

Skilling young Australians

Young people's views on improving skills, training and welfare

YAPA Report 2007
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In early 2007, the Youth Action and Policy Association conducted a survey looking at young people and skills, including the issue of skills and training in the welfare system. Responding to the current skills shortage in Australia and given that young people will play a major role in possible solutions, the survey addressed young people's views and opinions on initiatives and concepts related to skills and training.

Overwhelmingly, young people wanted to be part of the solution and showed strong support for various up-skilling initiatives. Initiatives such as school based apprenticeships, the removal of TAFE fees in certain areas, and more competitive apprenticeship schemes were all supported. Similarly, unemployed young people showed a clear preference for access to skills and training to support them into the workforce.

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Introduction

Over recent years, there has been growing concern expressed by employers, academics and union groups that indicate that Australia is facing a skills crisis, or at the very least a skills shortage. Employer groups continue to desperately seek out additional skilled workers and there appears to be agreement from the major political parties that a skills shortage exists and needs to be addressed.

According to the Department of Employment and Workplace Relations, the Skilled Vacancies Index for May 2006 showed that vacancies in skilled positions continued to rise, with a 1.8 per cent increase for that month. The index rose in all areas, with trades vacancies up 2.9 per cent, associate professionals rising 3.5 per cent and professionals up 0.1 per cent. The Australian Industry Group (2004) estimated that there were between 18 000 and 21 000 unfilled positions for skilled tradespersons in manufacturing industries alone. Filling these vacancies would amount to a five-fold increase in the number of new people employed in manufacturing in the last 12 months. Finally, in 2005 the Reserve Bank identified the shortage of skilled workers as one of the significant constraints in our economy that is putting pressure on inflation and upward pressure on interest rates.

As the group most likely to form the labour force that tackles this deficit, young people play a vital role in addressing Australia's skills shortage. While there is widespread support and discussion taking place to address the issue, it is critical to ascertain the views of young people so that their needs form part of the overall solution.

A recent report published by the National Centre for Vocational Education Research (NCVER) outlined that a skills shortage could have many causes. These may include:

- a general under-investment in skills development;
- a cyclical surge in employment in a part of the economy;
- rapid structural change combined with low levels of overall unemployment; and
- particular spots of weakness in the training system (Richardson, 2007).

From this perspective, the report states that one way to increase supply of skilled workers, and consequently address the skills shortage, is to increase the number of people trained in the required skill.

In Australia, recent research presents a worrying picture in the trends of training and education. The NCVER report figures show that the number of people who undertook training in 2004 was 1.6 million, down from 1.7 million people in 2003 – a drop of 122,000 people. The *OECD Education at a Glance 2005* report also reported that Australia was the only developed country that has reduced public investment in universities and TAFEs since 1995. Similarly, figures from the Department of Education, Science and Training (DEST) showed there has been a 14 per cent decline in the proportion of Year 12 students going to TAFE from 1997 to 2004. These statistics, combined with the diversity of groups recognising the problems,

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clearly indicate that increasing skills and encouraging training needs to occur if the skills shortage is to be addressed.

Apprenticeships and the skills shortage

Apprenticeships and traineeships are one of the most traditional and embedded ways for young people to receive skills and training that lead to a qualification. However, figures from the NCVER in 2005 showed that at the end of 2004 there were 389,000 New Apprentices in training, compared to 390,700 in 2004 and 393,500 in 2003. This was the lowest number of Australians in a New Apprenticeship since early 2003. Just 21,400 traditional trade apprentices completed their apprenticeship in 2005, while 60,500 commenced training. While there is evidence from the NCVER that commencements and completions of apprenticeships have recently experienced a slight increase, these figures clearly show that the number of apprenticeships is insufficient to address the skills shortage. Furthermore, for those who do undertake apprenticeships, not enough is being done to encourage their completion.

One reason that young people are not completing their apprenticeship is the incredibly low wages they receive. For example, the weekly wage received by a 1st year indentured apprentice in the Building and Construction Industry is just \$263.55, at a rate of \$6.94 per hour. Financial pressures created by these low wages are exacerbated by the training fees that are associated with apprenticeships. Currently, apprentices and trainees pay a maximum TAFE fee of \$384 for their apprenticeship or traineeship course. This cost is simply too high when you consider the weekly wage of these young people, which are typically below the poverty line. A course fee of \$384 represents almost a week and a half of wages for these young people. It should also be remembered that many young people live independently and must pay all of their living costs on such extremely low incomes.

