



Australian Government  
Department of Education and Training



Australian Government  
Department of Employment

# **INQUIRY INTO SCHOOL TO WORK TRANSITION**

Joint Submission

Department of Education and Training  
and

Department of Employment

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# List of Acronyms

ACRONYM	EXPANDED
AQF	Australian Qualifications Framework
CDP	Community Development Program
COAG	Council of Australian Governments
EYI	Empowering YOUNG Initiatives
FYA	Foundation for Young Australians
GFC	Global Financial Crisis
KPM	Key Performance Measures
NCVER	National Centre for Vocational Education Research
NEIS	New Enterprise Incentive Scheme
NILF	Not In Labour Force
NWEP	National Work Experience Program
OECD	Organisation for Economic Co-operation and Development
PaTH	Prepare Trial Hire
P-TECH	Pathways in Technology
PwC	PricewaterhouseCoopers
QSQO	Quality Schools, Quality Outcomes
RoGS	Report on Government Services
STEM	Science, Technology, Engineering and Mathematics
TSC	Trade Skills Centre
TTC	Trade Training Centre

## Executive Summary

A key factor in lifetime wellbeing is making a good school to work transition in which young people gain the knowledge, skills, and experience they need for long term success in the labour market.

The accelerating pace of technological change, increased automation and globalisation of the economy will mean that the future of work will be different than today. New technologies and markets will generate new, different and more productive jobs. These forces will drive ongoing changes to industry and the occupational structure of labour demand. Highly skilled jobs are likely to emerge involving higher levels of social interaction, creativity, mobility and flexibility while repetitive task jobs are more likely to be replaced by automation.

The future of work will not be homogenous across Australia. Some groups and regions will have greater opportunities than others. Young people may be one of the most vulnerable groups because many of the entry level jobs that young people traditionally relied upon to enter the labour force are at risk of technological disruption.

Over the past few decades the Australian economy has continued to move from lower skilled jobs toward a higher skilled, service based economy. This growth in the labour market toward higher skilled occupations is projected to continue to November 2020, with the strongest employment growth, in percentage terms, projected for those with Diploma or higher qualifications.<sup>1</sup>

Ensuring that young Australians have opportunities to build skills and experience is the key challenge that needs to be addressed for their successful transition into the future workforce. In the 2017–18 Budget the Australian Government announced new, fairer arrangements for schools funding from 2018 called *Quality Schools*. This includes a record investment of \$242.3 billion in schools recurrent funding over the next ten years 2018-2027, including \$81.1 billion over 2018 to 2021.

Education and training, combined with active engagement with employers while at school, have been shown to be key factors in supporting that transition and building skills to help young people navigate and prepare for work. This requires young Australians to build better enterprise skills and gain the industry experience that employers are looking for as the economy transitions to broad based growth over the next decade.

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<sup>1</sup> Department of Employment (DoE). (2016). *Industry-Employment-Projections-five-years-to-November-2020*. DoE

A key strategy of the Government is to build the capacity and skills of young Australians to make successful transitions from education into the workforce as well as creating new jobs through the *National Platform for Economic Growth and Jobs*<sup>2</sup> and the introduction of measures which will increase the supply of Australian workers whose skills meet industry demand.

The Skilling Australians Fund, announced at the 2017-18 Budget, will build the skills for the workforce of the future by prioritising training for apprenticeships and traineeships in occupations in high demand with future growth potential, including in regional Australia. The Higher Education Reform Package, also announced in May 2017, includes a number of measures to ensure the higher education sector is more responsive to the aspirations of students and the needs of the future workforce.

The Government also has a range of policies and programs in place to support young people to prepare for post-school education and training and work. The following programs are helping young Australians to successfully transition into work and are providing a foundation from which they can gain the skills and experience they need to participate successfully in the labour market:

- jobactive, the Government's \$7 billion employment services system;
- \$322 million Transition to Work Program, which commenced in February 2016;
- \$263 million ParentsNext Program, rolling out nationally from July 2018; and
- \$763 million Youth Jobs PaTH (Prepare - Trial - Hire).

Historically, it is not a new phenomenon for the nature of work to change and Australia, with an enviable record of 25 consecutive years of economic growth, has demonstrated its capacity to navigate such change. The Government is focused on providing national leadership, building an evidence base, encouraging best practice, and advocating for reform to support vocational learning, school to work transition and life-long learning. Australia has made large investments in education and training, and employment programs over many decades and continues to do so. This investment, when added to the investment made by families and individuals, provides a strong foundation for good transitions for young Australians.

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<sup>2</sup> The Hon Scott Morrison MP, T. (2015). A National Platform for Economic Growth and Jobs. *Address to the Economic and Social Outlook Conference*

# Introduction

The Australian Government Department of Education and Training and the Department of Employment welcome the inquiry into school to work transition.

This submission provides the context for school to work transition, the changing nature of the work environment, and labour market issues facing youth.

The submission also highlights the Government's school to work initiatives that support successful school to work transition, and further opportunities in this area.

## Context

### The changing nature of the work environment

Key drivers of change in the nature of work<sup>3</sup> include technology, automation, changing employment models and globalisation. New job opportunities can be expected to emerge and overall economic efficiency and productivity can be expected to rise. Many tasks currently undertaken in entry level jobs will be able to be performed by machines.

Employment in higher skilled occupations has grown strongly and those with higher qualifications have experienced lower unemployment rates. Department of Employment projections for employment growth to November 2020 indicate that 64 per cent of projected growth will be in high skilled occupations, 29 per cent in medium skilled occupations. 93 per cent of new jobs are expected to require a Certificate II/III/IV, Advanced Diploma/Diploma or a Bachelor degree or higher qualification.<sup>4</sup>

While only seven per cent of projected employment growth is in lower skilled occupations, which equates to 69,000 new jobs, there will still be opportunities at this lower end of the skills spectrum arising from employment growth as well as from turnover (that is, people changing jobs or leaving the workforce altogether) for job seekers who do not have post-school education.

The education and training system must meet these challenges and the needs of the Australian and worldwide economy. A 15-year-old today will likely have some 17 jobs in five

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<sup>3</sup> Productivity Commission. (2016). *Digital Disruption: What do governments need to do?* Productivity Commission; The Foundation of Young Australians (FYA). (2016). *The New Basics*. FYA; The Commonwealth Scientific and Industrial Research Organisation (CSIRO). (2016). *Tomorrow's Digitally Enabled Workforce*. CSIRO; Organisation for Economic Co-operation and Development (OECD). (2016). *The Risk of Automation for Automation for Jobs in OECD Countries: A Comparative Analysis*: OECD; The Foundation for Young Australians (FYA). (2015). *The New Work Order*. FYA; The Foundation for Young Australians (FYA). (2017). *The New Work Smarts Thriving in the New Work Order*. FYA

<sup>4</sup> Department of Employment (DoE). (2016). *Industry-Employment-Projections-five-years-to-November-2020*. DoE

different industries throughout their working life.<sup>5</sup> Employment is growing in ‘non-routine’ industries that require innovation, creativity, problem solving, interpersonal relationships and responsiveness to changing circumstances.<sup>6</sup>

The FYA *New Work Order*<sup>7</sup> report series highlights the need for the education and training systems to support young people to meet emerging industry needs and for greater enterprise skills which include: confidence, communication, creativity, project management, enthusiasm for learning, critical thinking, team work, digital literacy, financial literacy and global citizenship. This will require schools to shift away from preparing students for traditional and linear career paths. Young people will need a portfolio of skills and capabilities, including skills to make career decisions throughout their life.<sup>8</sup> The most recent report in the FYA *New Work Order* report series *The New Work Smarts: Thriving in the New Work Order* notes that young people will need to spend more hours on the job than ever before, and that their smart learning journey must begin early in their formal education and progress through their working lives.<sup>9</sup>

The Organisation for Economic Co-operation and Development (OECD) advocates the need for education systems and school curricula to prioritise the development of creative and critical thinking, collaborative skills and personal attributes of mindfulness, curiosity, courage and resilience.<sup>10</sup>

## Successful school to work transition

The most successful school to work transitions are achieved by young Australians who complete at least a Year 12 qualification or higher. Achieving Year 12 or equivalent is regarded as a key factor in the development of skills and knowledge. Just the attainment of the Year 12 or equivalent qualification has been shown to lead to 16 per cent higher average earnings over a person’s adult lifetime<sup>11</sup> and higher rates of employment.

