



HOW YOUNG PEOPLE ARE FARING 2011

The national report on the learning and
work situation of young Australians

fya | FOUNDATION FOR
Young Australians



ACKNOWLEDGMENTS

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FOREWORD

The economic, social and political turbulence currently being experienced in many parts of the world, such as Europe and the US, has had a devastating effect on the young. Reports of high unemployment, youth unrest and even the migration of young people from countries like Spain as a result of high rates of unemployment represent some of the more extreme consequences of both longer-term changes and, more recently, the economic downturn associated with the GFC. Previous editions of the *How Young People are Faring* report and OECD data have shown how young people seeking work are disproportionately affected by the economic instability that we have experienced in recent times.

This year's edition of *How Young People are Faring* alerts us to some short-term and long-term trends occurring in the youth labour market. The report, prepared by Lyn Robinson, Mike Long and Stephen Lamb from the Centre for Research on Education Systems at the University of Melbourne, provides insight into how successfully young people are moving into the labour market. This labour market is still recovering from the economic downturn of 2008 and is also undergoing a long-term transformation in which young people face different working environments from their peers in the 1980s.

Over recent years some young people have been discouraged from entry to the job market. More than one quarter of all those who are long-term unemployed in Australia are aged 15 to 24. Since 2008 the percentage of young Australians without a job for a year or longer has almost doubled. Teenagers in Australia have higher rates of long-term unemployment than in other OECD countries. This is troubling given that prior to the global financial crisis, Australia had experienced an unprecedented period of economic growth. Prosperity has not been passed on to many young people.

In addition, the stability of working life for young people has decreased. Compared with older workers, young people change employers more regularly, although this rate has fallen over the last decade, and particularly since 2008. Mobility is high: an average of nearly one in five teenagers and one in six young adults changed their labour force status every month over the past year, compared with one in ten older workers.

Long-term trends indicate how much youth transitions have changed during the last 25 years. Opportunities for teenagers to undertake full-time work have sharply declined, with the rate of full-time employment among teenagers not in education decreasing by over 22 percentage points since the mid-1980s.

At the same time, more young people who are not in some form of study or training have part-time jobs. Specifically, among those who are labour force participants, three times as many teenagers and more than twice as many young adults now have part-time jobs compared to the mid-1980s.

Educational attainment improves the labour market prospects of young people; a corollary of low educational attainment is marginalisation to either part-time work only or unemployment. Policies to raise educational attainment must be directed at those groups of young people among whom rates of school completion are currently low — people living in regional and remote areas, and those from particular backgrounds, such as Indigenous youth.

The combination of a changing youth labour market, long-term unemployment and persistent marginalisation experienced by certain groups reinforces the need to ask: *how well are young people prepared for the increasingly fluid worlds of work?*

Combined with differences in educational participation and outcomes across social groups, these challenges become all the more urgent at a time of

global economic uncertainty. We know that the GFC has had a disproportionate impact on young people throughout the world. Young people felt the impact of the economic downturn immediately and often quite profoundly. They experienced greater job losses than adults. Those seeking or undertaking apprenticeships, for example, were among the most vulnerable. The differences between young people's and adults' respective skill levels and life experience only exacerbate the vulnerability of young people entering or re-entering the workforce.

The need to target these challenges is now recognised among the business community, policy makers and by organisations like the Foundation for Young Australians. One key area of development taking place via a number of initiatives throughout Australia, and in countries such as the US and Great Britain, is to develop 'soft skills': literacies and competencies in young people to improve their capacity to navigate changing worlds of work, and life in general. They are important to young people's resilience and focus on emotional and social dimensions as well as problem-solving abilities and creativity.

These skills have been identified under different names and frameworks, including 'generic and basic skills'. The Young Foundation in the UK has done some important work via its SEED (social intelligence, emotional resilience, enterprise and discipline) skills framework. In Australia, the need for skills such as problem-solving and enterprise is recognised via the National Foundation Skills Strategy for Adults,

in certain COAG targets, federal budget and some State policy, and through the work of universities, VET providers and not-for-profit organisations. These skills are equally important to young people, particularly given the trends identified in this report.

This year, the Foundation for Young Australians has begun to implement a bold strategy to empower young Australians to be successful learners and creative, active and valued citizens. Through innovative initiatives such as Worlds of Work and Young People Without Borders, FYA sees these skills as critical to the development of young Australians facing the challenges and opportunities highlighted in this research. In preparing young people for twenty-first century learning and employment, the evidence from both short-term and long-term trends reinforces the need to better develop the skills and literacies for learning and life.



Dr Lucas Walsh
Director of Research and Evaluation
The Foundation for Young Australians

KEY FINDINGS

O1 ENGAGING IN EDUCATION, TRAINING AND WORK

Teenagers

Almost 72 per cent of 15 to 19 year-olds are in full-time education, and nearly 13 per cent are working full-time.

- > More females (74 per cent) than males (69 per cent) are in full-time study.
- > Males are more often in full-time work (17 per cent compared with 9 per cent of females).

For teenagers not in education, there has been only a small improvement in the labour market since 2010.

- > Unemployment decreased in 2011 (but for males only), while withdrawal from the labour force increased by the same amount (more so for females).

State differences in school structure and provision affect engagement levels.

- > School participation rates at age 18 vary greatly — for instance, from 6 per cent in Queensland to 28 per cent in Victoria.

There has been a slight increase in engagement in 2011.

- > The percentage of males not fully engaged has fallen; although marginalisation decreased for males as opportunities in the labour market improved, the rate of marginalisation for females has remained much the same as in 2010.

Participation in full-time education continues to grow.

- > Both school and other education and training participation among teenagers increased in 2011.

Teenagers in the labour force face high unemployment.

- > In 2011 the rate was close to 16 per cent, down from 18 per cent in 2010. Compared with 2010, unemployment fell for males and increased for females. Teenage males suffered higher unemployment during the 2009 downturn, but benefited more than females when the labour market began to recover.

More teenagers enrolled in university and higher-level VET qualifications.

Apprenticeships remain important for teenagers, although the participation rate was static in 2009-2010.

- > More than half of all teenagers doing apprenticeships and traineeships are male trade apprentices.
- > Compared with 2009, apprenticeship commencements rose in 2010, as an increased 7.6 per cent of teenagers began a training contract.

School leavers

Nearly half (47 per cent) of all school leavers continued in further education, and one in five is in full-time work in 2011.

- > More females (50 per cent) than males (44 per cent) go on to further study.
- > More males (24 per cent) than females (16 per cent) are in full-time work.

The percentage of school leavers not fully engaged in education or work has dropped slightly in the last two years, but at 32.7 per cent remains as high as in the recession of the early 1990s.

- > In 2011 female school leavers are not doing as well as males in their transition from school: compared with school leavers in the previous year, higher percentages of males but lower percentages of females continued in education.

School completion remains important to outcomes.

- > More than six in ten Year 12 completers were in post-school education, compared with four in ten early school leavers.
- > Year 12 completion helps those who enter the job market directly from school.
- > School completers were less likely to be at risk of marginalisation.

Young adults

About three quarters of 20 to 24 year-olds are fully engaged in earning or learning: 45 per cent in full-time work and 30 per cent in full-time education.

- > Gender differences are strong: almost one third of females compared with just over one quarter of males are studying; more than five in ten males are working full-time, compared with less than four in ten females.
- > Unemployment is higher among males than females, but twice as many females as males have withdrawn from the labour force.

Apprenticeships for young adults remain steady.

- > About 7 per cent of 20 to 24 year-olds (10 per cent of males, and almost 4 per cent of females) were doing an apprenticeship or traineeship in 2010, the same levels as in the previous year.

More than one quarter of young adults are not in full-time work or study in 2011.

- > Between 2010 and 2011 the percentage not fully engaged increased slightly because a drop in full-time employment (only among females) was not offset by any rise in full-time study (among males or females).

KEY FINDINGS

Young adults (CONT.)

Since the mid-1980s participation by young adults in full-time work has declined as participation in full-time education has grown.

- > Full-time employment dropped from 64.3 per cent to 44.9 per cent.
- > Full-time education rose from 7.7 per cent to 29.2 per cent.

Labour force status for those not fully engaged varies by gender.

- > Females are more likely to be in part-time work only, or to withdraw from the labour market.
- > Males are more vulnerable to unemployment.

Numbers of discouraged job seekers have increased.

- > Family formation and other personal factors strongly influence labour market participation rates.
- > Economic conditions and skill levels also have an impact, and in recent years more young people have been deterred from entry to the job market.

O2 THE YOUTH LABOUR MARKET

While the teenage labour force has contracted over recent decades, unemployment among teenagers has always been much higher than for adults.

- > The gap in 2011 is 10 percentage points, with adult unemployment at 5 per cent and the rate for all teenagers in the labour force at 15 per cent (down 2 percentage points from 2010).
- > Unemployment is higher for teenagers who are not engaged in education.

Teenagers continue to miss out on full-time jobs.

- > Numbers of teenagers in full-time jobs have not recovered since the economic downturn.
- > In 2011, one in five of those not in education (and females more so than males) are looking for a full-time job.

Over the last 25 years, among young people not in education:

- > Full-time employment decline has been more severe for teenagers (dropping by over 22 percentage points to 55 per cent in 2011) than for young adults (down by 9 percentage points to 72 per cent).
- > Part-time employment has grown substantially: three times as many teenagers and more than twice as many young adults had part-time jobs in 2011 as in the mid-1980s.
- > Unemployment has been consistently higher among teenagers than young adults (in 2011, 15.9 per cent compared with 8.6 per cent).

03 MOBILITY IN THE YOUTH LABOUR MARKET

Mobility in the youth labour market is high.

- > On average, over the year to May 2011, nearly one in five teenagers and one in six young adults changed their labour force status every month.

Stability of full-time employment is declining.

- > For teenagers especially, remaining in full-time employment is less certain now than in the past.
- > The instability of full-time employment increases any estimates of young people 'at risk'.

