



# **HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING**

**Reference: Factors influencing the employment of young people**

**CANBERRA**

**Thursday, 27 February 1997**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Members

Mr Charles (Chair)

Mr Peter Baldwin	Mrs Gash
Mr Barresi	Mr Marek
Mr Bradford	Mr Mossfield
Mr Brough	Mr Neville
Mr Dargavel	Mr Pyne
Mrs Elson	Mr Sawford
Mr Martin Ferguson	

Matter referred for inquiry into and report on:

Factors influencing the employment of young people.

**WITNESSES**

**CROCE, Ms Carol, Policy Officer, Australian Youth Policy and Action Coalition (AYPAC),  
Level 1, 1 Edgar Street, Ainslie, Australian Capital Territory 2602 ..... 731**

**POCOCK, Mr Julian, Executive Officer, Australian Youth Policy and Action Coalition (AYPAC),  
Level 1, 1 Edgar Street, Ainslie, Australian Capital Territory 2602 ..... 731**

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

*Factors influencing the employment of young people*

CANBERRA

Thursday, 27 February 1997

Present

Mr Charles (Chair)

Mr Peter Baldwin	Mrs Gash
Mr Baressi	Mr Marek
Mr Brough	Mr Mossfield
Mr Dargavel	Mr Neville
Mrs Elson	Mr Pyne
Mr Martin Ferguson	Mr Sawford

The committee met at 9.04 a.m.

Mr Charles took the chair.

**CHAIR**—I declare open this public hearing on the inquiry into factors influencing the employment of young people. The purpose of the inquiry is to consult widely and produce recommendations for government action that will help promote the employment prospects of young people.

The committee has received over 90 submissions, and conducted public hearings in Canberra, Sydney, Melbourne, Adelaide, Brisbane and Hobart. The committee has also conducted school forums in Sydney, Brisbane and Hobart in which young people discussed their views and opinions with the committee. The school forums are proving to be valuable opportunities to gain the views of young people, who are central to this inquiry. We are keen to hear the views of all sections of the community about how we can better equip young people for employment. We are particularly keen to hear the views of people who are active in commerce and industry, for they are the potential employers and creators of jobs for the future.

This is a very broad ranging inquiry. The matters raised in submissions so far include the attitudes of young people, the work ethic of young people and their familiarity with the requirements of the workplace, the adequacy and relevance of the education and training systems, the importance of developing better linkages between schools and the business sector, the need for a more flexible industrial relations system and the effectiveness and efficiency of government programs to assist young people to find employment. This is not meant to be an exhaustive list of issues that the committee will consider or which might be raised; we are entirely open to the views of everyone who wishes to make an input to the inquiry. We are here to listen, to learn and to help improve the prospects of young Australians.

**CROCE, Ms Carol, Policy Officer, Australian Youth Policy and Action Coalition (AYPAC), Level 1, 1 Edgar Street, Ainslie, Australian Capital Territory 2602**

**POCOCK, Mr Julian, Executive Officer, Australian Youth Policy and Action Coalition (AYPAC), Level 1, 1 Edgar Street, Ainslie, Australian Capital Territory 2602**

**CHAIR**—Welcome. We thank you for a very comprehensive submission. Would you like to make a brief opening statement before we start asking you questions about your submission?

**Mr Pocock**—Yes, we would. There are a couple of areas we would like to elaborate on, and there is a little bit of new material we would like to present to the committee as well. In opening, the first thing that AYPAC needs to indicate is that, as an organisation—and young people generally, in our view—we have some right to be angry; not with this committee, but somewhat angry with the response of the federal coalition government, since it was elected, to the issue of youth unemployment.

AYPAC heard and relayed to the community on a number of occasions—we thought in good faith—the fact that the then opposition leader, now Prime Minister, indicated that youth unemployment would not be the second priority of the government or the third or the fourth, but the first. In our view, and we think it is a view that is shared widely across the community, there is not sufficient evidence to suggest that youth unemployment is the number one priority of the current government. We view that as a substantial betrayal of the confidence that young people expressed in the coalition parties at the time of the election. We think it is a contributing factor and a significant factor in the continuing decline of young people's self-esteem, particularly those who are unemployed. In our view, there are far more positive responses to that lack of self-esteem than the Prime Minister recently commented on than the work for the dole program that the Prime Minister proposed.

As an opening statement, we think it is important that the committee knows that there is a level of anger within our organisation and a level of anger within young people about the public priority that has been afforded to unemployment as an issue by the government. To illustrate that—we did not include this in our submission, but we included it in a recent federal budget submission—in our view, the cabinet subcommittee process whereby six members of the cabinet view proposals as to their impact on employment is a very closed process, an unaccountable process. It is a process that does not, unlike this committee process, invite public submission and public input.

In our view, the sort of public process that this committee is undertaking is the sort of approach that we encourage; the sort of approach that the government as a whole should have to the issue of youth unemployment, rather than running a process which has cabinet secrecy attached to it, and rather than running a process which young people themselves can make no contribution to. That is the second point we would like to make which was not contained in our submission: that the process the government is using is, in our view, a secretive one. I think we have typified it by indicating that, given it is a cabinet process, young people will get to find out what it was that this federal government was talking about in trying to solve youth unemployment 30 years later when the cabinet papers become available. Our view is that that is 30 years too late.

In terms of the specifics as to the factors affecting the employment of young people, our view is that

there has been too much public focus on young people themselves and the unemployed themselves. Our view is that the major reason why young people are unable to access jobs is quite simply because there is a shortage of jobs specifically for young people in the labour market. That is the No. 1 problem we have to address.

Our view is that, whilst it is appropriate to have a strong focus on training and preparing young people for work, we think there has perhaps been too much attention in that area, at the cost of adequate attention on actually creating jobs in the labour market for young people. As we pointed out in our submission, the youth labour market over the past 20 to 25 years has basically collapsed in the sorts of entry level positions which used to provide young people with a pathway into employment and a career path and a pathway to their own independence.

Many of those positions have ceased to exist. They have dried up. There has been a lack of adequate response from all levels of government, across all political parties, and from all industry sectors in actually creating new specific entry level positions for young people to ensure that young people can actually access the labour market. That is our opening comments.

**CHAIR**—Thank you for that. I will point out, before we get much further, that this is not a forum for government bashing. If you want to try and use it for that, please yourself. We will talk to you for a few minutes and close it down. What we are here to do is to try and find out how we can help young people become more employable and how we can encourage employers to employ more people. You have, I would have to say, in your submission made a substantial number of very strong and not necessarily documented statements. I would like to start off by asking you a few questions about a few of those. Under item C, second paragraph:

Since the abolition of the Training Levy, employers have neglected their responsibility to train employees.

Have you evidence of that or is that just your opinion?

