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The Australian labour market has changed considerably over twenty years. Unemployment is at record lows, including unemployment rates for young people, although for 15-19 year-old the rate is still 12 per cent. Full-time work has remained steady, while part-time and casual jobs have increased. Many students also work. For homeless young people, taking advantage of the improved labour market is problematic. Being without stable accommodation is itself a major barrier, because a young person cannot do the normal things employees do, like wearing clean clothes and washing regularly. Transport can be a problem, while lack of skills due to early school leaving and a general unpreparedness for work are also issues. For homeless young people with high and complex needs, employment may not be the highest priority in their lives, as they deal with cycles of mental health or drug and alcohol problems. The casualisation of the workforce and the low level of youth wages mean that employment may be tenuous. Without family support, a young person can easily end up homeless again. Sustained support and stable accommodation, combined with a raft of opportunities to be prepared for employment, and opportunities for medium-term supported employment will be required to achieve better labour market outcomes for this group.

Chapter 8 | Labour market marginalisation

*You need to be able to get the job to be able to get the affordable accommodation.
You need somewhere to live to be able to get jobs.¹*

Introduction

8.1 The Burdekin Report found that unemployment was a cause of youth homelessness in two ways. First unemployment was a factor in family conflict and the decision to leave home. Second, unemployed young people could not afford adequate accommodation due to inadequate income.² Similarly, in 2007 young people and youth workers highlighted the difficulties that unemployed young people have in affording ever-escalating rents. If anything has changed it is that unemployment was not reported as a factor in family conflict. This could be due to the improved labour market for adults and young people alike.

8.2 Newspaper headlines have been announcing that unemployment is at its lowest level for a generation. More people than ever are employed and many young people are now looking at gaining employment without the need for post secondary education qualifications. This rosy picture masks a complex situation. Unfortunately, a significant proportion of young people are extremely disadvantaged in the current labour market. They are unemployed or employed in part-time, poorly paid and insecure jobs. Homeless young people are particularly marginalised. They face many barriers to gaining employment and difficulties in maintaining employment once they have it. Yet some homeless young people do manage to overcome these barriers and difficulties. The majority of homeless young people do see employment as a means of stabilising their lives, in particular their accommodation. This chapter highlights some of the major issues facing homeless young people in the labour market.

Extent of labour market marginalisation

8.3 Unemployment has been falling steadily in recent times. The overall rate of unemployment in June 2007 was 4.2 per cent compared to 10.3 per cent fifteen years earlier.³ Similarly, youth unemployment was substantially lower in June 2007 (an unemployment rate of 12.0 per cent for 15 to 19 year olds) than in June 1992 when the unemployment rate was 23.2 per cent.⁴ The unemployment rate for young adults (aged 20 to 24 years) also fell from 15.4 per cent in June 1992 to 5.9 per cent in June 2007.⁵ Despite the significant reduction in youth unemployment in recent times, the unemployment rate for 15 to 19 year olds remains significantly higher than the general rate for unemployment.⁶

8.4 The cause of this fall in unemployment is a much-debated topic but while it is welcome, it should be noted that the situation is more complex than the 'headline' unemployment rate would indicate. A large proportion of young people are not counted in the labour market statistics because they are not working or looking for work but are in education or training. Around 70 per cent of 15 to 19 year olds and 26 per cent of 20 to 24 year olds are full-time at school, TAFE or university.⁷ While some will be working a large proportion are not, nor are they looking for work. Only a small proportion of teenagers but the majority of young adults are in full time work, around 16 per cent of 15 to 19 year olds and 51 per cent of 20 to 24 year olds are employed full-time.⁸ This group is unlikely to be studying and those that are will be studying part-time.