Other reasons for incomplete apprenticeships include the length of the apprenticeship, nil recognition by educational institutions for prior experience or courses, the narrow scope of employability skills, and the inability to transfer trade qualifications from other States and Territories.

Apprenticeships and work experience, such as trade taster programs, help to build confidence and give a practical grounding to further education and training (Martyn, 2006). Trade taster programs expose students to a wide variety of trade options, giving young people practical experience to draw on when considering their futures. These programs often lead to more specialised pre-apprenticeship programs and then to full apprenticeships. Similarly, apprenticeships in schools are another example of encouraging young people into training. Trade taster programs, school based apprenticeships and work experience all demonstrate the possible links between schools and training initiatives.

Early school leavers and employment outcomes

According to the NSW Department of Education and Training, about 8% of 15 year olds in NSW leave school each year. The percentage of Year 7 students who continue to the end of Year 12 in NSW government schools is approximately 65%. In NSW, the school retention rate is lower for

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students from low-socio-economic backgrounds (56.3%) and remote areas (48%), while it is much lower for Aboriginal and Torres Strait Islander students (29.2%).

Early school leavers and the low skilled make up a majority of the long-term unemployed - for example, in Australia, 55% of the long-term unemployed have no more than a Year 10 education (Lewis, 2005). More recently, a national telephone survey prepared for the Dusseldorp Skills Forum (DSF) found that a majority of early school leavers were not fully engaged in either work or study, with 37% of early school leavers not working or studying at all (Newspoll, 2007). Education is clearly important to employment outcomes and targeting early school leavers to increase their engagement with skills and training is a critical issue.

TAFE

TAFE and other training organisations are a crucial alternative for young people and will always play a critical role in the up-skilling of the workforce. Thousands of young people who cannot afford to study at university, or who are pursuing practical work related training, undertake their study at TAFE. According to a recent report from the DSF, *How Young People are Faring*, almost as many school leavers go to TAFE as university (Dusseldorp Skills Forum, 2006). Dramatic increases in TAFE fees, announced in 2003 for commencement in 2004, proved to be an insurmountable barrier to many young people. TAFE fees cannot be deferred and must be paid on enrolment and many young people were shut out of education options as a result.

Skills and training for the unemployed

The level of training and skill development offered to those on unemployment benefits has been a contentious issue both here in Australia and around the world. The level of, and access to, training has been subject to many policy changes as governments try to achieve the general aim of getting people back into employment. In recent times, this policy landscape has undergone significant changes in Australia. Under the *Welfare to Work* legislation, the emphasis is more on getting 'any job' with less focus on training, skill development and long term employability.

Strategies for young people on welfare in other developed countries

United Kingdom

The *New Deal for Young People* was introduced in Britain in April 1998. The program aims to discourage young people from a life of welfare dependency by providing them with the skills, opportunities and motivation to find work. After six months on unemployment benefits, young people are brought into the program. The stated aim of the program is to improve the employability of young people and to find them a job. Participants have access to education and training and course fees are met by the British Government. Moreover, all participants are guaranteed access to an approved training provider and work experience. This is in contrast with Australia where employment outcomes are not the priority.

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United States of America

Similar to Australia's *Work for the Dole* and *Welfare to Work* policies, the *Workfare* programs introduced in the US emphasise the philosophy of personal responsibility. A study of these 'work first' programs conducted by Peck and Theodore (2000) found that by pushing participants to accept the first job they are offered at the expense of appropriate skills training, the programs contributed to the long-term erosion of skills and failed to provide the labour market with individuals with the required vocational skills. They found that work first programs tended to direct participants into the lower reaches of the labour market and encouraged an initial transition into the job market without assisting participants to progress into better-paying, stable jobs. Work first programs kept wages at the bottom end of the job market by increasing the number of applicants, and therefore competition, for entry-level jobs.

Denmark

In comparison, Denmark has adopted a 'welfare-through-work' model built around a more inclusive system of welfare reform. As a result, the Danish model is the only European example that has been able to reduce unemployment significantly, whilst also successfully increasing both the labour force participation rate and the employment rate (Ploug, 2002; cited in Martyn, 2006).