Transitions from part-time work are problematic.

- > Part-time work may not be a stepping stone to full-time work: teenagers in part-time jobs are only slightly more likely to move into full-time employment than those who are unemployed.

Changing employers: young workers are more likely than older workers to do so, but the rate of change of employer has fallen over recent years.

Long-term unemployment is an issue among young Australians.

- > Compared with other OECD nations, Australia has higher levels of teenage long-term unemployment but lower levels for young adults, although these rates are confounded by structural differences in education and training systems between countries.
- > More than one quarter of the long-term unemployed in Australia are 15 to 24 year-olds.
- > The percentage of young Australians who have not had a job for a year or longer has almost doubled since 2008. In 2011, 1 per cent of teenagers and 1.1 per cent of young adults in the population are long-term unemployed.

04 EDUCATIONAL ATTAINMENT

There is scope for improving levels of educational attainment in Australia, according to international comparisons based on 2008 OECD data. For 25 to 34 year-olds in Australia:

- > the upper secondary completion rate was 82 per cent, as against 92 per cent in Canada and 98 per cent in Korea;
- > the rate of attainment of at least a tertiary qualification of 42 per cent was the same as in the United States, but well below Canada (56 per cent); and
- > 32 per cent had attained a university-level qualification, also equal to the United States, yet low compared with Norway (44 per cent).

Estimates for 2010 indicate that 85 per cent of young Australians aged 20 to 24 have attained Year 12 or equivalent.

Increasing school retention is one approach to raising attainment.

- > Retention rates have recently returned to the high levels that prevailed in the early 1990s, reaching 78 per cent in 2010.
- > Females stay on at school at rates 10 percentage points higher than males — and even more when jobs are plentiful.
- > There are differences between states in retention rate increases since 2001.
- > Apparent retention rates of Indigenous students (47.2 per cent in 2010) are well below those of other students (79.4 per cent), and the relative gains made in the decade to 2008 have since stalled.

KEY FINDINGS

04 EDUCATIONAL ATTAINMENT (CONT.)

Promoting participation in **VET** in schools to improve retention and attainment.

- > Numbers doing **VET** in schools have increased in recent years; about four in ten students did **VET** in schools as part of their senior school certificate in 2008, compared with three in ten in 2006.
- > In 2009, 15.3 per cent of all secondary school students did some **VET** in schools, up from 11.7 per cent in 2006.

Policies to address disadvantage are needed to raise attainment. Lower levels of secondary attainment (Year 12 or equivalent) occur among young adults who:

- > live outside metropolitan areas
- > are disabled
- > come from homes in which English is not the first language and is not spoken well
- > have parents who have not completed Year 12
- > have fathers who are unemployed or working in manual occupations.

05 YOUNG PEOPLE MOST AT RISK

Young people most at risk are those who are not in study or full-time work and who lack an initial qualification (Year 12 or Certificate III or higher).

- > About 8 per cent of 20 to 24 year-olds are in this category of most at risk of marginalisation. However this figure varies across social groups and across regions.
- > Young people with low levels of attainment — especially those from rural and remote areas, those with a disability and those from low **SES** backgrounds — are also at risk of marginalisation in the labour force.
- > For instance, young adults whose fathers did not complete school are much more likely to be at risk of marginalisation (13 per cent) compared with young adults whose fathers had a university qualification (2 per cent); for females, the difference is even more stark (16 per cent compared with 1 per cent).

INTRODUCTION

The 2011 edition of *How Young People are Faring* is number 13 in an annual series that brings together the most current information available on the education, training and work activities of young Australians. It is an opportunity to conduct a national stocktake, at a point in time, and also to view the picture that emerges in the context of longer-term trends. The *How Young People are Faring* series makes it possible, each year, to step back and consider how well our education and training system is meeting the needs of young people as they make the transition from school to further study and work.

A particular focus in this 2011 report is on the second of these two destinations: the transition to work. The question of how successful young people are at moving into the labour market has added significance at a time of global economic uncertainty.

INTRODUCTION

The international economic outlook is not a rosy one. Following the 2008–2009 global financial crisis caused by the banking collapse there were signs of recovery in some economies around the world. But these have now stalled, and attempts to boost economic growth have been overtaken by concerns about sovereign debt in a number of countries. With business and consumer confidence declining, and another downturn looming, employment prospects may weaken — and in a weakening labour market, the job prospects for young people can be bleak.

Australia was relatively protected from the worst effects of the global financial crisis, yet not all Australians have fared equally as well. A consistent pattern across developed countries was that young people bore the brunt of the economic downturn, suffering greater job losses and higher unemployment rates than adults. Young people were disproportionately affected because they are far more vulnerable than adults in a tight labour market: a lack of relevant skills and experience mean a greater risk of unemployment for recent entrants to the labour market. And this situation persists. The *OECD Employment Outlook 2011* cited unemployment rates in the first quarter of this year, across the OECD area, of 17.3 per cent for young people (aged 15 to 24), compared with 7 per cent for adults (aged 25 and over). Furthermore, the report warned, a significant and increasing proportion of young people are at risk of prolonged periods of unemployment. Such figures add weight to the assertion that ‘young people leaving school in the coming years are more likely to struggle to find work than previous generations’ (OECD 2011b:12). Consequently, the report argued, greater investment in youth, to give them a better start in the world of work, should be a key objective of policy.

In Australia, rates of unemployment in the adult population recovered in 2010, but for teenagers the jobless rate did not fall. So the question arises: what has been the trend among young people since then? And is the growing incidence of long-term unemployment reported elsewhere also occurring in Australia? How many young people are on the long-term unemployment ‘scrapheap’ in this country?

Another related question to investigate is whether there have been changes in levels of participation in education and training among young people. If so, can these changes be linked to labour market conditions in which jobs are harder to find? Remaining in or returning to education may be an attractive alternative to entering the job market when jobs are scarce. Is there any recent evidence of this ‘shelter effect’ among young Australians?

The data gathered for this 2011 edition of *How Young People are Faring* can also be used to assess existing levels of educational attainment in the population against government goals to boost such attainment, particularly to increase rates of completion of Year 12 or equivalent to 90 per cent by 2015 (COAG, 2009). Information about current levels of educational attainment point to how much change is needed to reach this target. An even more pressing issue for policy setting is what needs to be done to achieve it.

At the outset it is instructive to look at how Australia compares with other countries. When considered from an international perspective, there is scope for raising educational attainment in this country. For instance, on most attainment indicators Australia ranks well below Korea and other countries such as Norway, and on at least some indicators below even more closely comparable countries such as Canada. That said, however, overall attainment levels among young Australians are fairly similar to those in many other industrialised countries: the majority of young people finish secondary school, and an increasing number graduate from university.

But variations among young Australians, in terms of their educational participation and outcomes, present greater challenges for policy makers. To lift attainment in the population as a whole, the groups which most need support must receive it. By identifying differences in outcomes across social groups and across regions, and highlighting patterns of inequality, this report can be informative for policy makers wanting to address the needs of particular groups of young people, and thereby help them to make a successful transition from school.

The data assembled in *How Young People are Faring 2011* comes from a range of sources. From the Australian Bureau of Statistics (ABS), these include the monthly *Labour Force Survey* (LFS) and the annual *Education and Work* survey, as well as the 2009 *Survey of Education and Training* (SET), and the *Labour Mobility Survey* in various years. In addition, OECD data is drawn on to make inter-country comparisons of educational participation and attainment for specific age groups. Together, this data can be used to develop a clearer understanding of the transition process being experienced by young Australians as they move from school to post-school study and the workforce.

One caveat concerning the data is that some reported in annual series rely on surveys from the previous year. This applies especially to data on participation in education and training, which in certain parts of this report refers to circumstances in 2010. However, data on employment and work activities is generally for 2011 (using the most recent labour force survey data available).

How Young People are Faring 2011 is organised into five main sections. The first section describes the levels of participation in education, training, and work of teenagers (15 to 19 year-olds), school leavers and young adults (20 to 24 year-olds). Those young Australians who are not undertaking any education and training, and who rely on finding a place in the labour market to provide the foundation for their future wellbeing, are of particular interest.

A major goal of education and training is to ensure that all young people are equipped with the knowledge, skills and capacities they need to make a smooth transition from school to further study or to work. But how likely is it that school leavers can make this

smooth transition into employment? The second section of the report presents information about various aspects of the youth labour market, with a particular focus on teenagers. It examines long-term changes in the size of the labour force and rates of unemployment for young people relative to the adult population, as well as the demand for full-time jobs.

Other aspects of the employment-related experiences of young people are explored in the report's third section, based on the recognition of the dynamic nature of the labour force. By distinguishing between net changes and gross changes in the labour force, it emphasises the high levels of mobility that occur, especially among the young, raising questions about the relative stability of full-time employment and the likelihood of transitions from part-time work. The last part of this section is concerned with the problem of long-term unemployment, and its incidence among young people.

Section four looks at the issue of educational attainment among young Australians, and at government policy aimed at raising attainment levels. It considers rates of secondary school completion and attainment of tertiary and university-level qualifications, comparing the performance of the education and training systems in Australia against those of other OECD countries. In the context of government targets to lift attainment, change over the last decade in Australia's Year 12 or equivalent completion rate is noted, and national trends in school retention and participation in VET in schools are canvassed. The results of analyses of individual-level data are presented in the final part of this section in order to illustrate how secondary school attainment varies across social groups.

In conclusion, section five of the report focuses on a corollary of low attainment. It describes some of the characteristics of the sub-group of young Australians who might be deemed to be most at risk in the transition process: young adults who are not fully engaged in either study or employment and in addition to this do not hold an initial qualification (either Year 12 or a vocational qualification).

