

FOUNDATION FOR
Young Australians



Education
FOUNDATION
A DIVISION OF FYA

WHAT NEXT?

How Young People are Faring '09

THE NATIONAL REPORT ON THE LEARNING AND
WORK SITUATION OF YOUNG AUSTRALIANS



Acknowledgments

This report has been prepared by Lyn Robinson and Stephen Lamb, researchers in the Centre for Post-compulsory Education and Lifelong Learning (CPELL) at the University of Melbourne.

We are grateful for the support provided by Lucas Walsh at The Foundation for Young Australians. We are also grateful to the Australian Bureau of Statistics and the National Centre for Vocational Education Research for their kind assistance in providing data.

Cover photo

Paul Box/reportdigital.co.uk

ii	Tables
iv	Figures
v	Foreword
vi	Key findings

01 Introduction

03 01. Engaging in education, training and work

04	Teenagers
15	School leavers
19	Young adults

24 02. Educational attainment

25	Attainment of initial qualifications
28	Attainment of further qualifications

38 03. Moving from education to work

38	Youth labour market
43	Post-school pathways

48 04. The wellbeing of young Australians

49	Health and wellbeing
51	Teenagers and their quality of life
55	Young adults and their quality of life

59	References
----	------------

60	Appendix tables
----	-----------------

Contents

Table 1	Education and labour market status of teenagers aged 15 to 19 years, Australia, May 2009 (%)	04
Table 2	Education and labour market status of 15 to 19 year-olds, and proportion not in full-time education or full-time work, by year of age, Australia, May, 2009 (%)	05
Table 3	Not in full-time education and not in full-time employment, 15 to 19 year-olds in each State and Territory, May 2009 (%)	06
Table 4	Not in full-time education and not in full-time employment, 15 to 19 year-olds, by State/Territory, Australia, May, 1999 – 2009 (%)	10
Table 5	Not in full-time education or full-time work, and combining part-time work and part-time study, 15 to 19 year olds, Australia, May 2008 (%)	11
Table 6	Participation in apprenticeships and traineeships, 15 to 19 year-olds, Australia 1995-2008 (%)	12
Table 7	Apprentices and trainees in-training, age 19 and below, by gender and State/Territory, 2008 (%)	13
Table 8	Apprenticeship and traineeship commencements, age 19 and below, by trade status and gender, Australia 2008 (%)	13
Table 9	Apprenticeship and traineeship commencements, age 19 and below, by State/Territory, 2008 (%)	13
Table 10	Apprenticeship and traineeship commencements, age 19 and below, full-time as percent of total, by gender, Australia, 2004-2008 (%)	14
Table 11	Education and labour market status of persons aged 15 to 24 who left school in 2008, by gender, Australia, May 2009 (%)	15
Table 12	Education and labour market destinations of persons aged 15 to 24 who left school in 2007, by school leavers' highest year of school completed, Australia, May 2008 (%)	16
Table 13	School leavers aged 15 to 24 who were in part-time work, unemployed or not in the labour force, and not studying, in May of the year after leaving school, by highest year of school completed, selected years 1999-2008 (%)	17
Table 14	Education and labour market status of young adults aged 20 to 24 years, Australia, May 2009 (%)	19
Table 15	Apprentices and trainees in-training, ages 20 to 24, by gender and State/Territory, 2008 (%)	19
Table 16	Not fully engaged (not in full-time education and in part-time work, unemployed, and not in the labour force) compared with in full-time work and in full-time education, 20 to 24 year-olds, May, 1989-2009 (%)	20
Table 17	Not fully engaged, 20 to 24 year-olds, by gender, May, 1989-2009 (%)	21
Table 18	Attainment of Year 12 or equivalent (AQF Certificate III level or higher) qualifications: 20 to 24 year-olds, 2001-2008 (%)	25
Table 19	Perceptions of various aspects of school life while at school, by school completion, 19 year-olds in 2007 (%)	26
Table 20	Highest level of post-school qualification, by state and gender, 24 year-olds, 2006 (%)	29
Table 21	Highest level of post-school qualification, by socioeconomic status of residential area, 24 year-olds, 2006 (%)	30
Table 22	Highest level of post-school qualification, by location, 24 year-olds, 2006 (%)	31
Table 23	Highest level of post-school qualification attained, by selected background characteristics, 23 year-olds, 2006 (%)	33
Table 24	Post-school qualifications attained, by highest post-school qualification attained, 23 year-olds, 2006 (%)	35
Table 25	Completion ratios by gender and trade status, by State/Territory, apprentices and trainees aged 24 years and below, 2008 (%)	37
Table 26	Full-time job growth for 15 to 19 year-olds and 20 to 24 year-olds not in education compared with adults aged 25 to 64, May, 1995-2009	41

Tables

Table 27	Per cent of the youth population not in education who are employed, OECD countries, 2006	42
Table 28	Main activities of young people annually across the first 6 post-school years, by gender (%)	44
Table 29	Main activities of young people annually across the first 6 post-school years, by school completion (%)	45
Table 30	Main activities of young people in their sixth post-school year, by highest level of qualification gained by the fifth post-school year (%)	46
Table 31	Self-assessed health status, young people aged 18 to 24 years, by gender, Australia 2007-2008 (%)	49
Table 32	Prevalence of psychological distress among selected age groups, by gender, Australia, 2007-2008 (%)	50
Table 33	Prevalence of psychological distress among 18 to 24 year-olds, by highest level of school completed and gender, 2007-2008 (%)	50
Table 34	Satisfaction with various aspects of life, by main activity, 19 year-olds in 2007 (%)	51
Table 35	Satisfaction with various aspects of life, by gender and engagement in education or work, 19 year-olds in 2007 (%)	53
Table 36	Satisfaction with career prospects, by gender and school completion, 19 year-olds in 2007 (%)	54
Table 37	Satisfaction with various aspects of life, by main activity, 24 year-olds in 2007 (percentages very happy) (%)	56
Table 38	Incidence of financial stress in 2007, by main activity, 24 year-olds (%)	57
Table A1	Proportion of young adult males and females aged 20 to 24 years not in full-time education who are in part-time work, unemployed, or not in the labour force, May, 1989-2009 (%)	60
Table A2	Attainment of at least upper secondary education ¹ in OECD countries by gender, population aged 25-34 and 25-64, 2006 (%)	61

Tables

Figure 1	Apparent retention of full-time students from Year 7/8 to Year 12, by state/territory, 2008 (%)	07
Figure 2	Not in full-time education or full-time work, 15 to 19 year-olds, by gender, 1989-2009 (%)	08
Figure 3	Participation in full-time education and full-time work, 15 to 19 year-olds, 1989-2009 (%)	08
Figure 4	Participation in school and other type of full-time education, 15 to 19 year-olds, 1989-2009 (%)	09
Figure 5	Unemployment rates for 15 to 19 year-olds not in full-time education, 2001-2009 (%)	09
Figure 6	Not in full-time education or full-time work, 19 year-olds in 2007, by achievement quartile (%)	11
Figure 7	Participation in education, by level of course, 15 to 19 year-olds, 2001-2008 (%)	12
Figure 8	Labour market destinations of school leavers (persons aged 15 to 24 at school in 2007 but not in 2008) who are not in education, by highest year of school completed, Australia, May 2008 (%)	17
Figure 9	School leavers aged 15 to 24 not engaged in full-time education or full-time work in May of year after leaving school, 1986-2009 (%)	18
Figure 10	Not fully engaged (not in full-time education or full-time work), in full-time work, and in full-time education, 20 to 24 year-olds, 1989-2009 (%)	20
Figure 11	Young adults not studying full-time and in part-time work, unemployed, or not in the labour force, by gender, 1989-2009 (%)	22
Figure 12	Activities of 15 to 24 year-olds not in the labour force, Australia, 2008 (%)	23
Figure 13	Numbers of 15 to 24 year-olds not in the labour force, in selected main activities, by gender, 2008 (000s)	23
Figure 14	Attainment of at least upper secondary education in OECD countries, population aged 25 to 34 years and 45 to 54 years, 2006 (%)	27
Figure 15	Highest level of post-school qualification attained, 23 year-olds, 2006	32
Figure 16	Number of post-school qualifications attained, 23 year-olds, 2006 (%)	35
Figure 17	Labour force participation for 15 to 19 year olds and 20 to 24 year-olds as a percentage of population: all in the labour force compared with those not in full-time education and in the labour force, 1989-2009 (%)	39
Figure 18	Employment and unemployment status of those in the labour force and not in full-time education: 15 to 19 year olds and 20 to 24 year-olds, 1989-2009 (%)	40
Figure 19	Mean weekly earnings of those in full-time work in 6th post-school year, by post-school qualification attainment (\$)	47

Figures

This eleventh edition of *How Young People are Faring* (HYPAF) comes at an important and unsettling time for young people in Australia. In the wake of both recent economic instability and longer term structural challenges, the conditions of earning and learning for young Australians have deteriorated in 2009.

It is young people, in particular, who feel the impact of an economic downturn. Earlier this year, the Organisation for Economic Co-operation and Development (OECD) observed in its report, *Jobs for Youth: Australia*, that

“past experience suggests that in Australia, like in most other OECD countries, any deterioration in labour market conditions is disproportionately felt by the youth”.

Unemployment among teenagers has sharply increased over the last 12 months, with a steeper increase for young males. A rise in teenage unemployment of over six per cent over the last 12 months is one of the largest annual increases experienced by this group in 20 years.

Contrast this to the period before the global financial crisis: unemployment for youth aged 15 to 24 was at the lowest recorded level since the 1970s. To some extent, this low level of unemployment reflects greater numbers of young people choosing to study before entering the workforce, as well as growth in part-time rather than full-time work. But after a 17 year period of uninterrupted economic growth prior to the global financial crisis, no major gains were made in full-time job opportunities for young Australians.

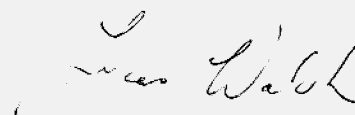
The sharp rise in teenagers not engaged in full-time education or full-time work since 2008 reflects a reversal of the previous downward trend. School leavers face greater difficulty making the transition to the labour market. Trends in transition via pathways other than higher education have slowed and/or stagnated. For example, after a decade in which the percentage of teenagers undertaking traineeships and apprenticeships has increased yearly, estimates for 2008 indicate a halt to this trend.

The implications of these findings are broad and complex. Barriers faced by new entrants to the workforce have potentially serious mid-to-long term consequences related to lack of training, experience, erosion of confidence and lack of financial security. The most vulnerable continue to come from low socioeconomic status backgrounds and live in regional and remote areas. The economic environment and structural barriers to participation also suggest other dimensions that require closer attention and action through policy and grassroots change.

This edition of *How Young People are Faring* includes additional, important information about young people's wellbeing. Much of the difference in the sense of wellbeing of young people is related to careers, employment and money. Understandably, young people who are unemployed or not in the labour force experience considerable stress in relation to their financial circumstances. The broader landscape of wellbeing is of course much more complex, but the objective indicators used in this report provide valuable insight into a key aspect of the quality of life of young people.

Despite these confronting trends, many young people have a positive outlook in relation to the population at large. The challenge to all of us is to provide them with as many opportunities as possible to realise their full potential.

In publishing this research, Education Foundation, a division of The Foundation for Young Australians, is proud to continue the work of the Dusseldorp Skills Forum in producing quality independent research. FYA is very grateful to the Centre for Post-compulsory Education and Lifelong Learning at the University of Melbourne and especially to Stephen Lamb and Lyn Robinson for their excellent work.



Dr Lucas Walsh
Senior Executive, Research
The Foundation for Young Australians

Foreword

Key findings

Engaging in education, training and work: teenagers

70 per cent of 15 to 19 year-olds are in full-time education, and 14 per cent are working full-time.

- > More females than males are in full-time study.
- > Males are more often in full-time work.

16 per cent of teenagers are not fully engaged in work or study.

- > Such marginalisation is slightly greater among females: more females than males are in part-time work or not in the labour force, although unemployment is higher among males.
- > Among those who have left full-time education, withdrawal from the labour force (and possibly hidden unemployment) is twice as high for females as for males.

The percentage of teenagers not fully engaged has risen sharply since 2008, reversing the previous downward trend.

- > Rates of marginal attachment to the labour market increased between 2008 and 2009. Historically these rates have generally been higher for females than males, and this remains the case in 2009.
- > The percentage in full-time work and not in full-time education decreased substantially in 2009.
- > The percentage of teenagers in non-school education has flattened since 2007, and the percentage in school has fallen slightly.
- > Queensland and Victoria are the states recording the greatest increases, between 2008 and 2009, in percentages of teenagers not earning or learning.
- > Very few teenagers combine part-time study and part-time work, with around 3 per cent of 19 year-olds doing so in 2008.

Unemployment among teenagers has jumped sharply over the last 12 months, with a steeper increase for males than females.

- > Unemployment has risen from 12.2 per cent in May 2008 to 18.5 per cent in May 2009, one of the largest annual increases for teenagers over the past two decades.
- > The increase was higher for males, jumping by 7.5 percentage points compared to 4.5 points for females.

Higher-level VET qualifications, including apprenticeships, are important training pathways for teenagers.

- > After a decade in which the percentage of teenagers undertaking apprenticeships and traineeships increased each year, estimates for 2008 suggest there has been a halt to this trend.
- > Nationally, in 2008 the proportion of teenage males doing an apprenticeship or traineeship was double that of females (12 per cent compared with 6 per cent).
- > Of teenagers who commenced a training contract in 2008, 60 per cent were males and 40 per cent females, with males predominating in the trades and females in the non-trades.
- > There has been a shift towards part-time arrangements: between 2004 and 2008, while numbers of teenagers commencing apprenticeships grew, full-time training declined as a proportion of total commencements.

Explanatory Notes

Apprentices and trainees: unless separately identified, apprentices and trainees may be in one of several categories depending on how they have reported their activity at the time of ABS survey.

Full-time work: work involving 35 hours or more per week.

Part-time work: work involving less than 35 hours per week.

Not in the labour force: refers to those not in work and not seeking work.

Unemployed: refers to those not employed in the week of the survey, and who had actively looked for and were available for work in the previous four weeks.

School completers: young people who have attended school and completed Year 12.

Early school leavers: young people who have left school without completing Year 12.

Year 12 or equivalent: completion of a school certificate (such as the South Australian Certificate of Education or the Tasmanian Certificate of Education) or an equivalent qualification defined as VET certificate III or higher.

Rounding: rows/columns in tables and figures may not sum to 100.0 due to rounding.

Engaging in education, training and work: school leavers

Transition to the labour market is becoming more difficult for school leavers.

- > Full-time work was less of an option for school leavers in 2009: compared with the previous year, there was about a ten percentage point drop in male school leavers entering full-time work.
- > The percentage of school leavers not earning or learning had been declining over recent years, but this figure jumped substantially (by nine percentage points) from 2008, reaching 36 per cent in 2009.
- > More than one third of school leavers were not fully engaged in 2009: the percentages in part-time work, unemployed, and not in the labour force all increased over the levels among school leavers in the previous year.

However completion of Year 12 continues to confer benefits.

- > School completion increases the likelihood of undertaking further study: after leaving school in 2007, two thirds of Year 12 completers continued on to some kind of full-time or part-time education in 2008.
- > Early school leavers who do not continue in education are also disadvantaged in the labour market — they are less likely to be in full-time work, and more likely to be unemployed or not in the labour market.

Engaging in education, training and work: young adults

Among 20 to 24 year-olds, 45 per cent are working full-time and 29 per cent are in full-time education.

- > There are marked gender differences in the proportions studying full-time: almost one third of females compared with just over one quarter of males.
- > Five in ten males are in full-time jobs, compared with four in ten females.
- > For those not in study, the unemployment rate is higher among males than females, but twice as many females as males have withdrawn from the labour force.

Apprenticeships are important for young adults as well as teenagers.

- > More than 7 per cent of 20 to 24 year-olds (11 per cent of males, and almost 4 per cent of females) were doing apprenticeships or traineeships in 2008.

One quarter of 20 to 24 year-olds are not engaged in full-time work or full-time education in 2009.

- > This was a sharp increase from 2008, and follows a decade in which the proportion not fully engaged had been falling.
- > In 2009, young men are more likely to be unemployed, while young women are more likely to be in part-time work or not in the labour force.
- > In the past, young women have been more at risk of marginalisation than young men. This gender gap has narrowed to the smallest margin that it has been for twenty years, due to sharper rises for males than females in the percentages in part-time work and unemployed.
- > Females are more likely than males to be not studying and not in the labour force: this is largely due to family formation and child care responsibilities.

The two long-term trends among young adults have been declining full-time employment and rising full-time education.

- > There has been a twenty percentage point drop in full-time employment from 65 per cent twenty years ago.
- > While full-time employment has been around 50 per cent for much of the past decade, the latest annual figure shows it has shrunk to 45 per cent in 2009.
- > During the same period the proportion of this age group engaged in full-time education has maintained a consistent upward trend.

Educational attainment

Initial qualifications relate to Year 12 or its equivalent. Further or post-school qualifications are obtained by young people after leaving school, and are important in helping them to make the transition to the labour market.

Initial qualifications

Sample surveys indicate that more than 4 in 5 young adults attain an initial qualification.

- > According to ABS *Education and Work* survey data for 2008, 83 per cent of 20 to 24 year-olds had attained Year 12 or its equivalent.

School engagement is an important predictor of school completion.

- > School completion is linked not only to factors such as social background and achievement, but also to students' subjective feelings about school. Compared with early leavers, more of those who complete Year 12 are happy at school, enjoy being there and feel they belong, and have positive relationships with their teachers.

Post-compulsory educational attainment in Australia has been rising.

- > In 2006 it reached 80 per cent among 25 to 34 year-olds, just above the OECD average of 78 per cent. But international comparisons show that there is scope to boost this rate, with several countries having rates above 90 per cent.

Key findings

Further qualifications

About six in ten Australians attain a post-school qualification by age 24, based on 2006 Census data.

- > 28 per cent have a university degree or higher, and 31 per cent a VET qualification (8 per cent with a higher level VET diploma or advanced diploma, and 23 per cent with a VET certificate).
- > Females are much more likely than males to have a university qualification (33 per cent compared with 23 per cent).
- > Young people living in the most disadvantaged areas of Australia have the lowest rates of attainment of post-school qualifications. Almost 55 per cent of 24 year-olds living in the poorest areas did not have a post-school qualification in 2006, compared to about 30 per cent of those living in the wealthiest areas.

The type of post-school qualification gained by young people varies according to where they live.

- > Compared with those living in the poorest areas, three times as many of those living in the wealthiest areas had gained a university degree or higher by age 24.
- > City areas of Australia had more than double the rate of attainment of university and higher level VET qualifications as rural areas.
- > Vocational certificates are important for young adults living in rural areas: for almost one third, this was their highest post-school qualification.

The type of post-school qualification gained also varies by family background and location.

- > Analyses of longitudinal data show that social background matters, with young people from the wealthiest families obtaining a university degree or higher at more than double the rate of those from disadvantaged families.
- > Those living in city areas are more likely to gain a university degree or higher, while young adults living in rural and remote areas are more likely to attain, as their highest qualification, a VET certificate at levels 1, 2 or 3.
- > For young people from disadvantaged backgrounds, vocational qualifications are very important as a means of gaining post-school awards.

The influence of school completion on attainment is ongoing.

- > The qualification gap between school completers and early school leavers widens in the post-school years. School completers more often go on to gain further qualifications (by age 23, 65 per cent did so) while early school leavers, who have not even attained an initial qualification, are less likely to obtain any further qualifications (only 57 per cent did so).

Some young people gain more than one post-school qualification.

- > While just on 37 per cent of 23 year-olds had acquired no post-school qualifications, 51 per cent had one such qualification, and 12 per cent had more than one.

Apprenticeships provide many young people with a qualification.

- > Numbers of training contracts completed by those aged 24 years and below, compared with earlier commencements, can be used as a crude indicator of how young people are faring within the vocational training system.
 - For Australia, for those who were in trade occupations, the ratio of completions in 2008 to commencements four years earlier in 2005 was 54 per cent. This national rate is broadly comparable with completion rates reported for several other countries. However there are noticeable variations between states, ranging from 47 per cent in Victoria up to 61 per cent in Western Australia.
 - Traineeships generally take one year. In 2008, for the same age group, there were 50 completions for every 100 training contracts commenced in non-trades occupations in 2007.

Moving from education to work

Youth labour market

ABS Labour Force survey data show that over the last 12 months young people have faced increasing difficulty in accessing full-time employment.

- > For both teenagers and young adults, there were large falls between 2008 and 2009 in the percentages in full-time work and not in education.
- > Following several years when unemployment rates had been declining, unemployment shot up again in 2009, to 18.5 per cent for teenagers and 8.1 per cent for 20 to 24 year-olds.
- > Part-time employment has grown substantially during the last two decades, increasing threefold for teenagers, and more than doubling for young adults. Rising levels of part-time employment mean that many more young people making the transition from school now rely on part-time work in their early years in the workforce.
- > Despite this, the Australian youth labour market provides employment opportunities at rates above the average for OECD countries, according to 2006 data.

Key findings

Post-school pathways

Transition patterns vary according to gender and school completion.

- > Women are far more likely to rely on part-time work as they move from education to employment.
- > Early school leavers are more often unemployed or not in the labour force after six years.

Post-school qualifications help young people in moving from education to work, conferring benefits in terms of labour market participation and lower unemployment.

- > Labour force activity in the sixth post-school year is influenced by the qualifications gained by the fifth year out of school.
 - Compared to those without any school or post-school qualifications, university graduates had a higher rate of full-time employment (64 per cent as against 56 per cent). In the same comparison, graduates were also both much less likely to be unemployed (1.4 per cent compared with 8.5 per cent) or not in the labour force (2 per cent as against 10 per cent).
 - Apprentices have good employment outcomes, with high proportions in full-time work and low rates of unemployment compared with those who had completed other qualifications.
- > Education also has advantages in terms of earnings: higher income is generally associated with a higher level of education, with graduates and apprentices doing well.

Wellbeing of young Australians

Young people are more inclined than the population as a whole to rate their health as excellent or very good, and high levels of psychological distress are no more prevalent among young people than the rest of the population. Yet the mental health and general sense of wellbeing of young people are affected by study and work circumstances.

19 year-olds who are fully engaged in education or work are happier with their lives.

- > Teenagers who were fully engaged expressed greater satisfaction with their life: 58 per cent said they were very happy with their life as a whole, compared with 48 per cent who were neither in full-time education nor full-time work.
- > This ten percentage point gap between the two groups was even larger in relation to being very happy about their career prospects: 45 per cent compared with 28 per cent.
- > Females who were not fully engaged in study or work perceived their career prospects as more limited compared with males in the same situation.

