

How Young People are Faring 2001: Learning, Work and In Between

Richard Curtain¹
Curtain Consulting, Melbourne

Foreword

The Australian economy's growth performance for nine years to mid 2000 has been described by the OECD as remarkable.² How have young people fared in this economic climate? This report uses recent official data to assess the labour market and education standing of teenagers (15 to 19 year olds) and young adults (20 to 24 year olds).

The proportion of young people aged 15 to 19 years considered 'at risk' in the labour market in May 2001 (15.1 per cent) shows no sign of real improvement, despite fluctuations, if the rate is compared with the average for the last 14 years (15.4 per cent). Other data show that as many as a quarter of young people aged 18 to 24 years may be 'at risk' in the labour market. These results are consistent over a decade and more and show the persistence of a sizeable group of young people who face continuing difficulties in obtaining full-time work.

One key factor contributing to the labour market difficulties experienced by young people not in education is that the full time job growth in recent years has gone overwhelmingly to adults aged 25 years and over. International comparisons show that Australia's labour market is not as "youth friendly" as other countries which have better coordinated school-to-work arrangements. Despite the growth in New Apprenticeships over the last three years, few if any inroads have been made into significantly reducing the proportion of young people 'at risk'.

While Australia performs well in terms of its proportion of tertiary graduates in the adult population (ranking sixth out of 28 countries), many other young people miss out in relation to education attainment. In terms of upper secondary school completion, Australia continues to rank behind most other OECD countries (ranking 17th out of 28 countries). It is this gap between the education "haves" and "have nots" that is not only undermining Australia's ability to compete in a global knowledge economy. It is also likely to further increase income inequality. Failure by a range of stakeholders in society to offer more effective support for the most vulnerable among Australia's young people is likely to exacerbate income inequality and undermine social cohesion.

At least 14 per cent of 19 year olds in 2000 have not attained a minimum level of education necessary to compete in today's demanding labour market. This proportion has not improved over the last three years. Many of those with low education attainment also have poor literacy and numeracy skills.

¹ I would like to thank Dr John Spierings of the Dusseldorp Skills Forum for his close reading of the paper,

The analysis highlights the need for better coordination within Australia's school-to-work arrangements to achieve more effective outcomes. The absence of up-to-date outcomes measures particularly at a regional and service delivery level is a key obstacle hindering better coordination. Implementing a comprehensive and decentralised reporting system is a major test of capability for all stakeholders involved in the school-to-work transition process. It is a necessary step to showing that governments and service providers can improve service delivery to meet more effectively the needs of the most vulnerable of Australia's young people.

Introduction

By mid 2000, Australia had completed its ninth year of continuous growth, the longest period of economic expansion since the 1960s.³ Unemployment had fallen and real income levels risen. In these highly favourable labour market conditions, how are young people faring? The focus of this report is on 15 to 24 year-olds and examines local and international data to throw light on their transition from full-time education to full-time work.⁴ Specific attention is given to those young people who are not in education and not in full-time work as a means of identifying those most 'at risk'. We also take a snapshot view of changes over time in young peoples' labour market participation. As part of this examination we also compare how young people in Australia fare with other OECD countries in terms of labour market and education outcomes.

The core of the report discusses three main indicators:

Indicator One: Proportion of the population aged 15 to 19 years not in full-time education and not in full-time employment.

Indicator Two: Ratio of the unemployment rate among 15 to 24 year olds to the unemployment rate among 25 to 54 year olds.

Indicator Three: Proportion of the population aged 20 to 24 years who have completed Year 12 or a post-secondary qualification.

Moving from education to work for many young people is not a single step of leaving the educational system and entering the world of work. The transition process can extend for some time with neither an obvious starting point or a clearly defined end. For many, it involves several steps forth and back between education and work. Young people may be engaged in job search and waiting times, involuntary unemployment or in chosen time off for leisure, travel or other activities. The complexity of what is happening, therefore, cannot be captured in a single statistic such as the youth unemployment rate. Indeed over-reliance on this measure has hampered a deeper understanding of the nature of the difficulties experienced by young people.

A better way to show what young people are experiencing is to use the concept of risk to identify those young people who are more vulnerable than others in encountering prolonged difficulties in finding and sustaining stable employment. The 'at risk' group is defined as those young people who are:

³ OECD, 2001, Economic Survey of Australia, 2001, summary.

⁴ The chief Australian data sources are the Australian Bureau of Statistics' monthly *Labour Force Survey*

- ❖ not studying and
- ❖ in part-time work, or
- ❖ who are actively looking for work (the unemployed), or
- ❖ those not in work and not considered as actively seeking work (not in the labour force).

Active engagement in education, full-time 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 post-school year have been mainly in either part-time work, being unemployed, or outside the labour force are much less likely over their first seven post-school years in total to make a successful transition to full-time employment.⁵ These findings are confirmed by other longitudinal data about young people.⁶ For many school leavers, moving through a cycle of part-time work, job seeking or withdrawal from job search, severely limits their chances of making a successful transition to a job with prospects.

