



**The Smith
Family**

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Submission to the Employment White Paper Consultation

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INTRODUCTION

The Smith Family welcomes the opportunity to provide a submission to the Employment White Paper Consultation. The Smith Family is Australia's largest national children's education-oriented charity. Our vision is *a world where every child has the opportunity to change their future*. Our purpose is *to overcome educational inequality caused by poverty* and our belief is that *education is one of the most powerful change agents*.

In FY22, over 190,000 children and young people, their parents/carers and educators participated in our programs. This includes around 60,000 children and young people who are on our long-term educational scholarship program, *Learning for Life*. All students on the program are living in low income families and one in five of them are from Aboriginal and/or Torres Strait Islander backgrounds. More than one in three of these students has a health or disability issue and more than 70 percent of parent/carers of *Learning for Life* students are not in the labour or are unemployed.

Given the educational focus of The Smith Family's work and the relationship between education and employment, this submission focuses on the Consultation's theme of **Labour force participation, labour supply and improving employment opportunities**.

This submission draws both on our experience working with young people and their families over many years and our long-term research. The latter includes tracking the school and post-school outcomes of all young people on the *Learning for Life* program including through the three year Pathways, Engagement and Transitions (PET) Project (2021-23) which is providing new and contemporary insights on the post-school pathways of young people experiencing disadvantage and how they could be better supported to make positive post-school pathways into employment.

THE RELATIONSHIP BETWEEN EDUCATION AND EMPLOYMENT

The links between education, skills, employment and productivity have been well documented, by a range of researchers. The Productivity Commission notes: "People who are unemployed or not in the labour force have systematically different characteristics from people who are employed. For example, they tend to have lower levels of education, a greater incidence of chronic illness and a longer experience of unemployment" (Forbes et al 2010 p xvi).

There is a strong relationship between the completion of Year 12 or equivalent (Certificate III or above) and longer-term participation in the labour market. Longitudinal analysis by Lamb et al (2020) shows that at age 29, 85 percent of young people who had completed Year 12 or equivalent by age 19, were in full or part-time employment, compared to only 64 percent of those who hadn't completed Year 12 or equivalent at age 19.

The Education Council's 2020 *Report of the Review of Senior Secondary Pathways* highlights that literacy, numeracy and digital literacy are essential competencies and that young people also need "employability skills, creativity and entrepreneurial capabilities, financial literacy, interpersonal skills and civic understanding" (p 17).

Analysis by Lamb et al (2020) of a range of Australian educational data, shows that significant proportions of young Australians are not acquiring these skills. Young Australians from low socioeconomic backgrounds, those from Aboriginal and Torres Strait Islander backgrounds and those living in regional and remote areas are much less likely than their peers to acquire these skills.

For example, at age 15, young people from low SES backgrounds are on average, three years behind their more affluent peers on reading, numeracy and scientific literacy. Achievement in Information Communication Technology Literacy, now identified as a core skill for employment

and broader social participation, is also significantly lower for children and young people from disadvantaged backgrounds, relative to their more advantaged peers. Disadvantaged young people are also less likely to have strong levels of creative problem-solving skills, or display high levels of self confidence, relative to their more advantaged peers.

By age 19, there is a 25 percent difference in the proportion of young people from disadvantaged backgrounds who complete Year 12 or equivalent, compared to those of advantaged backgrounds (Lamb et al 2020). Young people experiencing disadvantage are also less likely to complete a post-school qualification than their more advantaged peers.

This educational disadvantage across young people's lives significantly contributes to the much lower rates of participation in the labour force of young people experiencing disadvantage. At age 24, one in three young people experiencing disadvantage are not in employment, education and training (NEET) compared to less than seven percent of their advantaged peers (Lamb et al, 2020).

Efforts aimed at increasing labour force participation and improving employment opportunities must therefore have an eye to educational outcomes, including at school and post-school, as they significantly impact on an individual's capacity to participate in and sustain employment, as well as the nature of that employment.

YOUNG AUSTRALIANS AND EMPLOYMENT

Many young Australians struggle to find secure reasonably paid work that sets them up for long-term participation in the labour force. Given young people's generally lower level of skills, less experience and familiarity with the labour market, and the types of roles they occupy, they are particularly impacted by major economic challenges, as they have been by COVID 19. They also take much longer than other groups to recover from such shocks and are vulnerable to long-term scarring effects from entering the labour market at times when it is more difficult to get work (e61 2022).

This is borne out in the youth unemployment rate which was seven percent in July 2022, double the overall unemployment rate. In addition, underemployment is a particular challenge for young Australians, with a rate of 15.0% in July 2022.

Aggregate unemployment and underemployment figures also mask the particular challenges faced by some groups of young people, including Aboriginal and Torres Strait Islander young people, those from low socioeconomic backgrounds and those living in outer metropolitan, regional or remote areas.

The number of young people not in employment, education or training (NEET) also increased during the first year of the pandemic, with almost one in eight young people in this group. This is the highest level of youth non-engagement on record. Long periods spent NEET, impact young people's short- and long-term employment prospects, financial security and mental and physical health, as well as bringing significant economic and societal challenges.