Levels of happiness vary according to main activity at age 19, with apprentices among those more likely to report being very happy with their work and career prospects.

- > 41 per cent of apprentices reported being very happy with the work they do, at least 6 points higher than those in all other activity groups, and 30 points higher than those who were unemployed.

Year 12 completion has a positive effect on satisfaction with career prospects for females at age 19, underscoring the longer-term benefits of completing school.

- > 95 per cent of female Year 12 completers were happy or very happy about their future career prospects compared to 86 per cent of females who had not completed Year 12.

Among 24 year-olds, sense of wellbeing, both social and economic, is linked to success in work and study.

- > Full-time workers expressed greater satisfaction: 58 per cent were very happy with their life as a whole, whereas only 27 per cent of those who were unemployed and 48 per cent of those not in the labour force gave that response.
- > Those in full-time work were much happier about their career prospects, the work they did, their future and their standard of living than those who were unemployed, not in the labour force or in part-time work.
- > Much of the difference in sense of wellbeing is related to employment, careers and money: the unemployed or those not in the labour force far more frequently report experiencing stressful events linked to their financial circumstances.

These findings on quality of life are important to consider because, based on objective indicators, the earning and learning situation of young Australians in 2009 has deteriorated.

- > Teenagers, school leavers, and young adults are less likely to be fully engaged in education or work, compared with the previous year. Subjective measures of wellbeing are also needed to get a more comprehensive picture of how young people are faring.

How Young People are Faring'09

THE NATIONAL REPORT ON THE LEARNING AND
WORK SITUATION OF YOUNG AUSTRALIANS

The last year has been a difficult and turbulent period. The deepening of the financial crisis and deteriorating labour market conditions have profoundly affected populations around the world. Their effects are rippling through the multiple contexts in which people are situated, including their family lives, workplaces and communities. A big question is how these changing circumstances are affecting young people.

In other parts of the world, the signs are rather bleak. Worsening economies have led to high levels of youth unemployment, higher poverty rates, and less funds for schools and health centres, which are seeing their budgets constrained just when their services are needed the most. For International Youth Day this year the Secretary-General of the United Nations made the claim that while young people comprise 25 per cent of the world's working age population they account for 40 per cent of the unemployed, and he went on to say that the global economic downturn means that, in the near term, youth unemployment will continue to climb (United Nations, 2009). In addition to rising unemployment, young workers also experience a variety of other labour market problems, such as underemployment (working fewer hours than desired) and withdrawal from active labour force participation (hidden unemployment).

Australia has been somewhat protected from the full effects of the global financial crisis. Whether due to the extraordinary attempts by government to offset the impact by implementing successive stimulus packages designed to promote spending, invigorate business and create jobs, or due to the strength of the underlying economy and our trade position, or to both, Australia is emerging from this bleak economic period seemingly in a better position than many other nations. Recent estimates suggest that unemployment will not reach the high projected levels mentioned last year, or the high levels reached in many other countries. Yet the fact is that unemployment rates in Australia have risen, and the effects of the downturn are still being felt as business begins to recover. How have young Australians fared during this time?

This is the eleventh edition of the annual series *How Young People are Faring*. The series provides important information on how successfully our economy and our education and training system are working to meet the needs of young Australians as they make the transition from school to further study and work. The 2009 edition presents current information on the education, training and work activities and experiences of young people.

Introduction

This edition is the first opportunity to examine some of the effects of the recent economic troubles on young people. Due to the downturn there is an increased focus on Australia's labour market, and in particular on changes in unemployment and employment and how they affect young people. There is also a need to consider the role and importance of education and training in this context. In the past, economic downturns have not always been a negative influence in terms of participation in education and training. On the contrary, economic downturn can spur rates of participation in education and training as young people seek refuge from a hostile labour market. For example, the recession in the early 1980s began a period of marked increases in school completion rates, also fuelled by long term declines in full-time youth employment. What is happening in relation to participation in education and training currently?

The 2009 edition of *How Young People are Faring* also provides an opportunity to assess patterns of engagement in education and training in the context of the Government's education and training agenda. This seeks to raise rates of completion of Year 12 or its equivalent to over 90 per cent of students, to significantly improve the proportion of children acquiring the basic skills for life and learning and to increase the proportion of young people making a smooth transition from school to work and further study (COAG, 2006).

The acquisition of skills and qualifications is a key contributor to the economic success of workers as well as to general living standards. Increasing the number of years of schooling for young workers, and participation in further study, potentially has a significant effect on the earnings, employability and productivity of individuals. What do indicators reveal about current levels of school attainment and engagement in education and training as young people make the transition from school to work? How much more change is needed to achieve the goals of the government's agenda?

How Young People are Faring 2009 will present information that can help reflect on these issues, to the extent that available data will allow. Various measures of attainment, participation, and transition will be used to shed light on a host of policy issues, from access to education to the quality of educational outputs. They will provide policymakers and others with the opportunity to compare different aspects of education and training for young Australians, to assess the role of the different sectors from school education to higher education and vocational education and training, and to identify areas that may need attention to help improve student outcomes and transition.

The data used in this report are derived from a range of sources including annual Australian Bureau of Statistics (ABS) surveys of education and work, monthly ABS national labour force surveys, the Census of Population and Housing, and other national sources including longitudinal surveys of youth. The results also include data from international comparisons of educational and employment activities for specific age groups, as well as national comparisons of transition experiences for different groups of young people. What is presented is by no means an exhaustive presentation of available data. Rather, it is selective, presenting data on important educational markers from national and international surveys and collections, offered as representative of key aspects of transition from school education to post-school study and the workforce. It is important to note that up-to-date data on work and study activity are not always readily available. Some of the data reported in annual series, particularly related to education and training, often rely on surveys from the previous year. Data on education and training presented in this report are consistent with those from previous editions and will allow an examination of change. However, they may not reflect the full effects of the recent economic downturn due to the timing of the release of data. Future editions will be in a better position to display effects on education and training.

Data on employment and work activities, however, are from the current year (the most recent labour force survey data available) and do provide an opportunity to assess the effects of the recent economic downturn on employment, unemployment and the youth labour market.

Information on how well the education and training system is working for young Australians is organised into four main sections in this report. The first section provides a profile of the levels of engagement in education and training, firstly for teenagers (15 to 19 year-olds), then for school leavers and finally for young adults (20 to 24 year-olds). Of particular interest are the groups of young Australians who are not actively engaged in education and training and who rely solely on the labour market to provide the foundation for their future wellbeing. How many are in this situation and what are their backgrounds? How many school leavers does this involve and who are they?

The second section looks at levels of educational attainment. This is presented in two parts. The first looks at the acquisition of initial qualifications related to Year 12 or its equivalent. This is important in the context of aims to raise Year 12 or equivalent completion rates. The second part presents information on *further* qualifications, those obtained by young people after leaving school up to the age of 24. What post-school qualifications do young Australians attain and how does this vary according to their social background and where they live?

The third section turns to patterns of transition from school to work. One of the important goals of education, training and work is to ensure that all young people have the opportunity to make a smooth transition from school to further study and work. This means that there need to be clear and recognised pathways to employment and further education and training when young people leave school. How smooth are current patterns of transition, according to available data? How successfully are the pathways working for different groups of young Australians?

A final section considers the experiences of young people more broadly, and from a more subjective perspective. It explores some of the connections between participation in education, training and work, and the perceptions held by young people about their health and their quality of life.

Introduction

This section looks at the patterns of participation in education, training and work among three groups of young Australians. Data about the most current learning and earning activities of teenagers (15 to 19 year-olds), school leavers (spanning ages 15 to 24), and young adults (20 to 24 year-olds) are presented.

Consistent with the way that data are collected by the Australian Bureau of Statistics, throughout this report apprentices and trainees are classified according to their self-reported education and work statuses. This means that, except in tables where they are specifically identified, apprentices and trainees may be spread across one of several categories in the other relevant tables, depending on whether they identified themselves as being in education, or in full-time or part-time work.

O1

Engaging in education, training and work

Teenagers

70 per cent of 15 to 19 year-olds are engaged in full-time education, and a further 14 per cent are working full-time

In May 2009, close to 84 per cent of teenagers aged 15 to 19 were either studying full-time or working full-time (Table 1, top panel). Seventy per cent were in full-time education (at school or in tertiary study) while a further 14 per cent of teenagers were in full-time work. The remaining 16 per cent of 15 to 19 year-olds were neither engaged in full-time work nor full-time education, and instead were either unemployed or working part-time, or were not in the labour force.

Gender differences in rates of participation in full-time work and full-time study consistently documented over previous years persist in 2009. Females were much more likely than males to be doing full-time study (72.3 per cent as against 67.2 per cent). Teenage males, however, were more often in full-time work (17.6 per cent compared to 10.1 per cent of females). So while overall Table 1 shows that 83.6 per cent of 15 to 19 year-olds were fully engaged (either in full-time education or full-time work) this was true for almost 85 per cent of males and a little over 82 per cent of females.

More females than males were in part-time work (7.9 per cent compared with 6.8 per cent) as well as not in the labour force (2.5 points higher for females). However the rate of unemployment was higher among teenage males (5.4 per cent) than females (4.2 per cent).

Table 1
Education and labour market status of teenagers aged 15 to 19 years, Australia, May 2009 (%)

	IN FULL-TIME EDUCATION					NOT IN FULL-TIME EDUCATION					TOTAL
	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	
	%	%	%	%	%	%	%	%	%	%	
Males	0.6	20.9	5.2	40.4	67.2	17.6	6.8	5.4	3.1	32.8	100.0
Females	0.5	30.3	4.1	37.4	72.3	10.1	7.9	4.2	5.6	27.7	100.0
Persons	0.6	25.5	4.7	38.9	69.7	13.9	7.3	4.8	4.3	30.3	100.0

	NOT IN FULL-TIME EDUCATION (EXCLUDING THOSE IN FULL-TIME EDUCATION)				TOTAL
	Full-time work	Part-time work	Seeking work	Not in labour force	
	%	%	%	%	
Males	53.5	20.6	16.5	9.4	100.0
Females	36.3	28.3	15.1	20.3	100.0
Persons	45.9	24.0	15.8	14.3	100.0

Source: ABS Labour Force Australia (2009) (data cube LM3)

Note: All students enrolled at school are treated as full-time. Apprentices and trainees may be included in education or in work.

01
Engaging in education,
training and work

The lower panel of Table 1 focuses only on the teenagers who have left full-time study, recording their labour force statuses as proportions of that group alone. This highlights the differences between teenage males and females in the opportunities they have in the labour market and their access to full-time jobs: well over half of the males who were no longer studying were in full-time work (53.5 per cent), compared with a bit over one third (36.3 per cent) of females. It can be assumed that this discrepancy is mainly due to the differential rate of uptake of apprenticeships among young males and females.

While girls tend to stay on in education much longer than boys because there are fewer opportunities for them in the labour force, the gender difference in unemployment rates among those teenagers who have left school were roughly similar, only slightly favouring females — 15.1 per cent of females were seeking work, compared with 16.5 per cent of males. This is a reversal of the situation last year, in 2008, when unemployment was higher among females than males.

On the other hand, among those who had left full-time study, withdrawal from the labour force (and perhaps hidden unemployment) was twice as high for females as for males — two in ten of those females were not in the labour force, as against less than one in ten males.

Engagement in education and training varies by age and by state and territory

The education and labour market status in 2009 of 15 to 19 year-olds at each single year of age is recorded in Table 2, and it reveals large differences across this age group. Almost all of 15 and 16 year-olds are in full-time education, mostly at school. And although considerable numbers of Australian school students also have part-time jobs, nevertheless the majority are not in the labour force. Among 16 year-olds, for instance, just over half (51.2 per cent) are in full-time education and not employed, while one third (32.7 per cent) are combining full-time education with part-time work. Because the proportions of 15 and 16 year-olds who are not in full-time education are low, relatively small proportions are not fully engaged — 2.7 per cent of 15 year-olds, and 6.6 per cent of 16 year-olds.

Table 2

Education and labour market status of 15 to 19 year-olds, and proportion not in full-time education or full-time work, by year of age, Australia, May, 2009 (%)

Age	IN FULL-TIME EDUCATION				NOT IN FULL-TIME EDUCATION				TOTAL	NOT FULLY ENGAGED
	Full-time work	Part-time work	Seeking work	Not in labour force	Full-time work	Part-time work	Seeking work	Not in labour force		
	%	%	%	%	%	%	%	%	%	
15	0.0	22.8	6.4	66.9	1.2	0.7	0.4	1.6	100.0	2.7
16	0.1	32.7	6.3	51.2	3.2	1.7	2.1	2.7	100.0	6.6
17	0.6	29.3	4.4	38.6	9.4	8.3	5.2	4.1	100.0	17.6
18	1.3	22.6	3.4	21.3	24.0	13.4	8.4	5.6	100.0	27.4
19	0.8	20.3	3.0	18.4	30.6	11.9	7.6	7.4	100.0	26.9
15-19	0.6	25.5	4.7	38.9	13.9	7.3	4.8	4.3	100.0	16.4

Source: ABS *Labour Force Australia* (2009) (Table o3b)

There is a marked drop in the level of participation in full-time education as teenagers leave school in larger numbers by age 17 (either before or after completing Year 12, varying according to the state or territory). While the proportion of 17 year-olds in full-time work increases to 9.4 per cent, not all young people who leave full-time education at this age find a place in the labour market. In 2009 a total of 17.6 per cent of 17 year-olds were marginalised to part-time work (8.3 per cent), unemployment (5.2 per cent), or withdrawal from the labour market (4.1 per cent).

This marginalisation is even greater among older teenagers. Of those aged 18 and 19, more than one quarter are not fully engaged. For 18 year-olds, the figure was 27.4 per cent, and for 19 year-olds it was similar, at 26.9 per cent. The main differences between 18 and 19 year-olds are in the proportions in full-time education and full-time work. Among 18 year-olds, engagement in full-time education is six percentage points higher and the rate of full-time employment six points lower than for 19 year-olds. By age 19, full-time education (mainly study at university or TAFE, as almost all have left school at this age) accounts for 42.5 per cent, whereas for 18 year-olds it is 48.6 per cent. While 30.6 per cent of 19 year-olds have left education and have full-time jobs, just 24 per cent of 18 year-olds are in that situation.

Nationally, 16.4 per cent of teenagers in 2009 are not fully engaged in earning and learning, but as recorded in Table 3 this proportion varies across the states and territories. The figures for smaller states and territories may be unreliable due to the small samples on which estimates are based, and therefore should be regarded with caution. Nevertheless, in the larger states there are noticeable differences in the percentages of 15 to 19 year-olds who were not engaged in full-time education or full-time work.

Table 3
Not in full-time education and not in full-time employment, 15 to 19 year-olds in each State and Territory, May 2009 (%)

STATE OR TERRITORY	% NOT FULLY ENGAGED IN EDUCATION OR WORK
NSW	15.6
Victoria	13.6
Queensland	20.5
South Australia	18.2
Western Australia	17.0
Tasmania	16.8
Northern Territory	22.2
ACT	7.6

Source: ABS *Labour Force Australia* (2009) (data cube LM3)
Note: All students enrolled at school are treated as full-time.

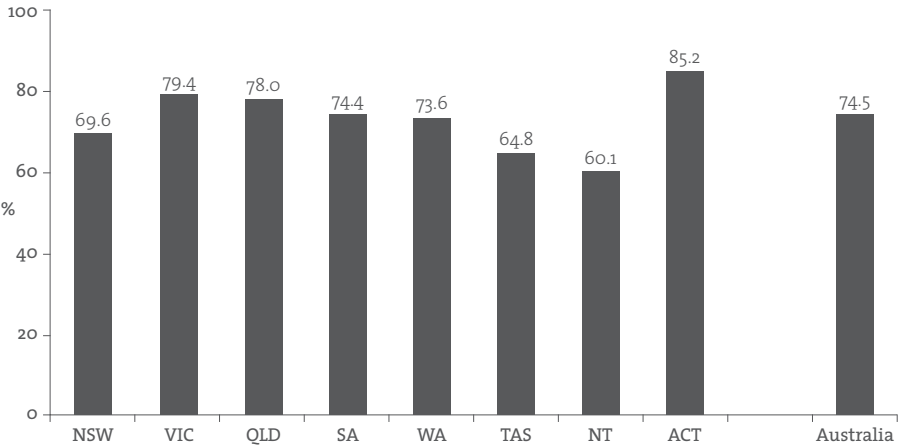
O1

Engaging in education, training and work

It is important when interpreting state-level variations in the proportions of 15 to 19 year-olds not fully engaged in education or work to keep in mind that there are differences across states in the age at which young people leave school. For example, the majority of Year 12 students in Western Australia are 16 or 17, and there are very few 18 year-olds still at school. By contrast, in Victoria almost all Year 12 students are 17 or 18 years of age. This leads, for Victoria, to higher numbers of older teenagers in school and therefore lower rates not fully engaged in education or work. The differences in age and grade structures are largely a result of past differences in school starting ages across the states, and are also influenced by varying retention rates (see Figure 1) and minimum school leaving ages. With a common school starting age now in place across most states, the variations in age distributions can be expected to fall over the next decade.

To compare state and territory differences more meaningfully when looking at earning and learning activities of 15 to 19 year-olds, one option is to compare like with like in terms of Year 12 age distribution (for example, to compare Queensland with Western Australia, where average ages of Year 12 students in 2008 were 16.7 and 16.6 years respectively, and to compare Victoria and New South Wales, where these mean ages were 17.3 and 17.2 years). On this basis, therefore, it would appear that, for teenagers making the transition from school, in 2009 circumstances in Victoria are slightly more favourable than in New South Wales, and more favourable in Western Australia than in Queensland.

Figure 1
Apparent retention of full-time students from Year 7/8 to Year 12, by state/territory, 2008 (%)

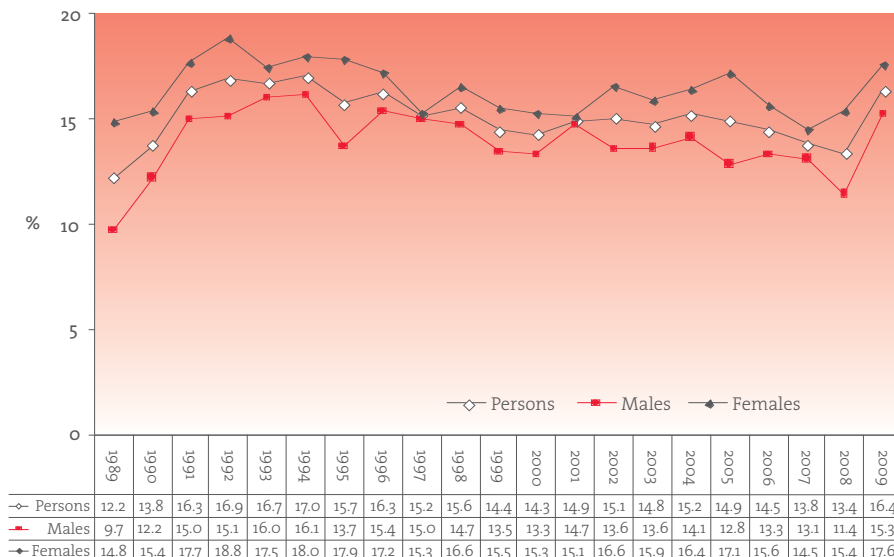


Source: ABS Schools, Australia (2008)

The percentage of teenagers not fully engaged has risen sharply since 2008, reversing the downward trend of recent years

Over the last few years, consistent falls in the proportion of teenagers not earning or learning had been related to improved school retention, and growth in apprenticeships and post-school education. However the most recent data reveals a sharp increase of three percentage points between 2008 and 2009 in the proportion of teenagers not fully engaged, from 13.4 per cent to 16.4 per cent. Figure 2, presenting data for the period 1989-2009, indicates that the current proportion of 15 to 19 year-olds who were neither in full-time work nor in full-time education is the highest that it has been since the recession of the early 1990s when it reached a peak of 17 per cent in 1994.

Figure 2
Not in full-time education or full-time work, 15 to 19 year-olds, by gender, 1989-2009 (%)

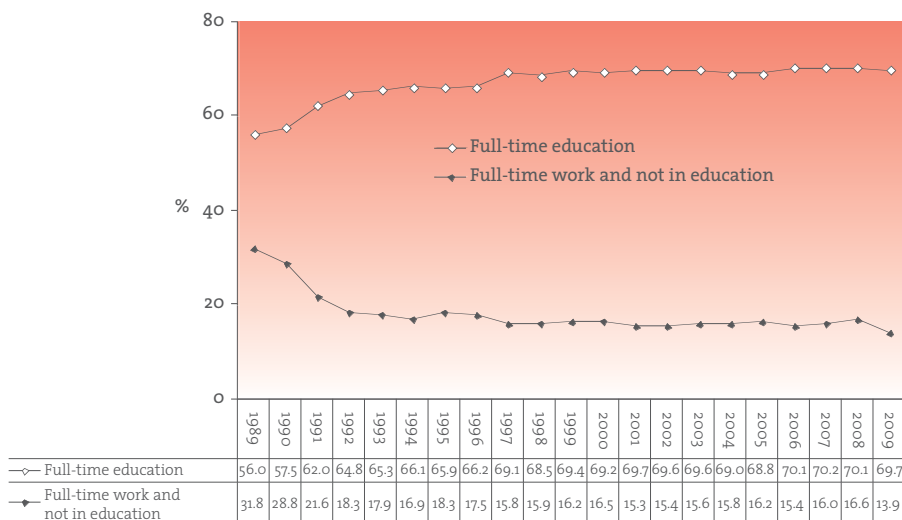


Source: ABS Labour Force Australia (2009) (data cube LM3)
Note: All students enrolled at school are treated as full-time

It is clear from Figure 2 that over the last two decades rates of marginal attachment to education and the labour market have generally been higher for females than males. While the size of the gender gap has fluctuated, a difference of about two percentage points has been common — and it is of that order of magnitude in 2009 (dropping from four percentage points in 2008).

This recent deterioration in the situation for teenagers associated with the downturn in the economy and reduced opportunities in the labour market can also be seen in Figure 3. It shows a substantial decrease in the percentage of those who are in full-time work but not in full-time education, falling from 16.6 per cent of teenagers in 2008 to 13.9 per cent in 2009. Furthermore the decline in full-time employment has not been offset by any growth in full-time education amongst 15 to 19 year-olds; instead, the latter peaked in 2007, and has dipped slightly in the two subsequent years.

