



Brotherhood
of St Laurence

PROSPERITY'S CHILDREN

YOUTH UNEMPLOYMENT IN AUSTRALIA

DECEMBER 2019

TikTok. A new round of the intergenerational debate has flared. We're getting used to the phrase 'OK boomer', the riposte against the perceived privilege of older generations that has become this year's catchcry.

Baby boomers in Australia are not without their own retort: living in a nation that has experienced close to three decades of continuous economic growth, young Australians of the 21st century bask in economic sunshine. Australia last had a recession in 1991 – that's 19 years before Instagram was invented.

Yet for young Australians the long road of prosperity is pitted with potholes. And long-term youth unemployment presents as one of the key challenges. Nearly one in five unemployed 15 to 24 year olds today have been out of work for 52 weeks or more.

This stark figure represents an estimated 46,990 people aged 15 to 24 – and their predicament is clearly linked to a changing labour market.

Ten years ago, in October 2009, just under one in ten young jobhunters were unemployed for 52 weeks or more, equating to almost 21,000 Australians.

While long-term youth unemployment is considerably higher than a decade ago, the overall national youth unemployment rate¹ – at 12 per cent (trend data) – is also languishing at similar levels to the rate seen in 2009, in the uncertain wake of the global financial crisis.

Despite Australia being about to notch up 30 years of overall economic growth, an estimated 265,000 young people today are in the unemployment queue. As a point of striking contrast, the current unemployment rate for young people is three times the 3.9% unemployment rate for Australians aged 25 and over.

While youth unemployment remains stubbornly high, another pitfall presents itself for the emerging generation: the nation's vocational education and training (VET) system is not on track to meet future demand in many fast-growing occupations. This is at the same time as the number of unskilled and entry-level jobs has fallen.

Employment projections show that occupations that require a VET qualification and are likely to show the greatest growth to 2023 include personal carers, child carers, education aides, ICT support technicians, plumbers and electricians.

¹ The youth unemployment rate is the number of young unemployed people (aged 15–24 years) expressed as a proportion of the labour force in the same age group.

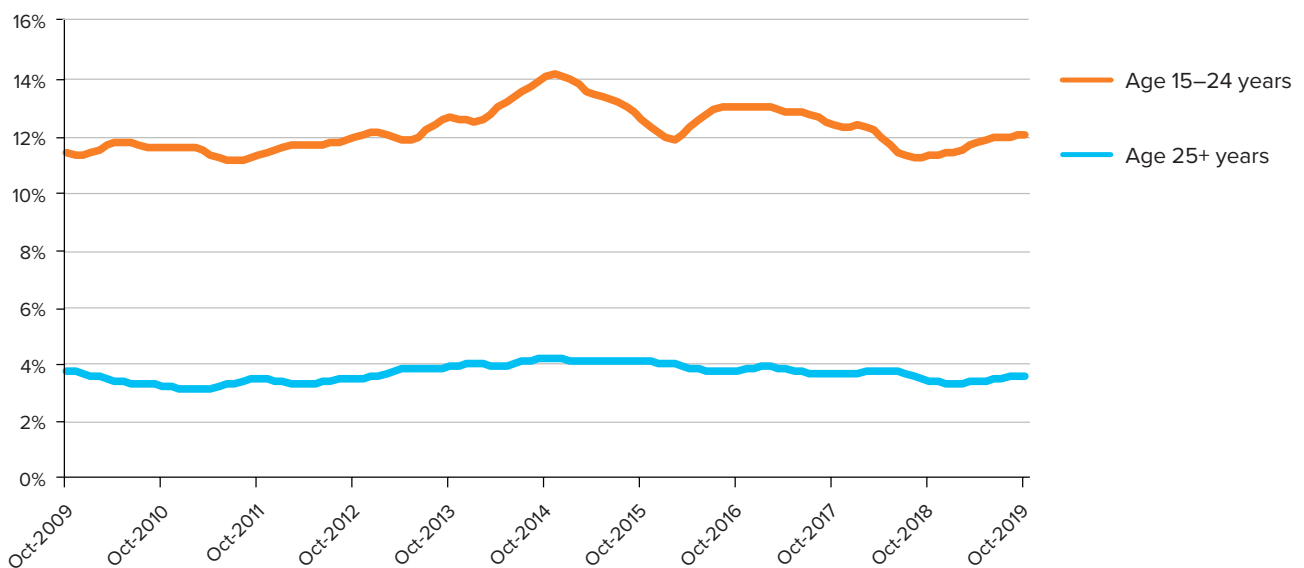
At first glance current VET enrolments (for all ages) are sufficient to cover projected jobs in these growth occupations. However, this does not tell the whole story. It is estimated that only 40 to 60 per cent of VET students go on to attain the qualification for which they enrol. There is much work to be done if today's young people are to be equipped to fill the skilled workforce needs of tomorrow.

