

## Chapter 2: Social factors

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2.1 In Chapter 1 the Committee identified the major structural changes that have taken place in the labour market for young people. There has been a severe decline in entry level jobs for teenagers in the workforce over at least the last 15 years. Obviously, strong economic growth is needed to help create more jobs for young people. It is also true that those factors which affect the employability of young people must be examined, so that their attractiveness to employers may be increased. This chapter looks at a number of factors which affect employability.

2.2 There is a wide range of social factors which exert positive and negative influences on the employment outcomes of young people. While this report will attempt to deal with the most prominent factors, many young people experience multiple negative combinations of factors which compound their disadvantage. Consequently, the various social factors bearing on an individual cannot be considered, or addressed, in isolation from each other.

2.3 Most significantly, the Committee has observed that programs which succeed in placing disadvantaged young people into employment address the consequences of negative social factors in young people as part of a preparatory phase before concentrating on skills development or attempting to place them in employment. The features common to successful programs are considered later in this chapter.

### FAMILY BACKGROUND

2.4 In the competition to obtain jobs, the most significant factor influencing the employment of individual young people is the social and economic circumstances of their families. Young people from families on low incomes are much less likely to remain at school than young people from families on higher incomes.<sup>1</sup> Families are also very important in developing appropriate attitudes towards work in young people. One employer, who is almost certainly not alone in his approach, told the Committee:

*The main ingredients in taking on an apprentice — this might be politically incorrect but it is what I look at — are if he comes from a stable home environment, if his parents are together and they are both working or one is working.<sup>2</sup> [Mr Mick Byrne, Managing Director, Byrne Trailers (Australia) Pty Ltd, Wagga Wagga, NSW]*

2.5 Continuing support is also important to help young people retain employment while they make the adjustment to work.

*In relation to those employers that have taken on apprentices or trainees, the information I am getting back...is that there needs to be family support for the*

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1 DEETYA, *Submission No. 71*, p. 15.

2 *Transcript of Evidence*, p. 1332.

*trainee or the apprentice to be successful.*<sup>3</sup>

[Ms Robin Hanigan, Employment and Training Field Officer, Broome Chamber of Commerce]

2.6 Family background operates on a young person in at least two important ways. Parents, friends and neighbours provide role models for young people in work and education and, when it comes to seeking work, the same people very often provide networks which are an important private means of finding suitable employment.

*One factor is that of the role model. Young people come from single parent families and from families where they are the third or fourth generation to be unemployed. If Dad is not working, or Mum has never had a job, then they do not really see the real need to work.*<sup>4</sup>

[Mr Brett Harvey, Employment Officer, Employment 2000 Skillshare]

*One of my PhD students did some fascinating work about the role of networks in the labour market. A lot of employers will employ on the basis of the suggestions of other workers: you know someone and they say you are available. It is about the role of information and advocacy in the labour market and those networks are very important in the matching process...when you look at chronic unemployment you find that those people generally have very small networks which are not very useful. You actually have to know some people in employment.*<sup>5</sup> [Professor Judith Sloan, Director, National Institute of Labour Studies, Flinders University]

2.7 A survey of small businesses supports the common assertion that most jobs are never advertised.<sup>6</sup> Employers know that the families and friends of existing employees are a reliable, simple and inexpensive means to identify suitable new employees.

*I ask current employees if they know of anybody. I believe that the best source of information is by a recommendation of somebody they know. In fact, in a lot of instances, that is how I have employed my staff — by recommendation of somebody I know.*<sup>7</sup> [Mr Keith Boyd, Managing Director, Keith Boyd Holden, Sale, Vic.]

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3 *ibid*, p. 1490.

4 *ibid*, p. 310.

5 *ibid*, p. 302.

6 Dr Dave Goddard and Ken Ferguson et al., *Small Business Owners, Their Employment Practices and Key Competencies*, Department of Employment Education and Training, p. 59.

7 *Transcript of Evidence*, p. 1182.

In the face of this reality, young people from homes without an employed parent who can impart a culture of employment and provide job seeking advice and contacts, are at a profound disadvantage.

2.8 The advantages conferred on young job seekers by supportive parents and an effective network is borne out in the observations of young people.

*When I was going to get a job, it was not so much that the school had prepared me to go to an interview or to write a resume or whatever; it was more to do with my family. My Mum sat down and told me what I had to do. A family friend, who is a manager of a company in Wagga, sat down and told me what to expect in an interview, what people wanted to hear from me in the interview, what to put in my resume. It all came from family and friends. None of it was covered at school, and I think it should be.<sup>8</sup>*  
[Ms Kelly Dalglish, Student, Mt Erin High School, Wagga Wagga, NSW]

*I have a couple of mates who left school at Year 10. Most of the people who have got apprenticeships have done so through family connections and stuff like that. We were just talking about this issue earlier and it seems that the people who do not have the connections and so on are usually put on a waiting list and have to try really hard to get an apprenticeship.<sup>9</sup>* [Mr Jethro Lyons, Student, Bribie Island State High School, Bribie Island, Qld]

*I think it is pretty important to have your family there to support you when you are working, because some of the customers that come through can be really rude and put you in a bad mood. When you are starting working your parents can help you decide what to wear and how to talk to the people and things like that. For instance, my mum helped me to get my job because she knows the people and she went and talked to them.<sup>10</sup>* [Ms Tracy Basulla, Student, St Mary's High School, Carnarvon, WA]

2.9 It is abundantly clear that young people who do not have a family background which values and reinforces education and employment and which can provide guidance and a functional network to seek employment need alternative sources of guidance and access to the labour market. The Committee believes that vocational education programs with significant workplace components can help build confidence and establish workplace contacts for young people which may ultimately lead to employment. *See Chapter 3.*

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8 *ibid*, p.1305.

