



# The impact of the pandemic on the Victorian labour market and its implications for young people

School career practitioner webinar

Labour Market Research and Analysis Branch  
August 2020

# COVID-19 is having a significant impact on the labour market...

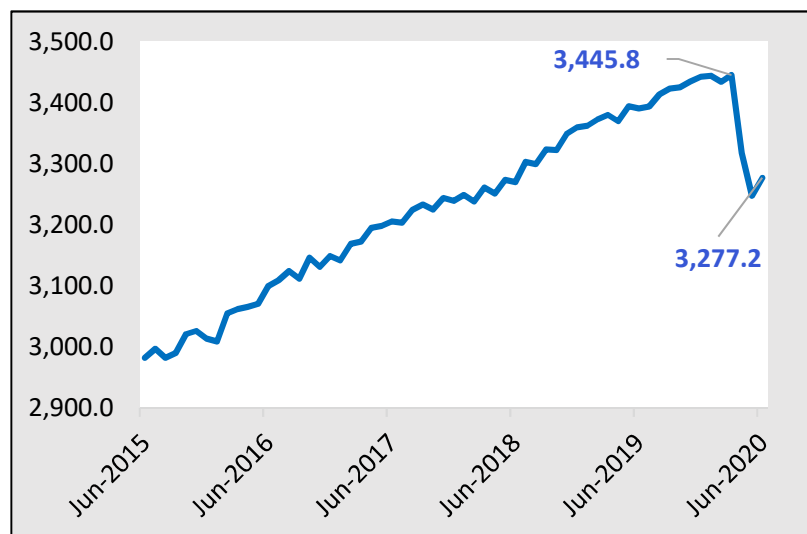
- Many jobs have been lost, and there will be fewer jobs in the short term, meaning the jobs market is more competitive
- Some industries are being impacted more than others, especially in accommodation and food services, retail, tourism and the arts
- Young people have been more impacted than other groups, and they are facing more difficult transitions

As we have seen in Victoria, further COVID-19 outbreaks and associated restrictions will continue to impact for some time

# The labour market is under pressure

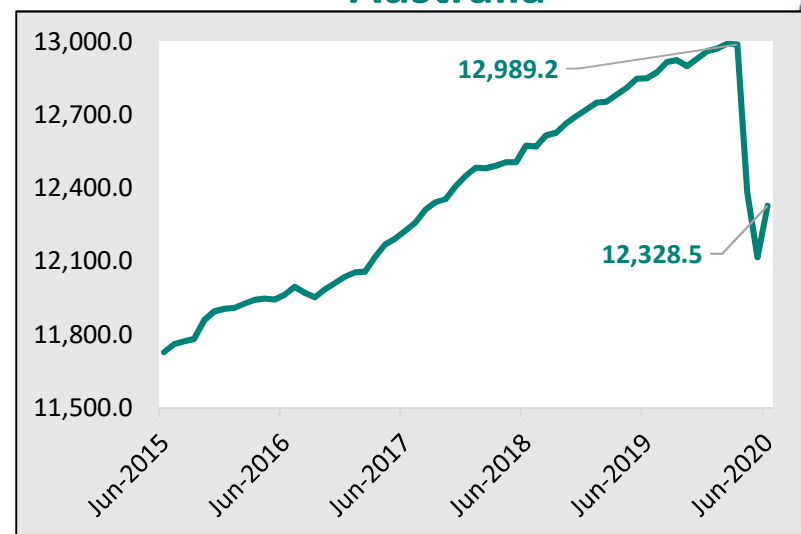
## Victoria

Employed persons ('000s) June 2020



Since March the number of **employed** persons has fallen by **168,600** or **4.9%**

## Australia

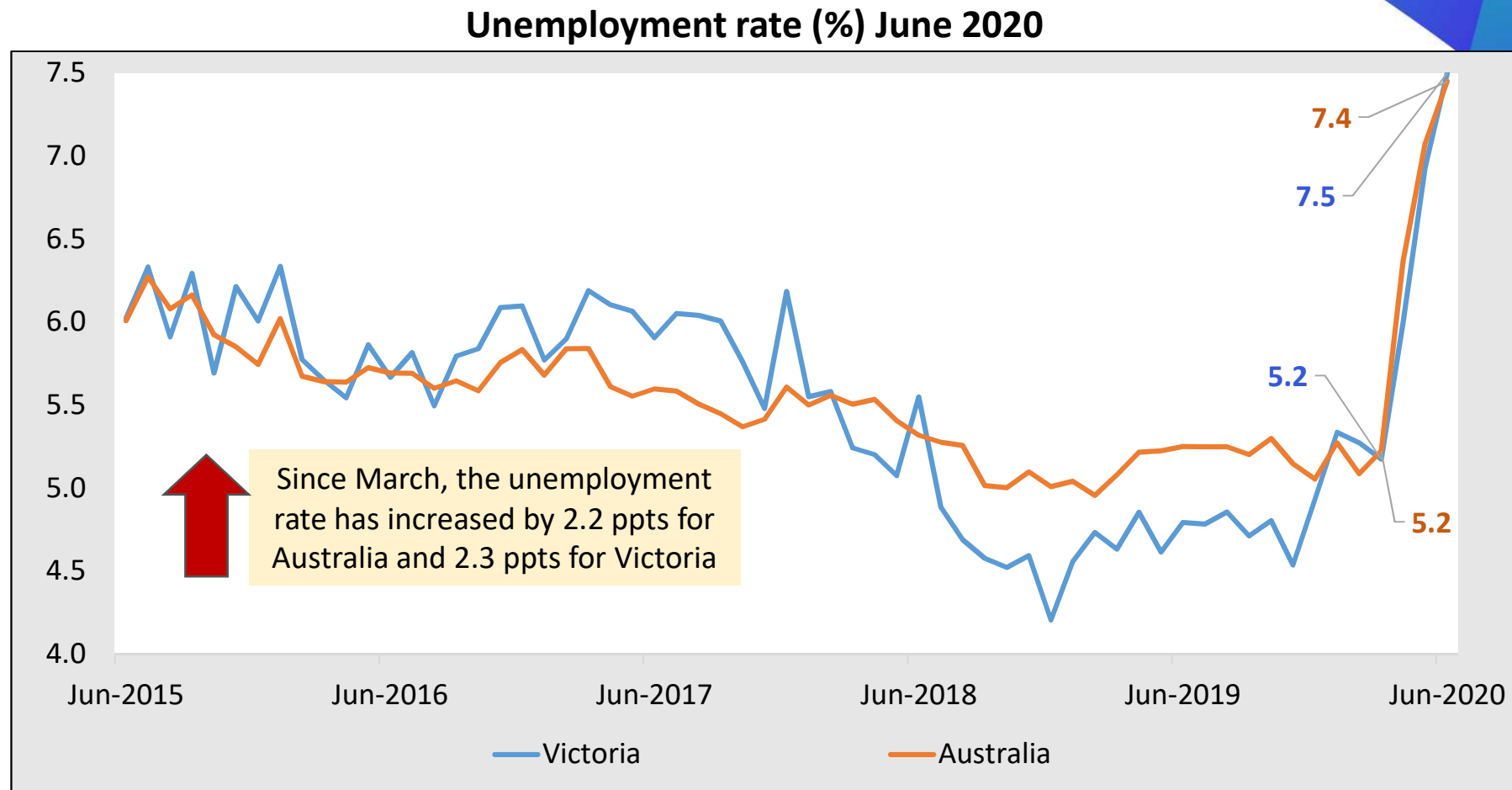


Since March the number of **employed** persons has fallen by **660,700** or **5.1%**

But these statistics don't tell the full story...

