

# **TRANSCRIPT**

## **LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE**

### **Inquiry into sustainable employment for disadvantaged jobseekers**

Bendigo—Tuesday, 22 October 2019

#### **MEMBERS**

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Sarah Connolly

Mr Brad Rowswell

Ms Steph Ryan

Ms Kat Theophanous

#### **WITNESS**

Mr Trent McCarthy, Chair, Victorian LLENs.

**The CHAIR:** Trent, thank you for being here this morning. All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you go outside and repeat the same thing, including on social media, those comments may not be protected by this privilege. You will be provided with a proof version of the transcript for you to check. The verified transcript, PowerPoint presentations and handouts will be placed on the Committee's website as soon as possible.

Again, thank you for being here this morning. If we can just listen to your presentation for 5 minutes, then we will ask questions accordingly. Thanks again.

**Mr McCARTHY:** Thank you very much and thank you for the opportunity. I am here today presenting on behalf of the Victorian Local Learning and Employment Networks. There are 31 LLENs across Victoria, and I am sure members would have had contact with their local LLENs and the wonderful work that they do. LLENs celebrate their 18th year this year, which is quite ironic given that a lot of our work over the last 18 years has been about helping young people prepare for when they turn 18. We feel that we have had a long apprenticeship in this space and a good story to tell but also some really interesting learnings in terms of what works in different parts of the state, what works across the state and what we think is important to make work possible for more young people across Victoria.

I mention that the role of the LLENs is quite unique in Victoria, because there is no other state in Australia that has a structure like this. It is the product of the Kirby review, which identified the importance of supporting post-compulsory pathways for young people back at the start of this century. We believe that the work that we do is as relevant today as it was then. In fact where we see an enormous opportunity is to bring together the evidence-based approaches that LLENs have used in the past but also that other sectors of the economy have used to open up those pathways for young people.

As my colleagues from Bendigo here just mentioned, there are enormous opportunities for young people in areas such as manufacturing in a whole range of industries. We have great employment opportunities for young people, but we do have a challenge, and that is where our approach and our proposals really go to providing the strategic overlay to how we open up those opportunities in every part of Victoria. There are some parts of the state where young people face some very specific barriers to entering the employment area and the labour market, and that can be to do with the local economy but there are also some challenges in terms of the provision and availability of the things that actually support young people to take those important first few steps.

The International Labour Office—and this research has been backed up by other agencies as well—says that there are three things that systemically and specifically disadvantage young people from being able to obtain full-time work. The first of those is actually career management and jobseeking skills. Those of us that have had employment in our lives know that partly it is to do with applying for the job, partly it is to do with knowing the job was available and partly it is to do with also knowing about those jobs that are never advertised. And some figures say that up to 70% of jobs do not get advertised in some industries. If a young person does not know where to look for work or know how to enter the workforce, it can be very hard.

The second barrier that has been identified by the ILO is actual work experience. Young people need experience, for many roles, in order to get that first entry point. If they have not had experience, either through casual or part-time or family work, then it is very hard to demonstrate that. So we see that the work experience opportunities that young people have while they are at school, through structured workplace learning, school-based apprenticeships, Head Start and these sorts of mechanisms that are well supported by the Department of Education and Training, are a fantastic platform for young people. But not all young people take them up, and not all young people and parents understand the value of those things. We think that there is a gap there which we can overcome through positive localised responses but set up by a state framework.

The third thing, and this is the critical one, is networks. Just like having those jobseeking skills, if you know people who work in different industries, then you have a much better chance of stepping a foot in the door of those industries. Not just because someone is going to open the door for you but because they will advise you and engage you in their world of work. Just like the industry ambassador programs that you have heard about, it

is absolutely essential that young people have role models, examples. You cannot be what you cannot see, so you need to have that engagement as often as possible and those relationships with people that can provide jobs.

So in terms of the work of the LLENs, that for us is absolutely essential. We see that the local place-based partnerships are critical to supporting more young people to understand the world of work and to build those relationships and those job searching skills. But we also think that there is an enormous amount of investment, both at the state and federal level, in the job search and job support areas. So we are not advocating for a new program, we are not advocating for more investment in employment programs; there is some fantastic work underway. What we are looking for is a more strategic and targeted approach that brings together that state aspiration that all young people should have a pathway into work but does so in terms of using some of the existing investments of Government.