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

Most teenagers beyond compulsory schooling are still full-time students, even if they are working part-time. However, in May 2001, just under a third (31 per cent) of 15 to 19 year olds were not in full-time education (see Table 1). Of those not in full time education, just over a half are in full-time work. However, the remainder, representing 15.1 per cent of all 15 to 19 year olds, (14.9 per cent for males and 15.3 per cent for females) are 'at risk', ie in part-time work, unemployed or not actively looking for work (see the shaded cells in Table 1). In terms of actual numbers, this represents an estimated 205,300 young people, an increase of 11,000 from the previous year.

Table 1: Education and labour market status of youth aged 15 to 19 years, Australia, May, 2001, per cent

Age group	In full-time education					Not in full-time education					Total
	Ft work	Pt time work	UE	Not in the labour force	Sub-total	Ft work	Pt time work	UE	Not in the labour force	Sub-total	
15-19 yrs											
Males	0.4	22.7	5.3	37.3	65.6	19.4	6.0	5.7	3.2	34.3	100.0
Females	0.5	30.4	6.6	35.3	72.8	12.0	7.3	3.7	4.3	27.2	100.0
Total	0.4	26.5	5.9	36.3	69.1	15.8	6.6	4.7	3.8	30.9	100.0

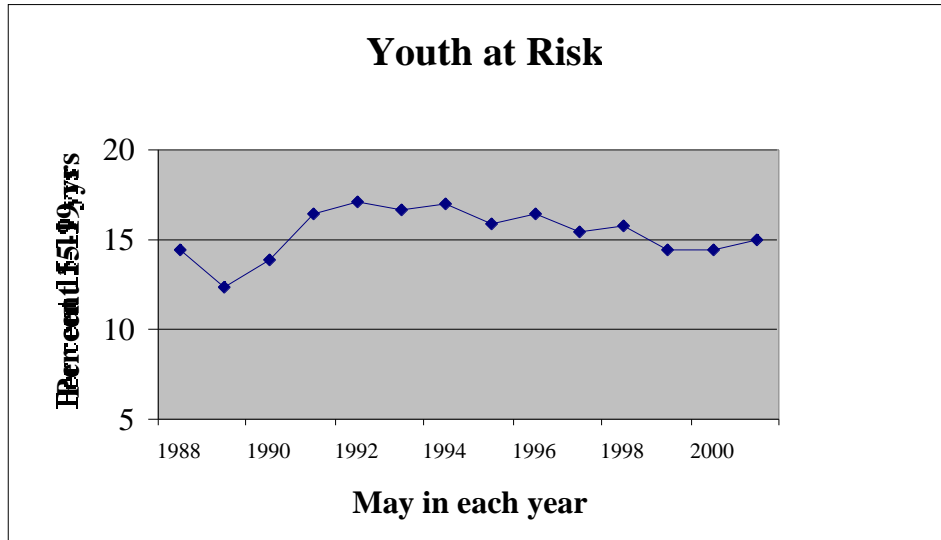
Source: Derived from Labour Force Australia, May, 2001, Cat 6223.0, Table 11

⁵ McKenzie, P, 2001, "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., p 7.

⁶ Data from the Australian Youth Survey show that of the 15 to 24 year olds in part-time casual work in 1990, 56 per cent are not in full-time permanent jobs in 1994. The same result holds for non-student part-time casual workers in 1990, with 55 per cent not in full-time permanent jobs in 1994 (see Gaston, N and Timcke, D, 1999, "Do casual workers find full-time employment? Evidence from the Australian Youth Survey", *The Economic Record* Vol 75, No 231, Dec, Table 2, p 339). See also Lamb S., Dwver P.,

The longer-term trend in the size of the 15 to 19 year old 'at risk' group is clearly downward from a high point of 17.1 per cent in May 1992 (see Table A1 in Attachment 1). However, this trend appears to have bottomed out as the May 2001 'at risk' proportion is slightly above the proportion of "at risk" young people in May 1999 and May 2000 (see Diagram 1). The May 2001 figure (15.1 per cent) is little different from the average for the period since May 1988 (15.4 per cent).

Diagram 1: The proportion of all young people aged 15 to 19 years not in full-time education or full-time work, Australia, May 1988 to May 2001.



Source: Labour Force Australia, specified years, ABS Catalogue No 6203.0, see Table A1.

The 'at risk' group varies considerably by year of age - reflecting the ending of compulsory schooling at age 15 - and Table 2 shows the age specific pattern for May 1999, 2000 and May 2001.⁷ A quarter or so of young people at ages 18-19 years, at the age at which they have finished secondary school are either choosing not to enter the full-time labour market or are experiencing real difficulty landing a full-time job. These data show a marked consistency for each age level over the last three years (See 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, 2000 and 2001, per cent

Age	1999	2000	2001
15	2.9	2.3	3.5
16	6.7	8.4	6.8
17	13.4	11.3	13.8
18	23.7	26.3	25.4
19	26.2	23.6	25.4
15-19 yrs	14.5	14.4	15.1

The proportion of post school teenagers 'at risk' varies greatly by where they live (see Table 3). Queensland, South Australia and Western Australia in May 2001 have the highest proportions of teenagers 'at risk' (all around 19 per cent) while Victoria has the lowest proportion (10 per cent). The largest State NSW has 14 per cent of its post compulsory school teenage population not in full-time education or full-time work. This result is consistent over time. These differences between states and territories in the proportion of youth 'at risk' reflect differences in rural, regional and metropolitan population distributions and young peoples differing propensities in these areas to participate in education and access to employment opportunities.⁸

Small sample sizes make it difficult to assess the extent to which real change is taking place over time. However, the size of increases in the proportion of teenagers 'at risk' in the Australian Capital Territory, South Australia and Western Australia in May 2001 compared with 1999 and 2000 suggest that the situation for young people in these regions may have worsened.