- Many of those counted as employed have worked fewer or no hours
- Many have dropped out of the labour force altogether
- Groups most affected are youth and women

# The labour market is under pressure



In June 2020, the “effective” unemployment rate for Australia was 11.3%, and 11.7% for Victoria

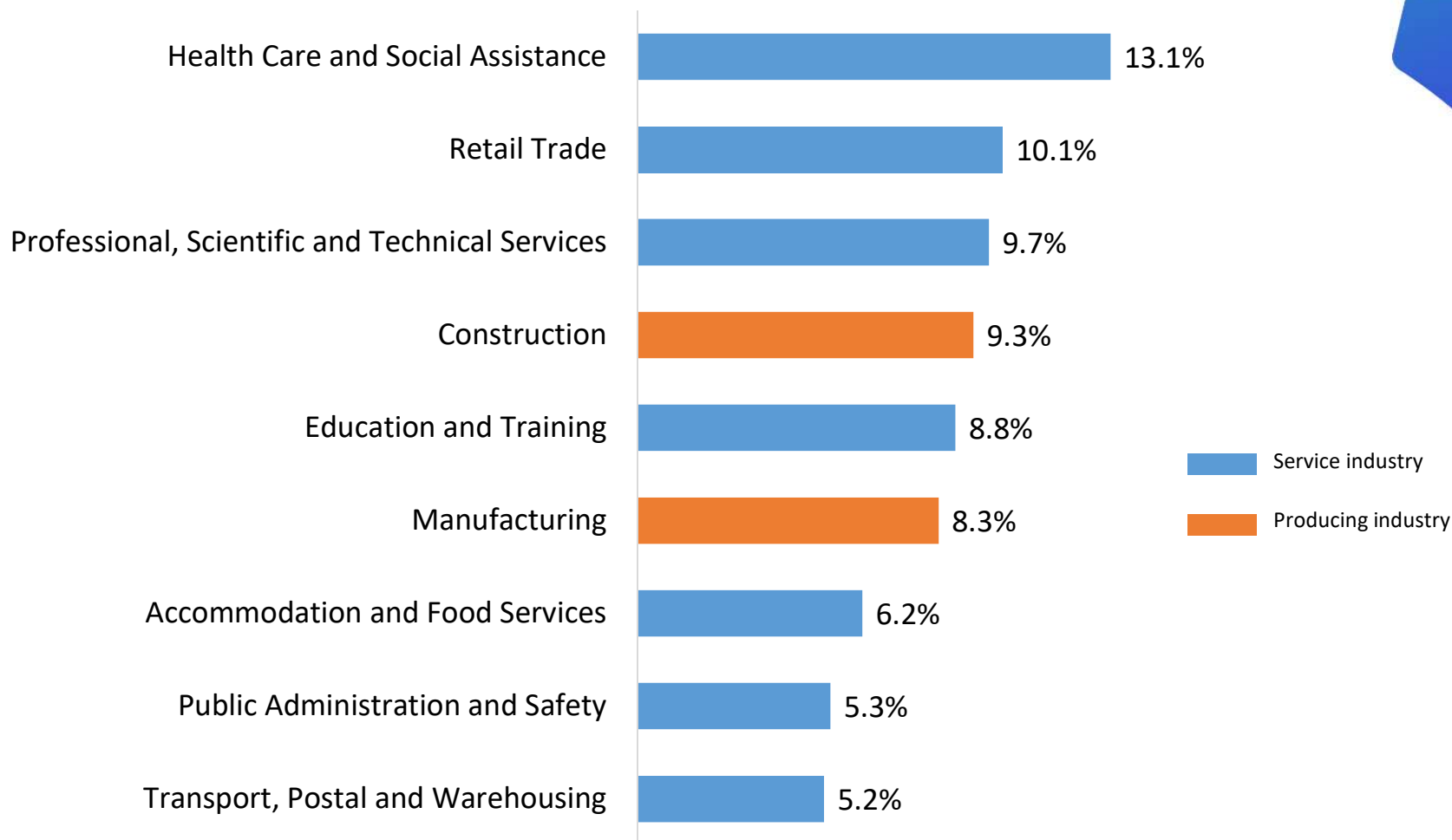
Arrows indicate monthly change since March 2020.

Source: ABS, Labour Force Survey, June 2020, seasonally adjusted data and original data

National Skills Commission, August 2020

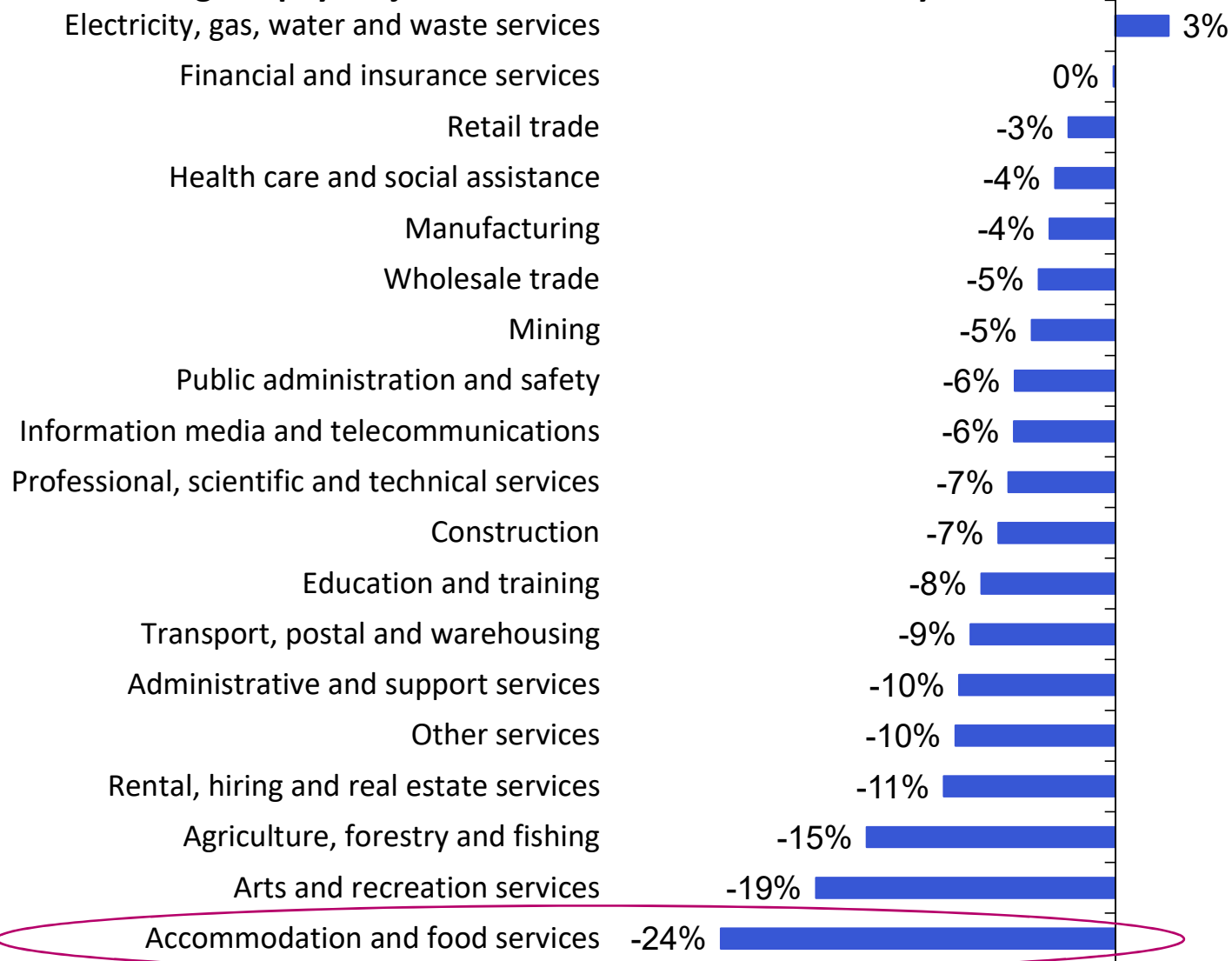
# Where were the jobs, before the pandemic?