9 *ibid*, p. 470.

10 *ibid*, p. 1531.

*One boy who graduated from our program last year was third generation Australian unemployed. That boy is now in full-time work. He had no work ethic. He did not know what it was like to get up in the morning. He did not know what it was like to present yourself for work.<sup>11</sup>*

[Mrs Sandra Wilson, Coordinator Central Coast TRAC]

2.10 There is evidence that employers do consider workplacement and work experience students when looking for employees. Some 15 per cent of small businesses have reported using either means of searching for new employees 'quite a lot' or 'a great deal' compared to over 62 per cent who reported using word of mouth to the same extent<sup>12</sup> and this has been confirmed to the Committee in evidence received by the inquiry. The potential that vocational education programs have to compensate for the absence of family based networks for disadvantaged young people is a major benefit that needs to be recognised.

## **CULTURE**

2.11 There are a number of cultural factors in business, education and the wider community which, if addressed, should help improve employment opportunities for young people.

### **Education**

2.12 The Australian education system has a very narrow view of its role which is only just beginning to alter in response to social and economic change. With rising school retention rates, rapid expansion of the tertiary education sector and the disappearance of unskilled and entry level jobs, parents and teachers have mistakenly focussed young people's attention on pursuing a tertiary education as the only secure path to employment. This cultural bias towards tertiary education neglects the needs of the 70 per cent of young people who are not headed for university. As a consequence, the 'dole' has become the major visible alternative to a tertiary education for some young people.

2.13 It too often appears that to those involved in the primary and secondary education systems, business is almost an alien culture. In Chapter 3 the Committee looks at this issue in more detail and makes recommendations to correct the imbalance.

### **Business**

2.14 It is the Committee's unanimous view that the business sector has a responsibility to young people beyond merely supplying some jobs. Business is as much a part of the cultural landscape of Australia as the schools, universities,

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11 *ibid*, p. 550.

12 Dr Dave Goddard and Ken Ferguson et al., *Small Business Owners, Their Employment Practices and Key Competencies*, Department of Employment, Education and Training, p. 59.

families, unions, governments, artists, performers, media and all the rest. Business not only has a responsibility to its shareholders but a responsibility to the society in which it operates. In the context of this report, the Committee believes that business has a clear community and cultural responsibility to help educate our youth and provide them with their first jobs.

2.15 Small businesses are clearly limited in the resources they can commit to assist in the education of young people, although many small business people, particularly in the trades, do feel and act on an obligation to provide apprenticeships. Larger businesses and business associations have a greater capacity to contribute to youth education and to helping shape the education system itself. The Committee considers that many of these organisations could do much more than they do at present.

### ***Recruitment***

2.16 Few businesses, large or small, take on the role of getting out into their community to promote their industry or firm and the job opportunities it offers. This was particularly apparent in rural and remote areas where many of the young people couldn't tell the Committee what job opportunities were available in the industries around their towns. Employers and their representative bodies, lamenting young people's lack of interest in taking up the jobs available, invariably confessed, when asked, that they had never been to the local high school to talk to the students about jobs.

2.17 The problem is not confined to rural and remote areas, it was just more easily detected in small places. The fact is that few businesses anywhere see imparting information to young people as integral to their recruitment strategies. Business needs to take a longer term view. Industries and firms should be cultivating the interest of young people from early high school onwards and trying to establish ways to ease their transition into employment. The employers which do this will get first pick of the young people most motivated to work in their industry.

### ***Negative cultural influences***

2.18 Cultural factors in big business which impede employment prospects for young people include the recent trend towards downsizing, which has fallen disproportionately on younger and older workers, and outsourcing, which severely restricts training opportunities for young workers. Although there are some significant exceptions, it does not seem to be part of the modern culture of Australian business to employ and train young people in the long term interest of the firm and, more generally, society.

2.19 In the small business and rural sectors 'doing it yourself' and 'avoiding red tape' are articles of faith. Small business owners have a tendency not to place a high value on education, training and development, either for themselves or for their

staff.<sup>13</sup> Altering these attitudes has the potential to unlock an unknown number of jobs for young people.

2.20 There is little the Committee can do to make businesses, large or small, make cultural changes which would be to the employment advantage of young people. However, by pointing out how it is in business's long-term financial interest to make some changes, and by recommending some systemic adjustments to provide appropriate incentives and signals to business, change is a realistic goal.

### **Positive cultural influences**

2.21 There are some very positive examples of business culture highly favourable to young people. The major retailers and fast food operators have a bias towards employing and training young people, which works well for them and is to the great advantage of the young people who secure jobs with them. McDonald's training is so successful in developing positive work related attitudes in young people that its employees are universally valued by other employers. McDonald's employs thousands of inexperienced young people, teaches them skills, builds their self-confidence and instils self-discipline as it motivates them to become the world's most productive hamburger vendors.<sup>14</sup> The major retailers and the other fast food companies also successfully employ and train thousands of young people but McDonald's has elevated it to an art form. The Committee is also aware of manufacturing companies, such as Email and Diecraft, which have reputations for providing high quality training to young people, particularly in the skilled trades. Other businesses would do well to follow these examples.