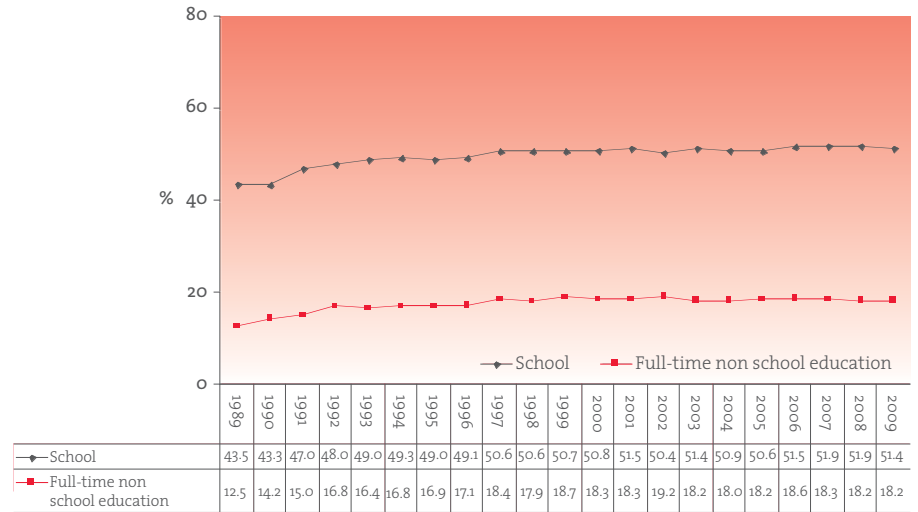
Figure 3
Participation in full-time education and full-time work, 15 to 19 year-olds, 1989-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)
Note: All students enrolled at school are treated as full-time.

As can be seen in Figure 4, from 1989 on, a combination of greater school participation and increased post-school education accounted for the overall growth in full-time education amongst 15 to 19 year-olds. Figure 3 showed that this growth peaked in 2007. Since then, according to Figure 4, the percentage of teenagers in non-school education has flattened, and the percentage in school has fallen slightly.

Figure 4
Participation in school and other type of full-time education, 15 to 19 year-olds, 1989-2009 (%)



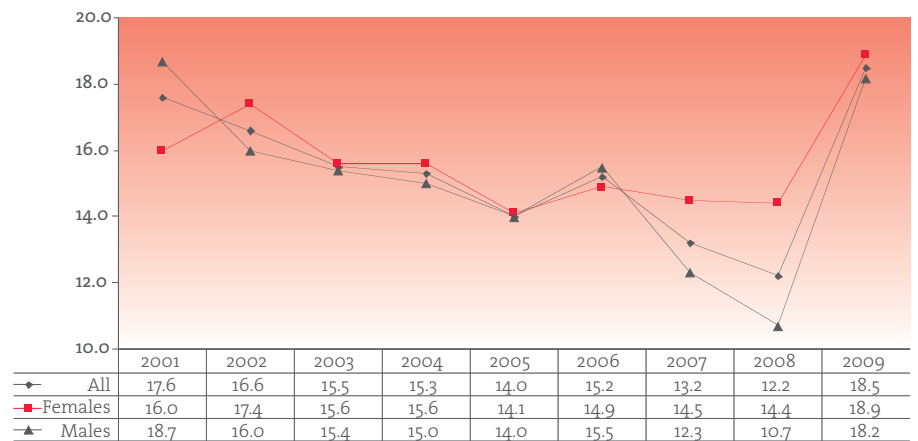
Source: ABS Labour Force Australia (2009) (data cube LM3)

Unemployment is on the rise for teenagers

The period from 2001 to 2008 generally saw falls in the rate of unemployment among teenagers who were not in full-time education. Figure 5 reveals this rate fell from 17.6 per cent in 2001 to 12.2 per cent in 2008. Unemployment has risen sharply from 2008 to 2009, though, showing the effects of the economic downturn. The rate has risen 6.1 percentage points in one year, one of the largest annual increases for teenagers over the past two decades. In terms of unemployment, it would appear that teenagers have been markedly affected by the recent economic decline, with the improvements made since the beginning of the decade halted and unemployment rising steeply.

Based on the trends in unemployment rates the effects of the economic downturn have been felt by both males and females, though males appear to have experienced it more intensely. The larger rise in unemployment between 2008 and 2009 was among males — 7.5 percentage points, as against 4.5 points for females. In 2009, rates of unemployment were similar for males and females.

Figure 5
Unemployment rates for 15 to 19 year-olds not in full-time education, 2001-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)

The percentage of teenagers not engaged in full-time work or study varies across states, with most states recording increases since 2008

Table 4 records the proportions of teenagers not engaged in full-time work or full-time education for the states and territories in each year over the last decade. In all states the improvement in the education and employment circumstances of teenagers that had been occurring over several recent years has halted. Between 2008 and 2009, the three largest states have all suffered considerable increases in the proportions of teenagers not fully engaged. Of these, the sharpest annual increase was in Queensland (more than 5 percentage points) followed by Victoria (more than 3 percentage points).

While the estimates for smaller states may not be reliable due to large standard errors, Table 4 shows that in both South Australia and Western Australia the percentages of teenagers not engaged in either full-time work or full-time education were also higher in 2009 than they had been for most of the decade, except for the period 2001-2002, and also in 2004-2005 for South Australia. The only exceptions to this general trend were the Australian Capital Territory and the Northern Territory, where the 2009 figures were slightly lower than previously (but see caveat above concerning reliability of estimates).

Table 4

Not in full-time education and not in full-time employment, 15 to 19 year-olds, by State/Territory, Australia, May, 1999 – 2009 (%)

MAY	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
1999	13.4	11.5	18.1	15.8	15.8	17.1	26.2	8.5	14.4
2000	14.7	11.1	16.8	14.0	14.3	16.8	31.5	11.3	14.3
2001	13.4	9.8	19.2	19.2	18.6	16.5	26.2	16.9	14.9
2002	14.9	10.6	17.9	17.2	17.9	15.3	31.7	11.1	15.1
2003	14.7	10.2	18.2	17.0	16.5	15.6	20.3	16.5	14.8
2004	14.2	12.3	17.4	19.6	15.0	15.3	48.6	12.4	15.2
2005	14.5	11.7	16.8	18.3	15.8	16.0	33.1	15.0	14.9
2006	13.8	11.5	17.5	18.0	14.9	13.0	25.0	10.9	14.5
2007	15.0	10.7	14.0	15.1	14.0	15.9	34.4	10.4	13.8
2008	14.0	9.9	15.3	14.0	13.7	16.0	24.7	8.8	13.4
2009	15.6	13.6	20.5	18.2	17.0	16.8	22.4	7.6	16.4
Mean	14.4	11.2	17.4	16.9	15.8	15.8	29.5	11.8	14.7

Source: ABS *Labour Force Australia* (2009) (data cube LM3)

Note: Values for smaller states are unreliable due to large standard errors.

Some values differ from earlier editions of HYPAF due to use of revised estimates.

O1

Engaging in education, training and work

Very few young people combine part-time study and part-time work

The combination of part-time study with part-time work may be regarded as the equivalent of full engagement with earning and learning activities. However, very few teenagers actually do this. As can be seen from Table 5, in 2008 just 1.3 per cent of all 15 to 19 year-olds were both working and studying part-time, with this being much more likely among older than younger teenagers. (Although not recorded in Table 5, this has been a consistent pattern over the preceding decade, when the overall figure has hovered between one and one and a half per cent.) It is more likely that young people combining study and work are engaged in at least one of those activities on a full-time basis.

Table 5

Not in full-time education or full-time work, and combining part-time work and part-time study, 15 to 19 year olds, Australia, May 2008 (%)

	NOT IN FULL-TIME EDUCATION OR FULL-TIME WORK	COMBINING PART-TIME WORK AND PART-TIME STUDY
AGE	%	%
15	1.2	0.0
16	6.3	0.2
17	15.2	0.9
18	22.1	2.0
19	23.4	3.1
15-19	13.8	1.3

Source: ABS *Education and Work, Australia* (2008) (customised tables)

Note: Due to use here of figures from the 2008 *Education and Work survey*, the values in the first column do not match those shown elsewhere (eg in Table 2) which are based on the May 2009 *Labour Force survey*.

Academic achievement is strongly linked to the likelihood of young people being fully engaged in education or work at age 19

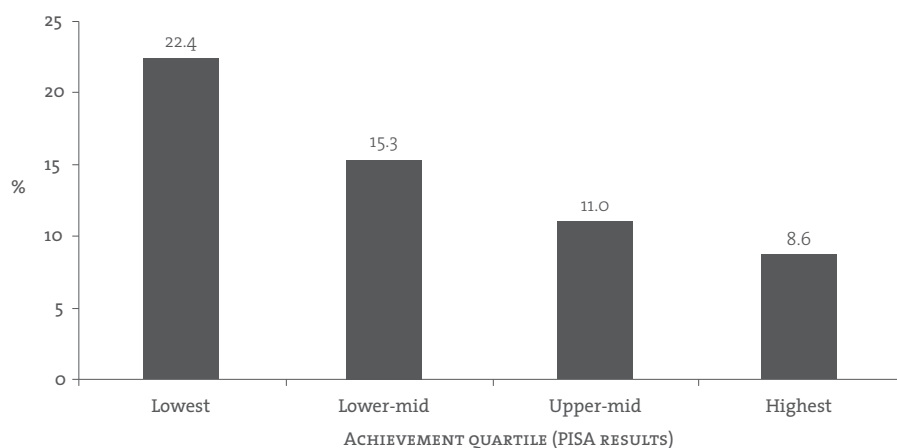
Analyses of data from the 2003 cohort of the *Longitudinal Surveys of Australian Youth (LSAY)* yield evidence about the effects of a range of factors, such as achievement levels, on the likelihood of young people not being engaged in full-time education or full-time work.

Members of the 2003 LSAY cohort participated in the Program of International Student Assessment (PISA) in 2003. PISA attempts to measure the skills of school students at age 15 across various learning areas (OECD, 2004). In 2003, the PISA tests measured achievement in reading, mathematics, science and problem-solving, with a particular emphasis on mathematics. Through LSAY, additional information about the educational and labour force activities of cohort members is collected each year. This enables an investigation of their post-school experiences at a particular point in time or over several years, according to their levels of PISA achievement. The proportions of 19 year-olds who were not engaged in full-time education or work in 2007 are presented in Figure 6, grouped into quartiles of achievement while at school.

Lower achievers are far more likely than higher achievers to be less than fully engaged in education or work after leaving school. In 2007, more than 22 per cent of those who had been in the lowest achievement band were not in full-time education and in either part-time work, unemployed, or not in the labour force. This compared with almost 9 per cent of the highest achievers experiencing such labour force marginalisation.

Figure 6

Not in full-time education or full-time work, 19 year-olds in 2007, by achievement quartile (%)



Source: Derived from 2003 cohort of LSAY

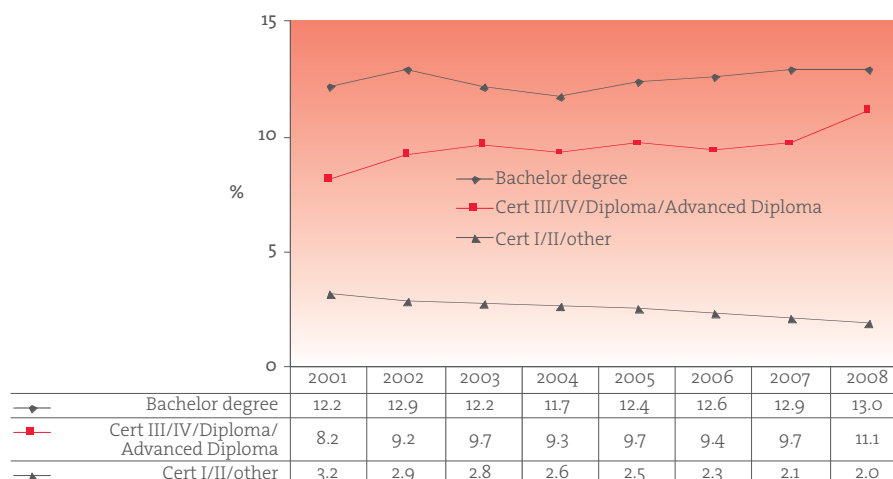
Note: Achievement quartiles based on composite measure of PISA results across maths, reading, science and problem-solving.

Higher-level vocational education and training is of growing importance

During periods of economic uncertainty, all forms of education and training become more important as a means of improving employability. The proportions of 15 to 19 year-olds engaged in different levels of non-school study in each year from 2001 to 2008 are displayed in Figure 7. Between those years there was a marked rise in the percentage undertaking vocational education and training (VET) at Certificate III level and above, from 8.2 to 11.1 per cent of teenagers. Over the same time, the proportion doing a bachelor degree grew slightly, while enrolments in basic VET certificates as a proportion of the teenage population declined. Higher-level VET qualifications are becoming more important as a source of study and training for teenagers.

Figure 7

Participation in education, by level of course, 15 to 19 year-olds, 2001-2008 (%)



Source: ABS Education and Work, Australia (2008)

Apprenticeships remain an important training pathway

Some of the growth in Certificate III and higher level VET courses displayed in Figure 7 is attributable to the steady increase, over more than a decade, in the proportion of young people doing apprenticeships and traineeships. Table 6 reveals that the percentage of teenagers who were in such training rose from 5.4 per cent in 1995, climbing further from 7.4 per cent to 9.1 per cent between 2001 and 2007. However the estimate for 2008 indicates a reversal of this trend, with the first (small) decline in more than a decade. Next year's figures will provide a better guide as to the effects of the recent economic downturn on the rate at which teenagers embark on apprenticeships and traineeships, but the 2008 figure suggests that the long-term increase has stalled.

Table 6

Participation in apprenticeships and traineeships, 15 to 19 year-olds, Australia 1995-2008 (%)

YEAR	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
% of teenagers in training	5.4	5.7	5.8	6.1	7.0	7.2	7.4	7.9	8.3	8.5	8.8	8.9	9.1	9.0

Sources: NCVER National Apprentices and Trainees Collection (2009) ABS Labour Force Australia (2009)

Note: Some values differ from the previous edition of HYPAF due to the use of revised estimates

Table 7 highlights the greater significance of this form of vocational training for males than for females. Nationally, in 2008 the proportion of teenage males doing an apprenticeship or traineeship was double that of females (12.1 per cent compared with 5.8 per cent). Looking across the states, vocational training has a more important role, in terms of larger proportions of teenagers participating, in Queensland, Tasmania, and Western Australia (though mainly for males rather than females), compared with New South Wales and Victoria.

Table 7
Apprentices and trainees in-training, age 19 and below, by gender and State/Territory, 2008 (%)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
In-training in 2008 as percentage of population aged 15-19									
Males	10.5	11.3	15.0	11.5	14.0	13.7	9.1	8.5	12.1
Females	5.3	5.9	6.6	7.0	5.0	6.2	3.8	5.4	5.8
Persons	8.0	8.6	10.9	9.3	9.7	10.1	6.6	7.0	9.0

Sources: NCVER *National Apprentices and Trainees Collection* (2009) ABS *Population by Age and Sex, Australian States and Territories* (2008)

Focusing on teenagers who commenced an apprenticeship or traineeship in 2008, Table 8 shows that males comprised 60 per cent of the total and 40 per cent were females. Overall, a little under half (46.5 per cent) of all teenagers who commenced training were in trades occupations and a bit over half (53.5 per cent) were in non-trade occupations, but these proportions masked strong gender differences. Trade commencements were overwhelmingly male (they made up 40 per cent of all commencements), and females predominated in the non-trades, comprising one third (33.4 per cent) of all commencements.

Table 8
Apprenticeship and traineeship commencements, age 19 and below, by trade status and gender, Australia 2008 (%)

Age	TRADES			NON-TRADES			ALL		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
15 and below	3.9	1.0	4.9	3.9	5.6	9.5	7.9	6.6	14.4
16	9.3	1.6	10.9	4.1	5.9	10.0	13.5	7.5	20.9
17	11.1	1.6	12.7	3.5	6.4	9.9	14.6	8.0	22.6
18	10.3	1.3	11.7	4.8	9.2	14.0	15.1	10.5	25.6
19	5.5	0.8	6.3	3.7	6.4	10.1	9.2	7.2	16.4
Total 19 years and below	40.2	6.4	46.5	20.1	33.4	53.5	60.3	39.7	100.0

Source: NCVER *National Apprentices and Trainees Collection* (2009)

Table 9 presents information about the distribution of apprenticeship and traineeship commencements among teenagers across Australia in 2008. Nationally, the number of commencements was equivalent to 8 per cent of the 15 to 19 year-old population. States in which the proportion of commencements was higher than the national average were Victoria, Queensland and Tasmania, where commencements represented more than 9 per cent of the teenage population, while NSW, with 6.6 per cent, was substantially below.

Table 9
Apprenticeship and traineeship commencements, age 19 and below, by State/Territory, 2008 (%)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Share of total commencements of 15-19 year olds	26.8	27.7	23.1	7.4	9.7	2.7	0.9	1.7	100
Share of population aged 15-19	32.2	24.4	20.6	7.3	10.4	2.3	1.1	1.7	100
Commencements as percentage of population aged 15-19	6.6	9.1	9.0	8.1	7.5	9.2	6.4	7.9	8.0

Source: NCVER *National Apprentices and Trainees Collection* (2009)

While apprenticeships are an important pathway for young Australians, the arrangements for study in this form of education and training are becoming more diverse. One change has been a shift towards part-time arrangements. Between 2004 and 2008 the numbers of teenagers commencing apprenticeships and traineeships increased from 106,400 to almost 116,900. However that growth was mainly attributed to those commencing part-time training, and as indicated by Table 10 there was a decline in full-time training as a proportion of total commencements from 70.9 per cent in 2004, down to 64.2 per cent in 2008. This decrease occurred for both males and females, and in each case was of the same order of magnitude of over 6 percentage points.

Table 10
Apprenticeship and traineeship commencements, age 19 and below, full-time as per cent of total, by gender, Australia, 2004-2008 (%)

	FULL-TIME AS PER CENT OF TOTAL COMMENCEMENTS		
	Males	Females	Persons
2004	80.4	55.8	70.9
2005	79.6	54.9	70.0
2006	79.1	54.0	69.4
2007	77.2	53.3	67.9
2008	74.1	49.2	64.2

Source: NCVET National Apprentices and Trainees Collection (2009)

O1

Engaging in education, training and work

School leavers

Some information about the destinations of school leavers in the year following their exit from school can be drawn from the ABS Labour Force Survey. According to estimates derived from this source, 43.3 per cent of the young people aged 15 to 24 who had left school in 2008 were engaged in full-time education in May 2009 (see Table 11). About half of this group was also working part-time. The rate of entry to full-time further study was six percentage points higher for female school leavers (46.4 per cent) than for males (40.2 per cent), a pattern that has been consistently observed over time.

One in five school leavers entered full-time work rather than continuing with study in 2009. Males were much more likely to do so than females (26.5 per cent compared with 14.9 per cent), this gender gap being partly due to males having a much higher rate of entry to apprenticeships, which can be recorded as full-time work. Nevertheless for males this represented a sharp, almost ten percentage point decline, from the previous year, when more than one third (36.1 per cent) of males had moved from school to a full-time job.

Transition to the labour market is becoming more difficult for school leavers

One of the major effects of the economic downturn has been to reduce rates of entry into full-time work for school leavers (and possibly apprenticeships, here likely recorded as work). Full-time work was less of an option for school leavers in 2009. Since rates of engagement in full-time education and training have not risen much, it means that more school leavers are dependent on part-time work, or are unemployed or are not entering the labour force. All three marginal status activities recorded rises from the previous year.

Table 11

Education and labour market status of persons aged 15 to 24 who left school in 2008, by gender, Australia, May 2009 (%)

	IN FULL-TIME EDUCATION					NOT IN FULL-TIME EDUCATION					TOTAL
	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	
	%	%	%	%	%	%	%	%	%	%	
Males	0.5	17.0	3.5	19.2	40.2	26.5	14.4	11.8	7.1	59.8	100.0
Females	0.8	23.8	2.9	19.0	46.4	14.9	20.0	9.7	9.0	53.6	100.0
Persons	0.6	20.4	3.2	19.1	43.3	20.7	17.2	10.7	8.0	56.7	100.0
PREVIOUS YEAR RESULTS (2008 RESULTS FOR 2007 SCHOOL LEAVERS)											
Males	1.3	19.9	2.5	17.4	41.1	36.1	12.6	4.8	5.3	58.9	100.0
Female	0.1	27.5	3.9	16.1	47.7	20.5	18.5	6.1	7.2	52.3	100.0
Persons	0.8	23.4	3.2	16.8	44.1	29.0	15.3	5.4	6.2	55.9	100.0

Source: ABS *Labour Force Australia* (2009) (data cube LM3)

In May 2009, apart from those who were in full-time education or full-time work, 17.2 per cent of school leavers were in part-time jobs, 10.7 per cent were unemployed, and 8 per cent had withdrawn from the labour force. Thus a total of more than one third (35.9 per cent) of school leavers were not fully engaged in the year following their exit from school, with the gender differential on this overall measure favouring males over females.

Completion of Year 12 increases the likelihood of undertaking further study and also helps in entry to the labour market

Year 12 completion has a significant impact on post-school destinations. Based on the most recently available data from the 2008 *Education and Work* survey, Table 12 records the education and labour market status of school leavers in the first year after leaving, according to their highest year level completed. Two thirds of 2007 Year 12 completers continued on to some kind of full-time or part-time education in 2008, compared with much lower proportions of early leavers — just 40 per cent of those who left at Year 11, and 35 per cent of students who left from Year 10 or below.

The highest year of school completed also influenced the type of further study that school leavers pursued. Most Year 12 completers went on to university — four in ten did so, while two in ten went to TAFE. Among early leavers, TAFE was a more important study destination, accounting for three in ten.

