

# The pandemic, unemployment, skills shortages and a forgotten group of students

by Bruce Mackenzie, Mackenzie Research Institute

Young Australians have been repeatedly identified as being at high risk as the government struggles to get the economy back on track. Life was tough for young people even before the pandemic hit. In February, the unemployment rate for 15 to 24-year-olds was 12.2%. The youth unemployment is likely to be much higher already.

COVID-19 will affect 15- to 19-year-olds for much of this decade. The closure of schools for much of the year has been academically and socially disruptive. For Year 11 and 12 students, coping with the final years of secondary education is always difficult. This year has been unprecedented in its challenges. Fortunately, many of the teenagers will still transition successfully to higher education, especially those who come from more stable family backgrounds and/or have attended better resourced schools that have been able to help students with online learning.

However, there is another large group of Year 11 and 12 students whose plight has been ignored – those who never intended to go to university and/or have found it very difficult to stay engaged in education – because they attended schools with fewer resources or stresses at home, for example.

Earlier this year, the OECD surveyed 59 countries to see how their educational systems had coped with the pandemic. The OECD noted that not all students had been able to “engage consistently with their education”. Although most of the countries surveyed had put in place alternative learning opportunities, respondents estimated that just about half the students were able to access all or most of the curriculum.

School leavers who don’t go on to university (around 50% of students) have recently preferred to enter low-skilled, precarious employment rather than look to Vocational Education and Training (VET). Such low-skilled jobs at least gave this vulnerable group some disposable income and helped them stay engaged with the community rather than becoming unemployed and left to deal with the associated stresses and social alienation.

However, it is becoming increasingly clear that even low-skilled jobs are going to be hotly contested. There are already [13 jobseekers](#) for every job vacancy. Vacancies for dishwashing and similar jobs have seen [thousands of applications](#) per role. Moreover, research clearly indicates there is no long-term future in low-skilled work. If Australia lets this large group of school leavers drift into the labour market with no real chance of getting a job it will be a terrible start to their adult life and a catastrophic outcome for the community.

So it is vital to offer these young people a better chance in life. It is then up to them to decide if they want to take up the opportunity.

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2 October 2020

But offering more of the same – such as increasing university places or designing a range of short courses and hoping these will do the trick - is not going to be the answer.

Innovative strategies are going to be vital.

Many students have rejected tertiary education. Because of the disruption to their secondary education caused by COVID-19, many may not have the key literacy and numeracy skills to learn in an academic environment. In addition, as pointed out by the OECD survey, the need to earn money and have some disposable income is of vital importance to many in this group.

The Mackenzie Research Institute believes Australia needs a strategy to re-engage these students into education at the tertiary level and also offer an income.

Our proposal is to develop a Diploma of Professional Studies in the high priority areas identified by government. Diploma students would also be eligible for a stipend that is equivalent to the Youth Allowance if they study full time. Research tells us that studying full time provides students with the best chance of successfully completing their studies.

The proposed diploma would use the existing VET curriculum and package it in a way that lets students exit the course at different stages with an employable qualification.

The Diploma will provide students with literacy and numeracy skills and digital competency and will incorporate assessable work integrated learning.

While the Diploma provides core academic and employment skills, it would also incorporate a curriculum as advised by industry. Narrow qualifications are inappropriate for a world in a state of flux and it is impossible to predict what will be future employment opportunities.

Given that research shows that many people who complete an existing VET qualification do not gain employment in the field of their qualification, the focus on core skills provides some insurance against uncertainty. And if they so choose, graduating students will be intellectually prepared to continue their studies at the degree level.

The idea of a stipend is based on a similar strategy developed by the Commonwealth and state governments in the 1960s and 70s in the form of scholarships and studentships. They were highly effective strategies in encouraging women and people from lower socio-economic backgrounds to continue their studies at tertiary institutions after completing high school. The scholarships provided a skilled workforce that underpinned the nation's economic growth for decades.

The strategies the Institute proposes are designed to overcome the disadvantage caused by the pandemic and provide real opportunities for a forgotten group of students who are at high risk of falling by the wayside. It will require cooperation and considerable effort on the part of governments, educational institutions and employer groups. Whether Australia has the social capital to embrace such a proposal, only time will tell.

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