**Mr Pocock**—It is not just our opinion, Chairperson. AYPAC's view is that, since the abolition of the training guarantee levy, there has been a lack of any clear policy direction from any level of government that has encouraged employers to increase the amount of time they spend on training and the amount of investment they make in training.

Whilst there was a fair amount of reasonable criticism of the training guarantee levy in terms of the way it was actually being utilised and whether it was actually resulting in beneficial training taking place within the workplace, our view is that simply removing the training guarantee levy and not replacing it with anything, or not putting any other strategies in place, sent the wrong message to employers.

A further example of that would be the MAATS scheme that this government has put forward, which, whilst having some positive features, in our view again, is sending the wrong message to employers. It is saying that you do not have to pay anybody for the time they have spent in unproductive training off the job. Again, the message we are sending to employers is that training is unproductive.

The point we are making is that the message that governments and politicians should be giving is that

training is productive, training is of value, training time should be paid for and that training is an investment in both the enterprise's future and the country's future—not a cost to an enterprise. That is the point we are making.

**CHAIR**—Let us address this unproductive time issue. I was fascinated by what you had to say. Further on that page, paragraph 4, you said that:

To illustrate how Governments have got it wrong in the past AYPAC points out that the major review of industry training needs conducted in 1990 under the chairing of Ivan Deveson, the 1990 Deveson review, was titled "The Training *Costs of Award Restructuring*". AYPAC suggests that a country such as Germany would have titled the same report, "The Training *Investments for Award Restructuring*".

You are aware of the German unemployment rate, aren't you?

**Mr Pocock**—Yes, Chairman, I am aware of the German unemployment rate.

**CHAIR**—Following on from that, the first paragraph on the following page, you say that:

AYPAC fears that the Federal Government through its definition of training as 'unproductive' time for which people need not be paid is precisely the opposite message to that which needs to be delivered.

Are you aware of the fact that the wage rates for training in Germany and Austria are a fraction of what they are under the award system in Australia?

**Mr Pocock**—In which industries?

**CHAIR**—Across the board.

**Mr Pocock**—I do not have detailed information on the wage rates for young people in Germany. I was not quite sure that that was something that we were here to talk about or that it was something that was within the terms of reference of the committee.

**CHAIR**—Hang on! You are the one who is talking about unproductive time.

**Mr Pocock**—The point we are illustrating—I would have thought it is a fairly obvious one—is that Australia as a nation has to encourage employers across all industries to invest more in training, both for young people and other people within their enterprises. In our view, and I am not particularly fussed whether you like it or not, governments of both political persuasions have, to some extent, been sending the wrong message to employers in relation to training. If you look at some of the evidence around—which we wanted to bring up before the committee—about employers' attitudes to young people seeking entry to the work force and what it is they are looking for in young people, one of the things that employers are constantly looking for is that young people be trained in relevant areas to their industry and their enterprise.

We do not have any concern about employers expecting that young people and other people seeking entry to their enterprise have relevant training to that enterprise; what we are arguing is that employers also



have a part to play in paying for and delivering that training. Employers, for instance, cannot expect to get enterprise-specific training relevant to them if they are not prepared to do on-the-job training within their enterprise. In our view, governments have been sending the wrong message, and employers in Australia have not been doing enough to actually train young people and other people within the workplace. That is our view.

**Mr MARTIN FERGUSON**—That is why we are bringing migrants in now as a solution to our skills shortage, I might say—announced by the minister for immigration a fortnight ago.

**Mr MOSSFIELD**—Mr Chairman, I make a comment that I think that the issue that is being raised by the people who put in a submission is fairly well covered on page 3, relating to the 1987 report on technology assessment by the Senate standing committee. It says:

. . . the division of the Australian workforce into two sectors— a relatively securely employed and moderately well-paid sector and a low-paid, insecurely employed sector.

That really sums the whole situation up. I think that it is at the latter end—the low-paid insecurely employed sector—where young people are trying to get employment; that is really where the whole problem is.

I was quite comfortable with your submission, quite frankly. I thought it was quite good. It has come through from other people that the main problem is that there are not enough jobs, for whatever political reason. So, rather than ask you questions which you have already covered, put yourself in our shoes: if we are to make recommendations to the government to try to create more jobs, what areas should we be looking at? To give you an idea, should we be looking at tourism, manufacturing, government services or infrastructure development? Could you indicate to us where you think the job growth should be to provide the jobs that young people really need?

**Mr Pocock**—I think it needs to be in all those areas. AYPAC has put forward in our submission that we believe the government needs to develop a national youth employment strategy. It needs to be regional in its focus, and it needs to actually involve local communities. Our view is that perhaps local government and local councils need to be the basis of actually inviting every local government area in Australia—and resourcing them to do it—to come up with some proposals on how they believe job creation can be supported in their community. Whilst we might think of youth unemployment as one problem, it is, of course, many problems. The way in which you create jobs in the north-west of Melbourne will be very different from the way you create jobs in a town that has previously had a mining or an agricultural base which is disappearing.

Our view is that, firstly, the government should set a target for reducing unemployment, so that it focuses the nation's attention on it and gives the nation something it can actually work towards. Secondly, the government should come up with a framework showing how it believes we can achieve that target. Thirdly, the federal government should invite and resource local communities—we believe there would be a strong role for every member of the House of Representatives in this—and give them six to 12 months to put forward some proposals on how they actually need some investment in their community to create jobs for young people and others.

**Mr MOSSFIELD**—Just following that up, couldn't it be said that jobs at that level seem short term

and not real jobs? Is that not a problem we would be facing if we went back to the local community?

**Mr Pocock**—That is something that the federal government would have to take on some responsibility to filter out, I suppose. AYPAC would not contend that putting large amounts of government resources into short-term jobs is a viable or useful strategy to pursue. If you pick country towns where the banking industry is withdrawing, where schools have been closed and where hospitals have been closed, the sorts of options I think those communities will come up with will not be short-term options.

They will want some guaranteed level of services from the community which creates an economically viable base for that community. If this means that we have to question economic rationalist policies, if we have to make different decisions about where we locate schools and which schools we do or do not close, then those sorts of issues need to be considered as part of a strategy to return Australia to full employment.

**Mr BROUGH**—In regard to the country towns, et cetera, are you referring mainly to public infrastructure? The focus on what you said then was obviously not on private enterprise creating the jobs, but through the public sector. Can you elaborate, first of all, on that? I do have one other question, Mr Chairman, if I could follow up afterwards.

**Mr Pocock**—I think what you would find is that, if there is sufficient public infrastructure in terms of providing a viable base to communities, that private infrastructure will follow. It is often when private infrastructure withdraws that the public infrastructure is the last to withdraw. What we are talking about is reversing the process.

**Mr BROUGH**—In regard to the school system, a lot of the evidence that we have taken to date has been that the school system is failing young people, that when they complete year 12—or whatever they complete—they then have to go on and do considerable other basic training in order to make them job ready. As you said earlier, and as many people that have given evidence prior to yourselves have said, when we had lower level entry into the work force the schools were better equipped to actually provide people with the skills that they needed to go straight into the work force.

