



EDUCATION & EMPLOYMENT



Lord Mayor's Charitable Foundation is committed to reducing place-based education and economic inequality.

Students experiencing the most disadvantage can be almost three years behind in their education.

Youth unemployment is up to 15.5% in some areas of Melbourne between 55 and 64.

The single largest group on Newstart Allowance are Australians aged between 55 and 64.

Despite almost three decades of uninterrupted economic growth, Greater Melbourne has pockets of entrenched socio-economic disadvantage. Where you live affects your education and job opportunities.

There is great need to further develop our education and training systems to meet the changing nature of work and the influence of globalisation, technology and climate change.

We support project and policy responses that empower our most disadvantaged communities to increase work readiness and economic inclusion.

The Foundation is working towards achieving the following outcomes:

OUTCOME 1
Reduced current and emerging skills and capabilities gaps to improve life and work readiness.

OUTCOME 2
Increased economic inclusion, resilience and workforce adaptability.

Does your organisation's work align with the outcomes of this Impact Area?

Learn about our grants at lmcf.org.au/grants

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OUTCOME 1



Reduced current and emerging skills and capabilities gaps to improve life and work readiness.

Where someone goes to school can affect the quality of their education and life opportunities.

A recent study of NAPLAN results shows Melbourne's disadvantaged suburbs are dominated by schools ranked below average. Disadvantaged schools have larger teaching shortages, fewer educational materials and offer a smaller curriculum.

Additionally, current education and training systems are not delivering the skills and capabilities needed to navigate complex work futures in the 'Fourth Industrial Revolution', where the boundaries between physical, digital and biological worlds are blurring.

A place-based, collaborative approach is essential to ensuring younger and older people gain relevant skills, competencies and experience to participate in meaningful and secure work.

The Foundation focuses on the potential for technology and education practice to unlock opportunity and reduce inequality.

The Foundation's support is focused on:

- Projects and initiatives that prioritise 21st-century skills and capabilities.
- Demonstration projects of wrap-around support that creates clear senior secondary school pathways and career exposure, particularly to emerging industries.
- Community collaborations and industry partnerships for better school-work transitions.
- Research to better understand the issues and inform policy advocacy that addresses the root causes and drivers of education inequality.

Challenge

Education inequality of opportunity is concentrated in areas of entrenched socio-economic disadvantage.

Socio-economic disadvantage remains a key influence on educational opportunity at every stage of learning in Australia.

Australia has a stronger link between performance and socio-economic status than the average member country of the Organisation for Economic Co-operation and Development (OECD). Socio-economically disadvantaged students attend fewer hours of early childhood education, have lower attendance at school, are more likely to leave school early, and are less likely to go to university.¹

By the age of 15, students in the bottom socio-economic quartile can be almost three years behind those in the top quartile.² Nearly 60 per cent of the most disadvantaged students in Australia are in schools classed as disadvantaged – well above the OECD average and substantially higher than in any comparable OECD country.³ Disadvantaged schools have larger teaching shortages, fewer educational materials and offer a smaller curriculum.⁴

There are distinct pockets of entrenched intergenerational disadvantage in Melbourne.⁵ School results are spatially inequitable: where someone attends school affects the quality of their education and life opportunities. A recent study of the National Assessment Program – Literacy and Numeracy (NAPLAN) results shows Melbourne's socio-economically advantaged suburbs are dominated by schools ranked above-average—only four per cent of schools are considered below-average—while in disadvantaged areas such as Dandenong, Broadmeadows and Brimbank, schools ranked below-average dominate.⁶

Education and training systems are not keeping pace with the rapidly changing nature of work and the needs of employers.

World Economic Forum research has identified the emergence of a technology driven 'Fourth Industrial Revolution' which is transforming the nature of work. Education systems have not been designed to foster the types of skills and capabilities needed to navigate the complex environments and multiple careers being catalysed by technological change.

