



Australian Government

Department of Education, Employment and Workplace Relations

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Australian Intervention

Margaret Pearce

Minister Counsellor Education and Employment to France

Australian Government Department of Education, Employment and Workplace Relations

I would like to thank Norway and the OECD for hosting this event. Thank you also for the opportunity to speak today. The problem of youth unemployment is a major issue for all OECD countries and I would like to outline the Australian experience. Australia has adopted many of the recommendations of the Jobs for Youth Synthesis report.

On a national level, as the economy grows the public debate is turning to skills shortages and increasing the productivity of the workforce. Australia's economy is expected to grow strongly, with forecast real GDP growth of 3% over 2010-11 and 3 ¾ % over 2011-12. The unemployment rate, currently at 5.1%, is expected to fall to around 4 ¾% by mid 2012.

As in many countries our population is ageing and we need all segments of our population engaged in the workforce, most particularly our youth (15-24 year olds). Following the onset of the downturn, our youth unemployment rate rose from 8.8% to a height of 12% over a period of 9 months (September 2008 to June 2009). Currently, it stands at 11.4%. At the same time the proportion of young people who were Not in Education, Employment or Training (or NEET) rose from 8.7% to 10.7%, and has since fallen to around 10%.

For Australia this rate of unemployment is unacceptable on two levels: because of its individual and social impact and its national productivity impact. On an individual level, for those young people left behind (who, for example, are often from a low socio-economic background, live with disabilities or mental health issues) it is a tragedy. It also impacts on the social fabric. And we want a fair and inclusive society.

The Australian Government has taken a multi-faceted approach to this issue, not only addressing short term challenges but also looking to confer long term benefits. I would like to talk about three initiatives.

The first initiative is **The Compact with Young Australians**, announced in April 2009. It has three components:

- *A National Youth Participation Requirement* through which all young people must participate in education, training or employment until age 17. This is the Learn or Earn initiative.
- *An entitlement to an education or training place for 15 to 24 year olds which focuses on attaining Year 12 or equivalent qualifications.* Entitlement places are



for government-subsidised qualifications, subject to admission requirements and course availability.

- *Strengthened participation requirements for some types of income support.* That is, a young person's income support is conditional on their participation.

The second major initiative that I will talk about is what we've done in relation to **Apprenticeships**. In previous downturns Apprenticeship numbers dropped dramatically leaving large skill gaps when the economy recovered. Commencements of apprentices aged 19 years and under fell 15,900 during 2008-09, a decline of 13.3%, which obviously impacts on future employment for young people.

Under the initiative, Apprenticeship Kickstart Bonus, the Australian Government increased incentives for employers to take on Apprentices between 1 December 2009 and 28 February 2010. Following the success of the Apprentice Kickstart Bonus, the Apprentice Kickstart Extension was announced to support apprenticeship commencements in skills shortage trade occupations between 12 May 2010 and 12 November 2010. The Securing Australian Apprenticeships initiative, announced in February 2009, assists out of trade apprentices to remain connected to the workforce and maintain their investment in training. Also in February 2009, the Australian Government announced a \$42 billion Nation Building and Economic Stimulus Plan which included \$16 billion for school infrastructure funding into 10,000 schools across the country. This created an opportunity to increase building and allied trade apprenticeships.

Australian Apprenticeship commencements have now bounced back, to the highest level of commencements ever recorded. As part of broader reforms, Australia aims to achieve the broad adoption/expansion of competency based training and accelerated training delivery across all training packages and qualifications into the future.

The third initiative I want to talk about is **Youth Connections**. This program is focussed on keeping young people engaged with school and works with those at risk of dropping out. Young people are provided with tailored case management and support to reconnect them with education or training and build resilience, skills and attributes that promote positive life choices and wellbeing.

A local Youth Connections worker coordinates on behalf of the young person the types of assistance they need, for example, mentoring, housing, employment services, health etc. This program will be one of the key elements in achieving the 90% year 12 or equivalent attainment target by 2015, by assisting young people who would be otherwise disengaged to connect with learning.

Unfortunately, these three initiatives are all I have had time to talk about today, but the Australian Government has developed a whole range of programs targeting particular groups with disadvantage. Australia as you know has a relatively small population of about 22 million people in a rather large continent. We are a relatively young country and look to forums such as this for new ideas that we can adopt and adapt to meet the challenges we face.

Thank you.