Completion of Year 12 or equivalent attainment is promising, with overall positive increases in recent decades (see Figure 1). This is likely to be due to a number of factors including the commitment from government to raise the minimum level of education of young people.

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<sup>5</sup> The Foundation for Young Australians. (2017). *CEO Blog*. (FYA) Retrieved from FYA: <https://www.fya.org.au/2017/06/15/future-future-education-must-acing-test/>

<sup>6</sup> Torii, K., & O’Connell, M. (2017). *Preparing Young People for the Future of Work*. Melbourne: Mitchell Institute

<sup>7</sup> The Foundation for Young Australians (FYA). (2015). *The New Work Order*. FYA

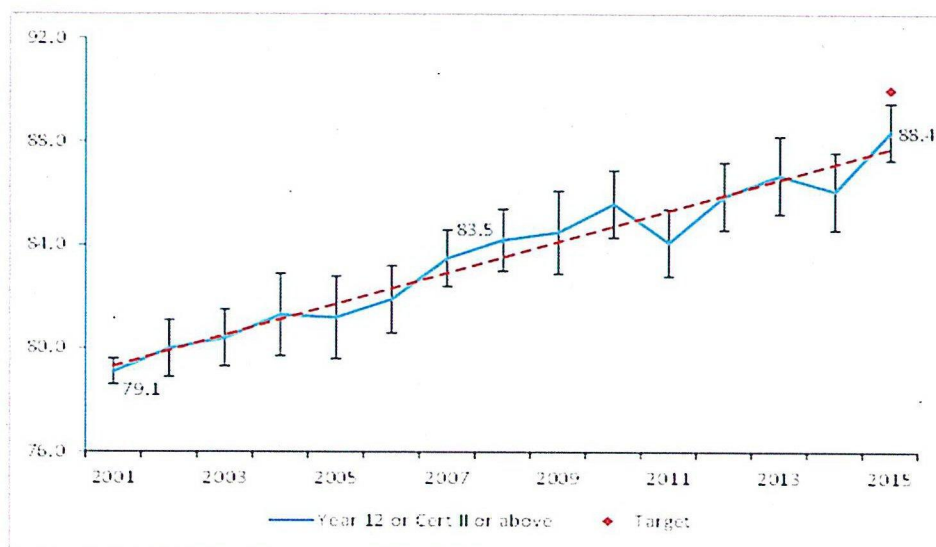
<sup>8</sup> The Foundation for Young Australians. (2016). *The New Work Mindset Report: the 7 new job families to help young people navigate the new work order*. FYA

<sup>9</sup> The Foundation for Young Australians (FYA). (2017). *The New Work Smarts Thriving in the New Work Order*. FYA

<sup>10</sup> Schleicher, A. (2015). *Educating for the 21st Century*

<sup>11</sup> National Centre for Social and Economic Modelling (NATSEM). (2012). *Smart Australians: Education and Innovation in Australia*. Canberra: NATSEM. Retrieved from <http://www.natsem.canberra.edu.au/storage/AMP.NATSEM%2032%20Income%20and%20Wealth%20Report%20-%20Smart%20Australians.pdf>

**Figure 1: Percentage increase in attainment of Year 12 Certificate or equivalent between 2001 and 2015<sup>12</sup>**



Research from the Longitudinal Surveys of Australian Youth<sup>13</sup> reveals that the level of education is the key factor influencing the time taken to find full-time work after leaving school. Those who completed at least Year 12 or equivalent fared much better than those who left school before finishing Year 12 and those with a post-school qualification found jobs faster than those with Year 12 only. Approximately 25 per cent of young people who did not complete Year 12 or have any post-school qualifications had not found a permanent full-time job by the time they were aged 25.

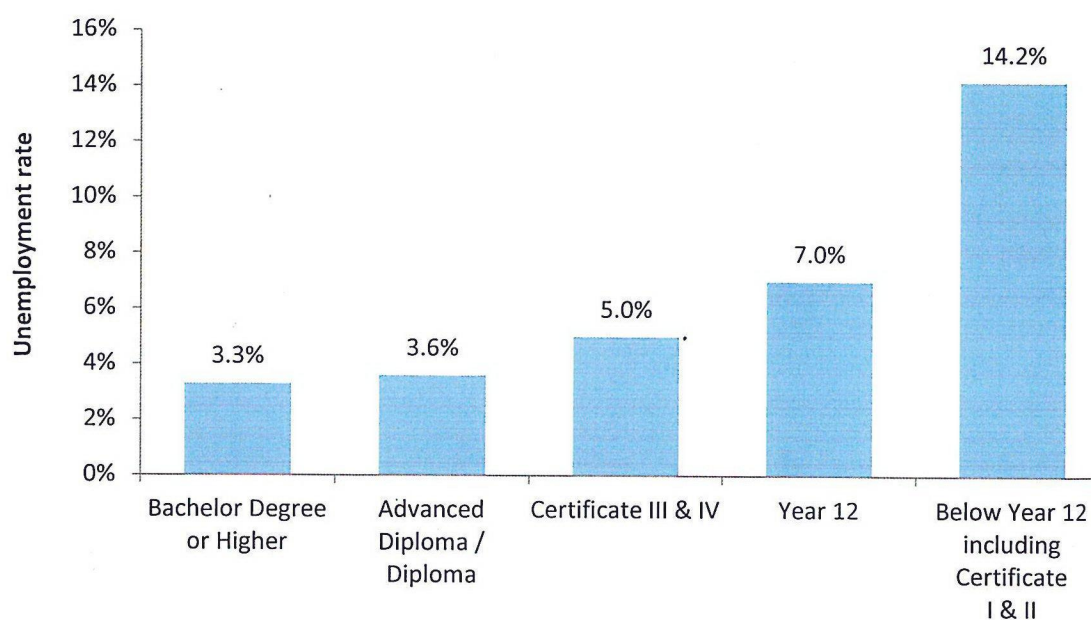
Completing a qualification is vital to future success in the labour market. The first target for all young people needs to be completion of their Year 12 qualification. 7.0 per cent of people aged 25-34 years who completed Year 12 were unemployed, compared with 14.2 per cent who did not (see Figure 2). In 2016, the unemployment rate for persons aged 15-74 years was lowest for those who had completed a qualification at the Certificate III and above level, with those who had attained a Bachelor degree or higher having the lowest rate of unemployment at 3.2 per cent (see Figure 3). Interestingly people aged 15-74 who had only attained a Certificate I/II had the highest unemployment rate at 12.8 per cent, followed by those who attained Year 11 or below at 9.5 per cent.

<sup>12</sup> Australian Bureau of Statistics (ABS). (2015). *Education and Work, Australia (Cat. no. 6227.0)*. Canberra

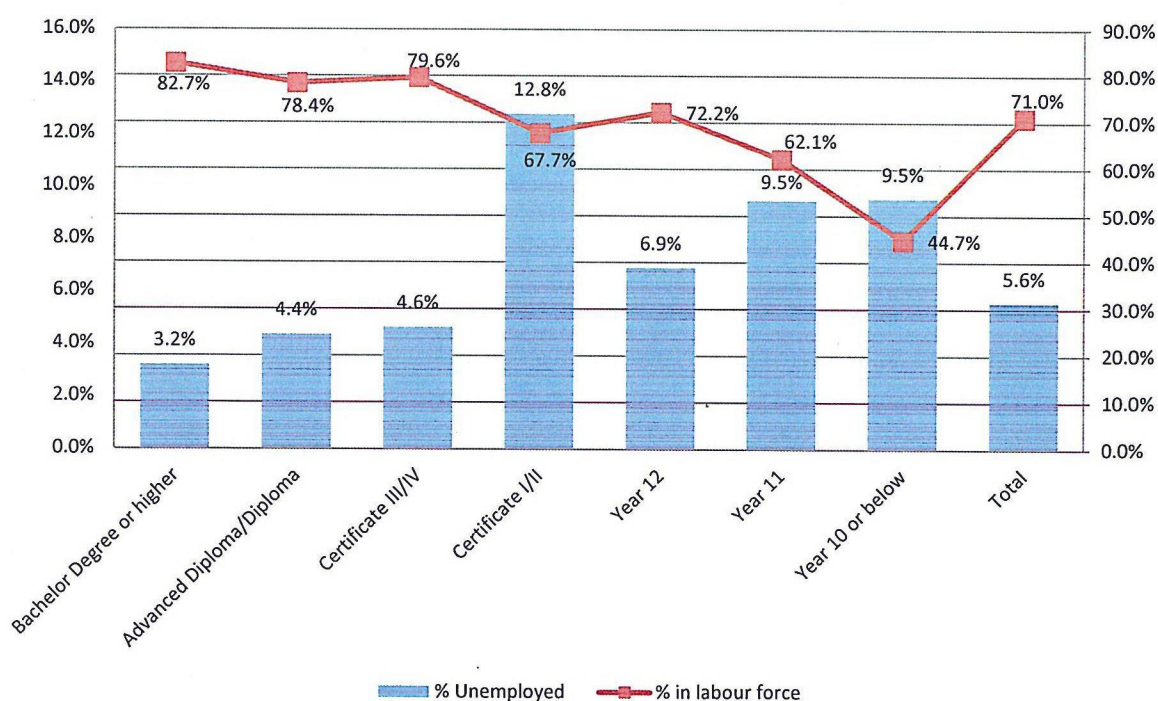
<sup>13</sup> Longitudinal Surveys of Australian Youth (2011). *Year 12 completion and youth transitions Research report*. ISBN 978 1 921809 97 2