The Denmark model has special provisions for those under the age of 25. After a total of 6 months on unemployment benefits within any 9 month period, certain young people are obliged to finish 18 months of vocational training. This is followed by a shorter period of job training and then job search assistance. A unique *Job Rotation* policy also offers the unemployed and low skilled workers an opportunity for on the job training. The Danish system is focused on the employability of the young person and brings together a whole range of stakeholders, including employers, unions, local government as well as training and education institutions.

Current study

The current YAPA study aimed to address the broad issue of skills and training for young people, focusing on young people's perceptions of training, apprenticeships and the welfare system. As was discussed, there is a political consensus that addressing the skills shortage is a high priority, which is strongly supported by numerous organisations and research. It is a vast area with many stakeholders and views to consider. As a key stakeholder in dealing with the skills shortage, it is important that the current study gives young people the opportunity to express their needs, views and concerns in an area that will have such a significant impact upon their future.

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Methodology

In consultation with young people and youth workers, a survey was developed to focus on these issues (see Appendix). The methodology of this survey aimed to gather responses from a broad cross-section of young people. In distributing the survey, a variety of methods were employed to target as many young people as possible, from a diverse range of backgrounds, thus providing a representative sample from which to analyse. Respondents had various options to complete the survey, including downloading the survey from the YAPA website, as well as completing hard copies that were sent via post to YAPA members. Surveys were also completed at the Sydney Big Day Out music festival in January 2007. Finally, the surveys were distributed via YAPA emails and networks. Due to this, it is assumed that young people living in New South Wales completed the majority of surveys. The survey closed in March 2007.

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Results

Demographics

In total, 371 respondents completed the survey. Of these 371, 65% were female and 35% were male. In terms of location, 45% of respondents were from a capital city, 34% were from a regional city, and 21% were from a country town. Approximately 1% were born in a country other than Australia, while approximately 1% identified as Aboriginal or Torres Strait Islander. Regarding the age of the respondents, Table 1 shows the distribution across age groups.

Table 1: Respondents by Age

Age group	12 - 14	15- 16	17- 18	19- 20	21- 22	23- 25	Undisclosed	Total
No. of respondents	7	81	98	74	36	40	35	371

Table 2 shows the educational level of the respondents.

Table 2: Respondents by Education Level

Education	None	At school or TAFE	At uni	Yr 10*	Yr 12*	Cert./ Dip.*	Bach. degree or higher*	Un-disclosed	Total
No. of respondents	21	86	49	63	78	41	31	2	371

* completed level of education

Regarding employment, the largest number of young people worked in retail (144), followed by hospitality (49) and construction (23). The majority of these jobs held by young people were casual, which is consistent with other reports on youth employment. It was also found that a lot of young people were involved in education or studying whilst also working, including 29% of young people working while also at school and a further 29% studying at TAFE or University on a part time or full time basis.

Overall findings – main section

The survey asked young people if they were currently seeking for work and training. Around 21% of respondents were looking for any job, while 7% were looking for an additional job and 15% were looking for a different job. Similarly, 14% were looking for further training in their current situation. These findings demonstrate the proportion of young people that were actively searching in the areas of work and training.

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One of the most significant questions of the survey addressed a number of possible initiatives to address the skills shortage that Australia is currently facing. The survey listed five initiatives designed to improve the skills situation, all of which have either been discussed or implemented in Australia. Participants were asked to rank the initiatives from 1 to 5 in order of effectiveness. Assessing these responses through the number of first and second rankings they received, the two most popular options were the removal of TAFE fees in areas of the skills shortage and the concept of combining apprenticeships with school Years 11 and 12. While receiving some support, the remaining three were less popular in the survey. The following list shows the order of preferences:

1. Apprenticeships combined with Years 11/12
2. Remove TAFE fees in areas of skills shortage
3. Financial support for training programs
4. Short programs to try out different Trades for school students
5. Programs to support 18-25 year olds to achieve Year 12 Qualification

The survey also explored the issues behind young people dropping out of training courses. The responses to this question were quite evenly balanced, with young people indicating a variety of reasons for dropping out of a course. These responses included the courses being too long or too costly, there being no clear job at completion of the course and the wages being paid were not enough to sustain. This question also allowed young people to indicate other reasons for dropping out, which revealed some consistent responses, such as the respondent's incorrect choice of course and the course not meeting expectations. The variety of these responses show that there is no one reason why young people drop out of training courses and that issues need to be considered holistically by both the training provider and the young person.