8.5 A smaller but significant proportion of young people are not "fully engaged" in education or work. The Dusseldorp Skills Forum, using ABS data, found around 13.8 per cent of 15 to 19 year olds and 22.4 per cent of young adults (20 to 24 year olds) were not in full time work or full time study (as at May 2007).⁹ The proportion of 15 to 19 year olds not fully engaged has been falling and is now the lowest since 1990. This group is the most marginalised in the labour market. Not working or studying on a full-time basis means that they are not gathering the skills and knowledge necessary for secure, well paid and long term employment.

8.6 The situation of Indigenous young people is worse than for non-Indigenous young people. The Aboriginal and Torres Strait Islander Commission (2004) told the Australian Senate Inquiry into Poverty that:

The proportion of Indigenous teenagers (aged 15 to 19 years) not fully engaged in work or education is three times that of non-Indigenous people.

*Approximately 70 per cent of young Indigenous adults (aged 20-24 years) are not fully engaged with work or education.*¹⁰

8.7 A lot of homeless young people will fall into this category of not being fully engaged in the labour market or education. Based on 2001 Census data, Chamberlain and MacKenzie estimated that the majority of homeless young people (in this case aged 12 to 18 years) were unemployed (approximately 58%) while only around 41 per cent were at school or TAFE.¹¹ Similar figures are not available for the 18 to 24 years age bracket but Grace, Wilson and Batterham estimated that in Australia in 2003-04, up to 64,000 people aged 18-35 are homeless and unemployed each year¹², the bulk of whom would be aged 18 to 24 years.

A changing labour market

8.8 There have been significant changes to the labour market for young people over the past fifteen years. The number of jobs has been increasing but the main growth has been in part-time work. Many teenagers and young adults are combining part-time employment with education or training. The other significant change in the labour market is the increasing proportion of jobs defined as 'casual', that is, where the work is characterised by insecurity, variable hours and lack of leave entitlements.

8.9 The total number of young people aged 15 to 24 years employed full-time has been reasonably constant over the past fifteen years (just over 1 million full-time employees in June 1992 and June 2007)¹³. Over the same periods there has been a significant increase in the number of young people in part-time work (growing from around 515,000 in June 1992 to 830,000 in June 2007).¹⁴

8.10 The increase in part-time work reflects, to some extent, an increase in the proportion of young people in full-time education or training over the past fifteen years. The proportion of 15 to 19 year olds in full-time education increased from 65 per cent in June 1992 to 71 per cent in June 2007 and for 20 to 24 year olds the proportion increased from 16 per cent in June 1992 to 27 per cent in June 2007.¹⁵ The full-time education participation rate for all young people (15 to 24 years) grew from 40 per cent in June 1992 to 49 per cent in June 2007.

8.11 Much of the employment has also been in jobs that are 'casual' in nature, that is, they lack security and conditions such as leave entitlements. These jobs can either be full-time or part-time, but for young people the bulk are part-time. Defined as employees without leave entitlements, ABS data shows that the proportion of young employees (aged 15 to 24 years) in 'casual' employment has grown from 36 per cent to 47 per cent between August 1992 and August 2006.¹⁶ The insecurity associated with these jobs places great difficulties on young people trying to secure accommodation.

8.12 From these statistics it appears that young people are increasingly combining part-time work with full-time study. However, for those outside both education and full-time work, any employment is likely to be part-time and casual in nature.

Barriers to employment for homeless young people

8.13 Even in the current economic climate where job opportunities exist in many places, homeless young people face many barriers to gaining employment. This is related to a lack of education and training, the need to deal with other priorities, difficulties in preparing applications and receiving communication, lack of transport, limited understanding of the labour market and discrimination.