2.22 Another positive example comes from the small end of town proving you don't have to be big to make a difference. There is a long and strong tradition in the skilled trades of training apprentices to fulfil an informal obligation to 'pass on the trade' because 'somebody gave me a job'. It is a core part of the culture of trades. This tradition has ensured the survival of trade training despite rigid bureaucratic control, unresponsive training providers and an anachronistic wage structure. If government were to appeal to, and reward, this desire to 'pass on the trade' its efforts to promote trade training would be more effective.

### **ATTITUDES AND EXPECTATIONS**

2.23 There are two sides to the issue of attitudes and expectations and the influence they have on the employment of young people. They are young people's attitudes and expectations and employers' attitudes and expectations. It is clear to the Committee that the two sides do not always match each other closely enough and perceptions, on both sides, do not necessarily match the facts. Individuals often act according to their perceptions so, to that extent, perceptions become reality and inaccurate perceptions need to be corrected.

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13 *ibid*, p. 8.

14 Mrs Julie Owen, Vice-President, Corporate Relations, McDonald's Australia Ltd, *Transcript of Evidence*, pp. 129 and 130.

## **Young people**

2.24 The Committee heard much anecdotal evidence on the problems with the attitudes and expectations of young people in relation to employment. Young people, it is claimed, do not want to work and, if they do, they are not interested in entry level positions. In speaking to over 300 young people around Australia the Committee only encountered one young man whose attitude was negative and who was unwilling to consider a wide range of jobs because he didn't want to get his 'hands dirty'.

2.25 While the Committee firmly believes that the vast majority of young people do want to work it has found that there has been a general failing by parents, schools and industry, to adequately inform young people about the needs of employers and the realities of the youth labour market. Consequently, a significant disparity exists between the expectations and aspirations of many young people and the reality of the employment market they confront.

## ***Attitudes***

2.26 The attitude towards employment and employers of most Australian young people is very positive and their desire to work is strong. There is a small minority of young people who have negative attitudes towards employment which generally have their roots in family circumstances and negative experiences in education and in seeking employment. Any discussion about attitudes hostile to employment or an unwillingness to work by young people must recognise that only a small minority of young people have a negative orientation to work.

2.27 Employers place high importance on employees having a positive attitude to work and are unlikely to employ a young person with a poor attitude. Consequently, it is not surprising to observe that elements common to unemployment are linked to the presence and formation of negative attitudes. Labour market and pre-employment programs have to address the negative attitudes of unemployed young people if they are to have any hope of success. The important elements of some successful programs are discussed later in this chapter.

2.28 The focus of this report in addressing the development of negative attitudes in young people is to consider how to forestall the entrenchment of such attitudes and low self-esteem in young people. The Committee believes that the most effective way for governments to achieve this is to improve the educational experiences of those young people who are most at risk of leaving school early with inadequate employment skills, poor levels of literacy and numeracy and low social and technological skills. *See Chapter 3.*

## **Expectations**

2.29 The expectations of young people in relation to employment range between two extremes. There are young people who believe that their job prospects are hopeless to non-existent, a view perhaps reinforced by personal or family experience of unemployment. This view of the world is perpetuated by a secondary education system obsessed with tertiary entrance and a media focus on high unemployment and widespread misinterpretation of youth unemployment statistics.<sup>15</sup>

2.30 At the other end of the spectrum there are young people who have an unrealistic perception of their value in the labour market. They eschew entry level jobs in favour of higher status positions beyond their current capabilities.

*When they first advertised for the trainees to come in, they got nobody interested, yet when they advertised for a manager of one of their shops they had all of these school children in Year 12 applying for the manager's job because it had a mobile phone and a car and they could wear a nice tie and a white shirt to work. But nobody wanted to come in and do the traineeship.<sup>16</sup>*

[Mr Norman Cahill, Former Chief Executive Officer, ElectroSkills Australia]

2.31 The employment and educational expectations of school leavers are heavily influenced by parents, teachers, peers and television. This is to be expected but, for the most part, parents, teachers and peers draw on their own perceptions and experience which is often not balanced nor up to date. The traditional focus in high schools on preparing senior students for university has survived intact in many schools while little information is available on the range of alternative career paths available to young people.

2.32 In response to the emphasis given by schools and parents, many young people aim for university courses. It is often the only career option they have received any information or guidance about. Others, whose school results do not support such aspirations develop the impression that they have few prospects unless family, or other networks, are able to fill the information vacuum which exists in schools.

*It is basically university that is really emphasised. We are always told that uni will get you a great job; if you go out now while you are 15 to try to find a job, you are not going to succeed.<sup>17</sup>* [Ms Sarah Harris, Student, Caboolture State High School, Caboolture, Qld]

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15 It is widely believed, for example, that 28 per cent of all teenagers are unemployed as opposed to 28 per cent of teenagers who want full-time employment. About 6.5 per cent of all teenagers are unemployed.

16 *Transcript of Evidence*, p. 86.

17 *ibid*, p.452.