Importantly, the survey covered the issue of the types of skills that are offered in training. The respondents were presented with three choices, with two receiving similar levels of support.

- 39% of respondents wanted a training course to cover a variety of skills that could be transferred to different jobs
- 36% wanted basic skills that are needed to get a job.
- 25% wanted advanced skills in one area to be provided in their training.

These preferences are important to note as different young people want different skills in a training course, thus placing further emphasis on the need to create alignment between the needs of the young person and the training package.

The final three questions of this section referred to apprenticeships and traineeships specifically. In the previous parts of the survey, training was only referred to in a generic way. The first of these final questions asked the young people about their 'main' view of apprenticeships and traineeships.

- 29% said that apprenticeships are an effective form training
- 30% said that they are an effective path to employment
- 25% said that apprenticeships are not paid enough

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Examining a significant issue in the current context, the next question asked participants to consider what initiatives would help them to complete an apprenticeship. Apart from personal development skills, all of the responses received strong support. Again, through looking at first and second rankings, the following order of preferences were found:

1. Cash bonus at completion
2. Guaranteed job at completion
3. Money to put towards fees, textbook etc
4. Increase in weekly wage
5. Shorter time to fully qualified
6. Personal development skills

The final question on apprenticeships asked participants to choose between three hypothetical situations. The three options were:

- a casual job paying \$11 per hour,
- a 2-year apprenticeship paying \$9 per hour; or
- a 4-year apprenticeship paying \$7 per hour.

Following on from the positive views of apprenticeships in the previous questions, the majority of young people chose the 2-year apprenticeship option (54%). Demonstrating the attractiveness of a higher paying job, 35% of respondents preferred the casual job, while only 11% chose the 4-year apprenticeship option.

Analysis of unemployment benefit responses

The remainder of the survey was only applicable to young people who have ever had experience with Centrelink and unemployment benefits. More than half of the participants responded to these questions (approximately 60%).

The first question of this section asked the respondents what they wanted when they were unemployed. Of these responses, 69% of young people indicated that they wanted a job, while 9% wanted support to find a job and a further 9% wanted training opportunities. Only 7% of the sample indicated that they did not want to work when they were on unemployment benefits.

In terms of helping young people into work, the respondents indicated strong and equal support for three interventions, being more education, a suitable training course and a good careers adviser. Importantly, only 7% of young people nominated the possibility of losing their Centrelink benefits as a motivating factor that helped get them into work.

Referring to the skills and opportunities that are needed to get a job, young people in the survey revealed that only half of them felt that they had the necessary skills and opportunities to get a job. In terms of skills, only 50% of young people felt that they had the skills needed to get the job that they wanted, while only 59% felt that they had the necessary opportunities to get a job. To examine this further, the following question addressed the barriers that young people faced in getting a job. Again, not having the necessary skills was the most prevalent barrier, with 31% of respondents choosing this option. On top of this, 28% of young people felt the lack of suitable jobs where they lived was the main barrier, while 19% indicated that the lack of jobs in their desired field was the main impediment to getting a job.

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Supporting the finding from the first question in this section, only 12% of respondents indicated that not wanting to work was the main barrier in gaining employment.

The final question of this section asked the participants what effect losing their Centrelink benefits for 8 weeks would have on them. The majority of young people indicated that this would have a major financial impact, including great difficulty paying bills, rent and food. A further 27% said that it would have a minor financial impact with only some difficulty in paying bills and food. The remaining 32% said that losing their Centrelink benefits would have no financial impact.

Sub-group analysis

Analysis was carried out for various sub-groups of respondents. For each sub-group analysed, the significant variations from the overall findings are reported below.

