



Brotherhood
of St Laurence

U-TURN: THE TRANSPORT WOES OF AUSTRALIA'S YOUNG JOBSEEKERS

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Transport challenges facing young unemployed Australians loom as a significant barrier to their finding work. Youth unemployment – close to 13 per cent nationally – is concentrated in the nation's regional areas and fast-growing outer suburbs, both geographies where public transport options are notoriously constrained. Meanwhile, our new data analysis shows 61 per cent of unemployed under-25s lack a driver's licence and, overall, as many as a quarter cite transport issues as a key reason for not being able to find a job.

My Chance, Our Future
**YOUTH EMPLOYMENT
CAMPAIGN**

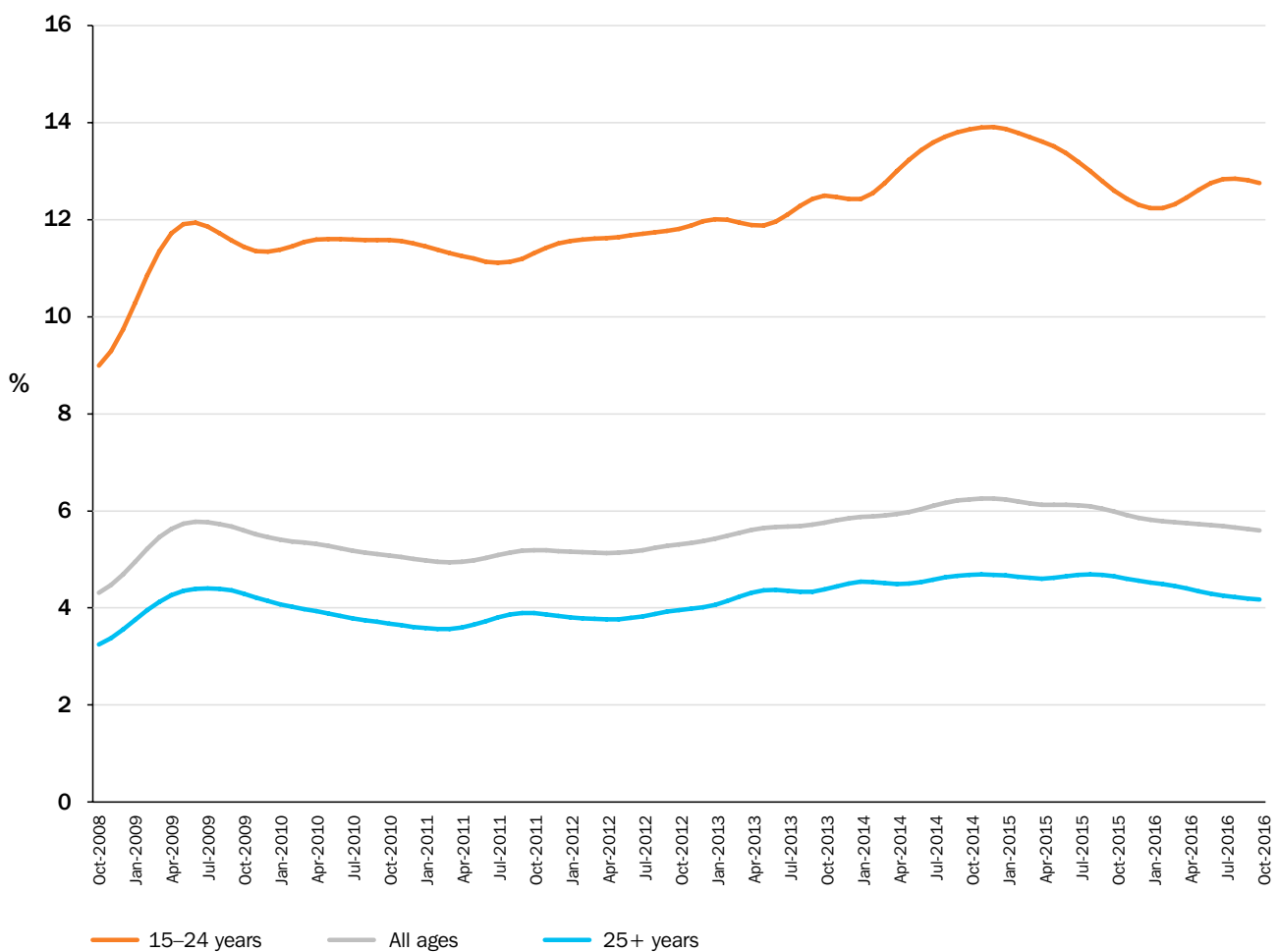
TRENDING: YOUTH UNEMPLOYMENT RATE STUBBORNLY HIGH

The youth unemployment rate of 12.8 per cent (trend rate) for October remains much higher than the rates before the global financial crisis – which were below 9 per cent – according to the Australian Bureau of