2.33 The Committee believes that the best way to address the inaccurate perceptions that young people and their parents hold is to restore some balance into careers education and guidance in schools and to improve its quality and availability. A more comprehensive discussion of the deficiencies in careers education and guidance and the Committee's recommendations for reform are at Chapter 3.

## **Employers**

2.34 Employers' attitudes towards young people and their expectations of them as employees are central to this inquiry. An employer with a negative attitude towards young people will not hire them. On a number of occasions the Committee heard comments from employers indicating a bias against employing people under 25.

## ***Attitudes***

2.35 Employers' attitudes towards young people cover a full spectrum of views. In response to a Bank SA survey of 600 small businesses in South Australia, only 25 per cent of respondents agreed that young people are excellent employees and almost as many disagreed.<sup>18</sup> Fifty seven per cent of respondents agreed that young people require constant supervision. Given that the need to closely supervise employees imposes substantial costs on an employer, this widespread perception about young people would indicate that most of the respondents see them as bringing additional costs. Many employers who gave evidence to the inquiry stated that they would like young people to be more work ready, meaning punctual, reliable, well presented and better equipped with basic literacy and numeracy skills, than most are at present.

2.36 The Committee agrees that many young people could be better prepared for work. However, it also believes that negative attitudes towards young people held by some employers are unjustified and based on inaccurate perceptions. Negative stereotypical depictions of young people have been around since before the people who now adhere to them were young people themselves.

2.37 Young people in employment sometimes encounter this attitude from their employers.

*I have been in my job for two years and I have never once had a day off or been late for work. My boss always says to me that she is surprised that I have been there for so long, because she thinks teenagers do not like to work or anything like that. She said she is just shocked that I have worked for so long, because teenagers do not like working.<sup>19</sup> [Ms Chrissie Hart, Student, Tullawong State High School, Caboolture, Qld]*

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18 Bank SA, Media Release, 26 April 1997, *Youths face strong resistance from business employers - Bank SA survey*.

19 *Transcript of Evidence*, p. 458.

2.38 There are a number of factors perpetuating the negative views of young people held by some employers. Employers are influenced by their experiences and those of their peers. Hence one bad experience with a young person, or one related by a colleague, may create a lingering bias against employing young people.<sup>20</sup>

*Many employers who comment on the young people that come to them looking for work have a number of preconceptions about young people that shape their attitude considerably. This at times leads to some quite negative ideas about young people, reinforced by **what they think they see.** (emphasis added)<sup>21</sup>*  
[Stirling Skills Training Inc.]

The work test to qualify for Jobsearch ensures some employers see many unemployed young people, some of whom do not want to work, and this distorts their perception of all young people.<sup>22</sup>

*At the very least employers have to waste their time going through sham interviews with people who do not want the job.*<sup>23</sup> [ACT Chamber of Commerce and Industry]

2.39 The media has played a significant role in the creation and maintenance of negative stereotypes, particularly in relation to youth from certain areas. Employers then become reluctant to employ young people from those areas which, in turn, has a negative impact on young people's self image.<sup>24</sup>

2.40 A disappointing response to vacancy advertisements may perpetuate doubts about the bona fides of the unemployed for example, the poor response to retail traineeships advertised by Retail Training Victoria which was reported in the media earlier this year.<sup>25</sup> Television current affairs programs reported the lack of applicants for the traineeships with much enthusiasm reinforcing the perception that unemployed people do not want to work. In fact, the newspaper and television coverage resulted in a massive response from people looking for work who had not been reached through the CES or by the earlier advertising.

2.41 Another attitudinal factor which indirectly affects employment is the negative perceptions some employers hold in relation to education and training. ANTA commissioned research confirms the difficulty of establishing a 'training culture' in some industry sectors, particularly small business.<sup>26</sup>

## **Expectations**

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20 Ms Felicity Thomson, Trainee Development and Promotional Officer, Queensland Retail Traders and Shopkeepers Association, *Transcript of Evidence*, p. 407.

21 *Submission 21*, p. 2.

22 Mr Graeme Trompf, ACT Youth Joblink, *Transcript of Evidence*, p. 26.

23 *Submission No. 45*, p. 3.

24 Ms Stella Hristias, Fairfield Youth Workers Network, *Transcript of Evidence*, p. 599.

25 Miss Debra Templar, Trainee and Development Manager, Retail Training Victoria, Retail Traders Association of Victoria, *Transcript of Evidence*, p.761.

26 ANTA, *Submission No. 87*, p. 23.

2.42 Above anything else, employers want employees to have the right attitude — that is, a willingness to work, a desire to learn, punctuality, honesty and appropriate personal behaviour and presentation. When employers have any doubts about someone’s attitude they will almost certainly avoid employing them.

*They are happy to train young people, if their attitude is right. If their attitude is wrong, there is very little that anybody can do to change a person’s attitude. It is very, very difficult and a process that employers would rather not go through.*<sup>27</sup> [Mr Graeme Trompf, ACT Youth Joblink]

2.43 After attitude, the basic skills which employers look for are: literacy and numeracy, team work and communication, problem solving and the ability to use equipment and technology such as office and business machines. An understanding of profit — that an employee needs to earn more than they cost — is also important to many small business employers.

