How Young People are Faring

KEY INDICATORS **2003**

An update about the learning and work situation of young Australians

Including an analysis of how young Indigenous people are faring

Dusseldorp Skills Forum

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FOREWORD

Improving the quality of schooling, developing worthwhile learning options for early leavers, and providing attractive skill, vocational and employment pathways must be a central focus if Australia is to overcome the long-term gap in skills and economic opportunities identified in the 2002 Intergenerational Report released last year by Treasurer Peter Costello. Without these steps diminished investment and productivity are likely to result over the longer term, with higher unemployment and other social impacts.

Recent policy debates have concentrated at the national level on higher education and the state of our universities. However the fate of those young people not getting to first base must be of at least equal importance. The issue of how Australia equips its youth to make the transition to full social and economic independence touches every teenager, every parent, every teacher and most employers and unions.

As *The Australian Financial Review* argued recently,

> *Now that [the federal Education Minister Brendan Nelson] has revealed his university reforms, [he] needs to turn his gaze to secondary education, apprenticeships and vocational training. These are just as vital as universities to a prosperous economy, but in some ways are in worse shape. Ignoring them will impose big costs on society as the population ages. Skill shortages will get worse; the unskilled will struggle to find jobs; productivity will be lower; and fewer workers will have to support a growing army of expectant retirees.*[1]

A national policy approach to the learning and work needs of Australian youth has slipped as a central focus in Canberra. The Commonwealth has announced it will reduce spending on youth transitions by $4.1M over the next four years. Some students, especially those from disadvantaged backgrounds, will now face serious financial disincentives to continue their education through the university system. And the recommendations of the Prime Minister's taskforce on youth pathways, which reported to the Government two years ago, are still awaiting the comprehensive response that has been repeatedly promised.

Much better economic conditions since the recession of the early 1990s have improved the work prospects of early school leavers. Steps are being taken in a number of States to engage young people in learning and work through curriculum and school reform, personal support and advice, stronger links to training, and safety nets through community partnerships.

Nevertheless for the past decade 15 per cent of teenagers have not been in full-time learning or work, and at least one in ten school leavers are not making a successful transition.

For Indigenous young people the prospects are much worse. 45 per cent of Indigenous teenagers and nearly 70 per cent of young adults were not in full-time learning or work in 2001. The essay in this report by Aboriginal and Torres Strait Islander Services (ATSIS) highlights the profound risk of disconnection to learning and work these young Australians face and the urgency of a strong policy framework to address their skill development, education and labour market needs.

We have a unique choice in these good economic times. We can address the disadvantages significant groups of young people face, especially Indigenous young people, and build strong, robust and competitive foundations in learning and work that will anchor our long-term economic sustainability and success. Or we can let this opportunity slide and pay the price later. The choice is ours.

Jack Dusseldorp
Chair

[1] *Australian Financial Review*, editorial, 22 May 2003.

HIGHLIGHTS

15 to 19 year old teenagers

- 85 per cent of Australian teenagers are in full-time study or full-time work.
- 14.9 per cent or 206,000 teenagers were not in full-time education or full-time employment in May 2003, continuing the trend of the past decade.
- A quarter of 18 and 19 year olds were not in full-time education or full-time employment in May 2003.
- The highest proportion of teenagers not in full-time learning or work are in Queensland, Western Australia, South Australia and the Northern Territory.[2]

20 to 24 year old young adults

- 23 per cent of young adults were not in full-time education or full-time employment in May 2003.
- In 2002 79 per cent of young adults had completed Year 12 or a post school qualification.

Indigenous young Australians

- 45 per cent of Indigenous teenagers were not in full-time learning or work in 2001.
- Nearly 70 per cent of Indigenous young adults were not in full-time learning or work (52 per cent unemployed or not in the labour force) in 2001.
- An estimated 45 per cent of Indigenous young people aged 15-24 years were receiving a Centrelink income support payment (excluding ABSTUDY).
- Indigenous young people in urban, regional and remote locations face a level of risk of disconnection from learning and work three times greater than non-Indigenous young people.

School leavers

- Five months after leaving school, 26 per cent or 76,100 school leavers were either working part-time but not studying, unemployed, or not in the labour force and not studying.
- 49 per cent of Year 10 leavers or below and 36 per cent of Year 11 leavers were not in full-time learning or work five months after leaving school.
- Work prospects for early leavers improved over the medium term during the late 1990s (reflecting better economic conditions) but 28 per cent of early leavers and 11 per cent of school completers still experience a significantly troubled transition.
- Entry level full-time work is a much better and more effective pathway to sustainable full-time work over the medium term than part-time work.

Employment

- Full-time jobs for teenagers and young adults have declined by 6.9 and 15.2 per cent since 1995.
- Australians aged 15 to 24 years have two and a half times (2.7) the level of unemployment recorded by adults aged 25 to 54 years.
- School leavers completing an apprenticeship have a lower unemployment rate than other school leavers, while those who completed a traineeship had a higher unemployment rate than other school leavers.

[2] Northern Territory consistently among the highest States but no figures available in May 2003 due to high standard errors.

How Young People are Faring 2003

Introduction

The purpose of this series is to provide timely, accurate information about the learning and work status of young people, especially those not going on initially to higher education. Measures such as school retention and youth unemployment are narrowly focused and do not indicate the breadth of activities and participation in learning and work by young people. Over-reliance on these measures has hampered a deeper understanding of the nature of the transition experience facing young people.

In compiling this report over four years we have found that data continue to be collected inconsistently, with wide variation as to what is available year-on-year. Hence several Tables in this report convey only a partial picture.

Where official measures of transition do exist, the information is often out-of-date or at a level of aggregation that makes it difficult to assess transition experiences at State and local community levels. The official measure of school-to-work transition is the full-time participation in education and work of 15-24 year olds, by single year of age.[3] 'Full-time participation' is defined as engagement in full-time education or training, full-time work or both part-time education or training and part-time work.[4] The most recent official source for this is the Productivity Commission's Report on Government Services 2003 using 2001 unpublished ABS data, included here in Table A1.[5]

Consistent and timely reporting of the measures endorsed by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) is required.[6] These measures are:

- the proportion of 19 year olds who have completed Year 12 successfully or attained a qualification at Australian Qualifications Framework (AQF) Level 2 or above; and
- the proportion of 24 year olds who have completed a post-secondary qualification at AQF Level 3 or above.

An important question in considering youth transition issues is whether part-time work (without being combined with study) assists young people to enter full-time work; whether this is a 'stepping stone' to better employment prospects or a 'mill stone', and

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3 The National Centre for Education and Training Statistics, 'Education and Training Statistics National Centre 15-24 Year Olds' Participation and Attainment Measures', Australian Bureau of Statistics, 2003, www.abs.gov.au

4 *Report on Government Services 2003*, Productivity Commission, Canberra, 2003, Education preface, p. B9.

5 ibid., p. B3.

6 Australian Bureau of Statistics, *Education and Training Indicators, Australia, 2002,* cat. no. 4230.0, 2002.

part of a cycle of intermittent work interspersed with job seeking. Other gaps in our knowledge include what happens over time to young people in full-time education who later in the year 'drop out'; and what happens to young people who may go into and come out of a traineeship with a short duration. Some but not complete answers can be provided based on longitudinal data and these are discussed in this report.

Three main indicators are discussed in this report:

- **Proportion of the population aged 15 to 19 years not in full-time education and not in full-time employment in Australia and for each State and Territory.**
- **Ratio of the unemployment rate among 15 to 24 year olds to the unemployment rate among 25 to 54 year olds, comparing Australia with other OECD countries.**
- **Proportion of the Australian population aged 20 to 24 years that have completed Year 12 or a post-secondary qualification.**

Indicator One

The proportion of the population aged 15 to 19 years not in full-time education and not in full-time employment.

Moving from full-time education to full-time work is a major event in most people's lives. Attaining a qualification and gaining a full-time job is often a precursor to other changes such as leaving the parental home, and settling into a new household. It is a complex, fluid process and the linear steps of the past no longer apply to a considerable proportion of young people.[7] Nevertheless, completion of twelve years of worthwhile learning, either through Year 12 at school or at TAFE, or through gaining a trade skill or full-time employment, are still important preconditions for achieving the economic and social independence most young people aspire to.[8]

Active full-time engagement in education, employment and training is a key ingredient in helping young people to make a successful transition from education to the workforce. Longitudinal survey results show that young people who, in their first year after school, have been mainly in either part-time work, unemployment, or outside the labour force are much less likely to make a successful transition to full-time employment.[9] Full-time work after leaving school for both early leavers and Year 12 completers is a crucial factor in assisting young people gain a sustainable full-time place in the labour market over the long-term. Full-time training arrangements such as apprenticeships are especially important.

Close to 15 per cent of teenagers are not fully engaged in learning or work

In May 2003 most teenagers aged 15 to 19 years were actively engaged - 85 per cent in fact - in either full-time study or full-time work. Seventy per cent were in education full-time, either at school, TAFE or university. Close to one-third (31 per cent) are not in full-time education but about half of them are in full-time work (see Table 1).

The remainder - 14.9 per cent (14.0 per cent of male teenagers and 16.1 per cent of female teenagers) - are in part-time work, looking for work or are defined by the ABS as being 'not in the labour force' (see the boxed cells in Table 1).

In terms of actual numbers, this group represents an estimated 206,200 young people. They are likely to be experiencing difficulty in making a successful transition from secondary education, and face a higher level of risk in the labour market over the long-term than their counterparts who are fully engaged in education or training.

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7 K Hillman & G Marks, *Becoming an Adult: Leaving Home, Relationships and Home Ownership Among Australian Youth,* Longitudinal Surveys of Australian Youth*,* Research report no. 28, Australian Council for Educational Research, Melbourne, 2003.

8 ibid., pp. 22-24, 29-32. Economic factors, such as high unemployment, an unstable labour market, inflated prices or limited rental accommodation, may all influence the ease with which a young person can make the transition to independent living. The comparatively high proportion of the 1970 cohort who were living at home and the particularly strong effects of employment on the likelihood of marriage for these males are examples of such period effects on transitions to adulthood, p. 33.

9 P McKenzie, 'Pathways for Youth in Australia', paper presented to the conference on Vocational Training and Lifelong Learning in Australia and Germany, Australia Centre, University of Potsdam, Germany, 29-31 May 2001, p. 7.

