

Setting the Pace

A report on aspects of education, training and youth transition prepared for the Dusseldorp Skills Forum in association with the Education Foundation and the Business Council of Australia

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FOREWORD

In commissioning this important study we asked a basic question: is Victoria the national leader in youth participation in learning and work? The answer from the Monash-ACER Centre for the Economics of Education and Training (CEET) is a clear but not unqualified ‘yes’.

In terms of overall educational attainment, participation in vocational education and training (VET), and the proportion of young people engaged full-time in learning or work, Victoria clearly rates ahead of both most states and the national average. Across a number of key measures Victoria does well especially in terms of apparent school retention, unemployment, the proportion of youth ‘at risk’ in the transition from school, and apprenticeship commencements.¹

There are some important qualifications however. Literacy and numeracy is a central foundation on which successful learning and long-term economic participation is built but Victorian students at age 15 perform less well in achievement tests in mathematics, science and reading relative to students in comparable states. Victoria has a comparatively low rate of student participation in VET in schools, although this is mitigated to some extent by a substantially higher participation rate in more demanding types of VET programs.² And while fewer Victorian teenagers experience a troubled transition from school than their interstate counterparts, young adults (ie. young people aged between 20 and 24 years) in Victoria have an unemployment rate similar to the national average.

The following table is a summary of Victoria’s overall performance on a number of key youth transition indicators:

Victoria better than national average	Victoria worse than national average
Apparent school retention to Year 12	Overall participation in VET in Schools
Attainment of Year 12 or Certificate III	Achievement in maths, science & reading tests at age 15
VET participation of teenagers	Young adult unemployment
Certificate II or above VET in Schools	
New Apprenticeship commencements	
School participation of teenagers	
Full-time engagement of school leavers in learning or work	
Full-time engagement of teenagers in learning or work	
Full-time engagement of young adults in learning or work	
Teenage unemployment	

¹ ‘At risk’ in this context includes school leavers and teenagers who are either unemployed, working part-time but not in education, or not in the labour force and not in education. See *How Young People are Faring 2004*, DSF, Sydney, 2004

² Meaning participation at the level of Certificate III or above

Victoria is an interesting case study because it has not just been a leader in terms of actual youth transitions from school. In implementing many of the recommendations of the Kirby report on post-compulsory education and training the state became the national youth transitions policy pathfinder during the early 2000s. In this role it pioneered the establishment of an alternative senior certificate, developed programs and community partnerships focused on assisting senior students at risk in the transition from school, and put in place new administrative and regulatory structures to implement and continue these reforms. The steps taken in Victoria have been highly influential across the country in setting the agenda for senior schooling and training policies.

Our focus on Victoria is in order to gauge how far the Kirby reforms have altered the educational landscape rather than to rate each of the states and their performance against various youth transition indicators. Our hope is that this type of systematic analysis will be useful to all governments as they grapple with how to engage all their young people in meaningful learning and work.

A primary goal of the Kirby report was to shift the gaze of education in Victoria: “the focus of provision must be on the needs of young people, not the institutions.”³ Of course it is extremely difficult at a systemic level to measure the extent to which the education and skill needs of individual students are being met. However some assessment can be made of progress on the outcomes anticipated in Kirby’s recommendations.⁴

The rate of participation and completion of post-compulsory education and training has increased, but generally in line with what has occurred nationally. The Victorian education system now takes account of a broader range of student outcomes beyond TER scores and university entrance: the Victorian Certificate of Applied Learning (VCAL) and On Track have made especially important contributions. The Victorian workforce is more highly skilled. The proportion of young people at risk in the transition from school is lower than any other state, although the percentage appears to have risen recently. There is greater systemic and local accountability for the destinations of young people through the Local Learning and Employment Networks (LLEN), but more could be achieved. The cross-sectoral integration of programs and services (eg. links between TAFE and schools) remains patchy.

CEET found it technically difficult (due to the limitations of the public data sources) and too early in the reform process to identify a particular and direct impact of the reforms on school retention and educational attainment. It is also difficult to gauge the impact of the reforms on particular regions and vulnerable groups underneath the aggregated public data. These difficulties point to the need for improved public data sources to monitor outcomes in education and training. To be fair this is not just an issue in Victoria, it also applies to some other states and the Commonwealth.

The good news however is that on the basis of recent performance the Government’s goal that 90 per cent of young Victorians will complete Year 12 or an equivalent qualification by 2010 appears achievable. Maintaining the momentum around VCAL and robust alternative pathways through TAFE and adult and community education (ACE) will be important. The report suggests that Certificate II represents a low threshold of Year 12 equivalence, and this should be reviewed.

³ *Ministerial Review of Post Compulsory Education and Training Pathways in Victoria*. Final Report, August 2000, Victorian Government, p8

⁴ *Ibid*, Recommendation 1, p14

In terms of the state's overall investment in education and training, the report notes the relatively modest funding dedicated so far to the Kirby reforms. For example, the Managed Individual Pathways programme, which assists all senior students to develop learning and transition-from-school plans, operates on an effective unit cost of \$125 per student. CEET make the point that there are high and probably unrealistic expectations of outcomes and shifts in participation from relatively small expenditures.

In many respects the Kirby reforms are still a work in progress. For many students, parents, teachers and principals new opportunities and pathways have opened up. But a question remains as to whether all the institutions that Kirby hoped would be reformed have sufficiently re-focused on the needs of learners. Although there are more voices in the policy development process, a top-down approach still predominates. There are many positive innovations on the ground in schools and regions: rolling out the best of them is a key task.

We query whether Victoria's existing post-compulsory targets are an adequate enough framework for policy and delivery, and suggest that better glue is needed to integrate the range of initiatives in the field and to plug the gaps that exist. As one example, the Government's targets concentrate on attainment but do not directly address transition from learning to sustainable employment.

The striking thing about the successful OECD countries in terms of education, skills and youth transitions is the clarity of thinking and precision of responsibility and action at the central and local levels. A common framework is matched by common expectations about the contribution of stakeholders to meet their legislated obligations, with the result that education providers tend to pull in the same direction.

The current review of the Victorian Education Act is an opportunity to provide such a framework and to guarantee in legislation that all young Victorians have the right to access and to be provided with the support necessary to complete twelve years in initial education or a vocational equivalent, such as an apprenticeship.

Other steps should include:

- development of a bilateral agreement with the Commonwealth regarding youth transitions to ensure integrated planning, research, programs and responsibilities, and pooled resources where possible
- development of the VCAL initiative in the junior and middle years of secondary schooling
- further investment in literacy and numeracy programs in primary and junior secondary schooling
- reduction in barriers to successful VET in schools programs
- intensive personal support, careers advice and tracking during and after the transition from school for every Victorian early school leaver
- further development of an integrated system of 'second chance' opportunities for early school leavers to achieve Year 12 or an apprenticeship
- a review of the youth labour market in Victoria, in particular the trends and policy needs of young adults given the state of the full-time labour market for this group.

These are strongly related to the six policy steps that the Business Council of Australia and the Dusseldorp Skills Forum consider instrumental to lifting the rate of youth participation in education and training. Modelling by Access Economics indicates that substantial productivity, fiscal and social

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benefits can be derived if a further 50,000 young Australians annually complete Year 12 or an apprenticeship equivalent.⁵

A challenge that Victoria now faces is that many of its initiatives and program directions have been picked up and expanded upon by a number of other states. These include learning and training guarantees to ensure full-time youth participation, raising the school leaving age and strengthening the personal support services for youth in transition. The Commonwealth has also significantly boosted its efforts to improve the vocational and transition pathways of young people in recent times.

Victoria's leadership on skills, educational attainment and transitions is longstanding and deserves respect. If Victoria is to continue to set the pace on post-compulsory pathways it must systematically revisit and renew the policy directions and programs of the Kirby reforms.

⁵ See Access Economics, *The Economic Benefit of Increased Participation in Education and Training*, BCA & DSF, May 2005

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GLOSSARY

ABS	The Australian Bureau of Statistics
ACE	Adult and Community Education
ACER	The Australian Council for Educational Research
ANICA	The Australian Network of Industry Career Advisors
ANTA	The Australian National Training Authority
BCA	Business Council of Australia
CEET	The Monash University-ACER Centre for the Economics of Education and Training
DEST	The Commonwealth Department of Employment, Science and Training
DET	The Victorian Department of Education and Training
DSF	Dusseldorp Skills Forum
LCP	Local Community Partnerships
LFS	Labour Force Surveys
LLENs	Local Learning and Employment Networks
MCEETYA	Ministerial Council for Employment, Education, Training and Youth Affairs
MIPs	Managed Individual Pathways
NCVER	The National Centre for Vocational Education and Research
PISA	Program of International Student Assessment
SBNA	School-based New Apprenticeships
SWL	Structured workplace learning
TAFE	Technical and Further Education
TIMSS	Trends in International Mathematics and Science Study
VCAA	The Victorian Curriculum and Assessment Authority
VCAL	The Victorian Certificate of Applied Learning
VCE	The Victorian Certificate of Education
VET	The Vocational Education and Training sector
VLESC	The Victorian Learning, Employment and Skills Council
VQA	The Victorian Qualifications Authority

EXECUTIVE SUMMARY

Victoria has recently introduced a range of policies and programs designed to improve the educational attainments and school transitions of young people. This report presents:

- an overview of the policies and programs in Victoria and other states and territories.
- a review of the performance of the education systems on a range of aggregate measures of the educational and labour force experiences of young Australians.

The report is comprehensive in its use of available state, territory and national data but some limitations to the analysis should be noted. First, many of the reforms discussed were introduced only in 2001 and 2002 and initially at pilot level so it is too soon to expect a large impact to be visible. Second, while important initiatives, they represent only a very small proportion of the education budgets and expecting large outcomes would be unreasonable. Third, the use of aggregate state level data which are influenced by a range of economic and social forces may obscure the finer effects of policies targeted at particular equity groups. Reviews of specific projects have demonstrated positive effects which may not be seen in statewide data.

POLICY MEASURES

The policy initiatives in Victoria include:

- Developing local community networks, principally to facilitate the transition from school (the *Local Learning and Employment Networks*—LLENs). Thirty-one LLENs now operate across Victoria and broker arrangements that support the other educational initiatives.
- The introduction of more intensive career planning and case management for the transition (*Managed Individual Pathways*—MIPs). By 2004 nearly all students in government schools had an individual Pathway Plan that is to be updated annually.
- The endorsement of processes already underway to broaden the curriculum, particularly *VET in Schools and School-Based New Apprenticeships*. Enrolments in both VET in Schools programs and in School Based New Apprenticeships have increased substantially over the last five years.
- The introduction of the *Victorian Certificate of Applied Learning* (VCAL). By June 2004, enrolments in the VCAL were equivalent to about 7% of total Year 11 and 12 school enrolments.
- The removal of administrative barriers to *the provision of Year 12 in TAFE and ACE*. VCE enrolments of 15 to 19 year-olds in TAFE in 2003 had increased from negligible numbers in 1999 to the equivalent of nearly 3.5% of school enrolments in Years 11 and 12. About 15% of VCAL enrolments are in TAFE or ACE.
- More intensive monitoring of the transition from school through the *On Track* telephone survey of school leavers. The survey has been conducted for students who left government schools in 2002, 2003 and 2004 with a gradual increase in scope and better integration with MIPs and LLENs through *On Track Connect*, which identifies school leavers potentially in need of training or labour market assistance.

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- The creation of three new authorities to oversee the reforms—the *Victorian Qualifications Authority* (the VQA), the *Victorian Learning and Employment Skills Commission* (the VLESC), and the *Victorian Curriculum and Assessment Authority* (the VCAA).

These policy initiatives are intended to be mutually re-enforcing. Funding for VET in Schools supports VET components of VCAL delivery. MIPs enhances student capacity to navigate pathways including those created by VCAL, VET in Schools and School-Based New Apprenticeships. The LLENs broker partnership arrangements that support the delivery of VCAL, Vet in Schools and School-Based New Apprenticeships as well as supporting MIPs coordination and providing a possible contact for students identified through *On Track* as experiencing a difficult transition.

Collectively these reforms are intended to create more permeable boundaries between senior secondary school, work and further education, particularly the vocational education and training (VET) sector. The educational reforms played a role in the broader whole-of-government approach to policy making and program delivery outlined in *Growing Victoria Together*, released in November 2001 and updated in 2005.

Most other states have either introduced or are about to introduce some elements of these programs. South Australia, Queensland, Tasmania and Western Australia have also either increased their minimum school leaving age or foreshadowed increases—changes accompanied by a greater emphasis on attendance. Victoria has recently foreshadowed a review of its minimum school leaving age.

The Commonwealth has become increasingly active in the area of youth transition and the importance of developing complementary and mutually reinforcing policy at the different levels of government has correspondingly increased.

THE TARGETS

The major target set by the Victorian Government in relation to these reforms is that:

By 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its equivalent.

Progress towards the target is measured in two ways:

- The percentage of 19-year old Victorians who have completed Year 12 or its equivalent;
- The percentage of 18–24-year-olds in Victoria who have completed Year 12 or equivalent.

The Victorian Department of Education and Training has reported progress towards the targets between 2001 and 2003. Attainment of these targets, however, while achievable is likely to prove challenging. In 2003 the first measure was 77.5% while the second measure was 83.2%.

PERFORMANCE MEASURES

The report reviews the outcomes for Victorian youth compared with the rest of Australia on a range of measures. Comparing educational outcomes of states and territories is not straightforward:

- States and territories differ in many non-educational ways that can affect educational outcomes for young people—the relative wealth of their populations, the extent to which their populations are concentrated in urban areas and the proportion of their population that is Indigenous, among others.

- The differing age-grade profiles among states and territories—Victorian Year 9 students are older than Year 9 students in Queensland and Western Australia, for instance—also produce apparent differences in educational outcomes among the states and territories.
- Changes in educational outcomes within a state or territory can reflect broader, non-educational changes such as improvement in the economy or continued increases in expectations of educational attainment.

These difficulties can be partly addressed by focusing on changes in educational outcomes in Victoria compared with changes in Australia overall. Changes in educational outcomes in Victoria, however, may also reflect changes specific to Victoria in ways other than those associated with educational policies. The measures of educational performance themselves may be flawed with problems ranging from sampling variability to changes in the scope of collections and the categories used to report them.

In the main the following performance measures are for the educational participation and outcomes of 15 to 19 year-olds—the group that should be most affected by the educational policies and programs recently introduced in Victoria. The report itself contains further measures of educational outcomes for young people.

IN 2004

Indicators of the quality of educational and labour market outcomes for teenagers in Victoria in 2004 compared with Australia as a whole include:

- *School retention to Year 12 is higher*
- *School participation by 17 year-olds is higher*
- *Mean scores in standardised tests for Year 8 or 15 year-olds are lower*
- *Participation in VET in Schools programs is lower*
- *Participation in School-Based New Apprenticeships is lower*
- *Full time engagement (either full time study or full time work) of school leavers and 15 to 19 year-olds is higher*
- *Participation in VET is higher*
- *Apprenticeship and traineeship commencements are higher*
- *Commencements in higher education are about the national average*
- *The proportion of 20 to 24 year-olds with Year 12 or Certificate III is higher*
- *Unemployment is lower.*

RECENT CHANGES

In trying to detect any effect of the post-Kirby initiatives in Victoria, the important measures are those that show changes in educational and transition outcomes for young people in Victoria compared with changes for young people nationally. Between 1999 and 2004:

- *Apparent Year 12 retention increased more in Victoria than nationally. Some of this increase is the higher growth of enrolments of international students in Victorian schools. Even to maintain parity in retention rates with other states, however, would be a positive outcome in the context of policies that have created alternative Year 12 pathways through TAFE and ACE which are not counted in the retention rates.*
- *School participation of 17-year-olds increased more in Victoria than it did nationally. Again this partly reflects the greater growth in enrolments in Victorian schools by international students.*

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- *Apprenticeship and traineeship commencements for 15 to 19 year-old Victorians increased more than they did nationally.*
- *The proportion of Victorians fully engaged (either in full time work or full time study) in the year after leaving school declined by about the same amount as it did nationally.*
- *Participation in full time tertiary education of Victorian 15 to 19 year-olds declined slightly compared with national participation.*
- *The proportion of 15 to 19 year-olds fully engaged (either in full time work or full time study) declined slightly both for Victoria and Australia overall.*
- *Measured in several different ways, youth unemployment in Victoria has declined by more than it did nationally.*
- *Between 2001 and 2003 the proportion of 20 to 24 year-old Victorians who had completed Year 12 or a Certificate III increased more than for 20 to 24 year-olds nationally.*

SUMMING UP

The relative strengths of Victoria's educational performance have been in Year 12 retention, participation in schooling among older students, apprenticeship and traineeship commencements and overall educational attainment.

The schooling and educational attainment measures, however, include a disproportionately greater increase in enrolments by international students in Victoria. In 2004 international students were 4.3% of Year 12 students in Victoria, an increase from 1.8% in 1999. Nationally they grew from 1.7% to 3.0%.

It is still too early to observe the full effects of the educational reforms in Victoria. Most programs were only in pilot or start-up phases in 2001 and 2002. Given the sometimes modest levels of funding, some of the educational reforms would need to produce very large changes to be reflected in the aggregate measures reported here. Further, as already mentioned, the aggregate measures used in this report may not detect the effects of programs targeted towards improving the educational outcomes of educationally disadvantaged youth. Positive effects of these programs have been demonstrated in reviews of specific projects.

The influence of the post-Kirby reforms will continue to grow for some years even without further interventions, but opportunities for Victoria's youth could also be lost if no new policy interventions are made. Initiatives in other states that build on Victoria's policies may in turn inform further policy development in Victoria. The 2003 *Blueprint for Government Schools* outlines a program of school improvement to provide a stronger foundation on which transition arrangements can build.

The Kirby Report emphasised the importance of the individual student and put him or her at the centre of the educational and transition experience. Institutional arrangements were viewed as a means to providing students with the best possible education. This is an enduring view. We need to keep asking why students are continuing to leave schools without completing their Year 12 certificate, how schools and the learning environment can be changed to better promote learning and whether other settings might be more appropriate.

1. INTRODUCTION

There is a renewed focus in Australia on preparing school students for employment and further study after school. Governments are seeking ways to increase the proportion of young people who:

- complete secondary school;
- continue with study and training after leaving school; and
- make a successful transition from study to work.

Among other responses, governments are creating new institutions and approaches that facilitate the movement of young people among educational sectors and from education to work. One of the goals is to provide opportunities for young Australians to combine work with postcompulsory education and training.

Victoria has set the pace in recent changes to the senior schooling and initial tertiary education of young Australians. The report of the 2000 *Ministerial review of post compulsory education and training pathways in Victoria* (the Kirby Report) outlined the need for new approaches to improving the transition of school leavers to further education and work. The recommendations of the review and the response of the Victorian Government in many instances motivated subsequent initiatives in other states.⁶ This report examines some of these policy and program changes in the context of changes in measures of outcomes for young people.

The *Ministerial review* is only one of a number of sources of recent change in post compulsory schooling, further education and the youth labour market. Almost all states have reviewed their senior secondary curriculum and assessment. The Australian Government has made substantial changes to the higher education sector, to its funding of schools and vocational education and training (VET) and to social security payments, particularly allowances for young people.

The VET sector has been extensively reformed over the past decade, especially through the introduction of training markets, User Choice and contestable funding. New Apprenticeships, introduced under the auspices of the joint Commonwealth-State Ministerial Council and the Australian National Training Authority (ANTA), prompted a substantial increase in participation in apprenticeships and traineeships by young people.

VET in Schools, of growing importance in Victorian secondary schools, is a national program assisted by Commonwealth funds through ANTA. The Victorian Government was also introducing changes in the middle years of schooling that affected students entering their postcompulsory education. And of course the participation of young people in post compulsory education is influenced by broader economic changes, especially in the youth labour market.

⁶ For brevity, in this report *state* includes the ACT and the Northern Territory.