Statistics (ABS) (Figure 1). The rate has climbed steadily from the year’s low of 12.2 per cent in January 2016. More than 268,000 youth in the labour market are unable to find a job.

With an unemployment rate of 12.8 per cent, young people aged 15 to 24 in the labour market are more than three times as likely to be unemployed as those aged 25 and over, who have an unemployment rate of 4.2 per cent.

The large gap in unemployment rates suggests young people’s experiences in the labour market are different from those of older people. This is explored in the next section.

Figure 1: Unemployment rates (%) in Australia, various age groups, October 2008 to October 2016



Source: ABS, *Labour force, Australia*, October 2016, cat. no. 6202.0, trend data.

BARRIERS TO WORK

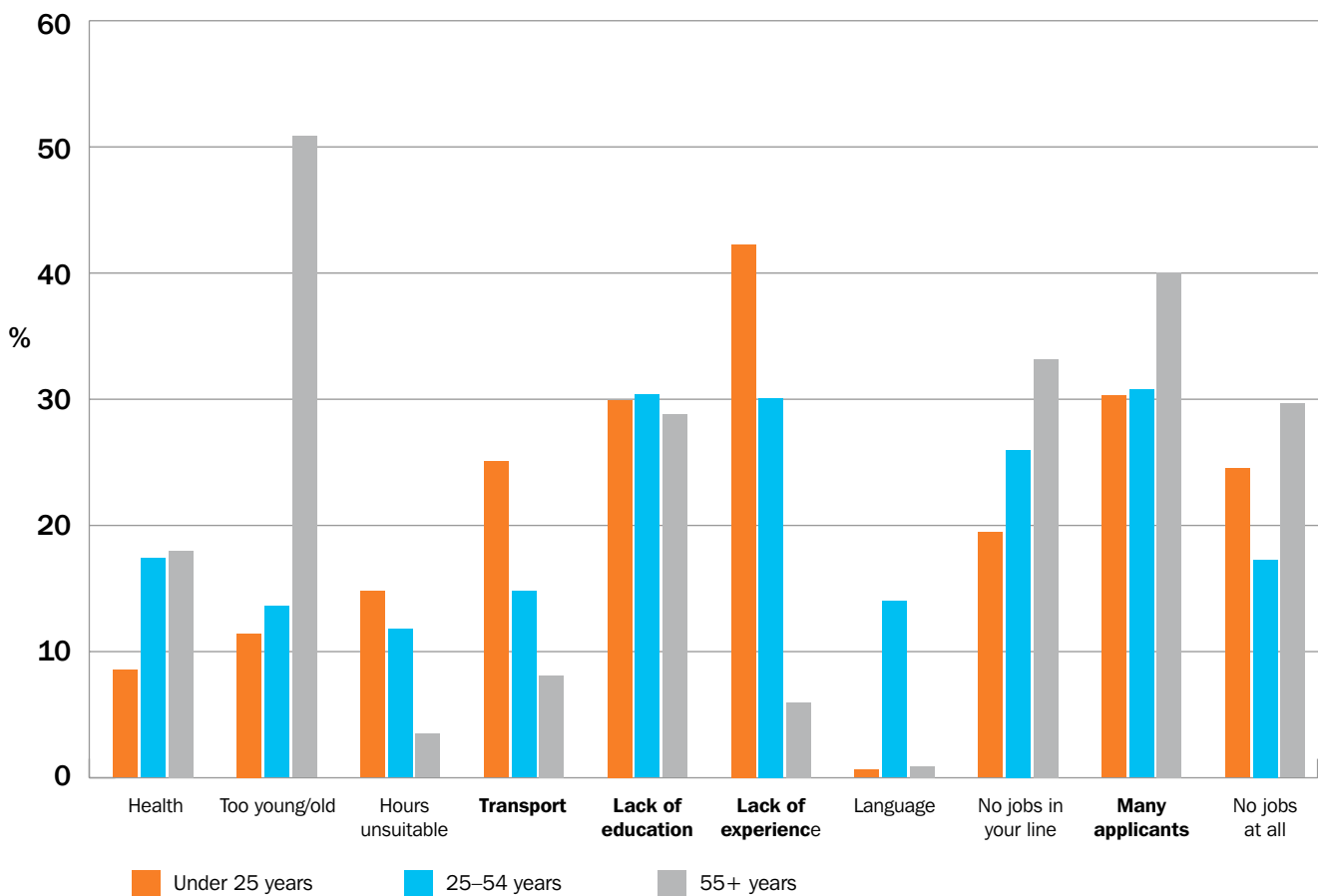
To gain insights into the barriers faced by unemployed youth we used data from the latest annual 'wave' of the Household Labour Income and Family Dynamics in Australia (HILDA) Survey of more than 13,000 people.

