



**Submission by The Foundation for Young Australians to the
House of Representatives Standing Committee on Education and Training
Combining School and Work: Supporting Successful Youth Transitions**

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Authors: Professor Jack Keating and Dr Lucas Walsh

About The Foundation for Young Australians (FYA)

Publication of the 2008 edition of How Young People Are Faring and this submission coincides with the recent alliance of The Education Foundation with FYA. The alliance consolidates an impressive scope of expertise and knowledge of the youth and education sectors. The Education Foundation's proven track record in the development and delivery of education programs, community engagement and research has been brought together with the strengths of FYA in grant-making, indigenous programs, capacity building, scholarships and successful models of youth participation.

The full report of How Young People Are Faring is available at <http://www.fya.org.au>

For further information about this report and other research enquiries please contact:

Dr Lucas Walsh

Director of Research

The Foundation for Young Australians

21-27 Somerset Place Melbourne Victoria 3000

Email: lucas.walsh@fya.org.au

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1. Introductory Remarks

The Foundation for Young Australians welcomes the opportunity to contribute to the work of the House of Representatives Standing Committee on Education and Training in supporting successful youth transitions.

On 15 October 2008, The Foundation for Young Australians (FYA), in alliance with Education Foundation, released the independently commissioned *How Young People Are Faring* (HYPAF) research report. It was prepared by Stephen Lamb and Kate Mason, researchers in the Centre for Post-compulsory Education and Lifelong Learning (CPELL) at The University of Melbourne.

The report provides important information on how successfully our education and training system is working to meet the needs of young Australians as they make the transition from school to further study and work. It provides the most up-to-date analysis of the effectiveness of transitions, including information on who is doing well and who is not doing so well in negotiating the various post-school pathways.

Now in its 10th year, the report has to date been conducted by Dusseldorp Skills Forum (DSF). Beginning this year, FYA has taken over the creation and dissemination of the *How Young People are Faring* report. Under the management of FYA, HYPAF will continue to provide an independent annual analysis of the participation of young Australians in learning and at work.

A focus of this report is the transition of young people from school into employment and further study. In response to the draft of Jobs for Youth, The Foundation would like to draw attention to five key areas:

- The use of national statistics masks state and regional differences. HYPAF provides strong evidence that some states and territories face greater challenges than others.
- Young people living in remote regions face far greater challenges than those living in cities.
- Young women face greater challenges than men in gaining full time employment.
- Young people from states and territories such as Northern Territory and Tasmania faced significantly low and even declining levels of attainment between the 2001 and 2006 census.
- While there is a broad trend towards increased participation in education and training across all age groups, this has not been matched by an increase in full-time employment.

The degree of difficulty and challenge faced by young people in their transition from school to work and/or further study and training cannot be understated. Key findings are discussed in more detail below.

About This Submission

This submission draws from the key findings of the tenth annual publication of HYPAF commissioned by The Foundation for Young Australians in 2008. Drawing from multiple data sources, including the 2006 Census, this major report provides the most detailed and up to date analysis of Australian youth transition from school to further study, training and work. It reveals some confronting statistics about the challenges facing young people as they negotiate worlds of learning and earning and is a timely reminder that these challenges require innovative thinking and policy which responds with social, economic, cultural and educational dimensions in mind.

This submission is divided into four parts: the first section seeks to provide an introduction to HYPAF, including: a summary of the key findings; implications for young peoples' engagement in education, training and work; educational attainment; transitions to the labour market; a summary of broad implications; and a note about the unique methodology of the 2008 edition of HYPAF. The second section of this submission examines some of the implications of HYPAF within the broader policy context of the last decade before examining HYPAF data in closer detail. The third section highlights eleven key policy implications of HYPAF. The final section proposes nine potential policy responses to HYPAF.

1.1 Key Findings from How Young People are Faring

The HYPAF report shows that one in 10 teenagers (15-19 years) and one in five young adults (20-24 years) are not engaged in either full-time study or work. The report also shows that early school leavers are at greater and ongoing risk of labour force marginalisation. Importantly, the most vulnerable of these young people come from low socio-economic backgrounds and live in regional and remote areas.

Another key finding of the report supports a widely held view that young people who stay in school and are able to complete year twelve or equivalent are more likely to earn and/or learn post-school and consequently have better opportunities later in life. This research indicates that the Federal Government will struggle to achieve its target of 90% completion of year 12 or equivalent by 2020 – in fact, in order to achieve its targets we will need to see nationwide improvement at double the rate measured between the 2001 and 2006 census.

Furthermore, despite a period of immense economic prosperity in Australia, the report suggests that there has been insufficient full-time job growth in the youth labour market. This is based on the finding that full-time job opportunities for young people have not kept pace with full-time job growth for older Australians, despite the recent period of economic growth. In light of the current financial climate, young people will be particularly vulnerable. The data indicates that young women may experience difficult times ahead.

Engaging in Education, Training and Work

The proportion of teenagers who are not in full-time education or full-time work has been falling since the mid-1990s. Currently, 13.3% of teenagers between the ages of 15 to 19 years old are not earning or learning. However, the reduction in the proportion of teenagers who are less than fully engaged has been matched by increased participation in education and training, including school, but not by an increase in full-time employment. Among those not in full-time education, females are at greater risk than males of being unemployed, in part-time work or not in the labour force.

For recent school leavers, only three-quarters of them are engaged in full-time work or full-time education in the year after leaving school. Year 12 completion is important to success in the first year following school; school completers are more likely than early leavers to enter further study, and have an advantage entering the labour market, and are also more likely to secure full-time work. About 40 per cent of early school leavers were in part-time work, seeking work or not in the labour force, which is double the rate for Year 12 completers.

The proportions of young adults, aged between 20 to 24 years old, who are not in full-time education or full-time work has also been falling. Over the last decade, this decline has

corresponded with a rise in full-time education but not in full-time work. Only half of all 20 to 24 year-olds work full-time and 28 per cent are in full-time study. Again, in this age group, females are at greater risk than males of being unemployed, in part-time work or not in the labour force, however, they are more likely than males to be in full-time education.

Levels of engagement in work or study and training vary by state and territory, gender, social background, school achievement and attainment. Generally, marginal attachment to the labour force is more common among females and young people from low Socio-Economic Status areas (SES is a composite measure based on parental education, parental occupation and assets in the home). There are also trends towards increased participation in education and training across all age groups. Significantly, however, this has not been matched by an increase in full-time employment.

Educational Attainment

While there have been some recent gains in educational attainment, there is still some way to go. Census measures show that around one in seven 19 year-olds had attained Year 12 or at least an equivalent post-school qualification. 74.8 per cent of 24 year olds had attained Year 12 and/or a post-school qualification at Certificate III-level or higher.

Importantly, social disadvantage promotes lower rates of attainment among some groups of young Australians. 19 year-olds from low SES backgrounds attain Year 12 or its equivalent at a rate 26.1 percentage points lower than that of those from high SES origins. At age 24, well over one-third of those from low SES backgrounds have not completed Year 12 or equivalent, compared to about one in seven of those from high SES backgrounds.

Achievement levels in school also affect attainment, and since school achievement is highly correlated with social background, policies developed to target improvements in Year 12 completion will need to address the issue of social disadvantage. The rate for those from low SES backgrounds is only 58 per cent, and even lower for poor achievers in school, pointing to where the greatest effort is needed.

International comparison of levels of upper secondary attainment in Australia for 25-34 year-olds places Australia at about the average for OECD countries, and substantially lower than countries such as Korea, Sweden, the United States, Canada, New Zealand, Finland and Hungary. There is some evidence to suggest that countries which offer more extensive, well-structured programs of vocational education and training, do better in promoting rates of school completion.

Transitions to the Labour Market

Despite a decline in teenagers opting for the labour force rather than full-time education, full-time employment rates for this group have remained fairly constant. This supports the view that there has been little growth in full-time job opportunities for young Australians over the last 15 years.

Unemployment has fallen, however this has not translated into significant gains in full-time employment; rather, it has mostly been accounted for by growth in part-time work. 4.3% of early leavers and 0.4% of all Year 12 completers (or equivalent) are unemployed or not in the labour force in the seventh post school year period and across most of the seven-year period.

The report has also shown that smooth pathways to full-time work more often involve both study and training. 62% of Year 12 (or equivalent) completers and 58% of early leavers are in full-time

work in their seventh post-school year. Of these, 88% of Year 12 (or equivalent) completers and 72% of early leavers engaged in education and training at some time after leaving school. Only 3% of all Year 12 (or equivalent) completers and 6% of all early leavers got a job immediately on leaving school and have been in full-time work ever since.

However, early school leavers remain the most disadvantaged. Seven years after leaving school, 33% of early leavers are only marginally attached to the labour force and one in 20 have been in that position for most of the time since leaving school. This is in contrast to marginal labour force attachment of 20% for Year 12 (or equivalent) completers in their seventh post-school year.

Broad Implications

Youth transitions from education to employment has been a policy issue in Australia for a generation. However, over this period, multiple national and state initiatives have had modest returns. For example, the strong results of Australian 15 year olds in the OECD PISA studies are not matched by high levels of participation in education and training amongst 17 year olds and amongst older groups. The research also highlights that the Federal Government 2008 Education Budget statement that 3 to 6 percent of young Australians experience a poor transition from schools appears to be a significant under estimate. In order to achieve its targets we will need to see nationwide improvement at double the rate measured between the 2001 and 2006 census.

The need to address this becomes all the more urgent when we can see that the last two economic slowdowns hit those in transition the hardest. It is important to note that the patterns of poor transition vary considerably across social groups and location. The organisation of schooling in Australia can further concentrate propensities for poor transition and weaken capacities to deal with this. However, Commonwealth funding policies over the past decade have not directed resources towards these groups, locations and schools. Rather, resources have tended to go to groups, locations and schools with the lowest capacity for marginal improvements, rather than those areas that have the greatest needs.

The broad framework of 0-8; 8-18; post 18 provides a strong platform for interventions. One of the key recommendations coming out of HYPAF is that early and ongoing intervention is critical. This requires resources to be directed at those programs that have proven to be effective to be directed at those schools and locations where they are needed.

Furthermore, early school leaving needs to be addressed at school and system levels. This requires school level practice and policies to be addressed in combination with funding and other interventions based upon student needs.

Senior secondary curriculum, provision and pathways need enhancing, possibly at a national level. For example, full vocational and applied learning programs (rather than single subjects) appear to have positive results. These implications are unpacked in further detail below.

1.2 Note about HYPAF Methodology

HYPAF draws from a unique set of data and methodology, the results of which provide a detailed picture of young people's transitions from school to work and further education training – particularly those who struggle in making this transition.

HYPAF draws from a range of figures being derived from sources such as the May 2008 Labour Force Survey, LSAY data and the 2006 Census, thus giving the research and detailed and 'fresh' picture of how young people are faring.

2. Implications of How Young People are Faring

2.1 The Policy Context

The Dusseldorp Skills Forum (DSF) first published HYPAF in 1999. This report provides information on the transition of young Australians from school to further study and work. In its first year of publication, HYPAF followed the release by DSF of two seminal reports on the economic and educational situation for teenagers (DSF, 1998) and young adults (DSF, 1999). These two reports, *Australia's Youth: Reality and Risk* (DSF, 1998) and *Australia's Young Adults: the Deepening Divide* (DSF, 1999) were developed in the wake of the radical changes in labour market conditions for young people that took place in the 1980s and the corresponding changes in patterns of participation in education and training. Youth unemployment first emerged on a significant scale in the early 1980s, as a result of the structural changes in the Australian economy that began in the late 1970s. It was accelerated as a policy issue by the international economic recession of the early 1980s and was a major policy agenda for the Hawke Government in the mid 1980s. The collapse in the youth labour market led to rapid increases in school retention rates and rates of transfer from school to post school education and training.

The emergence of structural problems within the Australian economy led to the merging of the issue of youth unemployment and the need for increased skill levels of the Australian workforce. These policies paralleled changes in state and Commonwealth policies that began to favour higher retention rates in schooling and higher levels of participation in post school education and training (e.g. Blackburn, 1985; Dawkins, 1987).

The onset of another and more severe recession in the early 1990s led to the reiteration of the skills agenda and the need for higher levels of participation in education and training. The issue of youth unemployment remained acute and the evidence of the importance of Year 12 completion in underpinning transition from schooling to employment and further education and training underpinned public policy at the state and national levels (Keating, 1994).

The two DSF publications chronicled the radical changes over the previous 15 years in the circumstances faced by young people into the mid 1990s. Most were no longer in full-time work; apprenticeships had diminished as a strong employment entry route; most 17-year-olds were now still at school; there had been a major shift in income away from young people; most young people in full-time education and training were also in part-time work; and the period of transition from the completion of compulsory schooling to full-time work had grown by several years.