**Figure 2: Unemployment Rate by Level of Highest Qualification 25-34 year olds, Australia<sup>11</sup>**



**Figure 3: Highest Educational Attainment by Labour Force Status - Persons aged 15-74 years<sup>14</sup>**



<sup>14</sup> Australian Bureau of Statistics (ABS). (2015). *Education and Work, Australia (Cat. no. 6227.0)*. Canberra

## Tertiary study

In Australia, more young people are studying at universities, for longer, and doing double degrees or graduate qualifications in response to rising demand for qualifications. However, this also means that many are entering the labour market later and university graduate employment outcomes are close to the lowest in decades. In 2016, only 70.9 per cent of university undergraduates who were available for full-time employment were employed full-time within four months of graduation.<sup>15</sup> This represents an increase on the 2014 rate of 69.1 per cent, but remains 15.1 percentage points lower than 2008.<sup>16</sup> By comparison, 77.6 per cent of Vocational Education and Training (VET) graduates who completed in 2015<sup>17</sup> were employed after training and this employment take-up was similar to 2014.

While university graduates tend to do well in employment and income terms, it is not clear that this is equally true for all university graduates, and neither is it clear in all cases that the possession of a higher education qualification is the direct cause of good outcomes for those individuals. That is, not all higher education qualifications may lead to good employment outcomes, including higher income, and some young people may do well for reasons and personal characteristics other than their qualifications.

The *Mission Australia: Youth Survey Report 2016* indicates that, of the 21,846 respondents who were still at school, 68.7 per cent of respondents indicated they planned to go to university after school (see Figure 4). This is inconsistent with the national average of 40 per cent<sup>18</sup> of students who actually go to higher education as a post-school pathway. Some young people, while at school, may be limiting their considerations of potential pathways for future employment prospects. Aspirations for VET are far more realistic where 14 per cent<sup>19</sup> of school leavers actually went on to study at TAFE compared to the 12.5 per cent who planned to as indicated in the *Mission Australia: Youth Survey Report 2016*.

<sup>15</sup> Guthrie, B. (2016). *Graduate Destinations 2015*. Melbourne: Graduate Careers Australia Limited

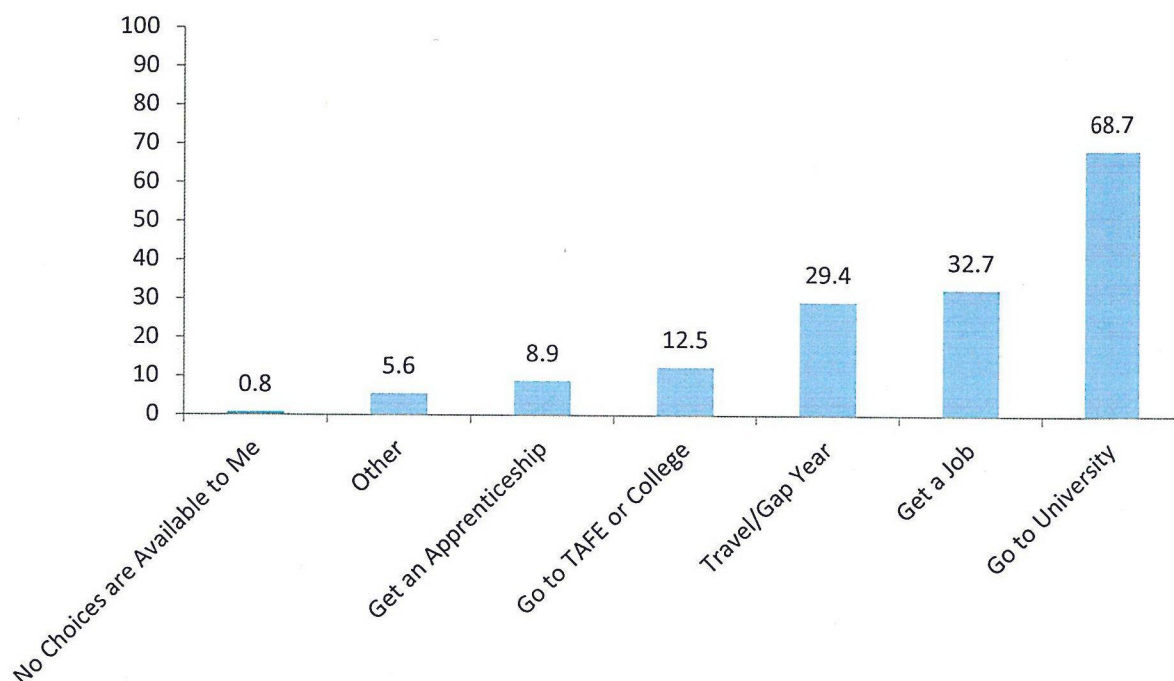
<sup>16</sup> Quality Indicators for Learning and Teaching (QILT). (2016). *2016 Graduate Outcomes Survey*. Melbourne: QILT

<sup>17</sup> National Centre for Vocational Education Research (NCVER). (2016). *Total VET graduate outcomes for 2016*. Adelaide: NCVER

<sup>18</sup> Australian Bureau of Statistics (ABS). (2015). *Education and Work, Australia (Cat. no. 6227.0)*. Canberra

<sup>19</sup> Australian Bureau of Statistics (ABS). (2015). *Education and Work, Australia (Cat. no. 6227.0)*. Canberra

**Figure 4: Percentage of Planned Post-School Pathways for 2016 School Students<sup>20</sup>**



An entrenched emphasis on academic success in traditional subjects to gain entry to university means many students are not considering employer-valued vocational education and training pathways, even when these options may be better suited to students' talents and interests, have better job outcomes, and tend to result in better employment outcomes.<sup>21</sup> Studies have found that offering students VET in the senior school years tends to increase school attendance and completion, and improve labour market participation. A range of VET options, including school-based apprenticeships and traineeships, is an important strategy in secondary schools for building stronger rates of Year 12 completion and post-school pathways for students.

## Labour market issues facing youth

### Labour market conditions

Despite a recent strengthening in labour market conditions at the national level, conditions for youth (those aged 15-24) have softened over the past year, with the level of youth employment decreasing by 2,500 (or 0.1 per cent), to stand at 1,851,100 in June 2017. The

<sup>20</sup> Mission Australia. (2016). *Mission Australia Youth Survey Report 2016*. Sydney: Mission Australia

<sup>21</sup> Torii, K., & O'Connell, M. (2017). *Preparing Young People for the Future of Work*. Melbourne: Mitchell Institute

decline in youth employment was due entirely to a fall in youth full-time employment (down by 16,000 or 1.9 per cent) to 846,000 in June 2017, while youth part-time employment rose by 12,300 (or 1.3 per cent) to 994,500. In addition, the youth unemployment rate stood at 13.1 per cent in June 2017, more than double the rate recorded for all persons (of 5.6 per cent)<sup>22</sup>.

Youth long-term unemployment increased by 7,000 (or 15.9 per cent) over the year, to stand at 51,400 in May 2017, and remains 35,500 (or 223.2 per cent) above the level recorded at the onset of the Global Financial Crisis (GFC) in September 2008.