**Proportion Employed by Industry, Victoria, February 2020**



# What has happened during the pandemic?

## Change in payroll jobs between 14 March and 11 July 2020, Victoria



# And where will the jobs be after the pandemic?

We expect that the overall order and size of industries won't change significantly:

- Health, aged and disability care will be the largest employing industry across the country
- Retail and hospitality is dynamic and will continue to provide many jobs
- Professional, scientific and technical services, Construction, Education and training, and Manufacturing will continue to be large employing industries

**What are the  
impacts on young  
people?**



# In Victoria, young people have been heavily impacted by the pandemic

**In Victoria, between March and June 2020:**

Fewer young people employed  
(aged 15-24)

75,200 fewer in Victoria  
(233,100 fewer in Australia)

More youth looking for work  
Youth unemployment rate up by 4.1 pts

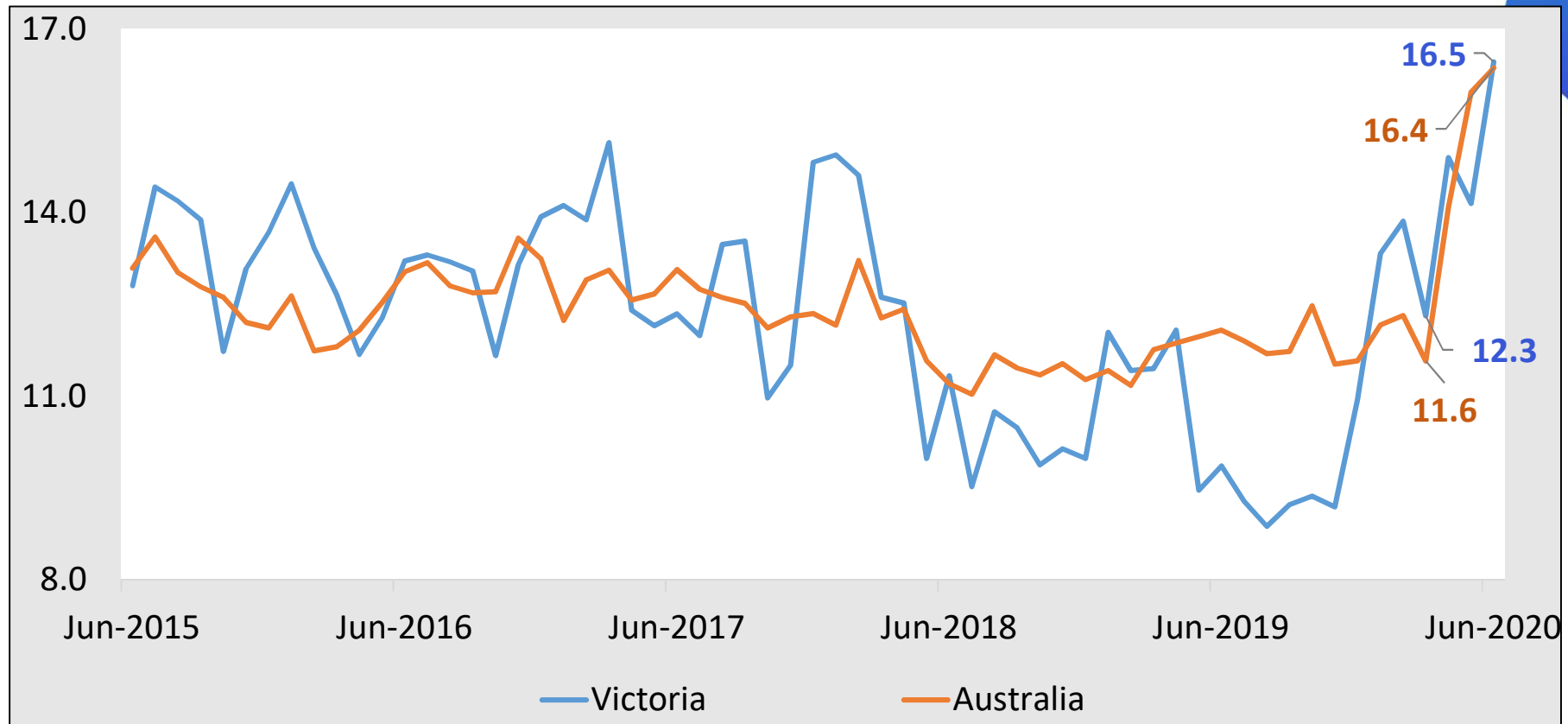
13,600 more in Victoria  
(78,000 more in Australia)

More young people have left  
the labour market

61,600 more in Victoria  
(171,400 more in Australia)