By the time of these publications in the late 1990s, Australia had emerged from the effects of the recession and entered a period of unprecedented economic growth - a rate of growth only matched by one or two other OECD countries. Although participation in university education increased and there was some pick up of apprenticeship commencements in the 2000s, rates of school retention did not reach the peak that was attained at the depth of the recession in 1992. The target of *95 percent of 19-year-olds to have completed Year 12, or an initial post-school qualification or be participating in formally recognised education or training* recommended by the

Finn (2001) committee and endorsed by the Australian Education Council was not met and apparently forgotten within policy regimes.

State governments continued to address the issue of youth transition and Year 12 retention rates (e.g. Education Queensland, 1999; Kirby, 2000). Continued national efforts were put into maintaining and building apprenticeships, where Australia wisely had not followed the United Kingdom (UK) approach of effectively dismantling the apprenticeship system in the 1980s (Gospel, 1995).

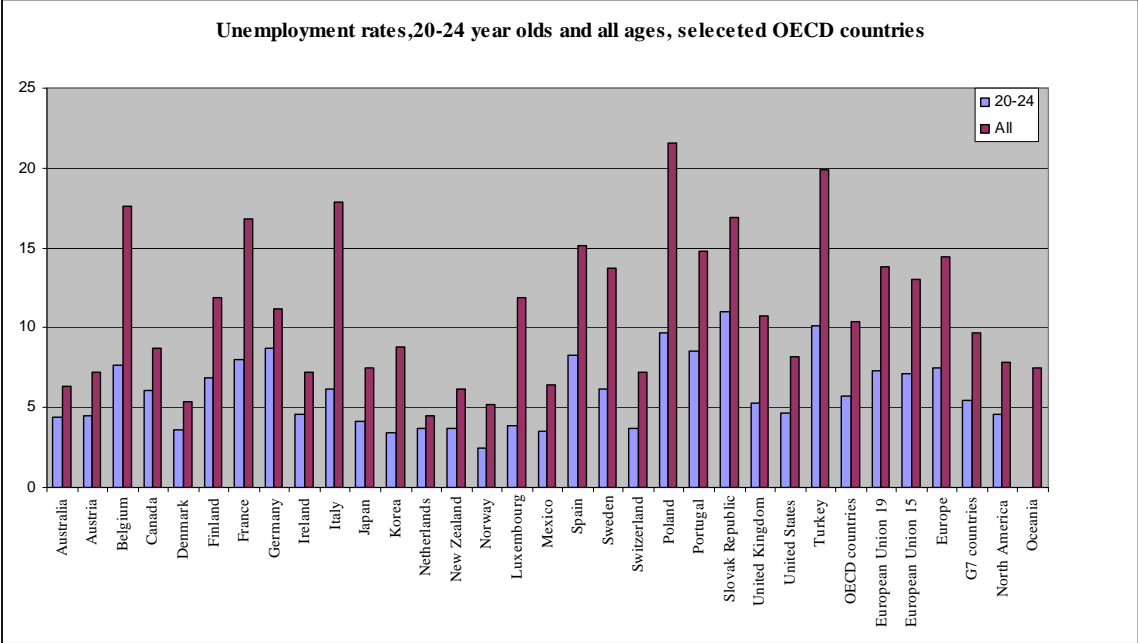
However, the issue of youth unemployment largely disappeared from national policy frames, despite its continued relatively high levels by OECD standards and despite the fact that many young people, especially young women, face highly contingent employment. Australia has the second highest percentage of its workforce in part-time employment after the Netherlands amongst OECD countries. The levels are high amongst young people and especially amongst young women.

The 2008 edition HYPAF has come at another critical point in the history of the post industrial phase of the Australian labour market. The Council of Australian Governments (COAG) has set a goal of *“lifting the Year 12 or the equivalent retention rate to 90 per cent by 2020”* (COAG, 2008). This goal brings together four historic drivers of the policy of increased levels of educational participation and outcomes:

- The reduction of youth unemployment;
- Improved transition from schooling;
- Reducing the risks of long-term social and economic exclusion; and
- Improving the skills base of the Australian workforce.

The performance of the Australian labour market has been strong over the past one and a half decades. This is indicated by the levels of unemployment as shown in Figure 1. Youth and total unemployment are at levels that place Australia amongst the countries with the lowest levels of unemployment. Youth unemployment at a rate of 6.3 percent is at its lowest level for almost three decades. There are good reasons for this as in one sense Australia has had a youth friendly labour market over the past decade. It has had a robust employment market with an unemployment level of 4.3 percent. It has had employment growth in the industries of retail and hospitality where the youth labour market is located. It also has a youth wage that provides incentives for employers to hire young people.

Figure 1: Unemployment rates, 20-24 year olds

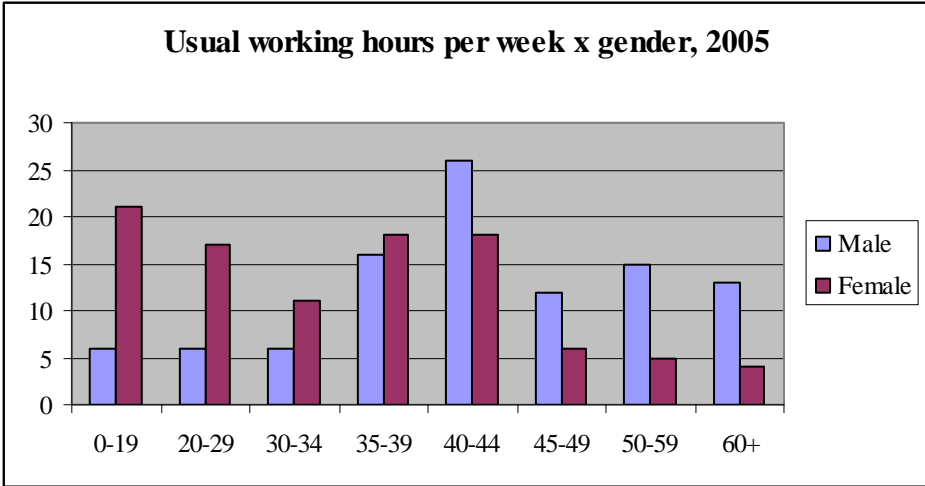


Source: OECD statistics: http://stats.oecd.org/wbos/Index.aspx?DatasetCode=LFS_SEXAGE_I_R

However, the youth friendliness of the labour market needs to be qualified as there has been a continued vulnerability of the youth labour market. This vulnerability is expressed in the continued growth in high levels of contingent employment relative to full-time employment and the fact that since the end of the 1990s recession there has been a continued lengthening of the period of transition from the end of compulsory schooling to entry into full-time employment (OECD, 2005). These trends have been in a context where school leavers who enter the full-time labour market but into part-time jobs remain vulnerable several years later (Polesel, 2007; DETA, 2008). Young women, in particular, remain vulnerable.

Figure 2 below indicates that over 50 percent of women under the age of 35 are working part-time. Although a percentage of part-time workers are voluntary, the percentage of part-time workers who are involuntary is higher in Australia than in any of the other OECD countries for which comparable data are available.

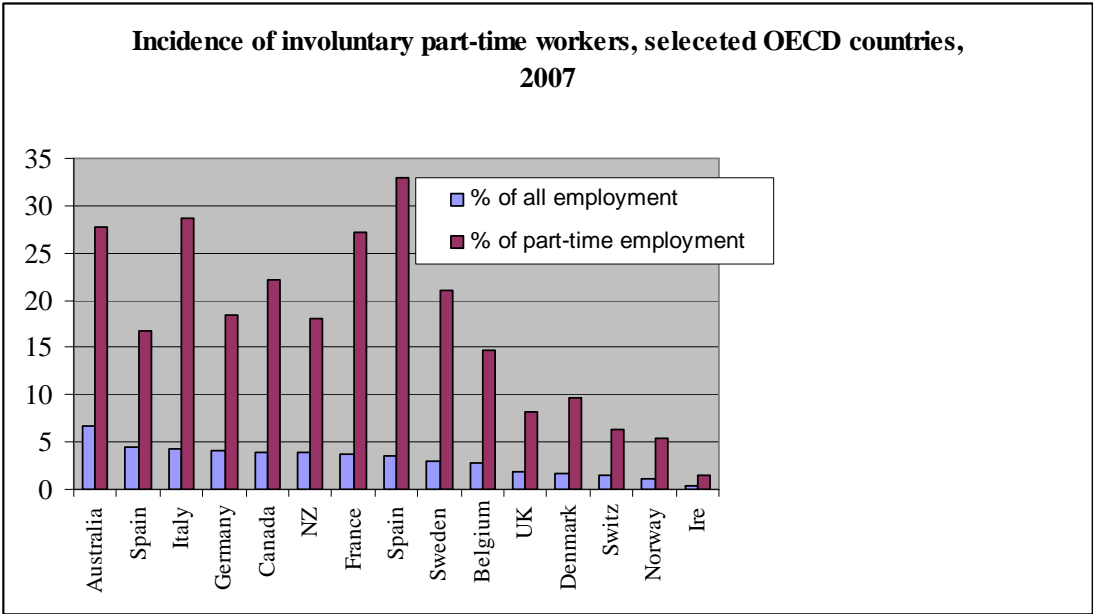
Figure 2: Usual Working hours per week by gender



Source: OECD Online Data Base: http://www.oecd.org/document/34/0,3343,en_2649_33927_40917154_1_1_1_1,00.html

Figure 3 shows that 6.7 percent of all workers in Australia in 2007 were in involuntary part-time work and this compares with the Netherlands where 3.7 percent of all employment was involuntary part-time.

Figure 3: Incidence of involuntary workers



Source: OECD Online Data Base: http://www.oecd.org/document/34/0,3343,en_2649_33927_40917154_1_1_1_1,00.html

Given the concentration of part-time work amongst young people and especially women it can be posited that a high percentage of this age group were in involuntary part-time work towards the end of Australia’s long and record economic boom, and at a time when the complaints from industry and from government about skills shortages were most intense.

The strength of this relationship in Australia and internationally is shown by the data below (Table 1), where those 20-24 year olds without upper secondary education are more likely to be in part-

time employment than those who have completed secondary or post secondary non-tertiary education. Furthermore, this trend extends across both sexes and into the 25-29 year old group. It is even more intense amongst females and in several countries is higher for 25-29 year old females and for 20-24 year old females – although voluntary part-time work may partially explain these patterns for the older age group.

Table 1: Proportion of part-time employment in total employment for selected groups not in education (2002)

	20-to-24-year-old males without upper secondary education	20-to-24-year-old females without upper secondary education	20-to-24-year-old males with upper secondary or post- secondary non-tertiary education	20-to-24-year-old females with upper secondary or post- secondary non-tertiary education	25-to-29-year-old males without upper secondary education	25-to-29-year-old females without upper secondary education
Australia	10.8	28.7	8.2	15.8	8.4	36.1
Belgium	8.5	33.4	4.1	30.0	6.1	54.2
Canada	15.3	34.3	11.3	23.2	5.6	19.3
France	9.3	36.6	4.4	29.0	7.0	34.3
Germany	8.2	34.9	2.4	11.8	9.1	42.0
Italy	2.4	10.0	4.9	13.4	3.6	16.1
Netherlands	13.3	54.3 5	11.4	41.3	7.3	65.
Poland	-	25.3	6.6	17.8	7.4	18.4
Sweden	-	21.7	7.3.	23.3	-	26.3
Spain	2.6	13.6	4.4	12.0	1.5	16.8
UK	-	50.4	5.0	23.2	15.4	60.2
USA	15.6	33.8	13.1	22.3	9.3	29.1
Total	9.0 3	26.0	8.2.	19.3	5.8	26

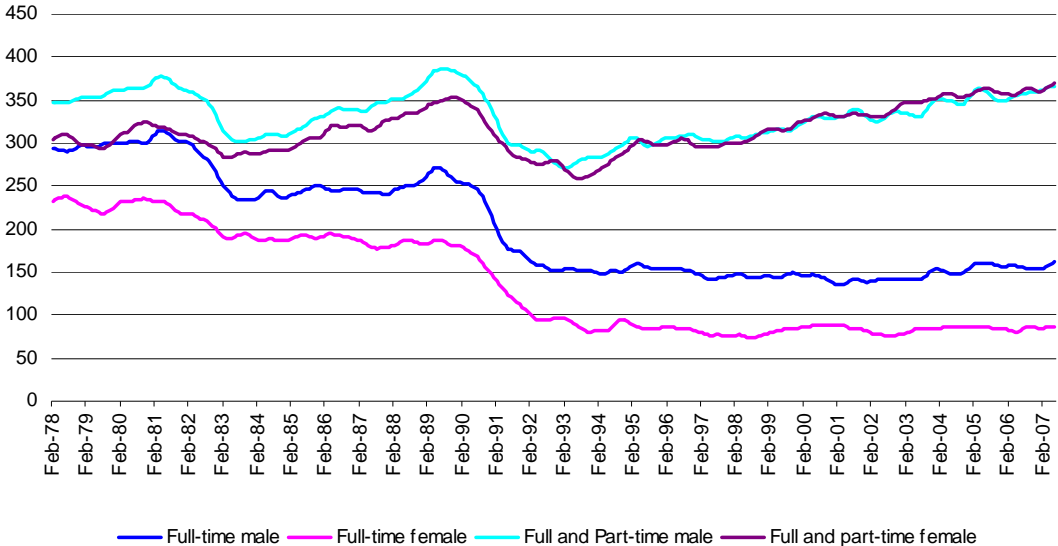
Source: OECD, 2005, Table 4.12.

