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Mr Stuart Hollingsworth  
Director  
Jobs Tasmania  
Email: YouthJobsStrategy@jobstasmania.tas.gov.au

### **Submission: Youth Jobs Strategy Discussion Paper**

Thank you for the opportunity to provide my personal feedback on the Youth Jobs Strategy Discussion Paper. The views expressed in this submission are solely that of the author and do not necessarily reflect the views of any other employer, institution, or associated party.

Policies that impact young people should be co-designed by young people and so I strongly support the emphasis on youth-centred and informed design. Similarly, I welcome initiatives like the Youth Jobs Strategy Youth Panel to support youth engagement, empower the cohort and elevate their voice.

Youth unemployment, underemployment and low participation rates do not exist in a contextual vacuum. Intergenerational poverty, poor health, low education, insecure housing, and poor access to transport are all contributing factors.

Tasmania is a state in one of the wealthiest countries in the world at the wealthiest time in human history and so I believe it is not too much to expect that we should eradicate poverty, homelessness, and food insecurity in the near term.

Only when a basic material standard of living for Tasmanians can be guaranteed will we be able to have an ideal state, one where every individual can reach their full potential. In 2005, there was an initiative in New Zealand called the *Mayors Taskforce for Jobs: working towards the 'zero waste' of New Zealanders*. In Tasmania, it should be a strategic priority to attain a 'zero waste' economy – zero waste of resources and zero waste of people. This strategic underpinning is particularly important for Tasmania's young people.

Tasmania's labour supply challenge, exemplified by the Labour market entry to exit ratio projections, mean that it is essential to invest sufficiently and strategically to ensure all young Tasmanians who are not currently in education, employment or training are provided the support they need to reach their full potential.

### **Principles**

I endorse the eleven principles listed in the Discussion Paper.

I recommend adding an additional guiding principle to recognise and address lumpiness in the demand for young workers throughout different localities, particularly concerning the urban-rural divide.

My suggested additional guiding principle is:

*Every young Tasmanian who registers as unemployed should be guaranteed access to either a job, a paid internship, or a training opportunity in their local area.*

There are lessons to be learnt from Europe, where the reinforced Youth Guarantee has seen a commitment by all European Member States to ensure that all young people under the age of 30 receive a good quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving education<sup>1</sup>.

To quote research economist at the Australia Institute, Eliza Littleton, in April 2022 when releasing her research report, co-authored by Rod Campbell, *Youth Unemployment and the Pandemic*;

*“Youth employment policy in Australia focuses too much on resume writing and not enough on creating more jobs.”*

### **Phases and elements**

The common phases and elements make sense. I think the particularly important ones are 5 and 9.

*5. Support young people to develop their confidence and job-readiness and essential employability ‘soft skills’ such as communication, problem solving and team work.*

*9. Provide opportunities for young people to connect with employers and gain insights into local industries or occupations in demand.*

Government, community, business, schools and industry can better support connection and continuity by resourcing programs that give young people work experience with a variety of different employers across multiple industries to see which sector suits them best. Sometimes, knowing what types of work you *don’t* want to do is just as important as discovering which fields you find most interesting.

### **Pathways from school to further study, training or employment**

As the Discussion Paper points out, every young person’s pathway will be different but common to all is the reliance on varied points of engagement and trusted advice.

A young person’s socio-economic stability is a critical factor in making the transition from school to further study or work as seamless as possible. Therefore, it is essential that financial and logistical barriers to secure housing, healthcare (including mental health and preventative/early intervention care) and transport are removed.