# In Victoria, young people have been heavily impacted by the pandemic...

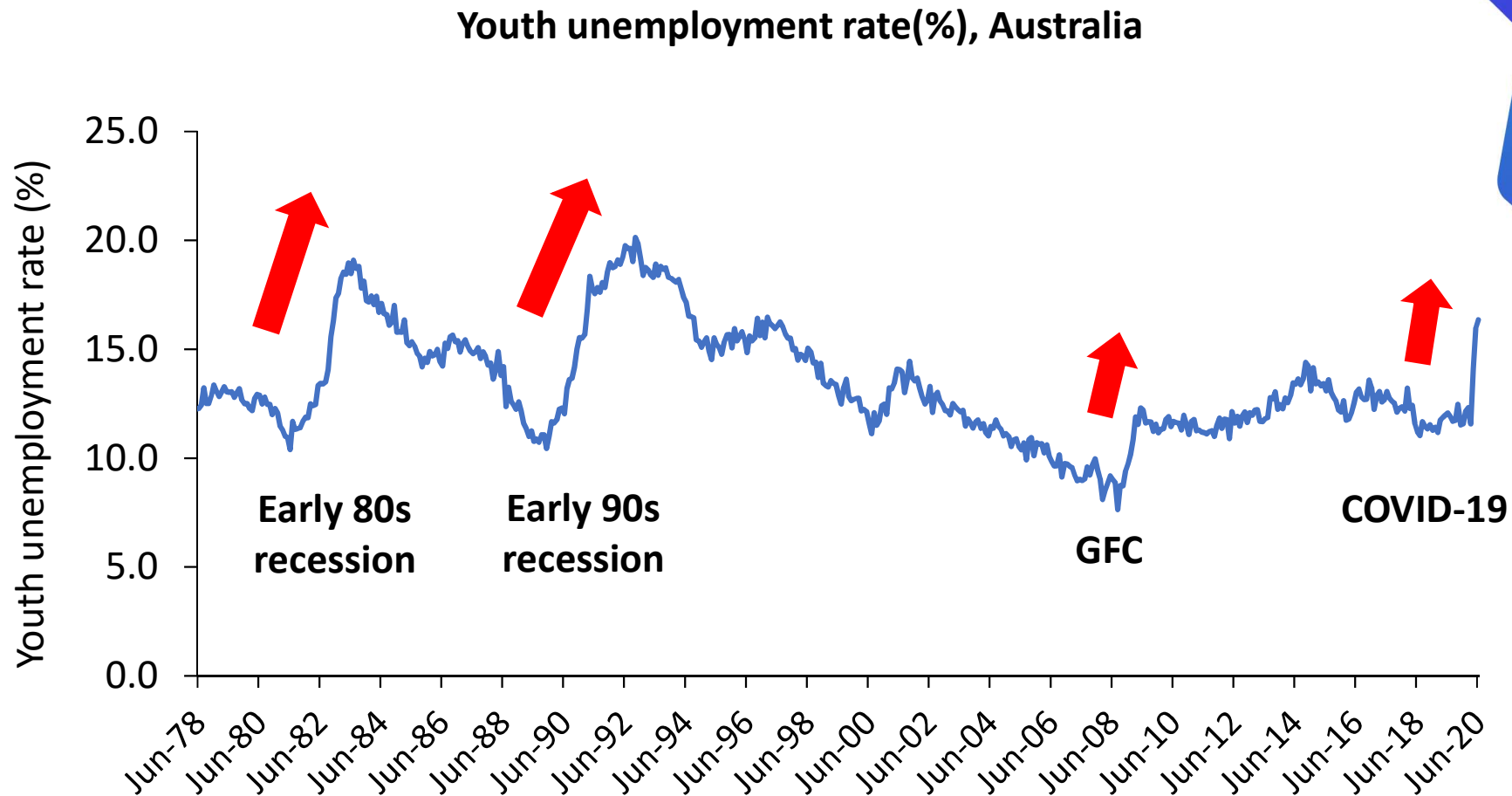
Youth unemployment rate (%) June 2020



Since March 2020,

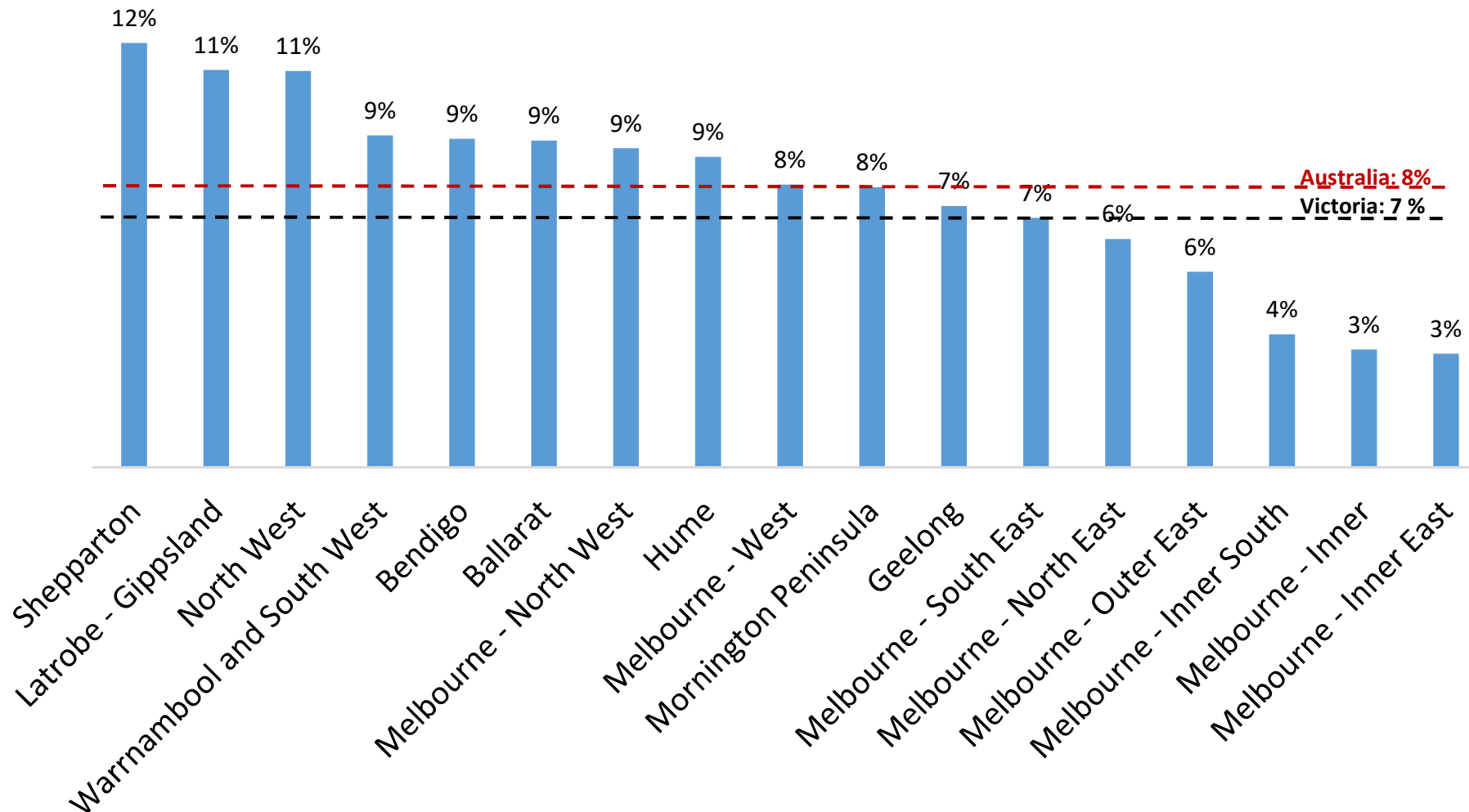
- the number of employed youth in Victoria has fallen by 75,200 (233,100 for Australia)
- youth not in the labour force has increased by 64,700 in Victoria (290,600 for Australia)