2.44 The Committee believes that employers’ expectations of young people, described in the preceding two paragraphs, are reasonable and that most young people are equipped to meet them. However a significant number of young people do not have an understanding of employers’ requirements and expectations. Chapter 3 of this report makes some recommendations in relation to careers education and guidance and vocational education which are intended to help close the gap between employers and young people.

## **EMPLOYMENT PROGRAMS**

### **Addressing disadvantage**

2.45 The operators of successful programs designed to assist the long term unemployed tend to have established sound links with local business and industry. Local employers offer a vacancy, sometimes a specially created position, on the understanding that the program operator will provide and prepare someone to fill the position. Typically such programs have succeeded by bridging the gulf between the unemployed and the employers by understanding and addressing ‘the complex needs of young people and the specific needs of business’.<sup>28</sup> Features of successful programs generally include:

- canvassing vacancies (persuading employers to increase employment)
- work preparation (pre-employment training, attitude and skill development)
- work placement (placing a young person with a suitable job and employer)

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27 *Transcript of Evidence*, p. 15.

28 WorkPlacement Inc., *Submission No. 44*, p. 2.

- post placement support for the employer to help keep the young person in employment (mentoring).<sup>29</sup>

2.46 Some unemployed young people, particularly the long term unemployed, experience multiple disadvantages such as homelessness, alcohol or drug dependencies, lack of family support, low self-esteem and psychological problems to list some of the possibilities. Effective intervention to assist these young people in the labour market involves tailoring a program to address the specific underlying issues for that person and to develop positive attitudes. Not to do so ensures that he or she will not be receptive to skills training or ready to undertake a work placement. The success of young participants in labour market programs is closely linked to their levels of self-esteem.<sup>30</sup>

2.47 Work preparation, or pre-employment training, in successful programs tends to focus on the attitudes, presentation, self-esteem and confidence of the young people being assisted. This is in contrast to what appears to be a greater emphasis on skills acquisition by Government training programs and reflects the higher importance employers place on attitude and presentation in relation to skills.<sup>31</sup>

*In our experience, employers are ready and willing to train young people, develop their skills and give them experience if their attitude is correct and they are prepared to learn. But an attitude problem is much harder to fix and potentially very expensive to an employer.*<sup>32</sup>  
[ACT Chamber of Commerce and Industry]

2.48 The organisation Breaking the Cycle Ltd, successfully assists young people into employment by addressing the attitudes of those it assists before placing them in employment.

*We say to young people it is not about whether their attitude is good or bad; we ask them whether their attitude is useful in any given environment. A feisty attitude can be really useful if you are on the streets but not particularly useful if you are negotiating with your boss. We tell them about context and let them know.*<sup>33</sup>  
[Mr Paul McKessy, Founder/Director, Breaking the Cycle Ltd]

2.49 Other organisations told the Committee that much money had been wasted on training in labour market programs because effort was not first directed at individuals to correct attitudinal and other barriers to employment and the acquisition of skills.

2.50 It is apparent from the evidence of several of the operators of these types of programs that, by appealing to employers' sense of community responsibility and by

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29 *ibid*, and *see*; Breaking the Cycle Ltd, *Submission No. 96*, p. 7.

30 Ms Kirsten Palmer, WorkPlacement Inc, *Transcript of Evidence*, p. 185.

31 ACT Chamber of Commerce and Industry, *Submission No. 45*, p. 2.

32 *ibid*.

33 *Transcript of Evidence*, p. 1647.

offering tangible and appropriate support, they encourage employers to create jobs that would not otherwise be available. Support in this context does include government subsidies to encourage employment but, importantly, also includes the training and mentoring which is provided both to the employer and the employee to support the continuation of the employment relationship. Successful programs provide training to prepare the workplace mentor for their role in supporting the young person they accept into the workplace.

*One of the developing activities of WorkPlacement has been the development of a post placement support service for employers; that is, getting out and teaching employers how to be good mentors for the disadvantaged kids who are placed within their firms.*<sup>34</sup> [Mr Rupert Myer, WorkPlacement Inc.]

2.51 Incidentally, the broker role offered by these sorts of programs also relieves employers of some of the aspects they find difficult — such as recruitment and dealing with the bureaucracy.<sup>35</sup>

### **Recognised training**

2.52 The Industry Reference Group on the Implementation of the Modern Australian Apprenticeship and Traineeship System proposed that labour market assistance containing training elements should articulate into recognised VET activity. The National Training Framework should be used to link labour market training to endorsed national competency standards.<sup>36</sup>

2.53 The ANTA Ministerial Council has agreed to this proposal along with the other 23 proposals of the Reference Group. The Committee adds its support to the idea that labour market training programs should teach skills which are in demand by employers and lead to recognised qualifications. However, Governments, when developing and funding labour market programs, should favour programs which first address attitudinal and other barriers to learning and employment in individuals.

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34 *ibid*, p. 186. Breaking the Cycle Ltd is another successful program which provides training for workplace mentors; see *Submission No. 96*, p. 7 and *Transcript of Evidence*, p. 1649.

35 Mr Paul McKessy, Founder/Director, Breaking the Cycle, *Transcript of Evidence*, p. 1648.

36 ANTA, *The Report of the Industry Reference Group on the Implementation of the Modern Australian Apprenticeship and Traineeship System*, September 1996, Proposal 10, p. 12.