Table 12

Education and labour market destinations of persons aged 15 to 24 who left school in 2007, by school leavers' highest year of school completed, Australia, May 2008 (%)

	IN EDUCATION (FULL-TIME OR PART-TIME)				NOT IN EDUCATION					TOTAL
	Higher ed	TAFE	Other	SUB TOTAL	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	
HIGHEST YEAR OF SCHOOL COMPLETED	%	%	%	%	%	%	%	%	%	%
Year 12	40.8	21.1	3.7	65.6	15.1	12.3	3.1	3.9	34.4	100
Year 11	4.6	30.2	4.7	39.5	19.3	25.5	4.7	11.0	60.5	100
Year 10 or below	0.9	28.6	5.7	35.2	21.3	17.1	14.7	11.7	64.8	100
Total	29.0	23.6	4.2	56.9	16.8	14.8	5.4	6.2	43.1	100

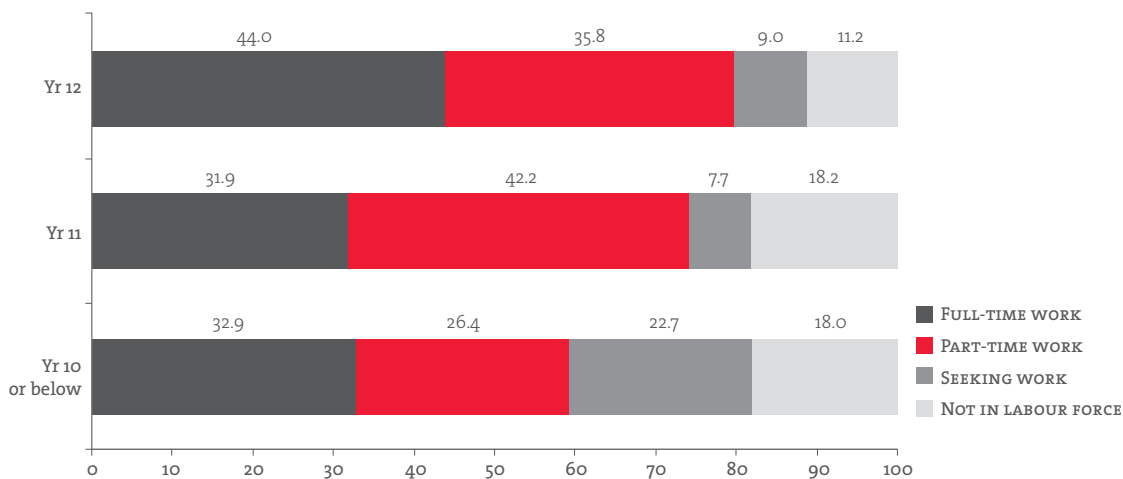
Source: ABS *Education and Work, Australia* (2008) (customised tables)

Note that these figures are for May 2008, before the effects of the economic downturn were being felt — that is, during a more buoyant time, when the proportion who continued with further education had been rising (between 2007 and 2008, this had increased from around 54 per cent to 57 per cent). Apprentices may be included among the slightly higher percentages of early leavers than Year 12 completers who are recorded as being in full-time work in the year after leaving school.

The benefits of school completion can also be seen in the different proportions of school leavers not fully engaged — that is, those who were in part-time work only, seeking work, or not in the labour force. This combined figure was twice as high among early leavers (over 40 per cent) as for Year 12 completers (19 per cent).

Figure 8

Labour market destinations of school leavers (persons aged 15 to 24 at school in 2007 but not in 2008) who are not in education, by highest year of school completed, Australia, May 2008 (%)



Source: ABS *Education and Work*, Australia (2008) (customised and published tables)

Early school leavers who do not continue in education are also disadvantaged in the labour market, compared to those who complete Year 12. As illustrated in Figure 8, while about one third of early leavers who were not studying were in full-time jobs in the year after leaving school, proportionately more Year 12 completers who went straight into the workforce were employed full-time (44 per cent). The unemployment rate was highest among very early leavers (22.7 per cent for those who left at Year 10 or below) which was much more than twice the rate of 9 per cent for Year 12 completers, and withdrawal from the labour market was similarly higher among early leavers (around 18 per cent) than school completers (11.2 per cent).

Table 13 presents evidence of the effect of school completion compared with early leaving on the likelihood of not being fully engaged in either education or work in the initial post-school year. From Table 13 it is clear that early school leavers have been consistently disadvantaged, compared to those who left from Year 12. However also note that the most recent data in the table is for 2008, referenced to May of that year, showing a fall in the proportion of school leavers not fully engaged, from 28.6 per cent in 2007 to 26.4 per cent in 2008. This apparently improving situation for school leavers pre-dates the economic downturn. When available, data for 2009 might present a different picture.

Table 13

School leavers aged 15 to 24 who were in part-time work, unemployed or not in the labour force, and not studying, in May of the year after leaving school, by highest year of school completed, selected years 1999-2008 (%)

	YEAR 10 OR BELOW	YEAR 11	YEAR 12	ALL SCHOOL LEAVERS
MAY	%	%	%	%
1999	39.2	29.9	16.5	28.9
2001	45.5	41.7	17.7	27.6
2003	46.7	36.0	19.3	30.6
2005	48.9	40.4	19.8	30.7
2007	47.1	45.7	21.1	28.6
2008	43.5	41.2	19.2	26.4

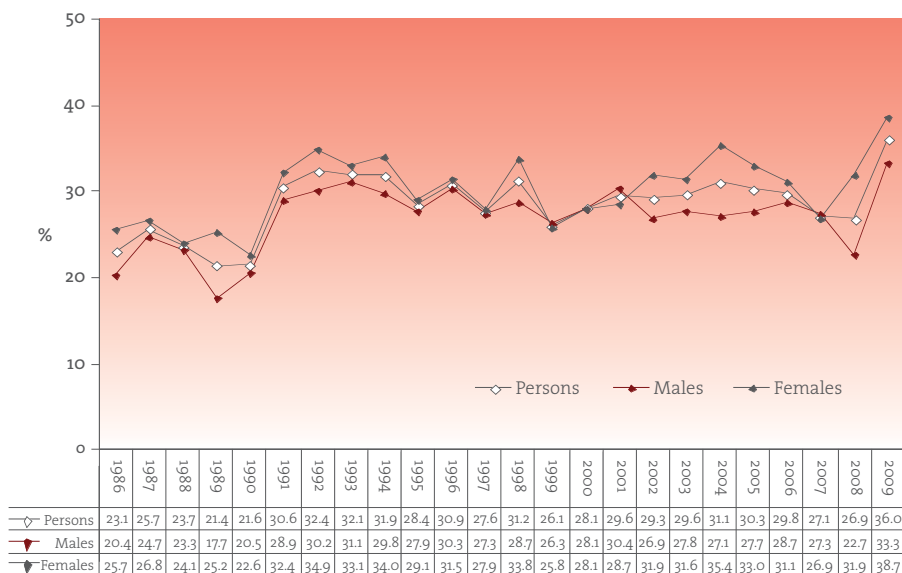
Source: ABS *Transition to Work* and *Education and Work* (selected years, customised tables)
Notes: These reported percentages exclude all students whether full-time or part-time.
1999 and 2001 report Yr 10 completion only, not Year 10 and below.

Although the percentage of school leavers not earning or learning had been declining over recent years, this figure jumped substantially in 2009

Trends since the mid 1980s in the proportions of school leavers not engaged in full-time education or full-time work in their first post-school year are displayed in Figure 9. During the early 1990s there was a significant rise, from just over 20 per cent to more than 30 per cent, in the proportion of school leavers who were not in full-time education or full-time work. The subsequent trend, until 2008, was generally downwards. However the percentage not fully engaged then climbed steeply, by nine percentage points, reaching 36 per cent in 2009.

While the level of less than full engagement has differed for males and females over time, it is evident from Figure 9 that females were generally more likely than males to be in this situation, and that this was also the case in 2009.

Figure 9
School leavers aged 15 to 24 not engaged in full-time education or full-time work in May of year after leaving school, 1986-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)

O1

Engaging in education, training and work

Young adults

Among 20 to 24 year-olds, 45 per cent are working full-time and 29 per cent are in full-time education

Whereas a large majority of teenagers are engaged in full-time education, among young adults aged 20 to 24 there is a shift in the balance of main activity away from full-time education and towards the labour force. Table 14 indicates that in May 2009 just less than 30 per cent of young adults remained in full-time study, while 45 per cent were no longer studying but working full-time.

There were marked gender differences in these two main activities. More females than males (almost one third, compared with just over one quarter) were studying full-time. By contrast, more than half (51.8 per cent) of all males were not in education and in full-time jobs, while this proportion for females was much lower (39 per cent).

For those not engaged in education, the unemployment rate was higher among males (6.5 per cent) than females (3.6 per cent), but twice as many females as males had withdrawn from the labour force (11.6 per cent compared with 5.5 per cent).

Table 14

Education and labour market status of young adults aged 20 to 24 years, Australia, May 2009 (%)

	IN FULL-TIME EDUCATION					NOT IN FULL-TIME EDUCATION					TOTAL
	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	Full-time work	Part-time work	Seeking work	Not in labour force	SUB TOTAL	
	%	%	%	%	%	%	%	%	%	%	
Males	1.3	11.9	2.2	10.5	25.8	51.8	10.3	6.5	5.5	74.2	100.0
Females	1.1	16.8	2.1	12.6	32.6	39.0	13.2	3.6	11.6	67.4	100.0
Persons	1.2	14.3	2.2	11.5	29.2	45.5	11.7	5.1	8.5	70.8	100.0

Source: ABS *Labour Force Australia* (2009) (data cube LM3)

Apprenticeships are also important for young adults

Apprentices and trainees may be included in any one of a number of categories in Labour Force survey data. Other data are required to estimate participation levels in apprenticeships and traineeships. Table 15 shows that over 7 per cent of young adults may have been engaged in vocational training as apprentices or trainees in 2008. The gender gap that was evident for teenage participation in this form of training was even wider for young adults, with nearly 11 per cent of males but just under 4 per cent of females who were aged 20 to 24 years in such training. When looking at state differences the percentages were highest in Tasmania (for both males and females), Victoria, and South Australia (mainly for females) and among the larger states Western Australia had the lowest percentage (6.5 per cent) of its young adult population in training.

Table 15

Apprentices and trainees in-training, ages 20 to 24, by gender and State/Territory, 2008 (%)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
In-training in 2008 as percentage of population aged 20-24									
Males	10.5	11.7	10.7	10.9	10.0	13.9	6.7	9.1	10.8
Females	4.2	4.0	3.3	4.6	2.8	5.6	2.6	3.6	3.8
Persons	7.4	7.9	7.1	7.8	6.5	9.8	4.8	6.5	7.4

Sources: NCVET *National Apprentices and Trainees Collection* (2009) ABS *Population by Age and Sex, Australian States and Territories*, 2008

One quarter of 20 to 24 year-olds were not engaged in full-time work or full-time education in 2009, a sharp increase from 2008 and following a decade in which this proportion had been falling

Trends over two decades in the proportions of 20 to 24 year olds not fully engaged, as well as those in full-time work and full-time education, are recorded in Table 16 and are also displayed in Figure 10. While participation in full-time employment has been around 50 per cent for much of the past decade, the latest annual figure shows it has shrunk to 45 per cent in 2009. The table also underscores the long-term deterioration in the full-time labour market for young adults, with a twenty percentage point drop from 65 per cent twenty years ago. During the same period the proportion of this age group engaged in full-time education has maintained a consistent upward trend; most recently, this has occurred despite, or perhaps in response to, the economic downturn.

Mirroring the pattern that was evident for teenagers, the percentages of 20 to 24 year-olds in each category comprising those not fully engaged (in part-time work only, unemployed, and non-participants in the labour force) all jumped from 2008 to 2009. As Table 16 also shows, this combined figure of over 25 per cent in 2009 marks a return to the levels of less than full engagement among young adults that prevailed in the years between 2000 and 2004.

Table 16

Not fully engaged (not in full-time education and in part-time work, unemployed, and not in the labour force) compared with in full-time work and in full-time education, 20 to 24 year-olds, May, 1989-2009 (%)

May	NOT FULLY ENGAGED				FULLY ENGAGED	
	Total not fully engaged	Part-time work, not in full-time education	Unemployed, not in full-time education	Not in labour force, not in full-time education	Full-time work	Full-time education
1989	23.2	6.9	6.7	9.6	65.3	11.4
1990	23.8	6.9	7.2	9.6	63.4	12.8
1991	28.1	7.2	11.0	9.9	57.9	13.9
1992	30.6	9.1	12.0	9.6	54.1	15.2
1993	31.3	9.5	11.3	10.5	53.6	15.1
1994	30.1	9.7	10.3	10.2	54.3	15.6
1995	28.2	9.7	8.7	9.8	56.0	15.7
1996	27.9	9.8	8.4	9.6	55.3	16.9
1997	30.7	10.8	10.4	9.6	51.4	17.9
1998	28.5	10.4	8.5	9.6	53.2	18.3
1999	28.4	11.3	7.3	9.8	51.5	20.2
2000	25.1	10.0	6.7	8.5	54.1	20.8
2001	26.6	10.7	7.4	8.5	51.5	21.9
2002	25.2	10.2	6.0	9.0	49.9	24.9
2003	26.4	11.0	6.3	9.1	48.3	25.2
2004	26.5	11.9	4.9	9.8	48.2	25.2
2005	24.4	11.3	4.8	8.3	49.5	26.1
2006	23.4	10.5	4.3	8.5	50.5	26.1
2007	22.5	10.4	3.5	8.5	51.0	26.5
2008	21.5	9.9	3.9	7.7	50.1	28.4
2009	25.3	11.7	5.1	8.5	45.5	29.2

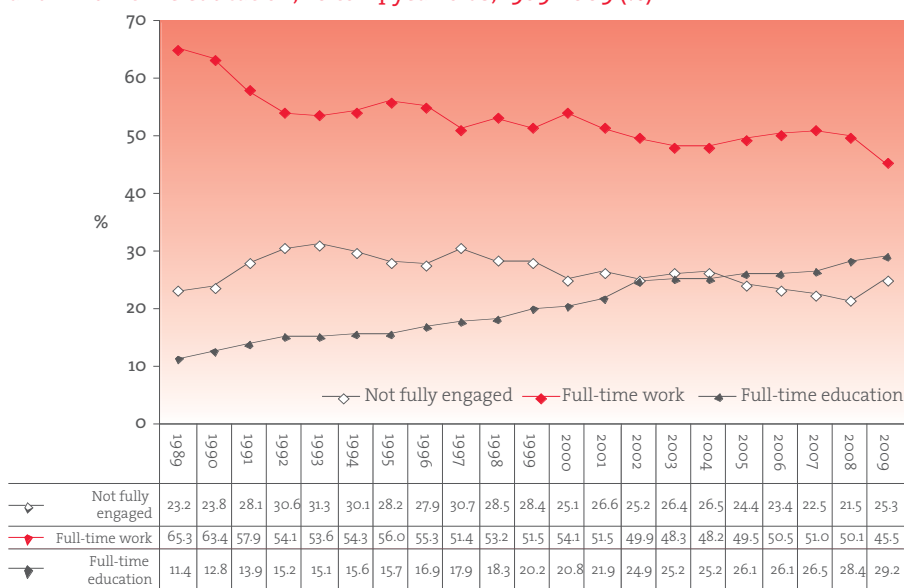
Source: ABS Labour Force Australia (2009) (data cube LM3)

See Appendix Table A1 for gender differences in the labour force status of persons not fully engaged.

Note: some values differ from earlier editions of HYPAF due to use of revised estimates

Figure 10

Not fully engaged (not in full-time education or full-time work), in full-time work, and in full-time education, 20 to 24 year-olds, 1989-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)

Young men are more likely to be unemployed, while young women are more likely to be in part-time work or not in the labour force

The two long-term trends among young adults — declining full-time employment and rising full-time education — can be clearly seen in Figure 10. The sharp drop in full-time employment between 2008 and 2009, as well as the spike in less than full engagement, are also evident.

Consistently in the past, young women have been more at risk of marginalisation than young men. Since the start of the decade, the size of the difference has been about 10 percentage points. In May, 2008, 26 per cent of females aged 20 to 24 were not engaged in full-time education or full-time work, compared with 17 per cent of males. However in May 2009, these figures were 22.3 per cent and 28.3 per cent respectively, indicating a narrowing of the gender gap to the smallest margin that it has been for a considerable period (see Table 17).

Table 17
Not fully engaged, 20 to 24 year-olds, by gender, May, 1989-2009 (%)

	NOT FULLY ENGAGED			Size of gender gap
	Males	Females	Persons	
1989	14.4	32.2	23.2	17.8
1990	16.4	31.3	23.8	14.8
1991	21.8	34.5	28.1	12.7
1992	24.7	36.6	30.6	11.9
1993	25.1	37.5	31.3	12.5
1994	24.5	35.9	30.1	11.4
1995	21.0	35.6	28.2	14.5
1996	20.4	35.4	27.9	14.9
1997	24.2	37.3	30.7	13.1
1998	23.4	33.7	28.5	10.3
1999	21.7	35.1	28.4	13.4
2000	19.5	30.8	25.1	11.3
2001	21.2	32.1	26.6	10.9
2002	19.9	30.7	25.3	10.9
2003	21.9	31.0	26.4	9.1
2004	21.2	32.0	26.6	10.8
2005	19.1	29.9	24.4	10.8
2006	18.8	28.0	23.3	9.2
2007	16.5	28.7	22.4	12.2
2008	17.0	26.0	21.4	9.0
2009	22.3	28.3	25.3	6.0

Source: ABS *Labour Force Australia* (2009) (data cube LM3)

When the labour market status of those who are less than fully engaged is disaggregated by gender, there are some marked differences between males and females. Figure 11 displays these trends over the preceding two decades, highlighting the distinctive patterns for young men and women.

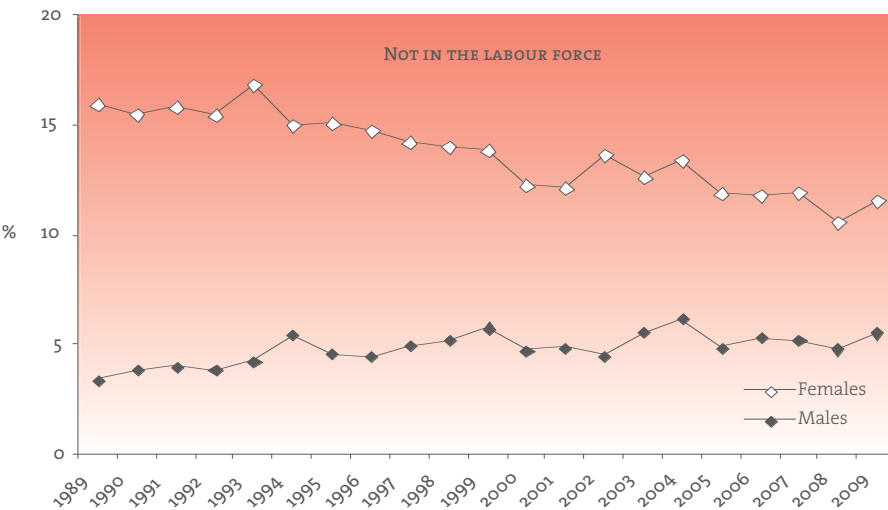
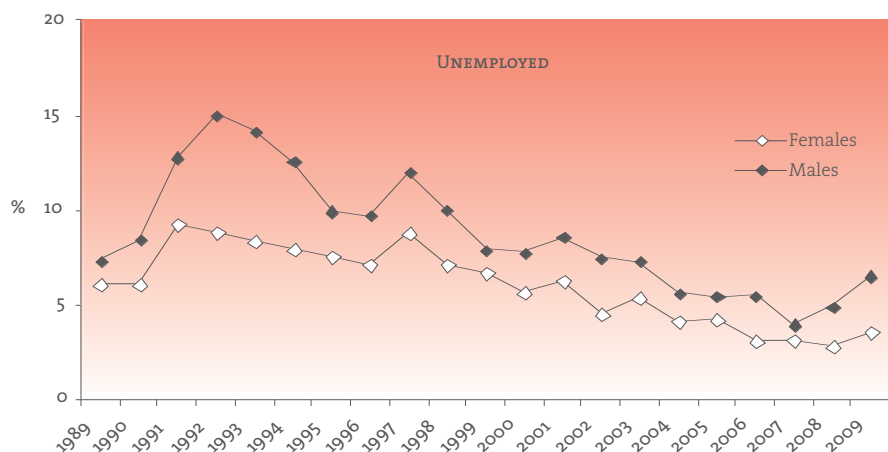
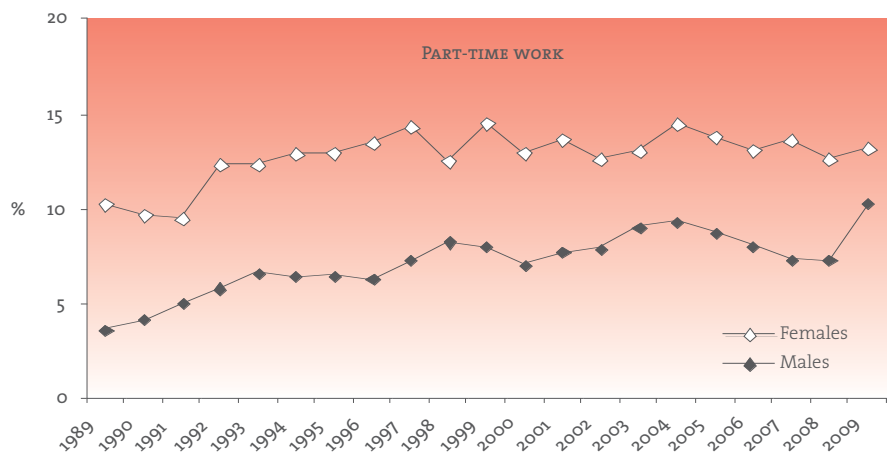
Historically, young women who are not in full-time education are more likely than young men to be working part-time. However this gap has narrowed in 2009, with the percentage of males in only part-time work increasing more sharply compared with the increase among females (see Table A1 in appendix for figures).

Conversely, unemployment rates are typically higher among males than females. The most recent figures show that this gender difference increased between 2008 and 2009, because, compared with females, there was a larger rise in the proportion of males who were unemployed and looking for work.

Non-participation in the labour force is far more common among females than males in this age group. Largely due to family formation and child care responsibilities, females withdraw from the labour force at twice the rate of males (11.6 per cent compared to 5.5 per cent in 2009).

Figure 11

Young adults not studying full-time and in part-time work, unemployed, or not in the labour force, by gender, 1989-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)
See appendix table A1 for percentage values.