Do you think that there needs to be a fundamental change, then, in the way our schooling system operates, to make it more vocationally relevant to ensure that we do not have to piggyback and create all of this additional training? I understand the need for some extra training, but shouldn't more of it to be incorporated into their final years of schooling? Do you see that as being of major benefit to youth unemployment and employment, which is obviously what we are about?

**Mr Pocock**—I might cover that briefly and then let Ms Croce talk about the proposal we put forward in our submission. AYPAC is typifying this area of debate as saying that, whilst it is valuable to be increasing the vocational study options for young people within the school system, particularly in their later years—and we support that—we think the policy nut, which we have not cracked, is: rather than taking work into school, we need to be taking school into the workplace.

In our view, we made a serious policy error as a nation when we adopted the Finn targets. It was probably a reasonable policy position to come up with, but we assumed that a school system that was

appropriate as an educational learning environment for 30 per cent to 50 per cent of young people would be an appropriate learning environment for 95 per cent of young people. Schools are not, in our view, an appropriate learning environment—as they are currently structured—for a great number of young people.

So it does not matter how much you change the actual curriculum within schools, our view is that significant numbers—25 per cent, 30 per cent—of young people will still drop out. For those young people, what we have to actually work out is how to take learning into the workplace rather than the workplace into the school. We need to be doing both of those things.

**Mr BROUGH**—Are you saying, simultaneously, whilst they are still at school, or are you talking about after school or after they have completed year 12, or whatever they have completed?

**Mr Pocock**—Preferably young people from years 10 on should be able to combine work and school.

**Ms Croce**—The plan that we have put forward in there was to recognise that we have had these pathways for those who complete year 12 to either go off towards TAFE or towards university. For those who do the compulsory education and finish at year 10, we have not had really a viable, identified alternative pathway. There has been a hodgepodge of labour market programs but no identified path for them, or one that people see as being something coherent. We are advocating that that pathway be there, perhaps linked with school, perhaps outside of the school, for the reasons that Julian has outlined.

Those young people do not have a preference to go to year 12. There is no reason to keep them in year 12 as a way of meeting the Finn target. The other point which you made was that in the past when young people used to leave there seemed to be entry level positions, but I think that gets back to the concern Julian highlighted. There was an anticipation that employers were going to take on a large proportion of the mentoring and the skill development within the on-the-job training that just does not exist now. What they want is skilled employees before they take them on. Young people do not have the ability to get the types of training so that they are skilled up to enter those types of jobs.

**Mrs ELSON**—Julian, since I have been part of this committee, I have tried not to bring politics into this room. But you chose to do so, so I wish to ask you how you have seen youth and training programs. You said the young people feel betrayed by this government since we have been in, with the training programs and so forth. I have worked with young people for the last five years in training programs and my experience in the past has been that they feel they were betrayed by being given training programs and labour market programs training and then nothing eventuated from it. Can you tell me what, in your opinion, the youth whom you deal with think of past training programs?

**Mr Pocock**—Certainly that was a common issue that was raised with AYPAC. We have never backed away from that and we put that pretty squarely to the previous government.

**Mrs ELSON**—So those programs did not actually work either, in the majority of cases.

**Mr Pocock**—I am not suggesting that. I will give you a specific example of what significant numbers of young people felt. There was a program which AYPAC was a strong supporter of for a number of years

called LEAP—the landcare environment action program. In 1994, the previous government, against our advice and the advice of others, turned LEAP into a compulsory program which meant that case managers could direct young people into it, rather than it being an option which people could choose. The choice was actually something they might have been coerced into prior to 1994. After 1994 they had no option. If the case manager said, ‘You’re going into LEAP’, you went into it.

Our experience then was that we found young people in LEAP who wanted to be nurses, computer scientists, et cetera, and it basically became, to some extent, a bit of a dumping ground for case managers to put young people into. That is why we have argued against compulsory programs such as work for the dole programs. There were certainly some elements of that in some of the programs.

Our view, which is expressed in the paper, is that Australian governments—both current and previous are guilty of this—have treated labour market programs the way we treat the hospital system or other large areas of public infrastructure. Governments get elected, they throw all the labor market programs out and they start again.

There might be problems with our hospital system or our health system, but we are not closing down the whole system and rebuilding it from scratch. Our concern has been that labour market programs need to have the same status in the community as TAFE and higher education. They need to have a legislative base and governments need to treat them with a little bit more respect and actually build on the value that is there, rather than chucking the lot out and starting again.

**Mrs ELSON**—So train for real jobs.

**Mr Pocock**—Certainly training for real jobs, but we need a system. The things we currently call labour market programs, in our view, need to be equal in standing, in legislative and in other terms, to the TAFE system and the higher education system. So for all those young people who are leaving school early, the system they are going into is a rigid system that has some quality.

**Mr SAWFORD**—You are well aware that over the last 25 or 30 years we have lost 385,000 entry level jobs for young people. What is your attitude to the ideas that are often put forward of the cash payments that are given out in various circumstances by governments over the last 20 or 30 years? If they were redirected back to institutions—health, education and so on—do you see chances that the public sector entry level opportunities for young people could be accommodated? What is your view of transferring cash payments back to the institution rather than to the individual?

If they were redirected back to institutions, health, education and so on, do you see chances that the public sector entry level opportunities for young people could be accommodated in that way? What is your view of transferring the cash payments back to the institution rather than to the individual?

**Mr Pocock**—What cash payments are you talking about?

**Mr SAWFORD**—Family allowances—all sorts of things: parenting allowances, rebates. Governments give out an incredible range of cash payments to individuals in different particular sorts of ways.

**Mr Pocock**—I suppose what we have here is that the income support system is not a job creation system.

**Mr SAWFORD**—I am not suggesting that; I am saying that governments around the world are often reluctant to raise the necessary revenue to meet the expectations of their citizens. As soon as governments start mentioning that little word ‘tax’, they find their political aspirations going down at a rate of knots. So, in terms of the money that is expended by governments, in terms of transferring some of that money into opportunities for young people, what is your view of that? I just used the example of cash payments, but you can take it further any way you like. What is your view of re-establishing priorities? Where would you re-establish them, and how would you do it?