Attention is needed to train enough workers for the caring economy. The occupation of personal carers, particularly in disability or aged care, shows the biggest projected increase in jobs over the next few years: 82,500 additional jobs by 2023. Indeed, demand for qualified personal carers is growing at a quicker pace than youth enrolment in those qualifications.

THE BIG PICTURE: YOUTH UNEMPLOYMENT NATIONALLY

The youth unemployment rate in October 2019, at 12.0%, was three times as high as the 3.9% unemployment rate for those aged 25 and over (see Figure 1). This represents more than 265,000 young Australians. While there has been some improvement since 2014, youth unemployment remains slightly higher than the rate 10 years ago, in October 2009 in the wake of the GFC, at 11.4%.

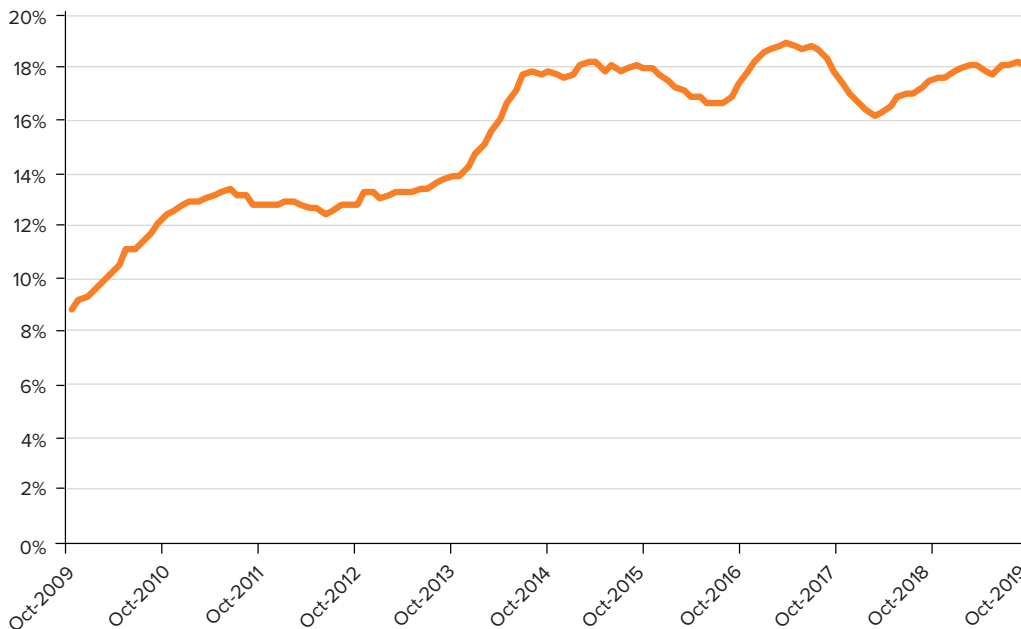
Figure 1: Unemployment rates by age group, October 2009 – October 2019



Source: ABS 2019, Labour force, Australia, Cat. no. 6202.0, Tables 1 & 13, trend data.

At the same time, the share of unemployed youth who are long-term unemployed, having been out of work for a year or more, has grown to just over 18% in October, or more than 46,000. In October 2009 this figure was a much lower 8.9%, or under 21,000 young people. Thus, the long-term youth unemployment rate has doubled in the past decade (Figure 2).

Figure 2: Share of unemployed 15–24 year olds who are long-term unemployed, October 2009 – October 2019



Source: ABS 2019, Labour force, Australia, Cat. no. 6291.0.55.011, Data cube UM3, 12-month averages.

DRILLING DOWN: STATES AND TERRITORIES SNAPSHOT

Of course, youth unemployment varies across Australia, reflecting local economic conditions – as Table 1 shows. Tasmania, Western Australia, Queensland and South Australia all had youth unemployment rates of 14.0% or more in October 2019.

Table 1: Youth unemployment by state or territory, October 2019

Region	Youth unemployment rate (15–24 years)
Australian Capital Territory	8.8
New South Wales	10.1
Northern Territory	11.5
Queensland	14.0
South Australia	14.0
Tasmania	14.5
Victoria	10.3
Western Australia	14.0
AUSTRALIA	12.0

Source ABS 2019, Labour force, Australia, Cat. no. 6291.0.55.001, Table 3, 12-month averages for states and territories; and Labour force, Australia, Cat. no. 6202.0, Table 13, trend data for Australia.

FINDING THE JOBS OF THE NEAR FUTURE

While youth unemployment remains high, there are industries and occupations that are projected to experience considerable job growth.