The basic model of education has been largely static in the face of changes in the broader economy. Many young people are being left behind, and this challenge will only intensify into the future.⁷

There is a growing body of international and national research that suggests young people are not adequately prepared for the rapidly changing nature of work. Capabilities such as collaboration, resilience and creativity, alongside communication and entrepreneurial skills, are increasingly being sought by employers. Analysis carried out by the Foundation for Young Australians found that since 2012 demand for digital skills has increased by more than 200 per cent, critical thinking by more than 150 per cent, creativity by more than 60 per cent and presentation skills by 25 per cent.⁸

The Vocational Education and Training (VET) system is a pathway of choice for many socio-economically disadvantaged learners. However, in Victoria, enrolments of apprentices and trainees have fallen by 23.6 per cent⁹ despite projections that demand for skilled workers will continue to exceed demand for workers with university degrees.¹⁰ The recent review of Australia's Vocational Education and Training system recommended clearer secondary school pathways and greater access for Australians experiencing disadvantage.¹¹

Australia has a rapidly ageing population and many older workers and learners also face difficulties transitioning between industries. For older Australians, learning has the potential to extend working life, to assist in career transitions to more age-friendly job roles and to maintain health and wellbeing. However, opportunities for work-related learning and formal education reduce significantly beyond the age of 55, potentially leaving older workers vulnerable to early exit from the workforce. While there has been significant growth in internet use among senior Australians in recent years, there is still a very large group on the wrong side of the digital divide. Where older workers are offered training, it is likely to be skewed towards higher skilled workers.¹²

To access employment opportunities, the education and training system will need to provide the right skills for new entrants to the labour market and those workers re-skilling for new roles.¹³

Our Response

The 2018 Review to Achieve Educational Excellence in Australian Schools, placed a high priority on equipping every child to be a creative, connected and engaged learner in a rapidly changing world, which provides impetus to test new approaches.¹⁴ Much of the recent national and international research covers the skills and competencies gap and we want to understand how this is affecting the most vulnerable members of our community.

There is an opportunity to test the growing number of report recommendations and design 21st-century education models and systems. Lord Mayor's Charitable Foundation wants to focus on how technology and pedagogies can unlock opportunity and reduce educational inequalities. An innovative, place-based collaborative approach to nurturing community support around schools and other educational institutions would be of interest to the Foundation.

The Foundation's support is focused on:

- **Projects and initiatives that prioritise 21st-century skills and capabilities.**
- **Demonstration projects of wrap-around support that creates clear senior secondary school pathways and career exposure, particularly to emerging industries.**
- **Community collaborations and industry partnerships for better school-work transitions.**
- **Research to better understand the issues and inform policy advocacy that addresses the root causes and drivers of education inequality.**



OUTCOME 2



Increased economic inclusion, resilience and workforce adaptability.

The most vulnerable members of our community often face multiple barriers to economic inclusion.

Where someone grows up influences their job and potential income. Lower skill workers tend to live in more disadvantaged suburbs.

Globalisation, technology and climate change are also rapidly changing the nature of work, placing economic security at risk, particularly for lower-skilled workers.

In response, the Foundation focuses on the opportunities presented by emerging transition industries and economic models and systems.

The Foundation's support is focused on:

- Training pathways and job creation, including social enterprises.
- New models and systems that enable greater economic inclusion and resilience.
- Community collaborations focused on innovation, entrepreneurship and emerging industries.
- Research to better understand the issues and inform policy and advocacy that address the root causes and drivers of economic inequality.

Challenge

Entrenched poverty and disadvantage is geographically concentrated.

Despite almost three decades of uninterrupted economic growth, Australia and Greater Melbourne have pockets of entrenched socio-economic disadvantage.

Research commissioned by Jesuit Social Services and Catholic Social Services shows that entrenched poverty and disadvantage is geographically concentrated. In Victoria, 27 postcodes (4 per cent of total) account for 28.2 per cent of the highest ranked positions across 22 indicators of disadvantage,

including high rates of unemployment and low education.¹ Areas with the highest poverty rates tended to cluster in the outer suburbs of Greater Melbourne, while the areas with the lowest levels of poverty are primarily clustered in and around the City of Melbourne.²

There is a causal effect between where someone grows up and their career and potential income - place matters most in the teenage years.³ Across Greater Melbourne there is a correlation between skill level and relative advantage; lower-skill workers live in more disadvantaged suburbs.⁴

The rapidly changing nature of work is impacting economic security.

Australia's low headline unemployment rate of less than 6 per cent masks the growing and persistent issues of unemployment and underemployment. The rise of the on-demand workforce or 'gig economy' is leading to more precarious employment, sometimes low-quality employment conditions and some erosion of worker rights. Stagnant wages and escalating living costs are making life more financially insecure for many people in Australia.