Table 3: 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 and 2001, per cent

State/Territory	1999	2000	2001
New South Wales	13.5	14.8	13.7
Victoria	11.7	11.3	9.8
Queensland	18.0	16.9	19.4
South Australia	15.9	14.0	19.0
Western Australia	16.0	14.4	18.9
Tasmania	17.1	17.0	16.2
Northern Territory	26.2	*	26.4
Australian Capital Territory	8.5	11.7	17.6

Source: Labour Force, Teenage Employment and Unemployment, Unemployment, Australia, Preliminary - Data Report ABS Catalogue 6202.0.40.001, May, 1999, 2000 & 2001.

* denotes cell sizes too small to be reliable.

What happens to young people when they leave secondary school?

Information is available on the destinations of 1999 secondary school leavers in May 2000 (see Table 4). The likelihood of the secondary school leaver going onto further education varies greatly according to the year of secondary schooling completed. Just over two thirds of 1999 Year 12 leavers (69 per cent) went onto higher education, TAFE (including New Apprenticeships) or other forms of further education. However, only 39 and 43 per cent of Year 11 and Year 10 leavers followed a similar path.

Many of these early school leavers not in further education have not found full-time work. This applies to just over a third (34 per cent) of the of Year 10 and 11 leavers. Overall, nearly a quarter (24 per cent) of 1999 secondary school leavers five months later are in part-time work, unemployed or not-in-the-labour force.

A third of early secondary school leavers do not appear to have made a successful transition to further study or full-time work compared with nearly a fifth of Year 12 leavers. The results also show that simply completing Year 12 is no guarantee of finding full time work.

Table 4: Education and labour market destinations of persons aged 15 to 24 who have left school (a): highest year of school completed, Australia, May 2000

Destination	In 1999		
	Completed Year 10	Completed Year 11	Completed Year 12
Attending an education institution in May 2000			
Higher education	0.4	3.0	43.8
TAFE	39.8	32.5	19.5
Other*	3.3	3.8	5.9
Not attending education institution in May 2000 and			
in FT work	22.5	27.1	12.4
in Pt work	13.5	15.4	9.6
Unemployed	10.7	13.6	5.7
Not in LF	9.8	4.6	3.2
Total percent	100.0	100.0	100.0
N	51,200	36,900	202,000

Source: Derived from Transition from Education to Work Australia May 2000, Table 16. ABS Cat 6227.0 * "Other" includes business colleges, industry skills centres and Other educational institutions.

Another important conclusion is that the proportions of 'at risk' secondary school leavers (ie those not in further education and not in full time work) are consistent over time. Year 10 and Year 11 early secondary school leavers over the last three years are much more likely than Year 12 leavers to enter the 'at risk' category. The 'Other' group of school leavers, those leaving Business colleges, skill centres and other educational institutions have notably worse outcomes, are the most likely to enter the 'at risk' group. However, this group is small in size, only numbering an estimated 6,000 15 to 24 year olds in May 2000 compared with an estimated 29,800 Year 10 and Year 11 secondary school leavers in the 'at risk' category for the same period.

The trend for early school leavers to face poorer labour market prospects compared with Year 12 completers is evident over the last three years, 1998 to 2000 (see Table 5). The number of 'at risk' school leavers at May 2000 was an estimated 73,100 young people. This figure is similar to that of the figure for May 1998 with a drop in 1999 to 68,600 (see Table 5). However, it is more important to note the pattern over time which is one of little change to the estimated size of this group of 'at risk' school leavers.

Table 5: Proportion of all secondary school leavers in 1997, 1998 and 1999 aged 15 to 24 who are 'at risk' five months after leaving school: ie not in education and in part-time work, unemployed or not-in-the-labour force in May 1998, 1999 and 2000

May	Completed Year 10	Completed Year 11	Completed Year 12	Other*	Number in each year
	Per cent of all school leavers in each year				
1998	45.1	37.6	20.0	62.7	76,700
1999	39.2	29.9	16.5	61.2	68,600
2000	34.0	33.6	18.5	45.8	73,100

Source: Derived from Transition from Education to Work Australia May 1998, 1999, and 2000, Tables 16 or 17. ABS Cat 6227.0 * Includes Business colleges, Industry skills centres and Other educational institutions. This Table also supercedes Table 5 in the 2000 report with corrected data in relation to the population estimates and the percentages for the school leaver at risk group.