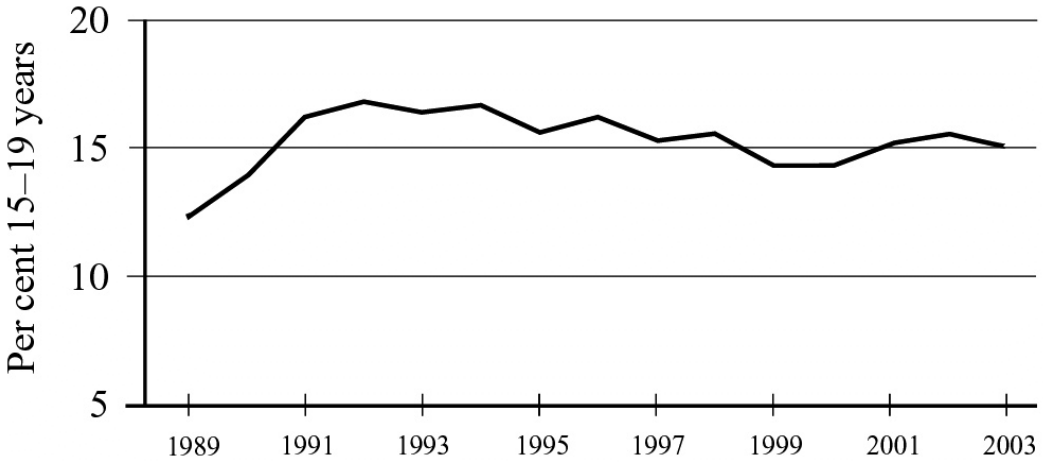
Table 1
Education and labour market status of youth aged 15 to 19 years, Australia, May 2003, per cent

Age group 15-19 years	IN FULL-TIME EDUCATION					NOT IN FULL-TIME EDUCATION					
	Full-time work	Part-time work	Seeking part-time work	Not in the labour force	SUB TOTAL	Full-time work	Part-time work	Unem-ployed	Not in the labour force	SUB TOTAL	TOTAL
Males	0.5	21.3	5.1	39.4	66.4	19.7	6.0	4.7	3.3	33.6	100.0
Females	0.1	31.4	4.7	35.8	72.0	11.9	8.0	3.7	4.4	28.0	100.0
TOTAL	0.3	26.3	4.9	37.7	69.1	15.9	6.9	4.2	3.8	30.9	100.0

Source: Derived from *Labour Force, Australia*, cat. no. 6202.0, Table 7, ABS, May 2003.

The longer-term trend since 1988 in the relative size of those teenagers not in full-time learning or work is shown in Figure 1. The trend is remarkably stable, with a slight downward trend in recent years accompanying the extended boom of the late 1990s. It is taking more than a decade to overcome the impact of the economic recession of the early 1990s on the transition prospects of young people.

Figure 1
The proportion of all young people aged 15 to 19 years not in full-time education or full-time work, Australia, May 1989 to May 2003



Source: Derived from Table A2.

The proportion of school leavers who are not in full-time jobs five months after leaving varies considerably by the age of the leaver, reflecting the ending of compulsory schooling at age 15.[10] Table 2 shows the pattern for young people by year of age for a five-year period 1999-2003. The highest proportions of teenagers not in full-time education or full-time work are 18 and 19 year olds; a quarter of whom could be con-

[10] Except Tasmania where compulsory schooling ends at age 16. South Australia has altered its compulsory school attendance age to 16, and Queensland is soon to introduce legislation raising the school attendance age and to establish a new compulsory 'learn or earn' age (to age 17 in most cases).

sidered 'at risk' of not making a successful transition. These data show a marked consistency for each age level over the last five years (Table 2).

Table 2
Proportion at each age of 15 to 19 year olds who are not in full-time education or full-time work, Australia, May 1999-2003, per cent

Age	1999	2000	2001	2002	2003
15	2.9	2.3	3.5	3.4	2.3
16	6.7	8.4	6.8	7.6	6.0
17	13.4	11.3	13.8	14.8	14.9
18	23.7	26.3	25.4	28.3	24.5
19	26.2	23.6	25.4	23.2	26.2
TOTAL 15-19 YRS	14.5	14.4	15.1	15.4	14.9

Source: Derived from *Labour Force, Australia*, cat. no. 6202.0, Table 11, ABS, May 1999-2003, and Labour Force Status (ST LM3) by sex, age (15-24), education attendance by Year Left School, ABS, May 2003.

Impact of part-time combinations

Young people are not exclusively involved full-time in work or in learning: frequently they combine part-time work and part-time study, which can represent full-time active participation. It is important to take this into account in considering the proportion of teenagers that might be 'at risk'; but it is not easy to determine on the basis of publicly available data.

For teenagers at least it appears this combination is less common than might be expected. Including this combination makes relatively little difference to the proportion not in full-time education or work or both. Comparing the age specific participation rates for 2001 shows differences of 3.1 and 2.8 percentage points at age 18 and 19 respectively.[11]

Table 3
Proportions of 15 to 19 year olds not in full-time education or full-time work including and excluding those combining part-time work and part-time study, Australia, May 2001, per cent

Age	Not in full-time education or work	In part-time work and part-time education
15	3.5	3.0
16	6.8	5.8
17	13.8	12.7
18	25.4	22.3
19	25.4	22.6

Source: *HYPAF 2001* and *SCRCSSP 2003.* [12]

[11] The most recently available time frame. See Productivity Commission, *op. cit.*, Table B.3.

[12] Dusseldorp Skills Forum, *How Young People are Faring 2001*, DSF, Sydney, 2001, and Steering Committee for the Review of Commonwealth/State Service Provision in ibid., p. B10.

Data for May 2002 show that 24 per cent of teenage part-time workers are enrolled in education part-time.[13] The proportion for 20 to 24 year olds is 44 per cent.[14] About a third of both 15 to 19 year olds and 20 to 24 year olds (35 and 33 per cent respectively) who are attending an education institution part-time are working a substantial number of hours in their part-time jobs (21 to 34 hours).[15]

Other combinations such as part-time New Apprenticeships for those still at secondary school, while still relatively small, are likely to grow and to influence labour market participation patterns over time.[16]

Variations across the States

The proportion of post school teenagers who are not in full-time education or full-time work varies greatly by where they live (see Table 4). The trends over time show that real differences exist between States. Persistently high rates in Queensland, South Australia, the Northern Territory and Western Australia over the past five years contrast with the performance of Victoria, which is consistently below the national average by a sizeable margin.

In all these States major reforms of post compulsory schooling and learning are taking place, but the impact of these will take some time to translate into these data. The largest State, New South Wales, has 15 per cent of its post compulsory school teenage population not in full-time education or full-time work. However NSW has not initiated a public review of the adequacy of existing arrangements.

Table 4
The proportion of young people aged 15 to 19 years not in full-time education or full-time work for each State & Territory, May 1999-2003, per cent

State / Territory	1999	2000	2001	2002	2003
New South Wales	13.5	14.8	13.7	15.4	15.1
Victoria	11.7	11.3	9.8	10.9	10.4
Queensland	18.0	16.9	19.4	18.1	18.3
South Australia	15.9	14.0	19.0	17.8	17.3
Western Australia	16.0	14.4	18.9	18.4	16.9
Tasmania	17.1	17.0	16.2	15.8	15.8
Northern Territory	26.2	*	26.4	32.2	*
ACT	8.5	11.7	17.6	11.4	17.1
TOTAL AUSTRALIA	14.5	14.4	15.1	15.4	14.9

Note:
* Denotes cell sizes too small to be reliable.

Source: *Labour Force, Teenage Employment and Unemployment, Unemployment, Australia,* Preliminary - Data Report ABS, cat. no. 6202.0.40.001, May. 1999, 2000, 2001, 2002 and Labour Force Status (ST LM3) by sex, age (15-24), education attendance by Year Left School, Table 1, ABS, May 2003; and *Labour Force, Australia*, cat. no. 2603.0, ABS, May in specified years.

[13] Australian Bureau of Statistics, *Education and Work Australia May 2002*, cat. no. 6227.0, Table 17, ABS, 2002.

[14] ibid., Table 18.

[15] ibid., Special tabulation.

[16] National Centre for Vocational Education Research report that at 31 March 2003 some 10,900 apprentice and trainee commencements are school-based contracts, comprising 4 per cent of all commencements in that year. NCVER, *Apprentice and Trainee Activity at a Glance*, March Quarter, NCVER, Adelaide, 2003.

What happens to young people when they leave secondary school?

Table 5 provides a more specific focus on school leavers in 2001 and their destinations five months later in May 2002, the latest school leaver cohort for which national data is available. Leaving school before Year 12 does not mean that this is the end of participation in education. As many as 29 per cent of those who left secondary school in 2001 after completing Year 10 went on to another education provider, in most cases TAFE. Similarly for Year 11 completers, 36 per cent continued in education, again mostly TAFE.

Table 5
Education and labour market destinations of persons aged 15 to 24 who have left school by school leavers' highest Year of school completed, Australia, May 2002, per cent for each school leaver Year

	IN 2001		
Destination	**Completed Year 10**	**Completed Year 11**	**Completed Year 12**
Attending an education institution in May 2002			
Higher education	*	*	45.0
TAFE	25.7	29.5	18.8
Other*	*	*	4.0
SUB TOTAL	28.7	36.2	67.8
Not attending an education institution in May 2002 and			
In full-time work	22.4	27.6	13.5
In part-time work	15.9	16.1	10.8
Unemployed	23.8	12.6	4.8
Not in labour force	9.2	7.5	3.0
SUB TOTAL	48.9	36.2	18.7
TOTAL PERCENT	100.0	100.0	100.0
N	57,236	25,403	207,957

Note:
* Due to high standard errors, these figures are too unreliable to report..

Source: *Education and Work, Australia,* cat. no. 6227.0, Special tabulation, ABS, May 2003. 'Other' includes business colleges, industry skills centres and other educational institutions. Completed Year 10 includes school leavers with Year 9 and below. In *How Young People are Faring 2002* Year 9 and below was reported separately.

However relatively few of those students who left school before completing Year 12 are in a full-time job. Just short of a half of Year 10 completers (49 per cent) are unemployed, in part-time work or defined as not in the labour force. Just over a third (36 per cent) of 2001 Year 11 completers are not in full-time education or full-time work in May 2002. This compares with 19 per cent of Year 12 completers who are in marginal activities.

While Year 12 completers are much more likely to go onto further education - two thirds went on to either university or TAFE - Year 12 completion was no guarantee of

obtaining a full-time job. Only 14 per cent of the Year 12 completers not going on to further education were in full-time work. However it is clear that young people completing Year 12 are more likely to make a successful initial transition than early leavers.

Overall, five months after leaving school, 26 per cent or 76,100 school leavers were either working part-time but not studying, unemployed, not in the labour force and not studying.

Table 6 confirms that in the short term early leavers are more likely to struggle in their initial transition than Year 12 leavers.

Table 6
Proportion of all secondary school leavers by year who left school in the previous year aged 15 to 24 in 'at risk' activity five months after leaving school: ie not in education and in part-time work, unemployed or not in the labour force in May 1998-2002, per cent

May in each year	Other [(a)]	Completed Year 10	Completed Year 11	Completed Year 12	Number in each year
1998	62.7	45.1	37.6	20.0	76,700
1999	61.2	39.2	29.9	16.5	68,800
2000	45.8	34.0	33.6	18.5	73,100
2001	51.7	45.5	41.7	17.7	71,600
2002		48.9 [(b)]	36.2	18.7	76,100

Note
(a) Includes those completing Year 9 or lower in these activities
(b) Includes all those completing Year 10 or lower in these activities

Source: Derived from *Transition from Education to Work Australia*, May 1998, 1999, and 2000, Tables 16 or 17 and *Education and Work,* 2001 and 2002, cat. no. 6227.0, ABS unpublished data.

Destination data from school systems

Several State education systems are now undertaking destination surveys of their school leavers. Some jurisdictions cover a whole cohort, such as Year 10 students in Tasmania and others are regionally based (for example, Western Australia).

Victoria has set a new standard of reporting on school leaver destinations by releasing recent data on the destination of 2002 Year 12 leavers for nearly all secondary schools in the State. Information on the destinations of 48,450 students from both Government and non-Government schools who were enrolled in Year 12 in 2002 was gathered in March and April 2003. A total of 73 per cent of the eligible population participated in the *On Track* survey. It is significant that the destination information for each school was released publicly and published in the major metropolitan newspapers on 2 June 2003.[17]

The post school destinations are defined as higher education, TAFE or other Vocational Education and Training (VET), apprenticeships or traineeships, employment or looking for work. In addition, data are also supplied for each school on the proportion of young people who applied for, and who were offered places at university or TAFE/VET.