8.14 Being homeless and unemployed creates a vicious circle for young people. One young person in Brisbane told the Inquiry:

*You need to be able to get the job to be able to get the affordable accommodation. You need somewhere to live to be able to get jobs.*¹⁷

8.15 Homelessness is itself a barrier to employment for homeless young people:
*... because it's not very good having on their resume 'no fixed address.'*¹⁸

8.16 Those without shelter, sleeping rough, are in particularly difficult situations. Being without shelter does not allow a young person to do all the normal things workers need to do to get ready for work each day. As one young person in Brisbane said: I got one job when I was on the streets and nowhere to shower. It doesn't work at all.¹⁹

8.17 For young people with many and complex needs, securing employment is not the most pressing issue. Finding accommodation, resolving child protection issues, stabilising their mental health and decreasing their drug use are more important. One youth worker presented a typical but hypothetical case study of a young mother suffering depression:

*She may have her baby removed, so because the baby is removed they lose the parenting payment which then puts them back on Newstart and are expected to look for work, whilst trying to deal with their mental health issues. They might not have stable housing, they have requirements that they need to meet through child protection....*²⁰

8.18 Young people with complex needs take some time to stabilise and deal with a lot of other issues before employment. For example, one young woman told the Inquiry:

*I've got this job now after spending about a year just really sorting my life out. I got into a really good shelter, where there were workers that really cared about me and stick by me for a little bit. And I've been to counselling and now I've got on to anti-depressants, and they're working really well for me. I've got my own place and finally sorted my life out a little bit, cut down on drugs, quit drugs, and stopped self-harming and it's only at this point that I've actually now gone to get employment. I've been employed about a month now and it's been really good. I'm really happy the way it's worked out.*²¹

8.19 Homeless young people often struggle to get opportunities in the labour market because they have limited education and their literacy and numeracy skills are often very poor.²² Numerous youth workers, advocates and young people told the Inquiry of the difficulties that homeless young people have in staying at school, many do not complete their school education.²³ This limits their options in the labour market and for further education and training. Many are unemployed and those that find employment are in low skill, low paid jobs. The following is a typical example of the evidence provided to the Inquiry concerning employment:

*... young people [are] not reaching their potential because they are not finishing senior [school] and going on to tertiary education until later. The thing is the employment options that are open to you are also limited so you've got really, really bright kids who are working ... the majority of them work at places like Hungry Jack's, Mackas, ... if they are able to find employment.*²⁴

8.20 Homeless young people need appropriate support if they are to overcome the many difficulties that limit their ability to sustain themselves in school or post school education. The Inquiry was told:

*... what is clear from all the aspects of research is that without the support, and certain sorts of support, young people are not going to be able to maintain their involvement in education. What is equally clear is that young people want to.*²⁵

8.21 In their submission, UnitingCare Burnside provided an example of how a lack of training and certification was limiting employment but assistance in gaining the relevant training was not forthcoming. In this case a young woman was:

*... seeking employment at a pub and was told she needed her Responsible Service of Alcohol certificate and Responsible Conduct of Gambling certificate before she could get work at that establishment. When she asked her job network provider to fund her course to obtain the qualification she was told she could only get it if she was already working in that field.*²⁶

8.22 Many of the young people that spoke to the Inquiry did not lack aspirations for employment but lacked knowledge of how the labour market works. One young man who wanted to be a chef was asked about his plans for becoming one. He answered that he was “... just applying for every one that comes up, really”.²⁷ He clearly did not understand the qualifications required for such a profession.

8.23 Homeless young people with an intellectual disability are highly unlikely to find employment without support. The Community Living Association (CLA) in Brisbane supports homeless young people with intellectual disabilities. The CLA told the Inquiry that:

*... a hundred percent of the people who come to us have been unemployed and have almost never had a job, if they have gone through the mainstream employment agency they have perhaps got a job a day, two days a week and been sacked and haven't been able to maintain it.*²⁸

8.24 Evidence presented to the Inquiry from young people, youth and employment service workers suggests discrimination is a significant issue. Shopfront Youth Legal Centre reported that a significant number of their clients experienced discrimination due to a drug dependency or mental illness, even when they were seeking treatment or their work performance was unaffected.²⁹

8.25 Homeless Indigenous young people also face this additional barrier of discrimination. In Townsville, the Inquiry was told by an Indigenous employment service worker that:

