper implications for longer term career prospects. Some young people in part-time or casual work fail to learn additional skills or gain adequate experience, which in turn increases the risk that they will find it difficult to gain full-time employment in the future (Muir et al, 2003, p4). According to some research (Lewis and McLean, 1998, p160) diminishing job opportunities for teenagers have a ‘discouraged worker effect’ that sees some teenagers who would like to leave school and get a full-time job having to stay on at school in the face of a weak labour market. Worse still, a small proportion of marginalized teenagers abandon the labour force and study altogether.

2.1.3 Massive structural & technological changes to work

The main driver of the demand trends has been structural and technological change. This is a particularly well documented issue in the Illawarra, with the rationalization of the Port Kembla Steelworks in the early 1980s forcing a gradual but significant shift in the region’s economic base, which in turn has caused the employment profile of the area to change significantly.
Figure 31  Shifting industry base of Employment in the Illawarra

<table>
<thead>
<tr>
<th>Year</th>
<th>Production-based industries</th>
<th>Service-based industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>1981</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>1986</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>1991</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>1996</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>2001</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2006</td>
<td>24%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Source: ABS (2007), Census of Population and Housing

Whilst full time employing primary production industries have rationalized, the tertiary or service sector has experienced strong employment growth over the last ten to fifteen years. Economic commentator Ross Gittins (1998) provides a useful summary of the structural issues and their impact of youth unemployment:

"The fundamental reason unemployment is somewhat higher among teenagers is the dramatic decline in employer's demand for young, unskilled, full-time labour. Over the past 15 years, the number of full-time jobs held by teenagers has declined by 60 percent.

The main explanation for this is technological change. Many of the menial jobs once done by teenagers are now done by machines, and employers hire older and more highly educated young people to work with those machines.

Another development, however, is that many menial jobs in retailing formerly done by full-time juniors have been split into several part-time jobs. Over the past 15 years, the number of part-time jobs held by teenagers has increased by almost 150 percent. For teenagers, there are almost twice as many part-
time jobs as full-time. Nearly two-thirds of these part-time jobs are held by full-time students.”

In the local context it would appear that the impact of the prolonged local economic downturn in the 1980s and early 1990s due to the steel industry restructure was very significant – although difficult to quantify. Whilst in recent years there has been relatively strong employment growth in some sectors of the economy, the legacy impact of decades of restructuring on the psyche of two generations of families who became resigned to few employment prospects has in some instances been devastating. As one JPET case worker put it:

“Many of these kids (at risk of long term unemployment) come from families with parents who worked their entire lives in the steel works - or some related job – and only know that type of industry. They have no idea about how it all works now. The jobs are very different – in most cases you do need to stay at school longer than they did. You can’t just walk in to an unskilled labouring job like they could 20 years ago” [Local JPET case worker]

Disheartened jobseekers can lose the motivation to acquire the skills and knowledge to keep pace with a changing labour market and can quickly lose touch.

2.1.4 Youth Wages

There is strong evidence that because of the major shift in the composition of teenage employment from full-time to part-time, full-time youth wages have fallen compared to full-time adult wages. Youth part-time wages on the other hand have increased slightly compared to adult wages. One explanation for this movement is the increased demand for part-time workers in areas of the labour market such as retail and other service industries because of longer trading hours. (Daly et al, 1998, pg 67). There is also evidence that youth unemployment is linked to relative wage levels. In a 1998 report on youth wages and employment, the Productivity Commission found:

…a significant negative relationship between youth employment and youth wages. The best estimates suggest that a 1 per cent increase in youth wages would lead to a decrease in youth employment of between 2 and 5 per cent in industries employing a relatively high proportion of young persons. (Daly et al, 1998, pgs 67-68)
2.1.5 The Labour Market Cycle

There appears to be an inherent ‘stickiness’ of youth unemployment rates that is often linked by economists to cyclical movements in the economy. Typically, the youth unemployment rate climbs upwards during times of recession, but rarely returns to pre-recession levels. Biddle & Burgess (1999, p87) explain that the persistency of youth unemployment is in part due to the fact that the youth labour market is very sensitive to recession and recovery. Citing Clarke & Summers (1982), it seems that in periods of recession youth appear to lack the skills, credentials and experience for fewer job vacancies, and when the economy recovers and job vacancies rise, so too do youth labour force participation rates.

2.2 Examining the many barriers our young jobseekers face

This section details the various issues and responses that are important in understanding youth unemployment in the Illawarra. During early 2008, IRIS Research conducted 15 in-depth interviews with case participants in a number of locations within the Illawarra region, through different service providers who were administering different programs and assistance for young unemployed people. The following discussion highlights the main issues faced by young unemployed job seekers with the Illawarra region and where possible, real life case study examples have been included to illustrate points raised either in feedback from stakeholders or from within the literature. The following section endeavours to paint a detailed picture of youth labour force participation and in particular details of young people considered at risk of not making a successful transition from school to work.

2.2.1 Education levels

The changing nature of youth labour markets discussed earlier, along with growing demand amongst employers for stronger educational qualifications, place those young people that do not complete Year 12 or its equivalent at a severe disadvantage. In fact, the link between unemployment and the failure to complete high school has been well established in the literature. For instance, a World Bank Forum in 2003 cited barriers to education, a lack of appropriate education and the mismatch of skills learnt at school with those required for job opportunities, as contributing factors to youth unemployment. In a similar vein, the OECD maintains that the inflated rates of youth
unemployment are not at all helped by young people leaving school without adequate skills to enter employment. According to the findings of a Dusseldorp Skills Forum report of 2003, 28% of those Australians who left school early were either unemployed, not studying, working part-time but not studying, or not in the labour force at all. By comparison, only 11% of school completers fell within these classifications (Muir et al, 2003, p5). The results of the Longitudinal Surveys of Australian Youth (LSAY), managed by ACER and DEST, also appear to support these arguments. Penman (2004, pp45-58), using LSAY data, found that completing year 12 and getting a degree reduced time spent in marginal activities.

Given the weight of evidence pointing to the correlation between educational attainment and employment, retention of young people in school and further education is a vital factor in fighting youth employment. The question is: how does the Illawarra region perform relative to other areas in retaining our young in school? Figure 32 shows a comparison of apparent retention rates for completion of years 7 to 12 of high school for the Illawarra and NSW overall. The chart shows that over the period from 2001 to 2006, the Illawarra region experienced a retention rate 9-10 percentage points below that of NSW overall. On this evidence, it would appear that school retention is at least one significant local barrier to employability for our youth labour force.
Figure 32 Trends in high school retention rates, Illawarra vs. NSW

Source: NSW Department of Education & Training, 2007

Whilst educational attainment has been identified by many as both a major underlying cause, as well as the panacea to the problem of youth unemployment, there also appear to be critics of ‘forced retention’. There is evidence that some students remain in the secondary and tertiary education systems with minimal gains and possibly damaging costs due to the absence of opportunities in the workforce. Moreover, the LSAY also revealed some interesting results that raise questions about the appropriateness of ‘forcing’ young people to stay in school longer than they want to. While school completers are substantially more likely to find full-time work, Marks (2006, pp30-33) found that non-completers who leave earlier (that is, prior to beginning year 11) experience lower levels of unemployment than those who leave later. Of the non-completers, 56% of surveyed late leavers had full-time work in the first year compared to 61% of early leavers, with those figures increasing to 67% and 72% respectively in the fourth year. The percentage of early leavers unemployed in both years was 3% points lower than for late leavers. These findings indicate that those who choose to leave schooling after beginning year 11 but before completion of year 12 face greater transition problems than earlier leavers. Possible explanations for this may be the lost years of work experience and the higher wages commanded than for younger leavers.
It is undeniable that education does play an important role in increasing the employment prospects of the young. The National Board for Education, Employment & Training identified that for those outside of education, unemployment is reoccurring and there is a greater likelihood of being trapped in involuntary part time and/or casual employment, with little training, limited career prospects and low pay (Biddle & Burgess 1999, p87). However, it is important to consider what forms of education are most appropriate. Decisions about work and education are not made independently of each other, and are likely to be affected by perceptions about the likelihood of finding work (Wooden 1996, p144). Penman (2004 p 24) found that amongst the LSAY cohort that were in year 9 in 1995, 80% of early leavers and 76% of late leavers said securing a job or apprenticeship was an important consideration when deciding whether to leave school, with around half saying it was the most important. For those that may remain in school only because of a lack of job opportunities, it may be more beneficial to engage them in vocational education or some form of on-the-job training that will better prepare them for their desired future careers than to push them into completing their secondary education.

The high importance of education as a determinant of a young persons’ success in the job market was confirmed in the job seeker interviews. A lack of education was a common thread for the majority of the young jobseeker interviewed as part of the study. Most of the interviewees did not complete their school certificate in year 10, either because they chose to leave early or because they were expelled. Mary, for example, performed very well in the early years of high school and was at the top of her classes. Towards the end of year 8, however, Mary’s family problems began to impact negatively on her schooling, with her grades and attendance spiralling downwards. Several months before she would have finished year 10, Mary left high school. As Mary recalled, “I couldn’t stand school anymore, I couldn’t deal with the teachers, I couldn’t deal with everything I was going through, it was just too much for me”. Now Mary believes that the hardest part of finding a job is that she has not finished her school certificate (year 10), although the fact that she has TAFE qualifications makes her a lot better off than other young people who left early.

Bernard was another young person who did not finish high school. He was expelled in year 9 after getting into a lot of fights with one particular student. At the moment, Bernard would like to get an apprenticeship, but cannot do so because he has not completed year 10. When asked what advice he would give to a young person today,
Bernard thought that the young person should “go all the way through school, then go for an apprenticeship straight afterwards,” advice which he has given to his younger brothers. John also thought that young people should stay in school as long as possible, explaining that “it just looks more presentable when you go for an interview, you’ve done year 10, 11 and 12, you’ve got these certificates, your more well spoken and they look at you more respectfully.”

These stories are typical of most of the young job seekers that were spoken to as part of this research. In some cases, the young person had left school early because of the impact of their social issues, in other cases they were expelled for bad behaviour. Regardless of the reason however, most of the young people expressed regret that they had not made more of their schooling opportunity, and found that their lack of education made it much more difficult to find employment.

2.2.2 Literacy and numeracy

It is well established that literacy and numeracy are fundamental to success in education, and in turn, future success in finding work. Tying in with the issue of education, it appears that one’s literacy and numeracy skills, regardless of whether secondary schooling is completed, has a significant impact on employability. The Smith Family Report on Youth Unemployment in Australia (2003) noted that an International Literacy Survey found that ‘employment and unemployment are strongly related to levels of literacy proficiency.’

This was certainly the case with Harry, a young person who was hampered in finding employment through an inability to read or write. Despite completing year 12 at high school, his poor literacy skills have proven to be a major barrier in undertaking further study and finding employment. He fell short of completing his RSA certificate at TAFE because it was difficult for him to read the test, although a complicating factor was that he was not informed of his entitlement to have the test read to him. Harry’s reading disability also limits the type of work that he can do, saying “I have never gone for a job that… you need to do a lot of reading and stuff… I have never applied to those types of places because I would be sitting here for ages [trying to read].”

An analysis of the LSAY results by Penman (2004) revealed that low level performers are at greater risk of leaving before year 11, with literacy and numeracy skills having the strongest impact on the decision to leave school early. Low level performers are also
more likely to be unemployed, to be unemployed for a longer duration, and to experience long term unemployment. In fact, respondents with the lowest levels of literacy and numeracy achievement had the highest levels of unemployment over all 5 years of the survey and spent more time in marginal activities.