In this report for the Youth Unemployment Monitor, looking to the future, we examine projections of employment growth in industries and associated occupations and identify the top four industries with the greatest projected jobs growth. We then look at vocational education and training enrolment data to see how the enrolments fit with the highest growth occupations.

INDUSTRIES WITH PROJECTED JOBS GROWTH

In this bulletin, we draw on the Commonwealth Department of Employment projections of employment growth in industries and on employment growth in occupations from 2018 to 2023².

By industry, employment is projected to increase in 17 of the 19 broad industries over the five years to May 2023 (DESSFB 2018c). Four industries are projected to provide two-thirds (66.4%) of total employment growth between them over the five years to May 2023. Health care and social assistance is projected to make the largest contribution (250,300 extra jobs) to employment growth, followed by construction (118,800), education and training (113,000) and professional, scientific and technical services (106,600).

Table 2: Projected employment growth by industry, 2018–2023

Industry	Employment 2018	Employment 2023	Projected growth	Projected growth (%)
Health care and social assistance	1,680,900	1,931,200	250,300	14.9%
Construction	1,182,600	1,301,300	118,800	10.0%
Education and training	1,013,000	1,126,000	113,000	11.2%
Professional, scientific and technical services	1,050,000	1,156,700	106,600	10.2%
Accommodation and food services	897,500	978,900	81,400	9.1%
Retail trade	1,290,600	1,338,100	47,600	3.7%
Public administration and safety	755,000	792,800	37,700	5.0%
Administrative and support services	418,800	446,700	27,900	6.6%
Transport, postal and warehousing	627,600	654,500	26,900	4.3%
Arts and recreation services	251,700	273,700	22,000	8.7%
Financial and insurance services	441,500	455,600	14,200	3.2%
Rental, hiring and real estate services	220,200	233,300	13,100	5.9%
Information media and telecommunications	227,100	237,900	10,800	4.7%
Manufacturing	940,300	948,800	8,500	0.9%
Other services	478,500	485,400	6,900	1.4%
Electricity, gas, water and waste services	150,300	156,500	6,100	4.1%
Mining	234,300	239,900	5,600	2.4%
Agriculture, forestry and fishing	325,600	324,100	-1,400	-0.4%
Wholesale trade	364,400	354,700	-9,700	-2.7%

Note: Numbers rounded to the nearest 100.

Source: Department of Employment, Skills, Small and Family Business 2018, Industry employment projections for the five years to May 2023.

² Each year, the Department of Employment, Skills, Small and Family Business produces employment projections by industry, occupation, skill level and region for the next five-years. These are designed as a guide to the future direction of the labour market.

GEOGRAPHY MATTERS

Turning to states, there are some similarities and some differences, reflecting local economies. Each of the top four growth industries is expected to expand in all the eight states and territories. In all eight jurisdictions, health care and social assistance is projected to have the largest growth in employment (by number of jobs).

In Victoria, South Australia and Tasmania, construction accounts for the second highest projected employment growth by industry.

In New South Wales, the Northern Territory and Queensland, education and training is expected to show the second highest employment growth by industry.

In Western Australia, the second largest increase is expected to be in accommodation and food services jobs, and in the ACT it is expected to be in public administration and safety jobs.

SKILLS FOR THE FUTURE

Training young people to become skilled workers in these growth industries is important, especially as low-skilled opportunities decline in industries such as manufacturing and agriculture.

Some high-growth occupations, such as registered nurses or software engineers, will require university degrees. However, many other high-growth occupations will require an intermediate level of training, such as an advanced diploma or Certificate IV qualification. In this report, we focus on VET qualifications.

Of course, the equation between qualifications and jobs is not simple. Projected employment growth in certain occupations might be met by people coming from other jobs, or those who want to re-enter the labour market, such as women who are looking for paid work after raising families. And not all jobs are suitable for everyone.

With these caveats in mind, we looked at data on enrolments of 15–24 year-olds in VET courses that lead to relevant qualifications for some of the occupations projected to grow most.

VOCATIONAL EDUCATION AND TRAINING IN AUSTRALIA

Australia's VET system caters for over 4 million students annually. Government funded training covers just over one million of these. The system provides training for entry-level jobs and for highly technical occupations, as well as for non-employment 'personal development' purposes. State-funded TAFEs form the bedrock of a system that involves more than 4,000 registered training organizations. In Australia's federal system, responsibilities are shared between the Commonwealth and states/territories, but are often unclear. In general, the Commonwealth maintains the regulatory architecture, while the states (the main funders) oversee delivery and state student benefits/entitlement schemes.

MATCHING TRAINING TO JOBS

As Australia's population ages, young, skilled workers are needed to step into the occupations projected to grow. What do VET enrolments show about the emerging opportunities and the emerging workforce?

We analysed youth enrolments in the VET system related to six of the highest-growth occupations that require a certificate or diploma (Table 3).