It is important to note that later difficulties in the labour market result from a variety of factors, not simply early school leaving in itself. Levels of literacy and numeracy are also crucial factors in determining the chances of finding and keeping a job. This is clearly demonstrated in Table 6 below which shows the probability of being unemployed for each level of demonstrated literacy for those young Australians aged 15 to 25 years who have attained less than upper secondary school. Young people with low literacy skills have three to four times the likelihood of being unemployed compared to those young people with even middling scores.

Table 6. Probability of being unemployed according to prose literacy score for males aged 15-25 yrs with less than secondary education, Australia, 1998

Literacy score	0	50	100	150	200	250	300	350	400	450	500
Proportion unemployed	0.77	0.68	0.57	0.45	0.34	0.24	0.16	0.11	0.07	0.05	0.03

Source: OECD, 2000, Literacy in the Age of Information Age. Final Report of the International Adult Literacy Survey. p167 .

The influence of levels of literacy and numeracy in terms of participation in secondary and higher education, training and employment is an important area for further research.⁹

Young adults aged 20 to 24 years olds

Table 7 shows the education and labour market status of young people aged 20 to 24 years for May 2001. Nearly four-fifths of this age group have left full-time education. However, only 57 per cent of this age group are in full-time work. Over a quarter of the age group (26 per cent) are not in full-time education or in full-time work. Compared with teenagers, young people aged 20 to 24 years are more likely to be unemployed, in part-time work and not-in-the-labour force (compare with Table 1). The high proportion of especially young women in part-time work reflects a fall in the availability of full-time jobs held by this age group. Between May 1995 and May

2001, the number of full-time jobs held on non-students aged 20 to 24 years fell by 94,300, a 13.3 per cent decrease.

Table 7: Education and labour market status of young adults aged 20 to 24 years, Australia, May, 2001, per cent.

Age group 20-24 yrs	In full-time education					Not in full-time education					Total
	Ft work	Pt time work	UE	Not in the labour force	Sub-total	Ft work	Pt time work	UE	Not in the labour force	Sub-total	
Males	0.7	8.9	1.7	10.1	21.3	57.3	7.8	8.6	5.0	78.7	100
Females	0.5	11.6	1.6	8.3	22.0	46.0	13.5	6.5	12.0	77.9	100
Total	0.6	10.2	1.6	9.2	21.7	51.7	10.6	7.5	8.4	78.3	100

Source: Derived from Labour Force Australia, May, 2001, Cat 6223.0, Table 12

Because of the high proportion of young adults who are 'not-in-the-labour force' for positive reasons (caring for children, household duties and so on), 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.¹⁰ A narrower definition suggests that 25 per cent of young women may be 'at risk' and 18 per cent of young men (see Table 8).¹¹

The trend over time in the proportion of 'at risk' young adults over the last 13 years is shown in Table A2 in the attachment. The results for young adult men 'at risk' in 2001 are close to the 13-year average and the same consistency is evident for young women. There are slightly less young women in not-in-the-labour force compared with the longer term trend.

Table 8: Proportion of young people, aged 20-24 years, not in full-time education who are unemployed, in part-time work or not in the labour force who are estimated to be looking for or wanting work and are available to work (marginally attached), May 2001, per cent.

Gender	Pt time employed	UE	Not in the labour force but wanting to work	Total
Males	7.8	8.6	1.8	18.2
Females	13.5	6.5	4.9	24.9

Source: Labour Force Australia, May 2001 ABS Cat 6203.0 and marginally attached, September 1999.

International data for 1999 on the proportion of young people 20 to 24 years not in education and not in full time work show that Australia's high proportion, 27.5 per cent, ranks it 13th out of 18 countries (see Table A1 in the attachment to the paper). The major reason for this ranking is the high proportion of young adults in Australia

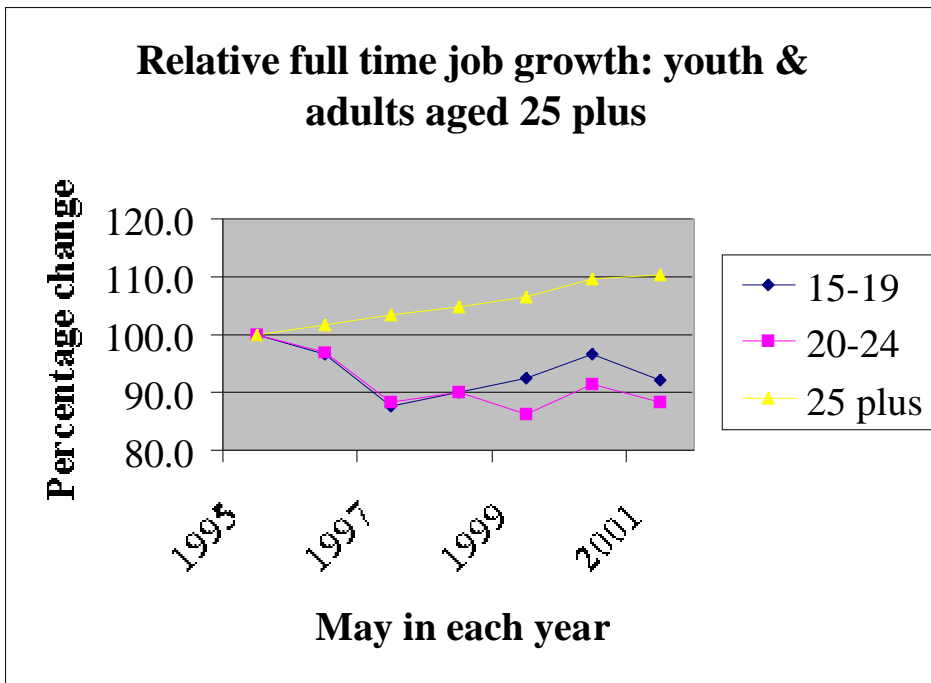
¹⁰ McClelland and Macdonald report, using 1997 labour force data, that 78 per cent of young women not in education and not in the labour force have dependants (McClelland and Macdonald in *Australia's Young Adults: The Deepening Divide*. Dusseldorp Skills Forum, Sydney, 1999, p4).