**Mr Pocock**—I think there are some issues around the tax department—

**Mr SAWFORD**—Without using the hoary old thing, ‘We’ll cut defence by 40 per cent, and we will do this.’

**Mr MARTIN FERGUSON**—I thought it was 50 per cent.

**Mr SAWFORD**—Fifty per cent? Sorry, mate.

**Mr Pocock**—I think there are some misconceptions around the public’s view of taxation which we wish politicians would get their heads around. I think there is pretty reasonable evidence around that, when the public is reasonably certain that an increase in taxation will meet priorities that the community wants met, the vast majority of the public are quite happy to pay higher taxation. What the public is generally not happy with is paying higher taxation when that taxation does not produce any change in their lives and does not provide their young people with jobs, et cetera. Our view would be that, firstly, we need to recognise that. Secondly, if we are actually going to achieve full employment, there probably needs to be a stronger role for the public sector, a more focused role for the taxation system and an increase in taxation in order to provide the entry level positions within the public sector and elsewhere for young people.

The other thing that we perhaps need to consider—we do not have a specific policy on this, but these are the sorts of things that we think need to be on the table and debated—is that there has been great weight put by some on increased labour market flexibility in terms of creating jobs for young people. We are not so convinced by those arguments. Our view would be, for instance, that in some industries there has been less flexibility. I cite the building industry as one example. The building industry has in the past had award conditions where employers have to take on certain numbers of apprentices and young people. But they are actually the industries that are holding up well in terms of providing young people with jobs.

Perhaps a bit more labour market rigidity might actually be required to ensure that a certain number of positions in the labour market within industries are quarantined for young people to get them in. We know from the evidence we have presented—I doubt there would be a member of the committee that would disagree—that young people are severely disadvantaged in the labour market. That is why the youth unemployment rate is so much higher. Our response to that is perhaps not increased flexibility in the labour market; perhaps we need to make sure of some further rigidity in the labour market to ensure that young

people do have a leg up to get a job where jobs are available. They are the sorts of things that need to be debated: an increased role for taxation, and perhaps there is an argument for further rigidities, through the award system, around getting young people jobs.

**Mr PETER BALDWIN**—I wonder if you could expand a bit on what you were saying earlier about how you want to see a labour market program system having parity of esteem, in some sense. I have not had a chance to read your full submission. I will probably look at it later on. The thing about labour market programs is that they undoubtedly have a large counter-cyclical component to them; they expand when unemployment is high and contract when it is lower. I agree that we probably made a mistake during the 1980s in dismantling the whole apparatus at various points and then rebuilding it from scratch, largely, when unemployment rates went up. I think that is probably a fair point.

The way I would have characterised what we need to do with labour market programs is that certainly there needs to be more stability. We should not throw away the learning process that we go through as we debug the bloody things every time they are started up. But I would have put more emphasis on the need to integrate labour market programs and training programs with the mainstream vocational, educational training system, industry based training, school—in other words, integrating it more fully into the structure—and making sure that there are pathways from participation in labour market programs to longer term opportunities. That, I think, has to be a major priority.

You seem to be saying that we treat it as a sector in its own right of comparable esteem. I would have said that it has a key role to play, particularly in the down swings in the economic cycle, but framework needs to be sustained and the policy framework needs to be sustained. The programs need to be continually developed, although the volume, obviously, fluctuates in response to circumstances.

Talking about employment creation with young people, surely the problem is to ensure that all young people, irrespective of their degree of disadvantage, are offered some sort of viable pathway into long-term sustainable employment and the labour market program component is a transitional phase, or it ought to be, in achieving that. I seem to derive the inference, from what you are saying, that you envisage a somewhat different status for it.

**Mr Pocock**—Not quite. We are not suggesting a separate empire with some new name to bundle together all labour market programs. What we have called it in here is a national youth support scheme. If you look at the case management system, in our view, it is a completely stupid policy to start case management with young people who dropped out of school 13 weeks after they have been unemployed. We make it a criteria of case management that young people have been unemployed for at least three months. In other words, we let them sit there and build up their disadvantage before we start assisting them. What we have been suggesting is basically that schools should have access to labour market program funds, that case management should commence in schools, that young people should not leave school without an exit plan and that young people should, from year 10 onwards, be able to register their interest in wanting to leave school and do something else.

When they voluntarily register as being interested in doing that, something which we have called a national youth support scheme should kick in. They should get to see a case manager at that point in time and

the school and that case manager, with the support of the young people, should have options to move that young person out of full-time school into what we currently call a labour market program.

**Mr PETER BALDWIN**—Doesn't that send the wrong message? You are making the labour market program the destination. The labour market program should be a transitional phase that leads on to longer term vocational education or higher education training, combined with work experience as a program.

**Mr Pocock**—We agree, but what we are assuming is that the school system will currently do that for basically 95 per cent of young people. We are arguing that that clearly is not happening and it is not going to happen. Rather than have young people drop out of school and become unemployed for three months, they could register with the CES as unemployed, then get picked up as part of the youth training initiative and register for a case manager and probably see one two or three months later. So their first experience, as an independent person in life is six months, at least, of unemployment. What we are saying is, why don't we just move that whole system back to here and when they are actually saying, 'I want to drop out of school,' we start case managing them and they actually have a pathway into something.

**Mr PETER BALDWIN**—I think programs for 'at risk' students in school provide a variety of options. You would be aware that we brought in things like the job pathway guarantee and the Australian Student Traineeship Foundation, which were designed to provide a variety of work experience options and vocational training.

**Mr Pocock**—But they are very piecemeal, small programs which cover some schools.

**Mr PETER BALDWIN**—Yes. That is a fair point. If what you are arguing is that that should have been done on a larger scale and more comprehensively, I would agree with you.

**Mr Pocock**—That should be done at every school in Australia.

**Mr PETER BALDWIN**—I worry a little about your emphasis. I think it is sending the wrong message to be implying that the labour market program structure is to be viewed as some sort of a destination. You need to be very clear about that. If that is not what you are saying, it needs to be clarified.

**Mr MARTIN FERGUSON**—I have got a couple of issues. The first issue is in respect of currently unemployed young people. You say that you do not support compulsory participation. If there is a proper range of decent opportunities and programs, do you accept a reciprocal obligation that the opportunities are there and that you front up or is there a question of a penalty in respect of benefits?

**Mr Pocock**—We do. AYPAC has not argued either in this submission or in any other submission against reciprocal obligations.

**Mr MARTIN FERGUSON**—Okay. Going on with that, your paper basically argues that the structure of the labour market has completely changed; that those people want to go on to tertiary education rather than get jobs in a variety of industries and that those opportunities have now disappeared. The real issue is how we pick those people up and give them an opportunity. Plus there are those who are at school and are currently

have a similar intent: how do we make opportunities for them? From what you have said today, I get the view that you want to take them out of school rather than take work into school. How important do you think issues 9, 10 and 11—school to work transition—are? Frankly, I want to keep them there and make school a bit more relevant.

**Mr Pocock**—What we are arguing is that you need to do both. Currently, we are only focussing on doing the latter. Our view is that, until we have a close look at the structure of the school system and what schools are actually doing, just changing the curriculum that is taught within schools—

**Mr MARTIN FERGUSON**—That is taking work into school.

**Mr SAWFORD**—What is the difference, mate?

**Mr MARTIN FERGUSON**—It is a different thing: not keeping them there for the sake of minding them, but actually taking in some relevant work opportunities that become part of their school curriculum.