1.1 THE NEED FOR IMPROVED TRANSITIONS FROM SCHOOL

Several developments underpin the increasing interest in improving the study and work outcomes of young people. Long-standing concerns about social and geographic inequalities in the distribution of educational and labour market outcomes have combined with new imperatives for higher levels of labour force participation and a more skilled workforce. Skills shortages and the shift towards a knowledge based economy have led to a growing awareness of the importance of a skilled and educated workforce for attaining and maintaining prosperity. Higher levels of education and labour force participation among younger people will help to offset the loss of workers and skills from the ageing of the workforce and the population. At the same time, the improvement in school retention and participation, so much a feature of the 1980s, stalled during the 1990s and there had been little improvement in the transition experience of young people over the last two decades. International comparisons show that the transition from school is better managed in some other countries.

Most students on leaving school continue to study full time or start full time paid work. Nationally, however, more than three in every ten (31.1%) school leavers are neither in full time study or full time work in their first year after leaving school. For some, this period of less than full time activity in education or employment is temporary and a successful transition is accomplished later. For others, however, the consequences of a poor early transition can be lower educational achievement, more part time and casual employment or unemployment, a shorter working life and lower income.

The economic costs of not completing school reinforce policy innovation. Early school leaving may cost Australia \$2.6 billion annually.⁷ The rate of return on an investment in a package of reforms to halve the current number of young people who leave school before completing Year 12 is between 8 and 10%.⁸

Higher levels of education and employment contribute to social well-being in several quasi-economic ways—better health, lower crime, lower welfare dependency and less social exclusion.

The need to improve the success rate in the transition from school to work or further education is acknowledged by all stakeholders. Initiatives designed to enhance work and study outcomes for school leavers need to be continually reviewed to provide guidance for improvement.

⁷ National Centre for Social and Economic Modelling and Dusseldorp Skills Forum. 1999 *The costs to Australia of early school-leaving: Technical paper*.

⁸ Business Council of Australia, 2003. *The cost of dropping out: The economic impact of early school leaving*; Applied Economics, 2002. *Realising Australia's commitment to young people*; Allen Consulting Group, *The economy-wide benefits of increasing the proportion of students achieving Year 12 equivalent education: Modelling results*. The costed package to improve retention centred on intensive case management services for young people at risk of leaving school early.

1.2 COMPARING STATES

Victoria frequently has better educational participation and outcomes for young people than do other states, but this was often the case well before the Kirby Report and its related initiatives. Similarly, any changes in educational and labour market outcomes in Victoria may reflect broader national changes, rather than specific Victorian changes. Comparisons of changes in Victoria with national changes or changes in other states provide an approach to assessing the recent performance of the Victorian educational system.

Comparing indicators across states or of one state with national data is not always a fair reflection of the quality of school system. The populations of states differ in ways that can affect educational outcomes—the socioeconomic level of the population, the mix of industries and the level of employment, the extent to which people are located in rural and remote areas and the proportion of Indigenous people.

The ways in which states organise their educational systems can also differentially affect particular participation or outcome measures. If, for instance, a government decides to deliver VET for young people mainly through the VET rather than the school sector, comparisons with other states that are based only on the school sector will be misleading.

The different age-grade profiles of the states also confound many comparisons among the states. In any given grade, school students in New South Wales, Victoria, Tasmania and the ACT are on average older than students in the other states—a result of different policies about the school starting age, progression between grades, particularly in the early years of schooling and the presence or absence of a kindergarten or preparatory year prior to Year 1 (Table 1).⁹

The school participation of 15 to 19 year-olds in Victoria, for instance, will be greater than in Western Australia, even if students in the two states do not differ in their average years of schooling—students in Western Australia would still leave school at a younger age than in Victoria because they are younger for any given grade. Similarly national achievement tests for students of a given age are based on students in different grades in the different states—states with older age-grade profiles are relatively disadvantaged.

TABLE 1
Age distribution of students in Year 6 by state, 2004

AGE	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
10 years or younger	2.0	0.7	36.4	4.4	41.5	0.3	7.0	0.8	12.9
11 years	77.1	65.7	60.2	83.1	57.0	52.8	77.4	72.0	68.6
12 years or older	20.9	33.6	3.4	12.5	1.5	46.9	15.6	27.3	18.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: *Schools Australia, 2004*, ABS, 4221.0.

⁹ The states are investigating moves to achieve greater standardisation.

2. RECENT POLICY INITIATIVES

The 2000 *Ministerial review of post compulsory education and training pathways in Victoria* (The Kirby Report) provided the direction for recent educational initiatives in post compulsory education and training in Victoria and in several other states. The Review found that educational attainment in Victoria was geographically and socially unevenly distributed and low by international standards. Young people who had not completed Year 12 or its equivalent were less likely to make a satisfactory transition from school and therefore at greater risk of longer term economic and social exclusion.

Policy and programs have focused on improving rates of completion of Year 12 or its VET equivalent in order to improve transitions to tertiary education and work. The Victorian government has set a target of 90% of young people successfully completing Year 12 or its equivalent by 2010.

The 2003 *Blueprint for government schools* outlines measures to improve learning outcomes for students in Victorian government schools, including changes to school leadership, resource allocation, curriculum, teacher professional development, teaching and assessment of students, reporting of student outcomes and reviews of schools. Improvement in learning outcomes in the earlier years of schooling underpins future improvement in Year 12 completion. The 2002 *Ministerial statement on knowledge and skills for the innovation economy* gives a commitment to increase participation in VET in Schools, School-Based New Apprenticeships, Year 12 certificate courses in the TAFE and ACE sectors and in full time VET courses for young people.

The main programs directly affecting postcompulsory education are:

- Developing local community networks, principally to facilitate the transition from school (the Local Learning and Employment Networks—LLENs);
- Introducing more intensive career planning and case management for the transition (Managed Individual Pathways—MIPs);
- Endorsing processes already underway to broaden the curriculum, particularly VET in Schools and School-Based New Apprenticeships;
- Introducing new certification, particularly the Victorian Certificate of Applied Learning (VCAL), but also the proposed development of a credit matrix;
- Supporting the provision of Year 12 in TAFE and ACE and greater financial and policy support for the enrolment of young people in VET programs;
- More intensive monitoring of the transition from school through the On-Track telephone survey of school leavers; and
- Creating three new authorities to oversee the reforms—the Victorian Qualifications Authority (VQA), the Victorian Learning and Employment Skills Commission (VLESC), and the Victorian Curriculum and Assessment Authority (VCAA).¹⁰

These initiatives have created more permeable boundaries between senior secondary school, work and further education, particularly the VET sector. The educational reforms played a role in the broader

¹⁰ The 2005 review of the Victorian Education Act may change the responsibilities of these authorities.

whole-of-government approach to policy making and program delivery outlined in *Growing Victoria Together*, initially released in November 2001 and most recently updated in March 2005.

The review of the Education Act in 2005 will be an opportunity to examine some of these changes. It also offers the possibility that Victoria may follow the lead of other states—South Australia, Queensland, Tasmania and Western Australia—and raise the minimum school leaving age. Other states have placed a greater policy emphasis on attendance as part of proposals to increase the minimum school leaving age.

2.1 DEVELOPING LOCAL COMMUNITY NETWORKS

Creating community networks to facilitate the delivery of educational (and other) services is justified on several grounds: empowerment of local communities; increasing the range of possible solutions by increasing the resources available to address particular problems; providing broader coverage and responsibility; and ensuring a better fit between local solutions and local problems.¹¹ Although the LLENs are the archetype of community networks addressing the youth transition, similar organisations exist or are proposed in other states:

- *Local Community Partnerships (LCPs)*—funded by the Commonwealth with the primary purpose of providing structured workplace learning opportunities for senior secondary students. A wider role is proposed for the partnerships from 2006.
- *District Youth Achievement Plan (DYAP) Management Committees*—a state-wide program that is part of *Queensland's Education and Training Reforms for the Future (ETRF)* initiative to be fully implemented in 2006.
- *Innovative Community Action Networks (ICAN)*—South Australian is piloting four community partnerships over four years from 2004 as part of the *Making the Connections* strategy. Their purpose is to improve school retention. FoCIS (Focus on Connected Integrated Services) school clusters are similar structures.
- *Area Taskforces*—proposed for Tasmania under the auspices of the broader Guaranteeing Futures policy.

The LLENs are incorporated bodies that bring together other organisations and individuals with an interest in the transition of young people from school to work and further education. Under the terms of their contract and performance agreement with the VLESC, they contribute to improving education, training and employment outcomes for young people by facilitating cooperation among stakeholders and offering policy advice. The range of projects in which they are involved is indicated in Box 1.¹²

¹¹ See Kellock, P, 2005. *Local investment, national returns: the case for community support for early school leavers*. DSF.

¹² For DYAP projects see ETRF *Access to pathways* grants initiatives 2004-05 to 2005-06 www.learningplace.com.au/deliver/content.asp?pid=20164 and for projects by the short-lived Western Australian Local Learning and Employment Partnerships (LLEPs) see Graeme Harvey's evidence to the House of Representatives Standing Committee on Education and Training, Hansard ET 878, 4 Aug. 2003.

Box 1

LLENs Projects¹³

- Increase in the number of school-based trainees and apprentices through a project jointly funded by VLESC, the LLEN and schools. Through the program, some students will secure full time apprenticeships and some employers will source reliable and well-trained young recruits.
- Played a key role in the establishment of a school-based new apprenticeship consortium of 16 schools. A full time coordinator will work with schools, employers, parents and young people, to achieve a target of 50 SBNA's during the year.
- Supporting the implementation of *On Track Connect* by personally inviting the referred young people to visit 'That Place', the LLEN's one-stop-shop career information centre.
- Developing a project with Gannawarra Shire and Small Business Victoria to build awareness of skills development among small business owners to expand the provision of VET in Schools.
- In partnership with Food Victoria, secured two TRIP placements to map career pathways in local industries. This project encourages closer relationships between industry and schools, and provides an opportunity to develop important pathways planning information for young people.
- Acting as a broker for major local manufacturing employers that had jobs vacant but could not attract local young people. Employers found the education and training system too complicated.
- Piloted an *Apprenticeship Stock Exchange* to provide information to young people and parents about potential apprenticeship vacancies in the local region.
- Facilitated the development of a themed VCAL program that is now being provided to 16 participants (from 35 applicants). The program combines customized education and training activities, individual case management practices, and focused practical work placements.
- Established a program for young women, including young mothers, based on the VCAL model and delivered from a Neighbourhood House with childcare and support from community partners.
- A partner in a Work Skills Program, offering eight young people with disabilities or impairments an opportunity to increase their skills through participation in voluntary garden maintenance projects.
- With partners instigating a program that encourages young people in high-density public housing neighbourhoods to undertake training (with mentor support) which will result in a range of repair services, and hopefully lead to long-term employment.
- Facilitated meetings in Swan Hill and Kerang in response to the DHS Youth Homelessness Strategy. These meetings have resulted in a cross-sectoral approach to providing learning support for young people with accommodation difficulties.
- With partners providing support and training options for suspended and expelled young people. This project is based on a cross-sectoral partnership trialing a school without walls.
- Funded a series of hands-on workshops delivered by a local textile and screen printing business to 10 secondary school students. The 7-week program introduced students to screen printing and design, small business skills and the pathway into careers in this arena.
- Funded and organised the *Wimmera Hot Rod Project*. In 2004 15 Wimmera VCAL students built a hot rod with help from the University of Ballarat, community members, parents, teachers from the participating schools, the VQA and many automotive industry representatives. Students participating in the project remained in the school system.

¹³ Abstracted from Hull D, 2003, *Making a difference: Local learning and employment networks, VLESC*.

Each of the 31 LLENs is responsible for two to four local government areas. A LLEN typically consists of a voluntary Management Committee of various stakeholders, an Executive Officer employed by the committee and perhaps one or two administrative staff. As networks, they will also typically have other organisations as members and formal partnerships with other organisations based on Memoranda of Understanding. Their contract with the VLESC provides between \$225,000 and \$400,000 each year. As independent incorporated bodies they can seek other sources of funding. Some are also contracted to the Commonwealth as LCPs.

Reviews of the LLENs have been positive.¹⁴ Although their partnership and brokerage roles makes it difficult to identify their unique contribution to particular projects, their relatively small budgets and the high returns associated with improved transitions mean that they do not need too many success stories to justify their funding. Their links to other programs—particularly the VCAL, *On Track* and MIPS—have provided greater coverage and leverage for those programs.

2.2 ALTERNATIVE YEAR 12 CERTIFICATES AND PATHWAYS

Victoria has provided young people with the opportunity to complete their Year 12 study in TAFE institutes. TAFE institutes and ACE providers have long offered VCE courses, but mainly for adults. Programs for VCE study by 15 to 19 year-olds in TAFE were piloted in 2001 and 2002. By 2003, 3,763 15 to 19 year-olds were enrolled in VCE in TAFE—equivalent to 3.5% of Year 11 and 12 enrolments in Victorian schools and an increase from negligible numbers in 1999¹⁵. New South Wales also provides the option for senior secondary study in TAFE and the proposed Commonwealth-sponsored Australian Technical Colleges will provide another alternative.

After piloting in 2002, Victoria introduced a new senior school certificate, the Victorian Certificate of Applied Learning (VCAL) in 2003. VCAL provides a flexible program of study for students interested in subsequent enrolment in VET courses, an apprenticeship or entering work directly. The VCAL is structured around four compulsory themes:

- *Literacy and numeracy* that can be addressed by appropriate units from the VCE or the Certificate of General Education (Adult);
- *Industry specific units* that can be built out of VCE-VET courses, possibly but not necessarily structured to qualify for a VET Certificate.
- *Work related skills* that involve structured workplace learning, a part time apprenticeship or traineeship, work placements or part time work.
- *Personal development skills*, developed through community-based projects or voluntary work.

Themed VCAL's have been developed to focus on particular industries or particular categories of students. The LLENs have played an important role in the development and implementation of the VCAL, especially its links with industry.

¹⁴ Seddon, T, *et al.*, 2002. *Evaluation of the local learning and employment networks*, DET, Melbourne; Robinson L & Keating J, 2004, *What can LLENs achieve? A preliminary exploration of their impact*, Draft Report to VLESC, DET, Melbourne.

¹⁵ VLESC, *Annual report, 2003-2004*.

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Students can progress through various levels of study—foundation, intermediate, senior and senior-extension. Providers through their VCAL supervisors have considerable flexibility in designing study programs that will meet both the certification requirements and the needs of individual students. Students can incorporate VCE units or even switch to and from the VCE and graduate with a VCE, a VCAL and a VET certificate.

The government committed \$47.7m over four years to the implementation of the VCAL—funds used for course development and the training of teachers. In 2004 there were 323 providers with 8,066 students enrolled in June—equivalent to about 7% of total Year 11 and 12 enrolments in Victorian schools. About 85% were enrolled in schools, with most others attending TAFE and a small number in ACE. Further growth is anticipated in 2005.

Only limited evaluations of the outcomes of the VCAL have been undertaken. Surveys of VCAL providers and students suggest that the immediate destinations of students is satisfactory, even encouraging (Table 2). Other states do not have a formal alternative Year 12 qualification equivalent to the VCAL. Nevertheless, VET in Schools and school-based apprenticeships provide increasing opportunities to build such programs.

TABLE 2
Destinations for VCAL 2003 students in March 2004

DESTINATION	STUDENTS	%
Education and training pathways		
Continuing with VCAL in 2004	1,345	36
Enrolled or VCE in 2004	421	11
Enrolled in a TAFE/ACE course in 2004	394	10
Enrolled in university/higher education course	27	1
Enrolled at another school	61	2
<i>Sub-total</i>	2,248	60
Apprenticeship, employment pathways		
Secured an apprenticeship	565	15
Secured a traineeship	124	3
Secured other employment	449	12
<i>Sub-total</i>	1,138	30
Other pathways		
Destination not known	198	5
Seeking employment	122	3
Other (includes parenthood, overseas)	79	2
<i>Sub-total</i>	399	10
Total	3,785	100

Source: *VQA Update*, June 2004.

2.3 MANAGED INDIVIDUAL PATHWAYS

Victorian government schools, TAFE and ACE have introduced the *Managed Individual Pathways* (MIPs) program,¹⁶ which provides individual mentoring, career counselling and career planning for students 15 years and older. As a result, each student should have an individual Pathway Plan that is updated annually. Students meet with a mentor (usually a teacher, but also possibly a designated MIPs coordinator) several times to discuss, form and record their longer term employment and study plans as well as to set short-term study goals and to identify actual or potential barriers to their achievement.

Through MIPs schools provide support to exiting students for up to six months after exit. At the time of exit students should have a planned pathway. Those not going on to further education, training or secure employment are referred to an appropriate agency. Six months after exit schools follow up all students who have not completed Year 12 and again offer assistance, usually through an appropriate referral. MIPs is complemented by the *On Track* survey which occurs the year following their exit and further assistance may be provided to students at that time through *On Track Connect*.

The target of universal participation in MIPs by senior secondary students in government schools has virtually been achieved—94.5% of students in Years 10-12 in 2004 had a current individual pathway plan—although LLENs reported that some students contacted as part of the *On Track* follow-up could not recall having a plan.

MIPs funding can also be used for outreach purposes to assist students who leave school to find a job or training opportunity. MIPs coordinators (usually part time) can be employed for this purpose. MIPs also funds school-based destination surveys of students six months after they leave school and the offer of further assistance with career planning. This component of MIPs may be replaced by the *On Track* survey.

One of the challenges facing MIPs is whether it is universal or targeted towards students considered at risk of not completing Year 12 and of making a poor transition from school. Even though MIPs funding is to some extent allocated among schools and other providers on the basis of the needs of students for transition support, it is unlikely that this compensates for the tendency for ‘at risk’ students to receive less support than others because they attend school for fewer years.

MIPs funding is modest—\$14m per year, or less than \$125 per secondary student per year. Even if it were targeted, MIPs would employ less than one full time staff member per 100 ‘at-risk’ student. The effect of specific purpose funding, whether targeted or otherwise, on other resource allocations within schools is unknown. Such funds may be leveraged to provide a greater effort or they may substitute for any resources already allocated by schools to the specified tasks as schools use those resources elsewhere.

Other states have introduced programs similar to MIPs. As part of its *Education and training reforms for the future* agenda, Queensland is introducing *Senior education training (SET) plans*, which also involve school students discussing and recording their longer term education, training and employment intentions. The *Get set for work* and associated programs provides outreach to students determined to leave school before completing Year 12. The students can carry their plans with them beyond school. The planning and support structures seem to be more closely aligned with DYAPs than are Victoria’s with the LLENs.

¹⁶ Also as the Youth Pathways Program in TAFE and ACE providers.

South Australia's *Futures Connect* policy contains proposals for each student to develop from the middle school onwards a *Transition Plan*, consisting of a learning plan for their school years, a transition portfolio of attained skills and knowledge and an exit plan for a designated destination. The package also provides expanded transition support services through transition brokers who can provide individual case management for students likely to experience a difficult transition from school.

Other states also provide mentoring programs, but Victoria, Queensland and South Australia are the only states that have implemented, or propose to implement, transition plans for all students.

The Australian Government's Australian Network of Industry Career Advisors (ANICA) will begin in 2006. ANICA will work through the existing Commonwealth-sponsored LCPs to provide, among other things, pathway plans for young people, career advice and monitoring of outcomes. The proposed funding of less than \$40m per year is modest for a national program with a wider range of goals than MIPs.

2.4 ON TRACK

The destinations of young Victorians are surveyed in April in the year after they leave school.¹⁷ The *On Track* survey canvasses an array of social background characteristics and attitudes to school, study and work. The survey provides prompt feedback for the system and schools about the effects of policies and programs. When reported publicly, *On Track* results provide a broader perspective on outcomes for individual schools than simply VCE results or retention rates. *On Track* will be extended to include surveys of longer term outcomes.

On Track includes *On Track Connect*—respondents who are not in a full time job and not studying at the time of the interview are asked if they would like assistance. If they agree, their name and contact details are provided to their LLENs, which can then advise on local education, training or employment opportunities.

Tasmania has been conducting a similar survey and can link school outcomes to Year 12 and results from its state-wide testing program. Queensland is initiating a similar cross sectional survey as well as a panel study of senior secondary students and their transition. Queensland can also track school students through its administrative databases because it employs a unique student identifier across its secondary and tertiary education institutions. South Australia and Western Australia are also proposing to introduce a schools destination survey.