Secondarily, a young person’s peer group and school cohort can play an important role in either normalising or delegitimising a particular pathway from school, whether it is work or further study. Therefore, it is important that schools foster a positive culture in which young people are empowered with ‘soft/transferrable’ skills and a developed sense of self-confidence and ambition. This concept is encapsulated in Michael Gerson’s phrase, *“the soft bigotry of low expectations.”*

### **Services and Support for young people in the regions**

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<sup>1</sup> European Commission, *The reinforced Youth Guarantee*, <https://ec.europa.eu/social/main.jsp?catId=1079&langId=en>, accessed 17/10/23

The most transformational option for enhancing services and support to young people in regional and rural areas would be a federally funded, locally administered Job Guarantee program such as the model recommended by Professor Bill Mitchell at the Centre of Full Employment and Equity at the University of Newcastle.<sup>2</sup>

Case studies exist such as the *Plan Jefes de Hogar* program in Argentina, which has been studied by academics such as Pavlina Tcherneva and L. Randall Wray, wherein they explain, “*These proposals were based on earlier work by Hyman Minsky, Abba Lerner, Phillip Harvey, Wendell Gordon, and Charles Killingsworth and recalled the US New Deal experience with job creation programs.*”<sup>3</sup>

This type of initiative would mean that every young person who wanted to engage with work or training could be guaranteed remunerative, non-punitive and meaningful work for the public purpose close to where they live.

### **Transport**

Short of providing support for a broad-scale initiative like a job guarantee, in Tasmania’s regions, fixing public transport, making it free, frequent, and reliable, will remove a significant barrier to young people accessing the support and services they need to become work-ready. It will also remove a barrier perceived by employers who are nervous about offering work to young people if they rely on public transport to go to work. We have heard anecdotes from young people who have been turned down for a job at a bakery in Kingston because they (regretfully) informed the recruiter that they lived in the Huon Valley and would be relying on public transport to attend work.

Cost is a major factor hindering young people’s access to support and services. Transport, housing and preventative health care, particularly mental health services are difficult to access and, in many cases, too expensive.

Making public bus transport free is perhaps the ‘lowest-hanging fruit’. Not only would free public bus transport remove an unnecessary barrier to attending work and training for young people, but it would also have a range of other positive benefits too such as increasing patronage, reducing congestion and emissions by taking cars off the road, and making buses more punctual.

When all public bus travel was made free for five weeks across the state and across all operators – school buses and general access buses, across all fare types (adult, concession and students)<sup>4</sup> – from 28 March to 30 April 2022, according to the Tasmanian Government, the free fare initiative was a success.<sup>5</sup>

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<sup>2</sup> W.F. Mitchell (1998). “The Buffer Stock Employment Model - Full Employment without a NAIRU”, *Journal of Economic Issues*, 32(2), pp.547-55.

<sup>3</sup> Tcherneva, Pavlina R. and Wray, L. Randall, Employer of Last Resort: A Case Study of Argentina's Jefes Program (April 1, 2005). [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1010145](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1010145), accessed 17/10/23

<sup>4</sup> Media release from the Minister for Infrastructure and Transport, 22 March 2022, [https://www.premier.tas.gov.au/site\\_resources\\_2015/additional\\_releases/try\\_our\\_buses\\_for\\_free\\_delivering\\_cost\\_of\\_living\\_relief\\_with\\_free\\_bus\\_travel](https://www.premier.tas.gov.au/site_resources_2015/additional_releases/try_our_buses_for_free_delivering_cost_of_living_relief_with_free_bus_travel), accessed 17/10/23

<sup>5</sup> Free public bus travel has ended, 02 May 2022, [https://www.transport.tas.gov.au/public\\_transport/bus\\_timetables/service\\_changes/service\\_updates/free\\_public\\_bus\\_travel\\_until\\_end\\_of\\_april\\_2022](https://www.transport.tas.gov.au/public_transport/bus_timetables/service_changes/service_updates/free_public_bus_travel_until_end_of_april_2022), accessed 03/10/22

If the initiative had not been stopped, travellers from Kettering to Hobart would still be saving \$17.40 on a return trip.

For a young person living in a regional area and trying to find employment or training, a \$17.40 daily impost could be the difference between getting into a job or training program or missing out on what could be a transformational opportunity.

According to Metro's annual report, fare revenue for 2021 was \$10.68m, which is modest in comparison to the \$48.6m Service Contracts income Metro already receives from the Tasmanian Government.<sup>6</sup> A modest increase in investment to Metro could fully fund an ongoing free fare initiative.