**Mr Pocock**—Combining participation in school with part-time employment in a structured way is something we would support.

**Mr MARTIN FERGUSON**—But is it part-time employment or is it taking part of a traineeship or an apprenticeship into the school system so it is part and parcel of their daily school activities?

**Mr Pocock**—If it is the latter, our view is that it will not work for significant numbers of young people.

**Mr MARTIN FERGUSON**—Why?

**Mr Pocock**—Because they keep voting with their feet; they keep leaving school. School is not somewhere they wish to be. Perhaps we have just forgotten: if you look at young people 20, 30 or 40 years ago and at those that left school, went and got jobs—

**Mr MARTIN FERGUSON**—Or went to a tech school in those days.

**Mr Pocock**—Or went to a tech school—our view is that young people, as people, have not changed that much in that 30- or 40-year period. Significant numbers of them do not want to be at school, they want to leave, they want to get a job and they want to be independent. School retention rates are dropping right across the country, despite the fact that youth unemployment is still stuck around 30 per cent. They are ignoring all the ‘wrong way, go back’ signs, and all the messages we are giving them about, ‘You must stay at school. If you don’t finish year 12, you’re going to be long-term unemployed.’ We are ramming that down their throats. They all know it.

**Mr MARTIN FERGUSON**—That is because year 12 is seen as university.

**Mr Pocock**—I am not convinced.



**Mr MARTIN FERGUSON**—The whole emphasis has been on university. The issue now is making school and work more relevant to those who, for whatever reason, do not see university as an option. I think we have forgotten that over the last decade or two.

**Mr Pocock**—I agree, but I just think we cannot ignore the fact that young people are voting with their feet. What many young people want from age 15 is a job.

**Mr MARTIN FERGUSON**—But those jobs are not there.

**Mr Pocock**—I know, but that does not change what they want.

**Mr MAREK**—First of all, would you take on board the fact that small business is probably doing it very hard? They do not have the dollars at this stage to expend on training, whereas a large business of 120 or more people might be in that position. Would you agree that small business is probably doing it hard? The small panel beater down the street with three employees may not be able to spend lots of money to take on and do traineeships and those sorts of things. Would you go along with that?

**Mr Pocock**—I suppose my response to that would be that, if you look at the apprenticeship area, there are many segments of the apprenticeship area which have been dominated by small business. Those small businesses—including panel beaters and others—have always been able, over a long period of time, to invest in training by employing apprentices. I do not know that there is any real evidence to suggest that small business is in any less of a position to invest in training than medium or larger size businesses.

**Mr MAREK**—But haven't we seen a mass decline in apprenticeships in years gone by, basically because employers do not have the capacity or the finance at this stage? Don't you agree that we have seen a decline in apprenticeships in years gone by?

**Mr Pocock**—The number of apprentices at any one point in time obviously fluctuates. There have been times during recession where it has been lower and there have been times when it has been higher. But I think it also has to be pointed out that as the youth labour market has collapsed one of the areas that has actually sustained its base reasonably well is the apprenticeship area.

**Mr BROUGH**—They are at a three-decade low, so how can you say that they have maintained their base? They were at a three-decade low in 1995.

**Mr Pocock**—That is incredible. I—

**Mr BROUGH**—Thirty years at the lowest point. How is that maintaining their base? I am afraid I cannot see that. We took evidence in Tasmania last week that they were down to 36 apprentices—

**Mr DARGAVEL**—In the building industry.

**Mr BROUGH**—It was 156 the year before and 200 the year before. That argument is not sustainable, that they are being sustained at their normal levels.

**Mr MAREK**—I think you are wrong.

**Mr Pocock**—I am suggesting that, compared with other sections of the youth labour market that have gone like this, sure, there may have been a drop in apprenticeships, but they have held up reasonably well compared with other sections of the youth labour market. The question related to: can small business afford more than other enterprises to invest in training? The answer I gave was quite simply that there are significant areas of the apprenticeship system which are dominated by small business, and they have always been able to invest in training by employing apprentices. So, I don't—

**Mr BROUGH**—Why have they opted out if it was not the finance, in your opinion? Sorry to interrupt. My apologies.

**Mr MAREK**—I do not mind if Mal runs with that. Run with that one, because I have got another question anyway.

**Mr BROUGH**—It is a very genuine question. Why did they opt out? Why have they opted out over the last five or 10 years?

**Mr Pocock**—From employing apprentices?

**Mr BROUGH**—Yes.

**Mr Pocock**—It probably has more to do with the industry base in that industry disappearing—the manufacturing base disappearing, et cetera.

**Mr MARTIN FERGUSON**—The labour market has changed and traineeships have replaced apprenticeships. Don't forget that.

**Mr MAREK**—Julian, in line with where we are going, you made another statement about work for the dole. You would take on board that a work ethic is extremely important for young people?

**Mr Pocock**—Yes. I will let Carol answer this one.

**Ms Croce**—There has been some recent information that came out from the Morgan and Banks job index. They did a survey and asked employers exactly that question: what do you think of young people's work ethic? Two-thirds of them said that they consider young people to have a work ethic as good as or better than any other population. I think that the idea about young people lacking a work ethic is a bit of a furphy.

**Mr MAREK**—Okay. Now compare the difference, in general, between the work for the dole scheme and the new work opportunities program.

**Mr Pocock**—What is the question? How do they compare?

**Mr MAREK**—Yes. How would you compare work for the dole and the new work opportunities

program? You can relate, in some ways, the same sort of initiative.

**Mr PETER BALDWIN**—Let me correct that. Most of the participants in the new work opportunities program are people who have five years or a longer duration of unemployment; they are the very long-term unemployed. By definition, with young people—at least the teenage component—a very small number of the unemployed are involved in new work opportunities. They were the absolute hardest to position. You cannot make a fair comparison of that sort.

**Mr Pocock**—We have attached to our submission our policy position on work for the dole. Our comment on work for the dole came up in relation to LEAP, in that LEAP was a very good program: young people supported it and it achieved very good things whilst it was a voluntary program. When it became a compulsory program it went downhill very quickly. As I said, no side of politics can claim any particular moral high ground in relation to work for the dole, in our view. We do not support the programs. We do not think they will improve self-esteem. Getting a collection of unemployed people—be they young or old—together with other unemployed people doing pretend work with a pretend boss does not give people a work ethic, does not give them real training and does not give them networks in the labour market. We know that most people find jobs not by looking in the paper but through their networks within the workplace. So, for all those sorts of reasons, work for the dole is just a dead-end waste of time.

**Mr NEVILLE**—I respond very readily to your idea of taking the school into the workplace; I think that is the problem. I also think you are on the right track when you say that the stop-start thing that occurs from grade 10 and that generally ends up with four, five or six months of unemployment puts the kids off on the wrong foot.