Boese & Scutela (2006, p16) emphasised the importance of ensuring that young people are able to develop adequate literacy and numeracy skills, as those that do not face severely limited opportunities. They are less likely to complete secondary school or move into further education, and are at a higher risk of experiencing unemployment later in life.

2.2.3 Socio-economic disadvantage

There is mixed commentary as to the effect that socioeconomic status has on the labour market outcomes of young people. It is often cited as a major contributing factor to youth unemployment, limiting the opportunities open to young people. However, the LSAY only finds weak correlations between socioeconomic status and unemployment, when compared to other causing factors.

Marks (2006, p36) found Indigenous status and ethnicity to be the only socioeconomic factors that have at least a moderate effect on labour market outcomes, though there is extensive literature to the contrary. His analysis of the LSAY data found that the unemployment rate for youth from language backgrounds other than English was 15% in the first year after school, compared to 9% for those from an English speaking background. Young people within this socioeconomic group also had a higher incidence of part-time work. The impacts of Indigenous status will be discussed later in this review. Despite Marks’ (2006) findings, there is extensive literature to the contrary, arguing that many other elements of socioeconomic status impact the likelihood of experiencing unemployment.

Limited household income is believed to have a significant effect on labour market outcomes. According to Long (2006, p3), young people in low income households are less likely to be fully engaged in work or study than those in higher income households. The 2004 Household, Income and Labour Dynamics in Australia (HILDA) survey revealed that 60% of young people in households that earn less than $350 per week are not fully engaged in such activities compared to just 9% of young people whose weekly household income exceeds $1565. There are numerous possible reasons for this. The
Australian Council of Social Services indicated that there may be pressure on youth from low socioeconomic families to leave school early in order to earn an income to help alleviate household financial stress (Muir et al, 2003, p6). Long (2006, p3), on the other hand, noted that those from lower income families have less access to private transport, which limits their mobility and therefore their ability to engage in work or study.

Another consequence of low socio-economic status is that it influences the level of access that young people have to information and communication technology. Citing Zappala & McClaren (2003), the Smith Family Report on Youth Unemployment in Australia noted that the so called ‘digital divide’ between low and high income families includes access to and basic training in technology and technological content. Inability to access a computer at home or outside school can be disadvantageous to the education and labour market outcomes of young people (Boese & Scutela 2006 p30). Moreover, Long (2006) emphasised that this lack of access to information and communication technologies excludes these young people from a whole virtual commercial and social world, preventing them from developing or updating the skills required for employment in a wide range of occupations.

2.2.4 Access to public transport

Public transport was considered to be one of the most significant local barriers to employment or further training for young people by a wide range of respondents. Feedback from young jobseekers and their parents, employment service providers, training providers, government agencies and even employers suggested that availability and affordability of public transport are major issues – particularly in the southern suburbs of Wollongong, Shellharbour and Kiama.

The prohibitive cost of public transport stood out as a major issue for many of the young people that were interviewed. For Harry, the cost of public transport was excessive. After paying for rent and food, virtually no money was left to pay for transport. To travel to Wollongong and back home by bus would cost Harry $12, and to travel by train would cost him $8 for the round trip. The fares would have been cheaper if Harry was able to receive a student concession, but the combination of 3 days a week of TAFE, 1 day a week of job searching and 1 day a week of volunteer work did not qualify him for full time student status.
Another common scenario for the young unemployed is that often they have accrued thousands of dollars worth of fines from catching the train without a ticket. John found himself in this situation, saying “you should buy tickets when you get on the train... but its hard if you don’t have money.” He accumulated several thousand dollars worth of train fines and has no capacity to pay back the fines while on Centrelink payments. Unfortunately, John cannot get his driver’s license because the government will not allow you to have a license until you have paid off your fines, or have made several payments towards your fines. John believes that his lack of a driver’s license is a major obstruction to finding a new apprenticeship, because most employers in the industry want a worker who can drive. In John’s words, “everything requires that you have year 10 and a license...I don’t have a license and I don’t have year 10.” When he has applied for jobs, employers have told him “we really need you to have a license so we can give you a car to go out to worksites.”

When working in Sydney, John found that not being able to drive to work made working outside regular hours arduous. “When I was doing labouring, one time I was living in Primbee and I had to work at Roselands at 6 at night and finish at 2 in the morning. I walked all the way from Roselands shopping centre to Hurstville and waited till 5 or 6 in the morning [to catch a train] and then went home and that was crazy...There was too much travelling, I couldn’t handle it...It wasn’t worth it by the end of the night.” Now that he lives in Wollongong, it has become even more challenging to get to worksites in Sydney. As he explains, “I don’t know if I can get to the worksite because I don’t have the money or it might be too far away.” These transportation difficulties have stopped John from doing labouring work because the travel to distant parts of Sydney was ‘killing’ him.

2.2.5 Lack of networks or family support

The transition from school to work is very difficult for many young people – particularly those who have no (or very few) family or social support networks. One of the key underlying issues for many young people interviewed for this study who had found it difficult to find (and/or keep) a job was that they lacked adequate family or social networks to support them. Often it is the family or social contact that puts a young person in touch with a potential employer. In fact, the nature of word of mouth recommendation establishes a level of confidence and trust for both the young job seeker and the employer that is hard to establish through more formal recruitment
channels. Family support during the transition period can help a young jobseeker manage their expectations and emotions during what is often a challenging period. Moreover, for young inexperienced workers to reach their potential and succeed at work, having family and social support and mentoring can make the difference between ‘sticking it out’ or quitting when faced with the often confronting challenges of a new job.

The critical importance of family and social support networks is well demonstrated through the experience of a young person from the southern suburbs of Wollongong who was interviewed for this study. His experience is described in the case study below and is important because it illustrates the need for mentoring and guidance. It highlights the fact that, for early school leavers in particular, having to rely solely on one’s own skills and ability to convince a perspective employer to take a chance on them is an extremely difficult task. In fact, without mentoring and support from family or social networks, many young jobseekers are starting out at a huge disadvantage. This case study also highlights that, for many, the transition process can in fact extend for some time, with no obvious starting point or a clearly defined end - involving several steps back and forth between education or training and the search for work. As such there is a clear need for continued and long-term support so that young people can experience various options and make informed employment decisions.

**Case Study: Paul’s Story – the struggle to find work without networks**

Paul left school when he was 15 because he did not like the school environment and really wanted to work. His ambition was to go out and find an apprenticeship in a trade, as he liked working with his hands and liked “making and fixing things”. However, Paul did not realize how hard it was going to be to get an apprenticeship – or any job at all!

After writing to employers and responding to ads for nine months without success, Paul decided that his chances would be improved by completing a pre-vocational course at TAFE. He attended TAFE three days a week for six months and completed a pre-vocational carpentry course. Armed with his new qualification, Paul canvassed employers from Fairy Meadow to Gerringong, but without any connections through family or friends, he was forced to rely solely on his resume and ability to sell himself to employers. After another six months of trying to find work without success, Paul felt he needed to keep developing, so he returned to TAFE and completed a pre-vocational course in plumbing. Whilst doing the course, Paul managed to get two months work experience with a plumber and was hopeful of gaining an apprenticeship as a result. Unfortunately, the employer could not afford to keep him on, despite being very happy with his
attitude and ability. Paul spent many months after his work experience placement trying to find a plumbing apprenticeship but received “knock back after knock back”.

However, Paul was determined to succeed, leading him to go back to TAFE and complete a pre-vocational course in the electrical trade. As he puts it, “I’m not the sort of person to get down easily – I just figured I had to keep doing something.” While undertaking the course over the next six months, he managed to pick up casual work as a labourer at Bunnings. The work was good, but nothing permanent eventuated. After he finished his TAFE course, he got some casual labouring work at BlueScope through Edmen Employment Services. But then he was again unemployed for five months – getting a number of interviews, but never getting the job. Paul described his prolonged search as very stressful, both for him and his family.

“You really start to doubt yourself. I saw friends get jobs and it was mainly because they knew someone – like through family or a mate. I kept asking family and friends but nothing ever came up, so I was left just answering ads or just sending letters in hope.”

Finally, nearly three years after leaving school in Year 10, Paul got his lucky break. Ironically, a mate gave him a tip off that his employer was about to put on several carpentry apprenticeships. He got some information about what they were looking for from his friend and put everything he could into his application and preparation. After a nervous interview, he got the call a week later to say he got the apprenticeship. Ultimately, after periods of unemployment, training, work experience trials and sporadic casual work, Paul finally succeeded. His is a story of perseverance, despite having to achieve his goals the hard way.

*Alias used to protect the privacy of the respondent.*

The Smith Family report ‘Australian young people: their stories, their families and their post school plans’ (Bryce et al. 2007) identified the importance of family support in overcoming other barriers to successful post-school pathways into the labour market. Whether providing advice and guidance, or just love and encouragement, families play an important role in providing young people with a ‘safe and secure’ net while they try to prepare for and navigate through their transition into work.

The report, which analysed the post-school transition of a number of young people involved in the Smith Family Learning for Life program, found that parental support plays a significant role in adolescents’ career development. The youth involved in the case study, who all come from disadvantaged backgrounds, said that family and friends are a key source of information and support, particular as they are at a stage in their lives
when they are establishing values and aspirations, and need to begin making decisions about life beyond school (Bryce et al. 2007, p9).

The report demonstrated that a safe and secure set of relationships helps to instil the confidence in young people to freely explore post-school options. Citing Penick & Jepsen (1992), it was suggested that conflicting or disengaged families may have a detrimental impact on young people, as they attempt to navigate their way through school and work without support or encouragement.

This last point was borne out in the stories of the young people interviewed in the study. For many unemployed young people, family was not so much a support network as a burden. This was definitely the case for James, stating “I get stressed out because I got a lot of problems in my family... My mum always tells me her problems...It makes me upset sometimes. I just don’t know what to do.” James has a lot of anger from “watching my mum get bashed by my dad when I was kid...watching my dad get arrested, seeing my dad in jail.” James was also traumatized by his older brother’s heroin addiction and eventual death. “I watched my brother get on it [heroin] and get off it and get on it and get off it, and then he died. Just seeing my brother in the casket dead was the just the worst, the worst thing I’ve seen. I never want to go to another funeral in my life.”

In addition to this, James’s younger brother was recently in a fight which resulted in a serious head injury. His older sister is “hanging out with junkies” and using drugs herself heavily. James’s father and brother both have manic depression and James himself has been diagnosed with depression. All of these issues further complicate his attempts to find employment and lead a fulfilling life.

2.2.6 Welfare enclaves & the ‘entitlement mentality’

Youth employment prospects are connected to the experiences of family members. British research by O’Neill & Sweetmen (1998) found that in families where the father was unemployed for a prolonged period their sons were more likely to experience unemployment. They found that this relationship was a result of factors relating to unemployment such as poverty and poor education.

In some of the interviews, it arose that the parents of the interviewees had a low attachment to the workforce and had survived off Centerlink benefits for many years.
Ben’s mother and step father were one such example. His mother recently quit her job, after only several months, because she was not getting along well with her superior, with Ben commenting “that’s the first job I have ever seen her with.” His stepfather had suffered a back injury at work many years ago, for which he had received a workers compensation payout. Since this time, Ben’s stepfather has been receiving a disability pension and has not been working. Unsurprisingly, Ben has struggled to find employment himself, and is also totally reliant on Government support.

2.2.7 Homelessness

A report by the Brotherhood of St Laurence (Boese & Scutela 2006) emphasised the impact that inadequate housing can have on the labour market outcomes of disadvantaged youth. The definition of inadequate housing includes homelessness, insecure tenure, and overcrowded, unsafe or unhygienic housing. Without a place to live in security, peace and dignity, Australian youth are more at risk of experiencing worsening health, poor educational outcomes, reduced employment opportunities, discrimination and social exclusion, with some making the transition to chronic homelessness.