...And we know youth have been hard hit in previous downturns

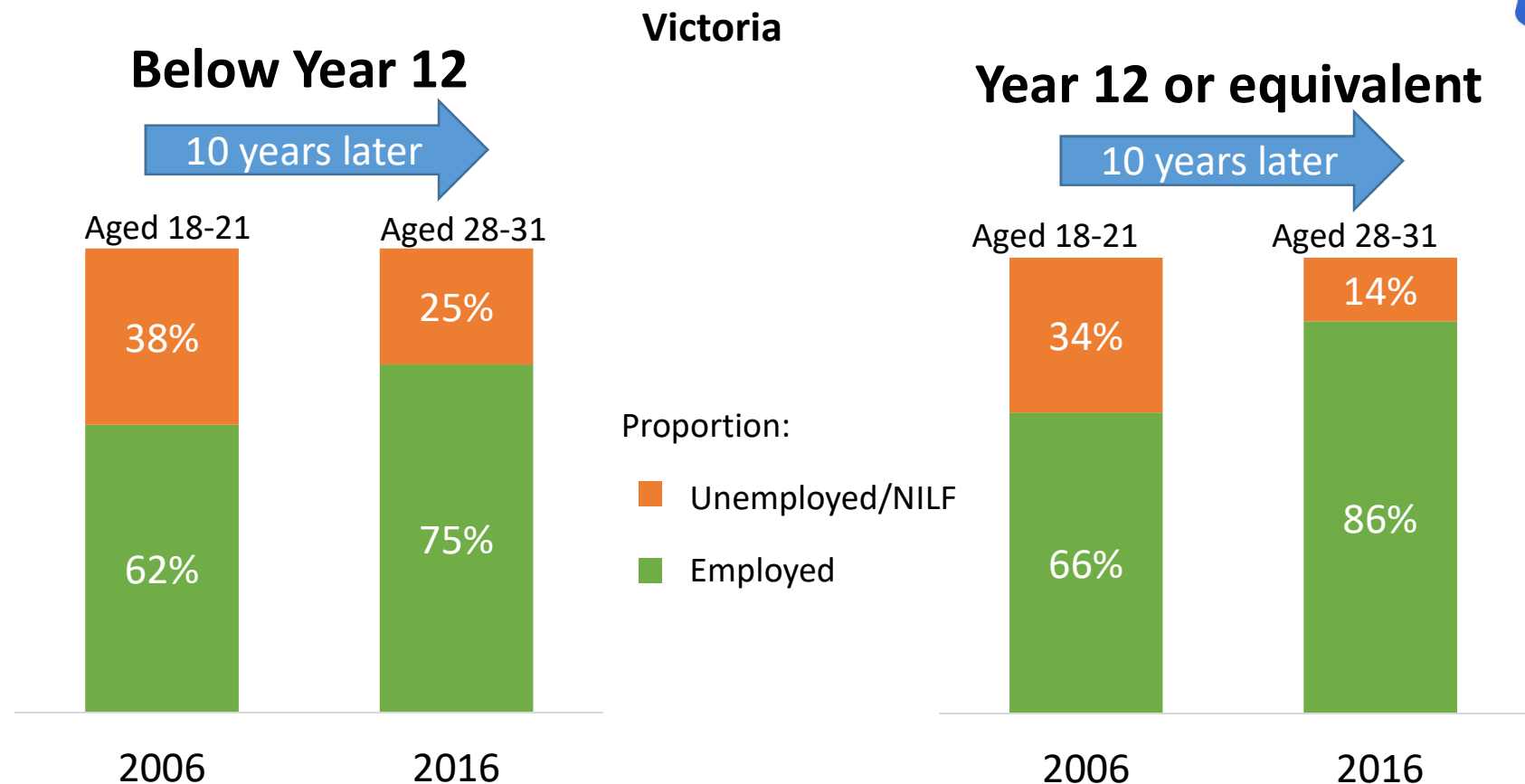


# Some young people are disengaged from both work and education

## 18 to 24 year olds not studying, nor looking for work



# And it is tough for young people who haven't completed Year 12



**82% of 25-34 year olds in Victoria have completed Year 12 or equivalent, compared with 78% for Australia.**

**So, what do  
employers  
want?**

# Employers want the whole package



## **Education and Training**

### ***IS ESSENTIAL***

Post-school education has become increasingly important

## **Experience**

### ***IS NECESSARY***

Australian employers want new staff to have experience

## **Employability Skills**

### ***ARE VITAL***

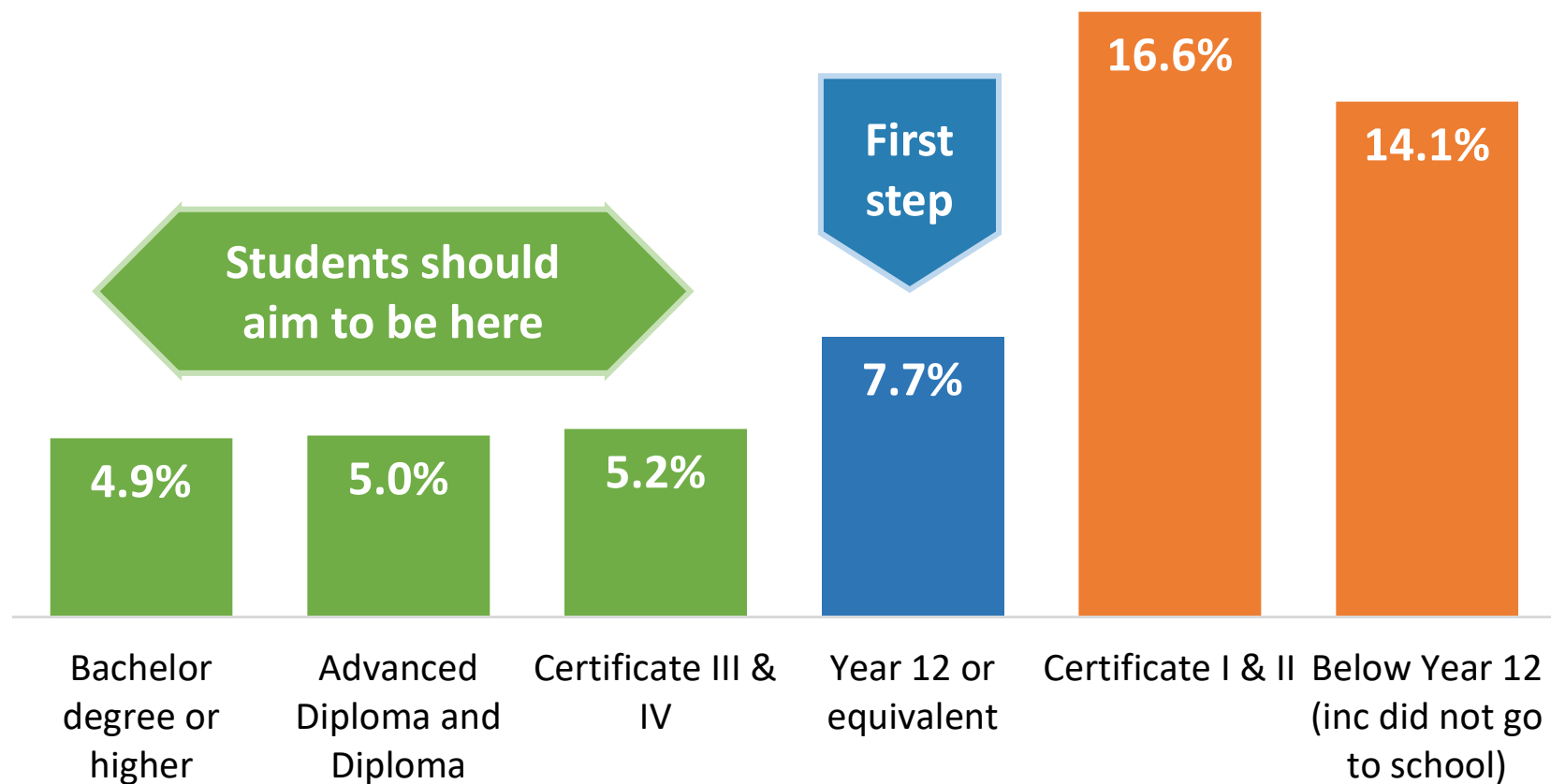
Employers want the right match for their business



As the jobs market becomes more competitive as a result of the COVID-19 pandemic, knowing what employers want is more important than ever.

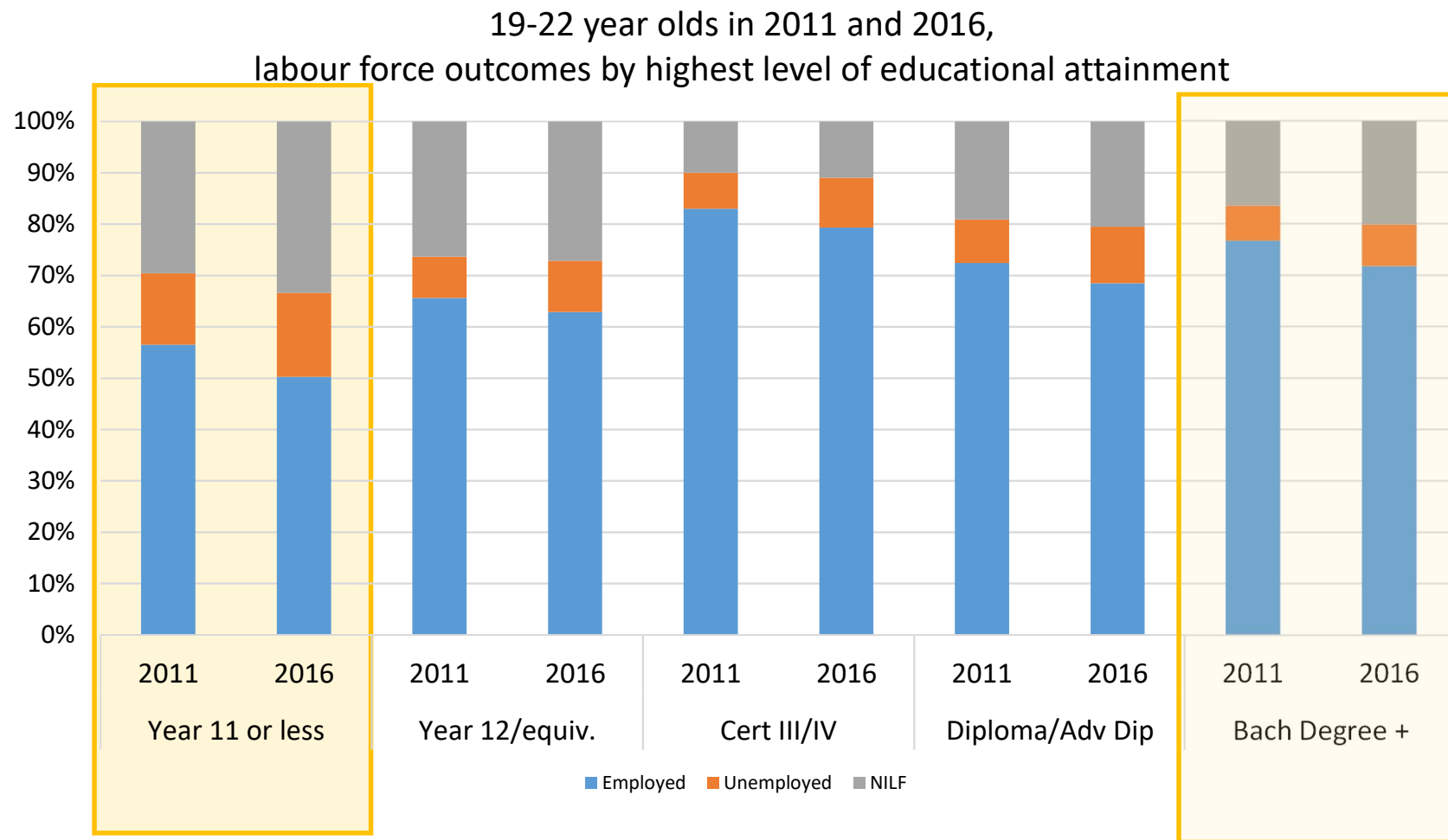
# A qualification improves job prospects significantly...