There are a few schools in Queensland experimenting with this at present. One in my electorate is starting apprenticeships at the end of grade 10—they do one-third of their apprenticeship by going out for a day and a half or two days a week from school, and they have an academic load for the other three days in school. They are paid at award rates for the day and a half that they are out in the workplace, so they are getting the best of both worlds, if you like.

Picking up on Rod Sawford's idea, wouldn't the smart thing be to compulsorily stream all kids from grade 10? The kids with a very high academic bent who are good at chemistry, physics, calculus and all the various things that are a bit difficult would go into the academic stream, unless they particularly wanted to do some manual trade, and all the other kids would have to have a work experience or even a work employment factor as part of their training.

For example, one school in Queensland is doing this and taking kids to a 'grade 13'. In grades 11 and 12 they start doing, for example, a TAFE associate diploma—starting from the end of grade 10—in horticultural practices or office management techniques. As well as doing the softer academic subjects like social studies—instead of history and geography—and maths in the community and getting the maturity of grades 11 and 12, if they have units towards an associate diploma in something, they come out with two options. They are skilled and experienced in the workplace, and they have reasonably good qualifications behind them to take them into the workplace or, if they start swinging back towards the academic subjects, they can go into university, claiming credits for their associate diploma.

In the third stream, to pick up the kids who want to do things in areas like the lesser service industries and retail—

**CHAIR**—Is this a question?

**Mr Pocock**—It is a good one so far.

**Mr NEVILLE**—Could we be putting a lot of that training money and those cash payments into experience and academic streaming from grade 10? The whole bent of schools would have to change to that. This business of drifting along, saying, ‘That is a worry for the parents or the children. We’ve done our job as teachers,’ would have to go. What do you think of the concept of that occurring compulsorily in every school from the beginning of grade 11?

**Mr Pocock**—I think it is a pretty reasonable concept. From that point in time, what you would need to do is provide young people with options in terms of pursuing the part-time apprenticeship and school based program you referred to in opening your question through to pursuing the more traditional range of subjects through to year 12, perhaps with a view to going into TAFE or higher education—this is what we have been arguing about. The concept of streaming young people into one or the other compulsorily is not a concept we would support. Any notion of compulsory streaming will mean that we make mistakes and put young people on the wrong path.

**Mr NEVILLE**—I made one covenant in that.

**Mr Pocock**—You cannot escape life. It is already compulsory for young people to make some choices at Year 10 or some point, so we would not have any problem with them being presented with this range of choices and being told, ‘You have to make up your mind what you are going to do.’

**Mr PETER BALDWIN**—The bifurcation to academic and vocational streams in this state runs right against the grain of the whole way work and education—

**Mr NEVILLE**—But Peter, I wonder if that is where we are tripping up. Let us say a kid who has reasonable academic qualifications says he wants to be a cabinet-maker and starts streaming towards going out to do an apprenticeship in cabinet-making and spending a day and a half a week in a factory. Then he finds halfway through grade 12, say, that that is not what he wants, and he asks for the apprenticeship to be cancelled. He still has his other academic subjects, and he has not wasted the time he has been at school. He still has the opportunity to go into some other TAFE course or something.

What we are doing now is virtually cutting them off at grade 12. There is a sort of aura that you have to go to university to succeed, as Martin says. Doesn’t it make more sense to cultivate kids into all the options for employment—from grade 10—and have them not only ready for work at the end of grade 12 but hands-on experienced?

**Mr Pocock**—Yes, it does.

**Mr PYNE**—I have a different line of questions. It is important, in understanding your evidence and your submission, to know a little bit about AYPAC and where you are coming from in that respect. Could you tell us a bit about AYPAC?

**Mr Pocock**—Yes. AYPAC was formed in 1991. It was formed from the Youth Affairs Council of Australia—the previous peak youth body. Its members include national youth organisations and the youth affairs councils from each state and territory. It is governed by a national representative board, which is a board of organisations elected from amongst the members. The members cover basically all issues that pertain to young people. Just to give you a feel for it, some of the members include groups like the YWCA, the YMCA, St Vincent de Paul, FECCA, the Scouts, the Guides, the National Union of Students, the Australian Association for Adolescent Health, Australian Rural Youth, Kids Helpline, and a range of others.

**Mr PYNE**—So those people are represented on the council?

**Mr Pocock**—That is correct.

**Mr PYNE**—And who is represented on the board of AYPAC?

**Mr Pocock**—They are the member organisations. Each state and territory youth affairs council automatically has a position on the board, so we always have reps from every state and territory. Then there are nine positions for the other organisations to run for. There are about 25 national youth organisations in Australia. They have an election each year amongst themselves and nine of them get elected.

**Mr PYNE**—What is the break-up of the nine at the moment? Which organisations are represented amongst the nine?

**Mr Pocock**—You might be stretching my memory a little bit. The National Union of Students is a member.

**Mr PYNE**—How many members do they have out of the nine?

**Mr Pocock**—One. Organisations get elected and they send one representative to the board. The board is the eight state and territory youth affairs councils, plus nine national youth organisations, plus a young spokesperson and a chairperson, so it is actually a total of 19. NUS is one amongst the 19. Besides the National Union of Students, the others are the Australian Association of Adolescent Health, St Vincent de Paul, Fusion—

**Mr PYNE**—What is Fusion?

**Mr Pocock**—Fusion is basically a Christian based youth organisation that runs youth services right across Australia. I mentioned the YWCA, the Scouts, the Guides, the Australian Federation of Youth Sector Training Councils—

**Mr MARTIN FERGUSON**—So it is a bit more represented than the South Australian branch of the

Liberal Party.

**Mr Pocock**—So it is very diverse coalition of—

**Mr PYNE**—How is AYPAC funded?

**Mr Pocock**—AYPAC has a number of funding sources. We have a core operating grant provided by DEETYA, which this government has to date maintained.

**Mr PYNE**—What is the percentage of funding from DEETYA?

**Mr MARTIN FERGUSON**—Funding will be cut after today, I think.

**Mr Pocock**—If you include projects, it is about 50 per cent; if you do not include projects, it is about 90 per cent.

**Mr PYNE**—Where does the 50 per cent come from?

**Mr Pocock**—From projects and from membership.

**Mr BROUGH**—What sorts of projects?

**Mr Pocock**—We are running a project for the Australian Multicultural Foundation, in concert with FECCA—the Federation of Ethnic Communities Council of Australia—basically on developing ethnic youth issues networks in all states and territories. We are also running a major project, which has been running for three years, for the Council of Aboriginal Reconciliation to promote reconciliation amongst young people.