A 2015 Centre for Economic Development (CEDA) report concluded that technology has driven a large shift in the skill composition of the labour market towards high-skill jobs with an accompanying reduction in the share of middle-skill jobs.

The low-skills job share decreased slightly.⁵ This polarisation has contributed to an increase in earnings inequality since 1990.⁶ One-third of the jobs created in Australia over the past 25 years have been less secure temporary, part-time or a form of self-employment.⁷ Data from the Australian Bureau of Statistics (ABS) for total persons in the labour force in Greater Melbourne shows a 3 per cent reduction in full-time employment and a 2.5 per cent rise in part-time employment.⁸

Young People and Unemployment

Young people are particularly affected by the rapidly changing nature of work. Youth unemployment is at or beyond crisis levels in some communities. One in three young Australians are unemployed or underemployed.⁹ More than 264,000 young people aged 15 to 24 are currently unemployed across the country, accounting for more than a third (36 per cent) of unemployed

people in Australia.¹⁰ Approximately one in every sixteen people aged 15 to 19 and one in every eight people aged 20 to 24 are not in Education, Employment or Training (NEET).¹¹

Young people are far more likely to experience unemployment in some regions than others. The Brotherhood of St Laurence has identified youth unemployment in each state or territory with Melbourne's west topping the Victorian list with a rate of 15.5 per cent.¹²

Young people are likely to be disproportionately hurt by the process of job automation. Young people often get their first jobs in fields like retail, administration, and labouring. These fields are highly exposed to the impact of technology. Economists have forecast that jobs such as checkout operators, receptionists, personal assistants and fast food workers will either be lost or radically changed by technology. Between 2010 and 2015, nearly 60 per cent of young Australian students enrolled in fields of study that will be highly affected by automation.¹³ Young people from non-English speaking backgrounds, Aboriginal and Torres Strait Islander people, young people with a disability or those living in remote areas are particularly at risk of changes in the workforce.

Ageism and unemployment

The transition away from a manufacturing economy towards a service and knowledge driven economy has also had a profound impact on older Australians. Nearly three times as many lower-skilled mature-age people are not in the labour force compared to those with higher-level skills.¹⁴ Mature-age jobseekers now make up 28 per cent of the Jobactive caseload.¹⁵

More specifically, unskilled workers, especially men, have left the labour force en masse. Over the past 25 years, nearly one in ten unskilled men lost their jobs and did not return to the labour force.¹⁶ Today, more than one in four unskilled men aged 15 to 64 do not participate.¹⁷

In addition to these structural workforce changes, age discrimination is widespread, pushing many older Australians out of work early. One in four Australians aged 50 years or over perceived some form of ageism in work during 2013 and 2014 and levels are highest in occupations dominated by women.¹⁸ In 2013, 38,000 mature-age people outside the labour force had stopped looking for work because of ageism.¹⁹

A growing group of older women are also facing financial insecurity and the risk of homelessness.²⁰ This occurs because women usually hold lower levels of superannuation than men when they retire and sometimes have a history of lower paid, casual or part-time work, coupled with unpaid caring roles, leaving many older women less financially resilient.²¹

Our Response

The localised nature of complex social and economic inequalities in Melbourne means that Lord Mayor's Charitable Foundation takes a targeted and focused place-based approach to impact. The Foundation focuses on supporting the most vulnerable members of the community, who often face multiple barriers to economic inclusion. It is also important that we focus on the evidence-base for what works in employment and training pathways for young and older people, especially women.

Due to the rapidly changing nature of current and emerging issues, the Foundation sees an opportunity to deepen its understanding on how its Impact Areas intersect. Lord Mayor's Charitable Foundation is particularly interested in discovering the economic opportunities presented by emerging transition industries and economies, particularly through micro-financing, social enterprise, social procurement and other economically-inclusive models.