Analysis by location

To analyse responses by location, the surveys were separated into two sub-groups, one consisting of the rural and regional participants and the other consisting of capital city participants. From this analysis, there was a noticeable difference in the preference for initiatives to address the skills shortage. For rural and regional respondents, the removal of TAFE fees in areas of skills shortage was clearly the most desirable option. Conversely, the combination of apprenticeships with Years 11 and 12 was the most popular option with the capital city participants. The remaining questions however, showed little difference from the overall findings. Regardless of location, young people showed similar support for training courses that provided basic skills to get a job as well as courses that provided varied skills that could transfer between jobs. Across locations, there was also strong support for receiving a cash bonus at completion of an apprenticeship, as well as a guaranteed job at completion as methods for improving the completion rate of apprenticeships. Finally, both rural and city young people showed a strong preference for a 2-year apprenticeship paying \$9 per hour, compared to a casual job paying \$11 an hour and a 4-year apprenticeship paying \$7 per hour.

Analysis by gender

There was no significant difference between the male and female data in regards to initiatives to address the skills shortage, however this was a significant result in relation to commonly held perceptions of gender preferences. Similar to young men, young women showed a greater preference for the removal of TAFE fees in areas of skills shortage as well as combining apprenticeships with Years 11 and 12. This finding goes against the common myth that young women have little interest in apprenticeships. This positive view of apprenticeships from young women was strengthened in the following questions where the majority of female respondents saw apprenticeships as effective training and an effective path to employment.

There was, however, a noticeable difference when it came to the types of skills offered in a training course. Whilst young women in the survey showed a preference for varied skills that transfer between different jobs, young men indicated a preference for basic skills necessary to get a job. Similarly, there

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were significant differences between male and female participants regarding ways to support young people completing apprenticeships. By a large margin, young men in the survey showed a strong preference for a cash bonus at completion of the apprenticeship. On the other hand, young women showed a preference for money that can be put towards fees and textbooks as well as the notion of a guaranteed job at completion.

Analysis by age

While support for the initiatives to address the skills shortage was consistent with the overall findings, differences across age did appear in some areas. For those under 18, there was support for both basic skills and varied skills offered in training courses, but little support for advanced skills in one area. However, for those over 18, there was almost equal support for each option with advanced skills in one area receiving a lot more support when compared to those under 18.

Regarding the initiatives to encourage completion of apprenticeships, there was a significant difference between the two age sub-groups. Both sub-groups indicated preferences for the cash bonus at completion, but the over 18 age sub-group showed much more support for the increase in weekly wage compared to under 18's. Similarly, there was a stark contrast between the choices of the apprenticeships versus the casual job. A strong majority of the over 18 sub-group chose the 2-year apprenticeship paying \$9 per hour, more than double that chose the casual job. However, there was almost equal preference shown in the under 18 age sub-group for the 2-year apprenticeship and the casual job. Both age sub-groups showed little support for the 4-year apprenticeship paying \$7 per hour.

Analysis by unemployment status

The final sub-group that was analysed was those participants that indicated experience with Centrelink and unemployment benefits. More than half of all participants indicated this experience, making it worthwhile to analyse their responses to the skills and training section. Similar to the pattern across all respondents, this sub-group demonstrated preferences for the removal of TAFE fees in areas of skills shortage and the combination of apprenticeships with Years 11 and 12 as viable methods to address the skills shortage. Moreover, this sub-group supported the predominantly positive view of apprenticeships and the cash bonus was the most preferred option to encourage the completion of apprenticeships. There was a slight difference, however, with the preferences regarding the apprenticeships versus casual job options. The overall findings showed the majority would choose the 2-year apprenticeship, with fewer participants choosing the casual job. In the unemployed category, there was almost equal preference shown for the 2-year apprenticeship and the casual job.

Discussion and recommendations

The overwhelming theme to come out of the findings of this study is that young people have showed strong support for initiatives to address the skills shortage and increase their skills and training. Overall, young people have a positive view of training, apprenticeships and traineeships and they support initiatives to improve these. However, despite the general support from various groups in the area of training and skills development, this study reveals that much can be learned from young people in relation to the detail of how this can be achieved.

Young people's perception of skills and training

Seemingly contradictory to the trend away from training being undertaken, the participants in this study showed a positive view of skills and training. Considering that there is a well recognised need to increase the level of training to address the skills shortage, this view from young people is very encouraging. However, there is an obvious need to understand why there is a discrepancy between the overall positive view from young people of training and the trends demonstrating the move away from the take up of courses. The findings of this study shed some light on the details that may explain this discrepancy and show young people's views on how to increase the take up of skills and training.

