



**SA election 2010 #4** youth affairs council  
OF SOUTH AUSTRALIA

## Addressing the issue of youth unemployment

In previous decades, young people's movement from school to the workplace was a key hallmark signifying their transition to adulthood. However, today young people are more likely than ever to leave school without a permanent, full-time job; increasing numbers of these young people choose further education or training to improve their work prospects<sup>i</sup> and, from time to time, as an alternate to finding work when the economy is in downturn.

Young people are sometimes portrayed as being unemployed because they are not sufficiently motivated to look for work. However, the truth is less simple and more troubling; unemployment is a structural problem, not an individual one, with the primary cause of unemployment being the lack of available jobs suited to the skills and experience of those seeking work<sup>ii</sup>. And in times of economic downturn such as Australia has recently experienced, young workers are often the first to be let go; for young jobseekers looking to enter the labour market for the first time, it can seem impossible to compete against the other potential employees vying for an ever-diminishing number of job vacancies.

In South Australia, levels of full-time unemployment amongst young people are routinely amongst the worst in the nation<sup>iii</sup>. The recent Global Financial Crisis essentially froze new recruitment in 2009, exacerbating an already significant problem that the state has in the area of youth unemployment. According to the state government's Workforce Information Service, trend indicators for South Australia in January 2010 were:

- total employment rose by 2,600 or 0.3%;
- full-time employment rose by 2,300 or 0.4%;
- unemployed people fell by 1,500 or 3.5%;
- the participation rate remained unchanged at 63.2%; but
- the full-time youth (15 to 19 years) unemployment rate rose by 0.4 percentage points, 2.6 percentage points above the national rate of 25.2%<sup>iv</sup>.

Full-time entry-level positions for graduates and school-leavers, which were once an important feature of the labour market, have sharply declined in number. The majority of employment growth is now in part-time and casual employment<sup>v</sup>. This has given rise to a new concern for young people, who are increasingly experiencing the often hidden issue of under-employment, in which workers are employed for fewer hours or in less desirable jobs than they would prefer and are qualified for. The effects of intergenerational unemployment have also begun to have a negative impact on young people in South Australia<sup>vi</sup>.

The youth sector is regularly reporting a rise in casual employment in place of full-time and part-time employment, which largely leaves young people in unstable jobs with little or no superannuation and leave entitlements. Casual work is often linked with reduced quality training and development opportunities and diminished access to unfair dismissal and equal opportunity protections. One of the greatest disadvantages facing young people is disparity of income compared to the wider population. As a result of high levels of youth unemployment and diminished income support payments, young people living in low-income households are at a greater risk of poverty than middle-aged and older people<sup>vii</sup>.

Australia's past experience of economic downturn indicates a lag factor in improvements to the economy being reflected in improvements to youth employment levels<sup>viii</sup>. This delay in the establishment of young people's careers can have extended impact on their ability to obtain financial security through engagement in the labour market.

YACSA remains concerned about the complex and interwoven issues affecting young people experiencing unemployment, particularly in the long term, with marked decreases in their general social health and wellbeing

now a common outcome<sup>ix</sup>. According to the Foundation for Young Australians' recent report, *How Young People Are Faring*:

- young people who are fully engaged in work or study are happier in life by 10% above those not fully engaged;
- young adults in full-time work are much more likely to report being "very happy" about career prospects, standard of living, the future and life as a whole than young adults who are unemployed, in part-time work or not in the labour force; and
- those in full-time work, including apprentices and trainees, indicate the greatest satisfaction with wages, social life and life as a whole<sup>x</sup>.

This evidence highlights the seriousness of responding to current, acute levels of youth unemployment and the urgency with which this response must be delivered.

In 2009, the federal government responded to this issue by establishing a National Youth Strategy, intending to ensure young people's access to employment or training. The focus on the needs of young people in a challenging economic environment was welcome, however the National Youth Strategy has been a flawed initiative and has been criticised for failing to: cater adequately for the education and training needs of young people in regional areas; deliver the necessary choice in training opportunities so that young people can be confident of starting off in the right direction once they are able to secure employment related to this training; and make the necessary up-front investments, funding the state governments to roll out the strategy with resources to ensure that programs can respond effectively to what was anticipated would be a significant swell in demand for training places by young people.

YACSA would like to see government agencies, particularly state governments, prioritise the employment of young people and increase its investment in programs that stimulate job creation, particularly programs delivered in areas of low socio-economic standing or where youth unemployment is a demonstrated problem. These investments might be eased when economic good-times return, however strong investment is needed right now, when the need is greatest.

YACSA is calling for:

- The state government to lead the creation of stable, sustainable employment opportunities for young people in a wide range of industries and sectors, including those that are expected to play a significant role in the state's economic future.
- The expansion of public sector traineeships and graduate positions, with a minimum conversion rate of 50% to full-time jobs; minimum levels of employment for young people to be written in to all government infrastructure contracts.
- A campaign of marketing and promotion to employers of the benefits of employing young people.

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<sup>i</sup> Youth Affairs Council of Victoria, *Employment and unemployment*, Policy Fact Sheet, 22 August 2002, <http://www.yacvic.org.au/policy/items/2009/01/256754-upload-00001.pdf>

<sup>ii</sup> <http://www.yacvic.org.au/policy/items/2009/01/256754-upload-00001.pdf>

<sup>iii</sup> Youth Affairs Council of South Australia, *Employment*, Policy Platform, <http://www.yacsa.com.au/onlinedocs/PolicyPlatform/16.pdf>

<sup>iv</sup> [http://www.workforceinfoservice.sa.gov.au/workforceinfo/#labourForceBrief\\_Anchor](http://www.workforceinfoservice.sa.gov.au/workforceinfo/#labourForceBrief_Anchor)

<sup>v</sup> Kryger, T. 2004, *Casual employment: Trends and characteristics*, Parliamentary Library Research Note 2003-4, no. 53, 24 May 2004, Australian Parliamentary Library, p 1.

<sup>vi</sup> <http://www.yacsa.com.au/onlinedocs/PolicyPlatform/16.pdf>

<sup>vii</sup> Australian Council of Social Service 2003, *The emergency relief handbook: A guide for emergency relief workers*, 3<sup>rd</sup> edition, Strawberry Hills, p 14.

<sup>viii</sup> Walsh, L., *Youth unemployment: myths and hard realities*, OnLine Opinion, 11 November 2009, <http://www.onlineopinion.com.au/view.asp?article=9670>

<sup>ix</sup> <http://www.yacsa.com.au/onlinedocs/PolicyPlatform/16.pdf>

<sup>x</sup> <http://www.onlineopinion.com.au/view.asp?article=9670>