2.2 The Potential Impact of Economic Instability

The prospective economic down turn brings the four drivers of youth employment and education policy into sharper relief. The experience of the past two economic downturns has placed unequal pressures upon the youth labour market, and this section of the labour market has been the last to recover at the end of the downturns. Furthermore, the full-time labour market does not recover and female youth labour continues to decline. These patterns are demonstrated in Figure

4 which shows the absolute levels of teenage employment across Australia over the past three decades. The exchange of full-time for part-time employment has been intense over this period.

Figure 4: Employment numbers for 15-19 year olds, Australia, 1978-2007.



Source: ABS, Cat. No. 6202.0.

The developing international and economic climate serves to emphasize the continued relevance of the four youth education and training policies. Despite the strength of the economy and the overall labour market it has been the education and training sector that has been the primary location for young people over the past decade, and the decline in the levels of youth unemployment are explained totally by the growth in full-time education and training.

The early impact of the current economic situation on the Australian labour market has been a growth in part-time employment, but at the expense of full-time employment, as well as a decline in workforce participation (ABS, 2008). This is an intuitive trend and is likely to be followed by further shedding of full-time employment and an overall increase in unemployment. This will almost certainly put pressure upon the education and training sector and raise challenges for how young people fare in their transition from compulsory schooling to employment.

2.3 Lessons from the past

In the post war period Australia has experienced two sets of labour market shocks that have impacted upon education and training. Although the recession of the early 1980s was less severe than that of a decade later, it had a more profound impact upon education and training. It resulted in a rapid increase in upper secondary participation and completion rates and contributed to policy decisions for a major expansion in tertiary education. The economic contexts of the early 1980s and the associated policies of structural reform of the Australian economy also underpinned the reforms to the Australian vocational education and training (VET) system, including support for the maintenance of the apprenticeship system and the establishment of traineeships. These events also laid the foundation for near universal acceptance of the policy of increased Year 12 completion and the need for young people to develop skills that would facilitate entry into

employment. All states and territories reformed their upper secondary certificates. Curiously, these developments led to a weakening of applied and vocational learning in schools. The common awards of the upper secondary certificate became mainly academic in orientation and the last of the junior technical schools (in Victoria) disappeared. Apparently contradictory policy directions were being taken in the schools sector with its academic orientation and the VET sector with strong, and relatively successful efforts to maintain apprenticeships and build traineeships.

Apparent Year 12 retention rates peaked at 82 percent in 1992 and then dropped significantly into the mid 1990s. Given that youth unemployment remained high during this period¹ and that the youth labour market continued to shed full-time labour it seems likely that the school system faced difficulties in adjusting to the demand to retain more students until the end of Year 12. At the same time the national VET reforms led the Australian VET system and the TAFE sector strongly in the direction of an industrial training system with a strong degree of separation from secondary education.

From the mid 1990s VET in Schools (VETiS) began to expand. The foundations for VET in schools came mainly from school based initiatives, supported at the time by external agencies such as the DSF, and by the provision of Commonwealth funding that was initially through the AVCTS (Australian Vocational Certificate Training System) pilots (Curriculum Corporation, 1995).

The two decades of the 1980s and the 1990s can be described as laying the foundations for youth transition in Australia through radical changes to the youth labour market and the settlement of the Australian model of post compulsory education and training, respectively. The changes to the youth labour market have been enduring in the dominant features of mainly part-time work and the dominance of the retail and hospitality industries and in a continued trend towards contingent employment. The changes in education and training saw the consolidation of the common upper secondary awards with integrated VET provision, the industrial training model, and a tertiary education sector based upon the unified university model.

It is the interaction between the labour market and the education and training system that largely determines the patterns of youth transition and the opportunities for youth. There have been some government interventions into the labour market. These are mainly through efforts to strengthen the apprenticeship system and the continued support for traineeships. Most interventions, however, are directed at the education and training system and these interventions can be grouped around the three sets of targets for Year 12 or its equivalent: the Finn target of 1991; the targets of 88 percent and 90 percent set by Queensland and Victoria in 1998 and 2000, respectively; and the COAG target set in 2007.

Following the Finn report there were national efforts to build employment related competencies into education and training programs (Meyer, 1992), initiatives to strengthen school-industry links and workplace learning for secondary school students (Keating, 1994), and initiatives to link entry level training with school education (Carmichael, 1992). From the late 1990s, most state governments supported initiatives to strengthen guidance support for students and to network providers and other agencies in order to strengthen program provision. These initiatives have continued through the current decade and the Commonwealth Government, under both Coalition

¹ For example in September 2003, 21.6 per cent of 15-19 year olds were unemployed (Muir et al, 2003)

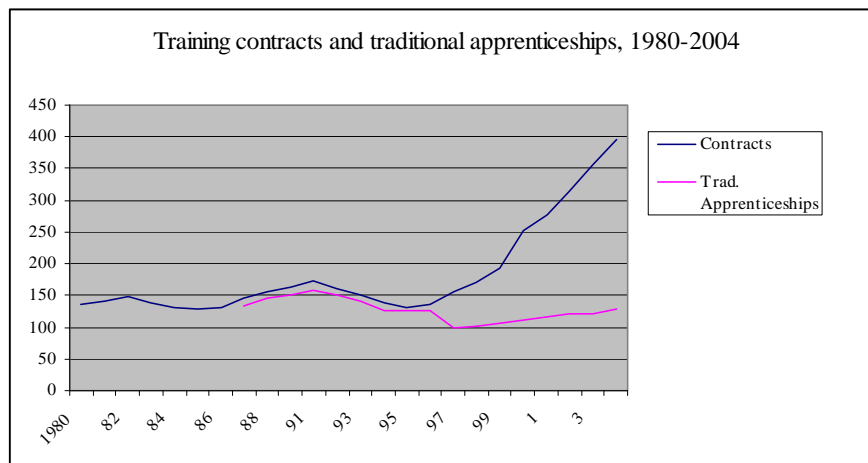
and Labor administrations, has emphasised the skilling or human capital agenda and has directly invested in vocational colleges and trade training centres in schools.

Trends in the Youth Labour Market and the Role of Education and Training

The broad patterns that have been set through past trends in the youth labour market and the trajectory of the education and training system suggest the following:

- Full-time employment for youth and young adults declines in periods of economic downturn and does not recover, especially for young women. Therefore, it can be expected that the projected and immanent economic downturn will result in an overall fall in full-time youth employment that is unlikely to fully recover, and a fall in overall employment amongst teenagers and young adults. Part-time employment should recover for both age groups when economic growth returns.
- Therefore there is likely to be a long-term pattern of further exchange of full for part-time employment within the youth and young adult labour markets.
- Apprentice commencements have fallen in the past two periods of economic downturn. This seems likely to occur in the immediate context. On the other hand, the apprenticeship system should not be subject to the shocks that it suffered in the 1980s and early 1990s when large scale enterprises and especially the state government owned utilities shed large numbers of apprentices. The trends through these two decades are shown in Figure 5, which shows falls in the numbers of traditional apprenticeships in the two recessions and small rises in the subsequent years.

Figure 5: Training contracts and traditional apprenticeships



Source: NCVET data base.

- Areas of highest unemployment levels also have tended to be areas of lowest levels of participation in education and training. While there has been an overall inverse relationship between the levels of full-time teenage and young adult employment and participation in full-time education and training, this has not been the case on an area basis. Areas where community stress is the highest will typically have high levels of unemployment and high levels of early school leaving (Vinson, 2005).

- The TAFE sector has tended to play a compensatory role in full-time education for school age students. A proportion of early school leavers do attend TAFE on a full-time basis. While the levels are significant, they are not large and as indicated in Table 2 the vast majority of 16 and 17 year olds who are in full-time education are in schools. Nevertheless there are several examples where a TAFE institute is the largest single provider of upper secondary providers in a region, such as Kangan Batman TAFE in the Western Metropolitan region of Melbourne.

Table 2: Percentage of full-time students enrolled across different sectors, 2006

	15 years		16 years		17 years		18 years		19 years	
	All	F/T	All	F/T	All	F/T	All	F/T	All	F/T
Schools	98.2	98.9	90.9	96.8	84.8	90.4	31.1	36.8	4.3	4.9
TAFE	1.1	.6	8.4	2.4	9.9	4.7	26.6	15.9	32.1	19.2
University	0.1	0	0.3	.1	4.1	4.1	39.4	45.3	61.7	73.8
Other	0.6	.4	0.6	.7	1.2	.8	2.9	2.0	2.0	2.1

Source: 2006 Census.

In recent years, in the context of a strong labour market, the percentage of Year 12 graduates who enter post Year 12 VET courses (Certificate IV and above) has fallen by about 25 percent. These trends are shown in the Victorian school leavers survey (Table 3) and they correspond with similar data from the Queensland school leavers survey (DETA, 2008).

Table 3: Destinations of Year 12 completers, by cohort year and gender, 2002–2006 (percent)

Destination	2002 cohort			2006 cohort		
	M	F	All	M	F	All
University	36.7	44.3	40.8	44.6	49.8	47.4
VET Certificate IV+	20.5	19.2	19.8	14.4	15.3	14.9
Entry-level VET	6.9	7.0	7.0	4.37	3.88	4.1
Apprentice/Trainee	8.3	3.9	6.0	10.7	5.95	8.1
<i>Education & training (sub-total)</i>	<i>72.4</i>	<i>74.4</i>	<i>73.6</i>	<i>74.1</i>	<i>74.9</i>	<i>74.5</i>
Employed	21.9	20.2	21.0	21.8	21.7	21.7
Looking for work	5.7	5.5	5.6	4.13	3.42	3.7
<i>Not in education or training (sub-total)</i>	<i>27.6</i>	<i>25.6</i>	<i>26.4</i>	<i>25.9</i>	<i>25.1</i>	<i>25.5</i>
Total	100	100	100	100	100	100

Source: On Track, 2007 database.

- The vast majority of young people choose either full-time education or training or full-time employment. As HYPAF shows, there is only a small number of teenagers and young adults

who are in part-time work and part-time study. Nearly all young people want to be fully engaged in either study or work.

Past Responses Across Education Sectors

There have been remarkably few policy outliers from the policy responses outlined above.

Across the *school sector* the common certificate frameworks have been relatively stable, apart from some recent innovations in Victoria, South Australia, Queensland and Tasmania. The impact of these changes cannot yet be measured. VET in Schools programs have been based upon the VET Training Packages and have been integrated into the senior secondary certificates in various ways. They remain essentially minor elements of the provision.

There has been some limited introduction of specialist schools, with the recent development of the Tasmanian Polytechnics being the most adventurous. All states and territories have some senior (Year 10/11-12) colleges, and they are the standard model in the NT, ACT and Tasmania. The relative effectiveness of the different models of secondary provision is unclear (Keating et al, 2006).

Victoria provides the most radical innovation within the school sector with the introduction of the Victorian Certificate of Applied Learning (VCAL). This program combines core, VET and workplace learning and has grown from its inception in 2003 to about 15,000 enrolments in 2008. This constitutes about 15 percent of the upper secondary market. Its impact upon Year 12 retention rates is unclear, although it seems likely that it has had a positive impact (Keating and Noonan, 2007). Victoria has the highest levels of Year 12 retention and Year 12 or its equivalent completion amongst 19 year-olds of all the states. However, this has mostly been the case for several decades. On the other hand, the rate of recent growth in the level of attainment of Year 12 or equivalent was more rapid than in the other states, with the exception of Tasmania. Vickers (1995) in her study of the senior secondary awards during the 1980s concluded that a diversity of awards was conducive to higher rates of school retention.

Table 4: Attainment of Year 12 or equivalent qualification (Certificate III level or higher) for 19 year-olds: 2001 and 2006 (percent)

	2001	2006
	percent	percent
New South Wales	66.7	70.4
Victoria	67.7	74.4
Queensland	71.5	73.6
South Australia	62.5	66.2
Western Australia	65.1	68.6
Tasmania	56.8	62.0
Northern Territory	34.5	41.1
ACT	78.1	81.2
Australia	67.0	71.3

Source: HYPAF Table 15.

The *VET sector* has maintained and reiterated its focus upon industry skill needs and the industry training model. The National Training Packages have now been in place for more than a decade and the planning models for the expenditure of public training funds are strongly linked to projections of industry skills needs. While TAFE does provide a parallel provision for school age students and remains an important destination for school leavers it does not appear to have significantly intensified these roles over the past decade.