ENGAGING IN EDUCATION, TRAINING AND WORK

O1

Patterns of participation in education, training and employment among three groups of young Australians are described in this section. It presents the most currently available data about the learning and earning activities of teenagers (15 to 19 year-olds), school leavers (the large majority of whom are in the same age category), and young adults (20 to 24 year-olds).

Consistent with the way that data is 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 enumerated (such as Table 7), 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.

TEENAGERS

Most are engaged in full-time education, and some are working full-time

In May 2011, close to 85 per cent of teenagers aged 15 to 19 were either studying full-time or working full-time (Table 1). A little less than 72 per cent were in full-time education, either at school or in tertiary study, while almost 13 per cent of other teenagers were in full-time employment. This means that about 15 per cent of teenagers were neither engaged in full-time work nor full-time education, and instead were working part-time (6.7 per cent), were unemployed and seeking work (3.7 per cent), or had withdrawn from the labour force (5 per cent).

Rates of participation in full-time work and full-time study differ according to gender. Higher percentages of females (74.3 per cent) than males (69.3 per cent) were studying. Teenage males, however, more often had full-time jobs (16.5 per cent, compared to 9 per cent of females). Combining the proportions in each of these two activities shows that slightly higher proportions of males than females were fully engaged (either in full-time education or full-time work)—this was the case for 85.8 per cent of males and 83.3 per cent of females.

Of those not doing full-time study, more females than males were working part-time (7.8 per cent compared with 5.7 per cent), while there was only a small gender difference in the percentage who were unemployed (3.8 per cent of males and 3.6 per cent of females).

It is important to consider the circumstances of teenagers who are no longer at school, as this provides an indicator of the labour market prospects of young people following the economic downturn.

The labour force status of 15 to 19 year-olds who were not in full-time education in May 2011 compared with the situation for those in the same category in May of the previous year is recorded in Table 2 (overleaf).

This data illustrates the difference between teenage males and females in their access to full-time jobs. Girls tend to stay on in education longer than boys because there are fewer opportunities for them in the labour force. Table 2 shows that in both 2010 and 2011 more than half of all males who were no longer studying were in full-time work, whereas for females the proportion was a little more than one third—a contrast that largely reflects the differences in rates of participation in apprenticeships between young males and females.

Small improvement in labour market engagement

Comparing the figures for 2011 with the previous year, the percentage of teenagers in full-time work rose by a very small margin (from 44.9 to 45.3 per cent) while part-time work fell slightly (from 24.6 to 23.8 per cent); given the magnitude of these changes, the possibility of sampling error cannot be ignored in accounting for them. The percentage of teenagers not in education who were seeking work dropped from 15.2 per cent in 2010 to 13.1 per cent in 2011, but this gain was offset by an increase in those who were not participating in the labour force, signalling the possibility that some teenagers may have been discouraged from entering the workforce.

In a reversal of the situation of the preceding year, teenage females appear to have experienced greater difficulties in the labour market over the last twelve months. In 2011, compared with 2010, fewer females are in both full-time and part-time work, and substantially more have withdrawn from the labour force. While the percentage of males who were seeking work has fallen by almost 4 percentage points since 2010 (from 16.2 to 12.4 per cent), there was no such improvement for females who had left school and were not in study

TABLE 1

Education and labour market status of teenagers aged 15 to 19 years, Australia, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (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, depending on how they reported their activity at the time of ABS survey.

	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	0.8	22.8	4.2	41.4	69.3	16.5	5.7	3.8	4.8	30.7	100.0
FEMALES	0.5	31.0	4.5	38.2	74.3	9.0	7.8	3.6	5.3	25.7	100.0
PERSONS	0.7	26.8	4.4	39.9	71.7	12.8	6.7	3.7	5.0	28.3	100.0
n ('000)											
MALES	5.9	175.1	32.4	317.7	531.1	126.2	43.7	29.2	36.6	235.7	766.8
FEMALES	4.0	226.1	33.1	279.2	542.4	65.7	57.1	26.3	38.6	187.8	730.2
PERSONS	9.9	401.3	65.5	596.9	1073.6	191.9	100.8	55.5	75.2	423.4	1497.0

TABLE 2

Labour market status of teenagers aged 15 to 19 years not engaged in full-time education, Australia, May 2011 and May 2010 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

	%	2011			2010		
		Males	Females	Persons	Males	Females	Persons
FULL-TIME WORK		53.5	35.0	45.3	51.7	36.0	44.9
PART-TIME WORK		18.5	30.4	23.8	18.3	33.0	24.6
SEEKING WORK		12.4	14.0	13.1	16.2	13.9	15.2
NOT IN LABOUR FORCE		15.5	20.6	17.8	13.9	17.1	15.3
Total %		100.0	100.0	100.0	100.0	100.0	100.0
	n ('000)						
FULL-TIME WORK		126.2	65.7	191.9	131.0	69.1	200.1
PART-TIME WORK		43.7	57.1	100.8	46.3	63.3	109.6
SEEKING WORK		29.2	26.3	55.5	41.0	26.6	67.6
NOT IN LABOUR FORCE		36.6	38.6	75.2	35.3	32.9	68.3
Total N		235.7	187.8	423.4	253.6	191.9	445.6

(14 per cent of whom were unemployed). Gender differences in unemployment rates among those teenagers who had left school, which had previously favoured females, have reversed in 2011.

Older teenagers are more likely to be not fully engaged

Table 1 recorded the education and labour market status in 2011 of all young people aged 15 to 19 years. However, when this data is disaggregated by single year of age, as shown in Table 3 (opposite), very large differences across the age group can be observed. Almost all 15 and 16 year-olds are in full-time education, mostly at school. A substantial proportion of these school students also have part-time jobs. More than one in five 15 year-olds, and one in three 16 year-olds reported that they were employed part-time. However the majority are still not in the labour force. Because most 15 and 16 year-olds are in full-time education, the proportions who are not fully engaged are very small — just 1.5 per cent of 15 year-olds, and 5.6 per cent of 16 year-olds.

As teenagers leave school in greater numbers by age 17, participation in full-time education declines. One in ten 17 year-olds was in full-time work in May 2011. But many young people who leave full-time education at this age do not find a secure place in the labour market. In 2010 a total of 13.3 per cent of 17 year-olds were marginalised to part-time work (4.5 per cent) or unemployment (3.1 per cent), and others had withdrawn from the labour market (5.6 per cent).

This marginalisation is even more pronounced among older teenagers: over one quarter of those aged 18 and 19 were not fully engaged in learning or earning. For 18 year-olds, the figure was 29.6 per cent, and for 19 year-olds it was almost as high, at 26.1 per cent. The main differences between these two age groups is

that proportionately more 18 year-olds were seeking work or were in part-time work only, while slightly fewer were in full-time education or full-time work.

State differences in school structure and provision affect engagement

As seen in Table 3, a total of 15.5 per cent of Australian teenagers were not fully engaged in either education or employment in May 2011. Further information presented in Table 4 (opposite) shows that this percentage varied across the states and territories, and also by gender. For smaller states and territories these figures need to be treated with a great deal of caution due to the sample sizes on which estimates are based. In the larger states, however, where estimates are more robust, there are some noticeable differences. The percentage of 15 to 19 year-olds who were not engaged in full-time education or full-time work ranged from 12.6 per cent in Victoria to 19.5 per cent in Queensland. Across states, the gender pattern was fairly consistent. The national figures in which proportionately more females than males were less than fully engaged were recorded in most states, with the exception of New South Wales and the ACT.

A combination of economic and education system-related factors contribute to such differences between states; not only differences in labour market opportunities, but differences in the age at which students leave school account for some of this variation. The age of starting school, and therefore the typical age of school completion within a state, is influential, as well as variation across states in rates of school retention. Apparent retention rates are one measure of school retention, although these rates can be distorted by numerous factors, including grade repetition, the availability of alternatives to school education (especially TAFE), and part-time studies. Figure 1 (opposite) displays the most recent apparent

TABLE 3

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, 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (Table o3b)

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	23.3	5.7	69.4	0.2	0.6	0.2	0.6	100.0	1.5
16	0.2	33.2	5.3	52.0	3.7	2.0	1.6	2.0	100.0	5.6
17	0.6	31.8	4.3	40.1	9.9	4.5	3.1	5.6	100.0	13.3
18	0.9	21.3	3.3	21.8	23.2	14.0	7.9	7.7	100.0	29.6
19	1.5	24.6	3.4	18.5	25.8	11.9	5.4	8.8	100.0	26.1
15-19	0.7	26.8	4.4	39.9	12.8	6.7	3.7	5.0	100.0	15.5

retention rates, which are for 2010, indicating the jurisdictions which have levels above and below the national average of 78 per cent. Victoria, Queensland, South Australia and the ACT have higher than average school retention rates, while there are lower rates in New South Wales, Tasmania and the Northern Territory.

The combined effect of inter-state variation in school retention rates, as well as differences in age and grade structures, can be seen in Table 5 (overleaf), which records school participation rates by single year of age. For example, while the school participation rate among 17 year-olds in 2010 was 67 per cent nationally, this figure ranged from as low as 44.1 per cent of 17 year-olds in Western Australia up to 80.2 per cent in Victoria (and as high as 95.5 per cent in the ACT). The majority of Year 12 students in Western Australia are aged 16 or 17, and there are very few 18 year-olds (in 2010, just 4.5 per cent of them) still at school. In Victoria, by contrast, almost all Year 12 students are 17 or 18 years of age, including more than one quarter (27.5 per cent in 2010) of 18 year-olds. A consequence is that Victoria has a lower rate of

teenagers who are not fully engaged in education or work — this rate in 2011 is 12.6 per cent, compared with 14.9 per cent in Western Australia (Table 4).