Research undertaken by the Department of Employment confirms that recruitment conditions are challenging for young job seekers trying to secure a foothold in the jobs market. Less than half of lower skilled vacancies are identified as being available to job seekers without previous work experience<sup>23</sup>. Moreover, the recruitment process for entry level vacancies can be highly competitive, with employers receiving an average of 15 applicants, many of whom have current or recent work experience. These barriers may be a contributing factor to the relatively high youth unemployment rate and high proportion of youth who remain in the long-term unemployment pool.

A key strategy in addressing youth unemployment is to raise the overall rate of job creation. Private enterprise and private investment are key drivers of economic growth and national prosperity. Excessive regulation has the effect of discouraging business investment and entrepreneurialism, as well as distorting investment decisions and damaging productivity and jobs growth. Therefore, as an integral part to its *National Platform for Economic Growth and Jobs*, the Government is encouraging employers to create more job opportunities. The key pillars of this platform include: investment in infrastructure, trade liberalisation, strong budget, resilient financial system, better tax system, productivity and competition reform and encouraging innovation.

Investment in infrastructure is central to the Government's strategy to boost productivity. Against the backdrop of contracting mining investment, and slow growth in non-mining investment, public spending on infrastructure is underpinning much growth. This investment connects people to markets and reduces congestion in cities driving productivity improvements.

Innovation is also central to the Government's plan for economic growth, as it will lead to gains in productivity, increased opportunities and higher living standards for all Australians.

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<sup>22</sup> Australian Bureau of Statistics (ABS). (2017). *Labour Force, Australia, June 2017*. Canberra: ABS

<sup>23</sup> Department of Employment (DoE). (2012). *Survey of Employer's Recruitment Experiences*. Canberra: Department of Employment

Consistent with the G20 Entrepreneurship Action Plan, the Australian Government is implementing a range of new measures to encourage entrepreneurship and innovation. Australia's taxation system is also being adjusted to provide support for business, with an initial emphasis on small business to encourage investment, enhance productivity, increase the level of economic activity and over time, increase real wages and living standards. These reforms will support growth, higher wages and jobs by lowering the tax rate for companies over time to an internationally competitive level.

Reforms to encourage participation and improve the outcomes of Australia's education system will also contribute to ensuring that young people gain skills which are relevant to employment opportunities.

These strategies being implemented by the Government will contribute to meeting the goal adopted by G20 Leaders at the 2015 Antalya Summit<sup>24</sup> of reducing the share of young people who are most at risk of being permanently left behind in the labour market by 15 per cent by 2025.

## Industry and demand

The majority of youth employment is in industries which generally provide lower skill, entry-level jobs. According to latest ABS data<sup>25</sup> as at May 2017 Retail Trade was the largest employer of youth (with 396,600 young workers), followed by Accommodation and Food Services (382,600 workers) and Construction (173,100 workers). Together, these three industries accounted for 52.2 per cent of youth employment in Australia.

Over the five years to May 2017, employment (across all age cohorts) rose in all three of these industries, with Construction employment increasing by 136,300 (or 14.0 per cent) and Accommodation and Food Services employment increasing by 115,400 (or 15.2 per cent). While employment rose in Retail Trade over the five years to May 2017 (up by 35,300 or 3.0 per cent), it fell by 25,200 (or 2.0 per cent) over the year to May 2017. Despite these three industries recording employment growth over the five years, youth employment only increased in Accommodation and Food Services.<sup>26</sup>

In addition to employment growth, opportunities arise through turnover, that is, people changing jobs or leaving the workforce altogether. It is worth noting that these three industries also have high levels of job openings, due to turnover (across all age cohorts). Over the year to May 2017, there were around 40,800 movements from unemployment and

<sup>24</sup> Organisation for Economic Co-operation and Development. (2015). *G20 Labour Markets in 2015: Strengthening the Link between Growth and Employment*

<sup>25</sup> Australian Bureau of Statistics (ABS). (2017). *Labour Force, Australia, June 2017*. Canberra: ABS

<sup>26</sup> Australian Bureau of Statistics (ABS). (2017). *Labour Force, Australia, June 2017*. Canberra: ABS



not in the labour force (NILF) into employment in the Accommodation and Food Services industry per month, around 37,800 movements from unemployment and NILF into employment in the Retail Trade industry per month, and 33,900 movements from unemployment and NILF into employment in the Construction industry per month.<sup>27</sup>

## Occupation and skill levels

Nearly half of all employment growth over the five years to May 2017 was recorded for Skill Level 1 occupations (usually requiring a Bachelor degree or higher qualification), up by 369,000 (or 10.6 per cent), reflecting the ongoing shift towards higher skilled, white-collar occupations. In line with this growth, around one in three people (31.7 per cent) were employed in Skill Level 1 occupations in May 2017, up from 25.1 per cent 20 years ago.

Going forward, the shift towards employment in higher skilled occupations is projected to continue over the five years to November 2020, with employment for Skill Level 1 occupations expected to increase strongly (up by 482,900 or 13.0 per cent), while employment in Skill Level 2 occupations (usually requiring an Advanced Diploma or Diploma qualification) is projected to grow by 150,500 (or 11.0 per cent). More subdued growth is projected for occupations at the lowest skill level, with Skill Level 5 (usually requiring Certificate I or secondary education) projected to rise by 69,000 (or 3.4 per cent).

## Participation in education

In view of the clear shift towards greater employment in more highly skilled occupations, it is encouraging to note that youth participation in full-time education has increased strongly over the year, from 52.4 per cent in June 2016, to an equal record high of 53.3 per cent in June 2017.<sup>28</sup> In addition, the number of university degree completions has risen over the past five years. There is evidence<sup>29</sup> of underutilisation of post-school qualified workers, particularly more recent university graduates, with many graduates being unable to find employment commensurate with their degree and either remaining in their existing jobs (for example, a Sales Assistant in Retail Trade) or being employed in occupations that traditionally do not require a university education. This presents a challenge, as not only are these workers not vacating lower skilled jobs and creating an opening for other workers, but these highly educated individuals are now competing with lower skilled job seekers for work.

That said, there are still employment opportunities for lower skilled, lower qualified and

<sup>27</sup> Australian Bureau of Statistics (ABS). (2017). *Labour Force, Australia, June 2017*. Canberra: ABS

<sup>28</sup> Australian Bureau of Statistics (ABS). (2017). *Labour Force, Australia, June 2017*. Canberra: ABS

<sup>29</sup> Australian Bureau of Statistics (ABS). (2015). *Education and Work, Australia (Cat. no. 6227.0)*. Canberra

unskilled workers, with turnover generating more job openings in lower skilled occupations. For example, turnover is above average for many occupations associated with the Retail Trade industry, including Checkout Operators and Office Cashiers (21.2 per cent compared with 11.7 per cent across all occupations), Freight Handlers and Shelf Fillers (20.1 per cent) and Sales Assistants and Salespersons (16.8 per cent). In the Accommodation and Food Services industry, turnover is above average for Hospitality Workers (19.3 per cent) and Food Preparation Assistants (16.1 per cent).<sup>30</sup>

There are significant opportunities for employers to provide access to, and for young people to undertake training in trade occupations and alleviate potential supply issues for a number of occupations in the future. For example, the Department of Employment's skill shortage research shows that there are currently 22 trade occupations in national shortage.<sup>31</sup> Yet, at the same time, apprenticeship and trainee numbers at the certificate III level (the traditional pathway into skilled trade occupations) have fallen to their lowest level in 10 years.

### Impact of disengagement

The earlier a young person claims income support, the more they are at risk of not succeeding in the labour market and not making the transition to financial independence. The majority of young people on non-study-related income support payments at age 17 will, under current policy settings, fail to enter the labour market and achieve economic independence within six years.

Regardless of the reasons for young people disengaging from education or employment, the data shows that the consequences of disengagement are high. Recent research undertaken by the Mitchell Institute has modelled the fiscal and social costs of young people leaving school prior to the completion of Year 12. It is estimated that the lifetime social cost of a young person leaving school prior to completing Year 12 provides a social impact of \$616,200 over the person's adult life. Extrapolated to a cohort of disengaged young people, this equates to a lifetime social cost of \$23.2 billion. This lifetime social cost takes account of factors such as lower salaries across a person's working life, lower tax contributions, and other broader costs to society.<sup>32</sup>

<sup>30</sup> Australian Bureau of Statistics (ABS). (2015). *Participation, Job Search and Mobility, Australia (Cat. no. 6226.0)*. ABS

<sup>31</sup> Department of Employment (DoE). (n.d.). *Survey of employers who have recently advertised*. Retrieved from <http://www.employment.gov.au/skillshortages>

<sup>32</sup> Lamb, S., & Huo, S. (2017). *Counting the costs of lost opportunity in Australian education*. Melbourne: Mitchell Institute

## Education and training initiatives

Education and training will become even more important as access to high quality education and training will be one of the most effective mechanisms for keeping Australians job ready in competitive global labour markets. A unified, overarching policy framework which guides the allocation of investment in education and training from early childhood to tertiary education is currently underway through a number of initiatives to encourage students to complete Year 12 and to support and assist them in making a successful transition from school to a job, to higher education, vocational training, or any combination of these.