in part-time work. Australia ranks third behind France and Sweden in terms of the proportion of young adults in part-time work.¹²

Young people and access to full-time jobs

One of the main contributors to the difficulties experienced by young people in their transition from full-time education to full-time work is the absence of full-time jobs for this age group. Diagram 2 shows that full-time jobs for adults aged 25 years and over between May 1995 and 2001 have grown by 9.5 per cent. However, over the same period, the number of full time jobs taken by non-student young people aged 15 to 19 years and 20 to 24 years has declined by 8.6 per cent and 13.3 per cent respectively. These data show that young people have more difficulty than any other age group in gaining access to full-time work.¹³ This makes apprenticeship type arrangements a particularly important vehicle for helping young people to access jobs with career prospects.

Diagram 2: Growth in full time jobs for young people not in education aged 15 to 19 and 20 to 24 years compared with adults aged 25 years and over, May 1995 to May 2001, percentage change



Source: Labour Force Australia, May for specified years, ABS Catalogue No 6203.0

Young people’s access to New Apprenticeships

New Apprenticeships have expanded rapidly in the last few years to reach 295,620 apprentice and trainees commencing in training at the end of 2000, an increase of 109 per cent since 1995. However, the number of young people aged 15 to 24 in New Apprenticeships has increased more modestly by 43 per cent over the same period.¹⁴

¹² OECD, 2001, Education at a Glance, Table F4.1.

¹³ Full-time jobs to older persons have grown strongly over this period, by 15 per cent for those aged 45 to 54

There is considerable scope to increase teenage participation rates in New Apprenticeships. Measuring the take up of New Apprenticeships by the non-student population, the take up rate of New Apprenticeships among 15 to 19 year olds not in education at the end of 2000 was only 19 per cent. For the 15 to 24-year old age group as a whole for the same period, it was only 12 per cent. In other words New Apprenticeships are only taken up by a small minority of young people entering the full-time job market.

Australia's New Apprenticeship participation rate for young people is below that of Germany and Switzerland where more than 50 per cent of the upper secondary school age cohort participate in apprenticeship-type arrangements. The Australian youth participation rate is also below the so-called quasi-apprenticeship countries that have more than 20 per cent of young people in apprenticeship-type arrangements. These countries are Austria, Denmark, the Netherlands and Norway. The UK also has 24 per cent of its upper secondary school cohort (aged 16 to 19 years) participating in apprenticeship programs in 1996.¹⁵

It has recently been claimed that Australia's new apprenticeship system as a proportion of the 15 to 64 age group is now fourth only in relative size to that of the apprenticeship system in Switzerland, Germany and Austria.¹⁶ In international comparisons, however, it is essential to compare like with like to make a valid comparison. Apprenticeships in many European countries are not only restricted to young people, they focus on craft level skills and involve an extended period of time in the workplace (usually three years or more).¹⁷

Australia's New Apprenticeships compared with the apprenticeship systems in these countries have a number of features in relation to skill levels, age coverage and duration that are notably different. New Apprenticeships compared with European apprenticeships are more likely to be concentrated at skill levels below the trade or equivalent level.¹⁸ Australia's New Apprenticeships serve a much wider age range compared with the youth-based apprenticeship systems in Europe (38 per cent of New Apprentices in 2000 are over the age of 24 years).

Australian New Apprenticeships also include arrangements that involve much shorter durations in the workplace (44 per cent of full-time New Apprenticeships commencing in 2000 are for durations of one year or less and 25 per cent are for one to two years duration).¹⁹ On a definition based on duration alone, only 38 per cent of Australia's New Apprenticeships at the end of 2000 are likely to be equivalent to German, Swiss or Austrian apprenticeships.²⁰

¹⁵ OECD, 1999, *The Thematic review of the Transition from Initial Education to Working Life*, para 2.1.11 and Table 2.2.

¹⁶ NCVER, 2001, "The Australian system in international comparison", *Australian Apprenticeships: Facts, Fiction and Future*. National Centre for Vocational Education Research, Adelaide, p 53.