The Foundation's support is focused on:

- **Training pathways and job creation, including social enterprises.**
- **New models and systems that enable greater economic inclusion and resilience.**
- **Community collaborations focused on innovation, entrepreneurship and emerging industries.**
- **Research to better understand the issues and inform policy and advocacy that address the root causes and drivers of economic inequality.**

OUTCOME 1

- 1 <http://www.mitchellinstitute.org.au/wp-content/uploads/2015/10/Factsheet-1-Effects-of-socioeconomic-status.pdf>
- 2 Australian Council for Educational Research (S. Thomson, L. De Bortoli, and S. Buckley), 'PISA in brief : highlights from the full Australian report : PISA 2012 : how Australia measures up', p. 21, 2013
- 3 SVA perspectives - Education
- 4 https://ceda.com.au/CEDA/media/General/Publication/PDFs/CEDA-How-unequal-Insights-on-inequality-April-2018-FINAL_WEB.pdf
- 5 <https://www.theguardian.com/australia-news/datablog/ng-interactive/2019/apr/19/inequality-in-australia-an-interactive-map-of-disadvantage>
- 6 Mapping schools' NAPLAN results: a spatial inequality of school outcomes in Australia, Crichton Smith, Nick Parr, Salut Muhidin (2018)
- 7 <http://www.mitchellinstitute.org.au/wp-content/uploads/2017/03/Preparing-young-people-for-the-future-of-work.pdf>
- 8 https://www.fya.org.au/wp-content/uploads/2016/04/The-New-Basics_Update_Web.pdf
- 9 <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2018-december-quarter-australia>
- 10 <https://www.afr.com/news/policy/health/employers-want-trade-skills-not-bas-20190613-p51xgw>
- 11 https://pmc.gov.au/sites/default/files/publications/strengthening-skills-independent-review-australia-vets_1.pdf
- 12 <https://ala.asn.au/wp-content/uploads/2011/02/The-ageing-population-report-FINAL-WEB.pdf>
- 13 https://ceda.com.au/CEDA/media/General/Publication/PDFs/CEDA-How-unequal-Insights-on-inequality-April-2018-FINAL_WEB.pdf
- 14 https://docs.education.gov.au/system/files/doc/other/662684_tgta_accessible_final_0.pdf

OUTCOME 2

- 1 <https://dote.org.au/>
- 2 <https://vcoss.org.au/wp-content/uploads/2018/11/Every-suburb-Every-town-Poverty-in-Victoria-VCOSS.pdf>
- 3 <https://www.rse.anu.edu.au/media/2326614/Deutscher-Paper-2018.pdf>
- 4 <https://www.theaustralian.com.au/business/property/housing-nations-changing-skill-needs/news-story/017a2b3792bbfad607ccdf551f934572>
- 5 https://ceda.com.au/CEDA/media/General/Publication/PDFs/CEDA-How-unequal-Insights-on-inequality-April-2018-FINAL_WEB.pdf
- 6 Ibid.
- 7 <http://www.fya.org.au/wp-content/uploads/2015/08/fya-future-of-work-report-final-lr.pdf>
- 8 <https://profile.id.com.au/australia/employment-status?WebID=260&EndYear=2006&DataType=UR>
- 9 <http://www.fya.org.au/wp-content/uploads/2015/08/fya-future-of-work-report-final-lr.pdf>
- 10 http://library.bsl.org.au/jspui/bitstream/1/10573/1/BSL_Unfair_Australia_Mapping_youth_unemployment_hotspots_Mar2018.pdf
- 11 https://www.csi.edu.au/media/uploads/MGF_Background_report_Final_Cc3YmM2.pdf
- 12 Ibid.
- 13 <http://www.fya.org.au/wp-content/uploads/2015/08/fya-future-of-work-report-final-lr.pdf>
- 14 <https://docs.education.gov.au/system/files/doc/other/issues-in-labour-force-participation-2014.pdf>
- 15 <https://www.anglicare.asn.au/home/2018/10/23/employment-services-are-failing-older-australians>
- 16 <http://www.fya.org.au/wp-content/uploads/2015/08/fya-future-of-work-report-final-lr.pdf>
- 17 Ibid.
- 18 http://library.bsl.org.au/jspui/bitstream/1/7904/1/Ageism_and_employment_infographic_Oct2015.pdf
- 19 Ibid.
- 20 The future face of poverty is female - stories behind Australian women's superannuation poverty in retirement, Riach K et al, Monash University & Australian Super, 2018
- 21 Ibid.

Learn more about the issues affecting our community

Our [Greater Melbourne Vital Signs Report](#) provides a snapshot of the health, wellbeing and vitality of Greater Melbourne.