Table 3: Projected employment growth 2018– 2023 and current (2018) VET enrolments of 15–24 year olds for 6 selected high-growth occupations

Industry	Employment 2018	Projected job growth by 2023	Total VET enrolment 2018	Youth VET enrolment 2018	Youth VET enrolment as share of total
Personal carers and assistants	301,700	82,500	121,600	38,700	31.8%
Child carers	156,300	27,600	106,800	44,000	41.2%
Education aides	90,500	18,800	28,600	5,900	20.7%
ICT support technicians	65,800	12,200	24,400	17,800	72.9%
Plumbers	92,300	10,500	29,000	21,100	72.9%
Electricians	156,400	7,100	39,600	26,700	67.5%

Note: Numbers rounded to nearest 100.

Sources: Department of Employment, Skills, Small and Family Business 2018, Occupational projections: five years to 2023; National Centre for Vocational Education Research (NCVER) 2019, VOCSTATS TVA program enrolments 2018

Of course, enrolling in a VET program does not guarantee completion; indeed it is estimated that only around half of those who enrol go on to attain their qualification (as discussed below). Also, not all projected additional jobs will be filled by new VET completers.

However, this comparison provides an indication of how many young people are undertaking training that will enable them to take advantage of employment opportunities in growth occupations, and where there may be gaps in training and workforce planning.

For occupations in the construction industry such as plumbers and electricians, there is currently strong VET enrolment of young people aged 15–24, and other data show that these numbers have increased since 2015 (NCVER 2019).

Enrolments in programs leading to qualifications as ICT support technicians also include many young people. However, the number of young people enrolled in these programs declined between 2015 and 2018 in spite of projected growth in demand for this occupation.

Many young people (44,000) are enrolled in VET programs that would prepare them to work in the expanding field of child care, but enrolments have declined since 2015. By comparison young people make up only 21% of current VET students undertaking training related to the growth occupation of education aides, although their numbers have grown markedly since 2015.

The occupation expected to show the greatest expansion in coming years – with 82,500 additional jobs projected to 2023 – is that of personal carers and assistants; this includes carers of people who are aged or live with disability (69,200 extra jobs). Of course, care work is specialised and requires not only skills but also aptitude. In this field young people make up only 32% of VET enrolments. Demand for qualified personal carers is growing at a quicker pace than youth enrolments in those qualifications.

While employment projections point to certain industries that are expected to offer the most new job opportunities, and occupations that require qualifications other than a university degree, it is not an easy fix to ensure that young people are able to access these opportunities, for a variety of reasons which are explored in the next section.

SCOPE FOR CHANGE

The projected growth of employment in these skilled occupations, among others, is an opportunity to solve two problems simultaneously, by providing a pathway to employment for young people and by training the next generation of skilled workers to contribute to Australia's economy and care for our community.

Yet, despite dedicated efforts in the VET sector, current enrolment and completion rates leave much to be desired.

Data collected by the National Centre for Vocational Education Research (2018) shows only an estimated 40–60% of those who enrol go on to attain their qualification, and of these only roughly 30% go on to work in the occupation for which they have trained (Wheelahan, Buchanan & Yu 2015). This means that higher enrolments are required to ensure a flow of suitably qualified workers to meet projected demand.

Many factors are at play in young people's VET enrolments. One factor is the complexity of the training system from the perspective of potential students, who must comprehend and navigate a sprawling sector that encompasses 4,000 registered training organisations and comprises not only TAFE institutes but also many for-profit private companies and some community organisations.

Patchy career guidance – often inadequate at school and almost non-existent post-school – might also inhibit entrance to vocational education and training. Although some courses are subsidised in different states, fees and related costs are a deterrent for disadvantaged young people.

Training providers and support services need to work together to explain the sector to prospective students so they are aware of what VET is and what it can offer them. Connecting with families, schools and other community groups and offering course tasters will help to raise awareness among young people about VET options and about growth occupations.

To improve completion rates, better support for students once they are in training is also essential. This can range from logistical, such as scheduling classes to fit in with public transport schedules or family responsibilities, to educational, such as offering assistance or referrals to other organisations to help students develop their language or learning skills, to wellbeing support, such as attention to housing or health issues.

TOWARDS A STRONGER VOCATIONAL EDUCATION AND TRAINING SYSTEM

A strong VET system, particularly for occupations predicted to increase in the future, is a necessity. This is especially true because VET has been a major destination for students who have experienced disadvantage – those from low-income families, in regional areas, from culturally and linguistically diverse backgrounds, with disability and with health barriers.

Course design, teaching methods and staffing levels and training need to be appropriate to meet the diverse needs of students as well as to keep pace with the emerging labour market.

Preparing young people for a fast-changing workforce will require a coordinated effort from all levels of government, VET providers, industry and the community.

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