¹⁷ Ryan, P, 2000, "The Attributes and Institutional Requirements of Apprenticeship: Evidence from Smaller EU Countries", *International Journal of Training and Development* Vol 4, 1, p 44. The apprenticeship systems Ryan compares are those of Germany, Austria, Denmark, Ireland, the Netherlands and the UK

¹⁸ Some 38 per cent of New Apprenticeships in 2000 were in terms of the Australian Qualification Framework (AQF) below the trade or equivalent level. However, AQF Levels are not an accurate guide to skill level as they vary so much from industry to industry. A recent study for the NSW Board of Vocational Education and Training showed that some 40 per cent of traineeships could be classified in the lowest ABS skill level and 85 per cent could be classified in the bottom two skill levels. These skill levels are below the level assigned to trade and advanced clerical skills.

¹⁹ NCVER, 2001, *Australian Apprentice and Trainee Statistics Annual 2000*, p 10.

²⁰ *Ibid*, p 3. ABS record 138,200 persons in May 2000 who identified themselves as apprentices either

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 the labour market compared to established employees is the ratio of unemployed young people to prime age unemployed adults.²¹ Based on full year OECD data for 2000, Australians aged 15 to 24 years have two and a half times (2.5) the level of unemployment recorded by adults aged 25 to 54 years (see Table 9). This places Australia right on the average and in a band of countries that are separate from Germany, Austria and Denmark. Australia's ratio and ranking has not changed significantly in the past three years (See Table A5 in the attachment for a ranking based on 1999 data). These rankings suggest that better economic conditions, such as those that we have experienced in recent years, are not sufficient in themselves to improve the relative position of young people in the labour market.

An international comparison of the broader group of youth 'at risk' shows that Australia ranks considerably behind other comparable countries for both the 15 to 19 and 20 to 24 age groups (See Tables A3 & A4). Australia ranks notably behind the countries with tightly connected school-to-work arrangements, especially Denmark and is roughly on a par with other countries with loosely connected systems such as United States and Canada. The high proportion of non-students in part-time work in Australia helps to explain its low ranking. In Australia, part-time work for non-students is likely to offer little or no training.²²

Table 9 includes countries such as Norway and the United States that have labour markets performing extremely well with low unemployment rates (3.5 per cent and 4.0 per cent unemployment rates respectively in 2000).²³ Nevertheless, these two countries also have high ratios of unemployed young people to adult unemployed (3.9 and 3.0 respectively). On the other hand, the data show that young people fare well in countries with tightly connected school-to-work transition arrangements. For example, Germany has a low ratio of youth unemployment to total unemployment despite a high overall level of unemployment (8.1 per cent unemployment rate in 2000).²⁴

These inter country comparisons strongly suggest that overall employment growth is insufficient in itself to help young people and that effective mechanisms to underpin the transition from education to work are also important. Economic growth alone is not likely to overcome the difficulties faced by young people on entering the labour market, especially for those young people who have poor literacy and numeracy skills or suffer from social disadvantages due to location or race or a combination of these factors.

²¹ 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, 2001, *Employment Outlook 2001*, p 284).

²² VandenHeuvel; A & Wooden. M 1999, *Casualisation & Outsourcing: Trends and Implications for Work-related Training*. National Centre for Vocational Education Research, Adelaide

Table 9: 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, 2000

OECD Country	Ratio
Germany	1.1
Austria	1.5
Denmark	1.7
Spain	2.1
Switzerland	2.1
Hungary	2.1
Czech Republic	2.2
Canada	2.2
France	2.3
Japan	2.3
Netherlands	2.3
Sweden	2.4
Australia	2.5
Portugal	2.5
Poland	2.5
Belgium	2.6
Turkey	2.7
United Kingdom	2.7
Finland	2.7
Korea	2.8
Mexico	2.9
New Zealand	2.9
United States	3.0
Italy	3.6
Norway	3.9

Source: OECD Annual Labour Force Statistics, 2000.

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 of an individual's capacity to compete in demanding labour markets. In 18 out of 29 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.²⁵ In Australia, the difference in the unemployment rate for men aged 25 to 64 years with less than upper secondary education is double that of those who have completed the highest level of secondary school.²⁶

The proportion of young Australian adults aged 20 to 24 years with Year 12 completed or a post school qualification in May 2000 is 83 per cent. The longer-term trend from 1994 shows an increase in education attainment for young people (see Table 10). However since 1998, the trend appears to have reached a plateau, with no significant increase in the level of education attainment rate among 20 to 24 year olds in the last two years.

Table 10: 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 1999*

Year	<i>Per cent</i>
1994	74.0
1995	78.1
1996	80.4
1997	78.8
1998	82.4
1999	83.5
2000	83.1

Those who have not completed Year 12 but who are still in education (secondary or tertiary) in the year of the survey are included.

Source: Transition from Education to Work Australia, specified years ABS Catalogue No 6227.0, Table 14 (1994), Table 15 (1995), Table 10 (1996, 1997, 1998, 1999, 2000).

Targets for post-compulsory education

Commonwealth and State Governments in 1991 set targets for post-compulsory education and training attainment for 19 and 22 year olds by the year 2001 (the Finn targets).²⁷ However, the most recent data available, May 2000, indicate that the first of these targets are not likely to be met.