Homelessness or unstable housing was the standout issue for many of the job seekers that were consulted as part of the research. Many of the young people had undergone long periods of ‘couch surfing’, a slang term which means staying on friend’s (or basically anyone that will provide them with a place to stay) couches for weeks at a time until they were forced to move to the next house. Others were forced to stay in emergency accommodation provided by the Government or to rent costly motels.

Throughout Mary’s attempts to find employment and get an education, she has struggled with constant accommodation problems. For substantial periods Mary has couch surfed, but has also stayed at Treehouse accommodation and at a refuge in Bowral. Mary perfectly sums up why homelessness is such a problem for young people in their attempts to find employment when she says, “I need to find somewhere stable to stay before I even want to find employment... It’s a waste of time trying to find employment when you don’t even have a stable base to come from... and I know myself that I will get the job and it might be ok for a few days but in the end it won’t last.”
Mary described how she had been calling Crisis accommodation every single day for a long period of time, but that they were always full. There are only 6 beds available at the refuge, and Mary has yet to be able to stay there. She has become so desperate for accommodation that she even tried dressing up as a man so that she could stay at a man’s refuge. Mary explained that as a 17 year old, she is not permitted to access other forms of emergency accommodation, other than youth accommodation.

John experienced the severity of homelessness upon losing his apprenticeship. For the first several months, John was unable to access Centrelink benefits because he did not have a birth certificate. He recalls, “I had no money to get my birth certificate and no-one to help me,” with John also adding, “I sold my tv, stereo, everything…I sold everything I had”. When asked about how he afforded the basics such as food, John said “I used to starve sometimes for a week…not eat.” Eventually, John was assisted by St Vincent De Paul in tracking down his birth certificate, and six months after he had lost his job, John began receiving Centrelink benefits. He still did not have a place to stay however. He would move amongst his friends’ houses for “a day or two, sometimes a week” couch surfing, which “was really unstable.”

2.2.8 Drugs & alcohol

Drug and alcohol issues are a major concern with young people aged 18-24. Boese & Scutela (2006 p8) indicated that risky alcohol consumption has increased among Australian youth during the last 10 years, while those aged 18-19 years reported the highest incidence of illicit drug use (30.8%). The use of such substances by young people needs to be addressed, particularly given the identification of its role in social disruption and workplace problems. Indeed, drugs have a major impact on the well-being of young people at work but also in their family and broader social contexts.

The young people that were interviewed who had experienced drug and alcohol addictions led very traumatic lives and had little chance of finding employment, until they had overcome their drug and alcohol problems. Jenny left school early because of drugs. She wanted “anything that I could get my hands on,” taking drugs 7 days a week, including a range of hard illicit drugs such as ice, cocaine, ecstasy and speed. She describes how her daily drug taking made it like “watching your life from the outside” and that every morning she “would wake up in the morning and look for [her]
ice pipe". Jenny felt that it was impossible to get a job while she was on drugs and that this was obviously the main cause for her being unemployed.

However, Jenny has tried to overcome her drug addiction. Over the last 6 months she has been in counselling and has been off drugs for 6 months. During this time however, she has only recently been able to search for employment as drug rehabilitation is an all consuming process. When asked whether she immediately began looking for employment, she replied "no I've just been seeing my therapist and getting my life back on track." Even though Jenny has not taken drugs for 6 months and has begun searching for work, it is still affecting her employment outcomes. Jenny has found that she fails at the interview stage for part time jobs, because "I have no self confidence whatsoever since I quit drugs."

Sally was addicted to heroin and estimates that she took drugs every single day for almost three years. Before seeking help to end her addiction, Sally's drug habit was costing her $200-$300 per day. In order "to support it [drug use], we used to hock everything we had...It was his money, our dole money, whatever money we could get on the side." Sally managed to stay out of trouble with the police but her drug habit did affect her ability to work and study and pay for other essentials such as rent.

Sally and her boyfriend Thomas have stopped taking heroin and are currently taking prescription drugs to stop them from getting cravings and prevent withdrawal symptoms. Apart from one lapse, Sally has been clean for six months and intends to stay clean.

2.2.9 Criminal history

There is evidence to suggest that unemployment, combined with other disadvantaging factors, may result in youth engaging in crime (Smith Family, 2003, p10). Often young people start with petty crime and then move onto more serious offences. The justice system may provide first time offenders with rehabilitation, but when they are released into the community there is no support and often no prospect of employment. One case worker commented that in these situations, young people cannot cope with being out in the community again with no hope of getting any sort of job.

Stephanie’s chances of employment were substantially diminished as a result of her criminal record. She was convicted of robbery and assault for an incident that
occurred at Wollongong train station when she was extremely intoxicated. This led to Stephanie losing her full time job at a local hotel. Her criminal record has been a barrier for her ever since. When asked what she thought was the hardest thing about finding employment, she responded “having my criminal record, its very hard to get a job, they always look at your criminal record.”

2.2.10 Mental health and social stress

The LSAY study showed that young people not fully engaged in study or work are consistently more likely to have experienced stressful life events such as death, serious illness, alcohol or drug problems, mental illness and trouble with the police (Long 2006 p3).

The Brotherhood of St Laurence report (Boese & Scutela 2006) explained that poor mental health affects people’s ability to participate in schooling, working and socialising. According to Kessler et al (2005) adolescence and young adulthood are the peak periods for the onset of conditions such as depression, anxiety disorders, substance disorders and psychotic illnesses such as schizophrenia, with over 75% of serious mental health problems developing before the age of 25. Meanwhile, in his analysis of the HILDA data, Long (2006 p2) found that the 52% of youth who described their health as only ‘fair’ or ‘poor’ were less likely to be fully engaged in work or study, as were those with disabilities.

Long (2006, p3) identified that being a victim of a physical crime or in fear of crime is more prevalent among those not in full time work or study. The HILDA data revealed that 25% of those not fully engaged in work or study had been the victim of actual or threatened physical violence in the last 12 months compared with 13% of those who were fully engaged. Johnson (1996; cited in Boese & Scutela 2006) noted that fear of crime can result in serious curtailment of everyday activities, lost opportunity, and reduced quality of life.

Mental illness was a major issue for Christy, particularly while she was at high school where she was being bullied by other students. She recalls that “It impacted a lot, because I was unhappy, and therefore it got worse”. Often Christy would go to work feeling quite manic, were she couldn’t stop ‘buzzing’. “With work…if you are going through a state of manic-ness, you rock up to work, and you are hyperactive… all you want to do is stop, but you can’t and no-one else gets it.” At other times, Christy
experienced deep lows: “I have had times when I’ve been up all night freaking out, and then I have to go to work the next morning.” Christy has sought help for her depression, although her attempts thus far have been relatively unsuccessful. She has been treated by one psychologist for three and a half years who insists that she is fine, despite obvious evidence to the contrary. Christy’s mental illness damaged more than her employment prospects; it was also a major factor in her decision to leave home early. With her mother diagnosed with Parkinson’s disease, “putting a depressed person and a person with a newly diagnosed neurological disease in the same household in a mother daughter situation wasn’t working well.”

2.2.11 Previous unemployment

Penman’s analysis of the HILDA study identified that once young people experience unemployment, it becomes the factor most likely to lead to further unemployment in the future (2004, p50). This supports the theory of the ‘scarring effect’ that many claim haunts those who have been unemployed.

John’s case exemplifies the scarring effect. John was laid off from his job as an apprenticeship sprinkler fitter in his second year, along with five other apprentices. They were told that this was because there was not enough work at the time. Despite being indentured, John’s employers did not find him alternative employment. He underwent a long and tough period of homelessness and was not supported by the Centrelink system because he did not own a birth certificate. In spite of his best efforts, John has failed to find another apprenticeship and has only been able to find sporadic employment as a labourer. As a result of his hardship, John has been struggling with depression and this is causing a lack of motivation to find employment. His following comments illustrate this scarring effect perfectly; “being unemployed ends up sending you depressed…there’s a lot of issues”, “you’ve got nothing else to do, your sitting at home every day”, “I don’t have a very good self esteem at the moment... and motivation, which is sort of stuffing me up from doing good things” and “I just didn’t try anymore…its like there was just no point.”

The LSAY data revealed that post-school destinations are strongly associated with previous labour market experiences. Of young men unemployed in the first year after leaving school, 30% were still looking for work at the time of the interview in the second year. In the second and third years, that figure rose to nearly 40%. For females, it was
26%, 19% and 12% respectively (Marks 2006, p22). Marks (2006) noted that even though the proportion of survey respondents that were looking for work each year amounted to less than 10% of the sample, these young people in particular faced severe difficulties. The amount of time spent unemployed was excessively long, and Marks (2006) raised concern that long periods of unemployment are likely to have psychological repercussions that further hinder the prospects of future full-time employment.

Hillman’s (2005) analysis of the LSAY data found that young people who spend extended periods of time outside the labour force and full time education are at risk of missing out on employment experience, the development of work skills, and familiarity with new technologies. These place unemployed youth at a position of disadvantage compared to others in the labour market, reducing their chances of finding employment in the future. The longer the time spent not engaged in work or study, the more outdated any skills or qualifications become, and the further the chances of entering the labour force or full time education appear to decline (Hillman 2005, p23). Boese & Scutela (2006, p18) add that extended unemployment can contribute to non-economic consequences such as psychological distress, family breakdown and longer term poverty, which again increase the risk of further unemployment.

Marks (2006, p45) emphasises that obtaining a full-time job soon after leaving school is the best pathway to a successful and rapid transition to ongoing full-time work. Minimising the severity of youth unemployment requires a focus on helping the unemployed secure full-time work as soon as possible, rather than further education and training unconnected to the workplace.

2.2.12 Lack of previous work experience

Apart from getting a good education, there is also strong evidence regarding the importance of a positive early exposure to the labour market. The LSAY study showed that part-time work while at school was associated with higher levels of full time employment and substantially lower unemployment in the first year after leaving school. In fact, 58% of teenagers engaged in part-time work while at school found full-time work in the first year out of school, while 3% were unemployed, compared to 51% and 13% respectively for those that were not (Marks 2006, p33). The Smith Family report ‘What do students know about work?’ indicated that part-time work appears to
provide students with a clearer or more accurate picture of the world of work than if they had not been engaged in part time work (Beavis et al. 2005, p10).

For some of the young people interviewed, a lack of work experience was holding them back from finding employment. For instance, Jenny does not currently have the skills required to qualify for most employment positions and feels that you must have connections with employers to get a job. One particular concern that Jenny raises, is that employers always want juniors with a lot of different skills, which juniors are not going to have. For her, the hardest part about finding a job was “the skills that you need. They put it in the newspaper that they are looking for a junior, and they want all these skills that you are supposed to have, but you are not going to find a junior that can do all that.”

Damien found it difficult to find employment, partly because of a lack of experience actually working in the areas in which he is qualified. He has tried to find employment in pubs and clubs but has repeatedly been unsuccessful because he has no bartending experience. This he says is because “although I have my qualifications, no one has taken me on .... as they ask for people with experience.”

2.2.13 Lack of job search and preparation skills

Having a lack of job search and preparation skills has also been a significant factor in labour market disadvantage among young people in the Illawarra. It is particularly important in finding employment to have a basic repertoire of skills needed for job interviews, resume preparation, and job seeking capabilities.