Overall, the removal of TAFE fees in areas of skills shortage and the combination of apprenticeships with school Years 11 and 12 received a lot of support from young people, but there were important differences in the further analysis. While these preferences were similar across gender, there was a significant difference regarding location. Participants from a capital city preferred the combination of apprenticeships with Years 11 and 12, whereas participants from rural and regional areas preferred the removal of TAFE fees in the areas of skills shortage. There may be a number of reasons that explain this difference, but it could be possible that the rise in TAFE fees have had a much larger impact in rural and regional areas than they have in the city. This supports similar findings from the study that young people find training too costly and that there is a financial barrier to taking up a training course.

One of the important themes that was evident in the results was the need to find the correct match between the young person and the training course. This was clearly displayed in the varying responses to the types of skills that are offered in a training course. The majority of young people wanted either basic skills to get a job or skills offered that are transferable to different jobs. Around 1 in 4 young people wanted advanced skills in one area. Moreover, these differences were exacerbated by age and gender. The young female participants preferred transferable skills, whereas young men indicated a preference for basic skills. Furthermore, for those under 18 years of age, there was little support for advanced skills while there was much greater support for these skills for those over 18. These variations demonstrate the importance of identifying the needs of the young person before the training course is commenced. Basic, advanced and transferable skills entail vast differences between training courses and both the young person and the training provider need to be clear about the correlation between the desired skills and the skills

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developed by the course, if improvements are to be made in the numbers of commencements and completions of training courses.

Apprenticeships, traineeships and young people

While this study found an overall positive view of apprenticeships and traineeships, it also gave some clear indications about ways to get more young people starting and completing apprenticeships. It was found that around 25% of young people viewed apprentices as not being paid enough. Some of these negative perceptions were also evident in the hypothetical scenario put to the survey participants. Whilst hypothetical, the question was based on the realistic dilemmas facing young people. Even with a positive view of apprenticeships and the benefits that they bring, only 11% of respondents chose the 4-year apprenticeship option. Magnifying this result, more than 1 in 3 young people chose the higher paying, yet casual job. This result adds support to the anecdotal evidence accumulated from youth agencies that young people are leaving traineeships and apprenticeships for casual jobs simply because they cannot afford to support themselves on the low wages that they receive. For young people, casual jobs offer a higher hourly rate but fewer career opportunities. Therefore, increasing the income and relative competitiveness of apprenticeships and traineeships against casual jobs is clearly one solution in the overall strategy to address the skills shortage.

The response to the third option of the hypothetical scenario suggested another way to increase the competitiveness of traineeships and apprenticeships. This option, referring to a 2-year apprenticeship with an hourly rate of pay between the casual job and the 4-year apprenticeship, received the majority of the support. As the study found, young people view apprenticeships as an effective path to employment, but the discrepancy between the preference of the 2-year and the 4-year apprenticeship indicates the duration of the training is a major issue. The length of the apprenticeship generally refers to the amount of time that is needed to learn the necessary skills and gain the experience before reaching a full qualification. However, in the current climate, where skilled workers are in short supply, some of these traditional practices may need to be changed. While still focusing on the skills, safety and knowledge that are necessary to reach full qualification, initiatives to reduce the length of training may help attract and maintain young people into apprenticeships. Initiatives such as recognising prior learning may help reduce the amount of time needed to complete the apprenticeship and consequently, the numbers of young people entering the workforce with full qualifications.

Once a young person is undertaking an apprenticeship, it is vital that they continue to its completion. However, this is not always the case and consequently, it is a significant issue to analyse when addressing the skills shortage. Overall, the two initiatives that received the most support for assisting young people to complete apprenticeships were a cash bonus at completion and the notion of a guaranteed job at completion. These initiatives are important for policy-makers to consider, but it was also found that other initiatives, being increased weekly wages, contributions towards fees, and shorter times to completion, received positive support from the participants as well. There were, however, subtle differences that appeared in the sub-group analysis that will assist to target these initiatives to specific

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young people. Young men preferred the cash bonus at completion, whereas young women preferred the money that could be put towards fees and textbooks. This finding suggests targeting these initiatives to the types of apprenticeships that young men and women undertake would be a useful strategy to encourage successful completions. Similarly, despite showing support for the cash bonus, there was a significant difference in the support indicated for an increase in wage that depended on age. For those young people over 18 years of age, there was much stronger support for increasing the weekly wage as a method to keep them in apprenticeships. Again, this finding provides invaluable information for policy-makers, assisting them to target initiatives and achieve a much higher rate of apprenticeship completion.