There are other important innovations including the education precincts that have been build upon TAFE provision in WA, NSW and Queensland, and the TAFE run colleges for school age students at Bradfield (Sydney) and Holmesglen (Melbourne). Some elements of the TAFE sector are establishing degree based courses, and the most radical model is possibly the Tasmanian polytechnics that combine senior secondary education and adult and further education in the one institution.

The Dawkins model in the *higher education sector* has held together for two decades. There clearly are some pressures upon this model, with the continuing internal pressures for the allocation of research funds, and the market pressures of a significant growth in non-university degree awarding providers. The existence of campuses of interstate regional universities in the major Australian cities is also an indication of the market pressures.

It seems likely that higher education will continue to mutate. The extent to which this mutation will extend across the VET/TAFE sector and possibly the school sector is unknown. It does seem likely that further changes will continue. In the short-term, they are unlikely to have a major impact upon the standard transition model of the completion of Year 12 in a generalist secondary school and transfer into a full-time tertiary course (mostly university) or full-time work.

However, the 'transition issue' is located mainly amongst those young people who do not participate in this model. The standard or dominant model is relatively entrenched with a significant clientele and no state government has considered any fundamental changes to core elements of this route: mainly academic studies in a general secondary school, a ranked assessment score, and university entry. Innovations to address the issue of those young people who are not faring well need to work around or accommodate this standard model.

2.4 What HYPAF data are showing

The topic of student transitions raises the question of what constitutes a good or secure transition. The evidence of the importance of education for future life chances has been consistent for well over two decades. People who complete higher levels of education are more likely to gain and maintain full-time employment and have higher income levels throughout their lives. OECD comparative data (OECD, 2008) suggest that people with degree level qualifications will have private rates of return of about 150 percent compared with people with a secondary qualification only. Long and Chah (2008) conclude that studying in VET is a worthwhile investment with the highest returns being for the higher level qualifications. There also are strong correlations between levels of educational attainment and patterns of longevity, physical and mental health, and incarceration (Feinstein, et al, 2008).

Youth transition might be considered as just one stage in young people’s progress into adult working and social life. However, there also are strong links between patterns of initial and further education and training (OECD, 2005), so that the platform of school and immediate post school education and training is an important foundation for future life chances. A key strategy for lifelong learning is to establish patterns of strong initial education, including its wide distribution (OECD, 2003). School funding systems in Australia are now recognising student family educational background and occupations as the main social and economic factor that influences educational outcomes. In a similar manner parental backgrounds have a strong influence upon patterns of lifelong learning (Gorand, 1998).

Young people who have high levels of achievement at school have the highest propensity to undertake immediate post school education (DETA, 2008; Polesel, 2007). Levels of achievement in this sense are relative measures so that one young person’s scholastic success and secure transition is at the expense of another’s lack of success. However, it also is possible that an overall increase in the level of scholastic attainment (including Year 12 completion can) strengthen the overall transition experiences of a given cohort of young people.

This appears to be the case on two levels. First Year 12 completers who do not enter full-time study have stronger patterns of full-time employment in the short-term and medium term than early school leavers. The short-term results are shown in Table 5, which indicates a higher proportion of early school leavers in part-time work or seeking work. The medium term results are indicated in longitudinal surveys such as the Victorian On Track survey of school leavers (Polesel, 2007).

Table 5: Labour market destinations of persons aged 15 to 24 not in education or training who left school in 2006, by school leavers' highest year of school completed, Australia, May 2007 (percent)

Highest Year of School completed	Full-time work	Part-time work	Seeking work	Not in labour force	Total not in education	
					percent	
Yr 12	17.6	13.3	3.8	4.0	38.7	100.0
Yr 11	21.9	12.4	15.3	18.0	67.5	100.0
Yr 10 or below	16.6	14.3	15.7	17.1	63.7	100.0
Total	17.8	13.4	7.2	7.9	46.4	100.0

Source: HYPAF Table 10.

Longer term results are consistent with these patterns and are relatively consistent across OECD and European Union countries as indicated in Table 6.

Table 6: Unemployment rates and educational attainment, by gender (2006), Number of 25-to-64-year-olds in unemployment as a percentage of the labour force aged 25 to 64, by level of education attained and gender

		Primary	Secondary	Tertiary type B	Tertiary type A
Australia					
	Male	7.8	3.3	2.0	2.0
	Female	6.7	4.2	2.8	2.4
OECD					
	Male	14.7	5.0	3.1	4.9
	Female	16.2	6.5	3.9	6.1
EU 19					
	Males	18.5	5.0	3.3	5.6
	Female	20.8	6.9	4.2	7.4

Source: OECD, 2008, Table A8.2a.

The second effect is that the level and distribution of secondary school completion is a key factor in the economic strength and resilience of regional economies (OECD, 2001).

Therefore it is suggested that there are two criteria for young people to fare well in their transition from education and training:

- The achievement of full-time and worthwhile employment; and
- Participation in or completion of at least secondary education or its equivalent.

There are three obvious questions that apply to these criteria:

- *Is it necessary for young people to have both completed Year 12 or its equivalent and to have gained full-time employment within a few months of completion?* The evidence would suggest that it is not necessary, but preferable. The medium and long-term prospects for full-time employment are increased with higher levels of education (Polesel, 2007).
- *Do some young people choose to only work or study part-time?* While voluntary part-time work increases for people over the age of 24, especially for women, the levels for young people are low. Table 7 indicates that only 1.1 percent of teenagers are in this category and the figure for young adults is similar.

Table 7: 15 to 19 year-olds not in full-time education or full-time work, 12 and those combining part-time work and part-time study, Australia, May 2007 (percent)

Age	percent
15	0.1
16	0.5
17	1.4
18	2.1
19	1.3
15-19	1.1

Source: HYPAF Table 6.

- *Do some early school leavers enter full-time and worthwhile employment?* Obviously there is a large number of early school leavers who enter full-time work and in many of these cases the work is worthwhile, especially for apprentices. However, early school leavers who enter full-time work are more vulnerable than Year 12 completers who enter full-time work. Their likelihood of future unemployment or contingent employment is greater. The structure of a youth labour market, including a youth wage, which is conducive to part-time teenage employment makes teenagers in full-time work more vulnerable when they reach adulthood.

Based upon the data in HYPAF, and reinforced by international trends, it would seem that the objective of increasing the percentages of young people who complete Year 12 or its equivalent is a sound policy setting. Of course not all Year 12 completers fare well. However, the data do indicate that there are significant differences in the patterns of destinations for Year 12 completers and early school leavers.

3. Policy Implications of HYPAF

Policy implication 1

The findings of HYPAF backed by other data indicate that the target for 90 percent of young people to complete Year 12 or its equivalent is well justified and a useful objective for post 14 education and training policy in Australia.

Trends in participation

The HYPAF report needs to be considered within the historical setting. It both represents a point in time analysis of the situation for young people and the historical trends. Transition is also a process of movement from full-time education into full-time employment. A common feature of this process has been the extension of the time period of this process. The OECD 2001 study on youth transition reported that the period of transition from the end of full-time schooling to the time when most young people had gained full-time employment had grown during the 1990s by over a year in most OECD countries and by almost two years in some, including Australia. This increased period had been mostly taken up with an extended time in full-time education.

These trends have continued into the next decade. Table 8 indicates that in 2006, 29 year olds had spent 6.8 years in full-time education compared with a period of 6.0 years for 29 year olds in 1998. There are similar trends across the OECD and the European Union 19 countries.

Table 8: Expected years in education and not in education 15-29 year olds

	Australia		OECD average		EU 19 average	
	1998	2006	1998	2006	1998	2006
In education	6.0	6.8	6.2	6.8	6.4	6.9
Not in education	9.0	8.2	8.8	8.2	8.6	8.1

Source: OECD, 2008, Table C4.1b.

These trends are consistent with the findings of HYPAF that despite the strength of economic growth in Australia over this period the levels of full-time employment have been static. It has been the responsibility of the education and training sectors to provide destinations for young people in the context of the continued weakening of full-time employment. The education and training sectors have been relatively successful in this regard as the percentage of 15-19 year olds who are not engaged in either full-time work or full-time study has fallen from 16.9 percent in 1992 to 11.4 percent in 2008 (HYPAF, Figure 5).

However, the impact of the extension of the transition period and the increased investment in post school education and training raises issues of costs. These are the direct costs of providing and participating in courses and the opportunity costs for the participants. Australia has relatively high levels of private investment in both school and tertiary education as indicated in Table 9.

Table 9: Relative proportions of public and private expenditure on Primary, secondary and post-secondary non-tertiary education and tertiary education (2000, 2005)

	Public sources				Private sources			
	School & post school – non tertiary		Tertiary		School & post school – non tertiary.		Tertiary	
Year	2000	2005	2000	2005	2000	2005	2000	2005
Australia	84.4	83.6	51.0	47.8	15.6	16.4	49.0	52.2
OECD average	-	91.5	78	73.1	-	8.5	12	26.9
EU 19 Average	-	93.8	85	82.5	-	6.2	15	17.5

Source: OECD, 2008, Tables B3.2a, B3.2b.

High levels of family investment in secondary education (including voluntary fees in government schools), high levels of private investment in tertiary (mainly university) education, and an

extension of the transition period – including the extension of university studies – create significant family cost pressures. These pressures are exacerbated for families that live outside of the state capital cities.

As a consequence, Australia's tertiary education system has become increasingly dependent upon the availability of part-time work as a means of supporting young people in tertiary education.

Policy implication 2

The data on trends in the youth labour market, participation in post school education and training and investments in education and training indicate that the availability of part-time work is a critical resource for young people in education and training.

Enrolment trends

HYPAF provides a variety of data on enrolment trends amongst youth and young adults in education and training. Because these data come from different sources, and for definitional reasons, there is a degree of inconsistency in the data. Apparent school retention rates were 74.3 percent in 2007, a figure that is still below the peak reached in 1992 in the context of the economic recession. On the other hand in 2008, 70.1 percent of 15-19 year olds were in full time education, and this is the highest level that has been reached. It also has been reached in the context of a relatively stable percentage of the age group in full-time work of between 16 percent and 16.6 percent over the past decade. These increased levels of participation are in both school and non school based education. The percentage of 15-19 year olds in schools has risen over the past decade from 50.6 percent to 51.9 percent.

Amongst young adults there has been an increase in participation in full-time education from 18.3 percent to 28.4 percent over the past decade (Table 14) and a corresponding fall in unemployment from 7.3 percent to 3.9 percent. The levels of part-time work and those not in the labour force or education have been relatively stable.

The data suggest that the growth in levels of participation amongst young adults over the past decade has been quite strong. However, this has not been matched by the rate of growth amongst teenagers. One reason for this could be that the growth in levels of teenage participation is more difficult given its much higher base levels of participation. Under these circumstances, achieving marginal increases will be harder amongst 15-19 year olds. This may be the case when OECD comparisons are considered. Table 9 shows changes in levels of participation amongst teenagers and young adults between 1998 and 2006 in Australia, compared with the averages for the OECD and EU 19 countries. Growth patterns are consistently higher for young adults.

On the other hand, Australia's benchmark should be the EU 19 countries rather than the OECD average given the respective membership of the two groups.² When these comparisons are made, the levels of participation are especially low in Australia amongst teenagers. It also can be observed that percentages of teenagers who are unemployed or are not in the labour force are similar to the EU 19 levels, so that the differences are located in higher levels of employment in Australia. In 2008, 6.6 percent of teenagers in Australia were not in full-time education and in

² The OECD includes Mexico and Turkey, which are relatively low income countries with large populations. As a consequence they bring down the OECD averages in most measures of educational participation and outcomes.

part-time work. The levels of young adults in Australia who were unemployed or not in the labour force were lower than the EU 19 averages.

Table 10: Trends in the percentage of the youth population in education and not in education (1998-2001)

	Australia		OECD average		EU 19 average	
	1998	2006	1998	2006	1998	2006
15 – 19						
In education	77.3	79.5	79.6	80.6	83.1	84.2
Employed	13.8	13.0	11.5	11.2	8.7	8.6
Not employed	8.8	7.6	9.2	8.8	8.2	7.5
20-24 year olds						
In education	32.7	36.5	35.0	37.0	36.8	38.7
Employed	51.3	49.6	46.8	46.4	44.9	45.1
Not employed	16.0	13.9	18.2	17.1	18.3	16.2

Source: OECD, 2008, Table C4.4a.

OECD data need to be treated with some caution as it can be seen that there are variances with the data reported in HYPAF. However, it would appear that levels of teenage participation in education are relatively weak and that the rate of growth is not strong in Australia.

Further evidence for this is suggested in Table 11. It compares levels of full and part-time participation in formal education and training for teenagers, 20 – 29 year olds and 30-39 year olds in Australia with OECD and EU 19 averages. While the teenage average for Australia is above those for the OECD, it is below that of the EU 19. It also can be observed that the levels of participation for the other two age groups are considerably higher than for both the OECD and the EU, confirming the strong levels of adult participation in education and training in Australia (OECD, 2005).