Case Study: Glen’s Story - the benefit of mentoring & job preparation skills

Glen came to Wollongong from Geelong, Victoria, where he originally lived. Glen was a long term unemployed youth who had become very depressed and had tried to commit suicide. He decided to leave Geelong and come to Wollongong, where he had family connections. When he arrived, his family gave him free board whilst he was trying to find employment. Luckily for Glen, he had access and support through Sharon Cousins, who operates Ready Resumes – a business she developed to provide mentoring, job search and preparation skills to job seekers. Sharon offered to help Glen with his résumé, cover letters and phone and interview techniques, as well as his job search skills.

When Glen arrived in the Illawarra, he was shy and very depressed. He lacked literacy skills and had falsified his own résumé about his education, in order to get an interview or job. By listening and talking to Glen, assessing his skills and goals, researching his education and his limited work experience, Sharon was able to help Glen produce a new and far more effective résumé.
Just as importantly, Sharon acted as a mentor to Glen - developing vital skills such as verbal and non-verbal communication, interview techniques, and guidelines for how to dress for a job interview.

Sharon also helped him search for job opportunities suitable to his skill set. They selected fifteen Wollongong companies and subsequently “tailored” a cold calling letter and résumé for each. One local company was so impressed with Glen’s résumé and covering letter that they decided to give Glen a job without an interview.

All this was achieved within two weeks of Sharon helping Glen, who had gone from being part of the long term unemployed to having a secure job. Securing this position has allowed Glen to become more confident, provided him with self-esteem and most importantly, has given Glen a new hope and fresh start in Illawarra. He attributes the big turn around in his fortunes to the job skills and mentoring advice he received from Sharon: “They teach you a bit about how to get a job when you’re at school. But no one listened because it is the wrong time – for most of us, we just didn’t take it seriously because it wasn’t real...we were at school and finding work was something for the future. But when you leave school, that support just isn’t there – which is ironic, because that’s when you are really ready to listen. Sharon gave me the skills and know-how to be confident – I would still be unemployed and depressed if not for her support.”

Sharon Cousins now provides that support and advice to jobseekers of all ages through her own business Ready Resumes. She hopes to make a difference in many more young lives.

In contrast, James’s situation is such that his biggest barrier in finding employment is that he does not have a resume, which he points out, is essential to the process of actually applying for a job. As he explains, “I haven’t got a resume...I haven’t got a computer to do it on” and “I don’t know how to make a resume, I haven’t got a clue, I’m computer illiterate.” Without a resume, James does not believe that he can get a job, saying that “there’s no use for me really [applying]. If I just go up and ask for work then they just say no”. James is also confused about where he should be trying to find employment, as “my dad tells me Port Kembla, and my mum tells me Unanderra.” James’s case illustrates that for young unemployed persons, the most significant barrier to finding employment is that they lack the skills to apply for a job in the first place.

2.2.14 Unrealistic expectations about work

The report ‘What do students know about work?’ (Beavis et al, 2005) revealed that while most young people have an idea of what career they would like to pursue, many do not accurately comprehend the pathways to attaining such work, let alone the availability of jobs in the market.

The survey of over 3000 students involved in the ‘Learning of Life’ program indicated that only half of students had planned the correct level of education or training required for their preferred job. In all, 27% had planned an inadequate level of
education, while 23% had planned in excess of what was required. These findings are supported by the qualitative evidence of the study ‘Australian young people: their stories, their families and their post school plans’, in which students stated that familiarity with the tertiary enrolments process was minimal, with many finding the array of courses confusing and consequently resorting to a trial-and-error method of choosing a course (Bryce et al. 2007, p5).

The results of the ‘What do students know about work?’ study also indicated that the proportion of students aspiring to higher level occupations, such as professionals and associate professionals, was higher than the proportion of jobs available in the market. Similarly, there were a disproportionately high number of students wanting trade jobs. On the other hand, there was a shortage of those aspiring to lower level jobs, such as clerical, transportation and labourer occupations, in relation to the market (Beavis et al. 2005, p6).

The results of the study suggest that students need more employment related information to better grasp the availability of jobs in the labour market and the appropriate qualifications to gaining entry into those occupations.

2.2.15 Disability

Disability is also a major barrier to employment for young people and suitable support in education, finding a job and working through the complexity of the social support system can sometimes be difficult and challenging. As the ABS (2006) notes, the age group 18 to 24 years is the period when children generally move from being dependent on their parents to living independently. While some children not residing with both natural parents may be living in the care of other families, many are living on their own, in group households or starting their own families. However, during this time, the continuation of material support from parents is often important in helping them establish their independence.

In terms of young people who have a disability aged 18-24, support was needed in some of the following areas: money to pay bills or debt (30%), money to help pay rent and housing costs (21%), money for food (19%), transport (16%) and paying for educational expenses (15%).
Mary suffers from sleep apnoea, which means that she is forced to sleep for longer periods to get the required amount of rest. She described it to us by saying “when everyone else sleeps, they go into twice as deep a sleep as I do, so I need twice as much sleep”. This disability clashed with her capacity to work at a food store in Wollongong mall. As part of the job, Mary had to get up early every day to make the food for customers. This was a problem for Mary, saying that “I couldn’t deal with it, I was full stacking out at that point because I couldn’t even sleep”. Eventually, she stopped working at this store on the advice of her doctor.

2.2.16 Indigenous background

Indigenous status is consistently recognised as one of the most significant factors influencing labour market outcomes. Although the sample of Indigenous youth was small, Marks’ (1996) analysis of the LSAY data found that in the first year after leaving school nearly 17% of the Indigenous group was looking for work compared to 9% of the non-Indigenous group. By the fourth year, the gap had widened with figures of 18% and 6% respectively (Marks 2006, p27).

A report by the Brotherhood of St Laurence (2006, p16-17) indicated that Indigenous students were over-represented in the lowest categories of mathematical proficiency, and also scored poorly in reading and scientific literacy and problem solving. Indigenous students were half as likely to complete year 12 as non-Indigenous students (approximately 40% compared to 77%), while less than one quarter had access to the Internet compared to 60% for the proportion of all youth.

The poor literacy and numeracy skills apparent within the indigenous population are illustrated by the experiences of Damien. Damien is unable to read or write, a factor he believes is largely responsible for him being unable to obtain employment. For instance, in addition to the fact that most jobs need the employee to have a minimum ability to read and write in order to perform their job correctly, he is unable to write up even a resume to apply for jobs. As he said, “I have a lack of reading and writing skills, which I am trying to work on at the moment before I can look for a proper job, as no one will take me on otherwise.” After years of pursuing qualifications and searching for employment, Damien is still unemployed, and this is probably in large part due to his poor literacy skills.
Discrimination may also play a part in the labour market outcomes of indigenous people. For instance, the Community Development Employment Projects programme, which Damien is a part of, has specifically set up mainstream training courses in areas such as bricklaying. The courses can include both indigenous and non-indigenous people, in order to remove negative perceptions and biases about working with Aboriginal people. This approach has been very successful, with discussions with the employment service provider revealing that when “the non-indigenous people come here, sometimes they have Aboriginal supervisors who, for some people, find it a real role reversal and are uncomfortable with it, though they leave here realising there’s no difference (between indigenous and non-indigenous workers).”

2.2.17 Young refugees & non-English speaking migrants

According to figures from the Department of Immigration, 78 per cent of refugee youth are unemployed for a minimum of eighteen months after arrival and four years later, some 34 per cent remain unemployed.

Case Study: John’s Story – the challenges facing young refugees in finding work

What strikes you first about John is that, despite the many serious challenges he has already faced in his 21 years, he has a resounding optimism about virtually everything in his life – everything, that is, except his employment prospects.

Born in Sudan, John and his family had to flee the terror of extreme violence and bloodshed in his home country before he was old enough to attend school. Whilst trying to escape to Kenya, his father, two older brothers and many other family members were brutally murdered – victims of the racial genocide that took place during the mid 1990s. John’s mother Ann says that the impact of these shocking events still haunts the entire family.

Most of John’s early childhood memories are of his time in refugee camps in Kenya. It was there that he learnt the basics of the English language. Although he liked school in the Kenyan camps, John was not particularly focused on his education, as his primary concern was daily survival. After seven years in Kenya, John’s family was granted asylum in Australia. They settled in Wollongong and, whilst provided with what John’s mother has gratefully described as “extremely generous” support from the government in so many areas, they still felt a very real sense of social isolation and cultural disconnection. John was enrolled in the local intensive English learning centre. Although he had learnt some English in Kenya, the reality of moving to an English speaking country posed significant challenges. After completing the one year course, he was enrolled in a local high school in Wollongong and commenced his formal education in Australia. His command of the English language, whilst getting better by the day, was still relatively weak when it came to understanding what was being taught in the class room. After being provided with an English as Second Language teacher for support, John started to progress in his studies.

By the time John was nearing the School Certificate, the constant challenge of language barriers was having a negative impact on his studies. However, his mother was reluctant to agree to John leaving school, encouraging him to keep studying in the belief that by furthering his education, he would be in a stronger position to gain meaningful employment. He stayed on at
school and completed elective subjects of personal interest, such as Industrial Technology and Design with vocational studies at TAFE. By Year 11, John had decided to apply to study full time at TAFE, with the goal of becoming a qualified motor mechanic. This gave him the motivation to stay on and finish his Higher School Certificate – an achievement he and his family were rightfully very proud of.

After completing the HSC and waiting to see if his application to TAFE was successful, John began searching for what ever work he could get. As he put it, he was “prepared to work anywhere and do anything; I just want to get a job”. Initially, John wasn’t really sure what to do, so he simply started canvassing local businesses using a door knocking approach. Despite approaching dozens of businesses, he was unable to gain interviews with any of them. He was told by a few supermarket chains that he could leave his details and be added to a waiting list, but no indication was given as to when he may receive a call for an interview, with one recruitment manager telling him that ‘sometimes it can be years’. He described this period as a very hard time for him personally – filled with self doubt and a sense of hopelessness. After six months of trying to find work, John was finally able to get his first casual job as a pizza delivery driver. He had this job for a few months, but the late hours and marginal financial reward meant this was not a feasible long term employment option.

John started make use of various employment resources such as Centrelink - looking for jobs via the Job Network, and IMS (Illawarra Migrant Service – who provide assistance with job applications, resumes etc). However, despite his intensive search efforts, John remained unemployed for a further nine months. He attributed his lack of success to his inexperience, lack of formal qualifications and his moderate English language skills. Another key factor is his poor social network: “I see some of my school friends who have found work…they know people they can ask for a job”. Without a robust social network, John feels he is fighting an uphill battle to gain ongoing employment.

Within the Sudanese community in Wollongong, many young men have had move to places where suitable work is available - moving to places like Sydney, Brisbane, Adelaide or Wagga Wagga. Upon hearing about the success of others in his community, John decided to try his luck in other regions. He was optimistic that with the benefit of friends and relatives in employment, he too may get work where they were. After a series of introductions by family members, John gained casual employment in several roles including fruit picking in regional NSW, meat processing in Wagga Wagga and Sydney, and labouring in a poultry business in Brisbane. Although relieved to have found work, this also caused many difficulties for his family. John was the only family member with a driver’s license and car, leaving Ann and the rest of his family struggling to get small children to and from school, pick up groceries and get on with daily activities since John has left. He is disappointed not to have been able to find work in his local area and thus be able to stay living with his family.

Whilst working outside the Wollongong region, John received the encouraging news that he has been accepted into an educational scholarship program, dependant on his acceptance into TAFE. If successful, John will return to Wollongong and further his education. He is hopeful that with formal qualifications behind him, his next search for employment will be a swifter, more positive experience.