In each year of this survey unemployed participants are asked about their perceptions of the reasons for not being able to find work. Figure 2 shows the main responses, indicating the relative importance of these factors for unemployed people aged under 25, between 25 and 54, and 55-plus.

Among young people the four main factors were:

- lack of work experience – an issue for 42.3 per cent
- lack of education and training – an issue for 29.9 per cent
- many applicants for jobs – an issue for 30.3 per cent
- transport – an issue for 25.1 per cent

Figure 2: Reasons for not getting a job (%), various age groups, 2014



Source: HILDA data wave 14

Note: Respondents could give multiple reasons

TRANSPORT DISADVANTAGE

Our analysis shows that transport problems are reported to be a barrier to work by a bigger proportion of unemployed young people (25.1 per cent) than of 25–54 year olds (14.8 per cent) or the 55-plus group (8 per cent).

Limited access to transport may hinder the search for jobs, and the capacity to sustain employment once in a job. The Australian finding that it poses a bigger problem for young people aligns with British research that identifies transport availability and affordability as important barriers to employment for young jobseekers (Jones 2012). Young people tend to have lower incomes and fewer assets, which is likely to make them sensitive to rises in transport costs. This is particularly true for young jobseekers who find work in low-paid and casual positions.

LICENCE FOR WORK?

To shed some light on the transport problems faced by unemployed youth we looked at the proportion of young people who hold a driver's licence to help determine the extent to which young jobseekers must rely on public transport when looking for jobs.

Table 1 shows the proportion of unemployed and employed people who hold a driver's licence in different age groups. Among unemployed people under 25 a substantial 61 per cent don't hold a licence, according to HILDA data from 2012, when respondents were asked this question. While the high proportion is partly explained by the minimum driving age – between 16 and 18 depending on the state or territory – the percentage of jobseekers with no licence in the 18 to 25 group is still 41 per cent, compared to 19.9 per cent of jobseekers aged 25 to 55 and 1.2 per cent of the 55-plus group.

Table 1: Proportion of people with no driver's licence (%), selected groups 2012

	Under 25	25–54	55+
Unemployed	61.0	19.9	1.2
Employed	27.4	4.6	3.7

Source: HILDA data wave 12

These numbers suggest that young jobseekers are particularly likely to rely on public transport services, which are in turn well known to be limited in the outer suburbs of Australia's cities and in regional areas, where youth unemployment rates are often the highest – and hardest to dislodge.

NOTE:

This paper uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported here, however, are those of the authors and should not be attributed to either DSS or the Melbourne Institute.

REFERENCES:

Jones, K 2012, *Transport barriers to youth unemployment*, Missing Million Policy Paper 2, The Work Foundation, Lancaster, UK.