The Table below presents unpublished data on the aggregated results from *On Track*. The destination outcomes are broadly consistent with the national data on 2001 school leavers reported in Table 5 in this report. However *On Track* destination reporting has not distinguished between full-time and part-time employment. The 27 per cent of the eligible population who did not respond or could not be contacted are likely to contain a disproportionate number of school leavers who are not in education or work.

Table
Aggregated destination outcomes in March/April 2003 for Victorian 2002 Year 12 enrolled students, per cent (N=48,450)

Enrolled in university	Enrolled in TAFE / VET	Apprentice / trainee	Employed	Looking for work	TOTAL
41.9	26.2	5.6	20.7	5.5	100

Source: *On Track* Destination data, May 2003.

[17] The published data cover 90 per cent of the schools. The remaining schools were not included because 'the number of students from these schools was too small to provide sufficiently reliable information', www.llen.vic.gov.au/llen/ontrack

TAFE as an alternative to staying in secondary school

As discussed a substantial number of school leavers and other teenagers go on to TAFE as an alternative to secondary school. While schools and State systems are now conscious of the need to report on student destinations, public data about TAFE destinations is difficult to obtain.

Two sources of information are available for teenagers exiting TAFE: the 2002 subject completion rate and the results of the TAFE 2002 Student Outcomes Survey. Administrative data provided by NCVER show that only 50 per cent of the 15 to 19 age group in the TAFE system in 2002 successfully completed their studies.

The TAFE 2002 Student Outcomes Survey, also conducted by NCVER, collected information about employment outcomes at the end of May 2002 for TAFE students who completed their training in 2001. The survey covers students who are awarded a qualification (graduates) and students who successfully complete part of a course (module completers).

Nearly a third (31 per cent) of teenage TAFE graduates are in part-time work five months after the end of their course, 15 per cent are unemployed and 12 per cent are not in the labour force, totalling 58 per cent in these three categories. A similar proportion of module completers are in part-time work (29 per cent), with higher proportions actively looking for work (22 per cent) or not in the labour force (19 per cent), a total of 70 per cent in these three categories.

Based on the available data the short-term labour market outcomes for both TAFE graduates and module completers appear more likely to be part-time work or marginal attachment to work than it is to be full-time employment.

Table 7
Labour market status May 2002 of 2001 TAFE graduates and module completers, aged 15 to 19 years, per cent

TAFE	Employed (hours not stated)	Employed (full-time)	Employed (part-time)	Unemployed	Not in the labour force	SUB TOTAL Non full-time work or education	TOTAL
Graduates	1	40	31	15	12	58	100
Module completer	1	28	29	22	19	70	100

Source: NCVER 2002 Student Outcomes Survey, special tabulation.

Longitudinal results about youth pathways

Recent results from the Australian Council for Educational Research's (ACER) Longitudinal Surveys on Australian Youth (LSAY) assist in assessing the medium term destinations and outcomes of school leavers and the risk factors facing young people in their learning and transitions.

School Leavers in Australia: Profiles and Pathways is based on annual follow-up surveys of young people who had been in Year 9 in 1995 and have left secondary school at various Years since then.[18] Two types of school leavers are included:

- early school leavers ie those who left before completing Year 12; and
- those who completed Year 12 (or at least stayed on after August of their Year 12).

The non-completer group, by the time of the last interview at the end of 2000, had left secondary school for up to five years and the Year 12 completers had left school for up to two years. The respondents' modal age at the end of 2000 was 19 years.

In general ACER reports that the work prospects of early leavers in the late 1990s were better than those in earlier surveys, reflecting the improved economic conditions. Notably this includes early leavers who left school by the end of Year 10 who had strong full-time employment outcomes over the survey period. Nearly a half (48 per cent) of the non-Year 12 completers and over four-fifths (83 per cent) of Year 12 completers go straight from secondary school to a positive outcome and stay there. Another quarter (24 per cent) of non-Year 12 completers and 6 per cent of Year 12 leavers experience difficulties initially but then are able to progress to a beneficial outcome in the form of full-time work or study.

In a number of ways, *School Leavers in Australia* is broadly consistent with the findings of the *How Young People are Faring* series. We have consistently found that in the short term (ie five months after leaving school), 35-45 per cent of Year 10 leavers and about a third of Year 11 leavers are in 'marginal activities'. McMillan and Marks say that between 27 and 30 per cent of their sample of non-completers leaving full-time study in any given year were engaged in marginal activities in the following year.[19]

They define 'marginal activities' as 'not engaged in full-time education, training or full-time paid work'. This category refers specifically to one of five possible combinations: part-time work, or not working at all and study: working part-time coupled with part-time study; working part-time but not studying; not working but studying part-time looking for work; looking for work but not studying; and not looking for work (ie not in the labour force) and not studying.[20]

Over the medium term a higher proportion of non-completers are likely to be moving between 'marginal activities' than completers. As McMillan and Marks say, "an examination of pathways into, within and out of marginal activities suggests that the transition experiences of the completer group are somewhat better than those of non-completers."[21] This is summarised in the following Table: in essence 28 per cent of non-completers were having difficulty making a successful transition (combination of pathway 3 and 4), compared to 11 per cent of completers.[22]

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18 J McMillan & G Marks, *School Leavers in Australia: Profiles and Pathways*, Longitudinal Surveys of Australian Youth, Research report no. 31, Australian Council for Educational Research, Melbourne, 2003.

19 ibid., p. 52.

20 ibid., p. 50.

21 ibid., p. 53.

22 ibid., pp. 53-54.

Table
Pathways of non-Year 12 completers and Year 12 completers over the years 1997-2000

	Nature of pathway	Non-Year 12 completers	Year 12 completers who did not enter higher education	All Year 12 leavers
Pathway 1	Full-time work, education or training at the time of each annual review	48	68	35
Pathway 2	Some time spent in marginal activities but in full-time work or study in 2000	24	11	6
Pathway 3	Some time spent in marginal activities, not in full-time work or study in 2000	19	12	6
Pathway 4	Marginal activities at the time of each annual review	9	9	5
	In higher education in first two years after leaving Year 12			48
TOTAL		100	100	100
N		1,645	3,216	6,175

Source: Adapted from J McMillan & G Marks, *School Leavers in Australia: Profiles and Pathways,* ACER, Melbourne, 2003, p. 54. The 'All Year 12 Leavers' column has been added by Curtain to provide a profile that is comparable with other reported data – Table 39, p. 114.

Several other key points emerge:

- Leaving secondary school is not as significant as leaving full-time education per se. Distinguishing between different types of full-time education leavers (ie before completing Year 12 or an equivalent three-year, full-time, post-school qualification), Year 12 or equivalent full-time education completers, structured training and work completers (ie New Apprenticeships) and others is important.
- An important issue is whether part-time work without study helps or hinders school leavers in moving onto full-time work. Earlier LSAY results during the 1990s (incorporating the period of economic recession) showed a 'fifty fifty' chance that young people in casual part-time work move onto to full-time permanent jobs.[23] McMillan and Marks show that in the late 1990s during a period of strong economic growth, movement from part-time activity to full-time activity weakened. Non-completers initially in part-time work or study in 1997 were mostly able to move to full-time study or work in 1998 (68 per cent). In 1999, only 44 per cent were able to do so.[24] However, this weaker translation is compensated at least in

[23] N Gaston & D Timcke, 'Do casual workers find full-time employment? Evidence from the Australian Youth Survey', *The Economic Record*, vol. 75, no. 231, Table 2, December 1999, p. 339.

[24] ibid., Table 12, p. 51.

[25] ibid., Tables 18 and 19, pp. 64-65.

part by the fact that the proportion initially in full-time work improved over the survey period.

- Recent school leavers completing an apprenticeship had a lower unemployment rate than other school leavers (5 per cent compared with 10 per cent). However those who completed a traineeship had a higher unemployment rate than other school leavers (12 per cent compared with 9 per cent).[25]
- Further analysis and tracking is required to determine relative outcomes as these survey results compare non-completers in the labour market for up to five years with school completers in the labour markets for just two years.
- In terms of policy implications, it is vital that improved transition experiences are not dependent on fluctuations in the state of the economy, but that better outcomes are embedded over the medium and long-term. It is taking more than a decade to return to the pre-1990s recession levels of active youth engagement. In particular education and training re-entry strategies, and support for enhanced full-time entry level work and training opportunities are required.

Young adults aged 20 to 24 years

The problems faced by teenagers in their transition from full-time education to full-time work continue for young adults. Table 8 shows the education and labour market status of young people aged 20 to 24 years for May 2003. Three quarters of this age group have left full-time education. Compared with teenagers not in full-time education, young adults not in full-time education are more likely to be in part-time work, unemployed, and not-in-the-labour force.

The high proportion of non-student young adults in part-time work, especially young women, reflects a fall in the availability of full-time jobs held by this age group. Between May 1995 and May 2003, the number of full-time jobs held by non-students aged 20 to 24 years fell by 105,800, a 15.2 per cent decrease (see further discussion below in relation to Figure 2).

Table 8
Education and labour market status of young adults aged 20 to 24 years, Australia, May 2003, per cent

Age group 20-24 years	IN FULL-TIME EDUCATION					NOT IN FULL-TIME EDUCATION					
	Full-time work	Part-time work	Seeking part-time work	Not in the labour force	SUB TOTAL	Full-time work	Part-time work	Unemployed	Not in the labour force	SUB TOTAL	TOTAL
Males	1.0	10.7	1.3	10.0	23.0	55.1	9.0	7.5	5.4	77.0	100
Females	0.7	14.2	1.8	10.2	26.9	42.0	12.8	5.5	12.8	73.1	100
TOTAL	0.8	12.4	1.5	10.1	24.9	48.6	10.9	6.5	9.1	75.1	100

Source: Derived from *Labour Force, Australia*, Status (ST LM3) by sex, age (15-24), education attendance by Year Left School, Table 1, ABS, May 2003.

A high proportion of young adults are 'not-in-the-labour force' for positive reasons (caring for children, household duties and so on), so a more accurate measure of risk needs to be derived by looking more closely at those not in education who are looking for work or otherwise want to work.[26]

More information is available about those not in the labour force for September 2002. Nearly half of the women not in the labour force at that time (44 per cent) said they did not want to work, fourth-fifths saying it was for 'homecare or childcare' reasons. Some 28 per cent of men aged 20 to 24 years who were not in the labour force said that they did not want work, with a third of these giving the reason for not wanting to work as a disability or handicap, engaged in travel, holiday or leisure activity (19 per cent), attending an educational institution (12 per cent) and retired or voluntarily inactive (11 per cent). A narrower definition focused on those not in the labour force as defined by the ABS but nevertheless still wanting work is presented in Table 9.

[26] A McClelland & F Macdonald report, using 1997 labour force data, that 78 per cent of young women not in education and not in the labour force have dependants. A McClelland & F Macdonald, 'Young adults and labour market disadvantage', *Australia's young adults: the deepening divide*, Dusseldorp Skills Forum, Sydney, 1999, p. 121.