The first target is that by 2001, 95 per cent of 19 year olds are to be either:

- ✧ participating in Year 12, or
- ✧ completed year 12, or
- ✧ completed Years 10 or 11 and participating in or completed some formally recognised education and training.

²⁵ OECD, 2001, Education at a Glance 2001, p 271.

As of May 2000, only 85.6 per cent of 19 year olds had attained or were proceeding to these education levels.²⁸ This means that 14.4 per cent of 19 year olds have not attained a minimum level of education necessary to be competitive in today's labour market over the long-term. On current trends, the 95 per cent target will not be met until 2007.²⁹

The second target is that by 2001, 60 per cent of 22 year olds are to be participating in education and training programs that lead to what is generally regarded as a qualification to denote a skilled worker. This refers to attainment of at least an AQF Level 3 qualification, or participating in or have completed higher education studies such as degrees or diplomas. May 2000 data show that this target has been reached with 67.7 per cent of 22 year olds having attained or still studying to reach this level or higher.³⁰

Need for new national education targets

National education attainment targets for young people (known as the Finn targets) were originally set in 1991 and are now seriously out of date. They represent a level of education attainment that is far behind the threshold education benchmark of upper secondary school completion or the equivalent set by leading OECD countries. At least 80 per cent of the adult population aged 25 to 64 years in seven countries have attained an upper secondary education or higher (United States, Czech Republic, Norway, Switzerland, Germany, Japan and Denmark).

However, Australia continues to rank below most other OECD countries in terms of the proportion of the population with high school or upper secondary education completed. On the basis of 1999 data for 28 countries reported by the OECD, Australia ranks 17th with 57 per cent of its adult population aged 25 to 64 years with an upper secondary school (See Table 11). Looking at the most recent post initial education age group, 25 to 34 years, Australia drops to 20th position.

Other countries that have made dramatic improvements in upper secondary education attainment are Korea, Greece, Hungary, Spain, and Finland. These countries have achieved double to three times Australia's rate of increase in upper secondary school completion over time. Australia's upper secondary education attainment rate for 25 to 34 year olds compared with 55 to 64 olds shows a lift of 21 percentage points. However, Korea's difference in upper secondary attainment between the two younger and older age groups is 65 percentage points.

Australia performs well in terms of its proportion of tertiary graduates in the adult population (ranking sixth out of 28 countries). However, as noted above, it is this gap between the education "haves" and "have nots" that distinguishes Australia from many other OECD countries. It points to an obvious benchmark to which governments, enterprises and individuals need to publicise and address.

²⁸ ABS, 2000, *Transition from Education to Work, Australia*. Cat 6227.0, Table 18,p 27. This includes those aged 19 still at secondary school.

²⁹ Using 1997 as the base year as this offers a more consistent qualifications data set.

Table 11: Percentage of the population aged 25 to 64 years in OECD countries that has attained at least upper secondary education, in rank order, 1999.

Rank order	OECD countries	Aged 25-64
1	United States	87
2	Czech Republic	86
3	Norway	85
4	Switzerland	82
5	Germany	81
6	Japan	81
7	Denmark	80
8	Canada	79
9	Sweden	77
10	Austria	74
11	New Zealand	74
12	Finland	72
13	Hungary	67
14	Korea	66
15	France	62
16	United Kingdom	62
17	Australia	57
18	Belgium	57
19	Iceland	56
20	Luxembourg	56
21	Poland	54
22	Ireland	51
23	Greece	50
24	Italy	42
25	Spain	35
26	Turkey	22
27	Portugal	21
28	Mexico	20

Source: OECD, 2001, Education at a Glance, Table A2.2a

The Victorian Government in October 2000 announced as part of its post compulsory education and training reforms a new education target for young people. The target commits the Victorian Government to achieving by 2010 a Year 12 or its equivalent completion rate for 90 per cent of young people.³² The Year 12 or its equivalent (a skilled vocational qualification or higher) completion rate for 22 year olds in Victoria in May 2000 was 72.3 per cent.³³

³² The Hon. Steve Bracks, 2000, Education Summit - Speech made by The Premier of Victoria, MP Education Foundation Forum Monday, 23 October, <http://www.deet.vic.gov.au/postcomp/bspeech.htm> . This indicator, however, is yet to be specified as a performance measure ie the equivalent of Year 12 and the specific age or age grouping are yet to be defined.

The Victorian target sets a new benchmark, albeit a modest one, of what constitutes a basic level of education attainment for young people in Australia as a whole.³⁴ The immediate challenge for other governments in Australia is to set a target that either matches or goes beyond this target. This needs to be done at not only national and state levels but also at a regional level. Governments, as discussed in the conclusion, also need to institute a reporting system particularly at a regional level to provide the basis for local communities to take corrective action where required.

How soon will it take Australia as a whole to reach this Victorian target for 2010? As noted above, only, only 67.9 per cent of 22 year olds in May 2000 have achieved at least Year 12 completion or its equivalent (a skilled vocational qualification or higher).³⁵ Based on the 1997-2000 rate of increase, Australian 22-year-olds would not attain the Victorian target until the year 2020. On current trends, Australia in the medium term, is not likely to lift the threshold education levels of a significant minority of its young people.