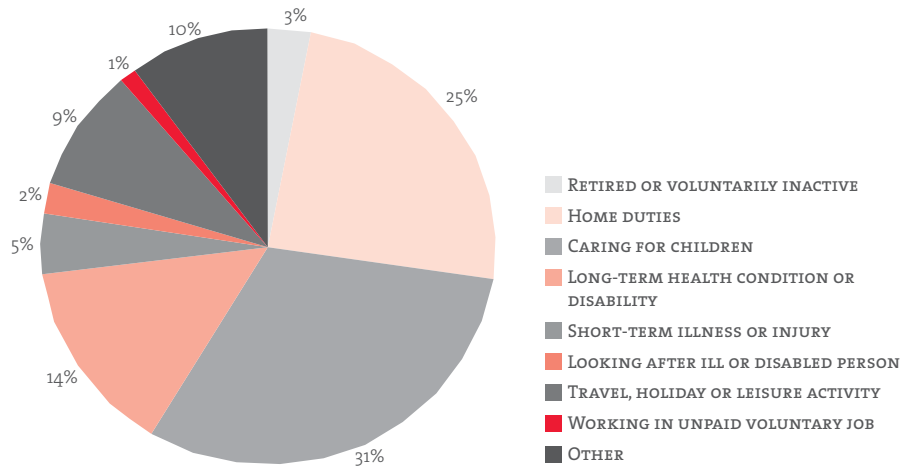
Females, especially those aged 20 to 24, are more likely than males to be not studying and not in the labour force

As shown by the bottom chart in Figure 11, strong gender differences in the proportions of young people who have withdrawn both from education and from the labour market have been evident over many years. Table 14 revealed that, among young adults aged 20 to 24 years, 5.5 per cent of males and 11.6 per cent of females were not in full-time education and not in the labour force in May 2009. For teenagers, as indicated in Table 1, the comparable figures were 3.1 per cent for males and 5.6 per cent for females.

Information about the main activity of young people neither employed nor seeking to enter the labour force can be derived from the ABS *Persons Not in the Labour Force Survey*, conducted in September each year as a supplement to the monthly *Labour Force Survey* (LFS). The activities of those 15 to 24 year olds in 2008 are presented in Figure 12. It shows that more than half (56 per cent) were engaged in home duties or caring for children. Short- and long-term health issues accounted for another 19 per cent, while 9 per cent were pursuing travel or other leisure activity.

Figure 12

Activities of 15 to 24 year-olds not in the labour force, Australia, 2008 (%)

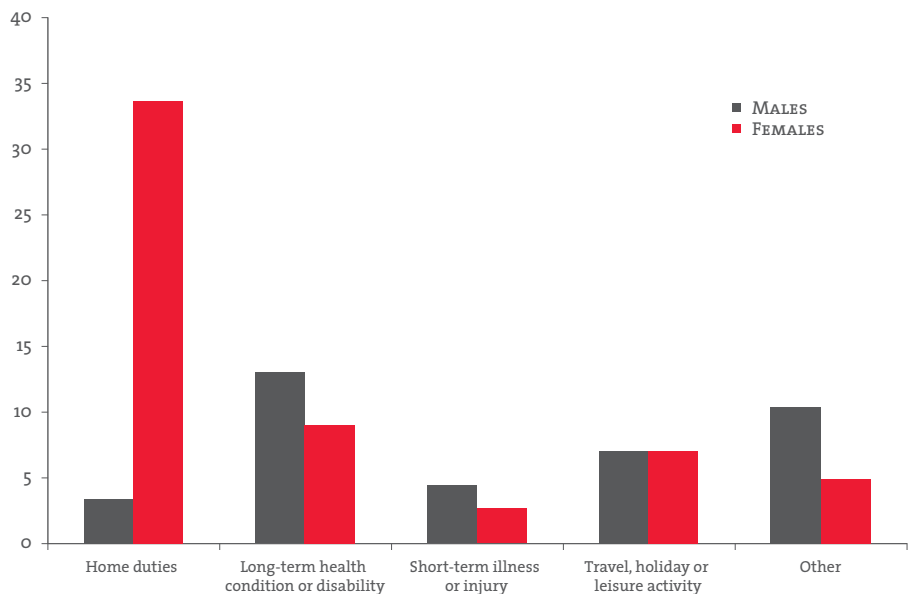


Source: ABS *Persons Not in the Labour Force* (2008).

Although a reduced sample size in the 2008 survey (approximately one third smaller than in 2007) means that the gender breakdown for some activities cannot be readily compared from the published data, there is nevertheless clear illustration of such difference from Figure 13 — for instance, in the numbers of males and females reporting home duties as their main activity.

Figure 13

Numbers of 15 to 24 year-olds not in the labour force, in selected main activities, by gender, 2008 (000s)



Source: ABS *Persons Not in the Labour Force* (2008).

This section is about levels of educational attainment among young people. It is presented in two parts. The first looks at the acquisition of initial qualifications, which are those related to Year 12 or its equivalent. This is important in the context of explicitly announced aims to raise Year 12 or equivalent completion rates in Australia. The second part presents information on further qualifications, which are defined here as those obtained by young people after leaving school and up to the age of 24. Further qualifications are sometimes referred to as post-school or non-school qualifications because they are obtained after young people have left school. However people who acquire non-school qualifications can include early school leavers who later gain what are regarded as equivalent to end of school qualifications.

A major goal of policy is that of increasing educational attainment. In 2008 the Australian government announced a target of 90 per cent of students completing Year 12 or its equivalent by 2020. Underpinning the target is the question not only of what policies are needed to achieve it, but how accurately can attainment of this initial qualification be measured.

Various approaches are possible. One accepted yardstick by which to measure the educational attainment level of young people in Australia is the proportion which has completed Year 12 or a qualification at the level of Certificate III or higher. Such a measure allows several comparisons to be made — including changes over time, and differences between states and territories, between groups of young people within Australia, and with other countries.

There are a number of data sources from which to obtain estimates of attainment. Analyses of survey data, for instance from Longitudinal Surveys of Australian Youth (LSAY), can be used to estimate school completion rates. However these surveys can produce inflated estimates, due to bias associated with high sample attrition of particular groups of respondents such as low achievers and those from low socioeconomic backgrounds. Other data sources, such as those from the ABS, can yield reliable estimates, but cannot provide the same level of information on backgrounds needed to profile who is most affected. Both types of data sources are used in this section.

02 Educational attainment

Attainment of initial qualifications

Estimates from sample surveys indicate that about 4 in 5 young adults currently attain Year 12 or its equivalent, though Census figures suggest somewhat lower attainment levels

There are different ways of measuring the level of educational attainment in the population of interest. Sample surveys provide one source of information. Based on the annual ABS *Survey of Education and Work*, it is estimated that in 2008 approximately 83 per cent of 20 to 24 year olds had either completed Year 12 at school or attained a post-school VET qualification at Certificate III or higher. This represents an increase of almost one percentage point over the figure for 2007. Table 18 records how this proportion has increased steadily each year since 2001.

Data from the *Census of Population and Housing* can also be analysed to calculate the same measure of educational attainment (Year 12 or its equivalent), and these results for 2001 and 2006 are displayed in Table 18 alongside the survey-derived estimates. According to Census data, almost three quarters (74.4 per cent) of 20 to 24 year-olds in 2006 had obtained a Year 12 certificate and/or a post-school qualification at Certificate III level or higher. This proportion had risen from 71.6 per cent in 2001.

Table 18

Attainment of Year 12 or equivalent (AQF Certificate III level or higher) qualifications: 20 to 24 year-olds, 2001-2008 (%)

Year	YEAR 12 AND/OR AQF CERTIFICATE III OR HIGHER	
	Survey estimates	Census estimates
2001	76.7	71.6
2002	78.1	
2003	78.6	
2004	80.1	
2005	80.1	
2006	80.7	74.4
2007	82.0	
2008	82.9	

Sources: ABS *Education and Work, Australia* (2001-2008) ABS *Census of Population and Housing* (2001, 2006)

Influences on educational attainment: student wellbeing is linked to school completion

There is a large body of research evidence about the various factors that influence school completion rates. The impacts of social background and students' achievement levels in school are undisputed, with low achievers and young people from disadvantaged backgrounds less likely to complete Year 12. Furthermore, it is well recognised that because school achievement is correlated with social background, policies that are aimed at improving Year 12 completion need to address the issue of social disadvantage. Apart from socio-demographic characteristics such as family background, there is another group of influences on educational attainment that are more psychological in nature. These other influences relate to the experiences of schooling that individual students have, including their level of engagement with school, the quality of their interactions with teachers and their sense of belonging. LSAY data can be used to explore the link between students' more subjective feelings about school and educational outcomes, especially school completion.

When they had been in the middle years of their secondary schooling (mainly Years 9 and 10), members of the LSAY 2003 cohort were asked to indicate how strongly they agreed with various statements about their school life. The responses of the cohort members remaining in the sample in 2007 are presented in Table 19, separately for Year 12 completers and those who left school before Year 12.

Overall, stronger engagement with school is associated with an increased likelihood of school completion. Compared with non-completers, higher percentages of those who went on to complete Year 12 agreed that they were happy at school (96 per cent as against 85 per cent), enjoyed being there (89 per cent and 75 per cent) and felt they belonged there (90 per cent and 81 per cent). Positive relationships with teachers were also more evident among school completers, with higher percentages agreeing that their teachers listened to them and would give extra help if it were needed. There were similar gaps between completers and early school leavers for the statements that referred to enjoyment of learning.

Table 19

Perceptions of various aspects of school life while at school, by school completion, 19 year-olds in 2007 (%)

SCHOOL IS A PLACE WHERE...	COMPLETED YEAR 12	LEFT SCHOOL BEFORE COMPLETING YEAR 12
You feel happy		
Strongly agree	31	19
Agree	65	66
Sub-total	96	85
Disagree	5	13
Strongly disagree	0	2
Total	100	100
You like learning		
Strongly agree	19	12
Agree	72	67
Sub-total	91	79
Disagree	9	20
Strongly disagree	0	2
Total	100	100
You get enjoyment from being there		
Strongly agree	21	13
Agree	68	62
Sub-total	89	75
Disagree	11	23
Strongly disagree	1	3
Total	100	100
You really like to go each day		
Strongly agree	10	5
Agree	62	45
Sub-total	72	50
Disagree	26	43
Strongly disagree	2	7
Total	100	100
You find that learning is a lot of fun		
Strongly agree	8	6
Agree	66	53
Sub-total	74	59
Disagree	25	37
Strongly disagree	1	5
Total	100	100
Most of your teachers really listen to what you have to say		
Strongly agree	10	7
Agree	68	55
Sub-total	78	62
Disagree	19	31
Strongly disagree	3	8
Total	100	100
If you need extra help, you will receive it from your teachers		
Strongly agree	19	11
Agree	72	70
Sub-total	90	80
Disagree	9	16
Strongly disagree	1	4
Total	100	100
You feel like you belong		
Strongly agree	21	17
Agree	69	64
Sub-total	90	81
Disagree	9	15
Strongly disagree	1	4
Total	100	100

Source: Derived from 2003 cohort of LSAY

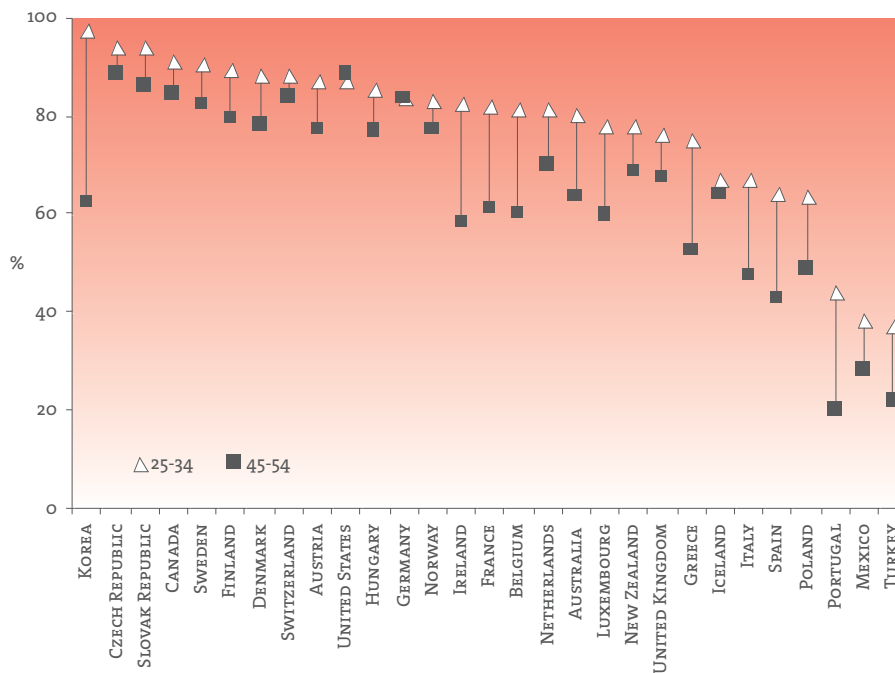
Note: Attitudes to school were asked in 2003 when most respondents were aged 15 and in Years 9 and 10

International comparisons of initial qualification attainment

While levels of educational attainment in Australia have risen, comparisons with other countries show that there is scope to boost school or equivalent completion rates

It is difficult to accurately compare Year 12 completion rates across countries, due to differences between educational systems in models of school and post-school provision. But the concept of gaining equivalent school or upper secondary qualifications can be used as an indicator of the attainment level of the adult population. This measure, the attainment rate of at least an upper secondary qualification, among two age groups (25 to 34 year-olds, and 45 to 54 year-olds) is displayed for OECD countries, including Australia, in Figure 14.

Figure 14
Attainment of at least upper secondary education¹ in OECD countries, population aged 25 to 34 years and 45 to 54 years, 2006 (%)



1. Excluding ISCED 3C short programmes.

Source: OECD (2008a)

Note: Countries are ranked in descending order of the percentage of 25 to 34 year-olds who have attained at least upper secondary

See also Appendix Table A2.

When comparing the two age groups the impact of increased school completion rates over the past two decades is evident. Figure 14 shows that the level of upper secondary attainment in Australia was considerably lower among 45 to 54 year-olds (63 per cent) than for 25-34 year-olds (80 per cent). This improvement in attainment for the younger age cohort in Australia is of similar magnitude to the gains being achieved in many other countries, although not as large as that made in nations such as Korea, Spain and Portugal.

Australia's attainment rate for 25-34 year-olds of 80 per cent was just above the OECD average of 78 per cent — but several countries have rates above 90 per cent, including Korea (97 per cent) and Sweden and Canada (91 per cent), while the United States (87 per cent) and Switzerland (88 per cent) also have high attainment rates.

Attainment of further qualifications

There are considerable benefits in pursuing post-school education and training. Available evidence suggests that individuals with further qualifications receive larger earnings and are less often exposed to unemployment. In 2005, for example, on average a full-time Australian worker with at least a bachelor's degree earned 65 per cent more per week than a full-time worker without a degree (ABS, 2005). When costs and offsets are considered, the gain is still around 15 per cent, a total gain in earnings over a life time of almost \$300,000, based on earnings in 2000 (Borland et al., 2000). The earnings gains associated with higher level skills and qualifications is a key issue given that labour demand in high-skill occupations continues to grow at a faster rate than for other occupations. The benefits are not limited to higher wages, but extend to wider issues, such as health, employment stability and labour flexibility.

About six in ten Australians attain a post-school qualification by age 24

According to the 2006 ABS *Census of Population and Housing*, 59 per cent of Australians aged 24 had attained a post-school qualification. Table 20 shows that the type of qualification and the level of attainment vary by state and by gender.

Across Australia, by age 24, just over 28 per cent had successfully gained a university degree or higher. The rate was much higher in the Australian Capital Territory (41.5 per cent) and also above the national average in Victoria (32.4 per cent) and New South Wales (29.1 per cent). Rates were below the national average in South Australia (25.2 per cent) and Western Australia (25.2 per cent) and well below in Tasmania (20.5 per cent) and the Northern Territory (14.6 per cent).

Many young Australians gain vocational qualifications. By age 24 those with a vocational qualification as their highest level of post-school qualification (30.9 per cent) slightly outnumbered those who had acquired a university qualification (28.1 per cent). The majority of vocational qualifications were at certificate level (AQF Certificates 1 – 4). More than two in ten 24 year-olds held a VET certificate as their highest level of post-school qualification, and less than one in ten held diplomas or advanced diplomas (the figures were 22.8 per cent and 8.1 per cent respectively).

For nearly one third (32.8 per cent) of young adults in Tasmania, the highest qualification they held was a VET certificate or diploma. Other states in which there were similar levels of vocational attainment were Queensland (32.1 per cent) and Western Australia (31.6 per cent). The Australian Capital Territory (23.5 per cent), the Northern Territory (28.7 per cent) and Victoria (29.8 per cent) had the lowest proportions with VET qualifications as their highest level of attainment.

02 Educational attainment

Table 20

Highest level of post-school qualification, by state and gender, 24 year-olds, 2006 (%)

	QUALIFICATION			All	No post-school qualifications	TOTAL
	University	Vocational				
	Degree and above	Diploma and above	Certificate			
All 24 year-olds						
NSW	29.1	8.8	22.3	60.2	39.8	100.0
VIC	32.4	9.1	20.7	62.3	37.7	100.0
QLD	23.6	7.0	25.1	55.7	44.3	100.0
SA	25.2	5.7	25.4	56.3	43.7	100.0
WA	25.2	7.6	24.0	56.8	43.2	100.0
TAS	20.5	5.2	27.6	53.2	46.8	100.0
NT	14.6	5.0	23.7	43.3	56.7	100.0
ACT	41.5	7.9	15.6	65.1	34.9	100.0
Australia	28.1	8.1	22.8	59.0	41.0	100.0
Female 24 year-olds						
NSW	33.9	10.0	18.6	62.6	37.4	100.0
VIC	37.0	10.6	17.6	65.2	34.8	100.0
QLD	29.1	8.4	21.1	58.5	41.5	100.0
SA	29.8	6.6	22.4	58.8	41.2	100.0
WA	29.9	8.9	20.4	59.2	40.8	100.0
TAS	24.2	5.8	25.2	55.3	44.7	100.0
NT	17.6	5.6	22.1	45.2	54.8	100.0
ACT	47.5	7.5	13.5	68.4	31.6	100.0
Australia	33.0	9.3	19.4	61.6	38.4	100.0
Male 24 year-olds						
NSW	24.1	7.6	26.0	57.7	42.3	100.0
VIC	27.8	7.7	23.9	59.3	40.7	100.0
QLD	18.2	5.6	29.2	53.0	47.0	100.0
SA	20.7	4.8	28.4	53.9	46.1	100.0
WA	20.7	6.3	27.4	54.4	45.6	100.0
TAS	16.6	4.5	30.0	51.1	48.9	100.0
NT	11.7	4.4	25.4	41.4	58.6	100.0
ACT	35.4	8.4	17.9	61.7	38.3	100.0
Australia	23.2	6.8	26.3	56.4	43.6	100.0

Source: ABS Census of Population and Housing 2006

The results in Table 20 also show that the Northern Territory had the highest percentage of 24 year-olds without any post-school qualification, at 56.7 per cent. The national rate was 41 per cent. Victoria (37.7 per cent), New South Wales (39.8 per cent) and the Australian Capital Territory (34.9 per cent) were where the proportions of 24 year-olds without any post-school qualifications were lowest.

Attainment of post-school qualifications varies considerably by gender. At national level, women are far more likely to gain university qualifications by age 24 than are men. The rate for women (33 per cent) is almost 10 points higher than for men (23.2 per cent). Women also more often gain diploma-level vocational qualifications — 9.3 per cent as against 6.8 per cent for men. It means that higher-level qualifications, those most often associated with professional occupations and careers, are being gained far more often by young women than by young men.

The gender gaps associated with higher level qualifications are largest in Queensland and New South Wales and smallest in Tasmania and the Northern Territory. In Queensland, for example, there is almost an 11 percentage point gap between females and males in university qualification attainment, compared to 5.9 points in the Northern Territory and 7.8 points in Tasmania.

Men more often attain vocational certificate qualifications than do women, most probably due to their higher rates of entry into apprenticeships. Nationally, 26.3 per cent of 24-year-old males had gained a VET certificate as their highest post-school qualification whereas the rate for women was 19.4 per cent.

Overall, more males (43.6 per cent) than females (38.4 per cent) had not attained any post-school qualifications by age 24.

Rates of attainment of post-school qualifications are highest for those living in higher socioeconomic status areas and in the city

Rates of attainment of post-school qualifications vary by the social composition of the area in which young Australians live. Table 21 presents the results of an analysis in which young people are grouped according to the socioeconomic composition of the Statistical Local Area (SLA) in which they live. Socioeconomic status (SES) is measured using the ABS Socioeconomic Index for Australia (SEIFA) index of relative socio-economic advantage and disadvantage. SLAs were ranked into quintiles based on their scores. The results provide a social area profile of post-school attainment rates.

Young people living in the least advantaged areas of Australia (lowest quintile) have by far the lowest rates of attainment of post-school qualifications. Almost 55 per cent of 24 year-olds living in the most disadvantaged areas did not have a post-school qualification in 2006. This is compared to about 30 per cent for those living in the wealthiest or most advantaged areas.

Table 21
Highest level of post-school qualification, by socioeconomic status of residential area, 24 year-olds, 2006 (%)

SES of residential area	QUALIFICATION			All	No post-school qualifications	TOTAL
	University	Vocational				
Quintile	Degree and above	Diploma and above	Certificate			
Lowest	14.1	5.9	25.2	45.3	54.7	100.0
Lower middle	14.9	5.5	30.4	50.8	49.2	100.0
Middle	19.6	7.6	27.5	54.7	45.3	100.0
Upper middle	29.1	8.9	23.0	61.0	39.0	100.0
Highest	46.1	9.5	14.1	69.7	30.3	100.0
All	28.1	8.1	22.8	59.0	41.0	100.0

Source: ABS Census of Population and Housing 2006

02 Educational attainment

It is not only the overall attainment rate, but the type of qualification that matters. Of those living in poorer locations just 14.1 per cent of 24 year-olds held a university qualification in 2006. By contrast, at three times this rate, 46.1 per cent of those living in the wealthiest areas had gained a university degree or higher by age 24.

Clearly, the social composition of the areas in which young people live divides the nation in terms of chances of holding post-school qualifications.

Furthermore, it is not the social area alone that is important to consider. Location according to the level of remoteness also makes a difference. Social area and remoteness may be related, but level of remoteness is linked to attainment levels. Table 22 reports attainment rates for 24 year-olds according to the ABS classification of remoteness — the Accessibility/Remoteness Index of Australia (ARIA) which is an index of remoteness derived from measures of road distance between populated localities and service centres.

Table 22
Highest level of post-school qualification, by location, 24 year-olds, 2006 (%)

Location	QUALIFICATION			All	No post-school qualifications	TOTAL
	University	VET				
	Degree and above	Diploma and above	Certificate			
City	32.3	9.0	20.0	61.3	38.7	100.0
Inner regional	16.1	5.7	31.8	53.6	46.4	100.0
Outer regional	15.6	4.9	31.6	52.2	47.8	100.0
Remote	16.7	3.3	27.6	47.6	52.4	100.0
Very remote	14.5	3.6	21.3	39.4	60.6	100.0
All	28.1	8.1	22.8	59.0	41.0	100.0

Source: ABS Census of Population and Housing 2006

The results show that 24 year-olds living in city areas of Australia had more than double the rate of attainment of university qualifications as those living in very remote areas (32.3 per cent as against 14.5 per cent). The figure in city areas was also double the rate for many rural parts of Australia: in inner and outer regional areas around 16 per cent of 24 year-olds had attained a degree or higher qualification.