**Mr BROUGH**—So they contract you to do it? Is that right?

**Mr Pocock**—Essentially, yes.

**Mr MARTIN FERGUSON**—What is your annual budget?

**Mr Pocock**—Our annual core budget from DEETYA is about \$300,000. The budget from the AMF for the NUS youth projects is also about \$300,000. We get about \$60,000 from the reconciliation council, and there are memberships, interest, et cetera.

**Mr PYNE**—How much are the memberships?

**Mr DARGAVEL**—Chris wants to join.

**Mr MARTIN FERGUSON**—No, the wets from South Australia—

**Mr Pocock**—The membership for a national youth organisation to join is \$200 per annum.

**Mr PYNE**—But what is the total of your budget?

**Mr Pocock**—It is probably only about five per cent.

**Mr DARGAVEL**—I was wondering if I could ask some questions about the inquiry.

**Mr PYNE**—I haven't finished asking my questions.

**Mr DARGAVEL**—Sorry. Okay.

**Mr PYNE**—Did you say when you take out the projects the funding from DEETYA is about 90 per cent or 95 per cent?

**Mr Pocock**—That is correct.

**Mr PYNE**—And AYPAC has never been associated with any political party, has it?

**Mr Pocock**—No, it has not and it actually has a constitutional requirement that the youth wings of political parties are ineligible to stand for election to the board to ensure that none of the political parties can get representation on our governing board.

**Mr PYNE**—And you are not associated with any political party, are you?

**Mr Pocock**—No. Chair, I am quite happy to answer all these questions now or at any time.

**Mr PYNE**—If you actually think about it, it is important, in evaluating the evidence and submissions, to know where everyone comes from.

**Mr PETER BALDWIN**—Are you going to ask every witness whether they handed out how to votes at election time?

**Mr MARTIN FERGUSON**—They used to barrel the Labor government as much as they are barrelling this government. They are a bit too left wing for us.

**Mr Pocock**—Chair, I am happy to answer the question anyhow. I have never been a member of any political party and have no intentions of devoting my time to those areas. I have handed out how to vote cards for the tenants union in Victoria about 15 years ago; I have always been a member of the tenants union.

**Mr DARGAVEL**—I just wanted to ask a few questions about the actual subject of the inquiry, rather than harass the witness.

**Mr PYNE**—Who is harassing the witness?

**Mrs ELSON**—You should have been here a bit earlier, Steve.

**Mr DARGAVEL**—The question goes to an earlier point that was being talked about, which was retention rates. In terms of a decline, you are saying there is a general decline across the country.

**Mr Pocock**—Yes.

**Mr DARGAVEL**—I have noted that there is a variation in that. In some states, there is a higher retention rate than in other states. In the Australian Capital Territory, there is a higher retention rate than in other places. In the Australian Capital Territory, we have a split system where the last two years of secondary education is at college level. Do you have any comment on that or do you think that is a variable in a higher retention rate?

**Mr Pocock**—AYPAC has suggested in our last submission to the previous federal government around the federal budget and in our current submission to this federal government around the federal budget that the federal government should undertake a review of school retention rates, and examine some of those questions.

We have not done that examination and we do not have a view on whether the ACT's split system of senior secondary colleges is a major contributor to their increased or higher retention rate, but I suspect that may be the case. At the time of the release of the Carmichael report, there was a strong suggestion that we should perhaps be developing senior secondary colleges right around the country. That issue was not pursued with any vigour and was not really examined very closely.

They are the sorts of things we believe need to be examined because, as we said earlier, it is not just the curriculum or what is going on in the schools, it is the actual school environment that is very important as well. We think that some of those things have not been examined by us, or other people, in any great detail, and that is why we have been suggesting for the past three years to both the previous government and to this government that they need to undertake a review of school retention rates to find out why young people are not staying on at school.

**Mr BARRESI**—I have two basic questions, Julian: firstly, on the method of operation in terms of the background work to this. It is always a concern, when you have a large national organisation, that perhaps they may be too distant from the coalface. How do you actually gather your information and then test some of these assumptions that you have? Do you actually run focus groups out there; do you bring young people together? We have actually had submissions from high school students. We had them in front of us and we realised after a period of time that perhaps they were not representative of the general youth population. So we had to reconsider that in terms of the target group. How do you actually do it as an organisation?

**Mr Pocock**—We depend heavily on our membership base and our member organisations to bring material evidence to the table at our national board meetings. But typically, in particular, we depend on the state youth affairs councils, who have a much closer contact with the ground—with individual youth services and with schools, et cetera—to gather information from young people.

An example of where AYPAC has done substantial focus group work was in the lead-up to the 1992 youth summit, when AYPAC ran focus group sessions right across the country to develop a major submission, much of which still feeds into our policy work. That submission was called *Get real* and was focused on job



creation and some of the things that we still focus on today. AYPAC has put a proposal forward to the federal government to do this on a more regular basis, and we have attracted a large corporate sector company to help finance it. We are proposing to set up a partnership between us, the federal government and that corporate sector company to run the sorts of focus groups you are talking about on a regular basis on identified key issues. Because our view is that it needs to be done in a better way than it has been done. But that is the type of operation that we try to work with.

**Mr BARRESI**—Are you able to reveal which corporation that is or are you still in the contractual stage?

**Mr Pocock**—We have a meeting to talk about it on Monday with the relevant minister so I would not want to give any more details than that at this stage, in fairness to that minister.

**Mr BARRESI**—You referred to voluntary programs, particularly community programs. We have had community programs in the past—do you have a preferred list of the typical types of community programs that a regional centre or even the metro areas should be looking at?

**Mr Pocock**—We have suggested in the past that the LEAP program when it was a voluntary program should have been used as a model but developed around other industry settings aside from landcare, environment and conservation. That was a good program which was supported well by the community and by young people.

Another program we have suggested as an alternative to work for the dole was a program called the community activity program which the previous government ran, but not very well. It allowed the unemployed to volunteer their time for employers or organisations in the community but it was driven by the CES, in that organisations had to register with the CES, and then the unemployed person could come in and pick from a number of organisations that the CES had registered. Typically, the CES did not have any registered, and the places were never filled. We suggested they should make it driven by the job seeker, allow job seekers to find their own voluntary work placement—with a limit on the number of hours per week and the number of weeks per year—have that vetted by the CES and undertake that voluntary work.

In that type of program, job seekers have to find the placement themselves, and that means it relates to their area of interest, they have contact with a real employer and they are in a real workplace where they can add some value to that workplace and, in turn, be valued for doing that. For the third year in a row, we have included that in our budget submission to the federal government. It is called the community activity program, and we hope it is something they will support. I will be happy to send you that submission.

**Mr BROUGH**—Can your organisation make some comments on youth wages?

**Mr Pocock**—Our view is that until we set aside the youth wages issue as a bit of a furphy in relation to improving employment prospects for young people, we will not get onto the real solutions. We have not uncovered any evidence anywhere—nor has anybody else—that suggests lowering wages will improve the overall level of employment for young people.