### *Quality Schools, Quality Outcomes (QSQO)*

QSQO is the Government's evidence-based approach to schools' reform to improve learning outcomes for all Australian students – regardless of their school or background and was released in May 2016. QSQO sets out evidence-based priority reforms to help support improved outcomes for students and schools by focusing efforts toward:

- boosting literacy, numeracy and STEM performance
- improving the quality of teaching and school leadership
- preparing our students for a globalised world
- focusing on what matters most and those who need it most
- increasing public accountability through improved transparency.

### Implementing the Australian Curriculum

The Australian Curriculum Foundation to Year 10 was endorsed by all Education Ministers in 2015 and is being implemented to ensure greater national consistency in determining what all students, regardless of where they go to school, should know, understand and can do. Within the Australian Curriculum the seven general capabilities (Literacy, Numeracy, Information and Communication Technology Capability, Critical and Creative Thinking, Personal and Social Capability, Ethical Understanding, Intercultural Understanding) play a significant role in building the necessary skills to prepare students for post-school pathways.

### Preparing secondary students for work

In 2014, Education Ministers endorsed the *Preparing Secondary Students for Work – A framework for vocational learning and VET delivered to secondary students*. The framework aims to ensure all secondary students have access to quality vocational learning and VET courses.

VET delivered to secondary students provides students with the opportunity to acquire workplace skills and knowledge through nationally recognised qualifications from industry-

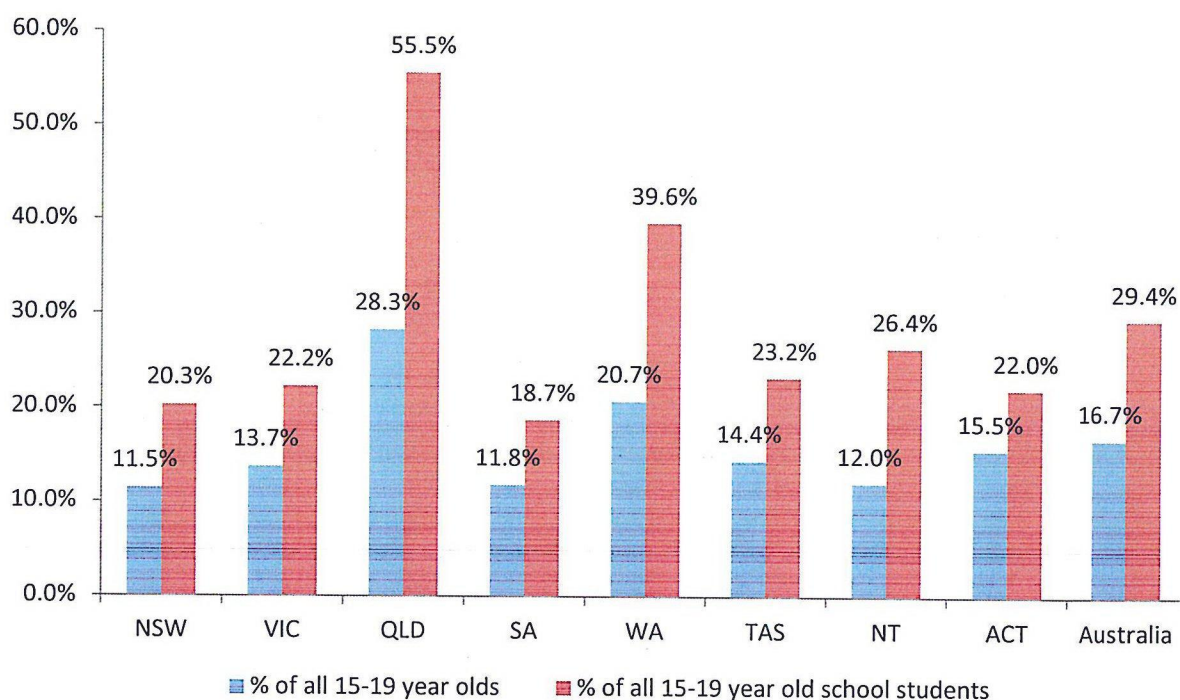


developed training packages or accredited courses while still at school. It provides a pathway for students who are interested in articulating into further VET training or university, doing an apprenticeship or traineeship, or getting a job after completing Year 12. There are various VET pathways available to school students, from programs offering a few hours per week to part-time school-based apprenticeships and traineeships, which combine training and paid work.

According to the latest data<sup>33</sup>, in 2015, 246,497 secondary school students aged 15 to 19 participated in a VET while at school, representing 29.4 per cent of Australia's 15 to 19 year old school students and 16.7% of all 15 to 19 year olds. Of those, 19,726 were school-based apprentices and trainees (see Figure 6).<sup>34</sup>

To complement the framework, a range of resources, including a VET self-assessment tool for schools, are available on the *Preparing Secondary Students for Work* website.

**Figure 6: VET in Schools<sup>35</sup>**



<sup>33</sup> National Centre for Vocational Education and Research (NCVER). (2016). *Australian vocational education and training statistics: 'VET in Schools' 2015 pivot tables*. Adelaide: NCVER

<sup>34</sup> Australian Bureau of Statistics (ABS). (2015). *Australian Demographic Statistics (Cat. no. 3101.0)*. ABS; Australian Bureau of Statistics (ABS). (2015). *Schools, Australia (Cat. no. 4221.0)*. ABS; National Centre for Vocational Education and Research (NCVER). (2016). *Australian vocational education and training statistics: 'VET in Schools' 2015 pivot tables*. Adelaide: NCVER

<sup>35</sup> National Centre for Vocational Education and Research (NCVER). (2016). *Australian vocational education and training statistics: 'VET in Schools' 2015 pivot tables*. Adelaide: NCVER; Australian Bureau of Statistics (ABS). (2015). *Australian Demographic Statistics (Cat. no. 3101.0)*. ABS

## Vocational learning and career education

In May 2016 under the *Quality Schools, Quality Outcomes* policy, the Australian Government committed \$3 million over four years (2017-2020) to develop a new and contemporary National Career Education Strategy.

The strategy will aim to ensure students are 'work ready', prepared for life beyond school and equipped with the 21st century skills needed for the jobs of today and into the future.

Young people's school education must set them up with the skills, knowledge and attitudes they need to succeed in the workplace. Career education is student-centred and an important element in preparing young people to successfully transition from school to further education, training or employment or a combination of these, and should be a priority in schools, from primary through to senior secondary school.

The strategy is being developed by a working group of key stakeholders who will provide recommendations in the latter half of 2017 to the Australian Government on ways to improve the delivery of career education in schools.

The working group has identified three areas where national consistency and leadership can support school students to make informed study and career choices through:

- a planned program of learning experiences in career education,
- strengthened school and employer collaboration, and
- improved quality and access to career, employment and further education and training information.

Other Government initiatives which support career education in schools include:

- The development of an online career education self-assessment tool for schools which assists schools to evaluate and improve their career education strategies and is available on the *Preparing Secondary Students for Work* website.
- A career adviser digital information kit is being developed and is targeted to high school students in Years 10-12. The kit will assist career advisers in supporting students with post-school education and training and, once finalised, will be published on the Study Assist website and resources will be updated as required.

## Supporting students to gain science, technology, engineering and maths (STEM) skills through the Pathways in Technology (P-TECH) pilot

A report released by PricewaterhouseCoopers (PwC) in April 2015 found that around 75 per cent of the fastest-growing industries require STEM-related skills.<sup>36</sup>

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<sup>36</sup> PricewaterhouseCoopers (PwC). (2015). *A smart move: Future-proofing Australia's workforce*. PwC

The Government has committed \$4.6 million to expand the P-TECH pilot as part of its broader strategy to improve Australia's STEM capability. P-TECH involves the establishment of long-term partnerships between industry, schools and tertiary education providers, enabling businesses to have an active role in the learning and career development of their future workforce.