Gaps also exist in favour of city residents for diploma-level VET qualifications. While 9 per cent of 24 year-olds in city areas held a diploma or above, this compared to 4.9 per cent of those living in outer regional areas and 3.3 per cent for those in remote locations.

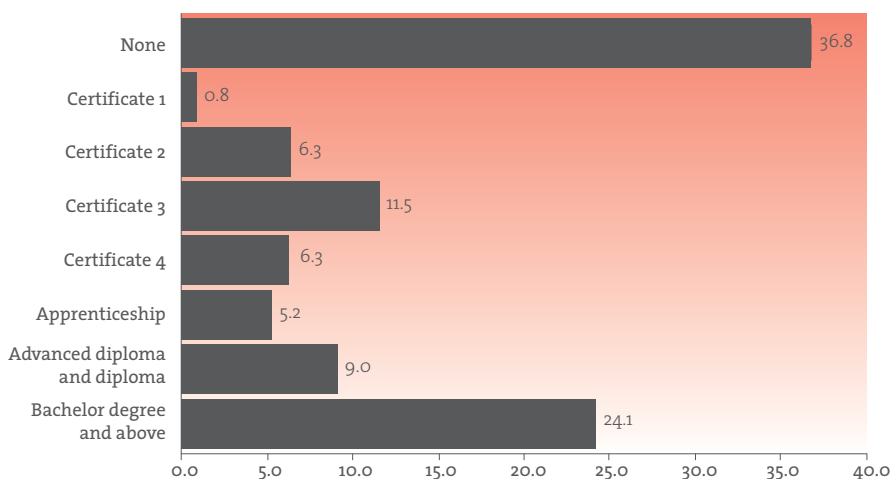
Vocational certificates are important for young adults living in rural areas defined as inner and outer regional. Almost 32 per cent of 24 year-olds living in those areas had VET certificate attainment as their highest post-school qualification, nearly 12 percentage points above the figure for those living in cities.

Table 22 also reveals that the further young people live away from city locations, the higher are the percentages without any post-school qualifications. For very remote locations it was 60.6 per cent, and for remote locations 52.4 per cent, compared to 38.7 per cent of city dwellers who had no post-school qualifications.

Vocational qualifications are important for many young Australians

It is possible using other data sources to get a breakdown of the attainment of different types of vocational certificates and other qualifications, and who obtains them. Figure 15 displays the post-school qualification attainment of 23 year-olds, by qualification type. The data are from the 1998 cohort of the *Longitudinal Surveys of Australian Youth*. This cohort began with a nationally representative sample of 14,117 Year 9 students in 1998 and in 2006 there were 4,279 remaining in the sample. Attrition, which tends to be much higher among lower school achievers and those from poorer backgrounds, has the effect of reducing representativeness and as a result rates of attainment may be inflated. Appropriate weighting to address this issue has been used, though is unlikely to fully address the impact of attrition.

Figure 15
Highest level of post-school qualification attained, 23 year-olds, 2006 (%)



Source: Derived from 1998 cohort of LSAY

02 Educational attainment

The results suggest that about 63 per cent of young Australians had attained a post-school qualification by age 23. For 7.2 per cent this was at a fairly low level, in the form of certificates at either Australian Qualification Framework (AQF) level 1 or 2. A further 11.5 per cent had attained a certificate at AQF level 3. By age 23, there were 5.2 per cent of young Australians who had successfully completed an apprenticeship qualification.

The level of qualification attainment varies according to background. Table 23 reports qualification attainment rates by gender, family socioeconomic status, school achievement (Year 9 literacy and numeracy scores), location and school completion.

Table 23

Highest level of post-school qualification attained, by selected background characteristics, 23 year-olds, 2006 (%)

	VOCATIONAL QUALIFICATIONS							University degree or above
	None	Cert 1	Cert 2	Cert 3	Cert 4	Apprenticeship	Diploma	
Sex								
Male	43.0	1.0	5.7	10.8	6.3	8.5	8.2	16.5
Female	30.8	0.7	7.0	12.1	6.3	2.0	9.7	31.5
SES (quartiles)								
Low	37.1	1.1	9.2	13.8	6.5	6.0	11.2	15.1
Lower middle	36.5	0.4	6.9	14.9	6.2	7.0	9.8	18.2
Upper middle	36.7	1.0	6.3	10.7	7.0	4.8	8.6	24.9
High	37.0	1.1	3.9	6.6	5.4	2.7	7.1	36.3
School achievement (quartiles)								
Low	35.1	1.4	8.8	18.2	8.3	9.0	10.8	8.4
Lower middle	36.0	1.1	6.7	14.0	7.0	5.8	10.4	19.0
Upper middle	36.0	0.3	5.4	8.7	6.3	3.3	9.7	30.3
High	39.6	0.4	4.3	5.6	3.7	2.6	5.7	38.1
Location								
Urban	36.8	0.6	5.7	10.6	6.6	4.9	9.6	25.2
Rural	36.4	1.5	6.6	14.6	5.6	5.9	7.2	22.1
Remote	37.3	1.3	10.0	13.5	5.0	6.2	7.7	19.0
School completion								
Completer	35.5	0.8	5.6	9.9	6.1	3.1	10.1	29.0
Non-completer	42.7	1.0	10.0	18.7	7.2	14.9	4.0	1.5

Source: Derived from 1998 cohort of LSAY

By age 23, females were far more likely to have completed a post-school qualification than males. Only 30.8 per cent of females had not attained a post-school qualification by age 23, compared to 43 per cent of males. Among those who had gained a qualification, the qualification type varied by gender. Women far more often had attained a university degree by age 23. The rate (31.5 per cent) is nearly double that for men (16.5 per cent). Male 23 year-olds, on the other hand, were far more likely to hold apprenticeship qualifications — 8.5 per cent compared to 2 per cent for female 23 year-olds. Gender differences across other qualifications were fairly small.

Socioeconomic status and Year 9 achievement in school did not greatly affect the total proportions attaining a post-school qualification. Rates of non-qualification by age 23 are roughly similar across social and academic backgrounds of students. However, the type of qualification gained by those who complete their study or training by age 23 varies markedly according to those characteristics.

Young people from high SES families (those in the highest quartile of SES) obtained a university degree or higher at more than double the rate of those from low SES families — 36.3 per cent for those from high SES backgrounds compared to 15.1 per cent for those from low SES backgrounds. University attainment rises across the SES scale. Opposite patterns can be observed for vocational certificates at AQF levels 2 and 3 as well as for diplomas and apprenticeships. For young people from disadvantaged backgrounds, vocational qualifications are very important as a means of gaining post-school awards that can help them to obtain work as well as improve skill levels.

Because young people from lower SES backgrounds have higher rates of attainment of post-school vocational qualifications, there is not a substantial difference across social groups in the proportions attaining at least one post-school qualification (or the reverse, in the proportions which do not acquire any post-school qualification). However it needs to be noted that, based on published data (for example, see Borland et al, 2000), the rates of return to qualifications mean that the huge social differences in types of qualifications gained are likely to lead to large differences in future economic security for those from different social backgrounds.

Where young people live has an effect on the type of post-school qualification gained by age 23. Those living in city areas are more likely to gain a university degree or higher, while those living in rural and remote areas are more likely to attain, as their highest qualification, a VET certificate at levels 1, 2 or 3.

Attainment of post-school qualifications varies for school completers and non-completers. School completers have already gained an initial qualification so that for them any post-school qualifications are actually further qualifications. For non-completers, attainment is more likely to be of an initial qualification though some may, by age 23, have more than one qualification. The results in Table 23 relate to highest level of post-school attainment.

More than two in five (42.7 per cent) of all non-completers (early school leavers) have not gained any qualification by age 23 — that is, either an initial or further qualification. For school completers, who already have an initial qualification, about 35 per cent have not gained a further qualification by the same age.

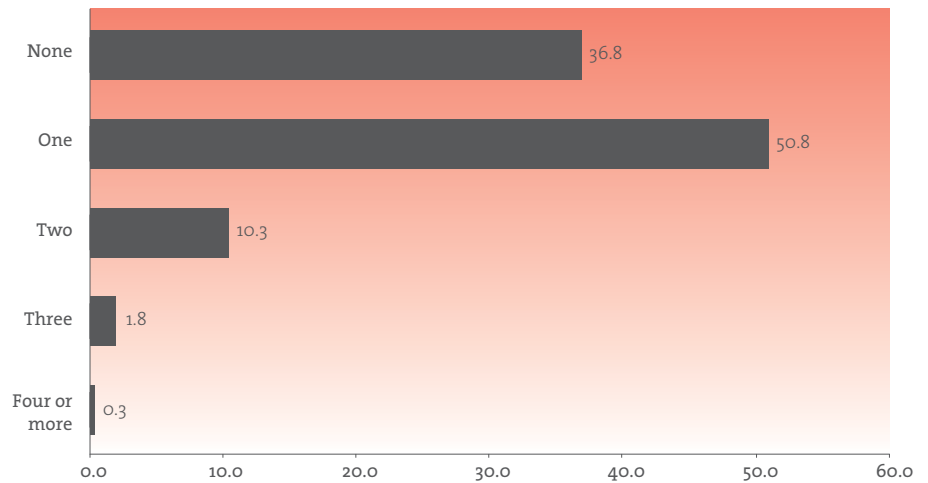
This means that the qualification gap between school completers and early school leavers widens in the post-school years. But this is put simply in broad numeric terms. There are also large qualitative differences in what qualifications are gained. School completers tend to attain higher level qualifications — university and VET Diploma — while school non-completers gain lower and middle-level VET vocational qualifications.

02 Educational attainment

Some young Australians complete more than one post-school qualification

Figure 16 displays the number of post-school qualifications attained by age 23. It shows that in total 12.4 per cent of young people of this age had gained more than one post-school qualification, including 2.1 per cent who attained more than two qualifications.

Figure 16
Number of post-school qualifications attained, 23 year-olds, 2006 (%)



Source: Derived from 1998 cohort of LSAY

The types of qualifications attained are reported in Table 24, which cross-tabulates qualifications attained (row) by the highest qualification attained (column). The 103.6 per cent figure for those with a university degree indicates that some 23 year-olds (3.6 per cent) had completed more than one university degree by age 23. The results also show that 6.3 per cent of those who had attained a university degree or higher, had also attained a VET diploma. Some university graduates also held lower level VET certificates.

Of those whose highest level of award was a VET certificate level 2, a small number (0.7 per cent) had attained two certificates at this level. Just over 10 per cent of those with a VET certificate level 2 had also successfully completed a level 1 certificate. Similarly, many of those who had attained a level 4 certificate or an apprenticeship had also attained a lower level vocational certificate.

Table 24
Post-school qualifications attained, by highest post-school qualification attained, 23 year-olds, 2006 (%)

Type of qualification	HIGHEST QUALIFICATION ATTAINED						
	Cert 1	Cert 2	Cert 3	Cert 4	Apprenticeship	Diploma	Degree and above
Certificate 1	100.0	10.2	3.0	3.9	2.0	0.2	0.8
Certificate 2		100.7	15.3	13.9	11.1	8.1	2.7
Certificate 3			100.0	24.6	15.8	13.4	2.4
Certificate 4				100.0	5.5	8.7	2.8
Apprenticeship					100.0	0.6	0.0
Diploma						101.6	6.3
Degree							103.6

Source: Derived from 1998 cohort of LSAY

Apprenticeship completion as a qualification pathway

Apprenticeships are important in providing many young people with either an initial or a further qualification

In discussing measures of educational attainment, aside from school completion, it is necessary to consider the importance of apprenticeships as a qualification pathway. Longitudinal studies of school leavers, both nationally and at a state level (see, for example, DEECD, 2007), confirm the longer term benefits of an apprenticeship to those who complete, in terms of high levels of labour market participation and low unemployment rates over successive post-school years. It should be noted that such favourable outcomes have generally been associated with traditional trades-based apprenticeships, which entail a lengthy training period. The outcomes for those who complete shorter duration traineeships are less clear.

Many young people, however, do not complete their apprenticeship or traineeship. Research has shown that, among the broad groups of factors associated with non-completion, for young people personal issues can sometimes outweigh other factors in their impact. A range of personal factors — such as drug and alcohol problems, mental health and family issues, and attitudes and expectations — are often cited as being more influential than factors related to the training provided or to economic factors such as the industry, employer and occupation in which apprentices are training.

While there is much interest in the issue of apprenticeship and traineeship completion rates, it is a complex matter to investigate. Attrition and completion rates are difficult to measure accurately for a number of reasons. A clear distinction between what could be considered as traditional apprenticeships and traineeships cannot easily be made. Data most readily available are based on contracts of training, not individuals. These contracts encompass training that is of varying duration, generally ranging from one to four years, and leading to varying qualification levels. Furthermore, there are reporting delays which mean that the most recent data available are estimates rather than actual counts.

Despite these caveats, it is possible to develop a crude indicator of how young people are faring within the vocational training system. This approach is to use data on the numbers of commencements and completions of training contracts, in two broad categories of occupational training to roughly differentiate traditional apprenticeships from traineeships, in order to obtain an indicator of the ratio of completions to prior commencements. Table 25 contains the results of such an analysis, for young people aged 24 and below.

02 Educational attainment

Table 25

Completion ratios by gender and trade status, by State/Territory, apprentices and trainees aged 24 years and below, 2008 (%)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Trades completions in 2008 as proportion of trades commencements in 2005									
Males	52.7	47.0	58.7	56.0	60.3	70.5	36.8	55.3	54.1
Females	55.1	45.0	59.5	46.6	65.7	55.0	42.4	61.1	54.0
Persons	53.0	46.8	58.8	54.4	60.9	68.1	37.6	56.3	54.1
Non-trades completions in 2008 as proportion of commencements in 2007									
Males	41.5	51.4	42.7	42.3	44.1	58.6	51.9	39.1	45.4
Females	50.1	58.1	54.2	52.4	48.9	68.4	38.7	47.0	53.8
Persons	46.4	55.4	49.8	48.0	46.9	64.6	43.8	43.2	50.4

Source: NCVET National Apprentices and Trainees Collection (2009)

For Australia, for young people who were in trade occupations, the ratio of the number of completions in 2008 to the number who commenced training four years earlier in 2005 was 54 per cent. This national rate is broadly comparable with completion rates reported for several other countries (Huntly Consulting Group 2008). Within Australia, there were quite noticeable variations between states, ranging from completion rates of 47 per cent in Victoria and 53 per cent in New South Wales, up to 59 per cent in Queensland and 61 per cent in Western Australia. Nationally, there was no difference in the completion ratio by gender although the pattern by state was mixed: completion ratios were higher for females than males in New South Wales and Western Australia, but the reverse in the smaller states of South Australia and Tasmania.

On the basis that the usual duration of a traineeship is one year, the number of contract completions in non-trades occupations in 2008 can be compared with the number commencing in the preceding year, 2007. Those ratios are presented in the bottom panel of the table, showing that in Australia in 2008 there were 50 completions for every 100 training contracts commenced in the non-trades occupations in 2007. Victoria and Tasmania had ratios above the national average, while New South Wales and South Australia were below it. A possible implication of the higher national completion rate among females (54 per cent) than males (45 per cent) is that females are more likely than males to finish their traineeship within the standard time frame of one year.

It is important to ensure that young Australians are provided with clear and successful pathways to employment and further education and training when they leave school. For some, completion of school marks the end of one phase of their education and the beginning of another as they pursue further study at university or TAFE. For others, however, school completion is the point at which they attempt to gain entry to the labour market on a full-time basis. Even those who continue into further study from school will seek to gain entry to the labour market either during their studies or once they have finished. How successful are students in gaining immediate access to employment? What are the experiences of young Australians as they move from education to work and what are the main pathways?

Youth labour market

Full-time employment for young Australians in the labour force has fallen sharply

A twenty year perspective on the youth labour market in Australia is provided in Figures 17 and 18. Their over-riding message is that, during the last two decades, young people have faced increasing difficulties in accessing full-time employment.

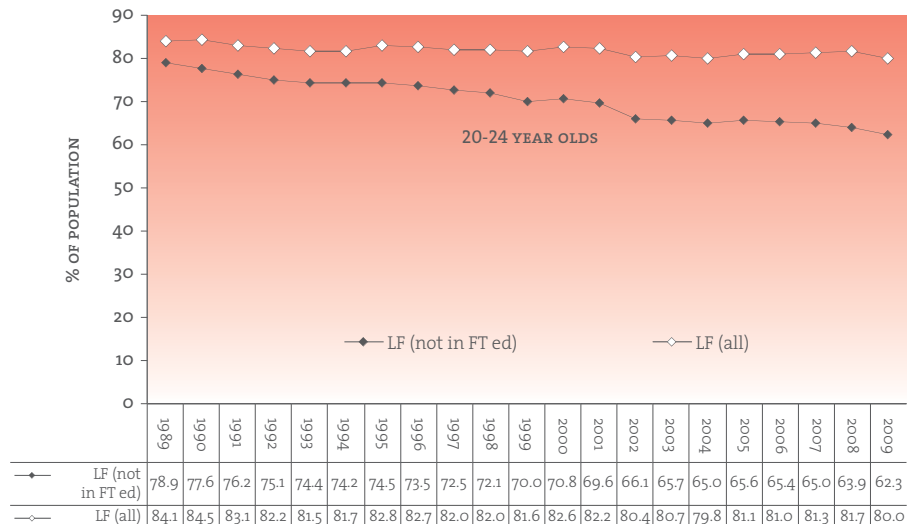
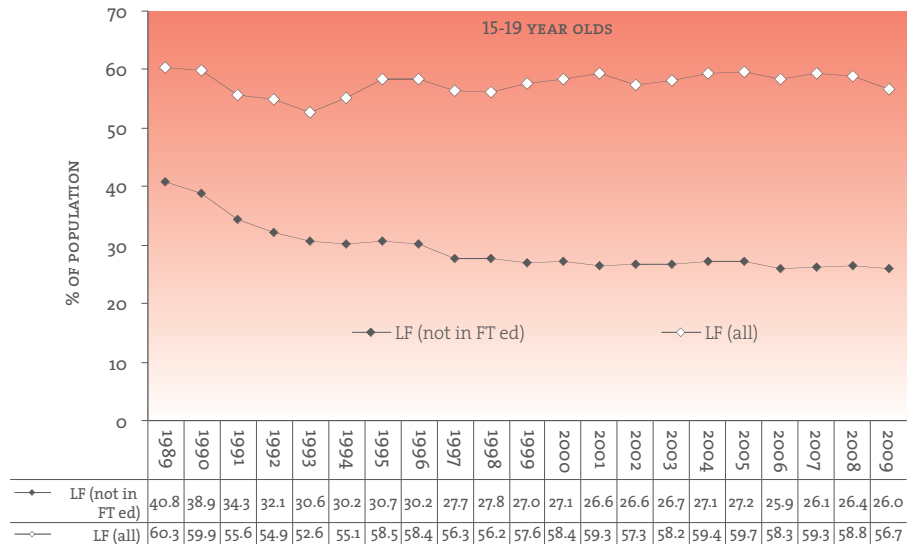
The decline in full-time employment is seen in Figure 17, which charts the falls in the percentages of young people (both teenagers and young adults) who were in the labour force and not in education. Labour force participation rates among all teenagers dipped to below 55 per cent in the early 1990s, then rose and were relatively stable for a lengthy time at just below 60 per cent. However the most recent data, for 2009, indicate a sharp drop in this figure, by two percentage points, to 56.7 per cent. Among all 20 to 24 year-olds, the rate of labour force participation hovered around 80 per cent across most of the twenty years, but also declined between 2008 and 2009.

03 Moving from education to work

Over the same two decades, and for both age groups, participation in full-time education has grown, as an increasing proportion of teenagers and young adults have combined study and (mainly part-time) work. This has resulted in continuously declining proportions of young people in the labour force and not in full-time education. For teenagers, the fall was from 40.8 per cent in 1989 to 26 per cent in 2009, and for young adults the labour force participation rate dropped from 78.9 per cent to 62.3 per cent.

Figure 17

Labour force participation for 15 to 19 year-olds and 20 to 24 year-olds as a percentage of population: all in the labour force compared with those not in full-time education and in the labour force, 1989-2009 (%)

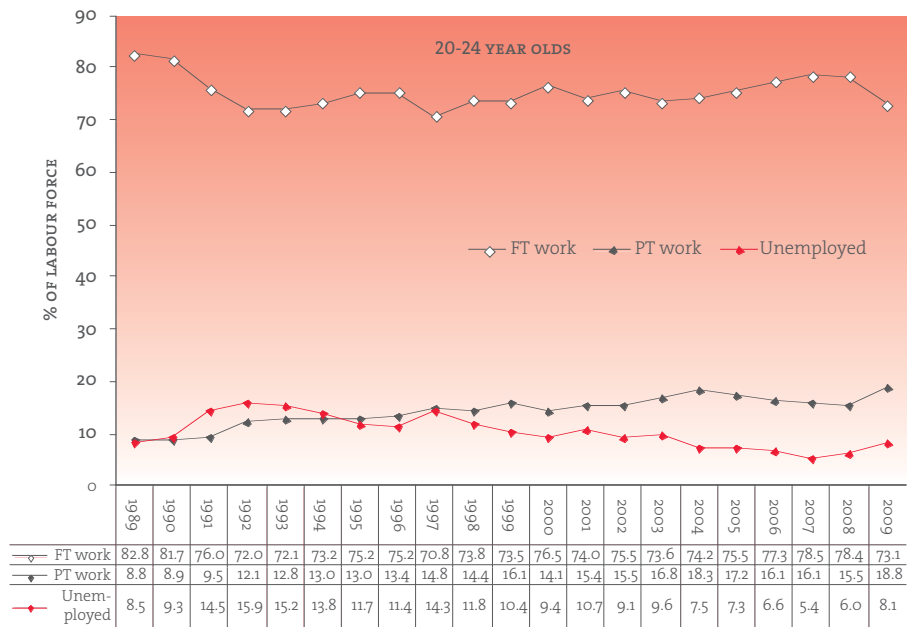
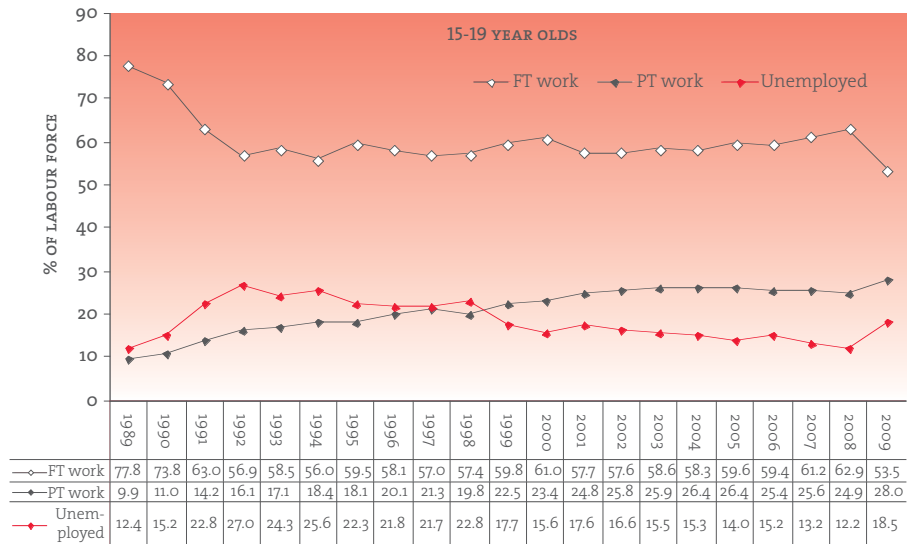


Source: ABS Labour Force Australia (2009) (data cube LM3)

Trends over the two decades in the labour force status of those who were not in full-time education are presented in Figure 18. Following a sharp drop from the late 1980s (from 77.8 per cent in 1989 to 56.9 per cent in 1992) the percentage of teenagers in full-time jobs was relatively stable throughout the 1990s. However the modest upturns in full-time employment rates in recent years (since 2006 for teenagers and 2005 for young adults) have reversed, with falls between 2008 and 2009 in the percentages in full-time work and not in education for both age groups.