Unemployment and the skills issue

Possibly the most contentious area of the skills shortage issue is that of training and skills for unemployed people. Governments differ in their approach to moving individuals from the welfare system into work, with some valuing skills and training initiatives while others do not. Currently in Australia, the welfare system emphasises rapid job entry for the unemployed, often at the expense of upgrading their skills (ACOSS, 2007). Some of the dominant imagery used in the rhetoric to support this position is that of the 'dole bludger' or 'welfare queen'. These terms refer to the stereotypical individual on unemployment benefits who does not want to work and is content to be on welfare. The first question of this section in the survey focussed upon this very issue. Only 7% of respondents indicated that they did not want to work, seriously bringing into question the stereotype that is commonly used. An overwhelming majority of young people on unemployment benefits, almost 90%, indicated that they wanted either a job, support to find a job, or training opportunities whilst on welfare. This finding was also supported in the recent phone survey for the DSF where around 8 in 10 young people who were not in work indicated a clear preference to be in paid employment (Newspoll, 2007). It is, therefore, questionable to base a system of welfare on the view of a small minority, rather than the needs and desires of the overwhelming majority.

The differences across the varying initiatives adopted by government can be categorised based upon the degree of force versus degree of support to assist individuals, utilised to persuade workers into employment. The *Welfare to Work* strategy in Australia has placed increasing emphasis on punishment, with periods of up to 8 weeks non-payment of welfare benefits, becoming more prevalent. This form of punishment, incurred when certain requirements are not met, is argued to be the force that is needed to get people into work. However, the findings in this survey again challenge this view. One question directly asked respondents to indicate which initiatives had helped the individual move from welfare to work. Again, only 7% of respondents indicated that the threat of losing their Centrelink benefits had helped them enter the workforce. The large majority of young people indicated that careers advice, education and training opportunities were the motivating factors that assisted them into the workplace. This clearly challenges the increase and dominance of financial punishments in the current system, while suggesting that more supportive methods had been more successful at helping people into employment.

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The current approach in Australia appears to be also based on the underlying assumption that an individual on unemployment benefits has the skills necessary for any job that is offered to them. This survey has shown that only half of the participants felt that they had the skills and opportunities to get a job. Further analysing the barriers to entering the workforce, it was found that not having the necessary skills was the major barrier, followed by the perceived lack of suitable jobs where they lived and the lack of suitable jobs in their field of work. These findings were again supported in the DSF phone survey (Newspoll, 2007). These findings again seem to be counter-intuitive given the current welfare system. The current system attempts to force the match between an unskilled person and an employer, based largely on simplistic rhetoric that states being in any job is better than no job at all. This approach does not seem beneficial for either party, as a person that is not skilled to perform the job will place their own safety at risk, as well as the efficiency, output and reputation of the business. With employer groups calling for more skilled workers, combined with the vast majority of unemployed people wanting to the opportunity to work and to be trained, the current welfare system is seriously flawed by largely ignoring the need for skills and training for the unemployed and trying to force the mismatch between an unskilled worker and an employer.

Conclusion

It is critical that skilling young Australians remains a national priority, and given the skills shortages this is more important than ever. However, more effort and sophistication is needed in government skills policy to increase the engagement of young people. From this study, the solutions are fourfold.

1. Addressing issues of early school leavers and the need to encourage continued engagement in study and training, initiatives such as school based apprenticeships, the removal of TAFE fees in the areas of skills shortages and eliminating some of the financial barriers to training, have all received support from young people to achieve these aims.
2. Young people have identified the need to improve the fit between their needs and expectations and the skills of a training course to improve the commencements and completions of training.
3. There is a need to improve the competitiveness of apprenticeships, through such initiatives as increased wages, cash bonuses and incentives, and shorter durations where possible.
4. The current *Welfare to Work* policies and the ideologies that underpin these policies must be adjusted to encourage education and training for the unemployed. Assisting the unemployed into work through the investment in education and skills is more effective than the 'work first, any job' policies on their own (ACOSS, 2007). This will not only benefit young people, but in so doing, it will continually address the skills shortage and benefit the economy overall.