2.5 RAISING THE MINIMUM SCHOOL LEAVING AGE¹⁸

The 2005 review of Victoria's Education Act includes a possible increase in the minimum school leaving age. Four other states have recently raised, or intend to raise, their minimum school leaving age—South Australia, Tasmania, Queensland and Western Australia. Importantly, the changes often permit combinations of work and study as alternatives to school attendance:

- In South Australia from 2003 all students must be enrolled at a school until they turn 16 unless they have an exemption or are covered by the transitional arrangements.

¹⁷ Year 10 to 12 students only.

¹⁸ Until recently, the minimum school leaving age was 15 in all states except Tasmania where it was 16

- Queensland requires students entering Year 10 from 2006 onwards to stay at school until they either turn 16 or complete Year 10, whichever comes first. They are then required to participate in education and training for a further two years; or until they have gained a Senior Certificate; or until they have gained a Certificate III; or until they have turned 17. Exemptions are available for those who enter full time work after they have either completed Year 10 or turned 16.
- In Tasmania from 2008 young people who have completed Year 10 or have turned 16 will be required to participate in education and training for a further two years; or until they have gained a Certificate III; or until they have turned 17.
- Proposed legislation in Western Australia will raise the school leaving age to 16 by 2006 and 17 by 2008. From 2006, young people will be required to participate in school, training, higher education and/or work until the end of the year in which they turn 16. From 2008, young people will be required to participate in school, training, higher education and/or work until the end of the year in which they turn 17.

2.6 NEW APPROACHES TO ATTENDANCE

Several states have introduced programs designed to improve school attendance as part of broader initiatives to improve learning outcomes and school completion. Some success has been reported. South Australia has attributed its increase in attendance rates from 91.1% in 2002 to 92.1% in 2003 to its sustained focus on attendance.¹⁹ Similarly Tasmania attributes an increase in attendance of 0.9 percentage points in one of its high schools to its *Hartz District and Huon Stronger Community Partnerships* program.²⁰

- South Australia has created a *Taskforce on Absenteeism* and schools are required to develop and implement *Attendance Improvement Plans*. From 2003, \$500,000 per year has been allocated for four years to five ‘action zones’ identified as areas of low student attendance. Strategies for improving attendance include:
 - *Sending text messages to the parents of children absent without a notified reason*
 - *Developing individual Student Pathways Plans for senior secondary students*
 - *Providing child minding facilities so that young mothers can re-engage with school.*
- In 2003 Tasmania implemented the At School, On Time, Ready for Work strategy to increase attendance rates and to improve students’ school readiness or their ability to participate at school. The strategy is funding the initiation or expansion of several programs including:
 - *A phone home program that contacts parents of absent students on the day of their absence.*²¹
 - *Breakfast at school programs.*
 - *Targeted mentoring and alternative curriculum activities for chronic absentees and young people at risk of early school leaving.*

¹⁹ Mike Rann (The Hon), *Media release: \$1 million to improve school attendance*, 30 November, 2003.

²⁰ Department of Education - Tasmania, *2003-2004 Annual Report*.

²¹ The 2002 Tasmanian *Student Absence and School and Juvenile Crime* project found that monitoring attendance at school in combination with phone calls to parents could reduce absenteeism by 91 per cent. Premier & Cabinet, Tasmania, *At school, on time, ready for work*.

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- In Victoria, attendance rates are part of the benchmarking and school reporting requirements. Schools are expected to report their attendance levels against state and ‘similar school’ benchmarks and to initiate programs to address poor attendance.²² Improved monitoring has been emphasised through the *Electronic Roll Marking* project, evaluations of already available commercial products and improvement of the system reporting software. Individual schools have used MIPS and other funds to improve monitoring and followed up with parents.²³ Regional initiatives such as the Gippsland *It’s not OK to be away* and the Western Metropolitan *Truancy reduction pilot project* have also focused on improving attendance.

²² The Auditor General Victoria 2004 report *Managing school attendance* found an increase in absenteeism rates from 1996 to 2002 of 17 percent, but some of the increase may be due to improved monitoring.

²³ ‘Roll Calls’ *The Age*, 3 June 2004. Colin Boyd, principal of Leongatha Secondary College is quoted as claiming an 80% reduction in unexplained absences associated with the introduction of the SMS message system and the school-based focus on improved attendance (although the article does not make clear whether some of this decline is a conversion of unexplained to explained absences). There is substantial empirical support for the efficacy of such systems or more manual voice-phone systems.

3. PROGRESS TOWARDS THE VICTORIAN TARGETS

In October 2000, the Victorian Government set two longer-term performance targets for the postcompulsory education and training of young people:²⁴

- *The percentage of young people aged 15 to 19 in rural and regional Victoria engaged in education and training will rise by 6 per cent by 2005; and*
- *90% of young people in Victoria will successfully complete Year 12 or its equivalent by 2010.*

The Victorian Government reports on progress towards the targets in the Annual Reports of the Department of Education and Training and in Progress Reports from *Growing Victoria Together*.

3.1 PARTICIPATION IN RURAL AND REGIONAL VICTORIA

The target relating to rural and regional participation was somewhat ill-considered. Participation in rural and regional areas using DET's measures of persons participating at any time in a given year was already 92.6% in 2000. There was little scope for a six percentage point increase. Progress towards increasing participation has been limited—in 2003 it was 92.3%.

In 2003 *participation in education and training of 15 to 19 year-olds* in rural and regional Victoria was higher than in metropolitan Victoria—in 2002 it was 93.1% in rural and regional areas and 87.2% in metropolitan Victoria. The high participation in rural and regional areas reflects higher rates of participation in TAFE and ACE.

Victoria also reports *the percent of 19 year-olds who have achieved Year 12 or its equivalent* against this target—an attainment measure rather than a participation measure. This indicator has increased from 71.4% in 2001 to 73.3% in 2003 and in 2003 was lower than the state average of 77.5%.

The two indicators come from different sources—participation from administrative records and attainment from the ABS May *Education and Work* surveys. The administrative records often permit young people to be mapped to their permanent home address. The ABS surveys, however, are more likely to map young people to their current address. Hence the measures from the survey at least partially reflect the movement of young Victorians who have completed Year 12 from rural and regional to metropolitan areas for higher education and underestimate outcomes in rural and regional Victoria.

A focus on the broad division between the education and training outcomes of young people in rural and regional areas and in metropolitan areas is likely to miss the main story about inequality of outcomes and geography—there is more variation within these broad categories than between them.²⁵

²⁴ A third education and training target relates to the reading, writing and numeracy performance of primary school students in testing programs against national benchmarks.

²⁵ Teese, R, 2001. *Academic success and social power: examination and inequality*, MUP.

3.2 COMPLETION OF YEAR12 OR ITS EQUIVALENT

Targets relating to the attainment of qualifications address important aspects of the education and training of young people. Completion of Year 12 or of another post school qualification has been linked to improved transitions to the workforce, higher earnings and lower levels of unemployment.

Measures of educational attainment are inherently attractive as summaries of the outcomes of an education and training system. A major thrust of the education initiatives in Victoria has been to provide young people with opportunities to follow new pathways through TAFE, ACE and New Apprenticeships. The qualifications attained summarise the outcomes across the many different pathways.

Measurement of changes in educational attainment is problematic because of inherent lags in the impact of current changes in policy, programs and practices on somewhat later measures of attainment. Perhaps the best that can be done is to examine educational qualifications at say age 19. Even so, such measures mainly reflect the education and training system as it was several years previously—in Victoria most school students complete Year 12 when they are 17 years old.

The available data usually require measures at later ages. The values for attainment reported by DET and other sources are typically drawn from the ABS *Education and Work* survey. Estimates from this survey for individual states for particular ages are often based on small samples—in the case of 19 year-old Victorians on the answers of fewer than 300 persons. The resulting estimates are not very reliable. MCEETYA’s recent revision of its key indicators on attainment recognised this problem. The typical response is to broaden the age range of the measure—from say the attainment of 19 year-olds to the attainment of 20 to 24 year-olds. As the estimate becomes more reliable, the lag between attainment and the current education and training system grows.

The 2005 report for *Growing Victoria Together* reports that the percentage of 18-24 year olds in Victoria in 2003 who had completed Year 12 or a Certificate II or above rose from 80.0 per cent in 1999 to 83.2 per cent in 2003. These values, however, are not comparable because of changes in the coding of qualifications between 2000 and 2001. DET reported the following values for changes in Year 12 or Certificate II completion:²⁶

	2001	2002	2003
% of 19 year-olds	75.7	75.8	77.5
% of 18 to 24 year-olds	80.4	82.4	83.2

Values for both age groups show year-on-year increases. Extrapolating the values for the 18 to 24 year-old age group forward to 2010 suggests that the 90% target might be achieved. Of course, further gains in attainment are likely to become progressively more difficult to achieve.

²⁶ DET, Annual Report 2003-04

Several further issues can be raised about progress towards the target of 90% of young Victorians completing Year 12 or its equivalent:

- As noted above, the use of the 18 to 24 year-old population involves substantial time lags—current attainment levels are largely the results from an education and training system for young people well before the advent of LLENs, MIPs, VCAL or other recent initiatives.
- The completion of what were previously labelled *Basic vocational qualifications* does not have the same impact on labour market participation as completion of Year 12.²⁷ The choice of Certificate II as the VET equivalent of Year 12 completion is therefore arguable.²⁸
- Movement towards the target may reflect national trends. From a policy perspective, the interest is in whether educational attainment is growing more quickly in Victoria than it is nationally. Table 2 suggests that it is. Between 2001 and 2003 the percentage of 20 to 24 year-olds who had completed Year 12 or a Certificate III grew by 2.9 percentage points in Victoria, but by only 1.8 percentage points nationally. The percentage of 20 to 24 year-olds who had completed Year 12 or any post secondary qualification grew by 2.4 percentage points in Victoria compared with 1.1 percentage points for Australia as a whole. Measures such as this though may be influenced by interstate movements of young people for employment and education and enrolments of international students.

TABLE 3
Educational attainment by state: 20 to 24 year-olds, 2001-2003

YEAR	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
Completed Year12 or Certificate III									
2003	79.6	83.5	77.8	73.2	74.1	56.0	55.3	93.2	78.9
2002	79.2	82.0	77.0	71.8	73.9	59.5	76.8	92.8	78.2
2001	78.3	80.6	76.8	67.0	73.7	63.5	65.6	87.2	77.1
Completed Year12 or any post school qualification									
2003	82.5	85.9	81.2	78.1	78.7	64.1	61.7	93.6	82.1
2002	82.3	84.7	80.6	76.6	78.0	65.3	83.8	94.2	81.6
2001	81.9	83.5	81.0	72.5	78.5	72.4	72.0	90.9	81.0

Customised tables from the *Survey of Education and Work* (ABS 6227.0). Estimates for states with smaller populations may be unreliable.

²⁷ See for instance Lamb, S. et al., *Participation in vocational education and training*. Melbourne, ACER.

²⁸ The qualification categories recorded for the *Education and Work* survey mean that ‘Certificate II’ includes some people with only Certificate I.

4. TEENAGERS: KEY MEASURES OF STATE AND NATIONAL PERFORMANCE

Victoria's performance on many key measures of educational and labour market participation and outcomes for young people is above the national average and in most cases the highest among the larger states.²⁹

	Victoria %	Australia %
• Apparent retention in Victorian secondary schools to Year 12 in 2004 was among the highest of any state	81.1	75.7
• Participation of 15 to 19 year-old Victorians in full time school in 2004 was the highest of any of the larger states	56.7	50.5
• Scores for Victorian Year8 and 15 year-old school students were below the national mean for several scales in the TIMSS and PISA studies		
• Participation in VET in Schools in Victoria in 2003 was below the national average	27.8	48.3
• Participation in School-Based New Apprenticeships in 2003 was below the national average	2.0	2.5
• For 2003 school leavers, more Victorians were in full time study or full time work in March to May, 2004	71.8	68.7
• In 2004, participation in post school full time study by 15 to 19 year-olds in Victoria was higher than the national average	20.2	19.2
• In 2003, participation in VET by 15 to 19 year-old Victorians is higher than for any other state	29.5	25.9
• The rate of New Apprenticeship commencements by 15 to 19 year-olds in Victoria was higher than the national average	8.5	7.7
• More Victorian 15 to 19 year-olds were in full time study or full time work in March to May, 2004 than in any of the other large states	88.1	84.8
• In 2003 more Victorian 20 to 24 year-olds had completed Year12 or a Certificate III than in any of the other large states	83.5	78.9
• Among young people not in full time study, in 2004 the proportion in full time work was slightly lower in Victoria than nationally.	50.5	51.6
• In 2004, the percent of unemployed 15 to 19 year olds was lower in Victoria than in any other state	3.4	4.4
• In 2004, the percent of 19 year-old Victorians receiving unemployment benefits was lower than in any other state	5.4	6.4

Historically Victoria has performed above the national average on many of these measures. The real question is how has Victoria's performance changed in the last few years compared with other states and with the national average.

²⁹ Sources for these numbers are provided later in this chapter.

4.1 SCHOOL RETENTION

Many of the recent Victorian initiatives focus on improvements in schooling—not simply retaining more students at school longer, but delivering transition programs in the final years of schooling.

Measuring *actual* Year 12 completion in a particular state is difficult—it requires tracking individual students over time.³⁰ *Apparent* Year 12 retention is used instead. It reports the number of students enrolled in Year 12 in a given year as a proportion of the number enrolled in Year 7 five years previously (for those states in which Year 7 is the first year of secondary school) or as a proportion of the number enrolled in Year 8 four years previously (for those states in which Year 8 is the first year of secondary school).

TABLE 4
Apparent retention of secondary school students to Year 12 by state, 1999-2004

YEAR	NSW %	VIC %	QLD %	SA %	WA %	TAS %	NT %	ACT %	AUST %
1999	67.6	76.2	77.5	67.0	71.5	66.7	52.9	92.5	72.3
2000	67.5	77.2	77.3	65.4	71.3	69.5	49.7	87.1	72.3
2001	68.2	79.3	79.0	66.4	72.0	68.7	50.9	89.3	73.4
2002	69.9	80.9	81.3	66.7	73.7	72.6	53.0	88.1	75.1
2003	70.5	81.4	81.5	67.1	71.2	74.9	56.3	89.7	75.4
2004	71.1	81.1	81.2	68.0	72.6	72.8	59.0	88.5	75.7

Schools Australia, ABS 4221.0.

Values from 2003 in Western Australia are affected by reclassification of 5.8% of Year 12 students to VET.

Nationally, apparent Year 12 retention:

- increased substantially during the 1980s from 38.1% in 1981;
- peaked in the early 1990s at 77.1% before falling; and
- began to increase again in the late 1990s and in 2004 reached 75.7%.

In the five years from 2000, retention rates increased nationally by just over three percentage points, although at 75.7% in 2004 they are still below the levels reached in the early 1990s. Throughout the period the apparent retention rate was higher for young women than for young men. The recent recovery in overall retention rates has been driven more by increases in the apparent retention rate for males than by increases for females.

³⁰ Queensland has a system of unique student identifiers for school and VET students that allows this kind of tracking.

Box 2

Extraneous factors that can influence apparent Year12 retention

The problems with apparent retention rates as measures of Year 12 completion are well documented:

- *Very early school leavers* are not enrolled in Year 7 or Year 8. Their inclusion would *reduce* retention rates by about one percentage point.
- Excluding *ungraded students* means that students who are unlikely to reach Year 12 are not counted in Year 7 or 8. In 2003 including ungraded students would have *reduced* retention rates by nearly two percentage points.
- *Immigration* means that students are recorded in Year 12 without having been in Year 7 or 8. Excluding immigrants would *reduce* retention rates by three and a half percentage points.³¹
- Including *international students* means that students are recorded in Year 12 without having been in Year 7 or 8. Estimates of school retention would be 3 to 4 percentage points *lower* if they were excluded.
- Students *repeating Year 12* are counted twice. Their exclusion would *reduce* retention rates by between one and two percentage points.³²
- Students leave between the school census in early August and the end of the school year and may fail the final assessment. Excluding these students would further *reduce* estimates of retention.
- Excluding *mature age* Year 12 students (20 years plus) *reduces* apparent retention rates by nearly one percentage point.
- Including *part time Year 12 students* would have *increased* retention rates by about four percentage points in 2003.³³
- Including Year 12 students in TAFE institutes and other non-school providers would *increase* estimated retention rates, though many are mature age or second chance students.

On balance, apparent Year 12 retention rates probably over-estimate direct Year 12 completion—although it is not a simple matter of summing the effects because they often overlap. Estimates range from 3.3% to 5.5% for different combinations of influences.³⁴ Neither of these includes the influence of very early school leavers, ungraded students and international students that could collectively reduce retention rates by a further seven percentage points.

Victoria's apparent Year12 retention has increased faster than the national average. In the five years since 1999, apparent Year 12 retention increased nationally by 3.4 percentage points (Table 4). In Victoria it increased by 4.9 percentage points, 1.5 percentage points more than the national mean. The increase was greatest in the Northern Territory and Tasmania (6.1 percentage points).

³¹ Ryan & Watson estimate 3.2%; Lamb *et al* estimate 3.6%.

³² Based on estimates of Year 12 repeat rates of 1.4 and 2.3 percent reported in Ryan & Watson.

³³ Some students are in Year 12 part time for two years and would therefore be counted twice if included; some are full time for one year and returning part time and therefore have been counted already; some are mature age enrolments and therefore were not enrolled in the corresponding Year 7 or Year 8.

³⁴ Lamb *et al.*, *op cit* and Ryan & Watson, *op cit.* respectively.

Much of the faster increase in apparent retention in Victoria is due to international students.

Between 1999 and 2004 international students increased from 1.8% to 4.3% of Year 12 students in Victoria, while nationally they increased from 1.7% to only 3.0%.³⁵ The relatively higher increase in enrolments of international students explains much of the apparently higher faster increase in school retention in Victoria—relatively few international students enrol in Year 7 but their enrolments in the later years of schooling boost apparent Year 12 retention. If international students are removed from the enrolment data, the increase between 1999 and 2004 in Year 12 retention nationally is only 2.4% compared with 2.8% in Victoria.

Actual completion of Year 12 is lower than apparent retention. For 2004, the ABS *Education and Work* survey found that nationally only 62.4% of 15 to 19 year-olds who had left school had completed Year 12, some 13.3 percentage points lower than the apparent retention rate.³⁶ Of course some young people may return to school after being absent for a year or more. Box 2 summarises the problems on the use of apparent Year 12 retention rates. Changes in underlying influences on apparent retention add uncertainty to the meaning of changes in apparent Year 12 retention rates over time.

Differences among the states change if apparent retention is adjusted for:

- measurement issues
- population differences
- policy differences

The differences among the states in apparent Year 12 retention are often reduced if they are adjusted for extraneous influences.³⁷ Three types of influences can be identified: issues that mean that apparent rates do not correspond to real rates (most of those in Box 2); population differences between states (the socioeconomic profile, the proportion of rural students, and the proportion of Indigenous students); and policy issues (senior colleges, age-grade profiles, VET as a Year 12 alternative).

The three categories of adjustment lead to different interpretations. Measurement adjustments reflect the fact that there is a real difference between apparent Year 12 retention rates and Year 12 completion and these 'errors' might be different in the various states. Population differences are the environment in which school systems work and are often viewed as immutable.³⁸ School systems, however, can adjust better or worse to the populations they serve. Policy adjustments are usually given the name 'levers' to indicate that they can be changed to influence school outcomes.

Two sets of analyses provide 2002 apparent Year 12 retention rates for the states adjusted for various combinations of measurement, population and policy differences.³⁹ When adjustments are added, the differences among the states usually decline and often converge to the national mean.

³⁵ Unpublished analyses from the ABS Schools Statistics Collection.

³⁶ Unpublished analyses.

³⁷ Lamb, *et al.*, 2003 *op cit.*

³⁸ Reflected by research that treats their influence as constant across states—but retention rates for Indigenous students vary among the states.

³⁹ Ryan & Watson, 2003 *op cit.* and Lamb, *et al.*, 2004 *op cit.*

4.2 PARTICIPATION IN SCHOOLING

The proportion of the population of a given age enrolled full time in school is an indicator of engagement with education that appears to have few of the uncertainties associated with apparent Year 12 completion rates. Comparisons among states, however, are affected by any differences in their age-grade profiles (Table 1) as well as by the presence of international students, students repeating grades and the omission of part time students. Age participation rates also lose any sense of school completion.