Table 9
Proportion of young people, aged 20 to 24 years, not in full-time education who are in part-time work, or wanting work, May 2003, per cent[27]

Gender	Part-time employed	Unemployed	Not in the labour force but wanting to work	TOTAL	N
Males	9.0	7.5	3.9	20.4	148,000
Females	12.8	5.5	7.3	25.6	180,400
TOTAL	10.9	6.5	5.6	23.0	328,400

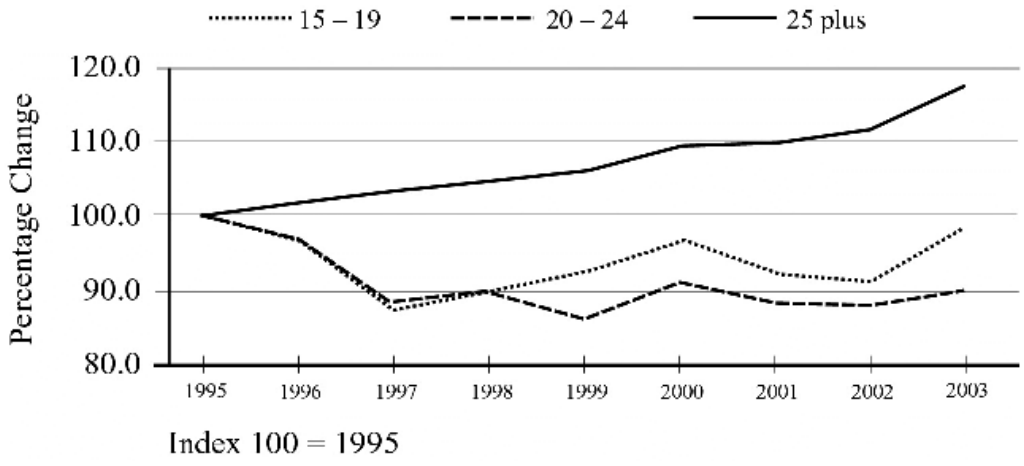
Source: As in Table 8 with ratio of persons not in labour force but wanting work derived from *Persons Not in the Labour Force*, September 2002 applied to May 2003 proportion not in the labour force.

International data on the proportion of young people 15 to 19 and 20 to 24 years not in education and not in full-time work shows that Australia's proportions of 'at risk' youth are high compared to other comparable OECD countries (see Tables A4 & A5). The major reason for these low rankings is the high proportion of non-students in Australia in part–time work. In relation to the proportion of young adults in part-time work, Australia ranks third behind France and Sweden.[28]

Young people and access to full-time jobs

One key factor in helping to explain the difficulties experienced by young people in their transition from full-time education to full-time work is the decline in the number of full-time jobs for this age group. Figure 2 compares, over the period May 1995 to May 2003, the number of full-time jobs taken up by teenagers and young adults not in education with the number of full-time jobs gained by adults aged 25 years and over.[29]

Figure 2
Full-time job growth for 15-19 and 20-24 year olds not in education compared with adults aged 25 years and over, May 1995 to May 2003



Source: *Labour Force, Australia*, cat. no. 6203.0, ABS, May for specified years.

[27] The proportion not in the labour force but wanting work is based on applying the proportion in September 2002 who were not in the labour force but wanted to work to the May 2003 data.

[28] OECD, *Education at a Glance 2002*, Table F4.1, Paris, 2002.

[29] The non-student status refers to not being in full-time education.

Full-time jobs for adults aged 25 years and over between 1995 and 2003 grew by 12.1 per cent. However over the same period the number of full-time jobs taken by teenagers and young adults not studying declined by 6.9 and 15.2 per cent respectively.

Role of New Apprenticeships

New Apprenticeships play an important part in helping young people get into good jobs. At the end of March 2003, some 218,000 young people aged 15 to 24 years were in employment under training contracts as New Apprentices. A quarter of eligible young people aged 15 to 19 years (ie those not in education) are benefiting from New Apprenticeships as a step into work. Ten per cent of eligible young adults are in employment and training as New Apprenticeships. Apprenticeship type arrangements are a particularly important vehicle to help young people gain access to good quality jobs with career prospects. The age profile of New Apprenticeships shows shorter term traineeships are being taken predominantly by older workers, while the bulk of the longer term trade apprenticeships are taken by young people.

However the rate at which industry replenishes the stock of skills through taking on apprentices has declined by 16 per cent in the key trades since the recession of the early 1990s. Major declines have occurred in metals (19 per cent) and the electrical and electronics trades (close to a quarter since 1993). If this rate had not declined, nearly 19,000 additional job opportunities through apprenticeships for young people aged 15-24 would have been available. The share of young people in full-time employment would have increased by 5 per cent in 2001.[30]

Table 10
The age profile of traditional and non-traditional New Apprenticeships, in training at 31 March 2003, per cent

Type of New Apprenticeship	19 years or less	20 to 24 years	25 to 39 years	40 years and over	TOTAL	N
Traditional apprenticeships	46.9	40.6	10.4	2.1	100.0	122,990
Other New Apprenticeships	20.9	20.3	31.4	27.4	100.0	268,680

Source: Derived from NCVER, special tabulations.

[30] P Toner, 'Declining Apprenticeship Training Rates: Causes, Consequences and Solutions', draft paper for Dusseldorp Skills Forum, unpublished mimeo., 2003.

Indicator Two

The ratio of the unemployment rate among 15 to 24 year olds to the rate among 25 to 54 year olds.

One measure of how well young people fare in a competitive labour market is the ratio of unemployed young people to prime age unemployed adults.[31] Based on full year OECD data for 2002, Australians aged 15 to 24 years have two and a half times (2.7) the level of unemployment recorded by adults aged 25 to 54 years (see Table 11). This places Australia at 18 out of 28 OECD countries. It is interesting that Canada, a country with similar school to work arrangements as Australia, appears to be doing better at ensuring that young people are better able to find work.

Another measure of Australia's relative status in terms of young people's education and employment is to rank OECD countries according to the proportion of 20 to 24 year olds not in education who are unemployed or not in the labour force (see Table A4).[32]

A further measure is the proportion of non-students in part-time work compared to other OECD countries. Australia, on the basis of data for 2001, ranks second behind New Zealand out of 19 countries in the proportion of 20 to 24 year old males who are not in education and who are in part-time work (see Table A5).

[31] Another measure is the unemployment to population ratio for the non-student population. This helps to control for the higher proportion of students who are actively seeking part-time work in countries such as Australia. The OECD notes that Australia has a relatively low unemployed non-student to population ratio for 20 to 24 year olds which may reflect a flow-on benefit from earlier opportunities for part-time work as students. OECD, *Employment Outlook 2001*, Paris, 2001, p. 284.

[32] Due to the high proportion of young women in the labour force who are engaged in childcare or homecare, it is better to focus on young males as an indicator of labour market performance.

Table 11
Ratio of the unemployment rate for 15 to 24 year olds compared to the unemployment rate for 25 to 54 year olds, in rank order, 2002

Rank	Country	Unemployment Rate
1	Germany	1.2
2	Denmark	1.9
3	Japan	2.1
4	Canada	2.1
5	Ireland	2.1
6	Switzerland	2.1
7	Spain	2.2
8	Turkey	2.2
9	Netherlands	2.2
10	Hungary	2.4
11	Slovak Republic	2.4
12	Czech Republic	2.5
13	France	2.5
14	United States	2.5
15	Belgium	2.5
16	Poland	2.5
17	Portugal	2.6
18	Australia	2.7
19	United Kingdom	2.7
20	Iceland	2.7
21	Mexico	2.8
22	Finland	2.8
23	New Zealand	2.9
24	Korea	2.9
25	Greece	3.0
26	Sweden	3.1
27	Italy	3.5
28	Norway	3.8

Source: Derived from *Annual Labour Force Statistics*, OECD, 2002.

Indicator Three

The proportion of the population aged 20 to 24 years who have completed Year 12 or a post-secondary qualification.

Education attainment is an important indicator, but not a guarantee, of an individual's capacity to compete in demanding labour markets. In a majority of OECD countries, men aged 25 to 64 years with less than upper secondary education have an unemployment rate at least 1.5 times greater than those who have completed upper secondary education.[33] In Australia, the unemployment rate for this group is nearly double that of secondary school completers (8.1 per cent compared with 4.5 per cent in 2001).[34]

For young adults, this difference in unemployment rates by level of education is even starker. The proportion of unemployed non-students without a completed upper secondary education was as high as 16.1 per cent (17.5 for males and 14.7 per cent for females) in 2001 compared with 7.3 per cent (8.1 for males and 6.3 per cent for females) for secondary school completers.[35] In contrast, the unemployment rate for tertiary graduates was 1.7 per cent.[36]

The proportion of young Australian adults with Year 12 completed or a post school qualification in May 2002 is 79 per cent (see Table 12). The longer-term trend from 1994 shows an increase in education attainment for young people. However since 1998, the trend has plateaued. As these data are based on a sample survey, the standard error for the population estimate indicates that the differences between the figures 2001 and 2002 may not be real.

[33] OECD, *Education at a Glance 2002*, op. cit., p. 115.

[34] Organisation for Economic Co-operation and Development, *Education at a Glance 2001*, OECD, Paris, 2001, p. 118.

[35] Excludes secondary completers with a tertiary education.

[36] OECD, *Education at a Glance 2002*, op. cit., Table C5.2, p. 262.

Table 12
Proportion of 20 to 24 year olds who have completed Year 12 (or equivalent highest level of secondary school) or have a post school qualification, 1994 to 2002[(a)]

Year	Per cent
1994	74.0
1995	78.1
1996	80.4
1997	78.8
1998	82.4
1999	83.5
2000	83.1
Break in series	
2001	81.0
2002	78.9

Note:
(a) Those who have not completed Year 12 but who are still in education (secondary or tertiary) in the year of the survey are included in the data up to 2001. The figures for 2001 and 2002 are based on the Australian Standard Classification of Education (ASCED) which is a conceptually different classification system to the previous ABS Standard Classification of Qualifications (ABSCQ).

Source: *Transition from Education to Work Australia*, cat. no. 6227.0, ABS, specified years, Table 14 (1994), Table 15 (1995), Table 10 (1996, 1997, 1998, 1999, 2000. 2001) and *Education and Work Australia*, Table 12, May 2002.

Targets for post-compulsory education

We reported last year that the 'Finn targets' established in 1991 by Commonwealth and State Governments for post-compulsory education and training attainment for 19 and 22 year olds in 2001 were not achieved.[37]

MCEETYA has endorsed the following measures, rather than targets, of 15-24 year olds' education/training attainment:

- the proportion of 19 year olds who have completed Year 12 successfully or attained a qualification at Australian Qualifications Framework (AQF) Level 2 or above; and
- the proportion of 24 year olds who have completed a post-secondary qualification at AQF Level 3 or above.

The latest official data relating to these measures is for 2000; however these data may be unreliable due to high standard errors.

[37] See Dusseldorp Skills Forum, *How Young People are Faring 2002*, DSF, Sydney, 2002, p. 18 and Australian National Training Authority, *Annual National Report 1999, Vocational Education & Training Performance,* Vol. 3, ANTA, Brisbane, 1999, p. 21.

Table 13
Proportion of 19 year olds who have completed Year 12 or obtained any post-school qualification, Australia and selected States and Territory, 2000, per cent

Area	Year 2000
New South Wales	79
Victoria	75
Queensland	73
South Australia	66
Western Australia	80
ACT	88
Australia	76

Source: Performance measures for 2000, MCEETYA, *National Report on Schooling in Australia 2000*, Table 5.4. Tasmania & NT omitted due to unacceptable standard errors.