Bus travel should be free. If this takes time to implement then in the meantime, the hub-and-spokes model for Metro should be fast-tracked so that passengers only pay for a fare between the spoke and the hub (e.g. Blackmans Bay to Kingston), but have free travel between Hubs (e.g. Kingston to Hobart).

### **The Future of Work**

To foster environmentally sustainable economic growth and decent jobs, we need to redefine 'work' to be more flexible and to include aspects of the caring economy that are currently chronically and systemically undervalued.

Thin markets, particularly in rural and regional areas, require the government to become an active co-producer of employment opportunities, not just an arms-length 'purchaser' of employment services. They may require an expansion of the public sector and a larger public sector economic footprint in rural and regional areas.

The government should be co-designing jobs locally, hiring young people, and then stepping back to allow the community to take the reins of projects, ideally with a federally funded, locally administered job guarantee program.

Employment initiatives need to address place-based needs and respond to community priorities. For example, are local growth industries capable of building community capacity and being sustainable in the long term? Do those growth industries have social licence and a low environment and emissions footprint?

The government needs to play a role in steering investment and development into sectors that can achieve long-term, holistic, sustainability. To that end, the government can help promote employers of choice, champion flexible work, and promote micro-credentials to help foster an employment ecosystem that attracts and retains young people.

Employment initiatives need to build community capacity, not just deliver services.

The government should help connect young people wanting to work but who are not currently engaged in employment services and/or income support. Employment solutions need to be people-centred and flexible, not coercive or punitive.

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<sup>6</sup> Metro Annual Report 2020-21, p. 33 [https://www.metrotas.com.au/wp-content/uploads/2021/10/210210-Metro-AR-2020-21\\_Final\\_web.pdf](https://www.metrotas.com.au/wp-content/uploads/2021/10/210210-Metro-AR-2020-21_Final_web.pdf), accessed 17/10/23

The government needs to lean into the employment ecosystem and not just expect the private sector to do all the heavy lifting to train and hire unemployed workers. The private sector cannot be solely relied upon to improve aggregate demand.

Employment is a function of aggregate demand. Even if a business-owner wants to hire more workers, if the business doesn't have sufficient customers, they will not hire. In that sense, the customers are the job creators for the business.

*As the 1945 White Paper on Full Employment in Australia pointed out, "The amount of employment available at any time depends on the volume of production being undertaken. This in turn depends on the demand for goods and services - that is, on expenditure by individuals, firms, public authorities and overseas buyers. Full employment can be maintained only as long as total expenditure provides a market for all the goods and services turned out by Australians." <sup>7</sup>*

Where private consumption and overseas expenditure is insufficient to employ all the available labour, expenditure by governments and local authorities on regularly recurring items such as defence, transport, education, police, health and medical services, maintenance of public capital equipment, or new investment on capital expenditure such as railways, bridges, buildings, land development, power and light, water conservation and irrigation, etc. must be made to stimulate demand for local labour.

Finally, to improve productivity, we need improved social infrastructure including housing, transport, education, health, mental health & dental care to address complex barriers to employment. Investment in efficient public transport, libraries, schools, playgrounds, sports facilities, swimming pools, and community gardens will help create a virtuous cycle where young people enjoy improved health and well-being, and the state benefits from a more highly skilled, engaged, and productive workforce.

Thank you for your consideration and I look forward to staying involved in the process as the Youth Jobs Strategy takes shape.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Gideon Cordover', with a long horizontal flourish extending to the right.

Gideon Cordover

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<sup>7</sup> H.C. Coombs (1994) 'From Curtin to Keating: The 1945 and 1994 White Papers on Employment', *Discussion Paper*, North Australia Research Unity, Australian National University, [https://www.billmitchell.org/White\\_Paper\\_1945/index.html](https://www.billmitchell.org/White_Paper_1945/index.html), accessed 17/10/23