TABLE5
Full time secondary school student participation rates by state: 15 to 19 year-olds
and 17 year-olds, 1999-2004

AGE/YEAR		NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
		%	%	%	%	%	%	%	%	%
17 years	1999	65.1	74.6	50.8	59.2	40.4	61.8	39.6	91.9	61.8
	2000	64.8	74.2	51.1	59.2	40.2	61.8	46.5	91.8	61.6
	2001	66.1	76.8	51.7	59.7	41.3	63.6	42.1	89.5	62.9
	2002	66.3	76.1	51.1	60.1	41.6	63.1	43.9	88.9	62.8
	2003	66.3	76.9	50.6	60.1	40.7	62.4	46.8	91.8	62.7
	2004	67.6	78.5	50.1	61.4	41.1	63.0	46.7	92.0	63.6
15 to 19 yrs	1999	50.6	54.3	46.2	50.0	43.0	52.5	40.4	63.0	50.0
	2000	50.1	54.5	46.0	49.3	42.7	52.8	41.7	63.4	49.8
	2001	50.3	55.8	46.2	49.4	43.3	53.1	41.0	61.5	50.2
	2002	50.2	55.4	45.9	48.8	43.2	53.3	40.9	61.4	50.0
	2003	50.8	56.1	45.9	49.5	42.6	53.0	41.8	61.5	50.3
	2004	51.0	56.7	45.5	50.1	42.8	53.0	42.5	62.4	50.5

Schools Australia, ABS 4221.0 and *Population by Age and Sex* 3201.0. Values for 2003 in Western Australia are affected by reclassification of 5.8% of Year 12 students (and a similar proportion of Year 11 students) to VET.

Victoria's school participation rate has increased faster than the national average. For Australia, the participation of 15 to 19 year-olds in full time schooling edged upwards from 50.0% to 50.5%, while for Victoria they rose from 54.3% to 56.7% (Table 5). The rates for 15 to 19 year-olds as a whole, however, are relatively insensitive to change because the age span covers ages for which almost all young people are enrolled (15 year-olds) and for which almost none is enrolled (19-year-olds). The school participation of 17-year-olds, for instance, is more sensitive to changes in participation. Between 1999 and 2004, full time school participation of 17 year-olds increased by 3.9 percentage points in Victoria compared with only 1.8 percentage points nationally. Again, the faster increase in participation in Victoria at least partly reflects the faster increase in enrolments of international students in that state. It may also reflect the different age-grade profiles among the states (Table 1).

Victoria has high levels of school participation. In 2004 compared with other states and nationally, Victoria had a relatively high rate of school participation of 15 to 19 year-olds and especially of 17 year-olds (Table 5). More than anything else, this reflects the fact that for any given grade, students in Victoria are older than in some other states. Many 17-year-olds in Western Australia and Queensland in particular, will have already completed and left school. While the differing age-grade profiles make meaningful comparisons among all states difficult, those with similar age-grade profiles can be compared. New South Wales and Victoria, for instance, have similar age-grade profiles but the school participation rate of 15 to 19 year-olds in New South Wales is more than 5 percentage points lower than in Victoria and more than 10 percentage points lower for 17 year-olds.

4.3 LITERACY AND NUMERACY LEVELS

Achievement at school is one of the major determinants of Year 12 retention and participation in post compulsory education, as well as a major educational outcome in its own right.⁴⁰ It is also influences later levels of employment and earnings.⁴¹

Australia's participation in multi-country studies of the achievement of school students provides some of the few sources of direct evidence about the relative performance of secondary school students in the different Australian states. Two studies have recently been conducted:

- TIMSS—the *Trends in International Mathematics and Science Study* which in late 2002 tested the mathematics and science knowledge of over 10,000 Year 8 Australian students. A comparable study was undertaken in 1994/95.
- PISA—the *Programme for International Student Assessment* which tested the mathematical, scientific and reading literacy of some 12,500 Australian students in August 2003.

Australian school students perform well against other countries

- TIMSS—Australia was 11th out of 46 countries in Year 8 science and was 14th out of 46 countries in Year 8 mathematics.
- PISA—Australia ranked 11th out of 40 countries in mathematical literacy; only one country (Finland) had a statistically higher mean in reading literacy; and only three countries (Finland, Japan and Korea) had statistically higher scores in scientific literacy.⁴²

⁴⁰ Marks G, *et al.*, 2001. *Patterns of participation in Year 12 and higher education in Australia*, ACER.

⁴¹ Lamb S, 1997. *School achievement and initial education and labour market outcomes*, ACER.

SETTING THE PACE

The TIMSS 2002/03 results can be compared with an earlier international testing program conducted in 1994/95 and students' performances scored on the same scale. In Year 8 science Australia's absolute performance improved and several countries that in 1994/95 had similar levels of performance were significantly lower in 2002/03. In mathematics, however, there was no change in the Australian mean, but several other countries had improved, which lowered Australia's relative ranking.

Achievement of Victorian students is below the national mean. Table 6 ranks the performance of the states for achievement scales in TIMSS and PISA. Next to each mean is a symbol that indicates whether that mean is statistically higher, lower or no different from the mean for Victoria. The scales themselves are arbitrary—the Australian and international means are included and the standard deviation is about 100 for all scales.

TABLE 6
Mean achievement by state: TIMSS 2002/03 and PISA 2003

TIMSS					PISA									
Year 8					15-year-olds									
Mathematics			Science		Mathematics			Science		Reading				
NSW	530	o	NSW	547	+	ACT	548	+	ACT	549	+	ACT	553	+
ACT	507	o	ACT	538	o	WA	548	+	WA	546	+	WA	546	+
SA	501	o	SA	524	o	SA	535	+	SA	532	+	SA	535	+
VIC	495		WA	520	o	NSW	526	o	NSW	530	o	NSW	530	+
QLD	490	o	VIC	516		QLD	520	o	QLD	517	o	QLD	519	o
WA	487	o	QLD	516	o	VIC	511		VIC	514		VIC	510	o
TAS	477	o	TAS	504	o	TAS	507	o	TAS	508	o	Tas	509	o
NT	449	o	NT	482	o	NT	496	o	NT	496	o	NT	495	o
AUST	505			527			535			528			528	
All	467			474			500			500			494	

Thomson S, Creswell J & De Bortoli L, 2004. *Facing the future: A focus on mathematical literacy among Australian 15 year-old students in PISA 2003*, ACER; Thomson S & Fleming N, 2004. *Examining the evidence: Science achievement in Australian schools in TIMSS 2002*, ACER; Thomson S & Fleming, N, 2004. *Summing it up: Mathematics achievement in Australian schools in TIMSS 2002*, ACER. TIMSS and PISA are scored against different groups of countries. + indicates statistically significantly higher than Victoria, o indicates no difference. A multiple-comparison approach is used to estimate statistical significance. This may be conservative when used for comparisons involving only Victoria—some values shown as not significant may be significant. All is the average of all participating countries.

Victoria ranks somewhat higher in the TIMSS than in the PISA study. Victoria's older age-grade profile gives it an advantage in the TIMSS (Year 8 students in Victoria are older than in some other states) but a disadvantage in the PISA study (on average, 70% of 15 year-olds in Victoria are a grade below 15 year-olds in Western Australia or Queensland).

Even in the TIMSS, where Victoria has an advantage, its mean for mathematics is 0.35 standard deviations below that for New South Wales, which has a similar age grade profile. For science, the difference between New South Wales and Victoria is statistically significant.

⁴² Rankings depend on whether only those countries with statistically significantly higher scores are counted or not.

In PISA, Victoria's mean of 511 for mathematics is more than a third of a standard deviation below that of the ACT and Western Australia—not just a statistically significant difference, but a substantial difference. If the ACT and Western Australia had been treated as separate countries, they would have ranked second behind Hong Kong. Victoria would have tied for 16th place with France. Victoria's rankings on science and reading are similar.

4.4 VET IN SCHOOLS

The VET in Schools initiative has broadened the senior secondary school curriculum in order to make Year 12 more attractive to more students and improve school retention. It has opened pathways directly into the VET sector by allowing students to complete nationally accredited training as part of their school studies. Structured workplace learning conducted as part of many VET in Schools programs has contributed to more porous boundaries between schools, the VET sector and work.

TABLE 7
Participation in VET in Schools by state, 1999 and 2003

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
1999	39.3	13.8	49.4	61.0	20.8	24.5	55.5	48.1	34.6
2003	52.3	27.8	69.0	75.3	31.1	31.9	59.2	41.8	48.3
% of enrolments at Certificate III or above in 2003	6.8	25.0	2.1	2.7	5.8	8.8	0.1	18.4	9.6

Australian vocational education and training statistics: Students and courses 2003, NCVET, p.115. and Stephens, A, presentation for ANTA, VETNetwork Conference, 23-25 October, 2002, derived from MCEETYA. Comparisons between 1999 and 2003 should be made with care because of changes in definitions.

Participation in VET in Schools is lower in Victoria. In 2003, VET in Schools enrolments were 27.8% of school enrolments in Years 11 and 12, lower than any other state, and certainly lower than the national figure of 48.3% (Table 7). Between 1999 and 2003 participation in VET in Schools has not grown more rapidly in Victoria than elsewhere. In relative terms, participation in Victoria has increased more from 1999 because it has nearly doubled—but this is only because of the low level of participation in Victoria in VET in Schools in 1999. In absolute terms, participation in VET in Victoria grew by 14.0 percentage points compared with 13.7 percentage points nationally. The way in which VET in Schools is financed and the relatively high fees levied on individual students may partly explain this lower level of participation.⁴³

VET in Schools enrolments are more likely to be at Certificate III or above in Victoria. VET in Schools enrolments in Victoria are restricted to qualifications underpinned by national training packages. VET in Schools participants in Victoria are substantially more likely to be enrolled in a course leading to a Certificate III or higher than are participants in other states (Table 7). One in four Victorian participants is enrolled in a Certificate III or higher compared with one in ten nationally. Apart from the ACT, most other states are substantially below the national mean.

⁴³ Burke, G, et al., 2002. *Costing issues for VET in Schools: Secondary colleges and TAFE*.

Victoria's participation in school based apprenticeships is below the national average. The school-based apprenticeship program is a natural, albeit more complex, extension of VET in Schools. In 1999 there were 3,994 school-based New Apprenticeship commencements, mostly in Queensland. The initiative was still gathering momentum nationally in 2003 with 2.5% of students in Years 11 and 12 commencing an apprenticeship while still enrolled at school (Table 8). Commencements in Victoria (2.0%) were marginally below the national average, mainly because of the high number of commencements in Queensland. Growth in commencement rates from 1999 has been similar to the national average.

The virtual absence of traditional apprenticeships is a feature of the school-based apprenticeship program. Even so, commencements in Victoria still had a particularly strong focus on courses leading to a Certificate III or higher and courses of more than two years duration.

TABLE 8
School-based apprenticeship and traineeship commencements by state, 2003

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
<i>No. of commencements</i>	681	2,156	5,179	1,017	973	12	145	408	10,571
<i>% of Year 11 and 12 students</i>	0.5	2.0	6.0	3.3	2.2	0.1	4.5	4.5	2.5
<i>% traditional¹</i>	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.1
<i>% Certificate III or higher²</i>	5.8	32.4	24.3	6.3	1.0	25.0	6.2	5.2	21.0
<i>% more than 2 years duration</i>	53.2	91.4	14.5	81.5	0.5	12.5	0.0	1.0	45.6

Number of commencements from MCEETYA, *National data on participation in VET in Schools programs & School-Based New Apprenticeships for the school year 2003*. Year 11 and 12 students from *Schools Australia, 2003*, ABS 4221.0. Unpublished results from the NCVET Apprentices and Trainees database, March quarter 2003. Minor discrepancies from published values reflect data revisions and approximation in the weightings. (1) *Traditional* approximates to apprenticeships, *non-traditional* approximates to traineeships. (2) Very few apprenticeships and traineeships were above Certificate III.

4.5 DESTINATIONS OF SCHOOL LEAVERS

The educational and labour market activities of young people in the year after leaving school provide an indicator of the quality of their transition. Two measures are available—the ABS *Labour force surveys*, which allow comparisons with other states over time, and the *On Track* survey, which is one of the recent Victorian initiatives.

TABLE 9
Educational and labour force participation of school leavers in the year after leaving school: Victoria and Australia, March to May, 2002-2004

	<i>Not studying full time</i>				
	<i>Full time tertiary study</i>	<i>Full time employed</i>	<i>Part time employed</i>	<i>Unemployed</i>	<i>Not in the labour force</i>
	%	%	%	%	%
Victoria	54.7	20.0	13.1	7.5	4.7
Australia	46.3	22.6	15.7	9.4	6.0

Labour Force Australia, ABS 6202.0—ST LM3. Values are averages for 2002-04 to improve the accuracy of estimates.

The *Labour force surveys* show that in recent years more than half (54.7%) of Victoria school leavers continue full time study in the year after leaving school and a further 20% find full time employment (Table 9). A quarter (25.3%), however, are neither in full time study or full time work. Most of these (13.1%) are employed part time, 7.5% are unemployed and 4.7% are not in the labour force. Victorian school leavers are more likely than are school leavers nationally to be fully engaged, mainly because of their higher likelihood of enrolling in full time study. They are less likely to be not studying full time and employed part time, unemployed or not in the labour force.

TABLE 10
Participation in full time study or work by state: School leavers in the year after leaving school, March to May, 1999-2004

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
1999	73.7	76.9	70.4	74.1	79.1	60.5	63.8	72.0	73.9
2000	70.6	78.5	69.3	68.3	75.5	63.6	52.6	70.2	72.2
2001	71.3	78.6	64.3	66.5	68.8	55.6	66.8	61.4	70.2
2002	65.6	76.2	68.5	60.6	70.4	61.8	44.2	76.3	68.7
2003	68.9	76.0	63.3	61.5	75.2	61.1	60.5	56.8	69.2
2004	69.1	71.8	62.5	66.1	74.3	76.7	36.6	70.5	68.7

Labour Force Australia, ABS 6202.0—ST LM3. Values have high relative sampling errors, especially for smaller states.

The proportion of young people either in full time study or full time work (*fully engaged*) provides a convenient summary measure of the situation of young people. The proportion of Victorian school leavers fully engaged in the year after leaving school has typically been above the national average except in times of economic recession. In 1999 it was 3.0 percentage points above the national average and in 2004 it was 3.1 percentage points above the national average. In the intervening years, however, full time engagement for school leavers was relatively higher in Victoria than nationally—a difference of 8.4 percentage points in 2001, for instance.

Neither the absolute decline in full time engagement from 76.9% in 1999 to 71.8% in 2004 nor the lack of any relative improvement of the full time engagement of Victorian school leavers during the years 1999 to 2004 are consistent with improved transitions for young Victorians in recent years.

The particularly low level of full time engagement for Victoria school leavers in 2004 may be a statistical artefact—the estimates in Table 10 are based on relatively few respondents and can fluctuate from year to year due to sampling. Nevertheless, from 2001 onwards the trend has been downwards over several years. It is possible that the recent initiatives in Victoria have resulted in more school leavers combining part time study with part time work, a form of full time engagement not included in Table 10.

On Track surveys Victorian school (government and non-government) leavers in March and April in the year after they left school. It does not yet provide a lengthy time series nor results comparable with other states. The number of respondents, however, is substantially larger than for the ABS *Labour force surveys*.

Table 11 shows the destinations in March or April 2003 of students who left school in 2002. Comparison with results from the *Labour force surveys* is difficult because among other differences the *On Track* results exclude persons who were not in the labour force and include part time study with full time study.

Year 12 completers in Victoria are less likely to be unemployed than are early school leavers. School leavers who completed Year 12 are more likely to continue with study than other school leavers, mainly because Year 12 provides entry to higher education. Year 12 completers are only modestly more likely to enrol in a VET course (27% compared with 24%). Early school leavers, however, are substantially more likely to enrol in an apprenticeship or traineeship (34% of early school leavers compared with 6% of Year 12 completers).⁴⁴ Early school leavers are more likely to be employed than Year 12 completers. Overall, however, early school leavers are three times more likely to be unemployed (17%) than are Year 12 completers (6%). Students who left school after Year 9 have a particularly high level of unemployment (26%).

TABLE 11
Destinations in March-April 2003 of Victorian school leavers in 2002

Destination in March or April 2003	Year 9	Year 10	Year 11	Before Year 12	Year 12	Total
<i>University</i>	0.0	0.0	0.0	0.0	40.8	32.8
<i>VET</i>	27.6	23.6	22.2	23.6	26.8	26.2
Certificate IV or above	---	---	---	---	19.8	---
Entry level	---	---	---	---	7.0	---
<i>Apprenticeship or traineeship</i>	25.0	36.0	33.7	34.2	6.0	11.5
Apprenticeship	19.0	31.9	27.7	28.8	3.5	8.4
Traineeship	6.0	4.1	6.0	5.4	2.5	3.1
<i>Employed</i>	21.1	33.3	27.7	25.8	21.0	21.9
<i>Unemployed</i>	26.3	17.1	16.4	17.1	5.6	7.8

Teese R, Polesel J & Mason K, 2004. *The destinations of school leavers in Victoria: Report of the 2003 On Track project*. Study (full or part time) was given priority in categorising destinations—persons shown as employed are not studying at all. Persons not in the labour force are excluded from the table. The Total column was not provided in the original.

4.6 FULL TIME ENGAGEMENT OF TEENAGERS

Without strong institutional structures to ensure that school leavers find a full time job or enrol in full time education and training, there is the chance that some young people will fall through the cracks—they will miss out on the work experience and education and training that will help their future employment prospects.

The previous section presented results on the full time engagement of school leavers. Combining those in full time study and full time work leaves out those who are not engaged full time—young people not in full time study and are employed part time, unemployed or not in the labour force.

Victoria has high levels of full time youth engagement. In 2004, 88.1% of Victorians aged 15 to 19 were either studying full time or working full time. The corresponding value nationally was only 84.8% (Table 12).

⁴⁴ The relatively small fraction of students in traineeships is at variance with commencement data for 15 to 19 year-olds—traditional apprenticeships are only a third of commencements.

TABLE 12
Educational and labour force participation of 15 to 19 year-olds:
Victoria and Australia, March to May, 2004

			<i>Not studying full time</i>				
	<i>Full time study at school</i>	<i>Full time tertiary study</i>	<i>Full time employed</i>	<i>Part time employed</i>	<i>Unemp-loyed</i>	<i>Not in the labour force</i>	<i>Not in full time study or work</i>
	%	%	%	%	%	%	%
Victoria	55.7	20.2	12.1	5.8	3.4	2.8	11.9
Australia	49.5	19.2	16.2	7.1	4.4	3.7	15.2

Labour Force Australia, ABS 6202.0—ST LM3.

Identifying a group such as those who are in full time study or full time work as having a ‘good’ outcome is a broad brush indicator. It has the benefit that the data are readily available in a timely fashion. Several reservations, however, are required:

- *Part time study combined with part time work*—a form of full time engagement—is omitted. In May 2004 only 1.3% of 15 to 19 year-olds combined part time study and part time work nationally, although the incidence is slightly lower in Victoria.
- *The older age-grade profile* (Table 1) increases the school participation of 15 to 19 year-olds in Victoria compared with some other states.
- *Part time work sometimes approximates full time work*. In August 2004, for instance, more than a third (34.0%) of 15 to 19 year-olds employed part time and not in full time study worked between 25 and 34 hours a week. Nevertheless 59.5% of part time workers not in full time study wanted to work more hours.
- *People can be productively engaged while not in the labour force*, but nearly half of 15 to 24 year-olds not in the labour force want a job but for various reasons do not satisfy the definition of being unemployed.⁴⁵
- *People move in and out of full time work and study*. The measures presented here are static. Inclusion of dynamic processes such as labour market churning might expand the ‘at risk’ category.

Full time engagement in Victoria has been stable in recent years. In 1999 88.7% of 15 to 19 year-old Victorians were either studying full time or working full time. By 2004, the corresponding figure was 88.1%, almost unchanged. The pattern was similar for the nation as a whole—85.5% in 1999 and 84.8% in 2004. Victoria did not improve compared with Australia overall.