* Aliases have been used to protect the identity and privacy of respondents.
3 Responses to youth unemployment to date

3.1 Government Policies & Programs

There are currently a number of government policies and programs addressing youth unemployment in the Illawarra. The policies and programs in place are extensive, with a range of initiatives undertaken. These are discussed below in the following sub sections.

3.1.1 Apprenticeships & Traineeships

Although apprenticeships were traditionally a very common passage into full time work for early school leavers, there has been a well documented decline in the number apprenticeships available for young people over the last decade. An analysis of the LSAY data by Marks (2006, p24) gave an indication of the strong positive impact apprenticeships can have on the labour markets outcomes of Australian youth. The survey revealed that those that had completed an apprenticeship or traineeship were more likely to be in full-time work at the age of 21 years. In fact, the incidence of full-time employment for such youth was 25% points higher than the overall sample.

Recognising the importance of apprenticeships, the Federal Government established the New Apprenticeships program, now renamed Australian Apprenticeships. It is designed to help young people into a paid pathway to full-time work, by providing training, experience and guidance. Those involved in Australian Apprenticeships may also be eligible for financial support from the government, including Commonwealth Trade Learning Scholarships and Tools for your Trade Initiative payments. The program also aims to make taking on a apprentices more attractive to employers by offering financial incentives and flexible programs, such as Group Training for small to medium enterprises. The DEST administers an Australian Apprenticeship Access Program to help disadvantaged youth make a more successful transition into apprenticeships.
Locally, there has been a renewed focus on generating apprenticeships, which is reflected in both the number of new apprenticeships and traineeships being created over the past few years. Figure 33 illustrates this trend, showing that the number of new apprenticeships and traineeships has increased markedly over the period 1999 to 2006, with the number of apprenticeships doubling over that time.

**Figure 33**  
Trends in new Apprenticeships and Traineeships within the Illawarra

![Graph showing trends in new apprenticeships and traineeships](image)

*Source: Australian Industry Group (2008)*

Although the number of new apprenticeships and traineeships has grown throughout the Illawarra, they are concentrated within Wollongong, with 74.6% of apprenticeships and 78.3% of traineeships located there. Only 17.8% of apprenticeships and 17.0% of traineeships were located in Shellharbour, and 7.6% of apprenticeships and 4.7% of traineeships were located in Kiama. These figures are not surprising, due to the much larger population and industry base within Wollongong when compared to both Shellharbour and Kiama.
The industries which offer apprenticeships differ to those industries which offer traineeships. Apprenticeships are primarily located in production based-industries, with the building and construction industry offering 28.5% of all apprenticeships in the Illawarra, the highest of all industries. The automobile (15.9%), food (14.0%) and
manufacturing and engineering (14.0%) industries also provided a substantial proportion of the new apprenticeships. Traineeships on the other hand are primarily located within service based industries, with retail and wholesale trade offering 22.8% of all traineeships, the finance, insurance and business services industry supplying 19.0% and the communications industry providing a further 13.2% of traineeships in the Illawarra.

**Figure 36  Apprenticeships in the Illawarra by industry**

![Bar chart showing apprenticeships by industry](source: Australian Industry Group (2008))

**Figure 37  Traineeships in the Illawarra by industry**

![Bar chart showing traineeships by industry](source: Australian Industry Group (2008))

Within the Illawarra there has been growing concern about the decline in skilled trades people and the need to have youth focused programs in place to address this issue. The Illawarra Industry Apprenticeship Project administered by the Illawarra Business Chamber aims to develop appropriate skills, work ethic and job matching capabilities in young people. The main aim of the program is to re-engage employers in the provision of trade training, whilst creating a pathway into trade apprenticeships for young people throughout the Illawarra.

The Illawarra Business Chamber notes the importance of:

- Gaining motivated, skilled staff who have successfully completed the trade relevant pre-vocational courses at TAFE
- Advice and assistance on the process of employing an apprentice as well as advice on the range of government financial incentives
- Apprentices requiring to spend less time away from work at TAFE, particularly in years 3 and 4 of their apprenticeship and;
- Helping reduce youth unemployment in the Illawarra

Previous apprenticeship projects have achieved immense success with over 300 young people already placed in apprenticeships in the Illawarra over the past three years. In particular, the program was very successful between February 2006-February 2007 with a further 113 apprenticeships placed in bricklaying, horticulture, child care, automotive, hair dressing, electrical, aged care, commercial cooking, panel beating, painting, carpentry and joinery, engineering fabrications and marine craft construction.

The Project will also provide those who may be currently unemployed, looking to re-train or are at risk of disengaging from school with the necessary skills to improve their job readiness. Thus, the Illawarra Industry Apprenticeship Project provides a good start for brighter futures and furthermore, addresses the high youth unemployment rate in the region whilst assisting employers train the next generation of skilled tradespeople (Illawarra Business Chamber 2008).
In attempting to address these skills shortages, the Illawarra Institute of Technology (TAFE) has developed a number of vocational courses to meet the needs of young people. These are operated at the pre and post vocational levels. Some of these courses such as the carpentry, electrical and welding trades are attracting high enrolment numbers each semester with 70-80 applicants per course. Discussions with the Faculty Director of Trades and Technology courses indicated that apprenticeships have become more competitive in recent years with more young people applying who have higher levels of education than previous years.

Both the Illawarra Institute of Technology (TAFE) and Illawarra Technical College (ITC) have endeavoured to address skills shortages in the local economy by working with employer groups to develop better work placements for young people. This is particularly important when it comes to the demand and supply of apprenticeship needed in the Illawarra and for maintaining appropriate balances in skills shortages, education and employment. There is also two new proposed Trades School in Shellharbour and Wollongong scheduled to open in 2009 with the aim of increasing more school-based traineeships and apprenticeship opportunities.


Work for the Dole is a mutual obligation program that requires those receiving Youth or Newstart Allowances to become involved in work placements in order to receive the full benefit. Originally established as a measure to address youth unemployment, the program is designed to develop skills and gain work experience while in periods of unemployment. Participants are paid an extra $20.80 a fortnight, and expenses such as training and protective clothing are provided for. Another benefit of the program is that it keeps unemployed persons engaged with the community at large, minimising the social exclusion that can arise from unemployment (Centrelink, 2007). Participants that complete at least 155 hours of Work for the Dole may also qualify for Training credits of up to $800 that can be used for further skills development (DEWR, 2007).

3.1.3 Youth Pathways [http://www.careeradviceaustralia.gov.au/youthpathways/]

Youth Pathways is an initiative by the Federal Government to help young people at risk of leaving school early and likely to encounter problems in the transition from school to work. It provides personalised assistance to early school leavers, supporting and guiding
them in their attempts to overcome barriers to education, work and training (Centrelink, 2007).

3.1.4 Job Placement, Employment & Training Program (JPET)


The JPET program is targeted towards young Australians between the ages of 15 and 21 years who face barriers to work and community engagement. These barriers may include homelessness, mental illness, drug abuse and domestic violence. The program aims to help these youth participate in activities such as education, vocational training or work. It also assists in reaching specialist social services and increasing the engagement of these young people in the community at large (DEWR, 2007).

3.1.5 Personal Support Program (PSP)


The Personal Support Program provides up to two years assistance to people on income support. The program targets people with multiple non-vocational barriers, such as drug and alcohol abuse and mental health problems, who are finding it difficult to get a job. The program began in 2002. Services and support available through the program includes counselling, referral and advocacy. (DEWR, 2007).

3.1.6 Green Corps http://www.greencorps.gov.au

This is an environmental training program open to people between the ages of 17 and 20 years, though they do not need to be on income support or registered as unemployed. Those involved in any of the 174 projects across Australia receive a participant’s allowance.


Though not specifically targeted at youth, the Job Network is a Government initiative designed to network private and community organisations dedicated to finding work for the unemployed. It provides information, referral services and employment self-help facilities.
Two services administered by the Job Network are Job Search Support and the New Enterprise Incentive Scheme. The JSS gathers job vacancies from employers and matches them to registered job seekers. The NEIS, on the other hand, is a DEWR self-employment programme, which tests the viability of independent business ideas of unemployed persons, and provide training and support they may need to start up their own businesses (Centrelink, 2007).

3.1.8 Work Experience Placement Program (WEP)


WEP was introduced in 2007 to provide participants in programs such as the Job Network to gain skills and experience through job placements. Work experience placements can run anywhere between one and eight weeks, with the Australian Government providing personal, public and product liability for the duration of the placement. While participants are not paid by their host organization, the host is required to provide adequate training. To qualify to be a host, organizations must be in a position to offer on-going employment (DEWR 2007).

3.1.9 Community Development Employment Projects (CDEP)


CDEP started in 1977 as an alternative to unemployment benefits for the Indigenous community. A voluntary program, it is now the largest Indigenous program in the Commonwealth with over 32,000 participants. The program aims to provide participants with skills, training and employment opportunities. As at 2004, CDEP accounted for a quarter of Indigenous employment. Other goals include empowering Aboriginal and Torres Strait Islander people to make decisions about the development of their community, and the restoration of cultural integrity to these communities (DEWR 2007). CDEP is an important program, given that the Indigenous population is consistently identified as at risk of unemployment and other social disadvantages.
3.1.10 Indigenous Employment Program (IEP)


The IEP is a multi-faceted program with the aim of improving the labour market outcomes of Indigenous job seekers. IEP is responsible for the CDEP Placement Incentive, which makes payments to CDEP organizations for each participant placed in employment and off CDEP payments, as well as the Structured Training and Employment Project (STEP). STEP provides flexible and tailored funding to assist employers to create quality job opportunities for Indigenous Australians. This funding can cover training, mentoring, employment costs, and the development of Indigenous employment strategies. STEP funding is contingent on the requirement that these opportunities continue after the financial assistance ends. The Aboriginal Employment Strategy (AES) assists job seekers to prepare for, gain and retain work, while the National Indigenous Cadetship Project (NICP) links Indigenous students that are undertaking diploma, advanced diploma or undergraduate degree courses with employers that can provide mentoring and work experience, as well as employment opportunities upon the completion of studies. Another important program within the umbrella of IEP is the Indigenous Youth Employment Consultants (IYECs). This consultancy service, which is linked with the Job Network program, is designed to provide personalized support to Indigenous teenagers who are at risk or have already become disengaged from work or study in order to improve their education and labour market outcomes (DEWR, 2007).


Centrelink also provides the LLNP to help disadvantaged persons increase their chances of gaining employment by improving speaking, reading, writing and basic mathematical skills. Those eligible to participate include Newstart and Youth Allowance recipients, registered Jobseekers, and JPET participants (Centrelink, 2007).


The Harvest Trail advertises opportunities for job seekers to become involved in seasonal employment in the Australian fruit growing industry. Though requiring a high level of labour mobility, the Harvest Trail provides information to job seekers about where and
when such work is available, as well as other ancillary matters such as accommodation and transportation (Centrelink 2007)


The NSW Department of Education and Training designed the Links to Learning program to support young people aged 12 to 24 years who have left school early or who are students at risk of leaving school early. The program is delivered across NSW, and aims to keep potential early school leavers engaged in education and those who have left early to re-engage in formal education or training. Community organisations and councils can apply for funding assistance for programs that deliver education and training activities to young people. The goal of these activities is to develop key skills and abilities in personal planning, goal setting, time and resource management, communication, learning to learn, processing information, problem solving, developing cultural understanding and using technology.

**Non-Government Programs**

A review of the available literature also uncovered a wide range of non-government programs operated by welfare agencies and community organisations. It was not possible to cover all existing programs for this review, however, a selection of prominent services and programs are described in the following sub sections.