Table 11: Full-time and part-time students in public and private institutions

	15 to 19 as a percentage of the population aged 15 to 19	20 to 29 as a percentage of the population aged 20 to 29	30 to 39 as a percentage of the population aged 30 to 39
Australia	82.7	33.2	13.8
OECD average	81.5	25.1	5.7
EU 19 average	84.9	25.1	5.1

Source: OECD, 2008, Table C2.1.

As indicated in Table 2 Australia has a high proportion of its full-time Year 12 or equivalent students in schools. This compares with other countries that have sizable Year 12 or equivalent age student enrolments in further education colleges, technical colleges, community colleges and polytechnics.

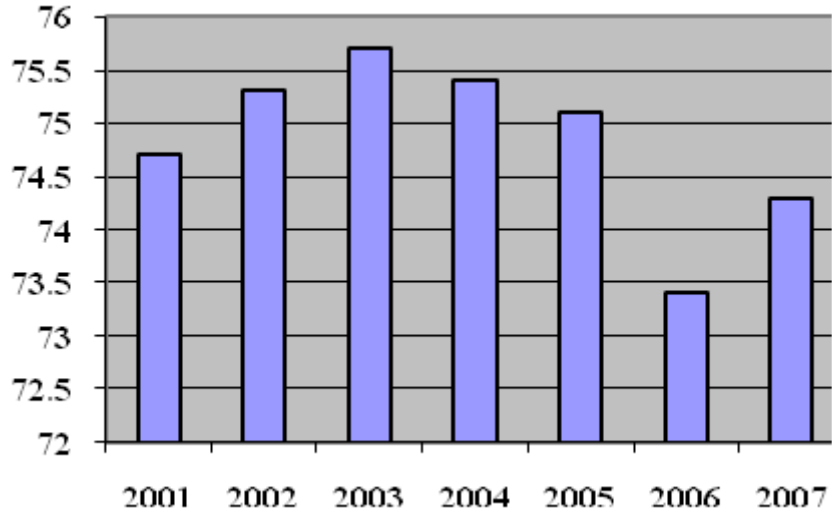
The trends in Year 12 retention rates, the data on levels of and growth in teenage participation in education and training, comparisons with similar data for young adults, and international comparisons suggest that Australia may face some difficulty in its reliance upon the school based model to achieve the COAG target.

Policy implication 3

The growth in teenage education and training participation has been modest over the past decade. Given the centrality of school education for this age group in Australia there are possible implications for its provision and program (including qualifications) models.

The COAG goal for 2020 is for retention rates to Year 12 or its equivalent to reach 90 percent. In 2007, apparent school retention rates were 74.3 percent and the trends since 2001 are shown in Figure 6. In 2007, 9.1 percent of teenagers were undertaking apprenticeships and traineeships, and this percentage has grown from 5.4 percent over the previous decade. Amongst those in full-time education and training, a further 2.4 percent of 16 year olds and 4.7 percent of 17 year olds were enrolled in TAFE in 2007.

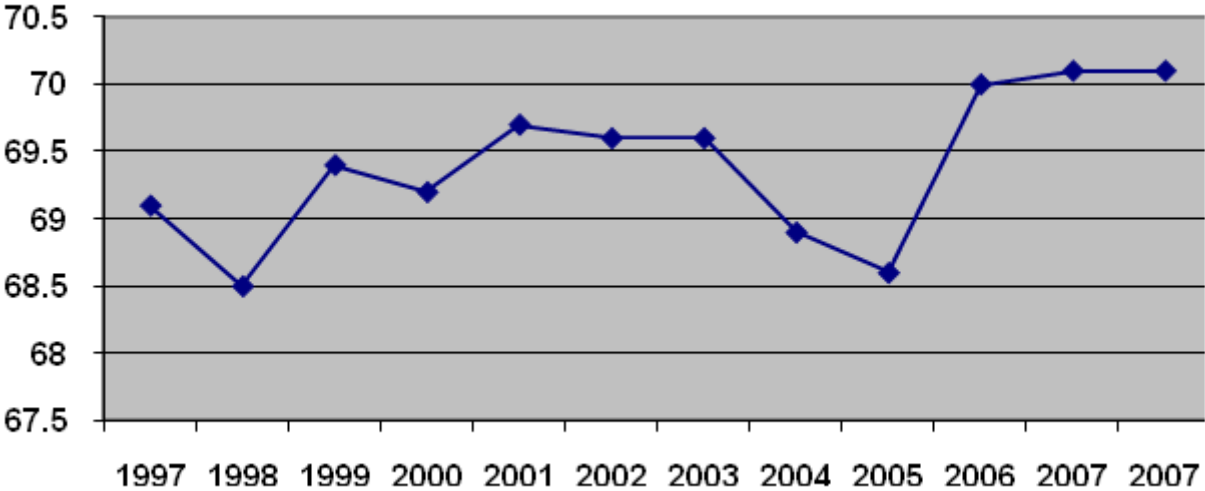
Figure 6: Apparent retention rates 2001-7



Source: ABS Schools Australia, Cat. No 4221.0

Apparent retention rates give an over estimation of retention because they do not control for grade repetition and the inflow (and out flow) of students, including international students. The trends of Year 12 retention, combined with trends in TAFE enrolments and apprenticeship and traineeship growth, is modest but positive. This trend is confirmed by the Labour Force survey data that shows a 1 percent increase in teenage participation in full-time education and training over the past decade (Figure 7).

Figure 7: 15 to 19 year-olds in full-time education or full-time work, 1997-2008 (percentage)



Source: HYPAF Figure 6.

An economic downturn is likely to lead to an increase in school retention rates and possibly an increase in school age enrolments in TAFE. On the other hand it also is likely to have a negative impact upon apprenticeship commencements.

Policy implication 4

It is likely that Year 12 and its equivalent retention rates will continue to increase in Australia. However, upon the basis of trends over the past decade, it will be difficult to achieve the COAG target of 90 percent by 2020 in the absence of significant policy interventions.

Attainment

There have been debates over what is the equivalent to a Year 12 certificate. The Australian Qualifications Framework offers no assistance on this matter and the only benchmark is the crossover between the VET and schools sector with VET in Schools (VETiS) programs. Most VETiS programs are Certificate II level, although there are a number of Certificate III programs. The difficulty in aligning cert. IIs with year 12 is that most VET certificate IIs are one subject amongst five or six in year 11. On the other hand the Senior Secondary Certificates are broad qualifications that accommodate a wide range of learning levels.

Most apprenticeships and a majority of traineeship qualifications are Certificate IIIs. This again shows the anomalies in Australian qualifications given the respective entry and completion demands of the two sets of programs. Broadly therefore it would be a safer and more honest measure to designate Certificate IIIs as equivalent to Year 12.

Policy implication 5

The COAG target of retention to Year 12 or its equivalent indicates the limitations of the Australian Qualifications Framework in benchmarking qualifications levels.

The ABS Survey of Education and Work estimates that in 2007, 82 percent of 20 to 24 year-olds had Year 12 or a Certificate III or above, and this had risen from 81 percent in 2001. The Census data, however, indicates that in 2006, 74.8 percent of 24 year olds had achieved this level and that this had risen from 72.8 percent in 2001. The Census indicated that 71.3 percent of 19 year-olds in 2006 had achieved Year 12 or its equivalent, and that about 5 percent of the 24 year-old cohort had not gained a Year 12 Certificate but had gained a Certificate III or above since the age of 19. The differences in the results between the two data sets are significant and will be due to issues of sampling, return rates for the surveys, and the ways in which participants answer the questions.

As detailed in HYPAF, there are variations in levels of participation and attainment across states and territories, regions, gender and social groups. Broadly, indigenous students and students from rural and remote regions, and low socio economic status regions and households are less likely to complete Year 12 and enter post school education and are more likely to face unemployment and patterns of contingent employment. Although young women are more likely to complete Year 12 and undertake post school study, the consequences of early school leaving are much greater for them as they face a labour market that is less receptive to them.

The data provided in HYPAF provide guidance on where the effort needs to be made to achieve the COAG targets and those that have previously been set by state governments. The capacity for marginal returns on investments in areas and amongst populations where there are low rates of

Year 12 participation and completion will be greater than in areas and amongst populations where there are high rates.

Over the past decade the level of public investment in education in Australia has been modest. However, public investment in schooling in real terms has increased. This has been through increased state government investments mainly in government schools (at an annual rate of 2.1 percent per student between 2001-2 and 2005-6) and increased Commonwealth government expenditure in non-government schools at an annual rate of 2.8 percent per student over the same period (Productivity Commission, 2008). Levels of private (mainly fee based) funding are more difficult to locate. They have increased in absolute terms, and this is due to a combination of non-government school enrolments, growth of voluntary fees in government schools, and an increase in the proportion of medium and high fee non-government schools.

Student – teacher ratios in secondary education have dropped from 12.9 to 12.3 in government schools and from 12.8 to 11.9 in non-government schools over the decade 1997-2007 (ABS, 2008). Over the decade 1996-2006 non-teaching staff in government schools increased by 42 percent compared to a growth in students of 1.7 percent and by 72.4 percent in non-government schools compared with a growth in students of 21.9 percent (McMorrow, 2008). Over the same period student teacher ratios fell by 0.6 percent in government schools and 0.9 percent in non-government schools (Productivity Commission, 2008). Data on the growth in public and private investment in government, Catholic and independent schools are summarised in Table 12.

Table 12: Changes in public and private investment in government, Catholic and independent schools, 1999-2006

	Government		Catholic				Independent			
	Public		Public		Private		Public		Private	
	Amount	% increase	Amount	% increase	Amount	% increase	Amount	% increase	Amount	% increase
1999-2000	6358	-	4525	-	1754	-	3251	-	5546	-
2005-2006	11243	76%	9409	108%	2638	50%	6464	99%	7824	41%

Source: MCEETYA, 2000, 2006.

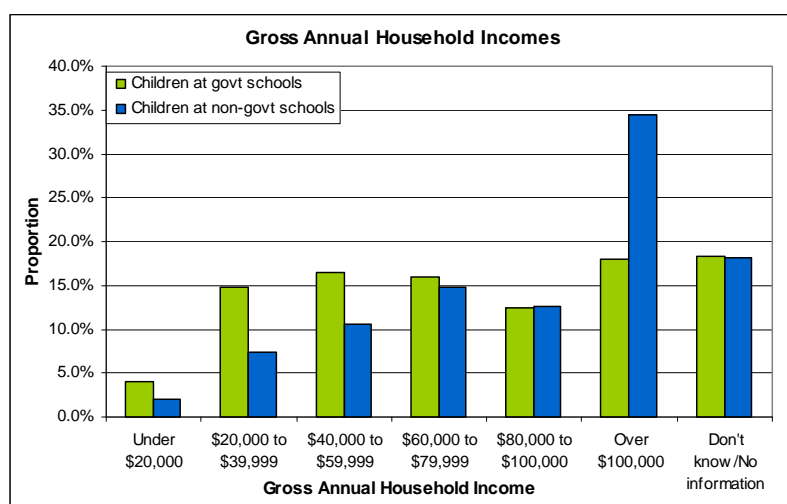
The allocation of resources within sectors is more difficult to identify. Across the non-government sector there are effectively four different funding models: the SES model, the systemic Catholic schools model, the maintenance guaranteed model, and the different arrangements for state government funding. Given the incapacity of the SES model to differentiate between students' SES levels within post codes it seems likely that this model has contributed towards more public resources being allocated to schools with high SES enrolments than they would have received under previous models (Dowling, 2007). The arrangements for systemic Catholic schools allow for funding to be redistributed upon the basis of need within the Catholic sector. The effect of this distribution upon the distribution of quantum of public and fee based funds across the schools is

not known. Catholic education is administered through 28 dioceses and there is variation in the levels of redistribution of resources to poor schools (Croke, 2007).

At the state level most government school systems provide extra needs based funding. However, the amounts tend to be relatively low and the bulk of needs funding until recently came from the Commonwealth through the Literacy, Numeracy and Special Learning Needs Program (Commonwealth of Australia, 2008). Frequently these extra funds are swamped by diseconomies of scale caused by the fact that students from low SES households tend to be located in schools with small enrolments (Lamb, 2007).

There is an observable trend in Australian schooling, especially at the secondary level, of segregation upon SES lines. This is the case between the sectors and appears to be the case within sectors. The household income distribution across the government and non government sectors is shown in Figure 8, and there are broad trends of a drift of higher SES students into the independent sector, middle SES students into the Catholic sector and low SES students into the government sector (Long, 2004; Croke, 2007).

Figure 8: School sector enrolment by students' household income



Source: DEEWA, 2008.

Over the last decade, a period when Australian governments have intensified their policy focus upon Year 12 completion, there has been a drift in the balance of resources from low SES to higher SES students. This drift has been through increased public and private investments, rather than through cutting of resources to low SES students and schools. The new resources have been those allocated by the Commonwealth Government and increased private investment. At the same time more low SES students are located in schools that suffer diseconomies of scale.