⁴⁵ Persons 15 years or over who were not employed during the reference week and had actively looked for full or part-time work at any time in the four weeks up to the end of the reference week; and were available for work in the reference week; or were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available.

TABLE 13

In full time work or full time study by state: 15 to 19 year-olds, March to May, 1999-2004

Year	NSW %	VIC %	QLD %	SA %	WA %	TAS %	NT %	ACT %	AUST %
1999	85.8	88.7	82.4	83.5	85.5	82.5	74.3	89.2	85.5
2000	86.4	88.7	82.8	84.7	84.5	85.0	71.9	88.7	85.7
2001	86.2	90.1	80.2	81.9	82.2	82.4	74.2	83.6	85.0
2002	83.9	88.9	82.6	81.2	81.0	83.8	69.0	88.9	84.3
2003	85.5	88.5	81.5	83.1	83.3	82.9	73.5	82.1	84.8
2004	85.7	88.1	82.2	81.2	84.8	83.9	56.1	86.5	84.8

Labour Force Australia, ABS 6202.0—ST LM3. Estimates for smaller states may be unreliable.

4.7 PARTICIPATION IN FURTHER STUDY AND TRAINING BY TEENAGERS

Further study includes all post school study or training—at a university, TAFE or other education provider. *Labour force surveys* provide an overview of enrolments of full time students. Enrolments in VET and higher education provide a more detailed picture by sector.

TABLE 14

Participation in full time post school education: 15 to 19 year-olds, Victoria and Australia, March-May, 1987-2004, selected years

YEAR	'87 %	'88 %	'89 %	'90 %	'92 %	'94 %	'96 %	'98 %	'99 %	'00 %	'01 %	'02 %	'03 %	'04 %
<i>Victoria</i>	11.2	10.6	12.9	15.6	17.8	19.1	18.2	20.5	21.8	22.3	20.4	22.2	21.1	20.2
<i>Australia</i>	11.4	12.1	13.3	14.5	17.3	17.7	17.9	18.6	19.7	19.2	18.9	20.0	19.4	19.2

Source: *Labour force surveys*, ABS

Increasing participation in further full time study by 15 to 19 year-olds has stalled. The proportion of young Australians participating in full time study has been increasing over the last two decades. For 15 to 19 year-olds participation has almost doubled from just over 11% to nearly 20% (Table 14). Much of the increase occurred during the 1990s. From 1999 onwards, however, nationally there has been no clear upward trend.

Participation in further full time education and training by 15 to 19 year-olds increased marginally more quickly in Victoria than in Australia overall. During the 1990s participation rates in Victoria moved from being one or two percentage points below the national mean to being one or two percentage points above the national mean.

TABLE 15
In full time post school education by state: 15 to 19 year-olds,
March to May, 1999-2004

Year	NSW %	VIC %	QLD %	SA %	WA %	TAS %	NT %	ACT %	AUST %
1999	18.5	21.8	20.0	16.5	23.0	11.9	10.3	21.1	19.7
2000	17.6	22.3	19.0	16.0	23.8	11.9	8.2	14.9	19.2
2001	17.7	20.4	20.0	16.2	23.0	10.7	6.7	15.2	18.9
2002	19.7	22.2	19.7	17.4	22.2	10.6	5.2	22.7	20.0
2003	18.2	21.1	19.6	16.6	24.6	11.2	4.6	17.9	19.4
2004	19.2	20.2	18.5	14.9	23.5	10.8	5.4	22.5	19.2

Labour Force Australia, ABS 6202.0—ST LM3. Estimates for smaller states may be unreliable.

Participation levels in school and further education are related. Higher levels of school participation can ‘crowd out’ participation in tertiary education for 15 to 19 year-olds—there are fewer persons available for tertiary enrolments. In this sense, Victoria’s older age-grade profile may work against participation in tertiary education by 15 to 19 year-olds. On the other hand, Year 12 completion is a major pathway to further education and can support higher levels of participation in tertiary education.

Participation by 15 to 19 year-olds in full time tertiary study in Australia declined slightly between 1999 (19.7%) and 2004 (19.2%). In Victoria it declined somewhat more—from 21.8% to 20.2%. Victoria’s advantage compared with Australia fell from 2.1 percentage points in 1999 to 1.0 percentage points in 2004.

Part time study is important. In Australia, the majority (71.2%) of 15 to 19 year-old tertiary students are enrolled full time, but nearly 100,000 are also enrolled part time. The *Labour force surveys* only provide information on full time enrolments. The *May Education and work* survey provides the additional information on part time study but estimates for individual states are often based on very few respondents.

Enrolment records should show recent changes in total (full and part time) enrolments in VET and higher education. The *VET provider collection*, however, has not consistently either excluded or included the substantial VET in Schools enrolments since 1999—they were progressively included for some states, but excluded for others and only from 2002 reported separately. Similarly, from 2002 the *Higher education student collection* made significant changes to the way in which enrolments are reported. Statistics on apprenticeships and traineeships, however, do appear to be consistent over the period. Additionally, apprenticeships and traineeships overlap with VET enrolments and neither the VET nor the higher education collections capture all enrolments in their sectors.

Participation by young Victorians in VET is above the national average. Although comparisons over time are not meaningful, comparisons of VET enrolments between states in 2003 are. Nearly 30% of Victorian youth were enrolled in VET (Table 16).⁴⁶ Nationally the average was nearly 26%. Participation of 15 to 19 year-olds in VET was higher in Victoria than in any other state.

⁴⁶ All enrolments in publicly funded VET and all enrolments with a public VET provider—excludes privately funded VET in private VET providers.

Commencements by young Victorians in higher education are at about the national average.

Nearly 14% of Victorian youth were enrolled in higher education during 2003 (Table 16).⁴⁷ This was slightly below the national average of 15%, probably because of Victoria’s older age grade structure in schools. Commencements, however, are at about the national average.

4.8 APPRENTICESHIPS AND TRAINEESHIPS

Apprenticeship and traineeships provide a pathway that combines work and study. In the last decade, enrolments in apprenticeships and traineeships have increased very rapidly, principally in the non-traditional areas covered by traineeships—qualifications that are often shorter than the traditional trade based apprenticeships. After substantial public comment about shortages in the trades, 2004 has seen a quite sudden and substantial increase in commencements in trades-based apprenticeships.

TABLE 16
Participation in VET and participation and commencements in higher education by state:
15 to 19 year-olds, 2003

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
VET participation	26.7	29.5	23.3	20.4	26.3	19.3	28.7	19.5	25.9
Higher Education commencements	6.8	7.3	7.6	6.4	6.6	6.4	4.4	8.4	7.0
Higher Education participation	12.6	13.6	15.0	12.7	13.7	11.3	7.0	15.4	13.4

VET from NCVER *Australian vocational education and training statistics: Students and courses 2003*. Higher education from customised tables provided by DEST (domestic students only and state of permanent address). Population data from ABS estimates of permanent residents.

Enrolments in apprenticeships and traineeships can be characterised sequentially by commencements, the numbers enrolled at any given time and completions. All capture important aspects of the experience of young Australians. Completion of courses begun by young people as 15 to 19 year-olds, however, can frequently occur when they are 20 to 24 year-olds and age-based statistics for completions may therefore be misleading.

⁴⁷ Excludes some enrolments in private higher education providers. See Watson L & Ryan C, 2001,

TABLE 17
Apprenticeship and traineeship commencements and participation by state:
15 to 19 year-olds, year ending 30 June 1999-2004

Year	NSW %	VIC %	QLD %	SA %	WA %	TAS %	NT %	ACT %	AUST %
Commencements									
1999	5.1	6.2	8.3	6.6	4.9	7.4	5.5	5.8	6.2
2000	5.6	6.9	7.7	7.5	5.1	7.7	4.7	6.2	6.5
2001	5.5	7.7	7.3	6.8	4.4	7.7	4.7	6.1	6.4
2002	5.9	8.3	8.3	7.6	5.0	7.4	4.7	6.1	7.0
2003	6.2	8.8	8.8	8.4	5.6	7.9	6.2	6.6	7.5
2004	6.4	8.5	9.0	8.7	6.4	9.0	6.1	8.0	7.7
In-training¹									
1999	6.8	7.1	8.3	6.9	7.5	8.0	6.1	5.4	7.2
2000	7.2	7.7	8.6	7.6	7.4	8.2	5.4	5.8	7.6
2001	7.3	8.5	8.8	7.7	6.7	8.6	5.4	5.7	7.8
2002	7.7	9.4	9.4	8.3	6.9	8.5	5.4	6.1	8.4
2003	7.9	9.7	10.1	9.2	7.3	9.1	6.2	6.6	8.8
2004	8.1	8.8	10.4	10.0	8.0	10.2	6.8	7.1	8.9

Population by age & sex, Australian states and territories, ABS 3201.0 and Australian demographic statistics, ABS 3101.0 Australian vocational education and training statistics: Apprentices and trainees - June quarter 2004, State tables. (1) In the quarter ending June 30.

Apprenticeship and traineeship commencements have grown more rapidly in Victoria. In 2003-2004, about 8.5 in every 100 Victorians aged 15 to 19 started an apprenticeship or traineeship, somewhat above the national average of 7.7 in every 100 (Table 17). Since 1999 the growth in commencements in Victoria has been more rapid than nationally, although commencements in 2004 were slightly lower than in 2003. A commencement rate of 8.5 suggests that for any given youth, the chances of their commencing an apprenticeship over the five years from age 15 to 19 is just over 40%. Many young people, however, will start more than one apprenticeship in this period.

The proportion of Victorian youth participating in an apprenticeship in 2003-2004 (8.8%) was just below the national average (8.9%)—possibly reflecting the high Year 12 retention in Victoria and Victoria's older age-grade profile in schools.

Apprenticeships commencements of Victorian teenagers differ on several important respects from the national averages (Table 18):

- Substantially more are at Certificate III or above (75.0% compared with 64.0% nationally);
- Substantially more are of two or more years duration (71.7% compared with 51.9%);
- For apprenticeships and traineeships that are not school-based, part time commencements are higher (27.7% compared with 20.4%).

TABLE 18
Apprenticeship and traineeship commencement characteristics by state:
15 to 19 year-olds, March 2003

	NSW	VIC	Qld	SA	WA	TAS	NT	ACT	AUST
% female	38.9	42.3	41.7	40.9	38.4	45.1	42.9	43.9	40.9
% non-traditional ¹	61.4	66.2	73.9	68.5	62.1	72.6	100.0	72.8	67.1
% Certificate III or higher ²	60.5	75.0	61.5	50.3	62.2	63.4	55.1	65.2	64.0
% more than 2 years duration	56.1	71.7	32.4	55.2	40.3	34.7	0.0	34.6	51.9
% full time share	78.2	62.4	64.7	72.1	78.4	80.4	76.3	64.0	70.2
% part time share	18.8	23.9	14.8	14.7	10.6	18.3	7.6	13.1	18.0
% school-based	3.0	13.7	20.5	13.2	11.0	1.3	16.2	22.9	11.8
% Year 12	39.9	45.2	46.1	36.0	36.2	35.0	31.1	50.0	42.1
% Year 11	11.9	17.8	13.6	30.8	21.0	26.5	27.0	18.7	16.8
% Year 10 ³	48.2	36.9	40.3	33.2	42.8	38.5	41.8	31.3	41.1

Adapted from data provided by NCVET from the Apprentices and Trainees data base. Estimates are for the calendar year and were current for the March quarter 2003. Minor discrepancies from published values are due to data revisions and approximation in the weightings. Some related values in the table may not correspond because of rounding. Percentages are calculated for totals that exclude any cases with missing values for the particular variable. (1) *Traditional* approximates apprenticeships, *non-traditional* approximates traineeships. (2) Very few apprenticeships and traineeships were at Certificate IV, Diploma or Advanced diploma level. (3) Highest completed Year 10 includes lower grades.

4.9 FULL TIME AND PART TIME WORK

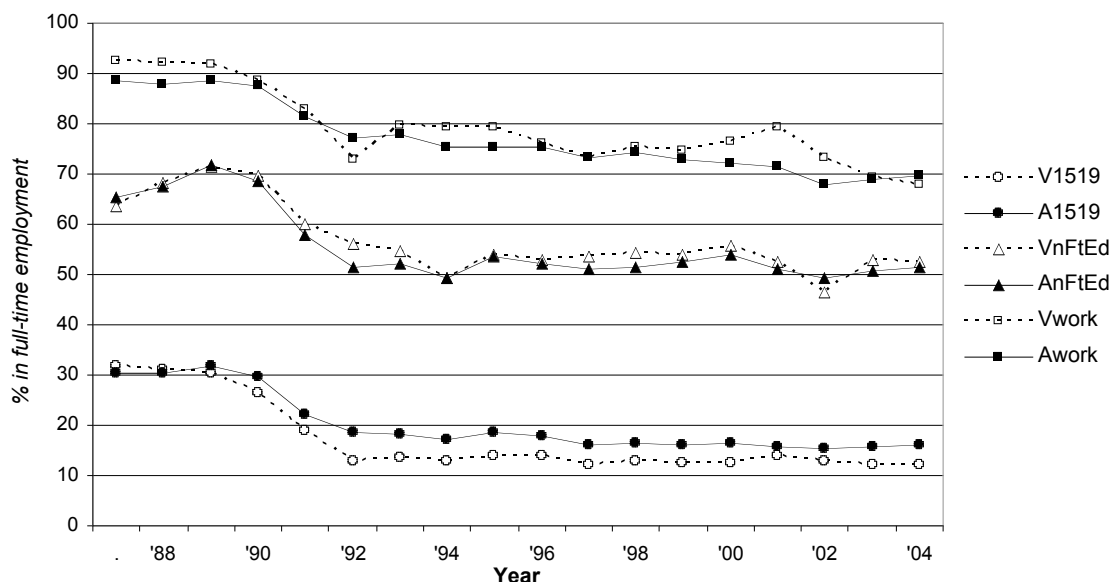
Starting their first permanent full time job is a key moment in the transition of young people from school to the adult world of work and financial independence. Increasingly it is postponed for many young people because of longer periods in full time study—both in school and in further education. It is not only study, however, that has led to delays in finding full time work. For those young people who are not full time students, it is increasingly difficult to find full time work. Part time work is often all that is available.

The nature of the connections between full time study and full time work is not always clear—some students stay or leave full time education in response to job opportunities and increasing demands for educational qualifications reduce the number of young people available for full time work. The link between full time employment and full time study, however, means that state comparisons of youth employment at least partly echo differences in age-grade profiles.

Full time employment for teenagers has declined. The main longer term changes in teenage employment are:

- The proportion of 15 to 19 year-olds in full time employment has declined—in part, full time study has displaced full time work. Figure 1 shows the decline for Australia (almost halved from 30.5% in 1987 to 16.2% in 2004) and the greater decline for Victoria (from 31.7% to 12.1%).

FIGURE 1
Full time employment: 15 to 19 year-olds, Victoria and Australia,
March to May, 1987-2004



Labour Force Australia, ABS 6202.0—ST LM3. Legend: V is Victoria, A is Australia, 1519 is percent in full time employment of 15 to 19 year-olds; nFtEd is percent in full time employment of 15 to 19 year-olds not in full time education; and Work is percent in full time employment of 15 to 19 year-olds not in full time study in employment

- It is not just a replacement of full time work with full time study, however. Even among persons not in full time study, the proportion in full time work has declined. Again Figure 1 shows the decline for Australia (from 65.4% in 1987 to 51.6% in 2004) and the slightly smaller decline for Victoria (from 63.7% to 52.4%).
- Full time employment has even declined among 15 to 19 year-olds not in full time study and working—part time work has progressively displaced full time work for teenagers not in full time study. Figure 1 shows the decline in full time employment for Australia (88.4% in 1987 to 69.5% in 2004) and Victoria (92.6% to 67.8%) and hence the corresponding increase in part time employment.

TABLE 19
Full time employment: 15 to 19 year-olds, March to May, 1999-2004

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
<i>% in full time work of 15 to 19 year-olds</i>									
1999	16.6	12.5	18.1	15.1	20.7	20.5	15.4	9.2	16.1
2000	17.3	12.5	18.7	16.3	19.9	17.7	20.9	15.2	16.6
2001	15.3	13.8	17.5	15.1	19.5	17.8	18.7	11.5	15.8
2002	13.9	12.8	19.3	13.5	17.9	20.3	14.5	12.8	15.2
2003	16.3	12.0	17.8	15.7	17.8	18.3	19.6	12.7	15.7
2004	15.7	12.1	19.1	16.0	20.8	21.0	17.1	12.5	16.2
<i>% in full time work of 15 to 19 year-olds not studying full time</i>									
1999	53.8	52.6	50.6	47.8	58.7	53.9	37.5	46.0	52.6
2000	55.8	52.5	52.0	51.5	56.3	54.3	42.6	57.4	53.8
2001	52.6	58.1	46.9	45.4	52.2	50.3	42.0	41.3	51.2
2002	46.5	53.5	52.5	41.8	48.5	55.6	31.9	53.4	49.2
2003	52.8	51.2	49.1	48.2	51.6	51.7	42.6	41.5	50.8
2004	52.4	50.5	51.8	46.1	57.7	56.6	28.1	48.1	51.6
<i>% in full time work of 15 to 19 year-olds not studying full time and in work</i>									
1999	74.8	74.5	69.6	67.0	75.2	76.0	63.4	58.8	72.7
2000	72.4	76.3	70.5	69.4	71.0	75.5	68.7	70.5	72.2
2001	72.0	79.2	69.3	63.5	69.6	66.0	67.4	58.6	71.3
2002	66.6	73.1	69.8	56.7	65.8	75.4	49.1	65.6	67.7
2003	71.0	69.4	67.4	65.5	68.7	71.4	61.4	55.0	68.8
2004	70.7	67.8	68.7	64.9	74.6	72.9	53.2	65.8	69.5

Labour Force Australia, ABS 6202.0—ST LM3. Full time work excludes a small number who are employed full time and studying full time. Estimates for smaller states may be unreliable and estimates for those not studying full time and in work unreliable for most states.

In the last five years (Table 19):

- The proportion of 15 to 19 year-olds in full time employment nationally has been almost unchanged. In Victoria, the proportion in full time work is somewhat lower and may have declined slightly as the proportion in full time study increased a little.
- Among 15 to 19 year-olds not in full time study, nationally full time employment declined very slightly, but fluctuated over the period. In Victoria, the level of full time employment was similar but the decline may have been a little larger.
- Full time employment continued to lose its employment share nationally as the relative importance of part time employment grew. The change may have been somewhat faster in Victoria, but care is required because the estimates are based on small samples.

4.10 YOUTH UNEMPLOYMENT

Unemployment is an indicator of a poor transition—a young person does not have a paid job, is actively seeking work, but cannot find work. Unemployment is usually expressed as the percent of people who do not have a job and are actively seeking work compared with the labour force—those people who are working or actively seeking work. In this report unemployment usually has a more restricted sense—it refers to persons who are unemployed and not studying full time. These are the unemployed who are not engaged full time.

Labour market outcomes cannot be wholly attributed to educational institutions or transition arrangements—unemployment varies over time and between places with changes in the business cycle and other economic changes. Nevertheless, levels of youth unemployment also reflect the appropriateness of the skills of young people for available jobs and the efficiency of arrangements for matching job seekers with jobs.

The ABS *Labour force surveys* are the source of officially published unemployment rates and the basis for most of the results presented in this chapter. An alternative measure, the rate of receipt of unemployment benefits, is discussed at the end of this section.