Between-state comparisons of the proportions of teenagers not fully engaged in education or work therefore need to take account of the difference in the typical age of school completion. It is more meaningful to compare Queensland with Western Australia (where in each of these states the average age of Year 12 students in 2010 was 16.7 years), and to compare Victoria (where 17.4 years was the average age of Year 12 students) with New South Wales and South Australia (in which the average age in Year 12 was 17.2 years). Therefore, referring to Table 4, it would seem that circumstances for teenagers are more favourable in Victoria (with 12.6 per cent not fully engaged in work or education) than in South Australia and New South Wales (with higher rates of 14.9 per cent and 15.2 per cent respectively). Similarly, this rate is lower, and thus more favourable, in Western Australia (14.9 per cent) than in Queensland (19.5 per cent).

TABLE 4

Not fully engaged in education or employment, 15 to 19 year-olds in each state and territory, by gender, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

NOTE: All students enrolled at school are treated as full-time.

STATE OR TERRITORY	Males	Females	Persons
NSW	15.7	14.8	15.2
VICTORIA	11.4	13.9	12.6
QUEENSLAND	15.8	23.3	19.5
SOUTH AUSTRALIA	13.2	16.9	14.9
WESTERN AUSTRALIA	14.0	16.0	14.9
TASMANIA	8.4	14.3	10.9
NORTHERN TERRITORY	28.6	33.8	31.5
ACT	16.9	7.7	12.8
Australia	14.3	16.7	15.5

FIGURE 1

Apparent retention of full-time students from Year 7/8 to Year 12, by state/territory, 2010 (%)

SOURCE: ABS *Schools, Australia* (2010)



TABLE 5

School participation rates, by age and state/territory, 15 to 19 year-olds, 2010 (%)

SOURCES: ABS *Schools, Australia* (2010) (Table 61b)

NOTES: Participation rate is number of school students of a particular age at the NSCC census date (Aug) expressed as a proportion of the ERP of the same age at 30 June of that year. Students undertaking school level studies in non-school settings, such as TAFE, are excluded from this data. The rate for ACT is inflated due to enrolment of students from outside of ACT, so that it exceeds 100 per cent for some ages.

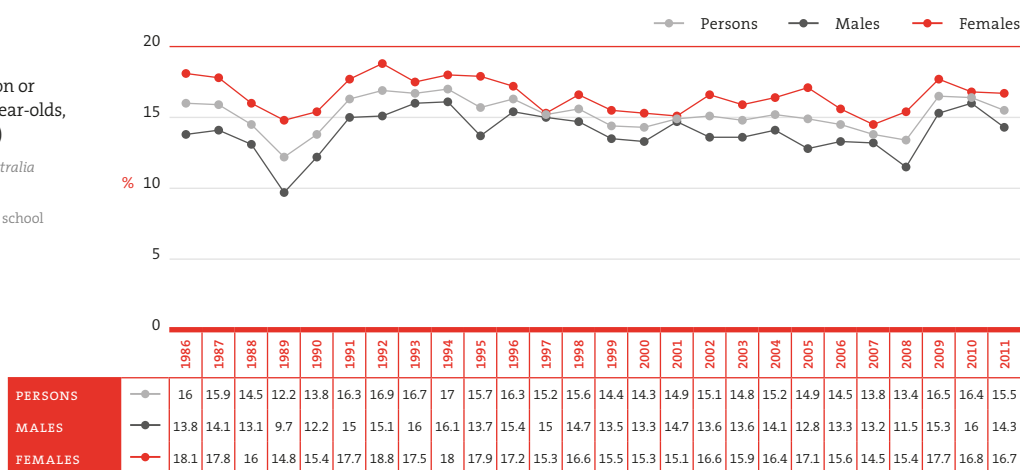
STATE OR TERRITORY	AGE				
	15	16	17	18	19
NSW	95.5	84.7	70.5	16.6	1.5
VICTORIA	97.5	91.5	80.2	27.5	2.5
QUEENSLAND	94.6	85.4	51.1	5.5	0.9
SOUTH AUSTRALIA	99.9	98.2	78.3	17.6	4.5
WESTERN AUSTRALIA	92.9	81.5	44.1	4.5	1.3
TASMANIA	100.9	98.8	83.5	39.6	6.3
NORTHERN TERRITORY	81.8	67.9	46.4	11.1	1.9
ACT	111.8	108.6	95.5	25.1	2.4
Australia	96.1	87.6	67.0	16.4	2.0

FIGURE 2

Not in full-time education or full-time work, 15 to 19 year-olds, by gender, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

NOTE: All students enrolled at school are treated as full-time



Small improvement in engagement in 2011

Figure 2 charts the proportion of teenagers not in full-time education or employment each year over the last two and a half decades. The sharp rise from 2008 to 2009 as a result of the economic downturn is clearly evident, with the percentage of 15 to 19 year-olds who were neither in full-time work nor in full-time education the highest that it had been since the recession of the early 1990s. This same high level of less than full engagement continued into 2010. Between 2010 and 2011, however, the figure dropped slightly, from 16.4 per cent to 15.5 per cent, suggesting a small improvement in the outlook for young people.

When the rates of marginal attachment to education and the labour market are disaggregated by gender, as in Figure 2, it can be seen that for females these have generally been above rates for males throughout the last 25 years, with a difference of about 2 percentage points being common. The size of this gender gap narrowed in recent years, from 4 points in 2008, to 2 in 2009, and less than 1 percentage point in 2010. In fact, between 2009 and 2010 the percentage of females not fully engaged fell (to 16.8 per cent), while for males it rose (to 16.0 per cent) as the negative impact of the

downturn in the economy was felt more severely among teenage males than females. Conversely, economic recovery has meant opportunities for males in the labour market have improved in comparison with females, and hence the gender gap has now widened again, though the rate of marginal attachment for females has remained much the same (16.7 per cent).

Participation in full-time education continues to grow

Figure 3 (opposite) provides evidence of continued deterioration in the full-time youth labour market. The percentage of teenagers in full-time work but not in full-time education has fallen each year since 2008, and in 2011 is down to 12.8 per cent of all young people aged 15 to 19. Counteracting this decline somewhat, teenage participation in full-time education has increased steadily, reaching an unprecedented peak of 71.7 per cent in 2011.

Participation is rising in both school and other education and training

The proportion of teenagers engaged in full-time education has risen from around five in ten to more than seven in ten over the last 25 years. Full-time educational participation among teenagers is broken down by school and other non-school attendance in Figure 4. As was shown in Figure 3 this overall growth in educational participation, after peaking in 2007, flattened slightly in 2008–2009 but resumed in 2010 and continued in 2011. Figure 4 reveals that the most recent rise is mainly due to greater participation by teenagers in school education, which accounted for 51.8 per cent of 15 to 19 year-olds in 2011, up from 50.7 per cent in 2010.

Teenagers in the labour force face high unemployment rates

Among teenagers who were not in full-time education, and who were seeking to enter the labour market, the unemployment rate increased steeply as a result of the economic downturn. As charted in Figure 5 (overleaf), the percentage of teenagers who were unemployed

jumped from 12.2 per cent in 2008 to 18.4 per cent in 2009, and continued at a high level in 2010. (Note that those who indicate that they are not looking for a job are not counted as labour force participants, and hence are excluded in calculations of the unemployment rate.) The figure for 2011 suggests that the labour market prospects for teenagers may have improved somewhat since 2010, with the rate of teenage unemployment dropping 2 percentage points to 15.9 per cent. However, this does not yet mark a return to the lower unemployment levels of around 12–13 per cent for teenagers that existed immediately prior to the previous economic downturn.

When disaggregated by gender, unemployment rates among teenagers not in full-time education have tended to be higher among females than males. This gender gap closed in 2009, widening again in 2010, but favouring females—the rate of unemployment for males rose sharply from 2008 to 2009, with another small increase to 2010, whereas the female rate dipped between 2009 and 2010, so that it was 2 percentage points below that for males (16.8 per cent compared with 18.8 per cent). In 2011, however, while unemployment among males fell by 4 percentage points (to 14.7 per cent), for females it increased by almost 1 percentage point (to 17.6 per cent).

FIGURE 3
Participation in full-time education and full-time work, 15 to 19 year-olds, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)
NOTE: All students enrolled at school are treated as full-time.

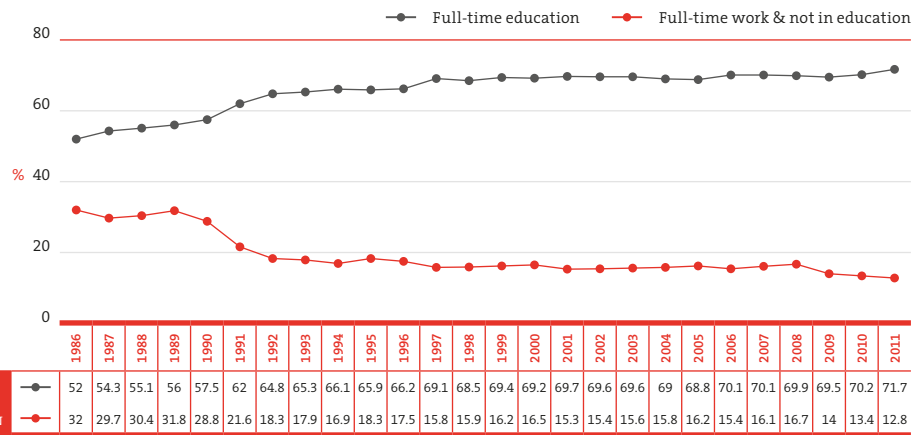


FIGURE 4
Participation in school and other type of full-time education, 15 to 19 year-olds, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