Reliable data for the second measure is also difficult to obtain. There are wide standard errors in 2000 data that mean accurate reporting is available for only three States.

Table 14
Proportion of 24 year olds with skilled vocational qualifications or higher, Australia and selected States, 2000, per cent

Area	Year 2000
New South Wales	47
Victoria	50
Queensland	45
Australia	44

Source: Performance measures for 2000, MCEETYA, *National Report on Schooling in Australia 2000*, Table 5.5. The standard errors for other States are greater than 10 per cent.

International comparisons

International comparisons of Australia's performance in relation to the education attainment of the population are difficult to make due to a lack of clarity about qualifications equivalent to a secondary education. However the OECD provides comparative data for 30 countries using the more precise benchmark of upper secondary school attainment (i.e. completion of Year 12) as the basis for comparison (see Table A6).

Australia in 2001 had 66 per cent of its male adult population aged 25 to 64 years with at least upper secondary education. This level of education attainment for the male adult population ranks Australia 18th out of 30 countries and puts Australia in the same band as the United Kingdom, France and the Netherlands, but below Canada, the USA, Japan and Korea. Only 52 per cent of Australian women aged 25 to 64 years in 2001 have attained an upper secondary education, ranking Australia 21st out of 30 countries, on a par with Poland and just ahead of Italy and Greece.

Conclusion

Overall Australia has a mixed record in assisting young people in their transition to social and economic independence. As the OECD commented earlier this year:

> *International comparisons of school-to-work transition outcomes for young people also suggest that, while the employment rates for young adults are above the OECD average, and a relatively high proportion of young adults obtain tertiary qualifications, teenage unemployment and early school leaving rates in Australia exceed the area-wide average. Moreover, the employment disadvantage of poorly qualified school leavers, compared to their better educated counterparts, is somewhat above the OECD average. Increasing skill demands in Australia and other OECD countries have made qualifications at the upper secondary level of education (or an apprenticeship qualification) a necessary condition for the employability of young people.*[38]

It will be important to closely monitor the achievements and impact of the wide ranging reforms to improve the qualifications and employment prospects of school leavers that have been announced since 2000. Already in some States such as Victoria there is a perception of some stakeholder weariness and a growing likelihood that the centre will resume tight control over the reform process.

The steps taken by States such as Victoria, Queensland, South Australia, Western Australia and Tasmania will need to be complemented in two important ways: firstly by a much more coherent and integrated response at the national level by the Commonwealth Government. The States on their own can take post-compulsory issues only so far. The lack of decisive steps at the federal level is surprising given the economic dividend attached to lifting the completion rate of young people at school or an equivalent in vocational education. The national economy stands to gain a long-term increase in GDP of 0.28 per cent or an additional $1.8billion on the bottom line in current prices through a ten per cent lift in the completion rate over the next five years.[39]

Secondly, particular attention should be directed at improving full-time entry-level work opportunities and combinations of training and work. Again the Commonwealth Government plays a crucial role in this area. Without the pro-active participation of the Commonwealth, the chances are the States will increasingly concentrate their efforts on schooling and TAFE, important but only partial elements of the equation. The resources and policy approaches of the different arms of Government to influence labour market outcomes, not just education inputs, must be better harnessed and focused.

We need much better tools and data that reflect the changed nature of the education and labour market conditions facing 15 to 24 year olds. It is difficult to assess the progress that is being made with the data sets that are available. For example information and reporting about TAFE participation, attainment and pathways at the Institute level is

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[38] OECD, *Economic Survey Australia 2003*, Paris, 2003, p. 91.

[39] Applied Economics, *Realising Australia's Commitment to Young People*, DSF, Sydney, 2002 and Allen Consulting Group, 'The Economy-wide Benefits of Increasing the Proportion of Students Achieving Year 12 Equivalent Education: Modelling Results', Report to the Business Council of Australia', BCA, Melbourne, January 2003.

required; more broadly tools to monitor how young people fare when they travel across different education sectors and labour markets are also necessary.

The lack of up-to-date and consistent information on education attainment levels in Australia together with no new national targets for education attainment is a major gap in our capacity to assess how well Australia is competing with other similar countries in relation to human capital acquisition.

The education and work foundations available to all young people matter - to them and to the broader economy. As the Federal Education Minister has said, it is not a question of meeting narrow targets but of achieving 100 per cent of human potential. The challenge is to ensure all Governments invest to achieve this.

Table A1
Full-time participation rates for 15 to 24 year olds, based on participation in full-time education or full-time work, or both part-time education and part-time work, States and Territories, 2001, per cent

Age	NSW	VIC	QLD	WA	SA [a]	TAS [a]	ACT [a]	NT [a][b]
15	97.6	97.3	97.5	92.5	97.5	98.6	100.0	96.1
16	94.5	95.9	92.7	91.1	95.4	94.4	95.5	91.6
17	89.7	94.7	77.0	81.3	85.0	91.7	96.0	84.3
18	75.9	85.4	71.3	80.9	74.7	78.7	68.2	68.4
19	79.8	83.8	72.5	78.3	63.8	67.0	73.2	68.2
20	80.8	80.7	72.8	75.2	67.7	76.9	74.3	63.1
21	82.3	86.5	68.6	74.6	69.1	64.2	75.2	81.8
22	78.2	80.2	66.2	74.7	73.3	57.8	67.5	81.1
23	82.4	79.7	71.8	74.1	78.2	63.1	87.0	68.5
24	76.2	72.9	69.4	73.0	63.9	65.7	97.9	57.3
TOTAL 15-24	**83.7**	**85.5**	**76.0**	**79.6**	**77.0**	**76.5**	**83.2**	**76.8**

Note

(a) The relative standard errors are between 10 and 25 per cent for the estimates associated with: 19 and 24 year olds in SA; 19, 21, 22, 23 and 24 year olds in Tasmania; 18, 19, 20, 21 and 22 year olds in the ACT; and 17, 21 and 22 year olds in the NT.

(b) The relative standard errors are between 25 and 50 per cent for the estimates associated with 18, 19, 20, 23 and 24 year olds in the NT. These estimates need to be used with caution.

Source: Productivity Commission, *Report on Government Services 2003*, Education Preface, Table B.3, using unpublished ABS data.

Table A2
Proportion of 15 to 19 year olds not in full-time education or full-time employment, May 1988 to May 2003, per cent

Year	Per cent
May – 88	14.5
May – 89	12.3
May – 90	13.9
May – 91	16.5
May – 92	17.1
May – 93	16.7
May – 94	17.0
May – 95	15.9
May – 96	16.4
May – 97	15.4
May – 98	15.8
May – 99	14.5
May – 00	14.4
May – 01	15.1
May – 02	15.4
May – 03	14.9

Source: Derived from *Labour Force, Australia*, cat. no. 6202.0, Table 11 and Table 7, ABS, specified years.

Table A3

Proportion of young adult males and females aged 20 to 24 years not in full-time education who are unemployed, in part-time work or not in the labour force for specified years, May 1989 to May 2003, per cent

	MALES			FEMALES		
May 1989–2003	Unemployed or part-time work	Not in the labour force	SUB TOTAL	Unemployed or part-time work	Not in the labour force	SUB TOTAL
1989	11.0	3.4	14.4	16.4	16.0	32.4
1990	12.6	3.9	16.5	16.0	15.6	31.6
1991	18.0	4.0	22.0	18.9	16.0	34.8
1992	21.0	3.9	24.8	21.3	15.6	36.9
1993	20.9	4.2	25.1	20.9	17.1	38.1
1994	19.0	5.4	24.5	20.8	15.0	35.9
1995	16.5	4.6	21.0	20.5	15.1	35.6
1996	16.0	4.5	20.5	19.8	14.8	34.6
1997	19.3	4.9	24.2	23.2	14.4	37.6
1998	18.3	5.2	23.5	19.9	14.2	34.1
1999	16.0	5.7	21.7	21.4	13.8	35.2
2000	14.8	4.7	19.5	18.6	12.2	30.8
2001	16.4	5.0	21.4	20.0	12.0	32.0
2002	17.2	4.7	21.9	17.2	13.4	30.6
2003	16.5	5.4	21.9	18.3	12.8	31.1

Source: Derived from *Labour Force, Australia*, cat. no. 6202.0, ABS, specified years.

Table A4
Proportion of 20-24 year old males in OECD countries not in education who are unemployed or not in the labour force, 2001

Rank	Country	Unemployment Rate
1	Iceland	3.3
2	Denmark	3.8
3	Netherlands	5.1
4	Mexico	5.6
5	Ireland	6.7
6	Norway	7.1
7	Luxembourg	7.2
8	Portugal	8.3
9	Sweden	10.2
10	United Kingdom	10.5
11	United States	10.5
12	Spain	10.8
13	Belgium	10.9
14	France	10.9
15	Australia	11.4
16	Czech Republic	12.7
17	Germany	14.3
18	Canada	14.4
19	Austria	14.5
20	Hungary	15.6
21	Finland	15.9
22	Greece	17.7
23	Italy	24.0
24	Poland	25.6
25	Turkey	26.9
26	Slovak Republic	35.9

Source: Derived from *Education at a Glance 2002*, OECD, 2002, Table C5.1a.

Table A5
Labour market status of young men and women aged 20 to 24 years, OECD countries, 2001

Rank	Country	Part-time work as a proportion of total non-student MALE employment	Rank	Country	Part-time work as a proportion of total non-student FEMALE employment
1	New Zealand	15.7	1	New Zealand	27.7
2	Australia	11.5	2	Belgium	26.2
3	Canada	8.7	3	Finland	23.2
4	Poland	7.8	4	Sweden	21.8
5	Switzerland	7.8	5	Australia	21.8
6	Sweden	7.7	6	UK	21.6
7	France	6.4	7	France	21.1
8	UK	6.2	8	Canada	19.6
9	Mexico	6.1	9	Mexico	19.4
10	Belgium	6.1	10	Denmark	16.1
11	Finland	6.0	11	Poland	15.7
12	Italy	4.6	12	Germany	15.2
13	Turkey	4.2	13	Italy	12.9
14	Germany	3.8	14	Spain	12.3
15	Spain	2.9	15	Turkey	11.9
16	Greece	2.5	16	Austria	9.5
17	Austria	2.0	17	Switzerland	8.6
18	Czech Republic	0.8	18	Greece	7.1
19	Slovak Republic	0.3	19	Slovak Republic	5.3
			20	Hungary	2.2
			21	Czech Republic	2.1

Source: OECD Labour Market Statistics – DATA. Labour force characteristics from Labour Force Surveys www.oecd.org (Department of Employment, Labour and Social Affairs).

