

Rapporteur's Observations

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It has been a long and hard day. As last speaker, I realise the odds are against me keeping your attention, so I will be as brief as possible.

I think that it is appropriate that my response begins by situating the data and research findings that we have discussed today in the broader policy development context.

I want to congratulate the Dusseldorp Skills Forum for travelling a brave and adventurous road, assisting all of us to better understand the problems which relate to young people's employment, education and training, and broader experiences.

My strongly held view is that you cannot get to policy solutions, such as a youth entitlement (or commitment) for example, without ensuring that the problem to be solved is well identified, well articulated, and broadly accepted. Only then are we in a position to move on. Research data are really critical in helping us to articulate what the problem or problems are, and also in helping us move towards appropriate solutions. Data (or research) are very necessary, if not sufficient to move us in the right direction.

Today I will do three things: first to draw out the issues and concerns; second, to introduce for tomorrow's discussion, some policy possibilities; and third, to identify some gaps in data and research that came from our discussions.

Issues

The key issues or concerns can be divided into three. First are those that relate to disparities and disadvantage; second are education and employment links; and third a category I will call 'other'.

Disparities and Disadvantage

Nearly every speaker today noted concerns related to either disparities or disadvantage. For example, Gillian Beer informed us about the bottom and top 20% in the income distribution of 20-24 year olds. Some 20% (around 60% male) are on the up escalator, and 20% (mainly female) are stalled or are going on the downward escalator. This information was embellished by others. John Ainley for example, provided some reasons why the distribution is like this and how important it is to complete school and not leave school early.

This brings up the distinction we made last year between achievers and leavers. Simon Marginson's presentation similarly indicated that while not all of those going into tertiary education by any means can be seen as advantaged, by and large when people leave tertiary education, relatively speaking, they are more likely to be achievers than anything else.

Fiona provided examples of polarisation within a category of women who were considering being mothers or were mothers. Adriana gave a very picturesque but depressing picture of indigenous young people; for example among male indigenous people, the unemployment rate is 30% - twice that of other males of a similar age group.

Alison and Fiona identified over a quarter of our young people in the age group we are considering who are at risk. These young people are not in full time employment or education, neither are they studying for a recognised qualification. This is a group similar to the one Adriana earlier talked about, including 23% inactive 20-24 year old males.

While there are recognisable achievements for young people, particularly in terms of proportions of young people in education and training, my focus is on what is not so good, and where we need to put our effort.

There is also the issue of de-skilling. Our first session this morning was invigorating when we asked 'What is happening in the market in terms of low skill jobs? Who is getting them? Are they so low skilled anyway? And is it graduates who are pushing out others?' Do we know the answers?

Certainly there is an issue around a possible mismatch between demand for young people's skills and a supply of those skills, both in numbers but also in the types of skill that young people have. There are a lot of questions raised here. I am, for example, aware that in the hospitality industry, quality hotels (so I am told by the Australian Tourism Training Association) are more likely than not to take on graduates. But graduates will be expected to have or immediately acquire specific training in hospitality. That is a long way from where we were ten years ago.

Education and Employment Links

De-skilling relates to my second set of issues around education and the links between education and employment. John Buchanan made us aware of the unconnectedness of the content of education and employers, particularly the gap between higher education young people receive, and the employment experiences many of them are having. Why have we not done more to see the student as a whole individual? Why are we only focusing on students as students when they come to be taught or learn with us? Much more can be done here. There is also of course not just a role for the institutions who enrol such students, but also for employers.

There is a very important issue here about 'pathways' as the mosaic or lifelong learning patterns; an important issue about the interface between schools, vocation education training, higher education as well as adult and community learning and learning on the job. The issue here is about what choices do young people face? What constrains those choices? How confusing it can be for them in making these choices. Gone are the days where you go to school, and then you go to TAFE or higher education. You can go in any order, through many types of learning, for example, you could be a sole parent and go as a mature aged student to school. There are many complexities now in clearing the appropriate 'pathway' and family circumstances add to that complexity.

How can we do better here? The figures might currently suggest few move on from vocational education training to articulate through to higher education, although this is a mushrooming field, especially in Canberra (University of Canberra now guarantees students places when they come through satisfactorily from the Canberra Institute of Technology).

What else is happening? There is an issue about higher education enrolments and their size. There has been a huge increase in numbers recently, particularly in post graduate enrolments; mostly students who are already employed, so the connection between education and employment comes up again. What is the role of the employer? What is appropriate for these students? Why are they doing what they are doing? We should be funding them?