So that is why one of the proposals we have put forward is a little bit like what we have done in Victoria with the Skills Commissioner and with the Local Jobs First Commissioner, and that is to look at the opportunity to have a Victorian youth employment commission or commissioner: someone who has a unique role to work with the various ministries. Youth issues and youth employment issues actually have resonance across about six or seven departments of Government and ministers. So we think that it is important to have someone who is that guide beside those ministers, those departments, and can really help enact the local responses when required. Here in Bendigo we have the benefit of a fantastic business network, a great local council and a great LLEN who all work together. But those sorts of social infrastructures do not exist in every place, so how we build those quickly to give those young people that pathway to work is what we are talking about.

Another element of this initiative is that the accurate labour market information that young people need and their parents need to make good decisions about where jobs are is absolutely essential. In my own LLEN area, which is the Macedon Ranges, Mitchell and Murrindindi shires, right in the very corner I have Lake Eildon, which is undergoing a miniboom. The houseboat industry is enormous. It includes a range of different skill sets, a lot of traditional trades and also new trades in areas such as solar. If you can put solar on your boat and you do not have to have a diesel generator, it is quiet at night. So there is this big boom in renewable energy installation, yet one of the challenges we have is actually helping parents and students and even the local schools to understand the employment opportunities on their doorstep. They do not need to move to Melbourne; they can stay in town if they want to. So accurate labour market information is critical.

Probably the other thing which we think is critical is also maintaining and strengthening the dialogue between schools and industry around where those opportunities are and what industry needs. We know that some industries have been very successful in putting forward their propositions to young people and others have found it a little bit harder because those entry points are not as clear.

I will end on this point, which I think for me typifies the challenge but also the opportunity: our own data, which was looking at the labour market participation of young people across the years from 2006 to 2016—looking at the areas of Casey, Cardinia and Greater Dandenong—in that period there were over 10,000 jobs created in the allied health area out of 60,000 new jobs in that period. Over that decade, of those 10,000 jobs in allied health and community services, only seven went to young people between the ages of 15 and 19. That is largely because it is largely a qualified sector, so people enter with some sort of qualification, but what we also know is that there simply were not the entry-level opportunities because those businesses have not been necessarily in the game of employing people first and training them on the job. So that is one of the structural changes that we could see would see a great increase in young people obtaining greater employment opportunities.

Alongside that there was a growth of 6,000 jobs in the retail sector out of that 60,000. So one in 10 jobs in that Greater Dandenong area were in retail, and yet the youth component, the youth proportion—the 15- to 19-year-old share of those jobs—actually declined over that period by about 220. So more jobs but young people are getting less of them. If you were to ask me why that is, our data and our analysis suggests that more young people are staying in those sorts of casual jobs for longer, which means we are getting a bit of a block in the system at the sort of 25 to 35 age period.

Young people are finding it harder to find full-time work and are having to come together with a portfolio of work opportunities to construct a working life. So we think that there are some structural changes that we can

do, guided by a youth employment commissioner and some great labour market information. We as LLENs would love to support Government in seeing that rollout on the ground using our local knowledge. That is, I think building on our 18 years of history to work out what works in one place may not work somewhere else, but what works in one place could work on the other side of the state. I will end it there and I invite any questions.

**Mr ROWSWELL:** Thank you so much, Trent. Just a plug to my local LLEN, the BGKLLN. Brendan is a wonderful leader there and they have just won the Bayside Business Awards Best Not For Profit of the year, which is a marvellous thing. They do great work and I have had a bit do with them.

I am picking up what you are saying, that your evidence is that there is a mismatch of skills and employment opportunities, especially for the young people there. Can you give us a vignette of how LLENs actually help navigate that mismatch of skills for young people? Do LLENs in fact have a part to play in this, in navigating this? Is there anything from a State Government perspective that we could be doing better?

**Mr McCARTHY:** Great question, and I would second everything you said about the BGKLLN.

I will give you a very tangible example of this. This is a program which my LLEN runs and which other LLENs are running as well, or similar versions, which is looking at the project-based skills that students need in order to enter project teams in different industries. At the moment project learning and design thinking is not something that is necessarily delivered across the curriculum, and yet we are seeing employers say to us, 'If this young person's going to come in, they need to be part of the team. They need to understand that we are problem solvers here and we need those skill sets. They need to be able to put aside some of the stuff they have learned at school and actually focus on what we're doing right here and now'. Now that is completely counter to a lot of what we have traditionally said to young people, that actually the here and now in the workplace is absolutely critical. They are the sort of thinking and collaboration skills which are great for some industries. But I suppose to get to the point of the question, probably the role that LLENs play in this space and where we have seen some success is to support schools to understand the workplace skills that young people need—not so much the technical skills but the skills around problem-solving, collaboration, teamwork, initiative.

