

# YOUTH UNEMPLOYMENT



EMPLOYMENT AND EMPLOYMENT SERVICES  
YOUTH UNEMPLOYMENT  
AUSTRALIAN DEMOCRATS ISSUE SHEET

*The Democrats remain the only political party to consistently insist on more effective labour market policies for unemployed youth, while opposing discriminatory youth wages (see youth wages issue sheet).*



Photo: [www.youthjobs.ca](http://www.youthjobs.ca)

Unemployment still remains the major cause of poverty. Yet Australia has one of the highest rates of youth unemployment in the industrialised world. Despite strong economic growth, youth full-time unemployment rate for 2002-03 was 22.6%, 4 times higher than the

all population unemployment rate of 5.7%. While general unemployment fell in the last 12 months, youth unemployment increased. Further, 1 in 4 unemployed young people are long-term unemployed, that is, they are unemployed for longer than a year. The “un-official” or hidden figures are much worse. The Australian Bureau of Statistics labour force definitions, count a person as employed even if they work as little as one hour in a week. The definition has important consequences for youth, as young people are more likely to

pick up short-term temporary jobs than older workers, effectively removing them from the count of unemployed persons.

The number of under-employed youth is close to twice the official “unemployment” rate. These figures do not take into account those young people who stay in education longer because they can’t get a job, or those who are carers.

Youth unemployment has long term implications because it occurs at the beginning of a person’s working life. Not only does the person suffer from a lack of income, but joblessness at this age also means they miss out on opportunities for skill development that results from on the job training and subsequent work experience.

Young people who experience unemployment early have a higher probability of experiencing joblessness and lower earnings in the future. Studies show that of those who only

# YOUTH UNEMPLOYMENT



finish year 9, one in five males and three in five females are likely to be unemployed seven years after finishing school, compared to only one in fourteen of those who completed year 12.

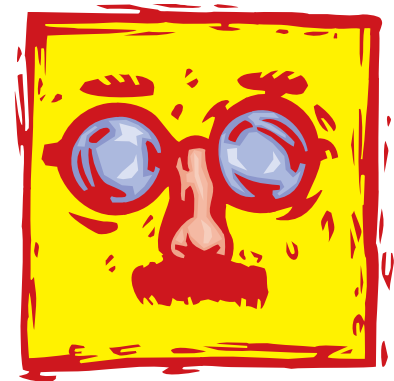
The International Labour Organisation argues that promoting the skills formation of young people is an important aspect of policy, but is not sufficient to address the problems of youth unemployment – they need access to jobs. The problem facing young Australians is that full employment has been replaced with full ‘employability’ as the main goal of government – aiming for a highly trained unemployment queue chasing a finite number of jobs.

Full employment should be a major macro economic goal for the government because it maximises output, yet there has been nothing in the last few years’ budgets to address unemployment, let alone youth unemployment.

The Australian Democrats believe the only way to improve jobs opportunities for young Australians is through a National Youth Transition Service and a Youth Employment Strategy developed in consultation with young people.

The National Youth Transition Service would provide a comprehensive transition support system, including learning pathways plans for each young person, individual support for those at risk of leaving school early, and transition follow-up mechanisms. The system would provide:

- provision for “transition brokerage” for all schools that might take various forms including: case management and personal support; mentoring; peer supported programs;
- integrate education, training and work experience at the secondary and post-secondary schooling levels, backed up by career counselling;
- additional funding to further extend the Jobs Pathway Program.



Our Youth Employment Strategy offers a youth guarantee<sup>1</sup>, involving targeted assistance. Every young Australian should have a choice of free full time tertiary education, OR apprenticeships or traineeships OR entry to the workforce through subsidised employment (including a national entry-level state and territory public sector youth recruitment program, to be targeted at young people from disadvantaged backgrounds) OR accredited vocational training and integrated paid work experience.

The Democrats argue that the Government should abandon its obsession with budget surplus and spend more money on creating jobs.

#### Footnotes

<sup>1</sup> The Australian Democrats have been advocating a youth guarantee since 1992



Other issue sheets are available online or can be requested via e-mail or telephone:

[www.democrats.org.au](http://www.democrats.org.au) [inquiries@democrats.org.au](mailto:inquiries@democrats.org.au) 02 6273 1059

Printed and authorised by Marianne Dickie, 16 National Circuit, Barton, ACT 2600.