

VICTORIAN SCHOOL LEAVERS: PATHWAYS AND OUTCOMES

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Overview

The transition from education to work for many young people is not a single step of leaving the educational system and entering the world of work. The transition process can extend for some time with neither an obvious starting point nor a clearly defined end. It may involve several steps back and forth between education and work. It may be interrupted by job search and waiting times, involuntary unemployment or chosen time off for leisure, travel or other activities (Müller and Gangl, 2000: 2).

Little is known about the pathways followed by secondary school leavers in Victoria. Standard labour market measures based on the official definition of unemployment fail to take into account the complexity of the factors involved in young people's education and employment activities. These official measures often provide an inadequate information base on which to assess young people's progress and to identify the nature and extent of the problems they are encountering. Inadequate measures can also produce inappropriate policy responses. The ability of education providers and other community-based groups to follow up and offer assistance to school leavers depends on the ready availability at the local level of comprehensive information on post school student outcomes.

The unemployment rate is an inadequate measure of how young people fare in their transition from education to work. Its inadequacy stems from its partial coverage of the relevant young age cohorts, its cross sectional and hence static profile, and its somewhat arbitrary definition of job seeker. It is, therefore, often not possible to encapsulate all the aspects of teenage or young adult unemployment in a single measure. Alternative measures of young people's transition from education to work are required which are more appropriate in assessing the extent of the problem and the nature of policy responses (see OECD, 2000a).

This paper presents unpublished data from the Australian Bureau of Statistics Monthly Population Survey to show, in a partial way, the pathways undertaken by 1998 Victorian school leavers. Also presented are unpublished data on the education attainment of Victorians compared with the rest of Australia.

Post-school pathways

¹ Richard Curtain (PhD, ANU) was consultant to the Victorian Review of Post Compulsory Education and Training Pathways, final report released August 2000. This paper draws on the data analysis produced for the interim and final reports of the review. Other analysis is drawn from a concept paper on youth employment strategies commissioned by the UN's Social Development Division. The views expressed in the paper are the author's alone.

Compulsory schooling ends in Victoria at 15 and 9 months. Most students turn age 16 years during Year 10. The post compulsory education pathways of young Victorians are shown in Table 1. The data refer to the destinations in May 1999 of those who left secondary school in 1998. The school leavers are grouped by the year that they completed at secondary school: Year 10, 11 or 12 or other year not specified. The latter may refer to either those who left before completing Year 10 or those who left after completing their thirteenth year at secondary school.

Table 1: Persons Aged 15 to 24 Who Have Left School (a): Highest Year of School Completed, Victoria, May 1999

		Completed Year 10	Completed Year 11	Completed Year 12	Completed Other Year	Total leaving school in 1998
Attending in May 1999						
	Higher education	0.0	0.0	52.9	14.2	38.9
	TAFE	32.6	20.9	20.7	37.5	23.0
	Other (b)	9.1	13.7	2.2	0.0	4.0
Not attending in May 1999 and						
	in FT work	13.5	21.9	6.4	12.9	9.2
	in PT work	8.8	10.5	5.6	15.9	7.1
	Unemployed	8.8	25.5	7.5	0.0	9.1
	Not in LF	27.2	7.5	4.8	26.9	8.7
Total percent		100	100	100	100	100
Total Number		6,575	7,411	48,609	4,288	66,884

Source: Source: ABS, Transition from Education to Work, May, Cat. No. 6227.0 (unpublished data)

Notes : Estimates below 5,192 and percentages based on such estimates are subject to high standard error and should be used with caution

(a) comprises persons who attended school in 1998 and were not attending school in May 1999

(b) includes Business colleges, industry skills centres and other educational institutions

The table is a complex one because of the number of education and labour market outcomes it records for each year of post compulsory schooling completed. Looking at the education outcomes first, the table shows that outcomes are notably different for each year of completion. For Year 10 secondary school leavers, 42 per cent have chosen another education pathway. Table 1 shows that a third of Year 10 school leavers have gone onto TAFE to continue their education and 9 per cent have gone onto to business colleges, industry skills centres and other educational institutions.

For Year 11 secondary school leavers, the proportion still in education has dropped to 35 per cent with 21 per cent in TAFE and 14 per cent with other education providers. Amongst those who left secondary school having completed another year, just over half (52 per cent) are in further

education. Compared to Australian data for Year 11 school leavers, Victorian Year 11 leavers are notably less likely to be still in education (45 per cent compared with 35 per cent).