Table A6
Attainment of at least upper secondary education in OECD countries, 2001, in rank order by gender, population aged 25 to 64 years, per cent

MALE POPULATION 25-64 YEARS			FEMALE POPULATION 25-64 YEARS		
Rank	Country	Percentage with at least upper secondary education	Rank	Country	Percentage with at least upper secondary education
1	Czech Republic	91	1	United States	88
2	Switzerland	90	2	Switzerland	85
3	Slovak Republic	90	3	Norway	84
4	United States	87	4	Japan	83
5	Germany	87	5	Sweden	82
6	Norway	86	6	Canada	82
7	Japan	83	7	Czech Republic	82
8	Austria	82	8	Slovak Republic	81
9	Denmark	82	9	Denmark	79
10	Canada	81	10	Germany	78
11	Sweden	79	11	Finland	76
12	New Zealand	77	12	New Zealand	74
13	Korea	76	13	Austria	69
14	Hungary	75	14	Hungary	66
15	Finland	72	15	France	61
16	United Kingdom	69	16	Netherlands	61
17	France	67	17	Ireland	60
18	Australia	66	18	Korea	59
19	Iceland	64	19	Belgium	58
20	Netherlands	63	20	United Kingdom	57
21	Belgium	59	21	Poland	52
22	Luxembourg	58	22	Australia	52
23	Ireland	55	23	Greece	49
24	Greece	54	24	Iceland	49
25	Italy	44	25	Luxembourg	47
26	Spain	42	26	Italy	43
27	Poland	39	27	Spain	40
28	Turkey	28	28	Mexico	22
29	Mexico	22	29	Portugal	21
30	Portugal	19	30	Turkey	19

Source: *Education at a Glance 2002*, OECD, 2002, Table A3.1c

How Young Indigenous People are Faring 2003

An essay prepared by Aboriginal and Torres Strait Islander Services (ATSIS).

Introduction

Active participation in social, cultural and economic opportunities is a major element of the personal development of all young people. The risk of disconnection from these opportunities is greater for those who are homeless, who don't attend school or are unemployed, for teenage parents and those living in impoverished or dysfunctional community environments. Effective progress through education and transition from school to work is a crucial ingredient in maximising these opportunities and for overcoming some of the profound disadvantages facing Australia's Indigenous peoples and communities. This paper aims, for the first time, to assess how young Indigenous people are faring by summarising the broad education and labour force characteristics of young Indigenous people aged between 15 and 24.

The paper draws on the submission by ATSIC to the Senate Inquiry into poverty and financial hardship. The submission found:

- Most indicators of poverty and related disadvantage show that Indigenous people are between two and three times worse off than non-Indigenous people in Australia
- About 30 per cent of Indigenous households are in or at risk of poverty, which indicates that over 120,000 Indigenous people are below the poverty line
- Indigenous unemployment rates, which are affected by CDEP participation,[40] are well over twice that of non-Indigenous people in cities and regional centres and become much higher in remote areas
- Preliminary information on Indigenous clients of Centrelink, combined with CDEP participants, also show that around 50 per cent of Indigenous adults are reliant on some form of welfare payment and the proportion is only slightly lower for young people aged 15 to 24
- Being fully engaged in either employment or education decreased the likelihood of poverty. Indigenous people in full-time employment or education is around 30 per cent of each age cohort, compared to at least 50 per cent of non-Indigenous people in each age cohort
- The proportion of Indigenous teenagers (aged 15 to 19) not fully engaged in work or education is three times that of non-Indigenous people
- For young Indigenous adults (20-24), close to 70 per cent are not fully engaged with work or education.

[40] The Community Development Employment Projects (CDEP) scheme is one of ATSIC's largest programs with around 35,000 participants.

While Australia as a whole faces the issue of an ageing population, the demographic trend of Indigenous people is reversed, with a rapidly increasing youth and young adult population. This also means young Indigenous people will become a larger proportion of all youth in Australia over the next two decades. Without a strong policy framework to address the skill development, education and labour market needs of this cohort, young Indigenous people face the risk of increased poverty, welfare dependency and disadvantage. The data provide an indication that this age group will quickly form a large part of the total Indigenous labour force and cohort of young parents.

The charts below show the very different characteristics of the Indigenous and non-Indigenous working age population (defined at those aged between 15 and 65). In particular, the rate of full-time employment over the life cycle looks to be well set by the age of 30, with non-Indigenous full-time employment rates remaining about 50 per cent until after age 55, whereas Indigenous rates remain below 30 per cent. This suggests that early connection to full-time work or education for young people is crucial to long-term labour market success, leading to a need for a renewed emphasis on improving education and employment outcomes for young Indigenous people.

Figure 1
Indigenous employment and student status, 2001

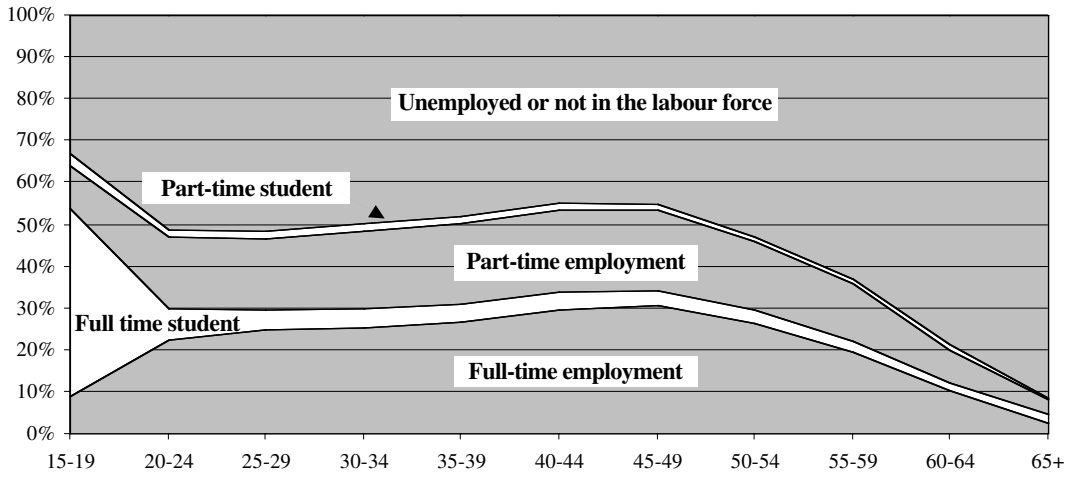
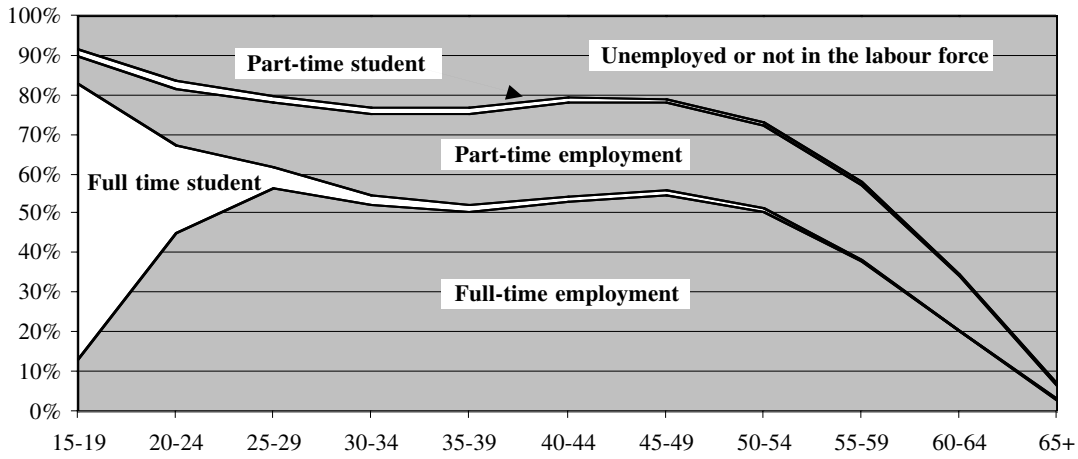


Figure 2
Non-Indigenous employment and student status, 2001



Source for both Figures: ABS Census, 2001, special tabulation.

This paper applies a number of measures used by the annual *How Young People are Faring, Key Indicators* reports published by the Dusseldorp Skills Forum to assess the level of marginal attachment to the labour market and possible ongoing links to low income and poverty. This analysis replicates some of the measures for Indigenous young people, teenagers (aged 15-19 years) and young adults (aged 20-24 years). As monthly ABS Labour Force surveys are not able to identify in sufficient detail the characteristics of the Indigenous population, data have been drawn from the ABS 1996 and 2001 Census.[41] The ABS Tables included information for total Australia, States and Territories and by Remoteness.[42] This paper focuses on total Australia and Remoteness comparisons. Detailed Tables covering States and Territories are included in Attachment A.

The use of the term *at risk* is used in this paper to identify those who are either not in full-time work or education and are therefore unlikely to be accumulating the necessary skills and experience that will lead to an ongoing connection to the labour force. Longitudinal research reported earlier in *How are Young People are Faring 2003* looked at the probability of measures of *at risk* at one point in time leading to being in the same or similar position into the future. While the direct implications of the measures of *at risk* still require further detailed research this paper aims to present the extent of the level of risk for young Indigenous people, and in comparison to non-Indigenous people, as the beginning of further work necessary to explore specific linkages into the future.

[41] See 'A note on data and remoteness' at the end of this paper for an outline of the Table specifications and categories used in this paper.

[42] See 'A note on data and remoteness' at the end of this paper for more detail for the use of the remoteness classification.

Young Indigenous people (15 to 24 years of age)

It is important to note the different age structure of the Indigenous population (median age of 20 compared with 35 for the non-Indigenous population) and the significant growth in this segment of the population. For example, it is estimated that Indigenous children (aged 0-14) will increase from 4.7% in 2002 up to 7.6% in 2022.[43] While Indigenous people aged between 15-24 now form 3.2 per cent of all young people this will at least double over the next twenty years. Table 1 contains some basic population characteristics of young people using the most up to date population estimates from the 2001 Census. However it should be noted that the rest of the Tables in this paper are derived from Census counts.

Table 1
Estimated resident population information for Young Australians[44]

	Indigenous	Non-Indigenous	TOTAL AUSTRALIA
Teenagers – persons aged 15-19	46,579	1,306,166	1,352,745
Young adults – persons aged 20-24	37,409	1,265,003	1,302,412
TOTAL YOUNG PEOPLE	83,988	2,571,169	2,655,157
Per cent of all 15-24 year olds	3.2 %	96.8 %	100 %
15-24 year olds as a % of total population	18.3 %	13.6 %	13.7 %

Source: ABS Census Estimates.

Teenagers (15 to 19 years of age)

The significance of being measured as *at risk* is probably greater for teenagers than for those aged 20-24. This is because young adults (20-24 year olds) are more likely not to participate in education or the labour force for positive reasons, such as caring for children and household duties. *How Young People are Faring* estimated that for 2001 15.1 per cent of all teenagers were *at risk*, with time-series data indicating a small rise over the previous three years.[45] The following Table, using 2001 ABS Census data, summarises comparative data for non-Indigenous and Indigenous Australians.

[43] See the ATSIC Submission to the House of Representatives Committee on Ageing, 2003, Table 2, p. 5.

[44] Australian Bureau of Statistics, *Population Characteristics, Aboriginal and Torres Strait Islander Australians*, cat. no. 4713.0, ABS.

[45] Dusseldorp Skills Forum, *How Young People are Faring 2001*, DSF, Sydney, 2001.