The Commonwealth and state and territory governments also invest in other programs that are directed at educational need. They include those for indigenous students, rural and isolated, non-English Background students and at risk students. In the earlier years, there are early intervention programs in areas such as literacy and numeracy for students who are facing learning difficulties. There also are various programs directed towards students' transition from school, including extra funding for vocational programs. On the other hand the investment by most schools in senior secondary academic programs is considerable.

Policy implication 6

HYPAF suggests that the COAG target for Year 12 or its equivalent retention has been well chosen. The report also indicates the locations and social groups where improvements will need to be gained to reach the target. However, the patterns and balance of private and public investment in schooling over the past decade have not been directed at these locations and these groups.

Policy implication 7

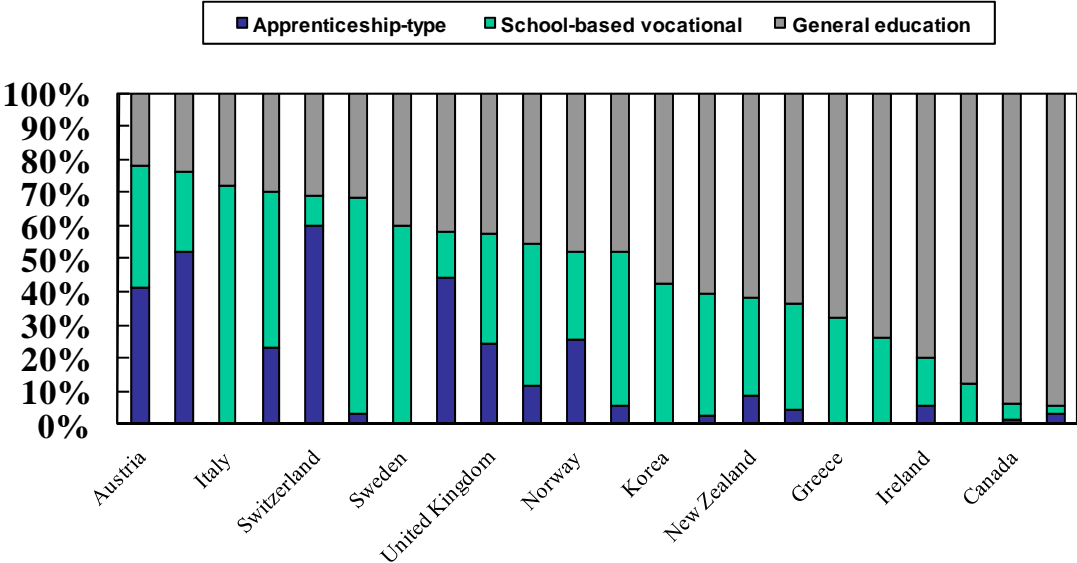
On a comparative basis, Australian levels of teenage participation in education and training have been relatively static in recent years.

Structural characteristics

School age education and training in Australia is dominated by school based provision. This pathway is supplemented by a small TAFE pathway and significant apprenticeship pathway. Labour market outcomes for apprentices, who are mainly male, are strong (DETA, 2008; Polesel, 2007). They have been less strong but sound for traineeships.

The school based provision is mostly general education based. The OECD (2008) records Australia as amongst those countries with the largest participation in vocational pathways at the upper secondary levels. This is because students who take a VETiS program are located in the vocational pathway. In 2006, 33.6 percent of students enrolled in a senior secondary certificate were enrolled in a VET program (NCVER, 2007). In most cases this involves one subject and mostly at Year 11. In Victoria, for example only 15.9 percent of Year 12 students took a VETiS subject. Richard Sweet has constructed an alternative comparison of the share of apprenticeship, school based vocational and general education pathways at the upper secondary levels across OECD countries that does not locate VETiS students in the vocational pathway (Figure 9). These estimates locate Australia as the country with the highest percentage of students in general education programs.

Figure 9: Proportions of provision by ISCED levels in non-university post school provides in selected OECD countries, late 1990s.



Source: R. Sweet, presentation to post compulsory network, Adelaide, August 2006.

Enrolments in VET in schools programs appear to have plateaued. There is variation in enrolment percentages across the states. There is also a considerable degree of variation in the types of programs, which range from full VET certificates to credit for units of competence that are embedded in senior secondary subjects. There has been a considerable growth in school based apprenticeships, most of which are really traineeships. There also is variation in enrolment levels across the states with Queensland and Victoria accounting for 75.7 percent of all enrolments in 2007 (Karmel and Mlotkowski, 2008). Trends in enrolments are shown in Table 13.

Table 13: Number of school-based apprentice and trainee commencements, 2002–07

2002	2003	2004	2005	2006	2007
10 411	12 230	12 853	15 782	16 861	19 110

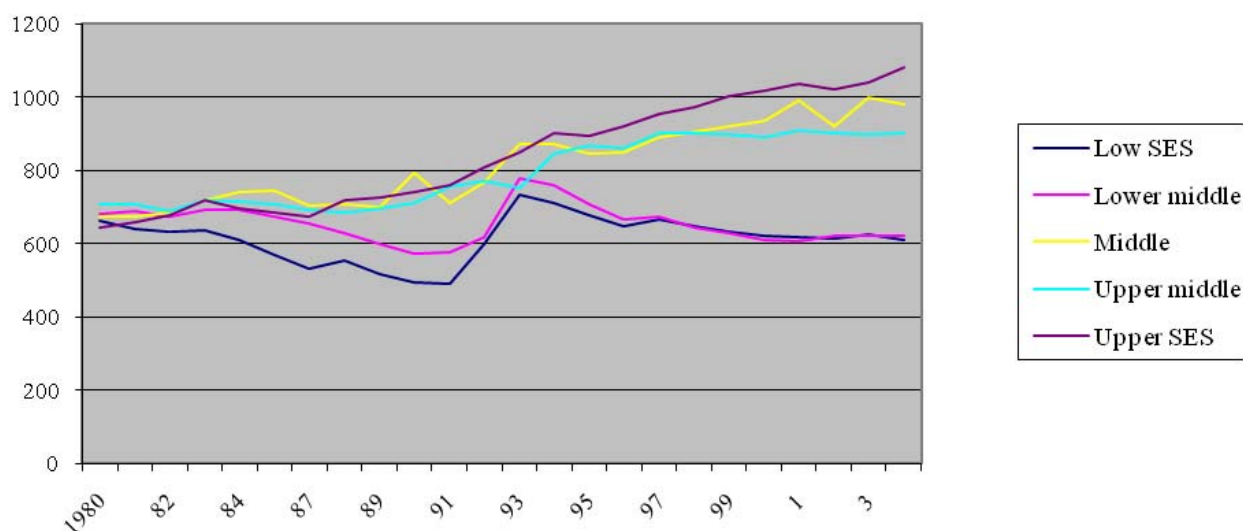
Source: Karmel and Mlotkowski, 2008.

Most secondary schools in Australia are comprehensive or general providers. There are a small number of specialist schools and the three smallest states and territories have senior colleges within the government sector. There are some senior colleges across the government and Catholic sectors in the mainland states.

The vast majority of schools offer the mainstream academic subjects that provide the best preparation and access to university studies. Schools with more diversified student populations, including students with weak scholastic records are under the greatest pressure to offer a diverse range of programs. Typically these schools serve low SES populations and have weaker Year 12 retention rates. Most of these schools are in the government and to a lesser extent the Catholic sectors. Lamb (2007) has mapped the average enrolment numbers of Victorian secondary schools that are divided into quintiles based upon the SES profile of their enrolments (Figure 10). The data

indicate that there has been an increasing concentration of low SES students in small schools with falling enrolments.

Figure 10: Average government secondary school enrolments x SES quintile bands, 1980-2004, Victoria



Source: Lamb, 2007.

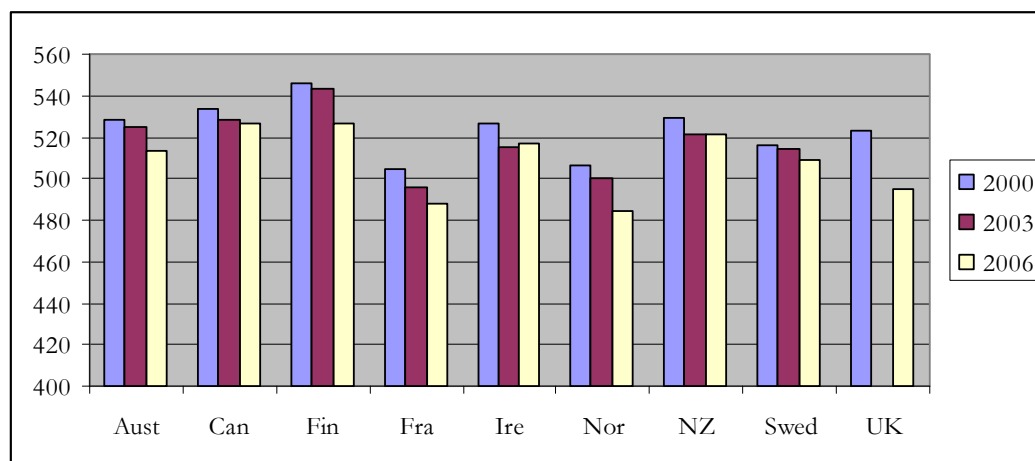
There are similar but milder trends in the Victorian Catholic schools (Long, 2004), and it is likely that there are similar trends across the other mainland states. The data suggest that the populations that will need to increase their retention rates if the COAG target is to be met are mostly being served by schools that are least equipped to meet their needs. Schools with declining enrolments are less likely to have staff renewal and potentially suffer from poor levels of morale and low expectations. These schools typically have small enrolments and a limited capacity to offer the program range that these students require. For example in 2006, 60.5 percent of senior secondary enrolments were in the government schools sector, whereas 70.9 percent of VET in schools and 72.7 percent of school based apprentice enrolments were in this sector (NCVER, 2008). This suggests that government schools are introducing VET programs in response to the wider range of pathways that their students take. Fewer students from the government sector enter university, and more enter apprenticeships and traineeships, VET courses and the full-time labour market.

Australia, together with Scotland and New Zealand, is the only nation that has most of its senior secondary provision in general secondary schools. Most European countries have separate senior colleges or lycee at the secondary level. The evidence on the effectiveness of the respective models is equivocal. It appears that senior colleges have clear advantages in program range and adult learning environments. However, there also are problems with the extra transition stage from junior to senior secondary schools (Keating et al, 2006).

The senior colleges in many of the European nations have resulted from the bifurcation of secondary education into academic and vocational streams. The advent of the OECD PISA study has exposed apparent weaknesses in this early bifurcation, with nations such as Germany where

students are streamed at the end of primary schooling. The nations, including Australia, that have general secondary education systems have tended to perform well in each of the three studies. However, their scores also have declined, as shown in the reading scores for group of countries with mostly generalist system (Figure 11). The reasons for this decline are unclear.

Figure 11: PISA Average Reading Scores, generalist based systems, 2000, 2003, 2006



Source: OECD.

Policy implication 8

The achievement of the COAG target will depend mainly upon the capacity of the school system to deliver programs that meet the needs of the full senior secondary age cohort. Current patterns of and trends in provision and enrolment patterns suggest that many students with the greatest educational need are being offered a limited provision.

Curriculum and qualifications

All states have adopted common frameworks for their senior secondary certificates of education. To varying degrees the certificates delineate subjects that are designed for university preparation and selection and/or assessment procedures that lead to the various forms of percentile rankings of students. Most Year 12 graduates receive a percentile ranking or TER (Tertiary Entrance Rank), although the proportions of students vary across the states and territories.

In most jurisdictions the subject assessment scores provide the basis for the TER. In order to compensate for the level of difficulty of the respective subjects and the different levels of performance of the groups of students who take the different subjects, the assessment grades are scaled or standardised.

The senior secondary awards are required to accommodate students with a wide range of scholastic backgrounds. In order to accommodate them within the common certificates, the design principle of open subject choice has become central. Some states (Queensland, South Australia and Tasmania) have adopted some more diverse arrangements including elements of common study. However, the two largest states – NSW and Victoria – have maintained certificates based upon subjects with a common design format and maximum subject choice.

The iterative processes of subject choice interacting with assessment regimes and subject review processes have contributed to forms of segregation of subject clientele based upon scholastic background, which in turn is influenced by students' social characteristics. The impact can be seen in the sample of subject selection for Year 12 subjects in Victoria shown in Table 14. Students from higher SES households more heavily populate specialist mathematics, and students from lower SES households more heavily populate VET subjects.

Table 14: Student SES background (quintiles of SES), by school sector: Year 11 VCE students, Victoria, 2005 (%)

	VET	Specialist Mathematics	Further Mathematics
Lowest SES	20.4%	8.9%	40.6%
Lower-mid SES	18.8%	9.0%	41.8%
Upper-mid SES	15.1%	11.0%	41.4%
Highest SES	9.8%	16.4%	36.6%
Total	15.9%	11.4%	40.0%

Source: VCAA data.