Situation in Victoria

However, the education participation level of Year 12 school leavers in Victoria is markedly different. Fully three quarters (76 per cent) of Year 12 leavers have continued onto some form of further education. Over half of Year 12 leavers have entered higher education and 21 per cent have gone onto TAFE.

It is likely that many of those going to TAFE are also employed as apprentices or trainees. Data for Australia as a whole show that nearly half of the TAFE attenders among Year 10 and Year 11 leavers are also full-time employees. Another 21 per cent of Year 10 and 11 school leavers who have gone onto TAFE are also part-time employees (ABS 1999, Table 16).

Year 12 secondary school leavers accounted for 73 per cent of all secondary school leavers in Victoria in 1998. This compares with 68 per cent of all school leavers who were Year 12 completers Australia-wide. Victoria clearly performs better than the national profile of school leavers. Of the remaining 27 per cent who left in a year other than at the end of Year 12, as many as two-thirds (68 per cent) did not go onto further education. What has happened to these school leavers who decided that, at this stage in their lives at least, they did not want to continue their formal education.

The labour market outcomes for each year of school completers are also notably different. Year 10 school leavers not in further education are the most likely of the four groupings of school leavers to be not in work. Some Year 10 leavers are actively looking for work (9 per cent) but a significant proportion (27 per cent) are without work and are not actively looking for work. Among Year 11 leavers, nearly a third (32 per cent) are in work compared with 22 per cent of Year 10 school leavers. A high proportion (26 per cent) of Year 11 school leavers, compared with the other school leavers, are actively looking for work. Among the completed other year leavers, some 29 per cent in work and 27 per cent are not in work and not actively looking for work.

As noted above, most Year 12 leavers are pursuing further studies. Only 12 per cent are in work with 8 per cent actively looking for work and 5 per cent not in work and not actively looking for work.

A variety of pathways

These data suggest that young people in Victoria are pursuing a variety of pathways after compulsory education. In aggregate, the May 1999 data show that 40 per cent of the 1998 secondary school leavers are going onto higher education (compared with 33 per cent Australia-wide), 23 per cent are continuing their studies at TAFE (the same as the national share) and 4 per cent are with other education providers. Some 9 per cent of those secondary school leavers not in some form of further education are in full-time work, with 7 per cent in part-time work. Some 9 per cent of school leavers not in further education are unemployed and 9 per cent are not in work and not actively looking for work.

These latter two groups, representing 18 per cent of all post compulsory school leavers in Victoria in May 1999 are obviously the group of young people who are most “at risk” of entering a cycle of continuing joblessness and temporary work. Some among those school leavers not education and in part-time work may also be “at risk” of being trapped in this cycle. The hard core “at risk” group are the school leavers who have not completed Year 12 and who are not in further education or full-time work. They are particularly prone to experiencing long term disadvantage in the labour market. In May 1999, they accounted for 9 per cent of all 1998 secondary school leavers in Victoria. This proportion is the same as the national proportion of non-Year 12 completers who have not completed Year 12 and who are not in further education or full-time work (9.5 per cent).

Education outcomes: Victoria and rest of Australia

Victoria’s levels of education compared with the rest of Australia, using May 1999 data, are presented in Table 2. The data show that, compared with the other States and Territories in aggregate, there are more people with degrees and post graduate diplomas in Victoria. The data also show that Victoria has about the same proportion of the population compared with the rest of Australia who have completed their highest level of secondary schooling but do not have a post-school qualification (18.6 and 18.1 per cent respectively).

However in terms of qualifications below the degree level, Victoria lags behind the rest of Australia. In terms of qualifications at basic vocational, only 6.9 per cent have a qualification compared with 9.5 per cent for the rest of Australia. The proportion of the population with skilled vocational qualifications is also lower than the rest of Australia. The overall result is that the proportion of Victorians with a post-school qualification is no different to that of the rest of Australia (43.1 per cent compared to 43.9 per cent). These data suggest that while Victoria’s education system has been successful in producing higher level qualifications, it has a less than noteworthy record at the sub degree level.

Nor has the situation changed for the most recent age cohort likely to have completed their initial education (25 to 34 years). Victorians in the 25 to 34 age group in May 1999 are more likely to hold degrees, higher degrees and other post graduate qualifications compared with elsewhere in Australia (22.8 per cent compared with 19.2 per cent). They are also more likely to have completed the highest level of secondary schooling compared to elsewhere in Australia (19.4 compared to 18.2 per cent). However, a negative qualification gap between Victorians and the rest of Australia occurs at the basic vocational level (8.3 per cent compared with 10.9 per cent).