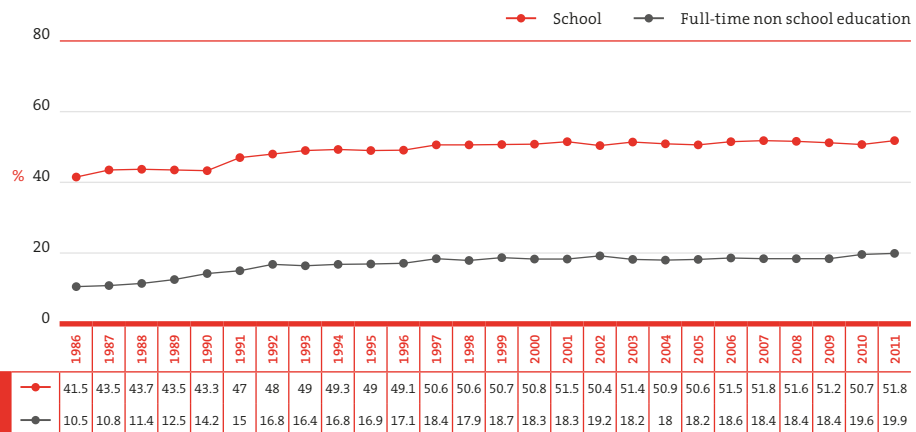
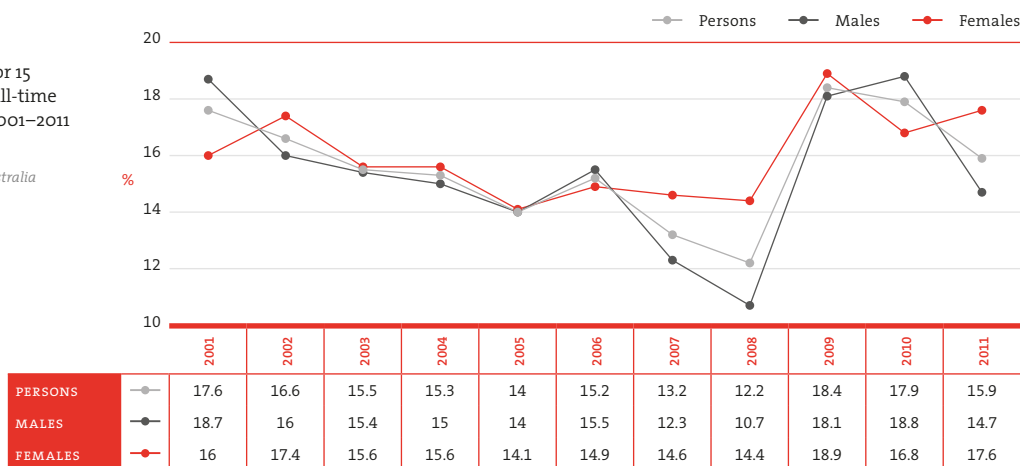


FIGURE 5

Unemployment rates for 15 to 19 year-olds not in full-time education, by gender, 2001–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)



NOTE: Unemployment rates are for teenagers who are not in full-time education and are labour force participants; those who are not seeking employment are excluded. Hence these figures do not match others shown in Table 1 and Table 2, which are based on all 15 to 19 year-olds not in full-time education, including those who were not in the labour force.

TABLE 6

Not in full-time education and not in full-time employment, 15 to 19 year-olds, by state/territory, Australia, May 2000–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

NOTES: 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.

MAY	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
2000	14.7	11.1	16.8	14.0	14.3	14.3	31.3	11.3	14.3
2001	13.4	9.8	19.2	19.2	18.6	18.6	26.4	16.9	14.9
2002	14.9	10.6	17.9	17.2	17.8	17.8	31.7	11.2	15.1
2003	14.7	10.2	18.2	17.0	16.5	16.5	20.4	16.5	14.8
2004	14.2	12.3	17.4	19.6	15.0	15.0	49.0	12.4	15.2
2005	14.5	11.7	16.8	18.3	15.8	15.8	33.1	15.1	14.9
2006	13.8	11.5	17.5	18.0	14.9	14.9	25.2	10.9	14.5
2007	15.1	10.8	13.8	15.1	14.0	14.0	33.3	10.5	13.8
2008	14.1	10.0	15.4	14.0	13.8	13.8	25.0	8.8	13.4
2009	15.7	13.7	20.5	18.2	17.1	17.1	22.6	7.6	16.5
2010	15.5	12.6	20.8	19.3	17.8	17.8	19.4	10.6	16.4
2011	15.2	12.6	19.5	14.9	14.9	14.9	31.5	12.8	15.5
MEAN	14.7	11.4	17.8	17.1	15.9	15.9	29.1	12.0	14.9

Teenage males suffered higher unemployment during the downturn, but have benefited more than females from the subsequent recovery in the labour market.

Changes in marginal attachment to work and study vary across states

The percentages of young people aged 15 to 19 who were not fully engaged in education or work in each of the states and territories during the years between 2000 and 2011 are presented in Table 6. (Above. Note that the estimates for smaller jurisdictions may not be reliable, due to large standard errors.) A general pattern of improvement in the education and employment circumstances of teenagers was evident in many states until 2008, indicated by several years in which there were decreasing percentages who were not fully engaged in work or study. But this trend was halted in 2009, with sharp rises in these percentages—for instance, by 5 percentage points in Queensland and by 4 percentage points in South Australia.

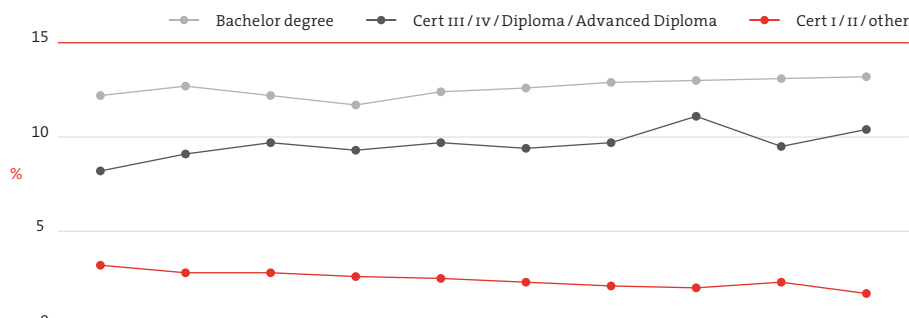
The most recent figures, for 2011, show variation across states in the extent of recovery since the economic downturn. Compared with the estimates for 2010 there has been no change in the overall learning or earning situation of teenagers in Victoria, a small improvement in New South Wales and Queensland, and larger gains in Western Australia, Tasmania and especially in South Australia.

More teenagers enrolled in university and higher-level VET qualifications

Many teenagers who have left school participate in further education and training to develop skills and obtain qualifications that will help to improve their job prospects. Figure 6 (opposite) charts the percentages of 15 to 19 year-olds who were engaged in three different levels of non-school study in each year between 2001 and 2010.

FIGURE 6
Participation in non-school education, by level of course, 15 to 19 year-olds, 2001–2010 (%)

SOURCE: ABS Education and Work, Australia (2001 to 2010); ABS Australian Demographic Statistics (2010)



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BACHELOR DEGREE	12.2	12.7	12.2	11.7	12.4	12.6	12.9	13	13.1	13.2
CERT III/IV/DIPLOMA/ADVANCED DIPLOMA	8.2	9.1	9.7	9.3	9.7	9.4	9.7	11.1	9.5	10.4
CERT I/II/OTHER	3.2	2.8	2.8	2.6	2.5	2.3	2.1	2	2.3	1.7

For much of the decade until 2008, along with a buoyant economy, there was an overall rise in the percentage of teenagers undertaking vocational education and training (VET) at Certificate III level and above, from 8.2 per cent in 2001 to 11.1 per cent in 2008. Apprentices and trainees account for a large proportion of these VET participants. The financial downturn caused this figure to drop substantially to 9.5 per cent of teenagers in 2009, although it has rebounded to 10.4 per cent in 2010 as the economy recovered somewhat (and, as will be seen later in Table 9, training commencements have picked up). In addition to changes in the proportion of teenagers seeking VET qualifications, Figure 6 shows that the percentage of 15 to 19 year-olds enrolled for a university qualification has grown each year since the middle of the decade, with 13.2 per cent of teenagers in 2010 studying for a bachelor degree.

Apprenticeships remain important to teenagers

From the mid-1990s there was a steady rise in the proportion of young people doing apprenticeships

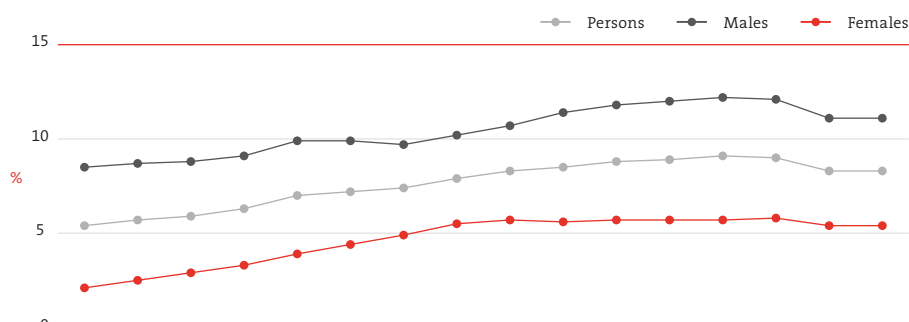
and traineeships. Figure 7 illustrates how the percentage of 15 to 19 year-olds who were undertaking employment-based training increased from 5.4 per cent in 1995 to hover around 9 per cent in 2006–2008. However, this upward trend reversed in 2009, falling to 8.3 per cent. The most recently available estimates indicate no change between 2009 and 2010, with the same percentage of the teenage population in apprenticeships and traineeships in each of those years.