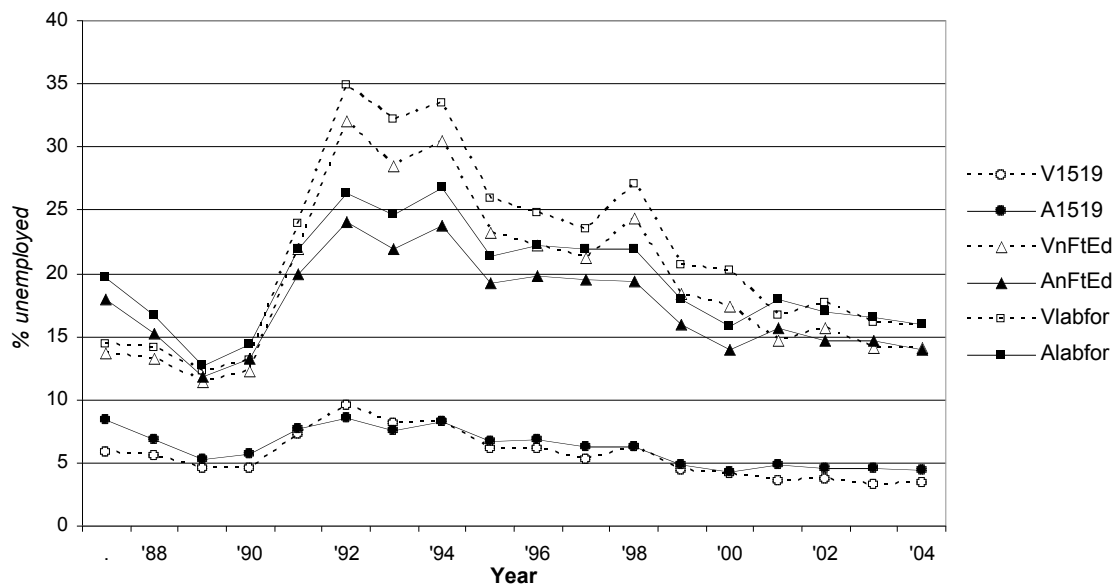
UNEMPLOYMENT RATES

The meaning of youth unemployment rates is typically confounded by the percent of young people who are studying full time—unemployment rates can be relatively high even though few young people may be unemployed if most young people are studying full time and neither working nor looking for work. Youth unemployment rates are also confounded with those young people in full time study who are also employed or looking for work. Hence in the following discussion, unemployment is restricted to those unemployed persons who are not also in full time study.

Figure 2 shows changes for Victoria and Australia in the level of unemployed persons not studying full time expressed in three different ways:

- *As the percent of all 15 to 19 year-olds.* For Australia, it was 8.4% in 1987, declined over the next few years before increasing during the recession to 8.6% in 1992 and then gradually declining to 4.4% in 2004. Youth unemployment in Victoria was more affected by the business cycle—below the level for Australia for much of the period except during the recession when it was markedly higher.
- *As the percent of 15 to 19 year-olds not in full time study.* National unemployment for 15 to 19 year-olds not in full time study is substantially higher than for 15 to 19 year-olds overall. It was 18.0% in 1987 and peaked at 24.0% in 1992 before declining to 14.0% in 2004. Again during the recession of the early 1990s, unemployment was substantially higher in Victoria (32.0% in 1992) for 15 to 19 year-olds not in full time study. Not until recent years has unemployment approached the national average.
- *As the percent of 15 to 19 year-olds not in full time study and in the labour force.* This value more closely approximates the usual meaning of unemployment rates. Nationally it also displays the pattern of peaking during the recession, although a little later in 1994 at 26.7% and then declining to 15.9% in 2004. Again during the recession unemployment was higher in Victoria (33.5% in 1994) than nationally and then returned to the near national average by 2004 (16.0%).

FIGURE 2
Unemployment rates for persons not in full time study: 15 to 19 year-olds
Victoria and Australia, March to May, 1987-2004



Labour Force Australia, ABS 6202.0—ST LM3. Legend: V is Victoria, A is Australia, 1519 is percent unemployed of 15 to 19 year-olds; nFtEd is percent unemployed of 15 to 19 year-olds not in full time education; and labfor is percent unemployed of 15 to 19 year-olds not in full time study who are in the labour force.

Table 20 provides the values for these three measures of youth unemployment from 1999 to 2004. It shows that:

- The proportion of 15 to 19 year-olds unemployed in 2004 was lower in Victoria (3.4%) than nationally (4.4%) or in any other state.
- Unemployment in Victoria as a percentage of 15 to 19 year olds not in full time study and as a percent of those not in full time study and in the labour force was similar to the national average.
- The proportion of 15 to 19 year-olds unemployed declined by more in Victoria (from 4.4% to 3.4%) than nationally (from 4.9% to 4.4%).

TABLE 20
Unemployment: 15 to 19 year-olds, March to May, 1999-2004

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
% unemployed of 15 to 19 year-olds									
1999	4.2	4.4	6.3	6.4	4.7	6.4	3.6	2.7	4.9
2000	3.5	4.1	5.2	5.8	4.7	5.8	2.0	3.2	4.3
2001	3.8	3.5	7.6	5.3	5.6	4.9	5.2	4.9	4.8
2002	4.6	3.7	5.1	5.2	4.9	5.2	4.8	2.3	4.6
2003	4.0	3.3	5.9	5.6	5.3	5.6	6.3	3.5	4.5
2004	4.2	3.4	5.4	5.7	4.0	3.9	7.4	5.3	4.4
% unemployed of 15 to 19 year-olds not studying full time									
1999	13.7	18.3	17.6	20.3	13.3	16.9	8.8	13.5	15.9
2000	11.3	17.4	14.4	18.4	13.2	17.8	4.0	12.0	14.0
2001	13.2	14.7	20.4	15.8	15.1	13.7	11.6	17.7	15.7
2002	15.5	15.6	13.9	16.1	13.4	14.2	10.6	9.4	14.7
2003	12.9	14.1	16.3	17.2	15.5	15.9	13.6	11.5	14.6
2004	14.1	14.1	14.8	16.2	11.1	10.6	12.2	20.5	14.0
% unemployed of 15 to 19 year-olds not studying full time and in the labour force									
1999	16.0	20.6	19.5	22.2	14.5	19.3	12.9	14.7	18.0
2000	12.8	20.2	16.4	19.9	14.2	19.9	6.1	12.9	15.8
2001	15.3	16.6	23.1	18.1	16.8	15.3	15.7	20.0	17.9
2002	18.2	17.6	15.6	17.9	15.3	16.1	14.1	10.4	16.9
2003	14.8	16.1	18.3	19.0	17.1	18.0	16.4	13.3	16.5
2004	16.0	16.0	16.4	18.6	12.5	12.0	18.8	21.9	15.9

Labour Force Australia, ABS 6202.0—ST LM3. 'Unemployed' excludes persons in full time study who are unemployed. Estimates for smaller states may be unreliable and estimates for those not studying full time and in work unreliable for most states.

- Unemployment as a percentage of 15 to 19 year olds not in full time study and as a percent of those not in full time study and in the labour force has declined more in Victoria than nationally. In 1999 18.3% of Victorian 15 to 19 year-olds not in full time study were unemployed and by 2004 this had declined to 14.1% (a decline of 4.2 percentage points) while nationally there was a decline of only 1.9 percentage points. Similarly as a percentage of persons who were in the labour force and not in full time study, unemployment fell by 4.6 percentage points in Victoria and only 2.1 percentage points nationally.

RECIPIENTS OF UNEMPLOYMENT ALLOWANCES

The proportion of young people receiving unemployment allowances provides an alternative perspective on the changing circumstances of young people. The *Youth Allowance* is available for 15 to 20 year-olds.⁴⁸ Eligibility for *Youth Allowance* depends on parental income and whether the young person is considered to be independent from their parents.

Although the age categories in Tables 20 and 21 differ slightly, the proportion of unemployment benefit recipients should approximately correspond to the proportion of the population unemployed. The national estimate of the proportion unemployed in 2004 for 15 to 19 year-olds from the *Labour force survey* (4.4%) is greater than the estimate for 16 to 20 year olds from the Centrelink recipients (3.7%)—despite the age categories favouring a higher result for the Centrelink data. Tasmania is the only state in which the proportion of allowance recipients is higher than the proportion unemployed in the *Labour force surveys*, a result that may reflect eligibility rules for Youth Allowance and availability of employment.

Victorian youth are less likely to receive unemployment benefits. In 2004, Victorians aged 19 were less likely than 19-year-olds living in any other state (except the ACT) to be receiving the Youth Allowance—5.4% compared with a national mean of 6.4%. The pattern was similar for 16 to 20 year-olds overall.⁴⁹ The 16 to 20 year-old rates may reflect the older age-grade profile of school students in Victoria, but the rates for 19 year-olds should be relatively unaffected by this difference. In any case, level of receipt of unemployment benefits in Victoria are lower than those in New South Wales, which has a similar age-grade profile.

The proportion of long-term unemployed youth is lower in Victoria. Long-term recipients of unemployment allowances (having received an allowance for 12 months or more) are a more disadvantaged group. Victorian youth have the lowest level of long-term unemployment—3.5% for 19-year-olds in 2004 compared with a national rate of 3.9% and 1.7% for 16 to 20 year-olds compared with 2.0% nationally.

⁴⁸ Other categories of young people can be eligible for these benefits, but this section is concerned solely with recipients who are job seekers.

⁴⁹ Similar patterns hold for 16 to 20 year-olds, but a downward trend is not as evident.

TABLE 21
Percentage of young people receiving unemployment allowances by state:
16 to 20 year-olds, 1999-2004

		NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
<i>19 year-olds</i>	1999	8.1	7.2	11.0	10.5	7.7	15.5	8.3	5.4	8.7
	2000	6.2	5.5	9.4	8.8	6.8	13.4	7.2	3.3	7.0
	2001	6.6	5.7	10.4	9.2	7.3	13.7	6.5	3.7	7.5
	2002	6.4	5.5	9.0	8.3	7.6	13.2	5.5	2.9	7.0
	2003	6.3	5.7	8.5	8.0	6.8	13.5	5.5	3.0	6.9
	2004	6.3	5.4	7.7	7.5	5.7	10.9	6.4	3.1	6.4
<i>16-20 year-olds</i>	1999	4.1	3.6	5.8	5.1	4.3	6.9	5.6	2.8	4.5
	2000	3.4	3.0	5.1	4.8	4.0	6.9	4.5	1.9	3.9
	2001	3.5	2.9	5.5	4.8	4.4	7.0	3.9	1.9	4.0
	2002	3.6	3.0	5.2	4.5	4.6	7.4	3.5	1.9	4.0
	2003	4.8	4.0	6.5	5.9	5.3	9.6	4.8	2.5	5.1
	2004	3.6	3.0	4.4	4.3	3.7	6.2	4.2	2.1	3.7
Long-term unemployed										
<i>19 year-olds</i>	1999	4.2	4.2	5.5	5.5	4.3	7.0	4.9	3.3	4.6
	2000	2.3	1.7	3.7	3.4	2.9	5.5	3.2	1.0	2.6
	2001	3.6	3.4	5.5	5.3	3.2	9.3	3.0	2.1	4.1
	2002	3.6	3.4	5.0	4.8	3.7	9.1	2.3	1.8	4.0
	2003	3.6	3.3	4.4	4.6	3.5	9.5	2.9	1.8	3.8
	2004	3.8	3.5	4.4	4.6	3.0	7.8	3.2	1.8	3.9
<i>16-20 year-olds</i>	1999	2.1	2.0	3.1	2.7	2.6	3.2	3.7	1.7	2.4
	2000	1.4	1.2	2.2	2.0	1.6	3.2	1.8	0.7	1.6
	2001	1.7	1.6	2.6	2.5	1.7	4.4	1.6	1.0	2.0
	2002	1.8	1.6	2.6	2.4	2.0	4.6	1.6	1.1	2.0
	2003	2.5	2.2	3.2	3.2	2.4	6.4	2.1	1.4	2.7
	2004	1.9	1.7	2.2	2.3	1.7	4.1	1.8	1.1	2.0

Source: Customised tables from Centrelink. Benefits data are for the last fortnight in June except for 1999 where data are for the last fortnight in May. 15 to 20 year-olds receive *Youth Allowance*. The denominator is *Population by age and sex, Australian states and territories, ABS 3201.0*.

The proportion of 19 year-olds receiving unemployment benefits has declined in line with national trends. Receipt of unemployment benefits for Victorian 19-year-olds declined by 1.8 percentage points from 7.2% in 1999 to 5.4% in 2004 while nationally receipt of unemployment benefits declined by 2.3 percentage points from 8.7% in 1999 to 6.4% in 2004. The pattern was similar for 16 to 20 year-olds.

5. YOUNG ADULTS: KEY MEASURES OF STATE AND NATIONAL PERFORMANCE

The transition to full time work is taking longer as young people spend more time in post school education and part time work. In this section some of the analyses for teenagers are extended to young adults (persons aged 20 to 24).

For the key measure of full time engagement, more young adults in Victoria are either studying full time or working full time than in state except the ACT. Comparisons on the key measures are:⁵⁰

	Victoria %	Australia %
• In 2004, participation in post school full time study by 20 to 24 year-olds in Victoria was higher than in any other state	31.1	24.7
• In 2003, participation in VET by 20 to 24 year-old Victorians was higher than in any other state	25.1	20.2
• The rate of New Apprenticeship commencements by 20 to 24 year-olds in Victoria was higher than the national average	4.4	3.2
• More Victorian 20 to 24 year-olds were in full time study or full time work in March to May, 2004 than in any of the other large states	77.1	73.4
• Among young adults not in full time study, in 2004 the proportion in full time work was slightly lower in Victoria than nationally.	46.5	48.7
• Part time work was lower in Victoria than nationally for young adults who were employed and not in full time study	17.4	19.2
• In 2004, the percent of unemployed 20 to 24 year olds was slightly higher in Victoria than in any other state	5.9	5.5
• In 2004, the percent of 21 to 24 year-old Victorians receiving unemployment benefits was about the national average	6.2	6.3

The recent educational and transition initiatives in Victoria are likely to have had little effect on 20 to 24 year-olds. Most of the initiatives focus on school leavers. Nevertheless, to provide a longer perspective on the transition of young people and their participation in education and work, this section provides additional information for young adults.

⁵⁰ Sources for these numbers are provided later in this chapter.

5.1 FULL TIME ENGAGEMENT OF YOUNG ADULTS

For Australia as a whole, the proportion of young adults who are either working or studying full time (73.4%) is substantially lower than for teenagers (84.8%). The decline in the proportion in full time study (from 68.7% for teenagers to 24.7% for young adults) more than offsets any increase in the level of full time employment (16.2% for teenagers; 48.7% for young adults).

TABLE 22
Educational and labour force participation of 20 to 24 year-olds:
Victoria and Australia, March to May, 2004

	<i>Not studying full time</i>					
	<i>Full time tertiary study</i>	<i>Full time employed</i>	<i>Part time employed</i>	<i>Unemp-loyed</i>	<i>Not in the labour force</i>	<i>Not in full time study or work</i>
	%	%	%	%	%	%
Victoria	31.1	46.5	9.8	5.9	6.6	22.3
Australia	24.7	48.7	11.6	5.5	9.5	26.6

Labour Force Australia, ABS 6202.0—ST LM3.

Victoria has high levels of full time engagement for young adults. In 2004, 77.7% of Victorians aged 20 to 24 were either studying full time or working full time, compared with 73.4% nationally (Table 22). Victoria has higher levels of full time study (31.1% compared with 24.7 nationally), but slightly lower levels of full time employment (46.5% compared with 48.7% nationally).

Full time engagement of young adults in Victoria has increased in recent years. In 1999 73.0% of young adults in Victorian were either studying or working full time. By 2004, the corresponding figure was 77.7%, an increase of 4.7 percentage points. The national average, however, increased by only 1.8 percentage points from 71.6% in 1999 to 73.4% in 2004.

TABLE 23
In full time work or full time study by state: 20 to 24 year-olds,
March to May, 1999-2004

Year	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
1999	74.6	73.0	66.9	68.7	72.2	56.0	65.8	78.7	71.6
2000	75.8	78.6	71.5	69.9	73.8	64.7	57.3	79.6	74.6
2001	74.9	76.9	68.5	68.0	72.5	63.5	51.7	79.2	73.0
2002	75.3	76.4	71.4	70.8	72.8	64.6	54.5	79.2	73.9
2003	75.0	74.8	70.0	70.2	74.2	66.9	52.8	83.2	73.3
2004	73.7	77.7	71.7	67.8	72.1	64.9	49.7	80.2	73.4

Labour Force Australia, ABS 6202.0—ST LM3. Estimates for smaller states may be unreliable.

5.2 PARTICIPATION IN FURTHER STUDY AND TRAINING BY YOUNG ADULTS

Participation in further full time study by young adults is continuing to increase. Nationally, the proportion of 20 to 24 year-olds participating in full time study has been increasing over the last two decades and has nearly tripled from 8.5% in 1987 to 24.7% in 2004 (Table 24). The increase has been higher in Victoria—from 9.5% in 1987 to 31.1% in 2004.

TABLE 24
Participation in full time post school education: 20 to 24 year-olds,
Victoria and Australia, March-May, 1987-2004, selected years

Year	'87	'88	'89	'90	'92	'94	'96	'98	'99	'00	'01	'02	'03	'04
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Victoria	9.5	11.6	12.8	14.7	16.4	18.0	18.9	21.3	21.4	25.9	25.7	28.2	29.1	31.1
Australia	8.5	9.4	11.1	12.4	14.6	15.3	16.6	18.1	19.6	20.5	21.5	24.0	24.8	24.7

Source: *Labour force surveys*, ABS

Participation in full time tertiary study by young adults increased between 1999 (19.6%) and 2004 (24.7%) for Australia as a whole. In Victoria, however, it increased substantially more—from 21.4% to 31.1%. In 1999 participation in Victoria was 1.8 percentage points higher than the national average, but only five years later it was 6.4 percentage points higher.

TABLE 25
In full time post school education by state: 20 to 24 year-olds,
March to May, 1999-2004

Year	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
1999	20.2	21.4	16.4	19.1	20.3	11.8	8.3	28.7	19.6
2000	19.4	25.9	17.4	16.7	21.6	15.6	5.2	25.7	20.5
2001	21.7	25.7	18.6	17.5	20.8	15.4	4.6	28.4	21.5
2002	24.9	28.2	19.6	21.5	22.0	19.1	8.7	28.1	24.0
2003	25.7	29.1	20.6	20.0	24.7	15.3	8.4	31.7	24.8
2004	24.7	31.1	19.2	21.8	24.2	14.9	9.3	28.4	24.7

Labour Force Australia, ABS 6202.0—ST LM3. Estimates for smaller states may be unreliable.

Participation by young adults in VET is above the national average in Victoria. About one in every four Victorians aged 20 to 24 enrolled in VET during 2003 compared with only one in every five for Australia overall (Table 26).

Commencements in higher education by young adults in Victoria are at about the national average. In Victoria 3.7% of 20 to 24 year-olds commenced a higher education course in 2004 compared with 3.8% nationally. Participation in Victoria (18.0%) was slightly above the national mean (16.7%), probably a consequence of school leavers in Victoria enrolling in higher education course when they are older than in some other states and therefore remaining enrolled for longer in the ages 20 to 24.

TABLE 26
Participation in VET and participation and commencements in higher education by state:
20 to 24 year-olds, 2003

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
VET participation	19.6	25.1	18.2	18.9	15.4	20.0	18.4	18.6	20.2
Higher Education commencements	3.9	3.7	3.6	3.5	3.7	4.2	3.1	6.1	3.8
Higher Education participation	17.4	18.0	14.9	15.8	15.2	16.5	8.6	23.9	16.7

VET from NCVET *Australian vocational education and training statistics: Students and courses 2003*. Higher education from customised tables provided by DEST (domestic students only and state of permanent address). Population data from ABS estimates of permanent residents.

5.3 APPRENTICESHIPS AND TRAINEESHIPS

More young adults commence and participate in an apprenticeship or traineeship in Victoria than nationally. In 2003-2004, 4.4% of 20 to 24 year-olds in Victoria started an apprenticeship or traineeship, which is higher than the national average of 3.2%. Participation or the number in training was also higher in Victoria—9.0% compared with 7.2% nationally.