## 2.54 Recommendation 2.1

**The Committee recommends that the Commonwealth Minister for Employment, Education, Training and Youth Affairs, when developing and funding labour market programs:**

- **should favour programs which first address attitudinal and other barriers to learning and employment in individuals; and**
- **ensure training components in labour market programs are given recognition in vocational training according to endorsed national competency standards.**

## RURAL, REGIONAL AND REMOTE COMMUNITIES

2.55 Together with the factors influencing employment opportunities which they share with urban Australians, young people who live outside the capital cities face additional obstacles in obtaining employment. The full-time unemployment rate for young people aged 15 to 24 living outside the capital cities was 21.1 per cent in June 1997 compared to a national average for young people of 18.4 per cent and 16.7 per cent in the capital cities. In country areas there are fewer employment and educational opportunities than exist in most urban areas and there is consequently some pressure on young people to relocate to areas of higher opportunity.

2.56 The differential between the full-time unemployment rates for young people in the capital cities and those in the remainder of Australia could be expected to be even greater if it were not moderated by the movement of young people to the capital cities from other parts of Australia. (*see box 2.1*)

### **Box 2.1** *The drift to the cities*<sup>37</sup>

A comparison of the ABS labour force statistics between May 1992 and May 1997 supports the claims made in submissions that young people drift from country areas to the cities in search of employment and educational opportunities.

The population living outside the capital cities in the 20-24 age cohort in May 1997 was 4.8 per cent lower than the number in the 15-19 age cohort in May 1992 (the May 1997 20-24 age cohort is the May 1992 15-19 age cohort five years later). This is despite an Australia wide increase of 3.9 per cent (and a capital city increase of 9.4 per cent) in population for the corresponding age cohort over the same period.

This measurement of the trend is very broad and does not capture the movement of youth to larger regional centres and to metropolitan centres that are not classified as capital cities by the ABS.

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37 This is not a rigorous analysis of population movements but it is included to show that the anecdotal evidence the Committee received on population movements from regional areas can be supported by official figures.

## **Employment opportunities**

2.57 The lack of employment and educational opportunities is a problem even in regions host to a relatively diverse range of industries and home to moderately sized towns. For example, it was claimed that 90 per cent of the students completing Year 12 at Bateman's Bay and Bega High Schools in 1995 have left the district to study, to undertake training or to find work.<sup>38</sup> In more remote communities the situation is even more extreme.

*I pulled out some statistics for central western Queensland on the age distribution of the population compared to the state average. In the one to five cohort, we are about 20 per cent above the state average. When you get to about ten years old you see the numbers start to slide away. It keeps going down and down until you get to 44 or 45, then it starts to come up a bit. It is almost as though we can breed and raise them, but we cannot keep them.<sup>39</sup> [Mr Frank Keenan, Director, Longreach Pastoral College]*

2.58 Young people from country areas who have relocated to cities to study or in search of employment are, in many cases, still receiving support from their parents. This diverts a proportion of country income to the cities which reduces expenditure and economic activity in country areas.

## **Seasonal factors and commodity prices**

2.59 Many rural areas are dependent on single industries such as agriculture, forestry or mining. For some rural and regional areas employment opportunities are further restricted by depressed economic conditions caused by drought and low commodity prices, the effects of which do not stop at the farm gate.

*Take the Winton shire, for example, it normally has one and a quarter million sheep in it, and it has now only got about 300,000. It costs the grazier, with all the on-costs, about \$3 to shear a sheep, so there is \$3 million that is not being circulated through the local economy.<sup>40</sup> [Mr Graham Kenny, Executive Officer, Warrego Division, United Grazer's Association of Queensland]*

Also, many rural businesses are carrying debt in the form of credit extended to drought affected primary producers which further weakens their capacity to provide employment.<sup>41</sup>

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38 South East NSW Area Consultative Committee, *Submission No. 62*, p. 5.

39 *Transcript of Evidence*, p. 912.

40 *ibid*, p. 892.

41 Golden West Group Training, *Submission No. 108*, p. 2.

2.60 The relative decline in commodity prices is a long term trend which is exacerbating the effects of extreme seasonal fluctuations such as drought and flood and countering improvements in agricultural efficiency.

*There is an old chap who owns a property this side of Birdsville. Nearly 10 years ago, he said to me, 'I think I ought to get out of this game. In the early seventies, I could sell four bullocks and buy a Toyota. Now it takes me two decks.' If you go and look at car prices and market prices for cattle, he could sell a road train today and would not get much change out of it after buying his Toyota.*<sup>42</sup> [Mr Frank Keenan, Director, Longreach Pastoral College]

This decline in commodity prices has been a major factor behind the long term decline in employment in the pastoral industry which has had a flow on effect into the towns.

*One of the issues is the domino effect of the population decline from the rural sector. It has had an absolutely huge effect on the small business community. The properties [in central Queensland] that used to employ three, four, five and six people are now family only. Therefore the money that those jackaroos and governesses were spending in the towns in this region just is not there.*<sup>43</sup> [Mr David Loch, Business Development Officer and Deputy Chief Executive Officer, Central Western Queensland Remote Area Development Board]

## **Regional infrastructure**

2.61 Withdrawal of public and private infrastructure, such as the closure of utility and road maintenance depots or bank branches, gradually undermines the economic viability of the affected towns and their capacity to create employment.