Males are more vulnerable to fluctuations in apprenticeships

Figure 7 also charts the rate of participation in apprenticeships and traineeships separately for males and females, highlighting the wide gender gap that has been a consistent pattern over decades. Nationally in 2010 the proportion of teenage males doing an apprenticeship or traineeship (11.1 per cent) was double that of females (5.4 per cent). Because males account for a greater proportion of apprentices and trainees than do females, the economic downturn in 2009 meant that access to this training pathway was more difficult

FIGURE 7
Participation in apprenticeships and traineeships, 15 to 19 year-olds, by gender, Australia, 1995–2010 (%)

SOURCE: NCVET National Apprentices and Trainees Collection (2010); ABS Australian Demographic Statistics (2010)



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PERSONS	5.4	5.7	5.9	6.3	7	7.2	7.4	7.9	8.3	8.5	8.8	8.9	9.1	9	8.3	8.3
MALES	8.5	8.7	8.8	9.1	9.9	9.9	9.7	10.2	10.7	11.4	11.8	12	12.2	12.1	11.1	11.1
FEMALES	2.1	2.5	2.9	3.3	3.9	4.4	4.9	5.5	5.7	5.6	5.7	5.7	5.7	5.8	5.4	5.4

TABLE 7

Apprentices and trainees in-training, 15 to 19 year-olds, by gender and state/territory, 2010 (%)

SOURCE: NCVET National Apprentices and Trainees Collection (2010); ABS Australian Demographic Statistics (2010)

		IN-TRAINING IN 2009 AS PERCENTAGE OF POPULATION AGED 15-19								
		NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
MALES		9.7	11.5	12.6	10.3	12.2	12.9	9.2	9.8	11.1
FEMALES		4.5	6.0	6.1	5.8	4.5	6.4	3.7	6.4	5.4
PERSONS		7.2	8.8	9.4	8.1	8.5	9.7	6.5	8.1	8.3

TABLE 8

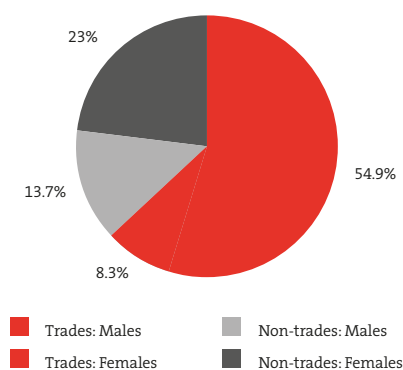
Participation in apprenticeships and traineeships, age 15 to 19, by trade status and gender, Australia 2010 (%)

SOURCE: NCVET National Apprentices and Trainees Collection (2010)

AGE	TRADES			NON-TRADES			ALL		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
15	1.1	0.4	1.5	1.2	1.8	2.9	2.3	2.2	4.4
16	4.7	1.1	5.8	3.0	4.4	7.4	7.8	5.4	13.2
17	10.7	1.8	12.6	2.9	4.2	7.2	13.6	6.1	19.7
18	17.5	2.5	20.0	2.9	5.8	8.7	20.4	8.3	28.7
19	20.9	2.5	23.4	3.7	6.9	10.5	24.5	9.4	34.0
Total 15-19	54.9	8.3	63.3	13.7	23.0	36.7	68.6	31.4	100.0

FIGURE 8

Participation in apprenticeships and traineeships, 15 to 19 year-olds, by trade status and gender, Australia, 2010 (%)



SOURCE: NCVET National Apprentices and Trainees Collection (2010)

for teenage males. The 1 percentage point decline in participation between 2008 and 2009 for males was much larger than for females (5.8 to 5.4 per cent), a situation that persisted into 2010.

While emphasising the greater significance of vocational training for males than for females, Table 7 records the way in which participation in these forms of vocational training varies across states. If measured by the overall proportions of the teenage population participating in 2010, apprenticeships and traineeships have a more important role in Queensland and Tasmania (where more than 9 per cent of 15 to 19 year-olds were doing an apprenticeship or traineeship) compared with New South Wales (7.2 per cent) and South Australia (8.1 per cent). When the figures for males only are considered, Queensland, Western Australia and Tasmania are the states with the highest participation rates, each with more than 12 per cent of teenage males in apprenticeships.

More than half of all teenagers doing apprenticeships and traineeships in 2010 are male apprentices in the trades

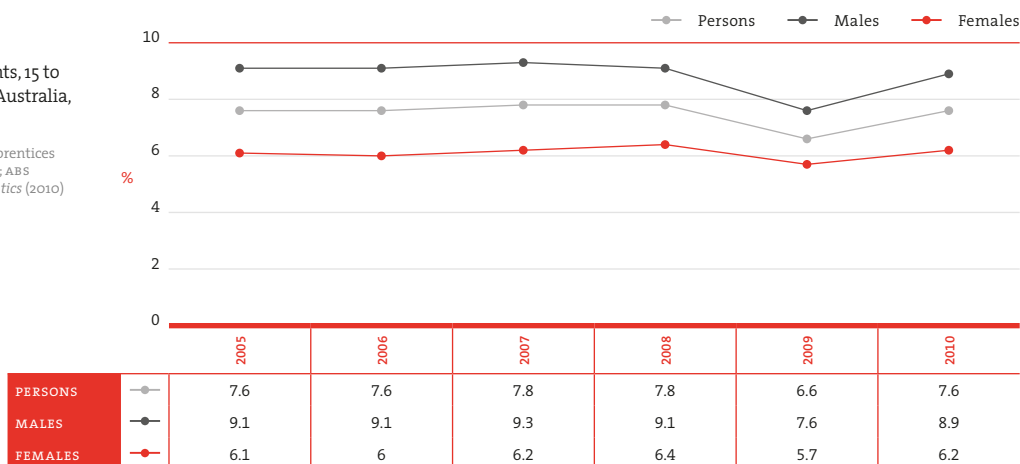
Table 8 provides further information about teenagers participating in this form of employment-based training in 2010, broken down according to their age and gender, and whether they were undertaking an apprenticeship or traineeship. As charted in Figure 8, more than half (54.9 per cent) of all these young people aged 15 to 19 were males doing an apprenticeship in a trade occupation, and nearly one quarter (23 per cent) were females in non-trade traineeships. Males undertaking a traineeship comprised 13.7 per cent of the total and the remaining 8.3 per cent were females in trade apprenticeships.

More teenagers began apprenticeships in 2010 compared with 2009

As was shown in Figure 7 (previous page), the most recently available data (that is, for 2010) does not yet point to any growth, since the economic downturn of 2008-2009, in the proportion of teenagers who were doing an apprenticeship or traineeship. However, there is cause for more optimism if an alternative indicator is used. The number of teenagers commencing a contract of training when expressed as a percentage of the teenage population provides a more positive outlook. Between 2008 and 2009, the number of commencements of apprenticeships and traineeships by teenagers fell by more than 15,000. Estimates for 2010 show these numbers to have recovered substantially, rising by 14,000 and therefore almost

FIGURE 9
 Training commencements, 15 to 19 year-olds, by gender, Australia, 2005–2010 (%)

SOURCES: NCVET National Apprentices and Trainees Collection (2010); ABS Australian Demographic Statistics (2010)



at the level that prevailed in 2008. Figure 9 highlights the 2009 dip in the training commencement rate, but also reveals a rise in this rate from 6.6 per cent of the national teenage population in 2010. Table 9 also presents this year-to-year comparison for each of the states and territories: note that the figures for small jurisdictions should be regarded with caution.

As a percentage of their teenage populations, training commencements were higher than the national average in both 2009 and 2010 in Victoria, and below the average in NSW. The biggest proportional increases in commencements between 2009 and 2010 occurred in Victoria (from 8.1 to 9.5 per cent) and Western Australia (5.6 to 7.1 per cent), whereas there were increases of less than half this magnitude in the other large states.

Focusing on the teenagers who commenced an apprenticeship or traineeship in each year from 2005 and 2010, Table 10 shows changes in the composition of such training which reflect underlying changes in the economy. In the years when the economy was buoyant, males who were starting trade apprenticeships made up an increasing share of all training commencements, reaching 41.6 per cent of the total in 2007; this figure began to fall in 2008, and slipped to 37.7 per cent in 2009. In a time of economic downturn, trade apprenticeships are more adversely affected than are non-trade traineeships. More recently, between 2009 and 2010, commencements in the trades grew as a share of the total, in 2010 comprising 47.2 per cent of all commencements and at that time signalling a possible improvement in employment and training opportunities for young people in some trade occupations.

TABLE 9
 Apprenticeship and traineeship commencements, 15 to 19 year-olds, by state/territory, 2009 and 2010 (%)

SOURCES: NCVET National Apprentices and Trainees Collection (2010); ABS Australian Demographic Statistics (2010)

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

	COMMENCEMENTS AS PERCENTAGE OF POPULATION AGED 15-19								AUSTRALIA
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	
2009	5.5	8.1	7.0	6.9	5.6	7.9	5.4	8.8	6.6
2010	6.2	9.5	7.6	7.5	7.1	8.9	5.7	8.0	7.6

TABLE 10
 Apprenticeship and traineeship commencements, 15 to 19 year-olds, by gender, 2005–2010 (%)

SOURCE: NCVET National Apprentices and Trainees Collection (2010)

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

	TRADES			NON-TRADES			ALL		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
2005	39.8	6.1	45.9	21.4	32.7	54.1	61.2	38.8	100
2006	41.0	6.3	47.3	20.7	32.1	52.7	61.6	38.4	100
2007	41.6	6.6	48.2	19.8	32.0	51.8	61.3	38.7	100
2008	40.6	6.3	46.9	19.8	33.2	53.1	60.5	39.5	100
2009	37.7	6.8	44.5	20.9	34.6	55.5	58.6	41.4	100
2010	40.8	6.4	47.2	19.6	33.3	52.8	60.4	39.6	100

SCHOOL LEAVERS

Information about the further education and labour market destinations of school leavers can be obtained from various sources. National longitudinal research studies such as the *Longitudinal Surveys of Australian Youth* and the annual school leaver surveys conducted within some states provide evidence about the post-school education, training and employment pathways taken by students.

However, there is a time lag inherent in the longer-term perspective offered by longitudinal data, and although cross-sectional state level surveys may be more current they do not give a national picture. The most up-to-date national overview of the destinations of school leavers is available from the monthly ABS *Labour Force Survey*. One of the sub-groups which can be identified from the *Labour Force Survey* data is those who were not at school at the time of survey but who had been attending school in the previous year. Hence the activities of young people who were no longer at school when they were surveyed in May 2011 but had been there in 2010 provide some evidence about the circumstances of the most recent crop of school leavers in their initial post-school year.