3.1.13 Youth focused programs happening in the Illawarra

**Shellharbour Beacon Program** [http://www.beaconfoundation.net/](http://www.beaconfoundation.net/)

The Shellharbour Beacon Program is modeled on the No Dole Program founded by the Beacon Foundation in Launceston in 1995. The program is aimed at supporting school leavers in their transition from school to the workforce, and has had considerable success in reducing the number of students becoming unemployed. The program has achieved this through:

Establishing partnerships with:

- local businesses to provide opportunities for school leavers through workplace mentoring, work placement and employment, and
• tertiary education providers to maximise participation in post school education and training.

And facilitating:

• No Dole Pledge Days which commit students, teachers, parents, representatives from educational institutions and local businesses to supporting young people in their transition from school to the workforce

• The implementation of the School to Work Program developed by Oak Flats High School.

A co-ordinator is also employed on a full-time basis to establish the program across Shellharbour City, involving the High Schools at Warilla, Albion Park and Lake Illawarra. The Shellharbour program has been such a success that it is being rolled out in high schools in the Wollongong local government area.

The Smith Family’s Learning for Life

Learning for Life is an initiative by the Smith Family to improve the education and labour market outcomes for disadvantaged youth. There are four elements to the program: financial scholarships, personal support, personal development, and literacy skills. A Learning for Life scholarship provides students with financial assistance for educational expenses such as tuition, books and uniforms, as well as access to a support network of tutors, mentors and advisors. Figures from the Smith Family indicate that it has helped over 48,000 disadvantaged students since the program’s inception in 1998, and currently assists more than 26,000 students in over 80 Australian communities. Feedback from past and present participants indicate that the program has had a positive influence on ‘at risk’ youth, with school retention rates rising (The Smith Family, 2005).

3.1.14 Youth focused programs happening elsewhere

Transition workers

Many young Australians, particularly those that leave school early, struggle to successfully navigate through the transition from school to work for a number of reasons. The role of a transition worker is to provide early school leavers with intensive,
individual support so as to arm them with the necessary information and preparation to improve their labour market outcomes. Based in schools, but through a joint effort with local community groups, transition workers manage students at risk of leaving school early on a case-by-case basis, providing mentoring and assistance to help these students make positive and guided decisions. The Transition Worker Review found that transition workers have been very successful in guiding students into apprenticeships and TAFE courses. Support for these youth continues after they have left school.


Plan-It Youth mentoring is an initiative by the Dusseldorp Skills Forum. The program canvasses mentors from the community, trains them in a custom-designed TAFE course, and links them to potential early school leavers in need of guidance. By establishing a one-on-one relationship between mentor and student, the mentor is able to assist the student with goal setting and making sure that they have all the relevant information needed in order to pursue those goals. The young people that have been involved in the program have indicated that they felt the support was invaluable, while mentors have noted the increased confidence of students after completion of the program.


GTOs employ apprentices and trainees, placing them with businesses that can provide the necessary training to complete their training programs. Given the reluctance of some small to medium firms, as well as though with volatile periods of productivity, GTOs provide employers with an opportunity to take on an apprentice or trainee without the burden of a three or four year commitment. When a host employer can no longer support the apprentice or trainee, the GTO will organize placement with an alternate host. From humble beginnings in the 1970s, GTOs now employ around 42,000 apprentices and trainees, which amounts to approximately 13% of the nation’s total. There are currently over 150 GTOs recognized by the various State and Territory Authorities. In 1992, Group Training Australia was established to promote the expanding interests of GTOs across the nation (GTA, 2006).

Concern about the labour market transitions of Australians, particularly ‘at risk’ youth, extends beyond merely pursuing the best outcomes for apprentices and trainees. GTOs play a larger role in the broader community, actively working in various partnerships to
deal with many labour market issues. GTOs have strong relationships with industry and employer networks, providing services that can aid increases in productivity. GTO groups have also worked with governments to address the pressing issue of skills shortages. GTOs also provide Student Support Services, to assist students navigate through to various post-school options. The GTO network aims to not only act in response to decisions about the nation’s employment issues, but to become a key voice in the decision-making process (GTA, 2006).

Illawarra Group Training (IGT) is the region’s GTO. Based in Unanderra, it services the Wollongong Statistical Region, as well as Shoalhaven LGA. IGT specializes in engineering fabrication, electro technology systems, mechanical engineering and electrical trades (HVTC 2007).

IT Scholarships http://www.dsf.org.au/

The city of Salisbury in South Australia was hit hard by the decline of the manufacturing industry, resulting in high levels of unemployment. Realising the need to move into “new” economy jobs, the Council identified that many businesses found advanced Microsoft Office skills to be a prominent need. So the City Council and the State Government began to co-contribute to scholarships to help unemployed persons who can’t afford the fees for ICT courses. The program is designed to incorporate learning with work experience. While the Council and State Government jointly contributed $3000 per scholarship, each recipient was required to put in $500, which was considered important to gauge commitment. The payment could be provided as a deferred low interest loans if needed. Despite the demanding nature of the program, overall the results were quite high. According to the Dusseldorp Skills Forum (Larcombe, 2002, p12), of the first round of 15 scholarship recipients, four have attained full-time jobs, four have gained contract work and two are working part-time. Six have embarked on further education and training, while five are involved in volunteer work.


The Slingshot program was started in Melbourne in 2001 to assist disadvantaged young people that are interested in running their own business. The program targets 18-24 year olds that face barriers to education, training and employment. The program involves an initial 10 weeks of small business training (comprised of modules from various TAFE certificate courses) and mentoring. After an assessment of the business idea by a
review panel of business people, participants have access to case management, business mentoring and networking with other young people for the remainder of the twelve month period, as well as the opportunity to help fund their ventures through low-interest loans (Bedson, Fukushima & Macdonald, 2004).

At the inception of Slingshot, just over half of participants were early school leavers. 57% were unemployed and not in any form of study or training. A number were also underemployed or employed in insecure work. By the completion of the program, 72% of the young participants were either self-employed, in full-time employment or in education (as well as combinations of these), and were not receiving income support payments from the government (Bedson, Fukushima & Macdonald, 2004, pi-ii).

3.2 Future solutions – stakeholder perspectives

3.2.1 From the employer perspective

An online survey of employers in the region was conducted to explore the views of local businesses on the youth unemployment problem. A substantial number of employers were of the opinion that youth attitude was a significant cause of high youth unemployment. Typical responses by employers in the open ended questions were comments such as “youth not interested in working”, “want to run the business before starting at the bottom” and “bad attitude”. Another frequent response was that youth lacked the skills or education required to be employed in some businesses. Many employers stated that a “lack of training” and “lack of education” were a major cause of the problem. Some employers were of the opinion that there were no jobs available for young people with comments such as “insufficient apprenticeship and traineeship opportunities” and “limited entry level jobs”. Another prominent concern of employers was the size and easy access of welfare payments from the government. Employers complained that it was “too easy to get other benefits” and that there was “no incentive to work, the government would provide [for them].” Other potential causes conveyed in the responses were social issues, a lack of experience and a lack of interest in the jobs that are available.

Most of the businesses surveyed (72.3%) had employees who were between the ages 15 to 24. Those businesses who did not hire young workers were asked to explain if there was any particular reason why this was the case. A big factor was that youth did not
have the skills and experience to work in these organisations, with one employer responding that “there are no skilled people in this age bracket”. Some employers saw young people’s attitudes as the reason why they do not hire youth. Another reason mentioned by several employers was that they preferred more mature staff, particularly because they had a relatively low turnover rate in comparison to youth workers.

Over two-thirds of businesses were aware of subsidies and wage assistance for employing young people. When prompted for what specific subsidies and wage assistance were available however, employers only tended to know of subsidies specific to apprenticeships and traineeships.

Employers were also asked whether anything could be done to encourage them to hire more apprentices and trainees. Generally, Wollongong’s employers were looking to make the hiring of apprentices and trainees more affordable. As such, employers suggested for government to provide financial assistance through a tax deduction, training assistance, subsidised wages or a refund on workers compensation costs. There were a range of other suggestions made by employers including better pre work training, better profiling of applicants, external mentoring, incentives for young employees to stay on after training and a higher apprentice wage.

One on one interviews were conducted with three of the Illawarra’s largest employers of young people to explore their perspectives on the youth labour market. Those interviewed were the General Manager of The Illawarra Mercury, the Organisational Development Manager from Wollongong City Council and a Director from D&D Employment Services. The interviews produced very similar responses to the survey results. Employers have a strong perception that young people have a poor attitude and work ethic. Typical criticisms were that young people viewed working as a right and not a privilege, that they expected higher pay and more rapid advancement and young people abuse sick pay and other entitlements.

Despite this perception of young people, all the employers interviewed offered entry level positions to school leavers. Wollongong City Council believe that they have a moral responsibility to offer entry level positions, and their latest collective agreement states that every second position must target under 21’s. They offer entry level positions in labouring, garden maintenance, truck driving and civil construction, and traineeships to become librarians and clerics. There are entry level positions available at the Illawarra Mercury in sales and circulation, although journalists are now sourced entirely
from the university. D&D Employment Services offered both traineeships and apprenticeships to school leavers.

One employer believed that providing entry level positions is too difficult for many employers in the current tight market. Trying to provide entry level positions can be more costly and reduce the competitiveness of the business. He gave the example that his business had recently trialled four young people before finding a suitable apprentice mechanic. A lot of business could not afford the extra time and resources it took to find this apprentice.

One employer also felt that businesses must be wary of many prospective employees. He has found that many young people who apply for positions at his business do not actually want to work, but rather, are being forced to look for work to continue receiving their Centrelink benefits. When offered a position, they make up false excuses so that they do not have to work. Another threat to businesses is employees who actively seek out the opportunity to make a workers compensation claim.

Wollongong City Council has had difficulty attracting applicants for positions suitable for young people at the council. The council recently contacted many different schools in Wollongong offering ten positions made available specifically to young Indigenous people, but there were only two suitable responses. Applications for work experience, and apprenticeships and cadetships were also well down. In the last round of recruitments only ten young people applied for fifteen apprenticeship and cadetship positions. The council has also been disappointed with the number of applicants for the school work experience program.

At one stage Wollongong City Council would recruit through Wesley Mission, but found that the applicants they tended to receive were long term unemployed and not suitable for the positions.

Employers felt that school did not prepare young people properly for their working life. School plays a large role in building up school leavers expectations, giving them the attitude that they ‘want it now but are not willing to work for the wage’. The relatively high expectations that many young people have of work results in a diminished level of job satisfaction. Employers endorsed the Beacon Program as an effective way of providing students with interview skills, life skills, build their confidence and show them how to engage with people.
The employers were of the opinion that Government could help businesses employ more young people by offering cash incentives and by offering wages relief such as payroll tax incentives. One employer went as far as saying that it should be cost neutral for businesses to hire young people in entry level positions. On the other hand, one employer argued that there is already adequate funding for entry level positions but that the communication of these funding opportunities is lacking. For small businesses in particular, which do not have a human resources department, it is hard to tap into these sources of funding. Another suggestion was to raise wages for trainees and apprenticeships to better meet the expectations of young people.

Employers suggested that Government must improve the transportation system around Wollongong, possibly through a light rail service. One argued that transport fares should be lower for trainees and apprentices because their wages are low. Another suggestion was to improve the train service to Sydney.