To pick up on the comments earlier, a young person that understands that when you turn up to a job you greet the employer, you make contact with them and you demonstrate that you are a person that is here, you are interested and you are keen; we talk about that as initiative and confidence. For a young person that has experienced trauma or has had various barriers to participation in community life, that can be a big, big challenge. So what we try to do in school settings is set up programs like this that actually support those cohorts of students to be able to pick up those things if they do not get them in the home or in another community setting. That hopefully answers the crux of the question.

**Ms THEOPHANOUS:** Thank you, Trent, for your presentation. When we talk about disadvantaged jobseekers we do not just talk about people who are looking for work but also the underemployed. From my experience it is particularly so amongst young people where they are essentially cobbling together a full-time job out of part-time or casual work, which can be in some cases very insecure. There is a lot of wage theft going on, particularly in the hospitality industry, and these are often kids that do have qualifications. They have gone through university or they have gone through TAFE but the end of the line for them is there is no job in the field that they have studied in. Do you see the LLENs as a tool or mechanism or touch point that can assist them, and in what way? Because if you have gone through a university course or you have gone through a TAFE course, you are not really wanting to go and re-skill in another field. You have got your qualification. You just want a job there. Can you comment on that and what you see as the LLENs' role, and perhaps the State Government's role and what we can do better to try and get these people who do have the qualifications but are underemployed?

**Mr McCARTHY:** I think you have actually nailed one of the biggest challenges, and this goes to that point about labour market information and the skill sets that are required but also where the jobs will be in two years, five years and 10 years. I am sure you have probably all heard the data about how many careers we expect to have: five careers for young people nowadays, 17 different jobs. We know that that is an approximate, but it is a pretty good guesstimate based on what we are already seeing. The advice that young people get at school

helps shape the choices that they make in terms of what they study during their secondary schooling, assuming they complete secondary school.

One of the biggest influences though in the decisions that young people make is actually in the home. Careers teachers will often tell you that they only account for about 20% of the thinking on this issue, that most of the thinking is actually cultural, it is domestic. It is about who you know, it is about what you have been exposed to. Another set of data, which I do not know if is picked up on this report but we do talk about it quite a bit, is that a young person who has exposure to four different industries while they are at school makes much better choices around what they might do. We have a lot of people studying courses where there simply will not be jobs. There are more people currently studying law than there are legal jobs in Victoria. You have heard that the figure before? Obviously not everyone is going to go on to become a lawyer but those legal skills are important. Can those skills can be picked up in other ways that do not require someone to undertake a very extensive qualification of that nature?

They are the sorts of questions that I think in terms of education reform. Where we can have an impact, and I think where we do have an impact, is through bringing the conversations around the future world of work to the places where young people and their parents are. For instance, at Wallan Secondary College and in high schools all throughout the northern suburbs over recent months we have been bringing employers together and students and parents at around the Years 7, 8 and 9 level. Most recently we have had people that work in IT, for instance, and software development talking about where their industry is going to young people and parents, so that they understand that, yes, not all the jobs are in gaming but there are jobs in gaming. Not all the jobs are in medical but there are jobs that actually bring together gaming and medical. Not all those jobs require a university entrance, so some of those jobs are vocational jobs, and this is where really valuing our TAFEs as a platform for students to go from school into a TAFE or a polytechnic-type setting is actually fantastic for them to explore that further before they commit to a degree.

We also know that the dropout rate from universities is high and has been consistently high for a long time. There is a range of factors that play into that. We do not want to see young people investing in education that does not pathway them into employment. That is not to devalue the education, but that is why it is so important early on for us to influence the students, their parents and schools through that strong relationship with industry. We think that whilst that work happens on the ground, I would say in some cases it is sporadic because it is up to people having those relationships and connections. That is why we have, I suppose, put that notion of a statewide labour market information being publicly accessible, easy to use and easy to understand to help inform those decisions, and also coordinated through that concept of a youth employment commission to really bring together good practice and extrapolate it across the state.

**The CHAIR:** Trent, can I ask, in terms of the current labour market conditions, how they are affecting the mental health of young people? Is it causing angst and pressure?