One impact of these patterns is that in the final years of schooling, a large group of students with weaker scholastic backgrounds effectively abandon the mainstream subjects of science, mathematics and the humanities upon which compulsory schooling is based. This compares with more program based approaches in most European countries where all students take a common core of subjects.

Another impact could be to restrict enrolments in applied and vocational studies. Because these studies are relegated to the bottom of the subject hierarchies through their status as non-tertiary subjects and/or through the scaling processes students with strong academic records do not take them. This can result in a compound effect of schools being reluctant to offer them because of their low status, or to provide resources for their delivery because of priorities for higher status subjects. The effect is intensified in small schools, which mostly cater for higher need students, which are compelled to offer at least some academic subjects for enrolment survival, but struggle to offer the more applied subjects for cost reasons.

Policy implication 9

The common frameworks of the senior secondary certificates of education may restrict program offerings for groups of high need students through the creation of de facto hierarchies of subjects. These students tend to be left with programs of study that lack coherence and have weak links with post school pathways.

VET and TAFE

The processes of training reform that took place from the late 1980s through the early and mid 1990s effectively excluded the school sector. The industry led and competency based training

reforms have established an Australian VET sector based upon an industrial training model. As a consequence the formal infrastructure of VET in Australia excludes the school system, and the VET element of schooling is based upon an imported model that adapts training package qualifications into the senior certificates. There is no formal VET in the middle secondary years of schooling. This compares with the most European countries where the 'VET systems' are initially based within secondary education.

The school sector across Australia has never petitioned for a stake in the national VET system and continues to have no role in formal policy processes or the curriculum development and accreditation. Two states, Victoria and Tasmania, have made some advances through the establishment of single qualifications authorities and it is significant that these two states have undertaken the most radical initiatives in school level VET in the form of the VCAL and the polytechnics, respectively.

The strong tradition of institutional separation between the schools and VET sector is related to the respective traditions of the strong links between the secondary curriculum and university studies and the industrial training culture in Australia. This is probably reinforced by the fact that until the 1980s, a highly disproportionate share of senior secondary enrolments and university applicants were in the non-government sector. The senior secondary accreditation boards' (the ACACA group) memberships are drawn mainly from the schools and university sectors and the associated policy communities include the ACACA agency staff and school subject networks.

VET has never had a significant presence within the senior secondary awards in Australia. Prior to the 1990s, all of the awards were totally academic and school based VET was located in the junior technical schools that mostly terminated at Year 10 or 11. Apart from a brief presence in the form of Technical Year 12 Certificate in Victoria in the 1980s, there have been no school based VET certificates or subjects.

As a consequence of the separation of the VET industrial training model from the school sector, formal VET qualifications have been received and mostly subsequently adapted within the respective senior secondary certificates of education. This reinforces the subject choice model rather than a programs model upon which school level VET is based in most other countries. There must also be doubts as to whether the competency based and industry derived Training Package courseware is suitable for secondary school students.

Although most Year 12 graduates do not enter university, the overwhelming majority of Year 10 students nominate university as their preferred destination, and this has been the case since the rapid increase in Year 12 retention rates into the early 1990s (DEET, 1993). Most Year 12 graduates who enter TAFE have listed university courses as their first preference (Teese and Mason, 2002).

Policy implication 10

The institutional mode of VET in Australia and its relationship with the school sector appears to have two effects:

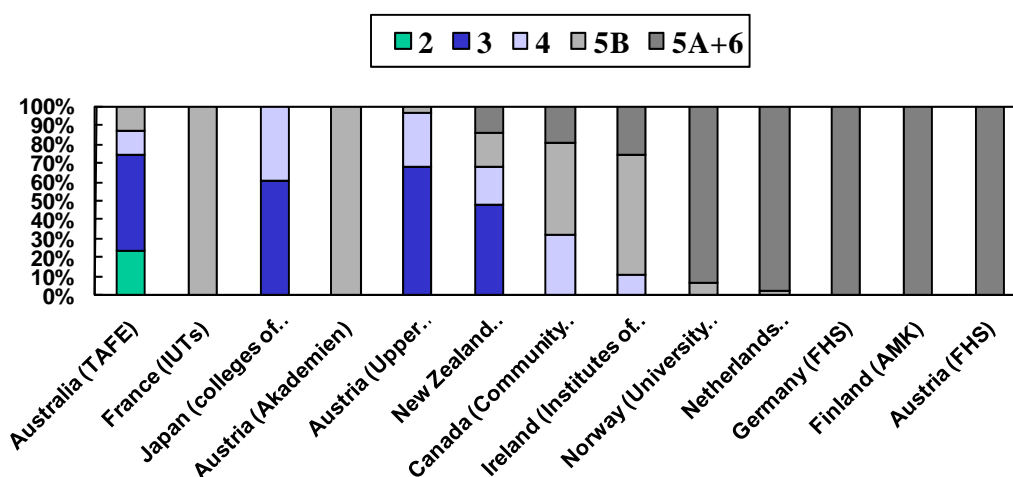
- **It exacerbates the residual status of VET both as secondary education studies and as a post school pathway; and**
- **It weakens the curriculum form of VET within secondary education.**

Provision and Tertiary pathways

The reform processes that established the national training system coincided with the processes for the establishment of the unified university system in the early 1990s. The OECD describes two types of tertiary programs – type A and B. Type A is essentially degree awarding and type B is diploma awarding. Figure 12 compares the percentage of provision at different ISCED (International Standard Classification of Education) levels for different ‘type B’ tertiary providers across a number of OECD countries, including TAFE institutes in Australia. Level 5 and above would normally be regarded as post Year 12, or diploma level in Australia.

The data indicate that TAFE’s tertiary level provision is relatively small, and this compares with all of the other type B providers that have mostly higher level provision, some of which are all at levels 5 and 6. The comparisons serve to emphasise TAFE’s location within an industrial training model and the highly university centric nature of post Year 12 pathways in Australia.

Figure 12: Proportions of provision by ISCED levels in non-university post school provides in selected OECD countries



Source: OECD, 2005.

The question of provision at the upper secondary and immediate post secondary levels in Australia is becoming more complex. At one level it is a simple model of generalist secondary school provision followed by mainly university degree level provision, with TAFE as essentially a provider of industrial training plus a supplementary adult and community education role.

However, TAFE also has a foot in both the schools and degree awarding arenas. Although the provision for senior secondary students is small there are some significant TAFE initiatives. Some TAFE institutes are major providers of Year 12 programs, such as Kangan Batman TAFE, which is the biggest provider of the Victorian Certificate of Education in Melbourne’s western region. The NSW TAFE sector has always had a strong role as a community provider, including a complementary and supplementary role in school age provision. In Tasmania, the polytechnics are bringing together the senior secondary education and adult education, including diploma level programs. Several TAFE institutes across Australia now issue degrees, either through franchisees or as accredited non-university higher education providers.

The extent to which post 16 education and training provision in Australia will mutate from its standardised model of schooling based upon generalist schools, VET based upon TAFE as an industrial trainer, and a tertiary education dominated by degree awarding public universities is difficult to state. So is the extent to which this should occur.

There can be little doubt that there has been mutation and that there will be further mutations. These mutations are likely to be driven by the market opportunities that are being exploited by both public and private providers and by the weaknesses in the current arrangements. Australian university students pay amongst the highest levels of university fees in the world (Davis, 2006), and it seems doubtful if the objectives of a further expansion of tertiary education and the creation of greater equity across tertiary education can be realised through the current dual model of public universities and TAFE. A third or middle type is the obvious option. Whether this will emerge through differentiation within the higher education sector, a growth in degree provision across the TAFE sector or a movement of elements of secondary education into tertiary education, or a combination of all of these is unknown.

Policy implication 11

How young people and especially school leavers in Australia will fare in the future will be influenced by the respective characteristics and roles of the secondary schools, TAFE and university sectors and the relationships between them. The current model has significant limitations within each of the sectors and this influences the availability and attractiveness of the transition pathways through them.

4. Policy Responses to HYPAF

The transition of young people from schooling into further education and employment and into public life is influenced by a number of factors. The social geography of the country and the nature of the labour market, including its behaviour across the economic cycles all have a significant impact and these impacts are readily observable across different OECD countries.

Public policy can have relatively direct or indirect impacts upon transitions. Social programs for family income and employment support can have an influence on children's engagement with schooling, and this is reflected in the approach being taken by the Commonwealth Government under its social inclusion banner (Gillard and Stephens, 2008).

The whole gamut of education and training, employment, regional development and community welfare and health policies – all of which can have an impact upon youth transitions – is too broad a sweep of policy to address in this paper. A more focussed policy span is education, training and employment, which are portfolios that have tended to come together within state and Commonwealth governments since the late 1980s when the links between education, skilling and employment were strongly connected.

The experience of and outcomes for young people in schooling have a major impact upon their staying on in education and their post school transition trajectories. Early childhood education thus has a major influence on post school transition over a decade later. However, the conditions for post school transition are not different to the other demands and expectations upon the early years of schooling.

The policy frame for HYPAF therefore is concentrated upon secondary and equivalent programs and provision and associated support services, as well as the post school education and training options, including apprenticeship and traineeship programs. It also includes income support and labour market access initiatives for young people.

Responsibility for these areas of policy is spread across both levels of government. It requires engagement with Australia's heterogeneous schools sector, the training sector and the higher education sector. The business sector and employers also are significant actors and stakeholders, and there are other significant participants including the unions and a range of NGOs.

What are the weaknesses?

Since the changes in youth employment from the early 1980s, and since the publication of the two DSF reports, the context for young people in Australia has not changed radically. The labour market has kept the same trajectory that it began in the 1980s and the institutional settings that were established in the late 1980s also have remained unchanged in their basic forms. As well, the imperatives of stronger and higher levels of educational achievement and engagement have remained the same, and the close link between full-time education and training and part-time work have become further cemented through both patterns of participation and tertiary education funding policies.

Amongst teenagers in full-time education 46.4 percent were in the labour market; 61 percent of 19 year olds in full-time education were in the labour force; and 63.5 percent of school leavers in

full-time education were in the labour force in 2006.³ Since the establishment of the unified university system in the late 1980s, student payments for undergraduate courses have been established and increased on two occasions. There appears to be a trend to increase fees for diploma level courses in TAFE (Brumby, 2008).

The overall levels of participation amongst teenagers in education in Australia must be considered modest by OECD standards, especially when similar levels of unemployment to the average for the OECD and EU 19 countries are factored in. Australia has been amongst the top group of countries in the OECD Programme for International Student Assessment (PISA) study that measures reading, mathematics and scientific literacy at age 15. Yet two years later the patterns of participation amongst 17 year olds is weak.

The OECD (2008) records average upper secondary graduation rates for OECD countries and EU 19 countries as 83 percent and 86 percent, respectively, and 71 percent for Australia in 2005. While the Australian figure is close to the real Year 12 retention rates, it clearly does not include TAFE and apprenticeship graduations. The OECD also records teenage enrolment rates in Australia as 82.7 percent compared with averages of 81.5 percent and 84.9 percent for the OECD and EU 19 countries. So it seems that by age 17, levels of participation in full-time education are in the middle group of OECD countries. Furthermore, given Australia's economic performance over the past decade and a relatively youth friendly labour market, the levels of teenage and young adult unemployment appear to be relatively high.

As indicated above, Australia has a highly schools centric provision for school age students. Most Year 12 graduates are eligible for tertiary studies, mainly in universities and TAFE colleges. A percentage of Year 12 students have not undertaken studies or assessments that are designated for tertiary studies. However, most of these students are eligible for some studies at TAFE.

While demand for university places from Year 12 graduates has been strong, there has been a recent overall fall in demand for places and a corresponding fall in unmet demand for places. "In 2008 there were 2,403 fewer applications, 2,741 fewer offers and 9,172 fewer acceptances than in 2007." (Universities Australia, 2008, p.2). The patterns of applications, offers and acceptances from 2001 to 2002 are shown in Table 16.

Table 16: 2001 to 2008: Eligible Applications, Offers and Acceptances

	2001	2002	2003	2004	2005	2006	2007	2008
Eligible applicants	209,713	222,728	229,427	228,414	221,588	218,529	218,537	216,134
Offers	169,264	168,803	166,309	165,085	178,854	184,869	185,898	183,161
Acceptances	125,096	127,373	137,060	135,259	135,412	138,367	141,724	132,552
Change in enrolments		1.82	7.61	-1.31	0.11	2.18	2.43	- 6.47

Source: Universities Australia, 2008.

³ HYPAF Tables 2, 7 and 9

Most but not all undergraduate entries are exit school students. The combined impact of relatively static Year 12 completion rates and relatively static transition rates to university correspond with these results.

There is a corresponding but greater percentage fall in Year 12 entries into VET Certificate IV and above courses (DETA, 2008; Polesel, 2007). The decline has been over a longer period of between 3 to 4 years. Since most Year 12 graduate applicants for university places have listed university courses ahead of TAFE courses (Teese and Mason, 2002) the decline in unmet demand for university courses, which has occurred in all years since 2003, is likely to have a major impact upon TAFE entries.