The expanded pilot will enable the Government to test and adapt the P-TECH model in different jurisdictions and school systems, and provide a catalyst for greater industry engagement with schools. Building on two existing sites in Victoria, the expanded pilot will see 12 new P-TECH pilot sites established across Australia. Five new sites commenced this year in NSW, SA and WA, with more to be phased in over the coming months. Local education and industry partners involved in the pilot are working together to design and deliver programs suited to local circumstances.

P-TECH offers secondary school students an industry supported education pathway to a STEM related post-school qualification. Students then have the option to continue their study at the tertiary level or pursue employment in a STEM related field, including job opportunities with the school's industry partners.

P-TECH provides a framework for the education and industry sectors to work together to support young people develop the technical skills and general capabilities they need to succeed in further study and work.

The P-TECH model features opportunities for students to connect and build relationships with industry partners, and engage in hands-on, project-based activities, both at school and in the workplace. These experiences will help students to make informed decisions about their future careers and pathways.

## Supporting access to high-quality trade related VET through the Trade Training Centres in Schools Program

The Government invested \$1.4 billion over 8 years (2008–2016) to enable secondary school students in Australia to have access to trade training facilities. Trade Training Centres (TTCs) and Trades Skills Centres (TSCs) provide students access to high quality, industry standard facilities to undertake trade related vocational training. An *Independent Review of the Trade Training Centres in Schools*<sup>37</sup> in 2014 highlighted that the program has made a positive contribution to educational and vocational outcomes for young people. The review noted the key role of sharing ideas between TTC and TSC participating schools and promoting good practice between trade centres to be able to optimise the significant investment by the Government.

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<sup>37</sup> Scott, P. (2014). *Trade Training Centres in Schools Program - Independent Review*

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## Learning for Life support for disadvantaged students

The Government has committed \$48 million over four years to 2019–20 to fund the expansion of The Smith Family's Learning for Life Program. Support is provided in the early years of learning and continues through primary and high school and post-school to help students stay at school, complete Year 12, (or equivalent) and successfully transition from school to work, or to further education and training. Under the expansion, an additional 24,000 students across Australia will be supported by 2019–20. This will bring the total students supported to some 56,000 by 2020.

## Vocational Education and Training reforms

Recent initiatives are building on the substantial reforms to the VET system implemented since 2014. The new industry led arrangements for training package development work are being used to support an improved focus on preparing students in the VET sector for the future world of work. This is especially in relation to skills needs that are becoming increasingly common across industries.

## Skilling Australians Fund

The Skilling Australians Fund, announced as part of the 2017-18 Budget seeks to reverse the decline in apprenticeships and traineeships and target occupations in demand or with future growth potential. A series of pilots are being undertaken in partnership with industry to test alternative apprenticeship models providing advanced training outside the traditional university system to support the higher skills needed for the 21st century.

## *My Skills* website

The *My Skills* website, launched in 2012, is the national directory of VET and provides users with information to assist them in making decisions about their training. The *My Skills* website is integrated with the *Preparing Secondary Students for Work* website.

## Higher Education Reform Package

The Higher Education Reform Package announced in May 2017 includes a number of measures to ensure the higher education sector is more responsive to the aspirations of students and the needs of the future workforce. These measures include the expansion of the demand driven funding system to include sub bachelor courses (diplomas, advanced diplomas and associate degrees), the introduction of funding for Work Experience in Industry units and a review of the Australian Qualifications Framework (AQF) with an assessment of the merit in including micro-credentials as a means of identifying specific employment skills.

## Improving transparency in higher education

The Government is also focused on continuing to support the entry of Year 12 students into higher education, though improving the transparency of higher education admissions. All fourteen of the recommendations made by the Higher Education Standards Panel have been accepted by Government and these reforms will assist prospective students, their families and other influencers to more readily access clear and comparable information about the course, provider and application pathway options available to them.

In summary, these education initiatives are focused on student outcomes, industry pathways and the needs of disadvantaged students. They provide students with the necessary foundational skills as well as supporting a range of pathways now and for the future, and offer a range of tools to assist students in navigating those pathways.

## Employment initiatives

The Government has a range of targeted employment programs which support young people move into employment. These programs are specifically focused on providing young people with the essential skills, experience and professional networks that employers of the present and future are looking for. This includes developing enterprise skills such as confidence, self-esteem, and ability to work with a team, communication and workplace behaviour, obtaining work experience and developing a portfolio of industry contacts and referees.

To participate, a young person may have certain eligibility requirements such as being on income support and registered with an employment services provider. These services are available once a young person has left school.

The Government also provides additional employment services targeted at specific cohorts, these include Disability Employment Services (DES) and The Community Development Program (CDP). DES helps people with disability find work and keep a job and is managed by the Department of Social Services. CDP is the Government's remote employment and community development service and is managed by the Department of Prime Minister and Cabinet.

### jobactive Employment Service

*jobactive*, which commenced on 1 July 2015, is the Australian Government's way to get more Australians into work. It connects job seekers with employers and is delivered by a network of *jobactive* providers in over 1700 locations across Australia. Assistance through

*jobactive* includes help with looking for work, writing résumés, preparing for interviews, referrals to jobs and targeted training that is suited to the needs of local employers.

Many of the programs which assist young people gain the skills and experience needed for employment are offered through *jobactive* providers. This includes the Employment Fund, Work for the Dole, wage subsidies, the Youth Jobs PaTH and the National Work Experience Program. These programs are described herein, including outcomes data for young people who participate in these programs.

### *Jobactive Outcomes for Young People*

From 1 July 2015 to 30 June 2017 *jobactive* has made more than 197,500 placements into jobs for young people aged under 25. Post Program Monitoring data shows that 50.5 per cent of youth under the age of 25 were employed around three months following their assistance in *jobactive*, a higher proportion than for all jobseekers (48.1 per cent). The data also shows that 28.7 per cent of youth under 25 were in education or training following three months of *jobactive* assistance, also a higher proportion than for all jobseekers (17.6 per cent).

## Employment Fund

All *jobactive* providers have access to the Employment Fund which can be used to pay for training or other assistance to help participants gain and keep employment. The Employment Fund focuses on work-related items, training and support that meet the needs of participants and employers.

Since the commencement of the Employment Fund on 1 July 2015, over \$59 million has been spent on activities for young people aged 15-24. This represents over 25 per cent of total Employment Fund expenditure.

## Work for the Dole

Work for the Dole places job seekers in activities where they can gain skills and experience that give back to the community and can help them find a job. Work for the Dole helps job seekers:

- develop the skills that employers want
- show they are ready to start work
- meet new people and make contacts who can be a referee
- get involved in their local community.

These skills are particularly important for young people who have not yet had the opportunity to otherwise develop the skills, experience and attitudes employers are

seeking, particularly for entry level jobs. The outcomes data shows that Work for the Dole has been successful in developing these skills and delivering outcomes for young people.

*Participant Data:*

Program data for the period 1 July 2015 to 30 June 2017 shows that of the total 168,466 jobseekers in Work for the Dole, 25.9 per cent were aged 25 years and under.

Under *jobactive*, 37.2 per cent of job seekers aged 21-24 who undertook a Work for the Dole activity in the period of 1 July 2015 to 30 June 2016 were in employment three months later.

## Youth Jobs PaTH (Prepare - Trial - Hire)

The Government introduced the \$763 million Youth Jobs PaTH as part of the Youth Employment Package in the 2016-17 Budget. It responds directly to feedback from employers that young people need to improve their work readiness and do not have recent work experience.

PaTH includes three flexible elements:

- *Prepare* - Employability Skills Training (EST) is the prepare element. EST providers offer courses that help young people aged 15 to 24 better understand what employers expect of them in the workplace and equip them with the skills, attitude and behaviours for them to be successful in a job. As at 30 June 2017, *jobactive* providers have referred more than 9,000 young people to 1,000 EST courses across Australia.
- *Trial* - PaTH Internships is the trial element. PaTH Internships allow providers, employers and eligible young people to work together to design structured voluntary work experience placements that meet the needs of businesses looking to recruit and young people aged 17 to 24 looking for work and experience in a real workplace. Young people can participate in an internship for a minimum of four weeks up to 12 weeks. As at 25 July 2017, 1,790 unique Internship vacancies have been advertised via the *jobactive* website. 979 internship placements have commenced of which 515 were still active. While the program is still bedding down following its implementation, the program is showing early signs of success with 188 young people gaining employment as a result of the program. It is expected that this will increase as the use of the program ramps up.
- *Hire* - The Youth Bonus Wage Subsidy is the Hire element. From 1 January 2017 the Government introduced a new Youth Bonus Wage Subsidy of up to \$6,500 and \$10,000 (GST inclusive) to incentivise employers to hire eligible young people aged 15 to 24. Over 6,500 young people have been placed in employment opportunities attracting a subsidy.