Table 2
Education and labour market status of teenagers aged 15 to 19 years old,[46] Australia, 2001

2001 15-19 year olds	% Full-time education	% Full-time work	% Part-time work and/or education	% Unemployed & not in the labour force	Total population
Non-Indigenous					
Male	66.2	15.8	6.1	10.7	
Female	72.9	9.6	7.3	9.4	
TOTAL	69.5	12.7	6.7	10.0	1,235,580
TOTAL NON-INDIGENOUS TEENAGERS *AT RISK*, %			**16.7**		
Indigenous					
Male	42.0	10.6	10.7	34.7	
Female	46.8	6.6	9.1	36.1	
TOTAL	44.4	8.6	9.9	35.4	42,273
TOTAL INDIGENOUS TEENAGERS *AT RISK*, %			**45.3**		
TOTAL TEENAGERS *AT RISK*, %			**17.2**		

Using these data, the *at risk* calculation provides a national rate of 17.2 per cent, slightly above the rate reported using ABS survey data from 2002. This would be expected as information reported on the Census, being self reported, is not subjected to more refined survey questioning. The key finding is that of non-Indigenous teenagers 16.7 per cent were *at risk*, compared to 45.3 per cent of Indigenous teenagers.

This confirms our broad understanding of poor Year 11 and 12 retention for Indigenous students and shows that those who do not remain a school are not moving into full-time work. Nearly 70 per cent of non-Indigenous teenagers are still at school compared to around 45 per cent of Indigenous teenagers. Critically, over 35 per cent of Indigenous teenagers are either unemployed or not participating in the labour force, compared with 10 per cent of non-Indigenous teenagers.

Table 3
Education and labour market status of teenagers aged 15 to 19, population share, Australia, 2001

2001 15-19 year olds	% Full-time education	% Full-time work	% Part-time work and/or education	% Unemployed & not in the labour force	Percentage of total population
Non-Indigenous	97.9	97.7	95.2	89.5	96.7
Indigenous	2.1	2.3	4.8	10.7	3.3

Table 3 shows that while Indigenous teenagers constitute 3.3 per cent of the total teenage population counted in the Census, they form 2.1 per cent of those in full-time education, 2.3 per

[46] All Tables for teenagers exclude 47,411 people whose Indigenous status is not known.

cent of full-time workers, 4.8 per cent of part-time workers and 10.7 per cent of those unemployed or not in the labour force.

Regional variation

By using the ABS Remoteness Classification we can compare the level of risk across regions.[47] Table 4 shows the regional pattern of those *at risk* varies between non-Indigenous and Indigenous teenagers. There is a consistent increase in the proportion of Indigenous teenagers *at risk* as we move away from major cities, from 38 per cent in major cities and 70 per cent in very remote areas. In comparison, while there is a similar trend for non-Indigenous teenagers (14 to 21 per cent) the gap between Indigenous and non-Indigenous teenagers is increasing.

Table 4
Level of *at risk* of teenagers aged 15 to 19 by remoteness,[(a)] 2001

2001 At risk aged 15-19	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL
Indigenous %	38	37	39	52	70	44
Non-Indigenous %	14	17	18	21	21	15
Ratio Indigenous / non-Indigenous	2.7	2.2	2.2	2.5	3.3	2.9

Note

(a) This calculation uses a slightly different way of calculating *at risk* leading to smaller totals (see 'A note on data and remoteness' at the end of this paper).

The increasing likelihood of Indigenous teenagers in remote and very remote areas not engaging with either full-time education or employment to some extent reflects diminished access to high school and tertiary education facilities in these regions and the limited size of the labour market. It may also reflect individual or family choice where living on traditional lands is preferred. The fact that many Indigenous families have children at younger ages will also impact on the numbers of Indigenous females in particular who are not in the labour force.

What has changed since 1996?

To gain some initial understanding of possible trends over time identical information from the 1996 Census was also obtained. The information in Table 5 should be compared with Table 2.

[47] Indigenous population estimates using the Remoteness Classification are – Major Cities 30.5%, Inner Regional 20.3%, Outer Regional 23.1%, Remote 8.5% and Very Remote 17.6%.

Table 5
Education and labour market status of teenagers aged 15 to 19, Australia, 1996[48]

1996 15-19 year olds	% Full-time education	% Full-time work	% Part-time work and/or education	% Unemployed & not in the labour force	Total population
Non-Indigenous					
Male	63.5	18.0	5.5	12.1	
Female	70.0	10.6	7.3	11.6	
TOTAL	66.7	14.4	6.4	11.8	1,254,482
TOTAL NON-INDIGENOUS TEENAGERS *AT RISK*, %			**18.2**		
Indigenous					
Male	38.2	12.1	10.2	38.0	
Female	42.3	7.5	8.7	40.5	
TOTAL	40.2	9.8	9.4	39.2	32,808
TOTAL INDIGENOUS TEENAGERS *AT RISK*, %			**48.6**		
TOTAL TEENAGERS *AT RISK*, %			**19.1**		

When comparing 2001 to 1996 there was an overall decline in the proportion of those *at risk* by around 2 percentage points. The improvements for Indigenous teenagers was stronger with an increase of 4 percentage points of those in full-time education and a 4 percentage point decline in those unemployed or not in the labour force. Overall, the proportion *at risk* declined from 48.6 per cent to 45.3 per cent. Information in Tables 4 and 6 shows that these changes held across most regional areas except in very remote regions where Indigenous teenagers were slightly more *at risk* in 2001. This is likely to be due to an increasing Indigenous teenage population in this region with little change in education and labour market outcomes. It is also notable that in 2001, Indigenous teenagers seem to be relatively worse off in all regions in comparison to improvements for non-Indigenous teenagers, 2.8 times the rate *at risk* in 1996 increasing slightly to 2.9 times in 2001.

Table 6
Level of *at risk* of teenagers aged 15 to 19 by remoteness,[(a)] **1996**

1996 At risk aged 15-19	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL
Indigenous %	41	42	43	54	69	48
Non-Indigenous %	16	20	21	23	23	17
Ratio Indigenous / non-Indigenous	2.6	2.1	2.0	2.3	3.0	2.8

Note
(a) This calculation uses a slightly different way of calculating *at risk* leading to smaller totals.

[48] All Tables for teenagers exclude 31,430 people whose Indigenous status is not known.

How are Indigenous teenagers faring?

In terms of participation in education and employment, not very well. The most important finding is that Indigenous teenagers are about 3 times as likely to be *at risk*, that is, not participating full-time in either education or work, compared to non-Indigenous teenagers. This situation tends to be worse in remote areas, however the situation is only slightly better in cities and regional areas where the population numbers are greater. There have been small improvements since 1996, largely driven by an additional 4 per cent of teenagers remaining in full-time education. The increasing numbers in full-time work and education are only just keeping pace with population growth.

Young adults (persons aged 20-24 years)

The young adult population will have related but differing characteristics to the teenage population. Greater numbers will have finished schooling, completed tertiary studies and have moved into full-time work. It is also expected that numbers calculated to be *at risk* would increase, as young adults are less likely to be still undertaking full-time education and are more likely to not be in the labour force for positive reasons, including caring for children and household duties. However, comparative data for non-Indigenous and Indigenous Australians in the following Tables contain some disturbing trends.

Table 7
Education and labour market status of young adults aged 20 to 24, Australia, 2001[49]

2001 20-24 year olds	% Full-time education	% Full-time work	% Part-time work and/or education	% Unemployed & not in the labour force	Total population
Non-Indigenous					
Male	21.2	48.7	11.7	16.0	
Female	24.6	38.4	15.8	19.7	
TOTAL	22.8	43.6	13.7	17.8	1,160,488
TOTAL NON-INDIGENOUS YOUNG ADULTS *AT RISK*, %			**31.6**		
Indigenous					
Male	7.0	25.9	18.0	45.7	
Female	8.8	16.9	15.2	57.5	
TOTAL	7.9	21.3	16.6	51.7	32,899
TOTAL INDIGENOUS YOUNG ADULTS *AT RISK*, %			**68.3**		
TOTAL YOUNG ADULTS *AT RISK*, %			**31.8**		

These data show that, in broad terms, about 70 per cent of the non-Indigenous young adults are fully engaged in either the labour market or education, and 30 per cent are not, with almost the opposite situation for Indigenous young adults. Where less than 30 per cent are fully engaged with either the labour market or education, nearly 70 per cent are not. Non-Indigenous people are three times as likely to still be in full-time

[49] All Tables for young adults in 2001 exclude 47,566 people whose Indigenous status is not known.

education, and twice as likely to be in full-time work. Indigenous people on the other hand are almost three times as likely to be unemployed or not in the labour force.

Table 8
Education and labour market status of young adults aged 20 to 24, population share, Australia, 2001

2001 20-24 year olds	% Full-time education	% Full-time work	% Part-time work and/or education	% Unemployed & not in the labour force	Percentage of total population
Non-Indigenous	99.0	98.6	96.3	92.4	97.2
Indigenous	1.0	1.4	3.7	7.6	2.8

Table 8 shows that while Indigenous young adults constitute 2.8 per cent of the total young adult population, they form only one per cent of those in full-time education, 1.4 per cent of full-time workers, 3.7 per cent of part-time workers and 7.6 per cent of those unemployed or not on the labour force.

Regional variation

This situation does vary by region, where the proportion of young Indigenous adults *at risk* increases as we move away from cities. While over 8 in ten young Indigenous adults in very remote areas are not in full-time work or education over half in major cities are in the same category. This compares to the non-Indigenous population where in both regions the proportion is around 25 per cent.

Table 9
Level of *at risk* of young adults aged 20 to 24 by remoteness,[(a)] 2001

2001 At risk aged 20-24	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL
Indigenous %	55	65	70	73	83	67
Non-Indigenous %	26	38	38	35	28	29
Ratio Indigenous / non-Indigenous	2.1	1.7	1.8	2.1	3.0	2.3

Note
- This calculation uses a slightly different way of calculating *at risk* leading to smaller totals.

Again, these data reflect the poor access to tertiary education facilities, the limited size of the labour market and to some extent reflect the lifestyle choice of Indigenous people in remote areas.

What has changed since 1996?

We can compare the situation of young adults in 1996 to what we are seeing in 2001 and also compare the teenage cohort in 1996 to what it looks like in 2001 as they are predominantly the same people. Table 10 should be compared to Table 7.

Table 10
Education and labour market status of young adults aged 20 to 24, Australia, 1996[50]

1996 20-24 year olds	% Full-time education	% Full-time work	% Part-time work and/or education	% Unemployed & not in the labour force	Total population
Non-Indigenous					
Male	17.1	52.6	10.8	17.9	
Female	18.8	40.9	16.3	23.0	
TOTAL	17.9	46.8	13.5	20.4	1,254,482
TOTAL NON-INDIGENOUS YOUNG ADULTS *AT RISK*, %				**33.9**	
Indigenous					
Male	6.5	28.5	15.5	47.0	
Female	8.2	18.1	13.7	58.5	
TOTAL	7.3	23.5	14.5	52.9	32,808
TOTAL INDIGENOUS YOUNG ADULTS *AT RISK*, %				**67.4**	
TOTAL YOUNG ADULTS *AT RISK*, %				**34.7**	

As the total unemployment rate fell between 1996 and 2001 (Indigenous rate fell from 22.7 to 20.0 per cent, non-Indigenous fell from 9.0 to 7.2 per cent) it would be expected that those *at risk* were also likely to fall in this age group, in part due to these better employment outcomes. Table 10 shows that those *at risk* did fall by about 3 percentage points, yet this fall was stronger for the non-Indigenous young adults. This is partly explained by the fact that much of the improvement in Indigenous unemployment rates was due to increases in part-time employment. For both non-Indigenous and Indigenous young adults in 2001 there were proportionally more in full-time education, less in full-time work and less unemployed or not in the labour force. Improvements are greatest for non-Indigenous young adults. Overall there is little change for Indigenous young adults.