Other

I will mention briefly 2 issues under 'other'. First of all, there's a big issue around the growth of small business and the decline in training mentioned today. How can we handle that better when we know there is a need for training in this sector but small employers cannot afford to let their people go off the job. It may be that in the future technology and the use of the internet can be of value to small employers and their employees.

Second there are some significant and interesting gender issues that came out of today. Young women have done well in many ways. Their numbers are approximately equal to the young men in the TAFE sector, their numbers exceed males in the higher education sector and now more likely to complete year 12 than males. On the other hand, we know that they are not as well represented in the top 20% of income recipients as younger men. They are very much a majority in the disadvantage group (identified by the Brotherhood of St Laurence) and some face sizeable disadvantages particularly if they have family responsibilities. Fiona's paper gave some colourful illustrations of what it can mean to be a parent when you are not in a situation of shared parenting.

Policy Possibilities

Just before I turn to some of policy suggestions, I would like to mention five points I consider important before mentioning specific proposals.

Policy Framework Factors

The five factors in a framework which I consider are useful in analysing policy for young people follow:

First the macro environment is critical to any success that may be achieved in this area. We need a well functioning economy if we are going to increase employment opportunities.

But we need more than that. We have operated for far too long within the neo-classical paradigm of economics. The good news is that this is starting to breakdown. Jack Dusseldorp mentioned this morning, the challenge of the global knowledge based economy. In this context we have to think more about education as an investment, and, related the role of innovation and knowledge.

New Growth Economics does do that. A recent article in the *Financial Review* drew attention to a paper made public by the Commonwealth Department of Industry, Science and Resources called 'A New Economic Paradigm'. This paper is about 'evolutionary economics' which puts at its centre innovation and places a value on knowledge. This is a genuine and serious alternative to the old framework, which did not give more than a 'trickle down' to those who need to be mainstreamed into employment. So the macro economic framework is very important in our discussions of policy.

Second we need to consider the appropriate level of expenditure on education. Is 2% of GDP spent on post compulsory school education enough? Should it be less, should it be more? How is Australia going to cope with the enormous demands coming from the health sector when Fiscal resources are so limited?

Critical questions come up here. If there is to be any expansion in education, particularly post compulsory, who is going to pay for this and why? (whether student, parents, employers or government). What is the rationale? These are questions we are going to have to answer in the future, and provide a context for our specific proposals.

This is the point that Alison McClelland made earlier today about how different young people are; how diverse they are in terms of their experiences and their activities; if they can be part time or full time, in school or not in school, and different pathway experiences.

Fourth, I believe there is a blurring, much more than in the past, of education and training, but also of education and work: we learn on the job and vice versa. Also, in many ways, there is a blurring between what is public and what is private, particularly if we focus on the needs of students rather than on the institutions which seek funding.

Finally as part of the framework for our policy considerations is the important concept of life long learning. Individuals are not just about education and training, but about having facilitated 'people learning'. It logically follows that this means individualising how people learn, which is a real challenge.

Specific Policy Suggestions

Turning briefly to specific suggestions:

- 'A Youth Entitlement' or 'A Youth Investment'

I strongly believe that it is in society's interest for this to be a direction in which we go in the case of disadvantaged young people who leave education too early. Some of

us gain from a public subsidy to advance our education which is regarded as a public benefit. Yet when people drop out of education early, they cost society in terms of their dependence on social security and in many other ways. So why should people who dropped out of education for family or other reasons not be able to come back into the context of life long learning, and gain the resources that others received? It may mean that we, who have the advantage would get a little less, so that they get a little more; all of that would need to be worked out.

To influence policy however, we need to do the sums – what is the opportunity cost of having young people not complete their education to a satisfactory level?

- Individual Attention/ Case Management for High Probability Dropouts

Second, to those with a high probability of dropping out: (the characteristics can be categorised quite easily in terms of socio-economic background, location, ethnicity etc),. I would like to see that these young people have forms of individualised attention. Called case management in other contexts, those young people could be assisted to work their pathways, when to pursue them and why. Young people case managed can be assisted through the maze at the end of compulsory schooling and into satisfactory employment.

- Schooling for Adults

Third, we need to examine the relevance of schooling for those who find it difficult, and especially for adults. Is this to be done best through the VET sector? Are there other ways? Sole parents liked community centres when they existed. What can be done to improve on access for disadvantaged groups at all ages? Does this include bringing back the concept of community schools or treating individuals as a whole? And having other services around schools, and supporting them so that critical services can be found all in one place?

