

Table 1: Critical labour market problems and proposed responses

Labour market problem	Potential responses
<p><b>Youth labour market</b></p> <p>Disruption to youth labour market because of Covid</p> <p>Heightened risk to education to work transition, with long term consequences for employment, incomes and mental health</p> <p>Decline in youth participation in VET pathways</p>	<p><b>Youth guarantee</b></p> <p><b>Crisis response:</b></p> <p>Fully subsidise short term jobs for young people at risk of unemployment</p> <p>Environmental jobs program</p> <p><b>Long term approach:</b></p> <p>Expansion of apprenticeships and traineeships across all levels of government</p> <p>Use of wage subsidies and procurement to secure commitments from employers to creating long term career pathways for unemployed youth</p>
<p><b>Job poor communities</b></p> <p>Communities with entrenched unemployment prior to Covid at risk of falling further behind</p> <p>Knock on effects to health – intergenerational disadvantage</p> <p>Need to invest in poor communities to build resilience</p> <p>Existing group of long term unemployed face increased competition for jobs</p> <p>Limited private sector job opportunities for unemployed people with health conditions, disabilities or other obstacles to work</p> <p>Historical underinvestment in remote communities</p>	<p><b>Local jobs initiatives</b></p> <p><b>Crisis response:</b></p> <p>Offer pool of funding for short term jobs in job poor community, addressing areas of community need</p> <p><b>Longer term response:</b></p> <p>Build/resource local structures to enable local communities to create opportunities for local people</p> <p>Set local job targets and deploy measures including procurement and service provision, to achieve them</p> <p>Implement a remote jobs scheme to be run by Aboriginal and Torres Strait Islander Community Controlled Organisations</p>
<p><b>Skills formation</b></p> <p>Persistent skills shortages, skills mismatch</p> <p>Need for closer connection between VET provision and employment opportunity</p> <p>Fragile/fragmented labour demand</p>	<p><b>Strategic skilled workforce initiatives</b></p> <p><b>Crisis response:</b></p> <p>Establish pilot programs which involve employers, TAFE, group training</p>

Need to improve occupational standards and working conditions in some key areas (eg caring)

Need for additional support for at risk groups

organisations and others to build new, integrated work/learning pathways

**Longer term response:**

Develop policies that increase employer investment in workplace training and establishment of new skills pathways for at risk groups

Support and enhance group training model to provide employment continuity, aggregate demand and increase completions