*... some of my clients have phone interviews and have good phone etiquette, I teach them that, but as soon as they see them, that they're Indigenous, they get a big fat “no”.*³⁰

8.26 To find employment in the 21st century, it is essential to have access to modern technology. As one employment services manager told the Inquiry in Wagga Wagga: To be competitive to get a job, you need to have a computer at home, you need to have a mobile phone, you need to have a car and you need to have a licence. And, you need to have a landline phone often, access to faxes. Very high-tech stuff, which we take for granted as part of our normal lives. These people are lucky to have a change of clothes for tomorrow.³¹

8.27 The Inquiry was told that lack of transport is a critical factor preventing young people from gaining employment. Shopfront Youth Legal Centre observed that in many areas the lack of a driver's licence is a huge barrier to employment.³² The submission from UnitingCare Burnside stated that:

*High travel expenses and inadequate public transport can be a barrier to employment for young people in both rural and urban areas.*³³

8.28 They highlighted the NSW regional town of Dubbo as an example:
*Dubbo is a regional centre and young people from surrounding areas often travel to Dubbo looking for services, jobs and housing. If they secure employment or educational opportunities that are outside their local area, it can be challenging to access these opportunities. Bus services are erratic and costly. Most young people who have experienced homelessness cannot afford to buy a car. They may not be able to obtain accommodation close to their job or educational institute due to limited availability of housing options.*³⁴

Barriers to staying in employment for homeless young people

8.29 A range of youth services reported that their clients experienced significant difficulties in staying in employment, if they could get a job. Shopfront Youth Legal Centre submitted the following list of difficulties in employment experienced by homeless young people:

- the low wage received by young people under age-based awards;
- the provision of often poor working conditions;
- the insecure tenure of position;
- the lack of full-time work;
- the fact that young people are more vulnerable to health and safety problems, and to harassment.³⁵

8.30 Home-based young people also face these problems but the consequences are much greater for homeless young people because they lack the support of parents.

Low wages

8.31 The level of youth wages in casual, unskilled work is of concern to a number of young people and youth workers. UnitingCare Burnside wrote:

*One young person highlighted that even if you found a place to shower and got a job with a uniform such as at a fast food restaurant, the low wages make it hard to find permanent accommodation as they rarely cover rent, bills and recreation costs.*³⁶

8.32 Clearly, the youth wages are not at a level intended for young people to live independently. It is implicitly assumed that young people will be supported by their parents.

Job insecurity

8.33 Youth workers and services expressed concern that despite improvements in the labour market, most young people could not find secure employment as a lot of the new work is not the traditional full-time, permanent employment that gives security to

employees. UnitingCare Burnside wrote:

*The labour market in Australia has become increasingly deregulated and the casualisation of labour has affected young people's chances of finding stable employment.*³⁷

8.34 According to Hanover Welfare Services in Victoria:

*... it's no surprise that people from disadvantaged backgrounds, a huge number have educational levels below Year 9, have short-term precarious employment, because that's the employment that exists, and it's even for people who are much more advantaged in the labour market. Most of or a lot of new employment is short-term casualised employment.*³⁸

8.35 A researcher from the Alcoa Research Centre for Strong Communities at Curtin University in Perth, told the Inquiry that the casualisation of the labour force was a structural barrier to secure employment. The Centre related the experience of one young person who would have preferred to have:

*... one full-time job instead of four casual part-time jobs where I'm always on-call and I can't plan to be part of a TAFE course.*³⁹

8.36 According to Shopfront:

*The lack of enough formal modes of employment may lead young people to seek out informal, non-waged employment, 'paid' by way of goods and services exchange. Informal employment leaves young people vulnerable to exploitation and with no means of legal recourse.*⁴⁰

8.37 Not all insecurity in employment can be located in structural causes but in some circumstances are related to lack social skills. One service told the Inquiry that:

*... a lot of young people that have anger management problems, so if they do get a job and their boss or their employer says 'do this', instead of them seeing that as being asked, they may actually take offence and of course then they don't have the social skills to deal with being asked to do certain things.*⁴¹

This highlights the need for appropriate and sufficient preparation for participation in the labour force. Some young people need to how to deal with workplace interactions. Job preparation for homeless young people needs to be cognisant of the level and duration of pre-employment support that might be necessary for a sustainable employment outcome for a young person.