Unemployment rates by highest level of education,  
25 to 34 years, Victoria, 2016

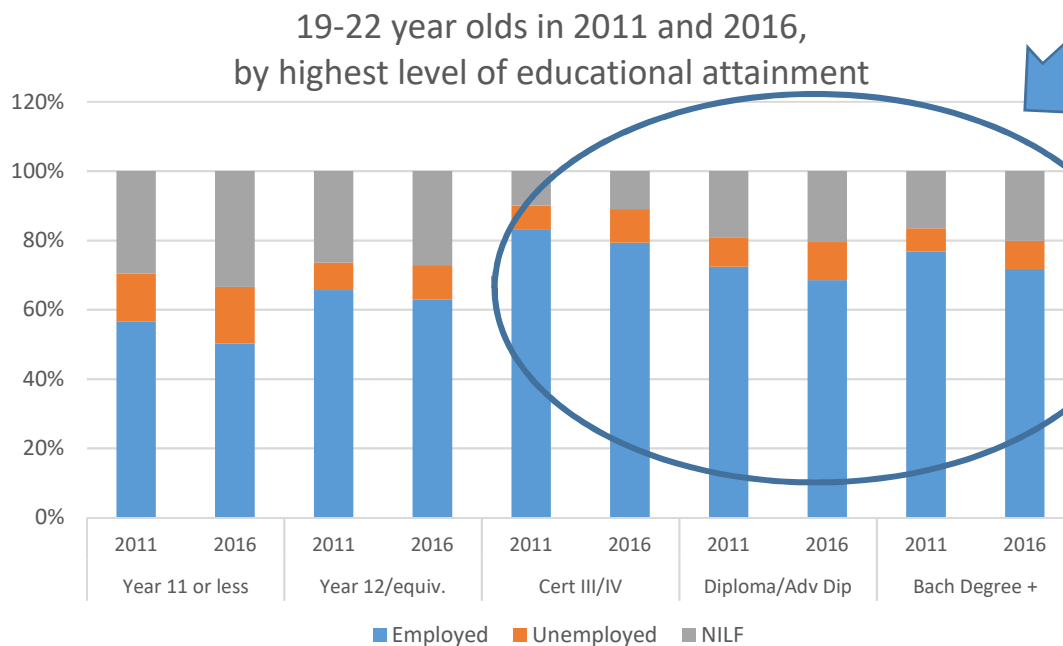




# And history tells us that post-school qualifications will be more important than ever



# And history tells us that post-school qualifications will be more important than ever



It is much better to be here, as:

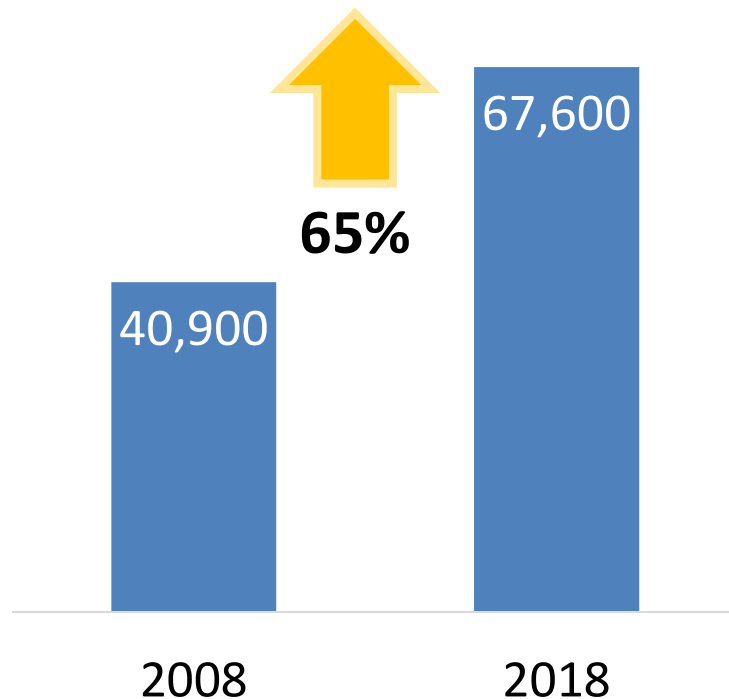
- The trend towards more highly skilled jobs will continue
- With more applicants for vacancies, the jobs market has become more competitive
- “Everyone else is doing it” ...the trend towards a more educated population will continue (74% of 25-34 year olds in Victoria have a post school qualification)

...but there will likely be increased underutilisation...more people (not just youth) may not be able to find jobs in their chosen field

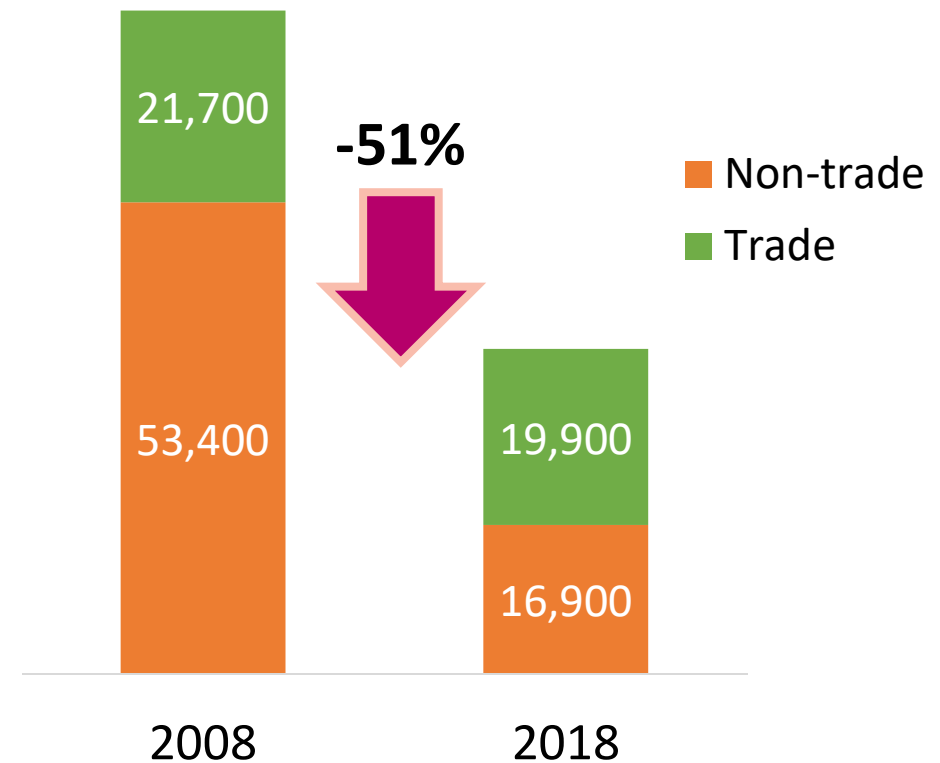
...but it is also about supply and demand