Nearly half of all school leavers continue in further education

According to estimates derived from this source and presented in Table 11, 47 per cent of the young people aged 15 to 19 who had left school in 2010 were engaged in full-time education in May 2011. This was a very small increase over the figure for the previous year, when 46.2 per cent of school leavers were in further study. The gender difference in the rate of entry to full-time post-school study has, consistently over time, favoured females, widening to a margin of 17 percentage points in 2010. However, the most recent data suggests that the gender gap has narrowed considerably in 2011, with 50.2 per cent of female school leavers continuing in education, compared with 44.1 per cent of males. Just under half of all those in full-time education were also working part-time.

One in five school leavers is in full-time work in 2011

More than one in five (20.3 per cent) of school leavers entered full-time work rather than continuing with study in 2011. Males were more likely to do so than females (24.4 per cent compared with 15.9 per cent), this gender gap being partly due to males having a much higher rate of entry to apprenticeships (generally

TABLE 11

Education and labour market status of persons aged 15 to 19 who left school in 2010, by gender, Australia, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

	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	1.0	17.8	4.3	20.9	44.1	24.4	13.2	8.8	9.5	55.9	100.0
FEMALES	0.3	24.6	3.4	21.9	50.2	15.9	18.0	8.4	7.6	49.8	100.0
PERSONS	0.6	21.1	3.9	21.4	47.0	20.3	15.6	8.6	8.6	53.0	100.0
N ('000)											
MALES	1.6	27.9	6.7	32.7	68.9	38.1	20.7	13.8	14.8	87.5	156.4
FEMALES	0.4	35.7	4.9	31.8	72.8	23.0	26.1	12.2	11.0	72.3	145.1
PERSONS	1.9	63.6	11.7	64.5	141.7	61.2	46.9	26.0	25.8	159.8	301.5
Previous year results (2010 destinations of 2009 school leavers)											
	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	0.3	13.0	4.5	19.8	37.5	26.9	15.0	12.5	8.1	62.5	100.0
FEMALES	0.6	26.3	5.2	22.5	54.5	13.1	17.9	8.3	6.2	45.5	100.0
PERSONS	0.5	19.7	4.8	21.2	46.2	19.9	16.4	10.4	7.1	53.8	100.0
N ('000)											
MALES	0.5	21.2	7.3	32.4	61.4	44.1	24.5	20.5	13.2	102.3	163.7
FEMALES	1.0	44.6	8.8	38.1	92.5	22.3	30.3	14.1	10.5	77.2	169.7
PERSONS	1.6	65.8	16.1	70.5	154.0	66.4	54.7	34.5	23.7	179.3	333.3

TABLE 12

Education and labour market status of school leavers aged 15 to 19 years, by state/territory, Australia, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

NOTE: Estimates for small states and territories are unreliable.

	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	
NSW	0.6	21.7	2.4	20.8	45.5	20.6	15.9	9.4	8.6	54.5	100.0
VIC	0.5	22.7	7.1	28.8	59.1	12.4	11.8	6.8	9.8	40.9	100.0
QLD	1.3	17.3	2.0	13.7	34.5	24.1	22.9	11.4	6.0	65.5	100.0
SA	-	26.1	6.8	15.8	48.6	17.6	20.3	5.9	7.7	51.4	100.0
WA	0.8	20.4	0.8	27.0	49.0	25.9	7.7	7.4	9.9	51.0	100.0
TAS	-	17.8	2.7	13.7	35.6	35.6	13.7	11.0	4.1	64.4	100.0
NT	-	-	3.1	3.1	6.3	40.6	28.1	6.3	21.9	93.8	100.0
ACT	-	26.4	11.3	11.3	49.1	28.3	9.4	11.3	-	50.9	100.0
Australia	0.6	21.1	3.9	21.4	47.0	20.3	15.6	8.6	8.6	53.0	100.0

recorded as full-time work). However although the labour market prospects of male school leavers may be more favourable than for females, the percentage of males securing a full-time job actually declined by 2.5 percentage points between 2010 and 2011, whereas for females it increased by a similar margin.

Apart from those who were engaged in either full-time education or full-time work, 15.6 per cent of school leavers were in part-time jobs, 8.6 per cent were unemployed, and the same percentage had withdrawn from the labour force. Therefore almost one third (32.8 per cent) of school leavers were not fully engaged in education or work in the first year following their exit from school. Unlike the situation that was reported last year, the gender differential on this measure in 2011 favours males (31.5 per cent) over females (34 per cent) (see also Figure 10 below).

These national figures obscure differences across states in the activities of school leavers, which can be seen in Table 12. Almost six in ten school leavers remained in full-time education in 2011 in Victoria, while the proportions were close to the national average of about five in ten in South Australia and Western Australia.

Higher percentages of school leavers entered the labour market and were working full-time in Queensland (24.1 per cent) and Tasmania (35.6 per cent), compared with Victoria (12.4 per cent) and South Australia (17.6 per cent).

Fall in school leavers not fully engaged in education or work

Changes over the last 25 years in the circumstances of school leavers, in their initial post-school year, are charted in Figure 10. After a sharp jump from a little more than 20 per cent at the beginning of the 1990s, the percentage of school leavers not fully engaged in further education or full-time employment hovered around 30 per cent for much of that decade. From 2001, the period of sustained economic growth up until 2008 saw a downward trend in this figure, before the spike to 36 per cent in 2009 caused by the global financial crisis. Signalling a degree of recovery in the economy, there has been some improvement since, with a drop to 32.7 per cent not fully engaged in 2011. Nevertheless this level of disengagement among school leavers remains as high as was recorded the recession of the early 1990s.

FIGURE 10

School leavers aged 15 to 19 not engaged in full-time education or full-time work in May of year after leaving school, by gender, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

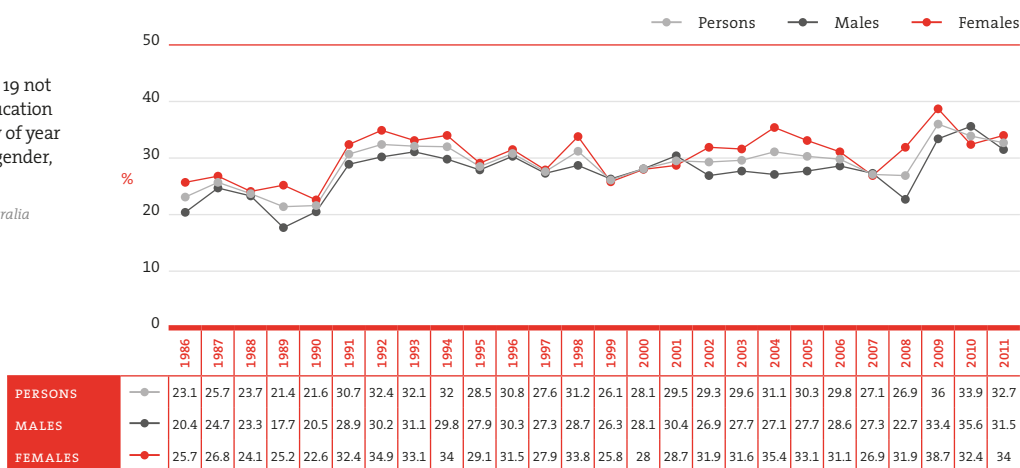


TABLE 13

Education and labour market destinations of persons aged 15 to 24 who left school in 2009, by school leavers' highest year of school completed, Australia, May 2010 (%)

SOURCE: ABS *Education and Work, Australia* (2010) (customised table)

Highest year of school completed	IN EDUCATION (full-time or part-time)				NOT IN EDUCATION					SUB TOTAL	TOTAL
	Higher Ed	TAFE	Other	SUB TOTAL	Full-time work	Part-time work	Seeking work	Not in labour force			
YEAR 12	43.8	16.1	3.8	63.7	11.1	12.6	8.4	4.3	36.3	100	
YEAR 11	6.3	27.5	6.7	40.5	15.9	20.5	10.2	12.9	59.5	100	
YEAR 10 OR BELOW	1.6	32.5	6.2	40.3	11.7	11.2	18.0	18.8	59.7	100	
Total	32.5	20.2	4.5	57.2	11.7	13.1	10.3	7.7	42.8	100	

Female school leavers are not doing as well as males in 2011

Also evident from Figure 10 (previous page) is the consistent pattern over the preceding decades in which female school leavers are more likely than males to be less than fully engaged in education or work in their first year after leaving. But in 2010 there was a deviation from this situation when the percentage of females not engaged in education or full-time work fell below that for males (32.4 per cent, compared with 35.6 per cent). In that year, higher percentages of females continued into post-school education than previously. At the same time male school leavers, more exposed to the downturn in the labour market, experienced greater difficulties in making the transition from school. In 2011 the longer-term trend has resumed, reflected in the higher percentage of females not fully engaged (34 per cent) than males (31.5 per cent).

School completion remains important to outcomes

Information about the education and labour force destinations of school leavers as a group can be drawn from the *Labour Force Survey*, but other sources must be used to explore differences within the school leaver cohort—especially differences in the years of schooling that have been completed prior to leaving. The most recently available data that demonstrates the relationship between Year 12 completion and post-school destinations comes from the 2010 ABS *Education and Work* survey.

Table 13 shows the activities of school leavers in their first year after exiting school, according to the highest year level they had completed while at school. Over half (57.2 per cent) of all those who had been attending school in 2009 but had left in 2010 continued into other full-time or part-time education. Although not recorded in Table 13, the percentage of school leavers continuing with further education or training had been increasing prior to 2009: between 2007 and 2008

it had risen from around 54 per cent to almost 57 per cent, but fell back to 53.3 per cent in 2009. The figure for 2010 therefore represents a return to the level of continuation in education among school leavers that prevailed in 2008.