Vulnerabilities

8.38 Employers and colleagues are sometimes not supportive of homeless young people. One young man told the Inquiry in Darwin he was teased and bullied about being homeless at work, which forced him to resign. He said his former colleagues:

... thought it was all a joke. They loved it. They loved ridiculing me for not having a home. They always laughed about it, coming into work the next morning, seeing me

*parked in the car park, sleeping in the back seat. There was no support there. They made it worse.*⁴²

8.39 Once a homeless young person's life starts to 'get back on track' by gaining employment their peer group might become a hindrance. As one employment service worker told the Inquiry:

*... if one of them starts to do well, it doesn't suit the rest of them, because they're not available to do what they want with them, and it might be childcare, it might be going out with them, it might be staying up late. "Well, no, I've got to go to bed, because I've got a job tomorrow." "Oh, you're no fun" and so they start to be alienated, ostracised and even sabotaged, and sometimes they self-sabotage.*⁴³

8.40 To prevent this 'sabotage' when a young person gains a job they need support to stop them "... slipping backwards, or they get into the old way of life and late nights and can't get up in the morning and don't go to work"⁴⁴ as one employment services worker put it. This same worker suggested that the Job Network and other employment programs adopt a mentoring role to support young people after they get a job.

Facilitating factors for employment

8.41 Given the barriers to employment and the difficulties in sustaining employment it is surprising that some homeless young people are employed. At the Sydney hearing and in their submission, the Inquiry was told of the results of a survey of homeless young people conducted by Mission Australia.⁴⁵ Of the homeless young people surveyed 43 per cent indicated they had some form of employment. While the relatively small sample size means that this figure is not likely to be representative of the whole homeless youth population it is significant because it shows that some young people manage to maintain employment while homeless.

8.42 So, while most homeless young people find it very difficult to sustain employment because their accommodation is insecure and because of other factors, there are a few that manage to do it. It was suggested to the Inquiry that this was because these young people have '... higher living skills and higher social skills.'⁴⁶

8.43 Homeless young people need support and assistance to stabilise those aspects of their lives that limit employment opportunities. They need support to gain the skills for work and to find and keep a job.

Conclusions

8.44 There have been improvements in the labour market. Unemployment is relatively low including youth unemployment. As a result, unemployment as a cause of homelessness is less pronounced now that it was at the time of the Burdekin Inquiry in the late 1980s. Participation in education and training has grown significantly. Despite these improvements a significant proportion of young people are not fully engaged in work or in education or training. Homeless young people are likely to be a significant group amongst those young people marginally engaged with the labour market.

8.45 Further, the bulk of the growth in employment for young people has been in part-time and casual employment, making it difficult for independent young people to sustain accommodation in the private rental market.

8.46 There are many barriers to employment for homeless young people and even those in work can find it difficult to sustain their employment without support. There are labour market programs for unemployed and homeless young people such as the Job Placement, Employment and Training (JPET) program and the Job Network. These programs and the services that assist homeless young people to find employment are discussed in Chapter 20 Employment.

ENDNOTES

- 1 Young person, Brisbane Day 5, 10-04-2007.
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- Submission 28, Living Water Uniting Church; Submission 36, YP4; Submission 46, Anglicare Tasmania; Submission 61, Southern Youth and Family Services; Submission 78, UnitingCare Burnside; Submission 85, Council to Homeless Persons with Youth Affairs Council of Victoria and Project i (Key Centre for Women's Health in Society).
- 24 L. Thorpy, Open Doors Youth Service, Brisbane Day 6, 11-04-2007.
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