[50] All Tables for young adults in 1996 exclude 35,179 people whose Indigenous status is not known.

Table 11
Level of *at risk* of young adults aged 20 to 24 by remoteness,[(a)] 1996

1996 At risk aged 20-24	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL
Indigenous %	55	65	68	74	81	66
Non-Indigenous %	29	39	40	37	28	32
Ratio Indigenous / non-Indigenous	1.9	1.7	1.7	2.0	2.9	2.1

Note
(a) This calculation uses a slightly different way of calculating *at risk* leading to smaller totals.

Information in Tables 9 and 11 show that there was little change in the regional profile for Indigenous young adults, compared across the board, but small improvements for non-Indigenous young adults. As for Indigenous teenagers, the gap for Indigenous young adults is increasing, from 2.1 times the non-Indigenous rates to 2.3 times in 2001.

How are young Indigenous adults faring?

At a critical time in the life cycle where young adults are completing their education and are entering the labour market, young Indigenous adults are faring poorly in comparison to non-Indigenous young adults, with little change since 1996. Again, this situation is more pronounced in remote and very remote regions, yet those in cities and more urban regions, where the population is larger, are still around two times more likely not to be fully engaged in work or education in comparison to non-Indigenous young adults.

Income support and Indigenous young people

In recent months ATSIS has been working with Centrelink to extract and present information on Indigenous Centrelink income support customers to help get a better understanding of the nature of welfare and to validate some of the initial information on how young Indigenous adults are faring. The information contained in the following Table aims to provide a regional comparison using best estimates of the population, and compares Centrelink income support customers in September 2002 with population estimates in August 2001.

Table 12
Indigenous Centrelink income support payment customers aged 15 to 24, by primary payment, September 2002

Payment	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL AUSTRALIA	Per cent of total
ABSTUDY	3,846	2,858	4,048	1,241	2,340	14,333	17.0
Newstart allowance	1,671	1,097	1,763	702	2,374	7,607	9.0
Youth allowance	2,993	2,177	2,916	1,000	2,882	11,968	14.2
Disability support pension	445	326	444	128	207	1,550	1.8
Parent payment							
– single	1,747	1,200	2,139	725	1,651	7,462	8.9
– partnered	227	211	446	229	1,260	2,373	2.8
TOTAL [(a)]	1,974	1,411	2,585	954	2,911	45,648	54.1
Per cent receiving a primary payment [(b)]	49.7	52.8	59.1	58.3	52.5	54.1	
CDEP [(c)]						11,075	

Notes
(a) Total includes 355 other income support recipients.
(b) Based on rough estimates of the regional population.
(c) Total CDEP participants, who are also eligible for the CDEP Partipant Supplement (about 4,500 are receiving and are counted under Newstart Allowance).

Caution should be used when interpreting this information because it is based on Indigenous self-identification on Centrelink customer forms and a level of under-identification is likely.[51] As yet we don't have a full regional profile of CDEP participants, although the majority of the 11,075 participants in this age group will be in remote and very remote regions.

Based on these figures we can estimate that about 60 per cent of Indigenous young adults are receiving an income support payment (total Centrelink plus those on CDEP but not on Newstart Allowance). If you exclude those on ABSTUDY the proportion is about 45 per cent. We expect a certain amount of double-counting when incorporating CDEP participants, which will be one of the initial further analysis tasks during the development of the use of these data. For comparative purposes it is estimated that 23 per cent of non-Indigenous young people are receiving a payment listed in Table 12.

In broad terms this information on income support shows a similar pattern to measures of *at risk* presented earlier. To better understand the possible use of this data in the future we need to undertake more specific analysis, including analysis of trends over time but as detailed labour force information from ABS surveys for Indigenous people is not available in sufficient detail this source of information should assist us in measuring how young Indigenous people are faring on an annual basis.

[51] The percentage calculations are based on estimates of the population at 2001 (we used 84,000) that may differ from more sophisticated estimates that will be available from the Australian Bureau of Statistics sometime into the future.

Conclusion

While this paper presents information that requires further detailed analysis we can conclude that about half of young Indigenous people are fully engaged in either education or the labour market compared to over 80 per cent of non-Indigenous people, and the circumstances of young Indigenous people are not improving a great deal. Numbers in full-time work and education are increasing; although this is not happening fast enough to close the gap. The early Centrelink information supports the findings that around half of young Indigenous adults are in receipt of significant welfare support, compared with around 23 per cent of non-Indigenous young people.

Improving education and employment outcomes for Indigenous people is a vital ingredient if wider well-being outcomes are to be addressed. The data show that there are some modest improvements in full-time education measures, but for those not remaining in education there seems to be a decrease in full-time employment with an increase in unemployment and not being in the labour force. While there are some good signs in slowly improving full-time education participation there is little positive change in terms of full-time jobs for young Indigenous people.

Population labour market characteristics, particularly full-time employment rates, seem to be set by around age 30, suggesting a need to focus on younger age groups for improvements in education and attachment to the labour market. This is particularly important for Indigenous young people who are well behind non-Indigenous young people in both full-time education and full-time work as young people.

Given the known downstream outcomes from limited schooling and poor initial contact with the labour market these data indicate ongoing poor outcomes for young Indigenous people. The retention of Indigenous students through to the completion of Year 12, and increasing the numbers moving to tertiary education are critical headline indicators of transition to work. Further attention should be given to ways of improving retention in secondary school, increasing numbers in tertiary education and the training sector, and full-time jobs. In parallel, a focus on early child development and early school engagement provides a longer term policy focus for reform that targets the determinants of current poor retention in the later secondary school years and subsequently tertiary education.

Table 13
Education and labour market status of teenagers aged 15 to 19 by remoteness, by State [(a)], 2001 and 1996

At risk (%) aged 15-19	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL
Indigenous – 2001						
New South Wales	38	39	40	48	67	39
Victoria	32	35	39	-	-	34
Queensland	38	37	39	53	60	42
South Australia	37	28	40	43	67	42
Western Australia	44	46	50	47	69	52
Northern Territory	-	-	37	58	75	65
Tasmania	-	29	28	43	-	29
ACT [(a)]	26	-	-	-	-	26
TOTAL	38	37	39	52	70	44
Non-Indigenous – 2001						
New South Wales	14	17	17	23	26	15
Victoria	11	14	14	11	-	12
Queensland	18	20	19	19	20	18
South Australia	17	18	20	17	25	18
Western Australia	16	22	21	25	23	17
Northern Territory	-	-	18	18	17	18
Tasmania	-	19	22	32	24	20
ACT [(a)]	12	-	-	-	-	12
TOTAL	14	17	18	21	21	15
Indigenous – 1996						
New South Wales	40	45	49	55	74	44
Victoria	37	39	43	50	-	39
Queensland	40	43	42	58	62	42
South Australia	44	50	48	44	76	52
Western Australia	44	41	51	48	69	54
Northern Territory	-	-	36	59	71	63
Tasmania	-	31	31	40	64	31
ACT [(a)]	32	-	-	-	-	32
TOTAL	41	42	43	54	69	48
Non-Indigenous – 1996						
New South Wales	15	19	20	24	26	16
Victoria	13	17	17	14	-	14
Queensland	18	22	20	23	26	18
South Australia	20	22	26	21	23	21
Western Australia	16	21	21	24	23	17
Northern Territory	-	-	20	20	16	20
Tasmania	-	21	25	38	25	22
ACT [(a)]	13	12	-	-	-	13
TOTAL	16	20	21	23	23	17

Note

(a) Caution should be used when interpreting these data as in smaller States and in some remoteness categories the population numbers can be small.

Table 14
Education and labour market status of young adults aged 20 to 24 by remoteness, by State, [(a)] 2001 and 1996

At risk (%) aged 20-24	Major cities	Inner Regional	Outer Regional	Remote	Very Remote	TOTAL
Indigenous – 2001						
New South Wales	55	68	74	76	89	63
Victoria	48	58	64	-	-	53
Queensland	55	67	70	71	72	66
South Australia	59	66	76	61	84	68
Western Australia	62	73	79	68	80	72
Northern Territory	-	-	63	77	89	83
Tasmania	-	52	58	63	-	54
ACT [(a)]	40	-	-	-	-	40
TOTAL	55	65	70	73	83	67
Non-Indigenous – 2001						
New South Wales	26	37	42	37	31	28
Victoria	24	34	37	33	-	26
Queensland	30	41	35	32	26	33
South Australia	31	37	41	38	33	33
Western Australia	28	42	40	37	28	31
Northern Territory	-	-	30	29	27	28
Tasmania	-	36	49	52	30	39
ACT [(a)]	21	21	-	-	-	21
TOTAL	26	38	38	35	28	29
Indigenous – 1996						
New South Wales	54	68	75	83	80	64
Victoria	46	61	75	-	-	54
Queensland	55	65	68	71	70	66
South Australia	60	59	72	69	80	67
Western Australia	62	71	70	71	80	71
Northern Territory	-	-	58	73	86	79
Tasmania	-	52	53	61	43	52
ACT [(a)]	42	-	-	-	-	42
TOTAL	55	65	68	74	81	66
Non-Indigenous – 1996						
New South Wales	28	40	44	42	37	31
Victoria	27	37	40	37	-	30
Queensland	32	42	36	35	30	33
South Australia	35	41	45	45	36	36
Western Australia	28	41	38	37	28	31
Northern Territory	-	-	32	32	16	31
Tasmania	-	36	47	49	31	39
ACT [(a)]	26	34	-	-	-	26
TOTAL	29	39	40	37	28	32

Note
(a) Caution should be used when interpreting these data as in smaller States and in some remoteness categories the population numbers can be small.

A note on data and remoteness

(a) The calculation of what is *at risk* is done in two different ways:

- In the Tables where a comparison to the method used in the *How Young People are Faring* report those *at risk* include all those who were not in either full-time education or full-time employment.
- The second approach, used in all of the remoteness Tables was to include those who were in both part-time work and part-time education as not *at risk*. This leads to 1-3 per cent decline in the numbers *at risk*.

(b) The ABS Remoteness Classification: In the mid-1990s the National Centre for Social Applications of Geographic Information Systems (referred to as GISCA) developed the Accessibility and Remoteness Index for Australia (ARIA). ARIA measures how remote a place is from cities or large towns (and the services they provide) leading to a 'score' for each area. ARIA has been refined over the past few years and is used by a number of agencies including Centrelink, Health and Ageing, Family and Community Services and the ABS.

Building on ARIA, the ABS has developed a Remoteness Geographical Classification with 5 major groups (there is a sixth for migratory and off-shore data that is not relevant to this discussion). The five groups are - Major Cities, Inner Regional, Outer Regional, Remote and Very Remote. The ABS is adopting it as one of their standard geographies by which data from the Census and Indigenous surveys will be made available, and ATSIC has adopted the classification one of the key geographical ways to present and analyse data.

(c) Most of the information presented in this paper was derived from a detailed Table request from ABS using the 1996 and 2001 census. The Table specifications were student status (full-time, part-time, not attending, not stated) by hours worked (35 hours plus, less than 35 hours, not applicable (which include both unemployed and not in the labour force) and not stated).

In the Tables full-time students include all those who are studying on a full-time basis regardless of their labour force status, whereas those in full-time work cover those working 35 hours or more but don't include those who also recorded as full-time students (there were not many in this category).