The gap for the proportion of the population aged 25 to 34 years holding skill vocational qualifications in Victoria compared to elsewhere in Australia has increased compared with the situation, noted above, for the population aged 15 to 64 years (12.5 per cent compared with 14.1 per cent). The pattern of a similar overall level post-school qualifications for Victoria compared to the rest of Australia, noted above, persists for the post initial education age cohort (52.6 per cent compared with 53 per cent).

Table 2: Persons aged 15 to 64 years: Educational Attainment, May 1999, Victoria and rest of Australia compared, per cent.

Education attainment	Victoria	Rest of Australia
With post-school qualifications	43.1	43.9
Higher degree	1.9	2.0
Post-grad. diploma	3.0	1.9
Bachelor degree	12.4	10.8
Undergraduate diploma.	4.7	5.1
Associate diploma.	3.2	3.0
Skilled vocational	11.0	11.5
Basic vocational	6.9	9.5
Without post-school qualifications	51.3	50.8
Completed highest level secondary school*	<i>18.6</i>	<i>18.1</i>
Still at school	5.7	5.3
	100.0	100.0

Source: ABS, 1999, Transition from Education to Work, Australia and special tabulations for Victoria, May, Catalogue 6227.0, Table 10.

*The data in italics on that the proportion that have completed highest level secondary school are a subset of the row above.

From school to work

The transition from school to work is a turbulent and uncertain period for young people, even if many of them start on the right track (OECD 1998: 111). Longitudinal data for a number of OECD countries show the damaging effects of persistence in unemployment and inactivity in the first years of the transition process. In some OECD countries, such as those in Southern Europe, even those who have completed tertiary-level education are still at risk of considerable unemployment after entering the labour market (OECD, 2000b:265; Muller and Gangl, 2000: 9).

Labour markets are increasingly differentiated by skills. Unemployment risks are unequally distributed among skill groups (Muller and Gangl, 2000: 5). This means that education attainment and young people's chances of gaining employment are intimately linked. Young people in most OECD countries who have not completed upper secondary education are more vulnerable to unemployment. In fact, data for 27 OECD countries show that completion of upper secondary education for young people aged 20 to 24 years reduces, on average, their unemployment to population ratio (that is, unemployment as a percentage of the entire age cohort) by about 5 percentage points, and that of 25-29 year olds by about 4 points (OECD, 2000b: 264).

Well-coordinated institutional arrangements governing the school-to-work process in OECD countries make a difference. Longitudinal data reveal important national differences in how well the transition "works". This is especially true among young people who do not go to university, regardless of whether they have completed an apprenticeship or not (OECD, 1998: 111).

Young people in OECD countries with institutional arrangements that encourage close links to workplaces during the education to work process supported by coherent vocational education

pathways have fewer problems making to transition to work (OECD, 2000a). Also countries where young people combine paid work out of school hours with education also achieve better transition outcomes. Studies in Australia, Sweden and the United States all indicate that those who have had such jobs have a better chance of being employed and a reduced chance of being unemployed than those who have not (Lucas and Lammont, 1998: 45-56; Robinson, 1999).

Conclusion

Several general conclusions can be drawn with implications for public policy purposes. One is that youth employment prospects depend, above all, on overall employment growth. However, this alone often does not address the particular disadvantage that youth may face in the labour market. Differences in education-to-work transition outcomes reflect also the effectiveness of a country's institutional arrangements in facilitating or hindering the transition process. Where these institutional arrangements work well, mostly as a result of good coordination between major stakeholders, there is no need for a specific focus on youth as problem group in the labour market.

Another conclusion is that a focus on employment generation needs also to be complemented by skills development, usually identified by level of education attainment as a proxy indicator of skill. There is near universal evidence of the link between education attainment and employment rates. However, the extent to which post compulsory education providers can deliver the skills in demand is not clear. Much depends on the effectiveness of public policy levers in lifting the quality and responsiveness of education providers.

The near universal link between education and employment also indicates an increasing bifurcation between young people with skills and those without. A new labour market dualism may be emerging where it may be impossible for many young people to move out of a cycle of low skill and uncertain employment, unemployment or informal sector participation to a high skill, relatively secure employment status. Leaving school early and not acquiring recognised skills may condemn a young person to a life of limited income earning prospects.

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