Figure 18

Employment and unemployment status of those in the labour force and not in full-time education: 15 to 19 year olds and 20 to 24 year-olds, 1989-2009 (%)



Source: ABS Labour Force Australia (2009) (data cube LM3)

03 Moving from education to work

Over the same period, unemployment rates for young people who were not in full-time education have generally fallen since the early 1990s. Among teenagers, the percentage unemployed fell from 27 per cent in 1992 to 12.2 per cent in 2008. Similarly, whereas 15.9 per cent of young adults were unemployed in 1992, by 2007 it was down to 5.4 per cent. However unemployment shot up again in 2009, to 18.5 per cent for teenagers and 8.1 per cent for 20 to 24 year-olds.

Participation in part-time employment has grown substantially during the last two decades, increasing threefold for teenagers, and more than doubling for young adults. For example, 9.9 per cent of 15 to 19 year-olds not in full-time education had part-time jobs in 1989 and this rose to 28 cent in 2009. It would seem that, increasingly, teenagers have moved from unemployment to being in part-time work, at least until 2008 (since then, rates of both part-time employment and unemployment have risen together). This pattern also occurs among 20 to 24 year-olds, 8.8 per cent of whom were working part-time in 1989, increasing to 18.8 per cent in 2009.

A youth labour market characterised by long-term decline in full-time employment and rising levels of part-time employment has significant implications for school leavers. Most notably, in making the transition from school, proportionally many more young people than previously now rely on part-time work in their early years in the workforce.

The longer-term falls in full-time employment opportunities for young people are highlighted by data comparing full-time job growth for teenagers and young adults with that for older adults. This information is presented in Table 26, covering the period from 1995 to 2009. A rise in the number of 25 to 64 year-olds in full-time work, from 5,083,100 to 6,528,200, represents an increase of 28 per cent. Over the same period, the numbers of 15 to 19 year-olds and 20 to 24 year-olds working full-time declined, in each age group by about 12 per cent. In 2009, the numbers of 15-19 year-olds in full-time employment were at a level similar to that of 2001, and were the lowest since 1997.

Table 26

Full-time job growth for 15 to 19 year-olds and 20 to 24 year-olds not in education compared with adults aged 25 to 64, May, 1995-2009

	IN FULL-TIME WORK		
	15-19*	20-24*	25-64
May	'000s	'000s	'000s
1995	232.0	793.3	5083.1
1996	223.7	766.2	5179.3
1997	203.5	699.3	5245.0
1998	208.9	717.2	5317.3
1999	211.0	672.8	5418.1
2000	218.5	693.6	5549.8
2001	206.4	664.2	5613.2
2002	209.1	657.0	5656.0
2003	214.8	654.1	5743.9
2004	218.3	669.0	5876.3
2005	226.4	704.5	6036.5
2006	217.4	737.4	6164.0
2007	229.7	755.4	6399.6
2008	242.2	751.4	6488.8
2009	205.3	696.1	6528.2
Percentage of population			
1995	53.8	66.5	54.8
1996	51.9	66.5	54.7
1997	51.0	62.6	54.4
1998	50.5	65.1	54.2
1999	52.8	64.5	54.2
2000	53.6	68.3	54.7
2001	50.7	65.9	54.6
2002	50.5	66.4	54.2
2003	51.5	64.7	54.3
2004	50.9	64.5	54.9
2005	52.0	67.0	55.6
2006	51.6	68.4	55.9
2007	53.7	69.4	57.2
2008	55.4	70.0	57.0
2009	45.9	64.3	56.4

Source: ABS *Labour Force Australia* (2009) (data cubes LM1 and LM3)

* Values for 15-19 and 20-24 year-olds are for persons not in full-time education

Note: Values from 2001 onwards may differ from previous HYPAF editions because of the use of revised estimates.

The Australian youth labour market provides employment opportunities at rates above the average for OECD countries

Although Australia has lower rates of participation in education and training than many other OECD countries, those young people not in education and training are employed at above-average rates. According to OECD figures reported in Table 27, approximately two-thirds (66 per cent) of 15 to 19 year-olds in Australia who were not in education and training in 2006 were employed. For 20 to 24 year-olds, the rate was 81 per cent. In comparison with the average across the OECD, employment rates in Australia were higher by about 13 percentage points for teenagers and 8 points for young adults. Note however that these figures are for 2006, and hence pre-date the downturn in the global economy.

Table 27
Per cent of the youth population not in education who are employed, OECD countries, 2006

	15-19 YEAR-OLDS	20-24 YEAR-OLDS
Poland	25.0	54.0
Slovak Republic	30.0	64.8
Hungary	31.0	64.6
France	33.1	68.8
Turkey (1)	34.5	44.4
Italy	35.7	61.9
Belgium	36.0	73.8
Greece	38.0	67.9
Luxembourg	40.8	79.4
Germany	44.3	69.3
Czech Republic	50.0	76.4
Spain	50.9	74.3
Switzerland	51.4	82.9
United Kingdom	55.1	73.9
Finland	56.3	72.4
Austria	56.4	81.4
Sweden	56.8	73.3
United States	57.7	76.0
Denmark	60.3	86.9
Portugal	60.8	78.6
Canada	61.2	78.9
Mexico (2)	62.2	65.6
Netherlands	63.3	85.4
Australia	66.0	81.2
New Zealand	67.3	78.5
Ireland	72.6	84.0
Iceland	75.5	90.3
Norway	80.9	85.1
Average	53.4	73.5

Notes (1) Year of reference 2005 (2) Year of reference 2004
Source: OECD (2008b)

Post-school pathways

The information in this section was derived from an analysis of the 1998 cohort of LSAY. This cohort of Year 9 students was first surveyed in 1998 and then contacted annually to document their progress through school and into further study and work. The focus of this analysis is on looking at transition over the longer term. The results are based mainly on the 4,210 sample members who responded to the 2007 survey, which is six years after many had been students in Year 12.

Early school leavers are more often unemployed or not in the labour force after six years.

Table 28 presents the main work and study activities of young people across the first six years after leaving school. The results show that some young people (25.5 per cent) are still in education and training in their sixth post-school year, although by this stage the majority are in the labour force. Those still in study are mostly in university (15.9 per cent) with some (4.2 per cent) in high-level VET courses (certificate 4 and above) and apprenticeships (3.3 per cent).

In the first post-school year, about two-thirds of school leavers were in some form of post-school education and training. Participation declines steadily over the next five years as young people complete or discontinue their study and move from education into the labour force.

There are gender differences in the transition patterns. Women are far more likely to rely on part-time work as they move from education to employment. From Year 3 the proportion of young women in part-time work is more than five percentage points higher than for men. Males, on the other hand, have higher rates of full-time employment across all years, but the gaps grow progressively, from 4.8 points in the first year, to 5.9 points in the third year and 11.3 points in the sixth year. The results suggest that females are having a harder time finding full-time work.

This greater difficulty for women in making a successful transition to full-time employment is also suggested by the higher rates at which they are either unemployed or not in the labour force. In each year, rates of unemployment are higher for females and, from the third year, the percentage not in the labour force is also higher for women than for men.

The patterns of transition also vary depending on whether or not school leavers had completed Year 12. These figures are reported in Table 29.

School leavers who did not complete Year 12 did not participate as much in further education and training as Year 12 completers. In the first post-school year the rate of participation was 20 percentage points lower for non-completers. It meant that many more school non-completers relied on the labour market in their transition from school. This exposure produced higher rates of marginalisation in every post-school year. The higher rate of unemployment for non completers — 9.1 points compared to 5.4 points — in the first year established a gap that changed little over the time, even if the rates for both groups did change.

Table 28

Main activities of young people annually across the first 6 post-school years,
by gender (%)

	POST-SCHOOL YEAR					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
All persons						
In education and training	66.3	63.0	52.9	45.0	35.9	25.5
University	36.2	38.6	34.8	30.1	24.2	15.9
Low level VET	2.6	1.6	0.5	0.6	0.5	0.6
High level VET	14.6	10.7	5.1	4.3	4.7	4.2
Apprenticeship	7.1	8.9	9.9	8.0	4.9	3.3
Traineeship	5.8	3.2	2.6	2.0	1.6	1.5
Not in education and training	33.7	37.0	47.1	55.0	64.1	74.5
Full-time work	12.3	17.0	24.2	32.9	44.9	55.3
Part-time work	12.5	12.6	14.8	14.0	12.3	11.4
Unemployed	6.0	5.0	4.7	4.7	3.6	3.4
NILF	2.9	2.4	3.4	3.4	3.3	4.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
Males						
In education and training	64.6	61.8	54.4	45.9	35.9	25.3
University	32.0	32.6	30.2	26.6	22.3	14.5
Low level VET	2.9	1.4	0.4	0.6	0.5	0.4
High level VET	13.0	9.5	4.5	3.7	3.8	3.3
Apprenticeship	11.6	15.3	17.1	13.6	8.0	5.1
Traineeship	5.1	3.0	2.2	1.4	1.3	2.0
Not in education and training	35.3	38.3	45.7	54.1	64.1	74.7
Full-time work	14.7	18.9	27.1	35.9	49.1	60.8
Part-time work	11.3	11.6	12.1	11.3	10.0	8.4
Unemployed	7.0	6.1	4.8	5.5	4.0	3.3
NILF	2.3	1.7	1.7	1.4	1.0	2.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
Females						
In education and training	67.6	64.2	51.2	44.2	35.7	25.6
University	40.8	44.9	39.7	34.0	26.4	17.3
Low level VET	2.3	1.8	0.6	0.6	0.6	0.9
High level VET	15.5	11.9	5.5	5.1	5.4	5.2
Apprenticeship	2.5	2.1	2.3	1.9	1.4	1.2
Traineeship	6.5	3.5	3.1	2.6	1.9	1.0
Not in education and training	32.4	35.9	48.9	55.8	64.3	74.3
Full-time work	9.9	15.1	21.2	29.7	40.7	49.5
Part-time work	13.9	13.6	17.7	16.7	14.6	14.7
Unemployed	5.0	3.9	4.7	3.9	3.2	3.5
NILF	3.6	3.3	5.3	5.5	5.8	6.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source: Estimates derived by Stephen Lamb from the 1998 cohort of LSAY.

Full-time employment was gained by school non-completers at a higher rate than by Year 12 school leavers (by 7.9 points in the first year). However this gap narrows over time as Year 12 completers also complete other forms of study, so that by the sixth year the full-time employment rates are roughly the same.

Being unemployed or not in the labour force varies by level of school attainment. After six post-school years, 14.6 per cent of early leavers are unemployed or not in the labour force compared to 6.2 per cent of Year 12 completers.

Table 29
Main activities of young people annually across the first 6 post-school years, by school completion (%)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Year 12 completers						
Education and training	69.8	67.7	56.3	48.6	39.0	27.1
University	44.3	46.6	41.7	36.0	28.6	18.5
Low level VET	1.5	0.9	0.5	0.6	0.6	0.5
High level VET	15.2	11.4	5.1	4.5	4.5	4.0
Apprenticeship	4.6	5.9	6.9	5.8	4.0	2.7
Traineeship	4.2	2.9	2.1	1.7	1.3	1.4
Not in education and training	30.2	32.3	43.8	51.4	61.0	72.8
Full-time work	11.0	14.9	22.6	31.4	43.1	55.8
Part-time work	11.5	11.8	14.7	13.5	12.6	10.8
Unemployed	5.4	3.8	3.7	4.0	2.9	2.6
NILF	2.3	1.8	2.8	2.5	2.4	3.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Non-completers						
Education and training	49.5	42.7	38.5	29.2	21.4	16.2
University	0.0	2.0	3.8	3.4	4.4	3.7
Low level VET	7.4	4.7	0.5	0.4	0.3	1.1
High level VET	9.0	8.0	4.8	3.8	5.0	4.1
Apprenticeship	19.3	22.8	24.4	18.2	8.5	5.6
Traineeship	13.8	5.2	5.0	3.4	3.2	1.7
Not in education and training	50.5	57.3	61.5	70.8	78.6	83.8
Full-time work	18.9	27.0	31.8	40.4	54.4	55.2
Part-time work	16.5	15.1	14.5	14.7	10.7	13.6
Unemployed	9.1	9.7	8.7	7.9	6.5	6.7
NILF	6.1	5.5	6.5	7.8	7.1	7.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Estimates derived by Stephen Lamb from the 1998 cohort of LSAY.

Qualifications help young people in moving successfully from education to work

The transition from education to the labour force can be affected by a number of factors, including economic conditions. The data show that an individual's level of education, particularly the completion of higher level post-school qualifications, can also play an important role.

Table 30 presents the main activities of young people in their sixth year after leaving school, broken down according to the highest level of qualification they had achieved by the end of their fifth post-school year. The results show that by the sixth year, a large majority was no longer in education and training. A salient point is that labour force activity in the sixth year is influenced by the qualifications gained by Year 5.

Compared to those without any school or post-school qualifications, university graduates had a higher rate of full-time employment (63.8 per cent as against 56.2 per cent). In the same comparison, graduates were also both much less likely to be unemployed (1.4 per cent compared with 8.5 per cent) or not in the labour force (1.9 per cent as against 10.1 per cent).

Table 30
Main activities of young people in their sixth post-school year, by highest level of qualification gained by the fifth post-school year (%)

Activity in sixth year	HIGHEST LEVEL OF POST-SCHOOL QUALIFICATION GAINED BY YEAR 5								
	None		Post-school Vocational						Higher educ.
	Non-completer	Year 12	Cert 1	Cert 2	Cert 3	Cert 4	Appr.	Dip-loma	Degree
All									
In education	10.4	32.8	45.7	24.2	25.7	26.2	13.1	29.0	21.6
University	3.2	23.1	14.3	6.6	9.0	12.4	1.4	21.6	18.6
High level VET	0.9	0.6	0.0	2.5	0.2	1.2	0.0	0.5	0.4
Low level VET	1.3	4.0	5.7	5.7	7.8	9.7	3.2	2.9	2.2
Apprenticeship	5.0	5.1	25.7	9.4	8.8	3.1	8.6	4.0	0.4
Not in education	89.6	67.2	54.3	75.8	74.3	73.8	86.9	71.0	78.4
Full-time work	56.2	48.7	22.9	51.2	54.3	54.1	76.0	49.6	63.8
Part-time work	14.8	10.5	5.7	13.5	10.8	11.6	3.2	15.6	11.3
Unemployed	8.5	3.2	5.7	6.6	4.1	4.2	2.3	3.2	1.4
NILF	10.1	4.8	20.0	4.5	5.1	3.9	5.4	2.6	1.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Only those not in education and training in the sixth year									
Full-time work	62.7	72.4	42.1	67.6	73.1	73.3	87.5	69.9	81.3
Part-time work	16.5	15.7	10.5	17.8	14.6	15.7	3.6	21.9	14.5
Unemployed	9.5	4.8	10.5	8.6	5.5	5.8	2.6	4.5	1.8
NILF	11.3	7.1	36.8	5.9	6.9	5.2	6.3	3.7	2.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Estimates derived by Stephen Lamb from the 1998 cohort of LSAY.

03 Moving from education to work

Apprentices also have very good employment outcomes. Those who had completed an apprenticeship had the second lowest unemployment level (2.3 per cent) and the highest percentage in full-time work (76 per cent) compared with those who had completed other qualifications.

The pay-off in employment terms for apprentices is even more apparent when looking at the labour force status of only those who were not in education and training in their sixth post-school year. This information is reported in the bottom panel of Table 30. It shows that apprentices had the highest rate of full-time employment (87.5 per cent) and the second lowest rate of unemployment (2.6 per cent).

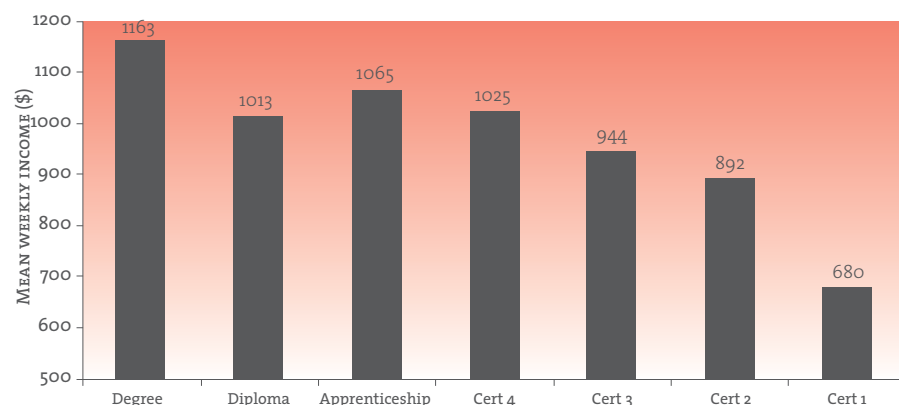
In the sixth post-school year, young people who had no post-school qualifications and had left school before gaining a school certificate had the highest proportion not in study (89.6 per cent). This same group also had a high level of unemployment among those not in study — 9.5 per cent, a rate five times higher than for those with a university degree. Young people with low level post-school qualifications did not fare much better. Among those with a Level 2 Certificate, 8.6 per cent were unemployed and for those with just a Level 1 Certificate, the unemployment rate was 10.5 per cent.

Attainment also has an impact on earnings

In addition to employment, education pays off in terms of earnings. Figure 19, which displays mean weekly earnings for full-time workers by post-school qualification, shows that higher income generally is associated with a higher level of education. On average, a university graduate's income was \$480 higher per week than the income of someone who had completed a vocational certificate at Level 1. A graduate's income was \$219 higher than for someone who had a Level 3 Certificate, and \$150 more than for someone who held a VET diploma.

Apprenticeship qualifications also deliver a high return. The mean weekly earnings of apprentices are only slightly lower than those of university graduates at this point of their respective career cycles.

Figure 19
Mean weekly earnings of those in full-time work in 6th post-school year, by post-school qualification attainment (\$)



Source: Estimates derived by Stephen Lamb from the 1998 cohort of LSAY.

Levels of participation in education, training and the labour market are objective indicators of the wellbeing of young people. The data presented in each of the preceding three parts of the report point to deterioration in the earning and learning situation of young Australians in 2009, with higher proportions of teenagers, school leavers, and young adults not fully engaged in learning or earning compared with the previous year. In this context, and particularly if these worsening economic circumstances for young people persist, it is both relevant and necessary to also consider their experiences from a more subjective viewpoint. An investigation of other facets of their wellbeing, including measures of their physical and mental health, and satisfaction with various aspects of their lives, provides a more comprehensive picture of how young people are faring.

Existing data on the perceptions held by young people can shed some light on their subjective wellbeing. At first glance, the impression gained is a positive one. Young people tend to be healthier than the population as a whole, and in terms of mental health, fewer report high levels of psychological distress compared with other age groups in the population. Furthermore, they generally express a high degree of satisfaction with life — some surveys find that only small proportions of young people say they are unhappy about various aspects of their lives. However, more detailed analyses of such data can highlight subgroups within the youthful age cohort who are more vulnerable than others, and who therefore require additional support. Results of these analyses reinforce other findings concerning the difficulties faced by those young people who are most likely to encounter problems in making a transition to the labour market.

04 The wellbeing of young Australians

Health and wellbeing

Most young people say their health is good

The most recent ABS *National Health Survey*, designed to obtain national benchmarks on the health status of the population, was conducted from August 2007 to June 2008. As might be expected, when asked to assess their health young people are more inclined than the population as a whole to rate this as excellent or very good. Table 31 records the responses of 18 to 24 year-olds.

Table 31

Self-assessed health status, young people aged 18 to 24 years, by gender, Australia 2007-2008 (%)

HEALTH STATUS	MALES	FEMALES	PERSONS
Excellent	26.5	20.5	23.5
Very good	42.4	40.5	41.5
Good	26.2	29.6	27.9
Fair/Poor	4.9	9.3	7.1
TOTAL	100.0	100.0	100.0

Source: ABS 2007-2008 *National Health Survey* (customised table)

Almost two thirds (65 per cent) of young people assessed their health as either excellent or very good (the comparable figure for the total adult population, not displayed in the table, was 55.8 per cent). At the other extreme, 7.1 per cent of those aged 18 to 24 said their health was fair or poor (as against 15.1 per cent of all adults). Males were more likely to be more positive than females in assessing their own health. More than one in four (26.5 per cent) of 18 to 24 year old males said their health was excellent as against one in five (20.5 per cent) females. Conversely, higher proportions of females than males rated their health as fair or poor (9.3 per cent and 4.9 per cent respectively), and good (29.6 per cent compared with 26.2 per cent).

High levels of psychological distress are no more prevalent among young people than the rest of the population. However the incidence of distress levels is higher among young women than young men.