*Towns are dying off. I am not allowed to mention which towns. They are very sensitive about that. Small business cannot function in these towns any more...where there is actually no infrastructure that allows any form of real jobs for anyone, let alone young people in rural and remote areas, as towns close, as abattoirs close, wool scours close, railways close, services close, banks close and all those sorts of things that young people are a part of, a youth wage will not create a job if there is not one*

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42 Transcript of Evidence, p. 911.

43 ibid, p. 921.



*there.*<sup>44</sup> [Ms Lurline Comerford, Industrial Officer,  
Queensland Services Branch, Australian Services Union]

2.62 Lack of local infrastructure may also create significant additional costs for young people. The cost of transport and subsistence away from home where courses are not available locally compounds the costs of attending TAFE and is prohibitive for many young people.

*I live out of town [Wagga Wagga] and I need to have a car to get into town to go to school. I have to pay for that to be registered and insured. I have to pay for the petrol every week. I get Austudy as well as income from my part-time job and that only just covers me.*<sup>45</sup>

[Ms Joanne Morey, Student, Wagga Wagga Campus,  
Riverina Institute of TAFE, Wagga Wagga, NSW]

2.63 Employers in rural and regional areas often incur additional expenses in relation to travel and accommodation for apprentices because training facilities are not available close by.

*We have a refrigeration apprentice in our operation who has to go to Sydney [from Wagga Wagga] for his apprenticeship on block release. Just his travel and accommodation alone...are \$10,000 a year...We have to pay [him] as well.*<sup>46</sup> [Mr Peter Bartter, Joint Managing Director, Bartter Enterprises]

## **TRANSPORT**

### **Regional**

2.64 Transport can present a major obstacle to employment and education for young people in rural areas. For those that have access to a car, petrol is generally more expensive in country areas and, where they are available, so are rural bus services. In many regions public transport is poor or non-existent and young people who do not have access to a car find that travelling to neighbouring towns is very difficult.

*What happens to the kids in the Bay and Basin area [Shoalhaven, NSW]...when they leave school? If they want...further education they have to leave home to go to university...How do they get to TAFE or university? We can give them free travel on buses or free petrol, but they do not have cars and the only bus service that we have leaves at 9 o'clock in the morning and 5 o'clock in the*

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44 *ibid*, p. 374.

45 *ibid*, p. 1303.

46 *ibid*, p. 1311, and see *Submission No. 114*, p. 2.

afternoon.<sup>47</sup> [Mrs Dianne Laver, Senior Head Teacher,  
Tourism and Hospitality, Nowra TAFE]

2.65 Lack of transport is also a barrier to young people in rural areas accessing part-time jobs in neighbouring towns after school.

*I have not applied for any jobs, but I live 24 kilometres out of Sale and 10 kilometres out of Stratford. My parents work, and I cannot get to any jobs because there is no public transport. If I wanted to do an apprenticeship, I could not get to Sale on a school bus, I would have to get my parents to drive me every day or board in Sale.*<sup>48</sup>

[Ms Bronwyn Richards, Student, Gippsland Grammar School, Sale, Vic]

## **Urban**

2.66 Isolation and transport issues are not necessarily confined to rural and remote areas. The expense and inefficiency of public transport in urban areas is also a barrier to seeking and attending employment for many young people. One submission cited an example in Sydney's western suburbs where a typical journey, which would take about ten minutes by car, takes one and one half hours by public transport and costs around \$50 per week.<sup>49</sup> In some industries, such as building and construction where the worksite might vary or tools must be carried to the worksite, young people without personal transport are at a distinct disadvantage.

## **ETHNICITY**

### **Indigenous Youth**

#### ***Education***

2.67 The Committee received evidence that in some parts of the country the mobility of Aborigines is an impediment to some young people acquiring skills through training programs offered by local CDEP programs.<sup>50</sup> Other witnesses told of 'hard attitudes' towards Aborigines and Torres Strait Islanders which limits the willingness of local business people to employ Aboriginal young people or offer training opportunities.<sup>51</sup> An education system which is alien to their cultural background is a further difficulty.

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47 *Transcript of Evidence*, p. 1096.

48 *ibid*, p. 1159.

49 Fairfield Youth Workers Network, *Submission No. 24*, p. 4

50 Mr Garry Kinivan, Administrator, Bidjara Housing and Land Co. Pty Ltd, *Transcript of Evidence* p. 860.

51 Mr John De Satge, Assistant Coordinator, Puttatama Aboriginal Corporation, *Transcript of Evidence*, p. 958.

*We have a big truancy problem [in Mt Isa]...We have that problem because we have a lot of children who come from outlying areas. English is their second language and they communicate in their own way a lot. And we have a lot of young teachers who are coming out of university and do not know how to cope with the Murri. They do not know where they fit in or how to teach, and with some of them it is the way they talk to the kids or point the finger. So the kids just bail up and do not go back.<sup>52</sup>*

[Mrs Joan Marshall, Youth Worker, Youth and Community Combined Action]

2.68 The Committee believes that, aside from the general absence of employment opportunities for Aboriginal people in remote locations, a major barrier to the employment of Aboriginal young people is their profound degree of social and educational disadvantage. Even where employment is otherwise available, many Aboriginal young people experience compound disadvantages such as poor literacy and numeracy, too few role models and little effective family support towards obtaining and retaining employment. Even for the most capable it can be too much to overcome.