The level of tertiary education deferrals by Year 12 leavers has increased over the decade and in 2008 was at about 8 percent nationally. Most deferrers enter the full-time labour market and the reasons for deferral are mostly economic and logistical (DETA, 2008; Polesel, 2007). This includes young people who are seeking access to the youth allowance. Most deferrers take up their offer in subsequent years, but about a quarter do not. Deferrals are higher in non-metropolitan locations, areas where retention rates and university application and offer rates are already low. Several OECD countries have established targets of 50 percent participation in tertiary education, and some have achieved this. The Australian trend for school leavers appears to at best have plateaued.

Where is the focus needed?

The Commonwealth Budget Papers have estimated that between 3 and 6 percent of young people face difficulty in their transition phase. The evidence from HYPAF suggests that this is a significant under estimate. In the context of the impending economic downturn it is likely that the number of young people who face difficulties in accessing strong pathways through education and employment will increase, at least in the short term.

The most direct impact of public policy upon youth pathways and transition is through the education and training programs and the support services for young people. Education and training policies can influence the amount, location, character and quality of the provision and the quality and relevance of the courses and programs that are provided. Support services include advisory services, income support, personal support and employment access and protection services.

Transition pathways in Australia have several strong features: They are strongly school based; university represents the major post Year 12 destination; the part-time labour market plays an important supportive role for full-time study; the process has become longer; and Year 12 completion represents an important base line level of educational achievement.

The data from HYPAF indicate that while there has been progress, a significant number of young people continue to face difficult transitions and that the rate of improvement in levels of participation in education is small. They also indicate that improvement needs to be achieved amongst young people from indigenous communities, rural and isolated communities and from low income households.

The responsibility for the different aspects of education and training provision and the support services is spread across state and territory and Commonwealth governments. Both levels of government are subject to sets of constraints in responding to the transition needs of young

people. They include financial and logistical restraints and the capacity for some initiatives to generate high levels of contestation.

There are obvious sets of objectives for the earlier years of schooling that would have a major impact upon how young people fare in their post 16 stage. Interventions that can improve learning in the early and middle years will result in lower levels of scholastic failure in the middle years, reduce early school leaving and provide better platforms for senior secondary educational outcomes.

Provision

More direct interventions are those in the provision, curriculum, qualifications and support services. The Commonwealth has already established Australian Vocational Colleges (AVCs) and is currently funding trade training centres for secondary schools. State governments have invested in various innovations including senior colleges, selective entry schools, vocational colleges, specialist colleges and educational precincts. The outcomes of these initiatives appear to be mixed. Some of the educational precincts have been more successful than others and while the AVCs have had a limited impact some of the TAFE based initiatives appear to have been more successful.

The key provision issues are located with those groups of students who have the lowest levels of Year 12 completion and attainment. However, state governments also have been concerned at the enrolment drift to non-government schools and therefore have taken initiatives that are designed to compete for those student groups who have stronger scholastic outcomes. So while initiatives such as selective entry colleges may achieve this (or may not) they will do little to raise Year 12 participation and completion rates, and possibly may weaken them.

Under the Australian secondary education models, most schools cannot abandon their academic programs for fear of losing their leading or what the French call their 'pilot' students. There are examples of specialist vocational colleges that have been successful. Box Hill College in Melbourne's middle income eastern suburbs has a niche market in the midst of mainly academic government and non-government schools. Student mobility is high in this area and the school serves a complementary role to the academic programs of the other schools. There is some irony in that this type of initiative may be more difficult in less affluent areas.

The key challenge for governments is to broaden the scope and quality of provision in those areas with low rates of school completion. These areas, especially in the metropolitan regions, are frequently characterised by a high degree of 'flight' from local secondary schools. Area based approaches towards provision in these areas appear to be the most obvious option. They have the advantage of:

- Being less disruptive;
- Providing a basis for collaboration across rather than competition between the sectors, especially the government and Catholic school sectors;
- Involving both state and Commonwealth levels of government, and possibly local government;
- Expanding programs and services;

- Incorporating other agencies including TAFE institutes and other service agencies;
- Provide a focus for program based investments that are targeted at areas of greatest need and act as incentives for cooperative actions;
- Providing opportunities for leadership; and
- Building professional learning communities.

There are several national and international examples of area based approaches including the Southern Vocational College in Adelaide⁴ and the Wolverhampton14-19 network in England.⁵ An area based approach would need to go beyond voluntary relationships between schools and this would require forms of government interventions in the form of funding and/or mandate.

Policy proposal 1

The key challenge in provision in order to support better transitions for young people is school based provision for those populations and those areas that currently have weak Year 12 participation and completion rates. Area based approaches bring several advantages, central to which cooperative and expansive relationships across providers and sectors rather than competitive and narrowing approaches.

Beyond the area based approaches there are opportunities that come from the range of provision innovations across the country. These innovations should be thoroughly evaluated so that critical success factors and conditions can be identified and transferred to other initiatives.

Policy proposal 2

The wide range of initiatives in senior secondary provision including educational precincts, specialist colleges, vocational colleges and polytechnics should be evaluated in order to identify the key success factors and conditions.

The third provision question applies to the TAFE sector. To an extent this is covered through the array of initiatives across the country and the potential inclusion of TAFE in area based interventions. However, as current examples show some TAFE institutes do play important area based provision roles, especially for those students who are at risk of educational disengagement. TAFE institutes can have considerable advantages in this provision because of the range of resources that they can bring to programs. A significant difficulty for these institutes has been the funding of these programs. Another has been opposition from schools that see the TAFE as another competitor of a limited senior secondary market. TAFE institutes also need to be able to provide appropriate pastoral environments for school age students.

Once again the approach to these tensions should be an area based one where the role of a TAFE as a senior secondary provider becomes complementary to the roles of the school. Of course this would be conditional upon the TAFE institute's desire to be involved, which may not be widespread across the sector. On the other hand the dialogue that the Commonwealth funded

⁴ See: <http://www.citb.org.au/career/D2CReports/2003%20program%20overview%20Southern.pdf>

⁵ See <http://decisionmaking.wolverhampton.gov.uk/CMISWebPublic/Binary.ashx?Document=6624>

trade training centres have generated between the schools and TAFE institutes could provide the foundation for negotiations.

Policy proposal 3

The role of TAFE as a senior secondary programs provider should not be dismissed but considered on an area and opportunity basis. Funding for these programs would need to be discrete rather than located in the mainstream school resourcing or training profile streams.

Programs and qualifications

There is good evidence that the current array of senior secondary certificates of education across Australia have limitations in accommodating the needs of all students. The characteristics and capacities of the certificates vary across the eight jurisdictions, and it is unlikely that a common set of reforms could be applied to them all. The proposal for a national Australian Certificate of Education has not been pursued by the Commonwealth Government, which is concentrating upon a national schools curriculum.

One key weakness of the senior secondary certificates is their applied and vocational elements. This is matched by reluctance on the part of some of the ACACA authorities to strengthen these aspects. It is unlikely that strong applied and vocational provision can be built within most of the certificates, given the subject choice and hierarchy format, and the dependence upon Training Package materials.

One option is to develop a set of national applied and vocational diplomas to be delivered at the senior secondary and possibly initial tertiary levels. The qualifications could be broadly industry and/or occupationally themed and would include common or core studies in mainstream learning areas such as literacy/communication and mathematics. They could be delivered through schools, TAFE or consortia and should directly articulate with TAFE diploma level and possibly some degree level courses.

The programs could be incorporated within the common frameworks of the senior secondary certificates or possibly within a national framework that incorporated the state and territory certificates. The programs could provide the basis of value added measures such as industry linkages and work based learning and guidance services.

It seems unlikely that the full potential of the major investment in Trade Training Centres can be exploited with the current set of qualifications options. The senior secondary certificates are unable to provide cohesive programs of study that combine applied, vocation and general studies, and the Training Package qualifications are too restrictive.

Policy proposal 4

Consideration could be given to the development of a set of national themed vocational and applied learning programs (diplomas) to be delivered by schools, institutes and consortia.

Early leaving

There has been a considerable amount of research into early school leaving in Australia. As indicated above, despite this, rates of early leaving are high especially considering Australia's strong performances in the PISA study, which have been amongst 15 year olds who are at the end

of the compulsory years of schooling. As the paper has hypothesised, it may be that the structure and orientation of the Australian model of secondary schooling contributes to early leaving.

If this is the case early school leaving needs to be addressed within secondary schools. There have been a variety of programs to engage students in applied learning, use different learning settings, give students leadership challenges, and mentoring. The resource base for these programs is problematic because those schools that most need to invest in them tend to have the least resources because of their weak access to private revenue and their small enrolment numbers.

Policy proposal 5

There is a need for a major examination of intervention programs that are designed to reduce early school leaving at the end of compulsory schooling. Such a review should examine the quality and outcomes of these programs and their methods of resourcing.

Employment entry

Apprenticeships have been an important element of the transition infrastructure for young people, and especially young males. They have had strong medium term outcomes (DETA, 2008; Polesel, 2007) and are an important element of the skills formation system. The experience of the past economic downturns has been a fall in apprenticeship commencements.

The capacity in the past of the government owned utilities to moderate this impact has now all but disappeared with the privatisation and corporatisation of these enterprises. An alternative strategy is to locate investment in apprenticeships and traineeships within the economic stimulus measures that are now being taken by governments, and especially the Commonwealth Government. Economic wisdom has it that the best companies and the best economies invest in capital – including human or skills capital – during the economic troughs.

There is a current international acceptance of the need for pump priming measures, which was not present in the 1980s and 1990s downturn because of the greater danger of inflation. Therefore this situation would seem to offer an opportunity to incorporate provisions for the employment of apprentices and trainees in publicly funded or supported infrastructure developments.

Policy proposal 6

The investment by government in infrastructure should provide a significant opportunity to establish apprenticeship and traineeship places through contractual arrangements with the private sector.

It is instructive that school based apprenticeships are increasing at a time when VET in school levels appear to have peaked. It must be noted that the numbers of school based apprenticeships are small. Nevertheless they do raise the issue of the school sectors role in post compulsory provision.

In the vast majority of cases provision is through full-time and classroom based instruction. Given the ambition of the 90 percent target, the patterns of part-time work amongst teenagers, and the need for more accessible forms of applied and vocational learning, the rigidity of this model needs to be questioned.

Policy proposal 7

Authorities responsible for school systems and the funding of schools should examine ways of increasing the flexibility of provision so that stronger patterns of school based apprentices and combinations of education and work can be established.

Income support

Part – time work is an important underpinning for the transition process for young people because it finances their full-time study. Part-time work for teenagers did not decline in the 1980s and 1990s down turn. However, full-time work did decline and there was no compensatory rise in part-time work in the short term. Young people with the weakest access to part-time work are those from the groups and locations that have the weakest educational outcomes, rural and remote students and students who have to shift residence for study reasons.

There is need for education and other policy makers to realise that part-time work is an important element of the infrastructure for full-time post 16 education and an essential component for post 18 full-time education. For young people this has been the major change from the situation that was faced by previous generations. Most need to complete Year 12 and gain a post school qualification. Most need to both fund their study and at least supplement their living expenses. This fact also needs to be built into the planning processes for course delivery in tertiary education, and arguably in senior secondary education.

Australia also has one of the highest levels of private household expenditure on schooling amongst OECD countries (OECD, 2008). The high fee regime of university studies comes on top of this expenditure. The private expenditure on schooling is concentrated upon those students who are most likely to go to university and within high income households. Apart from Korea, where parents spend large amounts upon private tutors, Australia probably has the highest private cost route through secondary education and university. The implications for equity are strong.

Student fees, the Youth Allowance, student deferral of tertiary studies, and part-time work are key elements of the cost and income foundations of tertiary education study in Australia. There have been some partial reviews of the Youth Allowance. However, there appears to have been no detailed and systematic analysis of the public and private costs of and the income sources for young people in their transition from school through tertiary study or from the end of compulsory schooling through tertiary study.

Policy proposal 8

It is important that the post school and possibly post compulsory education and training policies need to link access to education, the costs of courses and the availability of part-time work and income support be considered as a whole. Consideration should be given to a major study that examines the patterns of access and participation, access to employment and the direct and indirect costs of study.

Support services

The changes in student transitions of the past decade have added significantly to the complexities that young people face. Although governments and school systems have invested in a range of information and guidance resources, most young people are located in schools where the

dominant pathway is that of university study. As well, there must be doubts as to whether guidance services in Australia reach the benchmarks that have been proposed by the OECD (2004), including the need to balance internal and external guidance.

Governments also have invested in other support programs and services such as learning coaches and mentors. Similar services and interventions are also provided through other agencies, including NGOs. It is important that these services should be well designed, of high quality and targeted in an optimal manner.

Policy proposal 9

The full inventory of support and guidance services for young people in their transition from education could be reviewed in order to strengthen their design, quality and targeting.

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