Conclusion

The OECD's Economic Survey of Australia for 2000, based on 1999 data, noted that:

*Many school leavers remain at considerable risk of being locked into marginal labour market activities that may not lead to better skills and employment prospects. More needs to be done to reduce the incidence of early school leaving.*³⁶

The above analysis for May 2000 and 2001 shows the problem continues. The 2001 OECD Economic Survey of Australia has recently noted that "despite the encouraging growth in structured education, scope remains to improve school to work transition".³⁷

The 2000 OECD Economic Survey of Australia recommended reform of the curriculum to make senior secondary schooling more relevant and useful to potential early school leavers. TAFE and high schools were also encouraged to cooperate better with each other. In relation to youth 'at risk', the OECD suggested that secondary schools themselves should be responsible for monitoring and follow up, at least for early school leavers. One benefit of such a follow up strategy would be to "refocus schools objectives, making it clear that an important objective is to assist the student in making a successful transition to adult working life".³⁸

The recent report of Prime Minister's Youth Pathways Action Plan Taskforce entitled *Footprints To The Future* highlighted the need for a follow up and reporting system for school leavers in Australia and spelt out a number of principles that should underpin such a reporting system. The report also proposed a range of appropriate indicators.

³⁴ However, it can be argued that the relevant reference point should be a dynamic rather than a static one ie a target that seeks to match the education attainment performance of Victoria or Australia with a comparable group of countries.

³⁵ However, it is not clear what constitutes a skilled vocational qualification that is equivalent to Year 12 completion. Merely using Australian Qualifications Framework Level 3 is not sufficient as qualifications at this level vary greatly in terms of the skill level they represent.

³⁶ OECD, 2000, Economic Survey Australia, 2000, p 5.

The federal government is yet to announce how it aims to implement the Taskforce's recommendations for a reporting system.³⁹ A comprehensive reporting system will require a high level of coordination between a range of stakeholders including different levels of government as well as education and training and employment services providers at a local and regional level. It will be a major public policy challenge for all stakeholders to set up a reporting system to operate at the point of service delivery. However, it is only at this local level that the needs of 'at risk' youth have a good chance of being met.

Attachment 1.

Table A1: Proportion of 15 to 19 year olds not in full-time education or full-time employment, May 1988 to May 2001, per cent

	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

Source: derived from Labour force Australia, specified years, Cat 6223.0, Tables 11

Table A2: Proportion of young adult males and females aged 20 to 24 years not in full-time education who are unemployed, in part-time or not in the labour force for specified years, May 1989 to May 2001, per cent

May 1989-2001	Males unemployed or Pt work	Males not-in-labour force	Sub-total males UE, Pt work or not-in-labour force	Females unemployed or Pt work	Females not in labour force	Total Females UE, Pt work or not-in-labour force
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

Table A3: Proportion of young people aged 15-19 years not in education and not in full-time work, 1999.

OECD country	Rank	15-19 years 'at risk'
Poland	1	7.5
Denmark	2	9.8
Germany	3	11.3
Belgium	4	11.5
Greece	5	11.8
Finland	6	13.9
United States*	7	15.2
Portugal	8	16.0
Switzerland	9	16.1
Netherlands	10	16.6
Hungary	11	16.8
Canada	12	17.2
Sweden	13	18.1
Australia	14	19.4
Spain	15	23.5
Mexico	16	23.6
Czech Republic	17	23.6
Italy	18	23.8
France	19	25.9

Source: OECD, 2001, Education at a Glance 2001, Tables E3.1 and E4.1

Table A4: Proportion of young people aged 20-24 years not in education and not in full-time work, 1999.

OECD country	Rank	20-24 years 'at risk'
Denmark	1	13.5
Netherlands	2	17.1
Sweden	3	18.1
Switzerland	4	19.1
Portugal	5	19.9
Czech Republic	6	22.5
Finland	7	23.0
Canada	8	23.8
Germany	9	24.3
United States*	10	26.4
Greece	11	27.2
Australia	12	27.5
Hungary	13	28.8
Belgium	14	28.8
Poland	15	30.3
Spain	16	33.3
Mexico	17	34.4
Italy	18	36.1
France	19	39.0

Source: OECD, 2001, Education at a Glance 2001, Tables E3.1 and E4.1

Table A5: Ratio of the unemployment rate for 15 to 24 year olds compared to the unemployment rate for 25 to 54 year olds, rank order, 1999

OECD Country	Ratio
Germany	1.1
Austria	1.3
Ireland	1.6
Mexico	1.9
Hungary	2.0
Spain	2.0
Switzerland	2.1
Canada	2.2
Portugal	2.2
Czech Republic	2.3
Sweden	2.3
Denmark	2.3
Japan	2.3
Australia	2.5
Korea	2.5
Turkey	2.5
France	2.5
Netherlands	2.5
United Kingdom	2.5
New Zealand	2.5
Finland	2.6
Poland	2.8
Belgium	3.1
United States	3.1
Italy	3.5
Norway	4.0

Source: OECD Annual Labour Force Statistics, 1999.