3.2.2 From the jobseeker perspective

The youth interviewed viewed the cost and availability of public transport as a substantial barrier to employment. The main issue discussed was that young unemployed people couldn’t afford to pay for train tickets. Many caught the train because they needed to travel into Wollongong to find employment, to attend Job Network appointments or to go to Wollongong TAFE. This resulted in the accumulation of thousands of dollars worth of train fines, which they had no hope of paying back. Many found themselves in a catch 22 situation because they could not find employment without a driver’s license. Indeed they could not get a driver’s license until they had begun paying back their fines, and typically could not afford to do so until they had found employment. This situation was fairly typical.

The obvious solution is to provide subsidies to young unemployed people for public transport travel. One possibility is that Centrelink could provide rebates for train or bus tickets when they were purchased so that the young job seeker could travel to a job interview, job network appointment or for education purposes.

A lack of available housing for young homeless people was also an issue that was discussed in the job seeker interviews. Young unemployed people have almost no chance of finding employment until they have a stable residence. Mary summed it up best when she responded in an interview that “I need to find somewhere stable to stay
before I even want to find employment... It’s a waste of time trying to find employment when you don’t even have a stable base to come from... and I know myself that I will get the job and it might be ok for a few days but in the end it won’t last.” For Mary, ringing up emergency accommodation every single day was not enough to find her a bed to stay in Wollongong. Many of the young people interviewed had discussed their struggle to find a stable residence and had spent long periods of time moving between friends houses. This is known as couch surfing. Young people discussed they would benefit greatly from the provision of more emergency housing.

Many of the young people were part of the Personal Support Program. The program is designed to help those jobseekers with multiple barriers to employment. Yet most of the young people on the program that we spoke to only received 1 hour per month of counselling, insufficient time to deal with the multitude of serious issues that these troubled youth faced. One particular young person suffered from depression, the birth of a child due in 8 weeks, major accommodation issues, a troubled family life, a criminal record, no resume and no prospect of finding employment, despite being desperate to do so. The Personal Support Program only offered him one hour per month of counselling about his anger management issues. As such, more assistance was required for him to deal with a lot of his problems. Most of the young people were more than happy to be on the Personal Support Program because their attendance requirements were greatly reduced, but the program did not appear to be very successful in addressing their needs.

Many job seekers struggled to find employment because, in their eyes, there was not enough employment opportunities. A common complaint was that jobs for young people were limited to very specific industries while other thought that no jobs were available in their chosen field.

Young people who are unemployed for long periods typically suffer from mental health problems and social stress, which becomes a further barrier to finding employment. These problems often require professional treatment from a qualified counsellor. A typical feature of most young unemployed people was that they do not get this support from family networks, as they often come from troubled homes. One solution for combating these problems may be to offer free counselling services to young unemployed persons in need. This would give young people the guidance to persevere
through difficult times to keep looking for employment and would also address any mental health issues that they are experiencing.

3.2.3 *From the support services perspective*

The organisations involved in and operating the support services for young unemployed people expressed a range of views concerning the operation of their respected programs. Key service support personnel discussed a range of issues pertaining to the need of unemployed people in the Illawarra. Some of these include: education, transport, housing, attitudes of employers, employers and particular government programs.

The lack of work and the major decline in unskilled jobs in the Illawarra was a major concern for service support providers who had difficulty in assisting young people to find work. Housing was one area where vast improvements were needed. In particular, was the difficulty nearly all their job seekers had with housing needs such as emergency and temporary accommodation, and being blacklisted by various real estate companies for non-payment of rent when required.

Transport was also a major issue when it came to the experiences of young people who are unemployed. In particular, was the high cost of transport to and from not only job interviews but travel to case management meetings, doctors appointments and are other requirements set out by their various programs.

As was previously discussed in the job seekers section regarding travel, the service support providers get minimal funding for their clients travel expenses but can provide job seekers with re-imbursement for incurred travel costs for job seeker expenses.

One of the main issues raised was the lack of specific funding for young job seekers for these various requirements, with some job seekers having difficulty in meeting case management meetings. Some service support providers viewed this as one of the major difficulties facing young job seekers, other stakeholders expressed the view that their administrative and compliance responsibilities obligated them to make sure their job seekers attended case meetings or service support providers were required to put in a participation report with Centrelink. This would sometimes result in payment cessation and in serious cases stop payments for 8 weeks for failure to meet case management
meetings or other directions set by service support providers. As one stakeholder noted, "(Our organisation) has a three strike policy with the third the loss of Centrelink benefits.

Generally, service support providers thought employers viewed young people as a risky proposition in terms of hiring and payment of wages, but equally, thought that (based on their experiences) young people had attitudinal and behavioural issues. Some service support stakeholders expressed the view that welfare dependency is a major barrier to finding employment. As one stakeholder noted, "Welfare dependency is rife with major disadvantage stemming from peer pressure and generational unemployment with parents not working. There is a need to break the cycle of unemployment and welfare dependency. There is also a need to consider very seriously the socio-economic issues of youth unemployment". When it came to work one stakeholder argued, "A lot of young people turn down work such as KFC or McDonalds because the wages are poorer or equal to Centrelink benefits".

They did however discuss the very ‘real’ difficulties young people faced in preparing resumes and job applications and found that the education levels of young people sometimes didn’t meet the requirements of different apprenticeships and jobs. For example, one stakeholder commented, “It makes it quite difficult for a young person to get an Apprenticeship when the education requirements are Yr 10. Electrical apprentices have large loads of Maths so Yr 8 levels of education simply don’t match these requirements”.

Within survey results conducted by Iris Research of service support providers, there was a major concern raised with the mismatch of job seekers and service support providers. One significant result indicated five of the respondents felt that they received referrals for job seekers that would be better served in a more suitable program. Typical examples given were clients who were interested in particular work which was outside the scope of the organization (eg. were not interested in an apprenticeship or traineeship) or clients who had other issues which needed to be dealt with before they could enter the workforce (eg. mental health issues or other barriers to employment).

In conclusion, service support providers expressed frustration at government red tape and in particular, the levels of compliance with the as bureaucracy within the administration of employment programs and services.
3.2.4 From the career advisor perspective

In an online survey conducted by IRIS, a sample of Wollongong’s career advisors were of the opinion that a lack of entry level positions, apprenticeships and traineeships was the major cause of the youth unemployment problem in Wollongong.

Transportation issues rated very highly as a cause of the youth unemployment problem when careers advisors were asked to indicate the relative importance of a range of commonly mentioned factors.

Some career’s advisors also made the argument that there were too few places offered for some popular TAFE courses. Discussions with a TAFE Manager showed that there is a completely valid reason why this is the case. TAFE places are allocated, however, with reference to the number of jobs available in a particular occupation. For some popular courses, there simply aren’t enough positions available in the workforce and so the TAFE will not offer an increased number of places to meet the higher demand from students.

Discussions with the CEO of Illawarra Technical College noted how ITC was the first technical college in the Illawarra to provide approximately 60 students school-based apprenticeship programs. He noted that 85% of school based apprenticeships came from the ITC and it was acting to increase school retention rates for years 11 and 12 as well as ongoing pastoral support.

The survey also explored whether or not the schools have any formal links with employment service providers, local businesses or transition programs. The vast majority of career’s advisors did think that they had such links, but when asked to provide specific examples of these links, it became clear that in most cases these links were rather tenuous. One careers advisor responded that they recruited part time staff for a large retail chain. Another careers advisor responded that several businesses contact the school to look for casual staff. Better established relationships need to develop between careers advisors and local employers and employment service providers so that students have easy access to jobs and employment information.

Three local careers advisors were interviewed to explore their perspective on youth unemployment in more depth. The most important finding was that career’s advisors only provide advice to young people up until the point where they leave high school.
However, advice is more crucial when students have left high school and are looking to find employment or have struggled to find employment. It seems that many young people are falling through the cracks, being left to fend for themselves when they needed the most help.

The careers advisors were asked to speculate on the major causes of unemployment for their students. One believed that employers simply expected too much of junior employees. Young people cannot be expected to have skills without the experience of having actually worked. Another perspective was there simply were not enough jobs available for school leavers in the region. This problem was compounded by TAFE and university students competing for part time and casual jobs.

Career’s advisors held monthly meetings, where a guest speaker was invited to talk to the group about the employment available. In the past representatives from the IPC, Mission Australia, Career’s Advice Australia, local councils and the TAFE have spoken at the meetings. This could be an appropriate forum to speak directly with careers advisors, and to secure their input and involvement, about possible solutions to the youth unemployment problem.
4 Key directions for the future

This section consolidates the most important aspects of the research by discussing the main findings and putting into context the issues that will inform some of the key needs of young people and unemployment for the future. Building on the analysis outlined within the report, some important issues need further attention by government as well as service providers and individuals. It commences by detailing two programs administered by the Beacon Foundation that have had significant success in helping young people find employment and work. It also outlines a number of key issues emerging from the study that need addressing.

4.1.1 Youth Jobs Agency

One of the key themes to come from discussions with young jobseekers and employment service providers was the ‘service gap’ that existed in government employment support services. As many respondents pointed out, there is no agency that targets the specific needs of the youth labour market. The Shellharbour City Beacon Foundation has identified this gap and is seeking funding for the development of a Youth Jobs Brokerage to support recently unemployed young people. The Shellharbour City Beacon Foundation is a non-profit organisation receiving funding from both the Federal Government through its Regional Partnerships programme and Wollongong City Council.

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Outline
On-going discussions by the Shellharbour Beacon Board of Management over the past year have identified a need to assist youth in the transition from school to work. Existing job networks cater for the long-term unemployed; of those, few are aged less than 20 years old. On the other hand, there exists a dearth of service providers to assist school leavers or recently unemployed young people to find employment. This is problematic, as anecdotal evidence suggests that young people have difficulties re-engaging into employment if their work and/or studies end. Some students, having left school, find no recognisable assistance available to them, which may be further hampered through a lack family support and advice.

In addition, there is no connection between businesses looking to recruit young employees and those straight from school, or those still in school and interested in preparing for work.
Proposal
• Act as a job brokerage for youth who are still at school or have recently left.
• Assist with preparing students for work, especially while still at school or immediately after.

Aims
• Increase the number of businesses in contact with schools
• Increase youth employment

2. TRACKING YOUTH OUTCOMES

The importance of monitoring the post-school pathways of all school leavers was also identified as an important future need for our region. There is no measurement of what happens to our young adults once they leave school – making it easy for those most at risk to “fall through the cracks.” Again, the Shellharbour City Beacon Foundation has identified this need and is seeking funding and support.

Tracking for Success
An initiative by the Shellharbour City Beacon Foundation

Outline
Four Shellharbour City High Schools operate numerous initiatives together under the national Beacon Foundation ‘No Dole’ Charter.

A requirement of the Beacon programme is to collect information, annually in March, on student activities after year 10. Local data, collected since 2004, shows that over 95% engage in positive activity; either staying at school or transitioning to work or further study.

Yet on-going high youth unemployment rates indicate that these activities are short lived. Anecdotal evidence suggests many young people have difficulties re-engaging if work and or study ends, and even more so when family support and assistance is missing.

Proposal
• Liaise with schools’ career advisors to assist students with school to work transition
• Collect data on students’ full or part-time work and study patterns after leaving school
• When students have dropped out of work or study, provide information on options or any job opportunities arising from Beacon business contacts
• The aim is to intervene and help re-engage youth in productive activity. Where appropriate link them with other agencies, mentors or support programmes
4.1.2 Education/Training

At the education level, a more concerted effort is required to better align and coordinate training organisations and employers. In particular, is the need for a better balance of demand and supply in education outcomes with many young people receiving education but finding a lack of employment opportunities in the Illawarra.