Skilling young Australians

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Appendix:

Survey form

YAPA is asking young people (12 – 25) about their experiences with work and training. Training refers to TAFE, apprenticeships, traineeships or other courses EXCLUDING University courses.

Sex

- female _____ years of age
 male

Where do you live

- capital city (eg. Sydney)
 other regional city
 country town

Born in:

- Australia
 other country: _____

Aboriginal or Torres Strait Islander

- yes
 no

Education (you can tick more than 1)

- none completed
 still at school or TAFE
 still at uni
 completed Year 10
 completed HSC / Year 12
 completed certificate / diploma
 completed bachelor degree or higher

Are you currently employed in any capacity? (eg. Casual, part-time, full-time)

- Yes
 No
 Unsure

Your current (or most recent) job is in:

- Retail (eg. supermarket, shop)
 Construction
 Hospitality (eg. accommodation, cafe)
 Manufacturing
 Child Care (including baby sitting)
 Hair and Beauty
 Health and Community Services

- Government/Public Service
 Banking/Finance/Insurance
 Communication (eg. Phone comp, ISP)
 Other: _____

Your current (or most recent) job is:

- permanent full time
 permanent part time
 temporary / fixed term (eg. 12 months)
 casual
 other

In your current (or most recent) job, are you also: (you can tick more than 1)

- at school
 full time at TAFE / Uni
 part time at TAFE / uni
 working a 2nd job
 a primary carer (eg. of a child / person who is ill / aged / with a disability)
 None of the above

In your current situation, are you:

- Looking for any job
 Looking for an additional job
 Looking for a different job
 Looking for further training
 None of the above

Currently, Australia is facing a shortage of skilled workers to fill available jobs. The following questions refer to your views on the various ways of getting people into these jobs.

Rank these initiatives in terms of their effectiveness to get people into jobs (1=most effective... 5=least effective):

- Remove TAFE fees in areas of skills shortage
 Apprenticeships combined with Years 11/12
 Programs to support 18-25 year olds to achieve Year 12 qualification
 Short programs to try out different Trades for school students
 Financial support for training programs

If you have ever dropped out of a training course, what was the main reason?

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- Too long
- Too costly
- Wages not paying enough to sustain
- Focus too narrow
- No clear job at completion
- Other _____

What skills would you want covered in a training course?

- Basic skills needed to get a job
- Advanced skills in one area
- Varied skills that transfer to different jobs

What is your main view of apprenticeships/traineeships:

- Effective training
- Too long
- Effective path to employment
- Not paid enough
- Other _____

If you would consider an apprenticeship, what would help you finish it? (Rank in order: 1=most help ... 6=least help)

- A cash bonus at completion
- Money to put towards fees, textbooks etc
- Shorter time to fully qualified
- Increase in weekly wage
- Guaranteed Job at completion
- Personal development skills

If you had to, what would you choose:

- A 4 year apprenticeship paying \$7.00/hr
- A casual job paying \$11.00/hr
- A 2 year apprenticeship paying 9.00/hr

Any other comments about work or training?

The remainder of the questions apply ONLY if you have ever been on unemployment benefits (Centrelink) including at the present time.

When you were unemployed, what did you want?

- A job
- Support to find a job

- Training opportunities
- Not to work
- Other _____

What helped motivate you (or would motivate you) to find the job you wanted?

- A good careers adviser
- A suitable training course
- More education
- Possibility of losing my Centrelink benefits
- Other _____

When you were unemployed, did you have the skills you needed to get the job you wanted?

- Yes
- No
- Unsure

When you were unemployed, did you have the opportunities to get a job?

- Yes
- No
- Unsure

What were the main barriers to you getting a job?

- Lack of suitable jobs where I live
- Lack of jobs in my field
- I didn't have the necessary skills
- I didn't want to work
- Other _____

When you were unemployed, did you ever turn down a job?

Yes/No _____

If yes, what was the main reason?

- Didn't have the necessary skills
- Didn't like the job
- Money was too bad
- Would rather be unemployed
- Other _____

What effect would losing your Centrelink benefits for 8 weeks have had on you?

- No financial impact
- Minor financial impact; some trouble paying bills, buying food, rent, etc
- Major financial impact; great difficulty paying bills, buying food, rent, etc