**Mr BROUGH**—Maybe you misunderstood me. I am not asking about lowering wages, but about the

differentiations that exist currently whereby someone at McDonalds, for argument's sake—as we always get in these inquiries—receives \$5 an hour. If it were made \$10 an hour but open to everybody—that is, I am not asking about lowering the wage further but about that sort of a differential?

**Mr Pocock**—Again, I think the evidence we presented—which was drawn largely from the United States—indicated that at the time the US economy was going into recession and there was a substantial increase in teenagers' wages, particularly in fast-food industries, it was in the states where the wage increases were the largest that the youth employment effects were the most positive rather than the most negative. Our view is that the youth wages issue is a bit of a furphy, and it is a furphy from employers, as the Morgan and Banks stuff—

**Ms Croce**—The follow-up question to the last index—when they asked about work ethic and young people—was: what government policies and programs would make your organisation more likely to take on young people? The one that got the highest ranking of 24 per cent was that they wanted more industry specific training. The issue of lower wages was only identified by two per cent. That was across the board in all industries. Some of them said it was not an issue at all.

**Mrs GASH**—Julian, you commented on the board, but I did not hear anywhere of members from small business or industry on the board. Do you have any such people?

**Mr Pocock**—No. AYPAC is a youth sector organisation—although I would add that the organisations represented on the board are themselves employers and businesses. The YWCA and the YMCA, St Vincent de Paul and those organisations are very large, multimillion dollar organisations that themselves as employers confront all of the same issues that other employers confront. But, in terms of having specific representation from the employer sector, we do not seek it and we do not have it. It is a youth sector organisation.

**Mrs GASH**—But if you are looking to those people to employ youth, would it not be a natural course to find out why they are not employing youth?

**Mr Pocock**—Of course, I agree; but the method of actually finding out does not necessarily involve having an employer representative on our board. We certainly talk to employer representatives, we meet with groups like COSBOA, ACCI and others and have regular liaison with them. So we are involved in those networks and work with those organisations, but that does not necessarily mean that they have to be on our board, and they are not.

**Mrs GASH**—I find it very important. If you are asking employers to employ youth, I would have thought it was a natural course to find out why they are not. What incentives do you see to encourage people to start employing them, as a business person?

**Mr Pocock**—All I can restate is that I agree it is sensible that we find out from employers why they are not employing young people. That is why we avail ourselves of the material produced by Morgan and Banks, which is detailed information from survey work on why employers do or do not employ young people. That is why we meet with groups like COSBOA and the ACCI. So we do work with the private sector, the corporate sector and employers to find out those things.

**Mrs GASH**—Through a consultant?

**Mr Pocock**—No, we do it directly. We go and meet with them and we talk to them. I was the guest speaker at COSBOA's annual general meeting last year, et cetera. We do avail ourselves at those networks and that information. But, as to whether or not they should be on our governing board, you will not find any youth sector organisations on the governing board of the ACCI, COSBOA or the Business Council of Australia, but that does not mean that we do not work very closely together; we often do.

**Mrs GASH**—I am not saying that you should not have; I am just asking you why you do not.

**CHAIR**—We have a couple of questions before we conclude. On page 4 you said:

Increased student participation in part-time employment decreases the availability of jobs for unemployed young people and devalues the quality of these jobs because some students are more likely to work for unacceptable wages and conditions.

Firstly, if wages and conditions are 'unacceptable', why do they work for them? In the next sentence, you said:

Measures to enhance the level of student assistance would have a positive effect in removing some students from the part-time and casual labour markets.

Secondly, how on earth can it be positive to remove people from the labour market? I am really confused.

**Mr Pocock**—The issue is that many researchers have often noted that, for instance, with Austudy, if you provide a better level of income support to students currently accessing income support through Austudy, it will lessen their need to take on part-time and casual work in the labour market, and that will therefore free up some of that work for basically people who are full-time unemployed.

In relation to accepting work that is unacceptable, if I can put it that way, the point is that a student who has a long-term plan to be whatever it is they are studying to be may accept conditions in another industry, knowing that they will only be in that industry for a short time—perhaps two years—on a part-time basis. In that scenario, those young people—or they may not even be young people—those students are probably likely to accept a lower level of employment conditions than somebody who is wanting to be in that industry full time.

**CHAIR**—Is the work experience not valuable?

**Mr Pocock**—No, we are not indicating that work experience is not valuable. We are indicating that the work experience may be of better value to somebody else and that, if we support students properly through the Austudy system, the part-time job may be actually accessed by somebody who is not studying full-time at university.

**CHAIR**—Okay. I guess that Rod partly got there in one question that he asked; but, from your submission and your evidence today, I get the impression that you feel that the government, or society, has a responsibility to manage youth in the labour market, so that every young person is sent somewhere by the system. Don't the young people themselves have some very significant responsibility in this respect?

**Mr Pocock**—They do, and that is widely recognised. It is legally recognised, if you like, through reciprocal obligations, when we are talking specifically about unemployed young people. What we are indicating—and this was what my opening comments were about—is that, if the government does not believe that unemployment is solvable, why would it anticipate that anybody else will believe it? If the government does believe that unemployment is solvable, why does it not tell us when it will be solved?

The elected representatives put their hands up to be elected and to lead the nation and to be the government, and that is fine. We are indicating that they have actually to work on what the solutions are, and that is why we said we welcomed this committee's process. We welcome that it is an open process, and that is why we indicated we would prefer governments to use the types of open processes that this committee is using, when it is addressing issues like youth unemployment.

What we as a community have a responsibility to do, under the leadership of our government, is to provide young people with opportunities; and we need to provide sufficient numbers of opportunities to meet the numbers of young people out there. That is what we are all not currently doing. We agree that it is not just the government's job to find everybody a job but, certainly, governments have to lead the way.

**Mr MARTIN FERGUSON**—Following on from an issue that Bob has raised, what you are effectively arguing goes to the question that a lot of people find jobs through an informal network, by word of mouth.

**CHAIR**—Most.

**Mr MARTIN FERGUSON**—You are therefore arguing that there is a role for government. For example, if you come from a suburb of regional high unemployment or a household of high unemployment, there is a problem of morale, et cetera, so the government has got to intervene to assist those people, because they lack the informal contacts. Is that basically where you are coming from?

**Mr Pocock**—That is an example of where we are coming from, yes.

**Mr MARTIN FERGUSON**—Can we get the Morgan and Banks stuff?

**CHAIR**—Yes, I have asked for it.

**Mr PETER BALDWIN**—Are you going to circulate it, Mr Chair?

**CHAIR**—Yes. Before we close down, thank you very much for coming today and talking to the committee and being forthright in answering the committee's questions.

**Mr Pocock**—Thank you, Chairman.

Resolved (on motion by Mr Martin Ferguson):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 10.18 a.m.**