The 2017-18 Budget also delivered up-front intensive employment services to Indigenous job seekers, including an increase in the Indigenous wage subsidy from \$6,500 to \$10,000.

## National Work Experience Programme

The National Work Experience Programme (NWEPP) places job-ready job seekers in real life work experience placements where they can gain experience and confidence while demonstrating their skills to potential employers. NWEPP is currently available to job seekers aged 18 years or over and who are in receipt of an eligible income support payment. Job seekers participating in NWEPP benefit from unpaid work experience placements with employers for up to 25 hours per week for up to four weeks.

Since the program commenced on 1 October 2015, a little over 60 per cent of commencements under *jobactive* have been for job seekers aged under 30 years. NWEPP participants have been successful in achieving employment outcomes within three months of exiting the program, with over 40 per cent of participants reporting a job placement. Under measures announced in the 2017-18 Budget, the program is being expanded and enhanced to provide more work experience opportunities for people looking for work. The number of places will increase to 10 000 from the current 6 000 places and eligibility for the program will be expanded to include job seekers aged 17 years or older. These changes will be implemented from 1 July 2018.

## Transition to Work (TtW)

The \$322 million TtW program was announced as part of the 2015-16 Budget to support young people, aged 15 to 21 years who are not in employment or education and are at risk of long-term unemployment. It provides intensive, pre-employment support for up to 12 months to improve work readiness and to develop the attitudes and behaviours sought by employers.

As at 30 June 2017, there has been 50,105 young people referred with 37,215 commencing in TtW. The current active caseload is 18,377 of whom 17 per cent are Indigenous young people. Since the service commenced in April 2016 to 30 June 2017, 7,913 outcomes have been achieved for young people:

- 78.7 per cent were employment outcomes
- 20.4 per cent were education outcomes
- 0.9 per cent were hybrid outcomes (that is, a mix of both education and employment, such as apprenticeships).

For the 2016-17 Performance Period, TtW exceeded the Annual Performance Target.



## Empowering YOUTh Initiatives (EYI)

The Government provided \$50.4 million for EYI over four years as part of the Youth Employment Strategy in the 2015-16 Budget. Funding is available for community and not-for-profit organisations to try innovative approaches to assist vulnerable young people aged 15 to 24 who are long-term unemployed or at risk of long-term unemployment, onto the pathway to sustainable work.

Projects are extremely diverse and include developing a gamification app, getting careers information from a travelling caravan, building a motorcar, working in a social enterprise and getting hands on building skills on a practical training site. Projects operate for up to two years and the first round of 19 projects have been operating for 12 months, providing employment opportunities and outcomes to vulnerable young people.

## Encouraging Entrepreneurship and Self-Employment

As part of the Encouraging Entrepreneurship and Self-Employment measure the Government is investing an extra \$92 million in supporting job seekers, including young people, who wish to start their own business. The measure includes four key elements that were rolled out in December 2016:

- Two week 'Exploring Being My Own Boss' workshops and complementary placements, for up to 12 weeks, to support young people in gaining a greater understanding of what self-employment entails.
- SelfStart online hub, a new website bringing together information about existing services and programs in a way that engages young people.

Entrepreneurship Facilitators to promote entrepreneurship and join up available services and programs The Facilitators operate in three labour market regions with high youth unemployment:

- Cairns (QLD),
- Hunter, including Newcastle (NSW), and
- Launceston and North East, Tasmania.

Expansion of New Enterprise Incentive Scheme (NEIS), 2,300 additional places each year and broadening of eligibility for NEIS to accommodate the resulting rise in young people's interest in pursuing entrepreneurship. NEIS is a longstanding and successful program that promotes self-employment to job seekers but needs to be available to a wider range of people and to be better promoted to youth.

## ParentsNext

ParentsNext is a pre-employment program connecting parents of young children to services

in their local community to help them plan and prepare for employment. ParentsNext focuses on addressing a parent's barriers through a range of activities. These include employment related activities, non-vocational assistance, and education and training including for those parents referred due to being early school leavers, studying to obtain a Year 12 certificate or equivalent accredited education.

ParentsNext is currently delivered in 10 locations across Australia and from July 2018 will be rolled out nationally in all employment (*jobactive*) regions. It will provide a more intensive service, delivered in 30 locations. The Government's \$263 million ParentsNext will see it rolled out across Australia from July 2018, and will help around 68,000 parents each year to plan and prepare for employment by the time their children start school.

One of the target groups for ParentsNext is for young parents under the age of 22. More than 10,000 young parents per year, who are among the most disadvantaged parents in the country, are expected to benefit from the national expansion of ParentsNext. The assistance to these parents will focus on activities tailored to their needs and fit around their parenting responsibilities while also helping them access services in their local area which will help them prepare for work. Likely activities for parents with very young children include identifying short-term and long-term employment related goals, identifying pathways to achieve these goals (including relevant education and training options) and exploring possible child care options.

From the commencement of ParentsNext to the end of March 2017, 16,790 parents have been referred to a ParentsNext provider. Since the program began, parents have commenced in more than 14,000 activities that meet their individual needs and help prepare them to look for and undertake work. This includes more than 6,000 parents in education and training, almost 4,000 in community services such as parenting courses or counselling and over 1,000 parents in ParentsNext have gained employment.

## Career resources

Young people also have access to a number of Department of Employment career resources which assist them address the barriers they are facing when transitioning into employment, including:

- Job outlook is a careers and labour market research information site that assists young people decide on their future career. Job outlook provides details of more than 350 occupations to assists young people decide on their future career.
- Job Jumpstart – provides a range of support and resources for young job seekers and workers and their parents, teachers and advisers.
- Australian Jobs is a guide to the Australian labour market, including information about

- industries and occupations, states, territories and regions. Australian labour market trends are highlighted, as well as guidance about job search and the skills employers' value.

In summary, employment initiatives are focused on positive outcomes for all young Australians who may need assistance in making successful school to work transition. In addition, several of these programs are for young people who, for a range of reasons, are more vulnerable and at risk of not being active participants in the labour market and in broader society.

## Goals and measurement

The *Melbourne Declaration on Educational Goals for Young Australians*<sup>38</sup> sets the directions for Australian schooling for the ten-year period 2009–2018 as agreed to by all Australian Education Ministers.

The Melbourne Declaration has two overarching educational goals for young Australians:

*Goal 1: Australian schooling promotes equity and excellence*

*Goal 2: All young Australians become successful learners, confident and creative individuals, and active and informed citizens.*

The Melbourne Declaration includes a Commitment to Action to support senior years of schooling and youth transitions, in addition to seven other interrelated areas to support the achievement of the educational goals.

The Melbourne Declaration highlights the need to prepare students for, and the importance and priority of school to work transition. Policies and programs being delivered by the Government are aimed at meeting the goals of the Melbourne Declaration, as well as responding to current and emerging issues which impact on the transition of young Australians from school to work.

### Council of Australian Governments (COAG) Targets

In 2008, COAG set targets to lift educational attainment overall and to close the gap between the educational outcomes of Indigenous and non-Indigenous students. These are set in the National Education Agreement and the National Education Reform Agreement to:

- lift the Year 12 or equivalent or Certificate II attainment rate to 90 per cent by 2015 (not met)

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<sup>38</sup> Ministerial Council on Education, Employment, Training and Youth Affairs. (2008). *Melbourne Declaration on Educational Goals for Young Australians*

- lift the Year 12 or equivalent or Certificate III attainment rate to 90 per cent by 2020
- halve the gap between Indigenous and non-Indigenous students in reading, writing and numeracy by 2018
- at least halve the gap between Indigenous and non-Indigenous students' Year 12 or equivalent attainment rates by 2020.