Another indicator available from the NHS concerns mental health. This measure is derived using the 10 item Kessler 10 (K10) Scale of current psychological distress, which asks about feelings such as hopelessness and depression, and is referenced to the four weeks prior to interview. Responses are scored, with high scores indicating severe distress, and results in Table 32 are presented in three categories — low, moderate, and high to very high distress levels. It reveals that slightly fewer young people report high to very high levels of psychological distress than most other older age groups in the population.

Table 32

Prevalence of psychological distress among selected age groups, by gender, Australia, 2007-2008 (%)

Distress level	18-24 YEARS			25-34 YEARS			45-54 YEARS			TOTAL ADULT POPULATION		
	M	F	P	M	F	P	M	F	P	M	F	P
Low	71.2	52.4	62.0	67.3	59.1	63.2	72.5	64.8	68.6	71.8	63.0	67.3
Moderate	22.3	30.1	26.2	21.9	26.9	24.4	16.4	19.9	18.1	18.6	22.7	20.7
High/very high	6.5	17.5*	11.9	10.9	13.9	12.3	11.1	15.3	13.3	9.6	14.3	12.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ABS 2007-2008 National Health Survey

Note * estimate has a high relative standard error and should be used with caution

In 2007-2008, 62 per cent of young people aged 18 to 24 had scores which indicated low distress levels, with 26.2 per cent having moderate and 11.9 per cent high or very high distress levels. This compares with figures of 63.2 per cent, 24.4 per cent and 12.3 per cent respectively for people aged from 25 to 34 years. While a marginally lower percentage of 18 to 24 year-olds experienced high levels of psychological distress compared with those in the next age category, proportionally more 18 to 24 year-olds were deemed to be experiencing moderate distress levels. The most frequent occurrence of high to very high distress levels occurred among people aged 45 to 54 years. For the adult population as a whole, the figures were 67.3 per cent low, 20.7 per cent moderate, and 12 per cent high to very high.

Across most age groups, proportionally fewer males than females report high to very high levels of distress. This gender difference was also found among young people, with a much higher percentage of young women in the 18 to 24 year age range reporting high to very high psychological distress levels — this figure for females was high not only compared with males of the same age, but compared with females of other age groups. Despite the caveat that the estimate has a high standard error, and should be used with caution, it also signals that there may be a need for additional focus on the emotional welfare of young women.

School completion seems to be positively associated with psychological health in the post-school years. Further analyses of the responses according to the highest year level that young people had completed at school are recorded in Table 33. A much higher proportion (more than one in four) of those who had left school after completing Year 11 reported experiencing high to very high distress levels, compared to one in ten who had finished Year 12. School completion seems to be positively associated with psychological health in the post-school years, a finding that adds another dimension to the other beneficial outcomes of completing secondary school, such as greater security in the labour market.

Table 33

Prevalence of psychological distress among 18 to 24 year-olds, by highest level of school completed and gender, 2007-2008 (%)

Distress level	YEAR 12 COMPLETERS			YEAR 11 COMPLETERS		
	Males	Females	Persons	Males	Females	Persons
Low distress	71.6	55.3	63.1	68.1	32.6 *	48.7
Moderate	23.7	29.5	26.7	14.4 *	34.5 *	25.4
High/very high	4.7	15.2	10.1	17.5 *	32.8 *	25.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Source: ABS 2007-2008 National Health Survey (customised table)

Notes: * estimate has a high relative standard error and should be used with caution.

Data were not available with which to report results for those who left at Year 10 or below.

04 The wellbeing of young Australians

Teenagers and their quality of life

Satisfaction with various aspects of life is linked to the study and work situations of young people: at age 19, those who are fully engaged in work or study are happier

Other domains of wellbeing, aside from health, also warrant attention when taking a more holistic approach to the question of how young people are faring. Subjective wellbeing can encompass feelings of satisfaction with a range of different aspects of life. Some national data on which to base an investigation of young peoples' perceptions of their life can be drawn from LSAY.

Each year the LSAY survey includes a set of questions about how happy respondents feel with various aspects of their life (with four response categories ranging from 'very happy' to 'very unhappy'). Results for the 2003 cohort to the 2007 survey are presented in Table 34.

Table 34

Satisfaction with various aspects of life, by main activity, 19 year-olds in 2007 (%)

	MAIN ACTIVITY IN 2007									
	Full-time study	Full-time work	App/ Trainee	FULLY ENGAGED	Part-time study	Part-time work	Unemployed	NILF	NOT FULLY ENGAGED	All
The work you do, at study, at home or in a job										
Very happy	29	35	41	33	29	28	10	22	24	31
Happy	66	59	55	62	64	64	65	63	64	62
Unhappy	5	6	3	5	8	7	22	14	11	6
Very unhappy	-	1	-	-	-	1	3	1	1	1
The money you get each week										
Very happy	20	30	18	23	21	20	8	15	17	22
Happy	63	58	55	60	57	61	33	56	54	59
Unhappy	15	10	22	15	18	17	44	24	24	16
Very happy	2	2	4	2	5	3	15	5	6	3
Your standard of living										
Very happy	59	57	55	58	53	51	35	45	47	56
Happy	40	41	43	41	40	47	59	50	49	42
Unhappy	1	1	2	1	5	1	5	3	3	2
Very happy	-	-	1	-	2	-	1	1	1	-
Your career prospects										
Very happy	45	40	54	45	34	31	21	27	28	43
Happy	51	52	44	50	59	59	57	58	58	51
Unhappy	4	7	3	4	7	10	22	14	13	6
Very happy	-	1	-	-	-	1	-	2	1	-
Your independence – being able to do what you want										
Very happy	56	64	65	60	57	59	44	43	53	59
Happy	40	34	34	37	38	39	48	50	42	38
Unhappy	4	2	1	3	5	2	7	6	4	3
Very happy	-	-	-	-	1	-	1	1	-	-
Your social life										
Very happy	55	57	62	57	48	57	39	43	50	56
Happy	42	40	34	40	46	39	54	52	45	41
Unhappy	3	3	3	3	6	3	6	6	4	3
Very happy	-	-	-	-	-	-	-	-	-	-
Your life as a whole										
Very happy	57	58	59	58	49	52	39	46	48	56
Happy	42	42	41	42	50	47	58	52	51	43
Unhappy	1	1	1	1	2	-	3	1	1	1
Very happy	-	-	-	-	-	-	-	1	-	-

Source: Derived from 2003 cohort of LSAY
Column totals for each item may not sum to 100 due to rounding.

Participants were approximately 19 years old at that time, and their responses have been disaggregated according to the main work or study activity in which they were engaged in that year. For purposes of comparison, these seven activities have also been grouped into two broad categories — either fully engaged (those in full-time education or full-time work, including apprentices and trainees), or not fully engaged (those who were in part-time study or part-time work only, unemployed, or not in the labour force).

Focusing first on a single summary measure of wellbeing, Table 34 reveals that young people who were fully engaged expressed greater satisfaction with their life: 58 per cent indicated that they were very happy with their life as a whole, whereas 48 per cent of those who were neither in full-time education nor full-time work gave that response.

Levels of happiness vary according to main activity, with apprentices among those more likely to report being very happy with their work and career prospects

A global judgement about how happy they were with their life overall was clearly influenced by particular aspects of it. When young people were asked to say how happy they were with separate aspects of their life, perceptions about the work they did (whether studying, at home, or in a job) varied according to their main activity. For instance, noticeably higher percentage of apprentices (41 per cent) indicated that they were very happy with their work, compared with others in full-time jobs (35 per cent), and part-time workers (28 per cent).

Not unexpectedly, the ten percentage point gap between the two main groups of respondents was even larger for the item that asked how happy they were with their career prospects: 45 per cent of young people who were fully engaged were very happy with that aspect of their life, compared with 28 per cent of those not fully engaged. Of this latter group, 13 per cent were unhappy with their career prospects and this percentage that was unhappy varied in a predictable pattern, ranging from 7 per cent of those in part-time study, to 22 per cent of those who were unemployed. By contrast, among young people who were fully engaged, apprentices and trainees were much more inclined to be positive about their future career — 54 per cent said they were very happy about it, as against 40 per cent of others who were full-time workers but not in any training.

Females who are not fully engaged in study or work perceive their career prospects as more limited compared with males in the same situation

Differences in response patterns concerning how happy young people were, depending on whether or not they were fully engaged in education or work, were generally consistent for males and females. This can be seen from Table 35. Both males and females who were in full-time education or work were more likely to say they were very happy with their life as a whole, and with particular aspects of life — for instance, their social life, their independence, and the work or study they did. However, when asked about their career prospects, females who were not fully engaged were less optimistic than males in the same situation — the percentage saying they were very happy with these prospects was lower among females (27 per cent) than among males (31 per cent).

04 The wellbeing of young Australians

Table 35

Satisfaction with various aspects of life, by gender and engagement in education or work, 19 year-olds in 2007 (%)

	MALES		FEMALES	
	Fully engaged	Not fully engaged	Fully engaged	Not fully engaged
The work you do, at study, at home or in a job				
Very happy	32	21	33	25
Happy	62	66	62	62
Unhappy	5	11	5	11
Very unhappy	-	1	-	2
The money you get each week				
Very happy	23	18	23	15
Happy	60	52	60	55
Unhappy	14	24	15	23
Very unhappy	2	6	2	7
Your standard of living				
Very happy	57	49	59	46
Happy	41	47	40	51
Unhappy	1	3	1	3
Very unhappy	-	1	-	-
Your career prospects				
Very happy	45	31	45	27
Happy	50	55	50	61
Unhappy	4	13	5	12
Very unhappy	1	1	-	-
Your independence – being able to do what you want				
Very happy	59	52	60	54
Happy	39	42	36	43
Unhappy	2	5	4	4
Very unhappy	-	1	-	-
Your social life				
Very happy	58	51	56	49
Happy	39	45	41	45
Unhappy	2	3	3	5
Very unhappy	-	-	-	-
Your life as a whole				
Very happy	57	47	59	48
Happy	43	51	40	50
Unhappy	1	1	1	1
Very unhappy	-	1	-	-

Source: Derived from 2003 cohort of LSAY
Column totals for each item may not sum to 100 due to rounding.

School completion has a positive effect on satisfaction with career prospects

Economic analyses have demonstrated the benefits that flow from school completion, for instance in the form of higher earnings (see for example ABS, 2006b). A more subjective indicator of the value of completing school is recorded in Table 36. Young people were asked to consider their career prospects and say how happy they felt about them. A much higher percentage of females who finished Year 12 were happy or very happy about their career prospects (in total, 95 per cent) compared with early school leavers (86 per cent). This nine percentage point gap between female school completers and non-completers was not found among males. For females, school completion contributes to greater optimism about their future careers.

Table 36

Satisfaction with career prospects, by gender and school completion, 19 year-olds in 2007 (%)

Your career prospects	MALES		FEMALES	
	Completed Year 12	Non-completer	Completed Year 12	Non-completer
Very happy	44	42	42	41
Happy	51	51	53	45
Sub-total	94	93	95	86
Unhappy	5	6	5	14
Very unhappy	1	1	-	1
TOTAL	100	100	100	100

Source: Derived from 2003 cohort of LSAY
Column totals may not sum to 100 due to rounding.

Young adults and their quality of life

Sense of wellbeing, both social and economic, is linked to success in work and study

A key set of issues surrounding the transition from education to work is concerned with how well young people adapt to their changing circumstances and how they feel about those circumstances. What is their sense of wellbeing? How do they view their quality of life?

The opinions of the 1998 LSAY cohort in the 2007 survey, when most young people were approximately 24 years of age and had been out of school for at least six years, are contained in Table 37. The items relate to various aspects of their lives and the figures presented are the percentages who reported being 'very happy'. Results are disaggregated according to the main work or study activity in 2007, for all persons as well as by gender.

For these young adults, their sense of satisfaction with life and wellbeing more generally is related to their education and work status. Those who were in full-time work expressed greater satisfaction with their life: 58 per cent indicated that they were very happy with their life as a whole, whereas only 27 per cent of those who were unemployed felt the same way and 48 per cent of those not in the labour force gave that response.

Dimensions of life most closely linked to work, income and careers elicit very different responses based on the engagement of young adults in work and study. Those in full-time work are much happier about their career prospects, the work they do, their future and their standard of living than those who were unemployed, not in the labour force or in part-time work. For instance, noticeably higher percentage of apprentices (51 per cent) and those in full-time work (57 per cent) indicated that they were very happy with their future, compared with those in part-time work (44 per cent), unemployed (22 per cent) or not in the labour force (46 per cent).

Table 37Satisfaction with various aspects of life, by main activity, 24 year-olds in 2007 (percentages *very happy*) (%)

Per cent 'Very happy' with...	MAIN ACTIVITY IN 2007					
	Full-time study	Full-time work	Appr/ Trainee	Part-time work	Unemp-loyed	NILF
All persons						
Work you do	36	41	40	39	15	31
Spare time	45	52	50	49	33	32
Getting on with others	59	55	62	60	44	57
Money you get each week	17	26	25	24	4	18
Social life	49	53	53	49	29	43
Independence	63	65	69	60	49	60
Career prospects	54	60	46	32	21	25
Future	56	57	51	44	22	46
Life at home	57	55	59	55	34	48
Standard of living	54	61	57	53	37	37
Your life as a whole	52	58	59	54	27	48
Males						
Work you do	32	40	39	37	22	15
Spare time	44	53	49	47	36	20
Getting on with others	60	57	58	55	46	33
Money you get each week	17	28	25	19	5	11
Social life	49	56	51	51	28	41
Independence	65	65	66	57	51	49
Career prospects	54	64	46	34	21	28
Future	55	59	49	39	22	30
Life at home	55	57	57	51	37	40
Standard of living	56	62	55	49	32	29
Your life as a whole	51	57	57	49	15	33
Females						
Work you do	38	51	42	40	9	35
Spare time	45	57	52	51	32	37
Getting on with others	58	57	67	62	42	65
Money you get each week	18	24	24	26	3	19
Social life	48	46	54	49	30	44
Independence	62	73	73	62	48	64
Career prospects	54	53	46	31	21	24
Future	58	58	54	48	21	51
Life at home	57	51	61	57	31	52
Standard of living	53	65	59	55	40	39
Your life as a whole	53	68	62	56	34	53

Source: Derived from the 1998 cohort of LSAY

04 The wellbeing of young Australians

Gender differences in the proportions which were very happy are generally not marked, apart from responses of young adults who had withdrawn from the labour force. Females not in the labour force are much happier than males in that situation; 53 per cent of those females reported being very happy with their life as a whole compared to only 33 per cent of their male peers. Differences in the reasons why males and females are outside of the labour force at this stage of their lives are likely to account for their contrasting responses.

Much of the difference in sense of wellbeing is related to employment, careers and money. This is evident from the data contained in Table 38 which show the percentages of young people who reported experiencing, during the year, stressful events linked to their financial situation. The results are broken down by main activity in 2007.

Those who were unemployed or not in the labour force far more frequently reported having to sell something to get by, or go without meals, borrow money to live on, or not pay bills due to a lack of money. Young adults who were in full-time study also experienced such difficulties more often than those in full-time work.

Table 38
Incidence of financial stress in 2007, by main activity, 24 year-olds (%)

In 2007	MAIN ACTIVITY IN 2007					
	Full-time study	Full-time work	Appr/ Trainee	Part-time work	Unemp-loyed	NILF
Sold something to get by	7	5	3	8	29	13
Went without meals	8	3	2	8	19	8
Had to ask family for help	32	18	19	27	48	29
Had to borrow money to live on	12	7	6	18	30	18
Didn't get medicines or go to doctor	7	4	3	6	20	10
Couldn't buy study books	15	1	3	2	5	2
Couldn't buy other things I needed	16	6	5	13	35	14
Couldn't pay service bills	14	9	11	21	43	18
Couldn't pay rent or mortgage	7	5	5	8	27	9
Couldn't afford to pay for heating	4	2	1	3	11	3

Source: Derived from the 1998 cohort of LSAY

References and appendix tables

- Australian Bureau of Statistics (ABS) (2009) *Labour Force, Australia, Detailed – Electronic Delivery May 2009* Cat. No. 6291.o.55.001. Canberra: ABS.
- Australian Bureau of Statistics (2008a) *Schools, Australia* Cat. No. 4221.o. Canberra: ABS.
- Australian Bureau of Statistics (2008b) *Population by Age and Sex, Australian States and Territories*. Cat. No. 3210.o Canberra: ABS.
- Australian Bureau of Statistics (2008c) *Persons Not in the Labour Force* Cat. No. 6220.o. Canberra: ABS.
- Australian Bureau of Statistics (2006a) *Census of Population and Housing* Canberra: ABS.
- Australian Bureau of Statistics (2006b) Research Paper: Measuring Option Values and the Economic Benefits of Completing Secondary Education (Methodology Advisory Committee). Cat. No. 1352.o.55.o82. Canberra: ABS.
- Australian Bureau of Statistics (2005) *Education and Training Experience, Australia 2005* Cat. No. 6278.o. Canberra: ABS.
- Australian Bureau of Statistics (2001) *Census of Population and Housing* Canberra: ABS.
- Australian Bureau of Statistics (2001-08) *Education and Work, Australia* Catalogue No. 6227.o. Canberra: ABS.
- Borland, J., P. Dawkins, Johnson, D. and R. Williams (2000) *Returns to investment in higher education: The Melbourne Economics of Higher Education Research Program Report No. 1*. Report to the Vice-Chancellor, The University of Melbourne. [Online] <http://www.melbourneinstitute.com/publications/reports/rihe.pdf>
- COAG 2006, *Council of Australian Governments Meeting, 14 July 2006, Communiqué*, [Online] <http://www.coag.gov.au/coag_meeting_outcomes/2006-0714/docs/coag140706.pdf>
- Huntly Consulting Group Pty Ltd (2008) *Exits from the Trades Final Report*. Prepared for the Department of Education, Employment and Workplace Relations, Australian Government, Canberra.
- National Centre for Vocational Education Research (NCVER) (2009) *National Apprentices and Trainees collection*.
- Organisation for Economic Cooperation and Development (OECD) (2008a) *Stats Extracts: Education at a Glance 2008 OECD Indicators: Indicator A1* [Online] <http://dx.doi.org/10.1787/401474646362>
- Organisation for Economic Cooperation and Development (OECD) (2008b) *Education at a Glance: 2008 OECD Indicators: Indicator C4* [Online] http://www.oecd.org/document/9/0,3343,en_2649_39263238_41266761_1_1_1_1,00.html#4
- Organization for Economic Co-operation and Development (OECD) (2004) *Learning for Tomorrow's World – First Results from PISA 2003*. OECD: Paris.
- United Nations (2009) *Message of the Secretary General on International Youth Day 2009*. [Online] <http://www.un.org/esa/socdev/unyin/iyouthday.htm>
- Victorian Department of Education & Early Childhood Development (2007) *On Track Longitudinal 2007 Results* [Online] http://www.eduweb.vic.gov.au/edulibrary/public/voced/ontrack/longitudinal_2007.pdf

References

Table A1

Proportion of young adult males and females aged 20 to 24 years not in full-time education who are in part-time work, unemployed, or not in the labour force, May, 1989-2009 (%)

	IN PART-TIME WORK			UNEMPLOYED			NOT IN THE LABOUR FORCE		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
May	%	%	%	%	%	%	%	%	%
1989	3.6	10.3	6.9	7.3	6.0	6.7	3.4	15.9	9.6
1990	4.2	9.7	6.9	8.4	6.0	7.2	3.9	15.5	9.6
1991	5.0	9.5	7.2	12.8	9.2	11.0	4.0	15.8	9.9
1992	5.8	12.3	9.1	15.0	8.9	12.0	3.9	15.4	9.6
1993	6.7	12.4	9.5	14.2	8.3	11.3	4.3	16.9	10.5
1994	6.5	12.9	9.7	12.6	7.9	10.3	5.4	15.0	10.2
1995	6.5	13.0	9.7	9.9	7.5	8.7	4.6	15.1	9.8
1996	6.3	13.5	9.8	9.7	7.1	8.4	4.5	14.8	9.6
1997	7.3	14.3	10.8	12.0	8.8	10.4	5.0	14.2	9.6
1998	8.3	12.6	10.4	10.0	7.1	8.5	5.2	14.1	9.6
1999	8.0	14.6	11.3	7.9	6.7	7.3	5.8	13.9	9.8
2000	7.0	13.0	10.0	7.7	5.6	6.7	4.8	12.2	8.5
2001	7.7	13.7	10.7	8.6	6.2	7.4	4.9	12.1	8.5
2002	7.9	12.6	10.2	7.4	4.5	6.0	4.5	13.7	9.0
2003	9.0	13.0	11.0	7.3	5.3	6.3	5.6	12.6	9.1
2004	9.4	14.5	11.9	5.6	4.1	4.9	6.2	13.4	9.8
2005	8.8	13.8	11.3	5.4	4.2	4.8	4.9	11.9	8.3
2006	8.0	13.1	10.5	5.5	3.1	4.3	5.3	11.8	8.5
2007	7.3	13.6	10.4	3.9	3.1	3.5	5.2	12.0	8.5
2008	7.3	12.6	9.9	4.9	2.8	3.9	4.8	10.6	7.6
2009	10.3	13.2	11.7	6.5	3.6	5.1	5.5	11.6	8.5

Source: ABS *Labour Force Australia* (2009) (data cube LM3)

Appendix tables

Table A2Attainment of at least upper secondary education¹ in OECD countries by gender, population aged 25-34 and 25-64, 2006 (%)

	25 to 64		25 to 34	
	Males	Females	Males	Females
Australia	71	63	80	80
Austria	87	74	90	85
Belgium	67	67	80	84
Canada	85	86	90	93
Czech Republic	94	87	95	94
Denmark	83	80	88	89
Finland	77	82	88	92
France	69	66	81	84
Germany	86	80	85	83
Greece	58	59	70	80
Hungary	82	75	85	86
Iceland	66	60	65	70
Ireland	63	69	79	86
Italy	51	52	63	71
Korea	82	71	97	98
Luxembourg	69	62	76	80
Mexico	35	30	39	38
Netherlands	75	70	79	83
New Zealand	72	67	77	79
Norway	79	79	82	85
Poland	46	59	57	71
Portugal	25	30	38	51
Slovak Republic	91	83	95	93
Spain	49	50	59	70
Sweden	82	86	90	92
Switzerland	88	82	90	87
Turkey	33	23	44	30
United Kingdom	72	66	76	77
United States	87	89	85	89
OECD AVERAGE	70	67	77	79

Source: OECD 2008a

1. Excluding ISCED 3C short programmes

Notes

The Foundation for Young Australians
21-27 Somerset Place
Melbourne Victoria 3000

GPO Box 239
Melbourne Victoria 3001

P 03 9670 5436
F 03 9670 2272

www.fya.org.au