2.69 For many Aboriginal people, particularly in remote areas, mainstream education has a serious credibility problem because their participation has not delivered the promised outcomes. A witness recounted the following view to the Committee:

*For probably three or four generations now we have been saying to Aboriginal people, 'If you do this and this and go to school for a really long time — 12 years or something — when you come out, this will be the outcome.' The people living in these places actually have a benchmark. In their traditional ceremonies — they are not invited into the ceremonies until they are ready — however long they take, when they come out they have the power and the authority. And whatever the particular ceremony is they do get the recognition. So for three or four generations now we have been asking them to go into this very, very long ceremony. We have been promising them a lot of things. When they get to the end and they are waiting for the jobs and whatever else we have been promising, they have not been there.<sup>53</sup> [Mr Henry Harper, Community Education Coordinator, Arnhem Land Progress Association]*

2.70 Submissions to the inquiry from Alice Springs in the Northern Territory gave an extreme example of the consequences of non-participation in primary school education by Aboriginal youth. Testing of 228 Aboriginal students entering Year 7 this year revealed that approximately 65 per cent had a level of educational

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52 *Transcript of Evidence*, p. 962.

53 *ibid*, p. 1416.

attainment equal to or less than Year 3.<sup>54</sup> This situation is directly attributed to extremely low levels of attendance at primary school by Aboriginal children.

*The experiences of Aboriginal youth with mainstream education provision are largely unsuccessful, and what follows is well documented—the appalling lack of participation and the significant under-representation of Aboriginal youth in employment and training activity in Australia.*<sup>55</sup> [South East NSW Area Consultative Committee]

2.71 The educational disadvantage experienced by Aboriginal young people is a difficult problem to address. Mainstream education must become more culturally appropriate to address the low attendance by many Aboriginal and Torres Strait Islander young people. Education providers need to consider the local needs of Aboriginal communities, particularly in remote localities, and integrate education with the social and cultural goals of communities to motivate higher attendance and participation.

## **Employment**

2.72 In addition to educational disadvantage, there are social, economic and cultural factors which can act as impediments to employment for young Aboriginal people. The approaches which stand the best chance of reducing these impediments are those which are culturally sensitive and involve a whole of community approach. The Committee heard evidence of some initiatives which provide encouraging examples.

2.73 Henry Walker Ltd and Paspaley Pearls Pty Ltd successfully employ significant numbers of Aboriginal people by adopting employment and training strategies which accommodate Aboriginal cultural and community values, while meeting the needs of the employer.<sup>56</sup> These employers, and others like them, should have their achievements publicly acknowledged and they should be encouraged to share what they have learned to enable other employers to expand employment opportunities for Aboriginal people.

2.74 In Carnarvon, the Aboriginal community has initiated a program, as part of a CDEP, which incorporates accredited training and employment experience with host employers. A network of people supports the participants in their placements to assist them to acquire marketable skills and to develop an attitude which will sustain employment. In another initiative, the CDEP is pursuing the development of the skills and attitudes necessary to enable the CDEP to compete successfully for mustering contracts on the stations in the region.<sup>57</sup> In the East Kimberley, the Wunan

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54 DEETYA, Alice Springs, *Submission 106*, p. 1, quoting the same survey as Yirrara College, *Submission No. 107*, p. 1.

55 *Submission No. 62.1*, p. 2.

56 Henry Walker Group Ltd, *Transcript of Evidence*, p. 1399-1400; Paspaley Pearls Pty Ltd, *Transcript of Evidence*, p. 1498.

57 Mr Michael Mitchell, Manager, Community development Employment Project, *Transcript of Evidence*, pp. 1543, 1548, 1551.

Regional Council is establishing a group training company to enable it to improve training opportunities for Aboriginal young people.<sup>58</sup>

2.75 The employment difficulties of young Aboriginal people, particularly in remote areas, are complex. The Committee did not receive sufficient evidence in this inquiry to be able to address those difficulties with the thoroughness required or to take proper account of the special circumstances of Aboriginal communities.

### **Migrant Youth**

2.76 The factors influencing the employment of migrant youth are, generally, the same as those affecting all young Australians. Literacy in the English language exerts a greater influence on the prospects of young people from migrant communities than for the wider population. The answer to the problem lies in placing more emphasis on teaching literacy and numeracy in primary schools and providing greater opportunities for adults to improve their literacy in English.

2.77 The Committee received some limited evidence of other factors which may impede access to employment for young people from migrant backgrounds. These included racist attitudes by some prospective employers and lower participation in labour market schemes by employers from some migrant communities. It is possible that the cultural and attitudinal impediments to the employment of young people from migrant backgrounds will be broken down as a higher proportion of young people and employers participate in expanding workplace education programs. However, it is being too optimistic to expect workplace education to solve these problems quickly or easily.

2.78 A specific examination of the factors influencing the employment of young people from migrant backgrounds was beyond the general terms of reference of the inquiry. The Government should consider measures to raise the participation by young people from migrant communities in traineeships, apprenticeships, employment subsidies and further education where particular groups have below average rates of participation.

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58 Mr Ian Trust, Chairperson, Wunan Regional Council, ATSIIC, *Transcript of Evidence*, p. 1460.