TABLE 27
Apprenticeship and traineeship commencements and participation by state:
20 to 24 year-olds, year ending 30 June 1999-2004

YEAR	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
Commencements									
1999	1.7	3.7	4.2	4.4	1.4	6.2	2.5	3.4	3.0
2000	2.2	4.1	2.9	4.9	1.8	3.9	1.8	2.7	3.0
2001	2.4	4.7	2.7	3.9	1.5	4.3	2.5	2.7	3.1
2002	2.7	5.1	3.0	3.6	1.6	4.9	2.5	2.6	3.4
2003	3.1	5.7	3.3	4.1	1.8	5.1	2.5	3.2	3.7
2004	2.8	4.4	2.6	3.6	2.1	5.6	2.5	3.9	3.2
In-training¹									
1999	4.9	7.1	6.8	7.5	4.3	9.3	4.3	5.7	6.1
2000	5.2	7.7	6.4	8.2	4.6	7.4	4.3	5.8	6.3
2001	5.6	8.8	6.5	8.1	4.3	8.2	3.7	5.7	6.6
2002	6.1	9.6	6.7	8.0	4.5	8.7	4.4	5.2	7.1
2003	6.6	10.1	6.9	8.3	4.5	9.5	4.4	5.7	7.5
2004	6.7	9.0	6.4	8.6	4.9	10.2	5.0	6.0	7.2

Population by age & sex, Australian states and territories, ABS 3201.0 and Australian demographic statistics, ABS 3101.0 Australian vocational education and training statistics: Apprentices and trainees - June quarter 2004, State tables. (1) In the quarter ending June 30.

Commencements and participation in apprenticeships and traineeships have increased more rapidly in Victoria. Between 1999 and 2004 commencements increased by 0.7 percentage points in Victoria compared with a national increase of 0.2 percentage points nationally. Participation increased in Victoria by 1.9 percentage points compared with 1.1 percentage points nationally. Although these are relatively small increases and differences, they are from a low base and hence relatively more important.

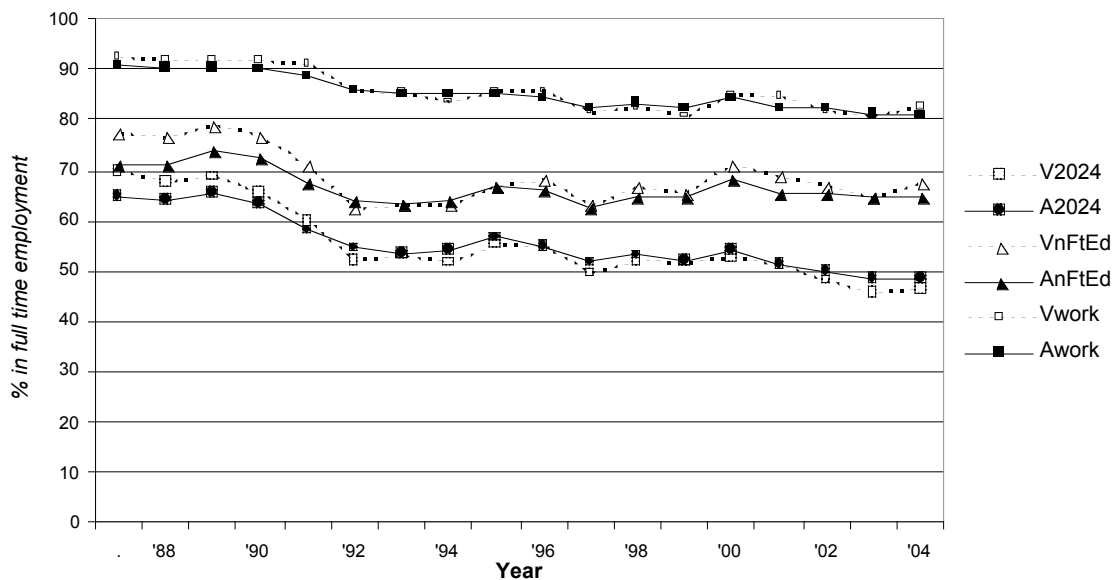
5.4 FULL TIME AND PART TIME WORK

Full time employment becomes increasingly important as people move from their teenage years to being young adults. As for teenagers, however, full time employment has become more difficult to find as industry has shifted towards providing part time jobs.

Full time employment for young adults has declined. Figure 3 shows national and Victorian changes in full time employment against three bases:

- For 20 to 24 year-olds, full time employment has declined as a major activity—from 64.9% in 1987 to 48.7% in 2004.
- For those 20 to 24 year-olds who are not studying full time, full time employment has also declined as a major activity—from 70.9% in 1987 to 64.7% in 2004. This decline is not as large as the decline for young adults overall, which suggests that some, but not all, of the erosion of full time work for young adults is associated with the increase in full time study.

FIGURE 3
Full time employment: 20 to 24 year-olds, Victoria and Australia, March to May, 1987-2004



Labour Force Australia, ABS 6202.0—ST LM3. Legend: *V* is Victoria, *A* is Australia, *2024* is percent in full time employment of 20 to 24 year-olds; *nFtEd* is percent in full time employment of 20 to 24 year-olds not in full time education; and *work* is percent in full time employment of 20 to 24 year-olds not in full time study in employment

- For young adults who are employed and not in full time study, full time work has also declined as the major activity—from 90.8% of employment in 1987 to 80.8% in 2004. This can be expressed alternatively as a doubling in the level of part time employment from 9.2% in 1987 to 19.2% in 2004.

Some aspects of full time employment for young adults in Victoria have strengthened in recent years (Table 28):

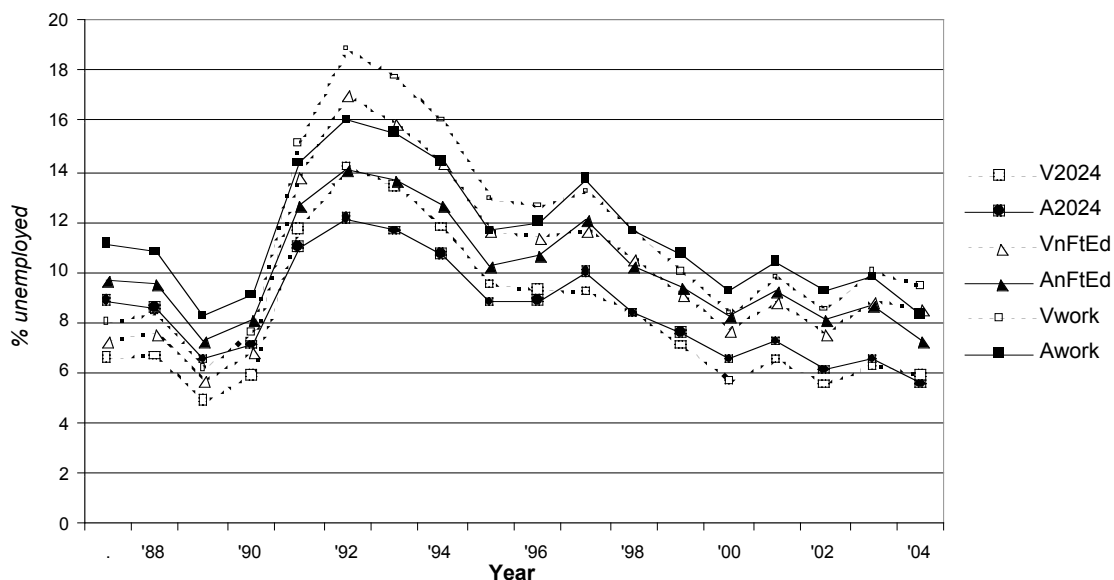
- Nationally the proportion of young adults in full time employment declined by 3.3 percentage points between 1999 and 2004. In Victoria, the somewhat greater decline was associated with the relatively stronger growth in enrolments in full time study.

TABLE 28
Full time employment: 20 to 24 year-olds, March to May, 1999-2004

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
<i>% in full time work of 20 to 24 year-olds</i>									
1999	54.4	51.6	50.4	49.7	52.0	44.2	57.5	50.0	52.0
2000	56.4	52.7	54.1	53.1	52.3	49.1	52.1	53.9	54.1
2001	53.2	51.2	49.9	50.5	51.6	48.1	47.1	50.7	51.5
2002	50.4	48.1	51.8	49.3	50.8	45.6	45.8	51.1	49.9
2003	49.3	45.7	49.4	50.3	49.5	51.6	44.3	51.4	48.6
2004	49.0	46.5	52.5	46.0	47.9	50.0	40.3	51.8	48.7
<i>% in full time work of 20 to 24 year-olds not studying full time</i>									
1999	68.1	65.7	60.3	61.3	65.2	50.1	62.7	70.2	64.7
2000	70.0	71.1	65.5	63.8	66.6	58.1	54.9	72.6	68.1
2001	68.0	68.9	61.3	61.3	65.2	56.9	49.4	70.9	65.6
2002	67.1	67.1	64.5	62.8	65.1	56.3	50.2	71.0	65.6
2003	66.4	64.5	62.3	62.8	65.8	60.9	48.4	75.3	64.6
2004	65.1	67.6	65.0	58.8	63.2	58.8	44.5	72.3	64.7
<i>% in full time work of 20 to 24 year-olds not studying full time and in work</i>									
1999	84.8	81.0	80.2	81.6	83.8	72.5	81.8	81.8	82.3
2000	86.4	85.0	82.9	82.6	82.2	79.3	79.9	85.1	84.4
2001	83.1	84.6	80.1	78.7	82.2	77.6	74.3	83.6	82.3
2002	83.5	81.9	83.3	78.0	80.0	81.7	68.0	82.5	82.1
2003	82.9	80.7	80.4	78.4	80.6	81.2	73.6	84.1	81.2
2004	81.3	82.6	81.0	74.9	79.6	80.5	69.0	83.8	80.8

Labour Force Australia, ABS 6202.0—ST LM3. Full time work excludes a small number who are employed full time and studying full time. Estimates for smaller states may be unreliable and estimates for those not studying full time and in work unreliable for most states.

FIGURE 4
Unemployment rates for persons not in full time study: 20 to 24 year-olds
Victoria and Australia, March to May, 1987-2004



Labour Force Australia, ABS 6202.0—ST LM3. Legend: V is Victoria, A is Australia, 2024 is percent unemployed of 20 to 24 year-olds; nFtEd is percent unemployed of 20 to 24 year-olds not in full time education; and labor is percent unemployed of 20 to 24 year-olds not in full time study who are in the labour force.

- As a proportion of young adults who are not in full time study, however, full time employment was unchanged nationally over the last five years. In Victoria, however, the proportion in full time work increased by 1.9 percentage points.
- Full time employment declined by 1.5 percentage points nationally as a proportion of overall employment among young adults not undertaking full time study—or part time work increased from 17.7% to 19.3% between 1999 and 2004. In Victoria, however, the proportion of this group of young adults in full time employment increased by 1.6 percentage points—part time employment declined correspondingly.

5.5 UNEMPLOYMENT AMONG YOUNG ADULTS

Figure 4 shows changes in the level of unemployment for Victoria and Australia separately for three different groups of young adults:⁵¹

- *As the percent of all 20 to 24 year-olds.* Nationally unemployment was 8.9% in 1987, declined over the next few years before increasing during the recession to 12.1% in 1992 and then gradually declined to 5.5% of young adults in 2004. As for teenagers, unemployment in Victoria was relatively worse in Victoria during the recession but by the late 1990s had returned to be equal to or below unemployment nationally. Only in 2004 has the percentage of unemployed young adults in Victoria exceeded national levels of unemployment.

⁵¹ Unemployment refers to young adults who are unemployed and not in full time study.

- *As the percent of 20 to 24 year-olds not in full time study.* National unemployment for young adults not in full time study was 9.7% in 1987 and peaked at 14.1% in 1992 before declining to 7.2% in 2004. Again during the recession of the early 1990s, unemployment was substantially higher in Victoria (17.0% in 1992) than nationally.
- *As the percent of young adults in the labour force and not in full time study.* Unemployment also peaked for this group in 1992 (16.0%) before declining to 8.3% in 2004. Again unemployment was higher in Victoria (33.5% in 1994) than for Australia as a whole during the recession.

TABLE 29
Unemployment: 20 to 24 year-olds, March to May, 1999-2004

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
	%	%	%	%	%	%	%	%	%
% unemployed of 20 to 24 year-olds									
1999	6.4	7.1	9.0	10.7	7.4	13.4	3.0	5.1	7.6
2000	6.1	5.7	7.2	8.7	7.0	8.9	3.3	4.8	6.5
2001	5.9	6.5	10.1	7.9	7.9	9.1	4.4	5.2	7.2
2002	5.2	5.5	8.9	5.5	5.3	9.4	8.0	4.7	6.1
2003	6.3	6.3	8.1	7.1	4.8	7.4	6.8	3.2	6.5
2004	4.9	5.9	5.0	6.9	5.7	7.1	6.5	4.5	5.5
% unemployed of 20 to 24 year-olds not studying full time									
1999	8.0	9.1	10.7	13.2	9.2	15.2	3.3	7.1	9.4
2000	7.6	7.7	8.7	10.4	8.9	10.6	3.5	6.4	8.2
2001	7.5	8.8	12.5	9.6	10.0	10.8	4.6	7.3	9.2
2002	7.0	7.6	11.1	7.0	6.8	11.6	8.7	6.5	8.1
2003	8.5	8.9	10.2	8.9	6.4	8.8	7.5	4.7	8.7
2004	6.5	8.5	6.2	8.8	7.5	8.3	7.1	6.3	7.2
% unemployed of 20 to 24 year-olds not studying full time and in the labour force									
1999	9.1	10.0	12.5	14.9	10.6	18.0	4.2	7.6	10.7
2000	8.6	8.4	9.9	11.9	9.9	12.6	4.9	7.0	9.2
2001	8.4	9.8	14.0	11.0	11.2	12.8	6.5	7.9	10.4
2002	8.0	8.5	12.5	8.0	7.7	14.4	10.6	7.0	9.2
2003	9.6	10.0	11.6	10.0	7.2	10.4	10.2	5.0	9.8
2004	7.5	9.4	7.2	10.1	8.7	10.2	10.0	6.8	8.3

Labour Force Australia, ABS 6202.0—ST LM3. 'Unemployed' excludes persons in full time study who are unemployed. Estimates for smaller states may be unreliable and estimates for those not studying full time and in work unreliable for most states.

Table 29 provides estimates of unemployment from 1999 to 2004 for these three groups of young adults:

- For all three groups, unemployment was higher in Victoria than for Australia overall.
- For all three groups in Victoria, unemployment declined slightly overall.
- Relative to national changes in unemployment, however, unemployment for young adults in Victoria worsened between 1999 and 2004. Unemployment levels were slightly below the national average in Victoria in 1999 but by 2004 were above the national average, in some cases by more than a percentage point.

RECIPIENTS OF UNEMPLOYMENT ALLOWANCES

The proportion of young adults receiving unemployment allowances provides an alternative perspective on the changing circumstances of young people. People 20 years or older who are not in full time study and are unemployed may be eligible for the *New Start Allowance*.

TABLE 30
Percentage of young people receiving unemployment allowances by state:
21 to 24 year-olds, 1999-2004

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
1999	8.2	9.5	11.2	11.7	8.5	15.3	7.9	8.0	9.5
2000	6.2	7.3	9.4	9.9	7.2	14.1	5.6	5.3	7.6
2001	7.0	7.7	10.7	10.3	8.5	14.7	6.2	5.0	8.3
2002	6.5	7.0	9.2	9.0	8.3	14.2	6.1	4.4	7.6
2003	6.4	6.7	8.4	8.2	7.0	12.9	5.4	3.9	7.1
2004	5.7	6.2	6.9	7.2	5.9	11.5	6.1	3.4	6.3
Long-term unemployed									
1999	5.0	5.6	6.6	7.4	4.2	11.0	4.0	5.0	5.7
2000	3.8	4.2	5.4	6.2	3.7	10.0	2.9	3.2	4.5
2001	3.4	3.8	5.0	5.7	3.5	10.0	2.7	2.4	4.1
2002	3.2	3.3	4.5	5.0	3.6	9.3	2.9	2.0	3.8
2003	3.2	3.3	4.0	4.4	3.4	8.7	2.7	2.0	3.6
2004	3.0	3.1	3.3	3.9	2.8	7.5	3.6	1.8	3.2

Source: Customised tables from Centrelink. Benefits data are for the last fortnight in June except for 1999 where data are for the last fortnight in May. 21 to 24 year-olds receive the *New Start Allowance*. The denominator is *Population by age and sex, Australian states and territories*, ABS 3201.0.

Young adults in Victorian receive unemployment benefits at about the national average. In 2004, 6.2% of young adults in Victoria received unemployment benefits compared with 6.3% nationally. Although the level of receipt of unemployment benefits has declined in Victoria from 9.5% in 1999 to 6.2% in 2004, this mirrors almost exactly the national decline in the receipt of benefits from 9.5% in 1999 to 6.3% in 2004. Similarly, levels of long term unemployment and changes in long term unemployment approximate national levels and changes.

6. OVERVIEW OF VICTORIA'S PERFORMANCE ON YOUTH TRANSITIONS

Previous chapters present information on two populations: teenagers (15 to 19 year-olds) and young adults (20 to 24 year-olds). The recent Victorian initiatives in education and transition focus on school leavers and teenagers and have not been in place long enough to have affected young adults. Hence results for young adults are discussed separately.

Educational and labour market participation and outcomes for youth in Victoria have frequently, but by no means always, been above the national average and superior to those in other states. This may to some extent reflect the relative wealth of Victoria, its manufacturing-based economy, its relative age and level of development, its relative level of urbanisation and small Indigenous population among other factors. Indicators may also be affected by changes in economic activity, educational policies, enrolments of international students, spurious issues of measurement and the differing age-grade profiles of school students in the different states.

Indicators of the educational and labour market participation and outcomes of young Victorians can be considered in three ways:

- Whether they are higher or lower than in other states and nationally;
- Whether they are improving, unchanged or deteriorating; and
- Whether they are improving, unchanged or deteriorating compared with other states and nationally.

Although each of these has important implications for the life chances of individual young Victorians and for the state overall, it is really only the last of these approaches that bears on the efficacy of the post Kirby reforms in Victoria.

6.1 TEENAGERS

FULL-TIME ENGAGEMENT

The various indicators of educational and labour market participation and outcomes are related—often negatively. Higher levels of school participation by 15 to 19 year-olds may lead to lower participation in post school education or in full time work simply because these alternatives are ‘crowded out’—with more students staying at school, fewer 15 to 19 year-olds are available for post school study or employment. It can be difficult, therefore, to form a clear view about the direction of any change from one indicator alone.

The level of ‘full engagement’ (being in either full time work or full time study) provides an overview of the situation of teenagers. It measures full time engagement wherever it occurs—in work, in school or in tertiary study. The complement of full time engagement is a category of teenagers that can be considered ‘at risk’ of making a poor transition—those who are not in full time study and are in part time work, are unemployed or are not in the labour force. The measures available for this report do not take into account combinations of part time study and work that might together equal full engagement, but the number of teenagers in this category is relatively small.

- In 2004 Victoria has the highest level of young people *in full time education or in full time work* of any of the states—88.1% compared with 84.8% nationally.

SETTING THE PACE

- Since 1999, the proportion of teenagers *in full time study or full time work* in Victoria has been almost unchanged—from 88.7% in 1999 to 88.1% in 2004.
- In this regard, Victoria is little different from Australia as a whole—nationally the proportion of teenagers *in full time study or full time work* was 85.5% in 1999 and 84.8% in 2004.

A separate measure of full time engagement that focuses on the transition from school is available for school leavers in the year after they left school.

- Teenagers in Victoria who left school in 2003 had in 2004 a higher likelihood of being *either in full time education or in full time work* (71.8%) than did teenagers nationally (68.7%).
- Since 1999, the proportion of Victorian school leavers *in full time study or full time work* in the year after leaving school has declined—from 76.9% in 1999 to 71.8% in 2004—most of which occurred between 2003 and 2004.
- Nationally the decline in full time engagement of school leavers was about the same—from 73.9% in 1999 to 68.7% in 2004.

EDUCATIONAL ATTAINMENT

The educational and school transition initiatives that form part of the post Kirby reform package are designed to increase the proportion of young people completing their Year 12 or obtaining an equivalent VET qualification. This has been explicitly incorporated into a target that by 2010 90% of young Victorians will complete their Year 12 or an equivalent qualification.

Levels of educational attainment provide a summary measure of educational outcomes from all educational pathways. The available measures, however, lag behind actual practice. Sufficient time needs to be allowed for teenagers to obtain their qualifications. Typically these measures are based not on teenagers (who are still obtaining their qualifications) but on the qualifications of young adults. Although this section addresses outcomes for teenagers, these results for young adults are included here because they summarise outcomes from school and school transitions of young adults when they were teenagers. Consistent information is available only from 2001.