**Mr McCARTHY:** Yes, I would say, is probably the simplest way to answer it. There are a lot of negative messages to young people around the world of work and where the jobs will and will not be. I think the point before about wage theft and fear of wage theft is also significant. We have young people that are in periods of underemployment for extensive periods of time, and that adds to negative mental health experiences.

**The CHAIR:** So low self-esteem, confidence—all of those things are expected? Anxiety?

**Mr McCARTHY:** Anxiety. I mean, the figures around — I just pick up in fact the work of BGKLEN, which does extraordinary work with young people around anxiety and really trying to strengthen emotional resilience. I suppose one of the key things we have been trying to do is prepare young people for a lifetime of potentially— well, not so much a lifetime but potentially the first decade of their working life where there may be flexible work, because that is the reality that many young people will face. We can always point to the success stories, the student that transitioned from school to training or university into full-time work—fantastic. I suppose what we are concerned about are those who do not and how we build up their stocks, their skills—not just technical skills but also those bounce-back skills. Those bounce-back skills are delivered in some schools very well. They are delivered in community settings sometimes well. But they are not universal. In fact, as we see fluctuations in the labour market, the influence of automation in certain sectors, that does not mean that jobs will not exist; it just means that different jobs will exist.

I have the Puckapunyal army base in my LLEN area and there are new jobs coming on board all the time in that area, from entry-level employment through to high-skilled employment. My LLEN's objective is to make sure that every young person in Seymour has an ability to have a foot in the door. One of the ways that we have done that is to actually get students to understand what happens on base—the range of jobs, from hospitality and accommodation through to land management, through to running the rifle range. We have just discovered in the defence sector that they do a lot of war gaming, war gaming simulation.

**Mr ROWSWELL:** Sounds like politics.

**Mr McCARTHY:** Sounds like politics. I have prepared them for a career in politics. What is fantastic is that we are able to create casual work for those young people to go in and effectively move small icons around on a screen and get paid a wage that is about three times as much as what they would be paid in retail or hospitality.

**The CHAIR:** Dream job.

**Mr McCARTHY:** It is a dream job. Their parents want the jobs, though. What is fantastic is that for every young person that we put through that process—and we get them a week of training intensively to operate this equipment, they have army generals behind them, it is all simulated—every one of them is qualified for an APS1 certification, which means that they get a national police check. When it comes to applying for a job at defence or Broadpectrum or anything in the Australian Public Service, they have got a ticket to work. Now, we have done that because we have got the relationships with all the local contractors on site. Seymour Business and Tourism, which is the traders association, has chipped in and helps bus kids out to the site. Everyone puts in to give those kids a go. That does not mean that all those kids will end up working at Puckapunyal, but I tell you what, every one of those kids that goes through that program has built resilience, they have a sense of support and network and relationships and they know that the economy is not just what mum or dad or their uncle did; it is actually a whole range of things that are changing all the time. We think that that exploration builds resilience in the way that we have discussed.

**Ms CONNOLLY:** I just have a quick question. It has been really interesting having these public forums and different representatives from the LLENs come in. It sounds like the LLEN that is covering here in Bendigo is very well-connected with the large employers—small, medium-sized—and doing a great job, I have to say. Do you think that in areas like this it is easier to have a connection with employers because it is more localised in a sense culturally—you know, people feel a real affinity for areas like Bendigo and Greater Bendigo and around the area and a real sense of wanting to take on disadvantaged job seekers—as opposed to metropolitan regions?

**Mr McCARTHY:** Yes. I think that is part of the challenge—that in regional settings and in country settings it is much easier to create a positive parochialism, a sense that 'We're going to look after our young people'. One of the best examples of where that has happened internationally—I get told off for talking always about Finland—is Finland, where they do have the best post-school employment outcomes of the EU, and one of the reasons why is that their national policy says that every region has a responsibility to ensure that young people are in education, training or employment within three months of finishing school. So they create that community-level commitment and it is up to that community, whether it is a local government area or a sort of a broader regional area, to work out how they are going to do that.

I think we can achieve the same sort of outcome in Victoria because we have the structures in place already to facilitate that. In metropolitan settings—and I live in the northern suburbs of Melbourne and work in central Victoria, so I am part of the people who go against the traffic—I would say that there are still those sorts of positive parochialisms that exist but it is actually about helping people understand that if we can give a young person a job, create a job opportunity for them in their neighbourhood, then they are going to spend in that neighbourhood, they are going to potentially buy a house in that neighbourhood. So I think we have got to connect young people's economic participation to all the other outcomes in life—and that is where everyone benefits. More young people employed locally in the places where they have grown up helps strengthen that sense of community. Living in a metropolitan area, I can say that businesses of all shapes and sizes want to give local young people a go. It is a very easy sell for us as LLENs to say, 'Here's an opportunity to give a young person a foot in the door'. I think you do not necessarily have the benefit of saying 'our town', and that is probably part of the challenge, but we tend to overcome that in some interesting and innovative ways.