## Measurement Framework for Schooling in Australia

The Measurement Framework for Schooling in Australia, including the Schedule of Key Performance Measures, is the basis for national reporting by Australian Education Ministers to the community on progress towards the *Melbourne Declaration on Educational Goals for Young Australians*.

## National Report on School in Australia

The National Report on Schooling in Australia released by Education Ministers details national Key Performance Measures (KPMs) for schooling, outlines the annual assessment and reporting cycle and underpins the Measurement Framework.

The framework also informs the Report on Government Services (RoGS) released by the Productivity Commission on behalf of COAG.

## Report on Government Services

The Australian Government Productivity Commission, through RoGS, reports on government funded primary and secondary education as well as some performance indicators, including Year 12 completion and proportion of 15-24-year-old school leavers fully participating in education and/or training, or employment.

## Key performance measures

There are a number of KPMs<sup>39</sup> that describe the participation of young Australians in VET in school, education, training or work.

- Proportion of the population aged 15–19 years who in the calendar year successfully completed at least one unit of competency as part of a VET qualification at AQF Certificate II or above.
- Proportion of 15–19-year-olds in full-time education or training, in full-time work, or both in part-time work and part-time education or training.
- Proportion of 20–24-year-olds in full-time education or training, in full-time work, or both in part-time work and part-time education or training.

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<sup>39</sup> Australian Curriculum, Assessment and Reporting Authority (ACARA). (2015). *Measurement Framework for Schooling in Australia*. ACARA

- Proportion of 17–24-year olds who have left school that are in full-time education or training, in full-time work, or both in part-time work and part-time education or training.

## **Opportunities to support students with post-school education and training**

Opportunities exist, and work is already underway to build on current policies and programs which support the transition of young Australians. Action taken by the Government requires careful consideration to ensure further work leads to lasting reform by leveraging off current education and employment initiatives without displacing the responsibility and effort of states and territories and school systems.

### **Review to Achieve Educational Excellence in Australian Schools**

In May 2017, the Australian Government announced the *Review to Achieve Educational Excellence in Australian Schools*, to be led by Mr David Gonski AC and supported by an expert panel. The review will build the evidence base needed to ensure additional school funding provided by the Australian Government is spent on proven initiatives that make a difference to student outcomes.

The Review panel will consult widely and draw on education experts, academics and practitioners with experience in education systems and teaching and learning methodologies, internationally and within Australia, as well as states and territories and non-government school authorities, regarding the quality reforms that are needed to drive improved student outcomes.

As part of its terms of reference, the panel will examine evidence and make recommendations on the most effective teaching and learning strategies and initiatives to be deployed. A particular focus of the Review is the effective and efficient use of funding to improve the preparedness of school leavers to succeed in employment, further training or higher education.

The final report and recommendations will be provided to Government by March 2018.

### **National Career Education Strategy**

Students need more than traditional subject knowledge and technical skills from their schooling to successfully navigate their post-school life and make informed study and career choices. Students also need career management skills, non-technical skills including communication and problem solving, and personal attributes such as flexibility and adaptability.

Through development of the National Career Education Strategy, research and stakeholder consultations have identified a clear need to support school students' career education and preparation for work as a joint responsibility for individuals, their families and communities, the education and training systems, business and government.

The strategy will make recommendations in relation to the above key areas towards the end of 2017.

## The importance of General Capabilities

In preparing students for the world beyond school, schools devote much of their time and effort to developing, assessing and reporting on literacy and numeracy skills, which are important foundation skills. However, there is growing recognition within Australia and internationally of the importance of enterprise skills in determining student success at school and beyond. Enterprise skills, such as problem solving, communication, confidence, creativity, teamwork and critical thinking skills, focus on developing the whole person, and have been shown to increase student wellbeing, enhance connectedness to school and positively impact academic performance and productivity.<sup>40</sup> Despite the importance of these skills, employers have expressed concerns that many young people are entering the workforce without them. These concerns have sparked debate over what schools are doing, and can do, to prepare students for work, further study and life beyond school.

The FYA *The New Basics*<sup>41</sup> report discusses the transferable skills needed for a successful career. These skills are acknowledged in the general capabilities of the Australian Curriculum and are also a key part of the Core Skills for Work Developmental Framework. However, the development of these skills is often embedded (or buried) in the delivery of traditional school subjects. The challenge of valuing and developing these skills is the subject of a recent report, *'Everybody's Core Business'*,<sup>42</sup> commissioned by the Department of Education and Training.

An example of demonstrating value for general capabilities and support for youth transition is through portfolios which are already used in many schools with varying degrees of rigour and effectiveness. A portfolio consists of students keeping an official record of all the extracurricular activities they participate in during their secondary schooling years. It is a collection of evidence describing student experiences and reflections based on the activities they undertake. While the portfolio is not formally assessed, it provides evidence of how specific learning outcomes set by the school (for example: works collaboratively, shows

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<sup>40</sup> Gutman, L. M., & Schoon, I. (2013). *The impact of non-cognitive skills on outcomes for young people: literature review*. Institute of Education, University of London

<sup>41</sup> The Foundation of Young Australians (FYA). (2016). *The New Basics*. FYA

<sup>42</sup> Ithaca Group. (2016). *Everybody's core business: research into the non-technical capabilities needed for successful participation in work or further study: final report*. Department of Education and Training

perseverance and identifies strengths and weaknesses) have been achieved. A portfolio acts as a career development strategy allowing students to record their experiences, identify their strengths and interests, build the foundations of a résumé, and assist them to make decisions about future education, training and employment pathways.

## VET Information Strategy

To be launched in late 2017, a VET Information Strategy will be the first step to implementing a considered, long term approach by the Government to:

- address negative perceptions to bring those with a low and outdated awareness of the VET system to an increased preference and intention to take up training, thereby improving status, and
- counter misunderstandings about VET offerings by improving government information resources relating to VET.

The Strategy focuses on long-term attitudinal change to VET through a range of ongoing or scheduled communication activities that will be informed by market research, and will focus primarily on new students and their parents and other key influencers.

## Industry and Employer Engagement

The Department of Employment monitors and analyses recruitment conditions using the *Survey of Employers' Recruitment Experiences*<sup>43</sup> with about 11,000 employers responding across Australia. The survey results identify the skills and attributes employers are looking for and how job seekers can better connect with employment opportunities. Employers generally identified the need for improved enterprise and employability skills, the key role and value of prior experience in the workplace, and the value of further education and training as an effective way to improve employment prospects. Feedback from employers also noted they need to have a more positive and accommodating attitude towards young people as many young people may not have had the opportunity to acquire and develop the traits, experience and skills that employers valued.

The benefits of industry engagement were reinforced in the *Independent Review of the Trade Training Centres in Schools Program*<sup>44</sup> which identified that the two critical success factors for the trade centres were strong school leadership and local employer engagement.

Schools need to engage with businesses and the broader community to provide opportunities for students with the world of work, understand the relevance of their

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<sup>43</sup> Department of Employment (DoE). (2012). *Survey of Employer's Recruitment Experiences*. Canberra: Department of Employment

<sup>44</sup> Scott, P. (2014). *Trade Training Centres in Schools Program - Independent Review*

learning to jobs and post-school pathways, explore a variety of education and training options, and develop the skills to manage their careers throughout their lives. Industry engagement with vocational education needs to continue to be built and strengthened at a national, jurisdictional and local level. Greater industry engagement is also needed in the area of improving science, technology, engineering and maths (STEM) education participation.

## OECD Education 2030 – the Future of Education and Skills

The Government is funding Australia's participation in this project which recognises that today's education system should prepare students for their future and provide them with the necessary competencies to engage in a world that is increasingly becoming more complex and uncertain. The project aims to create an internationally validated, multidimensional framework for 21<sup>st</sup> century skills to support design, development and review of national curricula and a roadmap for the development of national and global metrics to measure the various dimensions.

## Independent review into regional, rural and remote education

An Independent review into regional, rural and remote education will consider the key challenges and barriers that impact on students' learning outcomes, including transitions toward, and success regarding, further study, training and employment. The review will be led by Emeritus Professor John Halsey of Flinders University. The final report and recommendations will be provided to the Government by the end of 2017.

In summary, the opportunities identified, including the reviews, continue to build on current initiatives to support school to work transition. The findings and recommendations from the reviews that are currently underway will provide a further opportunity for the Government, education and training systems, industry, and individuals to respond to the many opportunities and challenges facing young Australians as they transition from school to work, both now and into the future.