Education and employment opportunities require better alignment by state government and implemented at the local level in schools and TAFE. In particular, is education information pertaining to specific labour market shortage areas and skills, so careers advisers can be better informed in providing the right advice to young people leaving school as well as those continuing to Year 12. This would not only assist job seekers more successfully but address major structural barriers in the Illawarra economy such as skills shortages and changing patterns of employment and work across industry.

4.1.3 Transport

Transport has emerged within this study as another major barrier in finding employment for young people. In particular, were the difficulties faced by young people in having sufficient income to pay for public transport. Whilst service support providers, paid for legitimate travel expenses for young people such as attending a job interview and were reimbursed (subject to minimal funding and confirmation by employer of job seekers attendance), their was very little provision to assist young people in attending important appointments such as counselling, doctors, court or family responsibilities. Many case participants discussed the lack of assistance in paying for the costs to attend job interviews. Many case participants had significant difficulty in paying for train fares and subsequently had enormous fines to pay back. Future measures by state government could better integrate programs such as paying back fines whilst obtaining a drivers licence. A driver’s license was for case participants a necessary
requirement for many positions in which they applied for, particularly for apprenticeships and trade positions.

4.1.4 Housing

Housing has emerged as one of the major structural and socio-economic barriers for young people in the Illawarra. In particular, is the major lack of emergency accommodation for young people in desperate need of housing support. The barriers faced by young people with their housing needs along with their job seeking responsibilities placed significant burdens on the success of young people to obtain employment. Case participants acknowledged the relationship with housing and employment expressing the view that having somewhere to live be just as important as finding appropriate employment.

Case study participants also acknowledged the difficulties faced in finding short, temporary and long-term housing to address their housing needs. The cost of housing emerged as a major barrier for young people with significant difficulties in meeting rental and other housing costs. The difficulties faced with the private rental market (such as being black listed for not paying rent on time) as well as the general need for more appropriate public housing was expressed by case participants as solutions to major social isolation and for better community integration within the Illawarra. Recently, the NSW Department of Housing in conjunction with Southern Family and Youth Services purchased and refurbished 2x2 bedroom units aimed for homeless young people in Oak Flats. As the report illustrates, housing remains a priority for all levels of government.

4.1.5 Government Coordination

One of the main issues with youth unemployment in the Illawarra is the government coordination of services and providers. Discussions with key stakeholders and meetings with education, employers and service support organisations suggest that better alignment of policies and programs at the local level is a necessary and fundamental reform in reducing high youth unemployment in the Illawarra. In particular, there is duplication in roles and responsibilities of local coordinators, and managers at various levels of government: local, state and federal combined with a lack of communication between services for young people.
4.1.6 Income Support

Many case participants experienced major difficulties with Centrelink, the Federal government agency administering income support payments. This included a range of administrative and compliance issues. One of the major issues was the amount of breaching experienced by young people either through individual fault and agency errors. Significantly, the difficulty concerned with the rules and regulations for young people to undertake education and training has emerged has a significant disincentive in their job seeking efforts.

Other general social security matters relating to income estimations for casual and temporary employment where it is difficult to estimate income from a day to day and week to week basis were also significant barriers. In some cases, income support was cut when incorrect estimates were provided and consequently further disadvantaged young job seekers with insufficient money for food, rent and other items. Many case participants also experienced significant social isolation when they left home (for various reasons) and parents hadn’t signed appropriate documentation detailing their independence.

Case participants also experienced significant difficulties with Centrelink when it came to moving houses and addresses. As with broader housing issues, young people were fairly nomadic because of the major difficulties in finding accommodation and consequently, both case participants and Centrelink had difficulty in tracking the whereabouts of each other. This was particular stark when it came to income support, rent assistance or more serious matters of breaching.

4.1.7 Drug and Alcohol

Many case participants had very serious drug and alcohol issues and this played a major role in their job seeking efforts. A major issue of concern was the lack of counselling provided by the Federal government and other service providers for drug and alcohol issues. This was important when it came to finding work because of the barriers it created such as low-self esteem, motivation and confidence in resume preparation and interview skills. It also acted as a major disincentive for job seekers to make timely transitions from benefits to employment because of addiction and dependency, and more seriously loss of job.
4.1.8 Job Creation

As the journey to work and statistical data indicates within the report, more jobs need to be created in the Illawarra for young people. This is important in addressing skills shortages in the economy and fostering better social and community cohesion. As discussed above, the Beacon Foundation programs indicate a number of ways in which youth unemployment could be addressed along with assistance from all levels of government.
Appendix One: Fieldwork Methodology

The project required an extensive program of fieldwork to meet the information requirements stated in the research objectives. The methodology used in conducting the fieldwork for this project is outlined in this section.

Phase 1: Background Research & Analysis

Literature Review

An examination of relevant literature on youth unemployment. This included published books and papers, available government department reports and research documents, and media commentaries.

Secondary Data Analysis

Analysis of labour market trends and profiling of youth at risk. This will include secondary data from a wide range of sources, including the ABS, Dept. of Education, Department of Employment and Workplace Relations and government and welfare agency employment program client databases.

Discussion Guide

The discussion guide outlined a range of questions pertaining to youth unemployment focusing on a wide range of issues. These include: family and social context, education background, transition from school to post school options, and the world of work. In total 15 interviews with local case participants were conducted over a number of weeks with a range of service support providers in the Illawarra region. The interviews conducted were face to face and were typically one hour in length.
**Phase 2: Exploring the Issues – from all perspectives**

In the second phase of the project an assessment was undertaken of local perspectives on why the region experiences high youth unemployment relative to other regions. Three separate perspectives have been sought as outlined in the diagram below:

- **Supply side perspectives:**
  - Young jobseekers & their families
  - Careers advisors

- **Demand side perspectives:**
  - Employers
  - Industry groups
  - Govt.

- **Support channel perspectives:**
  - Govt.
  - Employment service providers
  - Welfare agencies

**Perspective 1 – the demand side**

- **Employer & Employer Advocacy Group Feedback** -

A short online survey was conducted with a sample of employers from throughout the region. The aim was to give employers an opportunity to provide feedback on the barriers to greater employment opportunities for young people. The sample was drawn from an amalgamated database of IRIS, IBC and AIG email contacts. There were a total of 68 respondents to the survey - mostly business leaders, HR managers or business owners - of which 18 expressed an interest in participating in more detailed discussions about the key issues for employers. Results of the survey are included in the final report, as are the insights gleaned from follow-up interviews conducted with six employers who have experience employing young people.
Perspective 2 – the supply side

- Young Jobseeker Case Studies -

This phase of the study explored, both directly and indirectly, the personal experiences of young people faced with the task of finding employment. The key task was a series of case studies. The goal of the case studies was to understanding more deeply the challenges young people face, both structurally and personally, in transitioning from school to working life. Paired depth interviewing with young people and either a case worker or family member was the key research approach used for developing case studies. In-depth interviews are an effective means of gathering detail about an individual’s perceptions and experiences. Use of this approach enabled a detailed exploration of decision-making and the influence of such factors as family and peer expectations on young people’s ideas about, and experiences of, post-school options.

- Careers Advisor Feedback -

An online survey was sent to over 30 careers advisors from public and private high schools across the region. The sample was based on a list of school advisor contacts sourced from the Department or Education, the Independent Schools Association and the Catholic Education Office. The survey sought the opinions of careers advisors about the immediate prospects of students upon leaving the school system. It also sought their opinions in relation to the issues faced by those students who are most at risk of poor transition from school to working life. There were a total of 12 respondents to the survey, of which 8 expressed an interest in participating in a more detailed discussion of the key issues. Results of the survey and depth interviews have been included in the final report.

Perspective 3 - the support channel

Feedback from government and employment service providers was sought via an online survey and interviews. A list of contacts was provided to IRIS as a participant in the DEWR “Better Connections” workshop. Respondents to the general feedback survey invited to participate in more in-depth face-to-face or telephone interviews about specific topics to emerge from the survey.
Appendix Two: Original Meeting Minutes

YOUTH UNEMPLOYMENT

RESEARCH STEERING COMMITTEE MEETING

HELD AT WOLLONGONG CITY COUNCIL

ON MONDAY, 7 MAY 2007 AT 3.00 PM

Present:

Alex Darling
Lord Mayor - WCC

Sharon Bird, MP (tele-conference)
Member for Cunningham

Sandra McCarthy
Mayor – Kiama Council

Michael Gross
Centacare

Mark Grimson
Illawarra Business Chamber

Brad Braithwaite
IRIS Research

Simon Pomfret
IRIS Research

Paul Buhagiar
Mission Australia – Illawarra

Greg Ellis
Illawarra Mercury

Canio Fierravanti
University of Wollongong

Simon Ville
University of Wollongong

Apologies:

Jennie George, MP
Member for Throsby

Concetta Fierravanti-Wells
Liberal Senator for NSW

Robert Doyle
Office of Economic Development - WCC

Greg Kerr
University of Wollongong
1) The Lord Mayor welcomed those present and also Sharon Bird, MP via tele-conference phone from Canberra.

2) It was noted that Bluescope Steel and the University have committed funds and IRIS will invoice them direct, without the need to go through the Committee.

3) The research steering committee will continue to work with IRIS to develop a brief for relevant research. A Chairperson will be elected and a structure decided upon. Research, a long term strategic plan and strategies are to be decided.

4) Brad Braithwaite advised that the research is getting underway and he hopes from today’s meeting to clarify goals and objectives from the Forum. A letter has been forwarded to those attending the Forum requesting feedback and once the replies are collated another meeting will be held in a few weeks to formulate a plan, decide on goals, research, timelines, costings etc.

A summary of statistics is already available from IRIS as well as a slide show on Youth Unemployment, which will be sent to the Committee to be used as a starting point.

5) Youth will be involved in conjunction with research.

Issues to be addressed:

- The 1999 report by Judy Stubbs needs to be reviewed.
- Develop a master plan or objective prior to involving youth.
- Expressions of interest from the broader community.
- Demographics required – where they live, age left school, why left school, etc.
- Good programs are up and running, but not solving the problem.
- Quality information required on who these kids are and the barriers they find.
- Why is the Illawarra’s youth unemployment higher than other areas?
- What programs are running elsewhere?
- Financial incentives – what is available?
- The funding scheme for employers to take on an Apprentice has not been increased for a number of years.
- Invite young people through the media (Mercury) to comment on their situation in trying to find employment.
- Two main groups of unemployed – generational unemployed and those whose parents work but cannot find work themselves.
- Data, case files, etc. are available from Centacare and Mission Australia however privacy issues need to be addressed. Sharon Bird advised she has put a request to the Minister to allow this information to be accessed, however a further request from the Chairman of this Steering Committee would be good.
- Centre Link to be advised by letter of this Committee and of its official research role.
• Schools to be contacted to find out numbers (anonymously) of young, early school leavers.

• Do university students impact on the high numbers of unemployed? Students (local and overseas) studying/working part time and pushing out young people 15-19 years.

• 2006 Census data will be released end of June 2007. This will provide useful information.

6) Outcomes:

• Sharon Bird advised of her willingness to take on the role of Chairperson of the Steering Committee. Following discussion it was decided that a non-political person would be best appointed.

• Prof. Simon Ville was nominated as Chairperson and accepted the nomination.

• MOVED M Gross, Seconded S McCarthy that Simon Ville be appointed Chairperson of the Steering Committee. Carried

• Greg Ellis to do a story in the Mercury on the Chairperson of the Committee and also to report on the progress of what is happening.

• A definite plan and recommendations are needed “ie what would work well for the Illawarra” prior to meeting with the Government.

• S Ville to liaise with Lord Mayor’s Office regarding the make up and numbers of the Research Steering Committee.

• Date of next meeting to be advised.

Meeting concluded 4.20 pm
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