There are issues here involving existing programs. There is one that is particularly successful I believe, which is JET: Jobs Education and Training, which applies mainly to sole parents. It has been a significant program, in terms of results, that has survived with little change. What can we do to extend it and gain knowledge from it to benefit other people?

Today the issue of effective marginal tax rates was raised; where singles and couples without children can find it difficult to continue in employment or to gain financial from it. We have made a retrograde step recently in moving away from an income test on an individual rather than a family based income. This could be an explanation as to why we have disincentive effects operating.

Can I just branch off here and also say that we are in the habit of assuming that young people are dependent on their parents up to the age of 24-25. This is an area ripe for re-examination. To what extent are parents sharing income with their offspring who are living with them (or not living with them whatever the case may be). This is an important area for further research that I am particularly keen to see happen.

More generally we need to know more about our students. I think RMIT is one of the institutions that does a good job in seeing students as a whole and trying to meet their needs. In many other places this does not happen. We need to have mechanisms by which we do not just address the education needs of a young person but also incorporate work and other aspects of their life so work and learning are tailored to individual circumstances.

Finally, we need to address more effectively the role of industry, particularly internships and other ways in which post compulsory education and training can create more work experience, so as to lead more smoothly to employment opportunities. I have mentioned earlier the need for encouraging life long learning. We need more concrete policy measures around that concept and again it means focusing on different groups and their needs and not having one solution for all.

Gaps in Data and Research

We need long term studies. We need the ABS to re-examine why it has so few longitudinal studies. It has one on the long term unemployed. The Australian Council for Educational Research makes a lot of use of the longitudinal Australian Youth Survey undertaken some years ago. Now we are interested in what is happening to 20-24 year olds over time.

Therefore, if there is one area of data that I think is absolutely critical it is that of longitudinal work finding out what has happened to young people over time. What is happening in the first five years of entry to the employment market? Are some young people, including graduates, going into casual employment to gain some experience in order to go where they want to go with their career? We know very little about this. I think we would gain much from longitudinal work or panel studies.

Related to that, we know very little about the flows of people across the education and training sectors. Why do some young people leave school early, do they do their school leaving certificate at TAFE, and then perhaps move on to higher education and go back to TAFE. How many do this? Why do they do what they do, whatever they do? Why do they do it *when* they do it? Who is doing what, and what is suitable for what type of person? We know very little about this. Is the reason that the University in Canberra has recently set up a network of experts on policy research into post compulsory educational training to try and get a handle on what is happening. This is

particularly focussed on the view of students, rather than the education or training sector.

We need to analyse better what data we have. What data we do not have we need to gather. We also need much better information on rates of return in the different educational training sectors, for the VET sector, the higher education sector, and for schools. What is the private benefit to people, what is the public benefit? Ultimately the government will make some hard decisions about what is going to get funded, and the basis of that decision will be what is seen to be the broader social benefit as distinct from the benefit that can be captured by the individual. We do not have that data, but we need it.

We need a lot more information as was mentioned today about who is doing part time work and why, by industry. Who amongst our students are also in the full time labour market? Who are our full time students and what part time work are they are doing, and in what industry? There is a lot of information that we need, and with the help of the ABS I am sure we can just possibly scan existing records.

We need more information about small businesses, about who they hire on a part time and full time basis and about their training needs. We need industry studies, for example in the tourism industry. What sort of education is required? Is it better done by the private or public sector? etc.

Today we mentioned young people with disability as a disadvantaged group as an example of a group we need to know more about; whether the disability is mental or physical, and the pathways to be faced. More generally we need to know more about disadvantaged groups in relation to public versus private schools and in relation to location as well – regional or rural and urban.

Some final comments on data gaps. More evaluation is called for, for example how people progress from school to employment. We need to evaluate what is happening and how governments, in so far as they are assisting that move, can do it better. We also need much more research on funding issues. For example if it is feasible to bring in a different form of financing arrangements for the VET sector as it articulates more closely with the higher education sector.

We need to do more work on young people and their financial arrangements with their parents. After the Dusseldorp seminar last year, I wrote around to many organisations represented here today, about funding. While they showed interest in this project, none of them had the finances to see it through. It remains, for me, the number one burning issue that we do not know anything about.

Concluding Comment

Can I conclude by saying I was impressed by the quality of the papers and the quality of the discussion here today. It is a joy for me to be associated with these workshops and with the Dusseldorf Skills Forum.

Thank you.