ENHANCING THE PARTICIPATION IN EMPLOYMENT OF YOUNG PEOPLE EXPERIENCING DISADVANTAGE

Being in work or training post-school is heavily influenced by what happens to young people while they are in school. Young people who participate in multiple encounters with the world of work (eg career talks, workplace and VET visits, Job Fairs, work experience etc) while in school, are much more likely to be in employment, education or training in their 20s.

Many young people experiencing disadvantage don't have access to quality and sustained engagement with the world of work while at school and this has been exacerbated by COVID. More generally, the quality of careers support in schools remains inconsistent and challenging to deliver for schools serving large populations of young people experiencing disadvantage. This support has also been impacted by COVID.

Quality careers support at school is particularly important for young people experiencing disadvantage, as they are less likely to have:

- Access to networks of people in employment and be able to see themselves in roles outside of their experience
- Up-to-date information on the labour market including opportunities in new and emerging industries.

Recent The Smith Family research conducted with young people experiencing disadvantage

The Smith Family is currently undertaking a three year research project (Pathways, Engagement and Transitions (PET) project) to help better understand the post-school pathways of young people experiencing disadvantage, and how they can be better supported to move into employment.

Of the over 1,500 young people experiencing disadvantage who were in Year 12 in late 2020 who participated in the first survey of the PET research in April 2021, 86 percent recalled receiving careers support at school. While this was a strong result, of those who recalled receiving such support, 55 percent said it was useful, 35 percent it was neither useful or not useful, and 11 percent said it was not useful. This data highlights that more can be done to strengthen careers support in schools, and this has a key relationship to improving young people's employment outcomes post-school.

RECOMMENDATIONS

Research and programmatic work undertaken by The Smith Family informs the recommendations below on how to better support improved employment outcomes for young people experiencing disadvantage:

- Identify young people as a **priority group** in policy and programmatic work focused on improving employment in Australia.
- Enhance the **quality of careers support** and **structured exposure to the world of work** while young people are **at school**. For example, through programs such as *Work Inspirationⁱ*, an employer-led initiative that provides young people with opportunities to experience the world of work first-hand in a meaningful and inspiring way.
- Strengthen the **consistency** and **structure** of **school-industry engagement** in communities experiencing disadvantage through funding **brokers/intermediaries**, that facilitate quality partnerships focused on improving young people's employment and educational outcomes. This should include **targeted support** for those at risk of or who have left school early, so they don't become long-term NEET. Such support should be closely linked to and/or be delivered in **schools**.
- Prioritise young people's acquisition of **key employment-related skills** including **digital literacy**.
- Support greater acquisition of **educational qualifications** – including school completion and VET and university qualifications, with better identification and support of those **at risk** of not progressing through school/post school study.
- Provide **paid structured support in the workplace** for young people who are studying post-school, so they are well positioned to move into employment on completion of their qualification, for example through programs such as *Cadetship to Careerⁱⁱ*.

More specifically, recent data from the Pathways Engagement and Transitions survey and associated interviews with young people identified the following recommendations for improving young people's post-school pathways and participation in employment over the longer-term.

- More access to **comprehensive careers advice at school**, including in the middle years of school and outside of critical periods (for example subject selection, applying for post-school study), and transition support in the period after leaving school.
- More **personalised, one-to-one advice** from careers staff, with a focus on exploring what a young person wants to do in life and options for them to achieve their goals, including more frequent support for those who do not have specific goals.
- A **broader approach to careers advice**, including information about labour markets, employment pathways, skills that will be in demand in the future, alternative pathways and support to develop a range of options in case they face difficulties getting into their first choice.
- Connecting young people to **mentors, internships** and older students to help inform their career planning.

- Greater **individualised support**, including early intervention, for students who are struggling with academic and/or personal issues, as this is key to supporting young people to complete their education.
- Support to develop **self-confidence** and other **life skills**, including how to seek help, seize opportunities and learn from their mistakes.
- Increased opportunities for young people to study **VET subjects** at school and post-school, engage in **work experience** placements and be exposed to the world of work, while at school.
- Greater exposure to **apprenticeships** and **traineeships** and what to expect when a young person is the **first in their family** to participate in post-school study.
- Strategies that support **family members'** access to up-to-date labour market, education and training information, and how they can support young people to develop their goals and plans to achieve them, given family members are key sources of advice.
- More **focused support**, including with careers, for young people experiencing **mental health issues**.

While schools are largely the responsibility of the States/Territories there are a range of levers and influence the Commonwealth could have in this space, including through a new National Schools Reform Agreement which is due in 2023, which would contribute in the longer-term to the Commonwealth's goal of **improving employment outcomes**.

REFERENCES

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ⁱ *Work Inspiration* provides young people with opportunities to experience the world of work first hand in a meaningful and inspiring way. Participating employers are supported by The Smith Family to develop career engagement activities or 'Insights' that allow students to explore career journeys, connect with their business and meet and talk to staff. See [Work Inspiration | The Smith Family](#)

ⁱⁱ *Cadetship to Career* provides young people studying on a tertiary *Learning for Life* scholarship with a paid cadetship with an employer. Young people gain industry exposure, workplace skills and develop valuable career networks. [Cadetship to Career | The Smith Family and Business Council of Australia](#)