## Victoria

### University domestic undergraduate commencements



### Apprenticeship and traineeship commencements



# University is obviously a good option for some students...however, VET also has strong outcomes

## University undergraduate outcomes

**72.2%**

**2019** undergraduates employed full-time 4 months after graduation

**90.1%**

Employed full-time **3 years** after graduation

**\$62,600**

**2019** Graduate median salary

## VET student outcomes

**76.6%**

**2019** graduates employed 6 months after graduation

**90.9%**

**2019** trade course graduates employed full-time

**\$59,100**

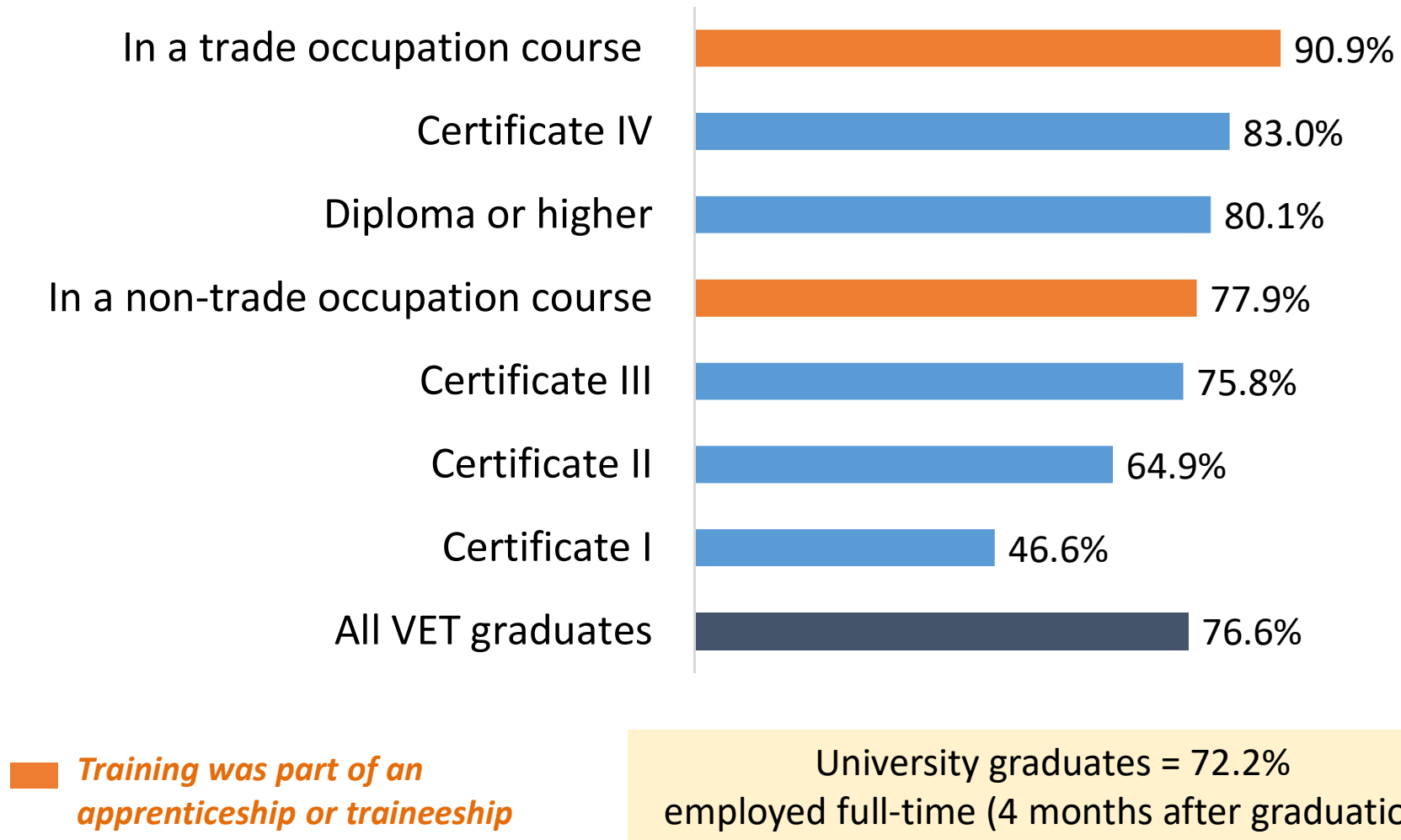
**2019** graduates median salary 6 months after graduation

**\$65,000**

**2019** Construction & plumbing graduates median salary 6 months after graduation

# VET employment outcomes are very good

## Proportion employed after graduation

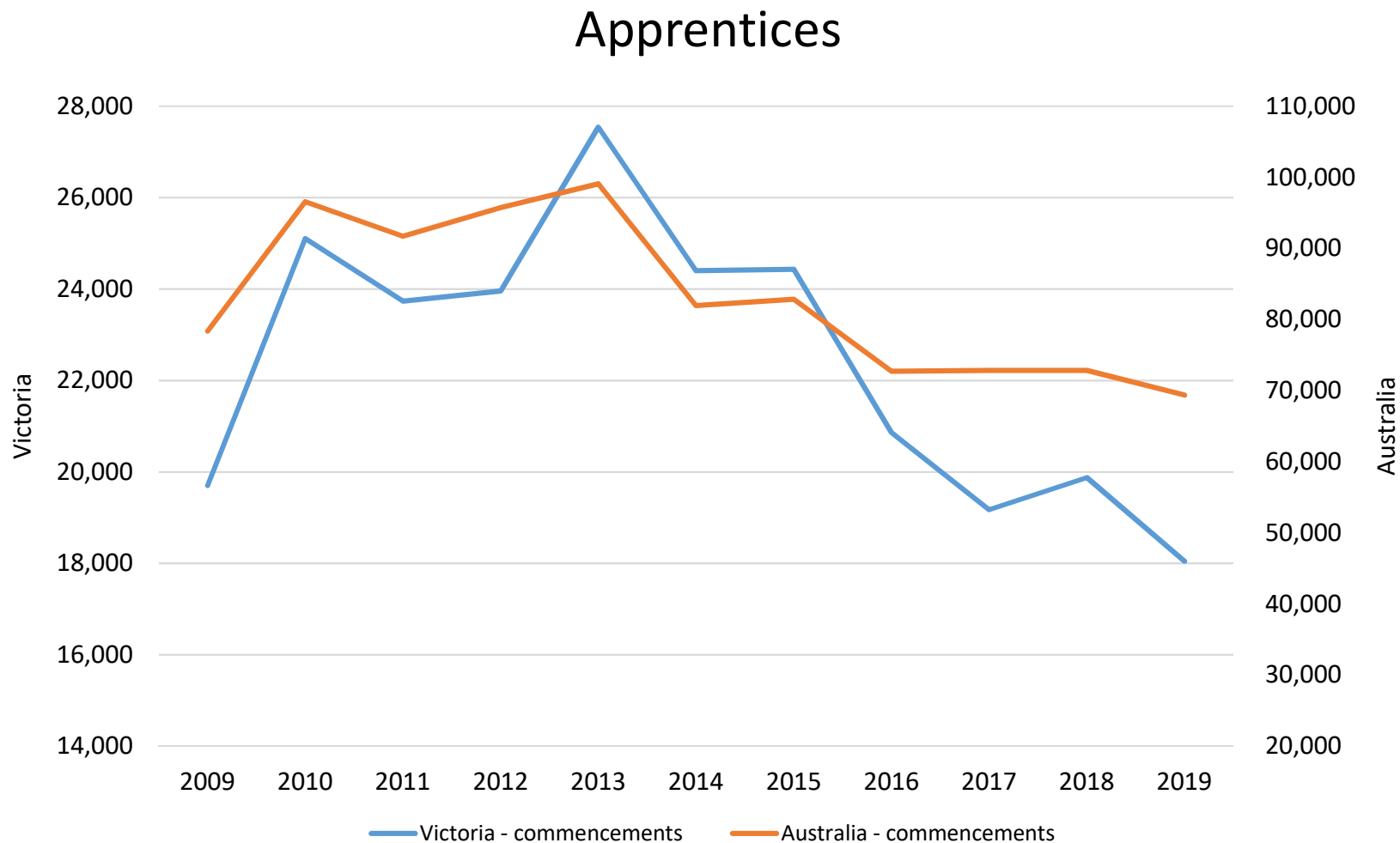


Note: employment outcomes for VET student outcomes are measured 6 months after completion.

Source: NCVET, VET Student Outcomes, data slicer, Australia, 2019; QILT, 2019 Graduate Outcomes Survey, Australia, 2019