- In 2003, the proportion of young adults with either Year 12 or *any* post school qualification was higher in Victoria (85.9%) than in almost all other states and nationally (78.9%).
- The proportion of young adults with either Year 12 or *any* post school qualification has increased between 2001 (83.5%) and 2003 (85.9%).
- Nationally corresponding qualification levels have increased more slowly than in Victoria—from 81.0% in 2001 to 82.1% in 2003.

SCHOOLS

Indicators of schooling in Victoria are affected by two spurious influences. First, Victoria has an older age-grade profile than some other states and hence, all else equal, will record higher levels of school participation than those states and national levels of participation. Second, in recent years enrolments of international students in Victorian schools have grown more rapidly than in other states. These enrolments will tend to inflate both measures of Year 12 retention and age participation.

Year 12 retention

- In 2004 apparent retention to Year 12 was 81.1%—higher than in the other larger states and higher than apparent retention nationally (75.7%).
- Apparent retention to Year 12 in Victoria increased by 4.9 percentage points from 76.2% in 1999 to 81.1% in 2004.
- Apparent *Year 12 retention* increased more in Victoria than it did for Australia as a whole. Nationally it increased by 3.4 percentage points from 72.3% in 1999 to 75.7% in 2004.

Age participation

- In 2004 78.5% of Victorian 17 year-olds were attending school—more than in most other states and well above the national average of 63.6%.
- School participation by 17 year-olds in Victorian schools increased from 74.6% in 1999 to 78.5% in 2004.
- The increase in school participation by 17 year-old Victorians was greater than for Australia as a whole. Nationally, participation by 17 year-olds increased only slightly from 61.8% in 1999 to 63.6% in 2004.

Literacy and numeracy levels

Although there are difficulties in using results of the two recent international school testing programs—PISA and TIMSS—to make comparisons among the states, there are indications that the performance of Victorian students is below the national average on several dimensions of literacy and numeracy.

VET in Schools

VET in Schools is part of a broader curriculum that is intended to improve retention, attainment and the transition to work and further study:

- In 2003 enrolments in VET in School programs as a percentage of Year 11 and 12 students in Victoria (27.8%) was the lowest of any state and well below the national average (48.3%).
- Participation in VET in Schools in Victoria grew substantially from 13.8% in 1999 to 27.8% in 2003.
- The increase in VET in Schools enrolments in Victoria was similar to changes occurring nationally.

School-Based New Apprenticeships

In partnership with VET in Schools, apprenticeships and traineeships undertaken by school students are intended to broaden the curriculum and hence increase retention and attainment while providing pathways into work and further study and training. National comparisons may be misleading because of the relatively low number of commencements in New South Wales and the historically high number of commencements in Queensland.

- In 2003, commencements in SBNAs as a percentage of Year 11 and 12 students in Victoria (2.0%) were lower than the national mean (2.5%) and lower than for most other states.
- Commencements in SBNAs in Victoria have grown from negligible numbers in 1999.
- The increase in SBNA commencements in Victoria was probably a little lower than in some other states but similar to the increase for Australia as a whole.

POST SCHOOL STUDY

In terms of indicators of post school study by teenagers, Victoria may be disadvantaged by its relatively older school population and higher school participation rates for 15 to 19 year-olds.

Full time tertiary study

- In 2004, 20.2% of Victorian teenagers were enrolled in full time tertiary study, more than in most other states and above the national mean (19.2%).
- Among Victorian teenagers, participation in full time tertiary study declined from 21.8% in 1999 to 20.2% in 2004.
- Participation also declined nationally, but by a smaller amount—from 19.7% in 1999 to 19.2% in 2004.

VET

Education and training pathways through VET are an important part of the post-Kirby initiatives. VET participation includes substantial numbers of part time enrolments. Participation in VET by Victorian teenagers (29.5%) in 2003 was higher than in other state and well above the national mean (25.9%).

- In 2004, apprenticeship and traineeship commencements by Victorian teenagers (8.5%) were above the national mean (7.7%).
- Apprenticeship and traineeship commencements increased from 6.2% of Victorian teenagers in 1999 to 8.5% in 2004.
- The increased rate of commencements in Victoria was slightly higher than the increase nationally—from 6.2% in 1999 to 7.7% in 2004.

FULL TIME EMPLOYMENT

Opportunities for full time employment for teenagers have been declining for at least two decades. Levels of full time employment among teenagers partly reflect levels of full time study—the more teenagers in full time study the less in full time work and vice versa. Here, however, the focus is on *full time work for teenagers who are not in full time study*.

- In 2004, full time employment among teenage Victorians not in full time study (50.5%) was slightly below the national average (51.6%).
- Full time employment among teenage Victorians not in full time study declined from 52.6% in 1999 to 50.5% in 2004.
- The decline of 2.1 percentage points in Victoria was slightly larger than the decline of 1.0 percentage points nationally.

PART TIME WORK

The growing proportion of teenagers who are not in full time study but are in only part time work is a concern. Many of these young people would like to work more hours but are not able to do so.⁵² Part time work as a percentage of employment among teenagers not studying full time is slightly higher in Victoria (32.2%) than nationally (30.5%). In Victoria it has increased from 25.5% in 1999, a gain of 6.7 percentage points, which is greater than the increase of 3.2 percentage points nationally over the same period.

UNEMPLOYMENT

Youth unemployment is confounded by the high proportion of young people in full time study. This discussion is restricted to unemployed teenagers not in full time study. Unemployment rates are estimated for three different groups; all teenagers; teenagers not in full time study; and teenagers not in full time study and in the labour force.

- In 2004, unemployment among teenage Victorians was the lowest of any state as a percentage of all 15 to 19 year-olds, but at about the national average for those not studying full time or for those not studying full time and in the labour force.
- Unemployment among teenage Victorians declined between 1999 and 2004 for all three groups.
- The decline in unemployment in Victoria was greater than any national decline.

Unemployment can also be measured by the number of people receiving unemployment benefits. This is generally lower in Victoria than nationally—for 19 year-olds 5.4% of Victorians received unemployment benefits compared with 6.4% nationally—and has declined in recent years. The decline in Victoria, however, was less than the national decline from 1999 to 2004.

⁵² Spierings J, in-press. 'Young people at risk in the transition from education to work' in ABS, *Australian social trends 2005*, 4102.0.

6.2 YOUNG ADULTS

FULL-TIME ENGAGEMENT

- In 2004 Victoria has the highest level of young adults *in full time education or in full time work* in any of the larger states—77.7% compared with 73.4% nationally.
- Since 1999, the proportion of 20 to 24 year-olds *in full time study or full time work* in Victoria has increased by 4.1 percentage points—from 73.0% in 1999 to 77.1% in 2004.
- The increase in Victoria was greater than the national increase of 1.8 percentage points from 71.6% in 1999 to 73.4% in 2004.

POST SCHOOL STUDY

Full time tertiary study

- In 2004, 31.1% of young adults in Victoria were enrolled in full time tertiary study, more than in any other state and well above the national mean (24.7%).
- Among Victorians aged 20 to 24 years, participation in full time tertiary study increased substantially from 21.4% in 1999 to 31.1% in 2004.
- Participation also increased nationally, but by a much smaller margin—from 19.6% in 1999 to 24.7% in 2004.

VET

Participation in VET by young adults in Victoria (25.1%) was higher than in any other state and well above the national average (20.2%).

- In 2004, apprenticeship and traineeship commencements in Victoria by young adults (4.4%) were above the Australian average (3.2%).
- In Victoria, apprenticeship and traineeship commencements increased from 3.7% of young adults in 1999 to 4.4% in 2004.
- Apprenticeship and traineeship commencement rates were almost unchanged nationally. They were 3.0% in 1999 and 3.2% in 2004.

Full time employment

- In 2004, full time employment among young adults in Victoria (46.5%) was slightly below the national average (48.7%), reflecting the high level of full time study, but for young adults not in full time study it was slightly above the national average.
- Full time employment among young adults in Victoria declined from 51.6% in 1999 to 46.5% in 2004, again reflecting the expansion of full time study. For young adults not in full time study, however, the proportion working full time increased slightly.
- Nationally full time employment declined slightly less in Victoria than nationally for young adults, but was unchanged for those not in full time study.

PART TIME WORK

For Victorian young adults who are not in full time study, part time work is a lower percentage of employment (17.4%) than nationally (19.2%) and declined by 1.0 percentage points between 1999 and 2004. Nationally, however, part time work's share of total employment increased by 1.5 percentage points for persons not studying full time.

UNEMPLOYMENT

- In 2004, unemployment among young adults in Victorian was slightly above the national mean as a percentage of all 20 to 24 year-olds; for those not studying full time; and for those not studying full time and in the labour force.
- Unemployment among young adults in Victoria declined between 1999 and 2004 for 20 to 24 year olds as a whole, but was almost unchanged for the other two groups.
- The decline in unemployment nationally was greater than any decline in Victoria.

The proportion of young adults receiving *New Start Allowance* is similar in Victoria to the national average and declined between 1999 and 2004 in line with the decline nationally.

7. DISCUSSION AND CONCLUSIONS

7.1 KEY RESULTS

A major finding of the study is that the rate of participation and completion of post-compulsory education and training in Victoria has increased in recent years, but only generally in line with what has occurred nationally. The recent school transition reforms in Victoria might be expected to have further lifted full engagement for teenagers. However it is difficult to measure improvements given some important limitations of the publicly available data; for example, a number of data sources are based on small samples of teenagers. Another major difficulty in monitoring the impact of the reforms is the relatively brief period since their implementation. Two further observations can be made:

- The measure of full engagement based only on full time study or full time work omits combinations of part time work and part time study that can also be the equivalent of full engagement for teenagers.
- The other side of full engagement is the ‘at risk’ group of teenagers who are not in full time study and are in part time work, unemployed or not in the labour force. The measure of full time engagement of teenagers is not sensitive to changes in labour force participation within this at risk group. The level of unemployment among teenagers not in full time study declined more in Victoria than in Australia overall, although the change is modest.

The full time engagement of teenagers in their first year after leaving school has declined by about 5 percentage points between 1999 and 2004, almost identical to a national decline in this measure. Of all the indicators, this should be among the most sensitive to the effects of the educational initiatives in Victoria that target the transition from school.

THE YEAR 12 OR EQUIVALENT TARGET

Victoria has set a target that 90% of young Victorians will complete Year 12 or an equivalent qualification by the year 2010. The published estimates for 2001 to 2003 of the proportion of 19 year-olds who have completed Year 12 or an equivalent qualification show an increasing trend. This measure ties this improvement more closely to the post Kirby education and school transition initiatives.

Between 2001 and 2003 there was also greater relative growth in Victoria in both the proportion of 20 to 24 year-olds who had completed Year 12 or a Certificate III and in the proportion that had completed Year 12 or *any* post school qualification. Measures of educational attainment for 20 to 24 year-olds, however, mainly reflect the schooling and school transition outcomes that occurred some five or so years previously and hence these changes may not reflect the recent educational initiatives in Victoria.

A key question then is whether this target will be met. This depends on both improvements in educational attainment but also the measures used. Defining the measure for 18 to 24 year-olds rather than say 19-year-olds, as has been done, is sensible in terms of providing more stable estimates. It also increases the measures of progress towards the target by about five percentage points. In 2003 the Victorian estimate was 83.2% and this had been increasing at an average of 1.4 percentage points per year from 2003. The good news is that simple extrapolation suggests that the target of 90% will be reached before 2010.

In practice, however, there are several challenges that need to be faced if the target is to be reached.

Expressing the target in terms of Year 12 *or its equivalent* leaves open the definition of the level of qualification that is the equivalent of Year 12. Victoria has chosen to use Certificate II or above,⁵³ and there is a serious question as to whether Certificate II qualifications are in fact the equivalent of Year 12. This does not seem to be the case in terms of income or employment effects. Queensland, for instance, has chosen Certificate III or above as the basis of equivalence.

Secondly a good part of the increase in apparent Year 12 and post compulsory participation rates appears to be due to a rapid growth of enrolments of international students in Victorian schools. This enrolment growth has been more rapid in Victoria than in the schools of other states. To date this growth has been matched by increasing enrolments by Victorian students in alternative pathways to Year 12 through TAFE and ACE. Future real gains in overall retention will rely on the veracity and attractiveness of these pathways.

Thirdly VCAL will need to play an increasingly important role. In 2003, enrolments of teenagers in VCE and VCAL courses offered by TAFE were equivalent to about 3.5% of Year 11 and 12 enrolments in Victorian schools and expected to increase further in subsequent years—an increase from very few enrolments in 1999. From 1999 to 2004, however, participation by Victorian teenagers in full time post school education declined compared with the rest of Australia. The TAFE VCE and VCAL pathway, however, should have contributed to participation in full time post school education and training. In the absence of any measured increase, it may be that students are replacing other full time VET programs with the TAFE VCE and VCAL alternatives rather than increasing their overall participation.⁵⁴ Similarly, VCAL may have expanded largely through students who would otherwise have undertaken a VCE and that VCAL has not contributed as much as it may appear to Year 12 retention.

VET IN SCHOOLS

Participation in VET in Schools programs is substantially lower in Victoria than in other states and nationally. However there are some important factors to be considered. The growth of the TAFE VCE and VCAL pathways means that some part of what would previously have been VET in Schools activity for teenagers is now excluded from official statistics. Victoria requires students to undertake nationally accredited training, which results in a substantially higher level of participation in Certificate III and higher programs than in other states, but may also contribute to the apparently lower overall participation. The funding arrangements for VET in Schools sometimes result in parents paying substantial fees if their children participate in VET in Schools programs. This restraint on the expansion of VET in School enrolments could be directly addressed by the Victorian Government.

⁵³ The Australian Qualifications Authority, which administers the Australian Qualifications Framework, no longer describes Certificates in terms of *levels* I, II, III or IV, recognising that, for instance, a Certificate III in one area may be the equivalent of a Certificate II in another.

⁵⁴ Alternatively, the TAFE Year 12 pathway may increase estimates of full time engagement of school leavers and of full time post school study for 15 to 19 year olds.

School-Based New Apprenticeship commencement rates have increased in Victoria in line with national increases, but are below the commencement levels in other states. It is likely that apprenticeship and traineeship commencements form a greater part of VCAL programs in TAFE. As with VET in Schools, SBNA commencements in Victoria are more likely to be at Certificate III or higher in Victoria than in other states or nationally. Overall commencements in apprenticeships and traineeships have increased slightly more quickly in Victoria than nationally.

The apparently lower literacy and numeracy levels of Victorian secondary students compared with students in other states may seriously impede the growth of Year 12 retention and improved transition.

Attaining the targets of improved completion of Year 12 or its equivalent will be assisted by improved school achievement. The effect of literacy and numeracy interventions being made now, however, will improve retention, attainment and transitions in future years. Further efforts are needed to improve the literacy and numeracy levels of Victorian students.

7.2 THE ROLE OF THE KIRBY REFORMS

The initiatives following the Kirby Report have mainly been piloted and developed in 2001 and 2002. At the earliest, most were fully functional by the start of 2003, but have been evolving and expanding since then as enrolments in the VCAL and Year 12 in TAFE continue to grow and *On Track Connect* integrates the activities of MIPs with LLENs. There are some indications of positive effects of these reforms but substantive results are yet to be reflected strongly in the types of data considered in this report. This is in part because:

- The time since the implementation of the reforms has been relatively brief.
- Given the sometimes small expenditures involved, the initiatives would have to be extremely effective to shift educational participation and outcomes in ways that would be evident in the types of measures used in this report.
- The aggregate measures used in this report are not sensitive to small changes and are influenced by many other factors apart from reforms to post compulsory education.
- The aggregate measures used in this report may not detect the effects of programs targeted towards improving the educational outcomes of educationally disadvantaged youth. Positive effects of these programs have been demonstrated in reviews of specific projects.
- Participation in post compulsory education and educational outcomes are influenced by the educational experiences of students over the course of their entire schooling and therefore reflect past educational policies and financing. The effects of changes in the early years of schooling and early childhood education, in particular, will not flow through to the post compulsory years for a decade or longer.
- Teenagers in Victoria have historically often had better educational and labour market outcomes than their counterparts in other states. There is less scope for improvement on some indicators in Victoria than nationally. Improvement on these indicators may be subject to diminishing returns—it becomes progressively more difficult to improve outcomes.
- Several other states have reformed their post compulsory schooling and transition arrangements. To the extent that these are successful, comparisons of Victoria with these states and with national outcomes will under-estimate any effect of Victorian reforms.

- The Australian Government has implemented major changes that may influence participation. These include changes in access to unemployment benefits and student income support; higher education changes; and enrolments in VET have expanded rapidly under the influence of national policies such as User Choice, competitive tendering and training packages. These national policies can affect states differently.

7.3 SOME QUESTIONS

There are some important areas for further research that arise at this stage of the reform process. These include:

- To what extent is VCAL increasing retention by attracting students who would not otherwise have complete Year 12?
- To what extent is VCAL producing better learning and labour market outcomes than these students would have otherwise experienced?
- To what extent are enrolments in VCE or VCAL in TAFE replacing enrolments in other TAFE programs and is the TAFE Year 12 pathway producing better learning and labour market outcomes than these students would have otherwise experienced?
- To what extent do targeted funds for programs such as MIPs lead to increased expenditure by schools in the desired areas—do they substitute for existing expenditure or attract additional expenditure?
- A number of the indicators from different sources showed a decline in outcomes for 2004. Is this a trend or an aberration?

7.4 THE WAY FORWARD

The influence of the post-Kirby reforms will continue to grow—it takes time for institutions and programs such as the LLENs, VCAL and TAFE pathways to Year 12 to become effective and better known and accepted by the broader community. Moving towards a more integrated and cohesive framework of provision and planning will also take time. The patience required for these processes to occur, however, may be politically challenging.

Opportunities for Victoria's youth could also be lost if no new policy interventions are made—initiatives that build on the start already made.

- Other states are now implementing and refining programs first introduced in Victoria. In the coming years Victoria can in turn learn from the experiences of other states as part of a process of on-going policy renewal.
- Improvements to curriculum and teaching in the compulsory years of schooling can provide a better platform of school achievement on which post compulsory arrangements can build. In particular, more intensive literacy programs directed to those at the lowest end of the achievement distribution are necessary.
- Greater emphasis should be given to the Year 12 aspect of the 'Year 12 or its equivalent' attainment target. The momentum around VCAL and the pathways to Year 12 through TAFE must be maintained in concert with efforts to strengthen VCE enrolments.

- Participation in VET in Schools programs is lower than participation in other states, even given the growth of the VCAL and TAFE pathways. Greater levels of participation may be achieved without any loss of quality by changing funding arrangements that currently place a substantial onus on parents. Further expansion of participation may be achieved by a more inclusive approach to VET in Schools programs.
- Commonwealth initiatives in the post compulsory education of young Australians are becoming more important, especially in terms of new technical colleges, other trade skill pathways and opportunities, and the proposed Network of Industry Career Advisers. Commonwealth and State initiatives that are not coordinated risk duplication, waste and inefficiency. The challenge for State and Commonwealth Governments will be cooperating to produce solutions that maximise outcomes for individual students.
- The 2005 review of the Victorian Education Act offers the possibility of a legislative approach to educational reform that may complement the programmatic, incremental approach characteristic of the post Kirby reforms. Specifically the new Act should guarantee all young Victorians the right to access and to be provided with the support necessary to complete twelve years in initial education or a vocational equivalent, such as an apprenticeship.

7.5 KIRBY AND THE FUTURE

The Kirby Report started with the importance of the individual student and put him or her at the centre of the educational and transition experience. Institutional arrangements were viewed as a means to providing students with the best possible education. This is an enduring view. We need to ask why students are continuing to leave schools, how schools and the learning environment can be changed to better promote learning and whether other settings might be more appropriate.

The contract between governments with students and their parents about the quality of educational opportunities exists within a larger global environment that increasingly determines the quality of everyone's life opportunities. Ultimately it is not a question of comparing educational outcomes of one Australian state with another but with the quality of education provided by Australia's major trading partners and near neighbours—with Singapore, Korea, Hong Kong and Japan. It will pay us to think creatively about the institutional arrangements that will promote the best long-term educational outcomes for our children.

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