Can I actually just give you one example that I have just realised, which is that in the northern suburbs of Melbourne an organisation called Whitelion, which works with young people in the juvenile justice system, identified that a high proportion of young people, particularly from Aboriginal and Torres Strait Islander backgrounds, were disengaged from school and missing out on employment opportunities. They partnered with Toll, the trucking company. Toll had a workforce issue, which was older male drivers were not wanting to do long-haul drives anymore. So they said, 'What if we could keep you on for another six months? We'll give you a cabbie, a young bloke. He needs to have a word with someone, and for those 9 hours on the road you can have a bit of a yarn'. For the young people that were involved in that program, almost all of them avoided re-entering the justice system, which some of them had been engaged in; most of them stayed engaged in education; and some of them pathwayed into full-time employment. For those workers, it was the icing on the cake. They had a job, it was a good job, but it was a hard job and suddenly they had something that was meaningful. So for Toll, it actually did not cost them anything, because there were existing programs they could access.

We think that is a really good model of understanding that the more our workforce is diverse and inclusive the better it is for everyone. That is where we think we can tackle this issue about specific disadvantage for young people, by being a bit innovative with the programs we already have.

**The CHAIR:** Excellent.

**Ms ADDISON:** One question. I was interested in your submission, the figure of \$12.6 billion for early school leavers. We know that the kids who are leaving school could have mental health issues, could be experiencing family violence and they could have drug and alcohol issues as well. What do we do? We have identified the problem. There are some kids who at the age of 15 just cannot go to school. They have disengaged to such an extent that forcing them to go is going to be more detrimental to their wellbeing. What do we do? If you can solve this, you can solve anything. I am well aware of that. It is a toughie.

**Mr McCARTHY:** Leave it with me. I think the 'What can we do?' question is really important, because there are things that we do do that work and we have got to learn from the good practices we already have. In this program that I mentioned before, Project Ready, we have seen success—for instance, our cohort of students last year at Wallan. That is very much about strengthening those career skills but also that sense of connection to community. We had a cohort of young people there—mostly boys in Year 10 who were all on the cusp of leaving school—brought into this program, brought into a safe environment where they were able to work with someone who was not from the school, who was a facilitator, who could work alongside teachers and could help unpack some of the issues that they were facing and quickly solve them. For some of those kids, the reason why they were not coming to school was not just because of mental health issues, it was because of caring responsibilities at home, which it is hard for schools to get involved in.

So we have gone for a sort of a metaresponse in that case. Of those 16 students in that program, 14 of them went on to be involved in the VCAL program the following year, three of them secured school-based apprenticeships and about half of them identified mentors in the local men's shed where they got to get some volunteer experience. Some of them have continued to volunteer. For us, that is about connecting those young people to support mechanisms in their community so that it is not just up to the school. People want to lend a hand.

We think that the solutions to those sorts of challenges are often place based. They are about relationships, they are about communication and they are about having an uncompromising belief in the potential of our young people. I think that those sorts of philosophies have made a difference across the state in different places, and I think we are really searching for a way to bring those to the surface, make them easy to deliver in different places and of course ensure that no matter where a young person is they have those entry-level employment opportunities available to them but that they are supported to get through that difficult adolescent period.

We also know—and I just would point to that research as well—that if we quantify the cost of a young person not having a positive transition into the workforce, that can actually lead to a lifetime of economic and social disadvantage, and that has impact on other service systems. So taking I suppose a long-term view, we would argue that high investment in those preventative programs—programs like Navigator, for instance, are fantastic. In my office in Wallan we bring together all the Government programs—Navigator, Reconnect and everyone

else—and we put them together sitting side by side in a collaborative effort, so that if we cannot help a young person we pathway onto Navigator very quickly. We do not want young people falling through the cracks, and that is where local service provision that is collaborative and focused on outcomes for young people and a deep understanding of industry needs tends to deliver better outcomes than not. So we can cut through the fragmentation by having some of those principles at the forefront of our work.

**The CHAIR:** Thank you, Trent. Thanks for being here.

**Witness withdrew.**