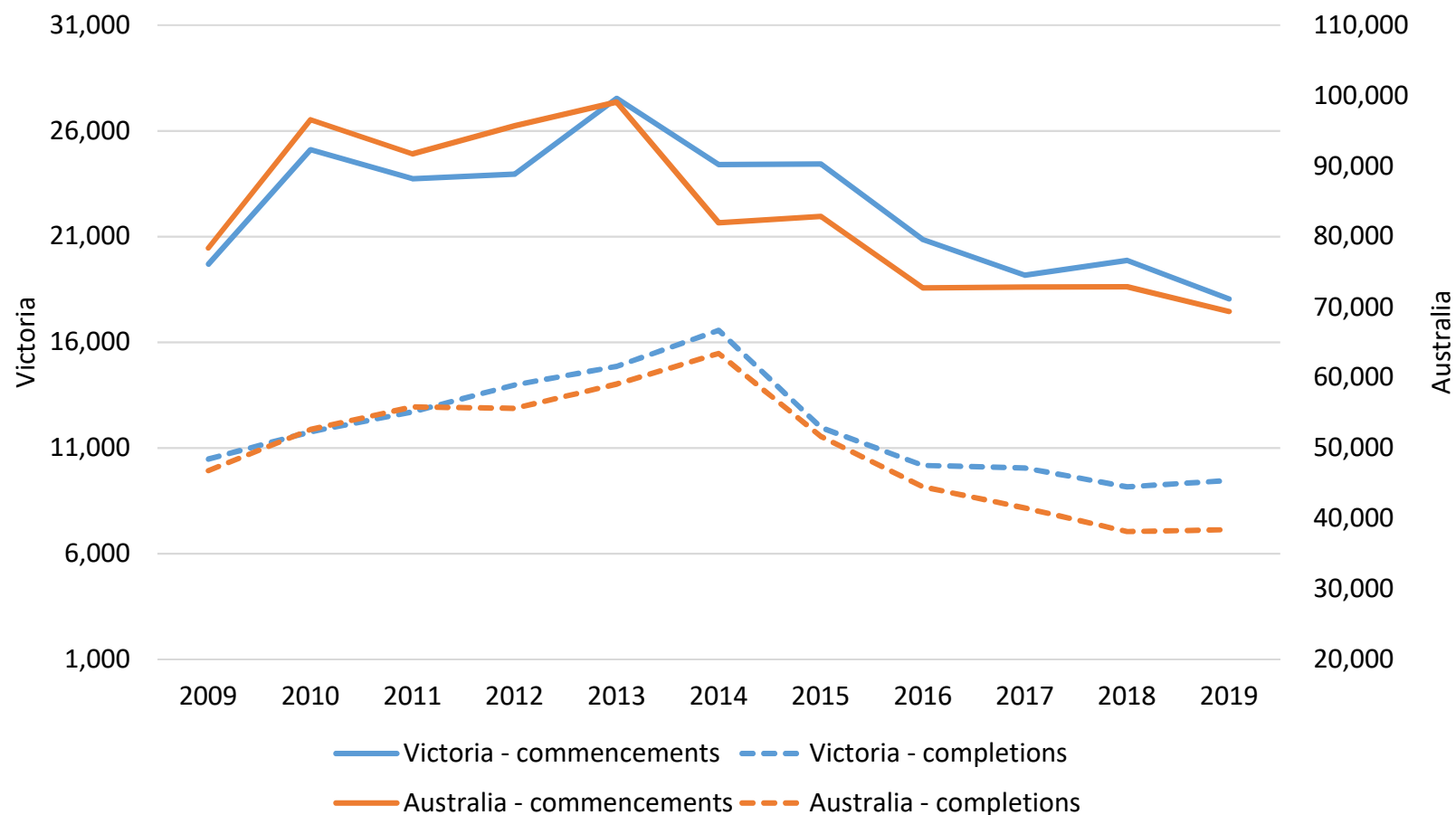
National Skills Commission, August 2020

# Yet the uptake of trades has declined over time...



# ...and so have completions

## Apprentices

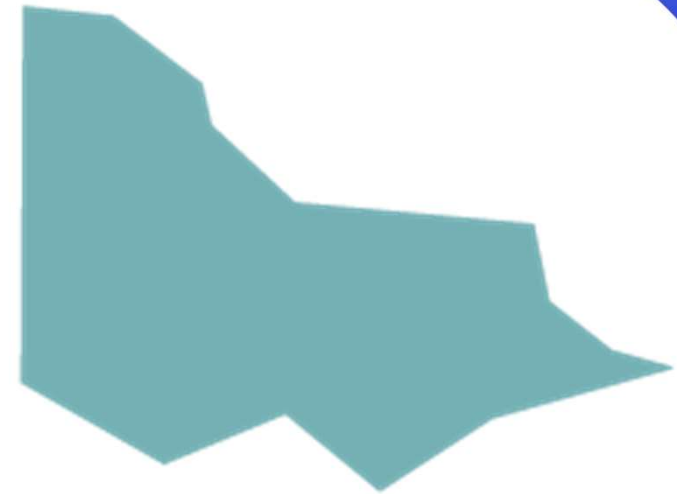


55.5% of Victorian trade apprentices who started in 2015 completed their training by 2019  
(compared with 56.2% across Australia)

# Before the pandemic, many trades were in shortage in Victoria

For example...

- Sheetmetal Trades Worker
- Plumber
- Bricklayer
- Motor mechanic
- Panelbeater
- Hairdresser



Employers want applicants who have a genuine interest in the trade but are receiving applicants who:

- |                                 |   |                      |
|---------------------------------|---|----------------------|
| • Do not show up for interviews | → | Unreliable           |
| • Do not research the trade     | → | Unclear expectations |
| • Do not have work experience   | → | No character checks  |



**Employers also  
value work  
experience**

# Employers also want job seekers with work experience

75% of employers require applicants with work experience

Shows you are reliable & trustworthy

Shows you know how to work

Gives you contacts and references

Improves confidence

Provides opportunities to develop skills



# How can young people get experience?

Getting their foot in the door will be challenging – young people will need to work hard to get experience



**Part-time,  
casual or  
contract jobs**



**Work trials or  
internships**



**Sports clubs**



**Volunteering**



**School/structured  
work experience**



**Entrepreneurship**

**But, education &  
experience  
are not  
enough!**

# Employers will not compromise on...



**75%** of employers place at least as much emphasis, if not more, on **personal qualities** than they do on **technical skills**

## Essential employability skills:

- ✓ Interpersonal & people skills
- ✓ Communication & teamwork skills
- ✓ Organisation & planning skills
- ✓ Adaptability & resilience
- ✓ Reliability & motivation
- ✓ Critical thinking & problem solving
- ✓ Digital literacy

Employers of apprentices also look for someone that shows a **genuine interest** in the trade

# Some Final Thoughts

# It's going to take some time, but...

- ➡ Despite the pandemic shock, the 'old rules' still apply: education, experience and employability skills are essential
- ➡ There will be change and new ways of working, but we don't think whole industries/sectors/types of jobs will disappear
- ➡ Large employing industries will continue to provide many jobs, and new jobs will emerge as the labour market recovers
- ➡ Early evidence of new growth areas... IT and technology, advanced manufacturing, food production, green energy
- ➡ Youth are on the radar: a new focus on diverse/subsidised training opportunities and support for apprenticeships

**The best thing young people can do right now is continue their education, explore career pathways, and follow their interests**

# Some final thoughts...

## For careers advisors



Career advice, guidance and support for students is essential



Don't steer students to choices based solely on COVID-19 doom or gloom



Every individual is unique – young people need to follow their interests, identify their skills and know their goals



Students need opportunities to engage with the world of work – i.e. structured work experience, internship and placement programs



Consider young people's mental health and resilience



# Some final thoughts...

## For students (and parents)



Now is not the time to quit school or studies



Post-school qualifications are more important than ever, but university is not the answer for everyone



Explore and learn about as many options as possible



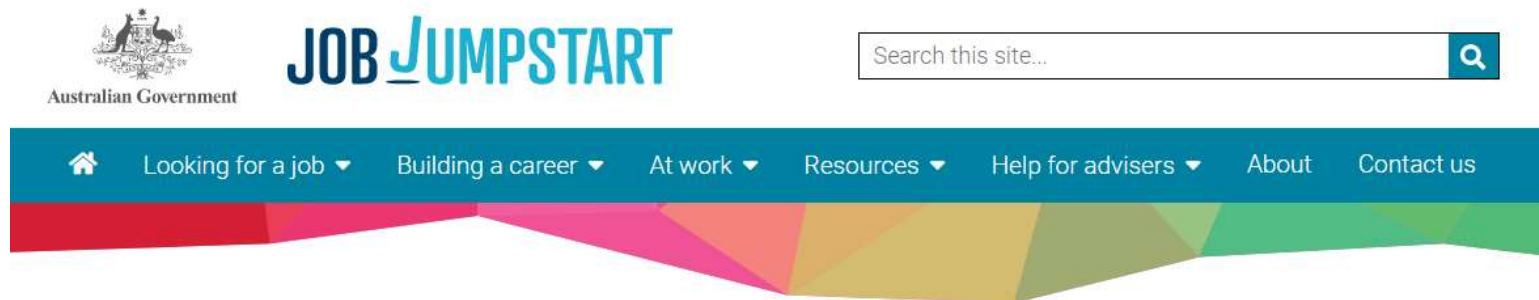
Getting a foothold in the jobs market will be challenging, but not impossible...



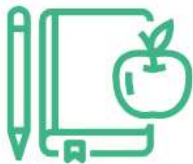
Students need to be persistent, creative and flexible, get experience however they can and sell their skills

# There are resources to help

Insights on [jobjumpstart.gov.au](https://jobjumpstart.gov.au)



## I'm at school



Take some time to figure out what you are interested in doing after leaving school. Picking a career to aspire to or a course that interests you is just the beginning! You also need to figure out what type of workplace and employer you want and what kind of pay and conditions you expect.

# There are resources to help

[jobsearch.gov.au](https://jobsearch.gov.au)



Tips and insights on résumé writing, cover letters, interviews and more

Job Outlook helps students explore careers



[joboutlook.gov.au](https://joboutlook.gov.au)



**Australian Government**

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**National Skills Commission**