Year 12 completers are more likely to continue in study

The rate at which school leavers participate in further study varies depending on the level of schooling completed. In 2010 more than six in ten school leavers who had finished Year 12 were engaged in post-school education, compared with four in ten of those who left at Year 11 or from Year 10 or below. Young people who are considered to be most at risk in the transition from school are those who lack an end-of-school qualification. Early school leavers have the greatest need to acquire the knowledge and skills required to find secure full-time employment in the future, yet it is these same early school leavers who are less likely to be engaged in any form of post-school education or training to provide those skills.

The highest year of school completed influences not only the likelihood of continued study, but the type of further study that school leavers pursue. More than four in ten of all Year 12 completers went on to university in 2010, whereas TAFE was a more important study destination among early leavers, accounting for one quarter of those who left at Year 11, and one third of students who left at Year 10 or below.

Another aspect of the impact of school completion can be observed in the different proportions of school leavers who were not in any form of education, nor in full-time work. From Table 13 it can be seen that in 2010 the combined percentage in part-time work only, seeking work or not in the labour force was nearly twice as high among those who left at Year 10 or below (48 per cent) compared with Year 12 completers (25.2 per cent). (Table 14 (opposite) records the trend over the last decade in this percentage of school leavers not fully engaged.)

TABLE 14

Per cent of 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 2001–2010 (%)

SOURCE: ABS *Education and Work* (selected years, customised tables)

NOTES: Excludes all students, whether full-time or part-time. 2001 reports Year 10 completion only, not Year 10 and below.

MAY	Year 10 or below	Year 11	Year 12	All school leavers
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
2009	56.8	46.7	25.5	34.6
2010	48.0	43.6	25.2	31.2

Year 12 completion helps those who enter the job market directly from school

Early school leavers are disadvantaged in the labour market. Figure 11 shows that in 2010, among school leavers who did not continue in any education, Year 12 completers had substantially higher rates of both full-time and part-time employment compared with early leavers. Among Year 12 completers, three in ten had full-time work and another three in ten were part-time workers. By contrast, of those who had left school at Year 10 or below, the comparable figures were two in ten — 19.6 per cent employed full-time, and 18.8 per cent part-time. Proportionately more early leavers were unemployed, and furthermore, very large proportions had withdrawn from the labour force — three in ten (31.5 per cent) of those who had left at Year 10 or below, and two in ten Year 11 leavers (21.6 per cent) were not in any job nor seeking one.

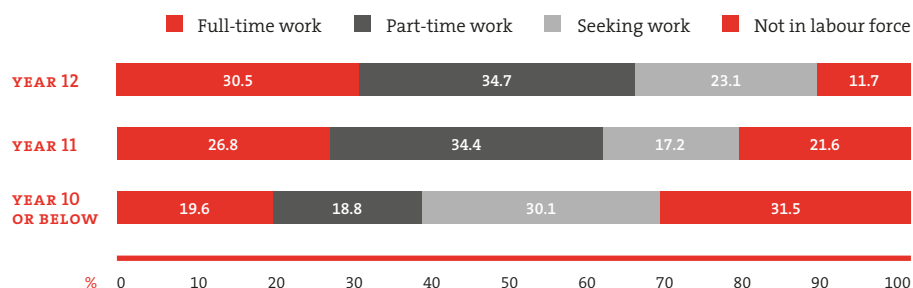
School completers are less likely to be at risk of marginalisation

The effect of school completion in reducing the likelihood of not being engaged in any education or full-time work in the initial post-school year is evident in Table 14. This data reveals a consistent pattern of disadvantage among early school leavers compared to those who left after Year 12. The economic downturn is reflected in the sharp rise that occurred in the proportion of school leavers who were in marginalised activities — between 2008 and 2009 this jumped from one quarter to one third of all school leavers. The most recent figures, for 2010, indicate some improvement in the outlook for school leavers, with the percentage in marginal activities down to 31.2 per cent overall, ranging from 25.2 per cent among Year 12 completers to 48 per cent of those who left at Year 10 or below.

FIGURE 11

Labour market destinations of school leavers (persons aged 15 to 24 at school in 2009 but not in 2010) who are not in education, by highest year of school completed, Australia, May 2010 (%)

SOURCE: ABS *Education and Work, Australia* (2010) (customised and published tables)



YOUNG ADULTS

Almost three quarters of 20 to 24 year-olds are fully engaged in earning or learning

While participation in full-time education is the primary activity of the majority of teenagers, for young adults aged 20 to 24 the main focus is their transition into the labour force. In 2011, as Table 15 records, 29.2 per cent of young adults were still in full-time study or training, while a considerably larger proportion, 44.9 per cent, were no longer in education and had instead moved into full-time work.

Gender differences in the rates of participation in work and study that occur among teenagers are equally strong among young adults. A higher percentage of females than males aged 20 to 24 were studying full-time (32.1 per cent, compared with 26.4 per cent). Conversely more than half (52.3 per cent) of all males were not doing any education or training but were employed full-time, whereas for females this figure was much lower (37.2 per cent).

Among young adults who were not involved in education, unemployment was higher for males (6.2 per cent) than females (4.4 per cent), but almost twice as many females as males had withdrawn from the labour force (11.1 per cent compared with 6.2 per cent).

Apprenticeships for young adults remain steady

Apprentices and trainees may be spread across a number of categories in the *Labour Force Survey* data, so other data is used to calculate the level of participation in this form of vocational training. Using National Centre for Vocational Education Research (NCVER) data on apprenticeship numbers, and ABS population figures as a base, it is estimated that 7.1 per cent of young Australians aged 20 to 24 were either apprentices or trainees in 2010. Although the figures for the previous year are not shown in Table 16, this rate of participation in employment-based training for this age group in 2010 was about the same as it had been in 2009, when it had fallen from the estimate for 2008 of 7.4 per cent (a drop that had occurred only among males, not females).

Table 16 also shows that the gender gap observed among teenagers undertaking apprenticeships and traineeships (see Table 7, p. 24) was as wide for young adults, with participation rates of males almost two and a half times that of females (9.9 per cent compared with 4.1 per cent).

There are differences across the states in the proportions of the young adult population who were engaged in employment-based training. In 2010 the percentages were above the 7.1 per cent national average in Tasmania (for both males and females), Victoria and South Australia, and lower in Western Australia.

TABLE 15

Education and labour market status of young adults aged 20 to 24 years, Australia, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

	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	1.1	12.4	0.9	12.0	26.4	52.3	9.0	6.2	6.2	73.6	100.0
FEMALES	1.6	16.7	2.1	11.7	32.1	37.2	15.2	4.4	11.1	67.9	100.0
PERSONS	1.3	14.5	1.5	11.8	29.2	44.9	12.0	5.3	8.6	70.8	100.0
N ('000)											
MALES	9.3	105.6	8.0	101.7	224.6	444.3	76.4	52.7	52.3	625.6	850.2
FEMALES	13.1	135.7	16.9	95.3	261.0	302.6	123.6	36.1	90.2	552.6	813.6
PERSONS	22.3	241.3	24.9	197.0	485.6	746.9	200.0	88.8	142.5	1178.2	1663.8

TABLE 16

Apprentices and trainees in-training, ages 20 to 24, by gender and state/territory, 2010 (%)

SOURCE: NCVER National Apprentices and Trainees Collection (2010); ABS Australian Demographic Statistics (2010) (Table 8)

	IN-TRAINING IN 2010 AS PERCENTAGE OF POPULATION AGED 20-24									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA	
MALES	9.8	11.3	9.1	10.0	7.8	12.0	7.1	10.4	9.9	
FEMALES	4.7	4.1	3.5	4.0	2.8	5.8	3.3	5.6	4.1	
PERSONS	7.3	7.8	6.4	7.1	5.4	9.0	5.3	8.1	7.1	

Over one quarter of young adults are not engaged in full-time work or study

Table 17 (below) and Figure 12 (overleaf) display the changes over the last 25 years in the percentages of 20 to 24 year-olds not fully engaged, as well as those who were in full-time work and in full-time education. The long-term deterioration in the full-time labour market for young adults is evident. At the end of the 1980s, about 65 per cent of those aged 20 to 24 were employed full-time. Rates of participation in full-time employment have hovered around 50 per cent for most of the past decade, but dropped to 45.6 per cent in 2009. The small recovery in 2010 has been followed by a dip again in 2011, so that the rate of full-time employment of 44.9 per cent among young adults is lower than it was in 2009.

During the same lengthy period since the mid-1980s there has been a steady growth in full-time educational participation among this age group. For the last three

years almost three in every ten young adults aged 20 to 24 were attending full-time education. This can be seen both as a response to the rising demand for skills and a result of a greater propensity to 'shelter' from an unfavourable labour market at a time of economic slowdown. The most recent figures show a very slight decline (from 29.5 to 29.2 per cent) in full-time educational participation between 2010 and 2011. This might suggest an easing of the 'shelter effect', but as noted above full-time employment has not picked up.

More than one quarter of 20 to 24 year-olds were not fully engaged in education or employment in 2011. This comprised 12 per cent who were in part-time work only, 5.3 per cent who were unemployed and seeking work, and a further 8.6 per cent who had left the labour force. As both Table 17 and Figure 12 show, this total figure of 25.9 per cent represents a deterioration in the circumstances of the young adult cohort over the last year. The percentage not fully engaged in earning or learning has risen from 24.2 per cent in 2010, and is now above the level that prevailed during the economic downturn in 2009.

TABLE 17

Trends in work and study engagement, 20 to 24 year-olds, May 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

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

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
1986	28.0	6.6	8.2	13.2	64.3	7.7
1987	26.6	6.3	8.7	11.6	64.8	8.6
1988	26.4	6.9	8.2	11.3	64.1	9.5
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	21.4	9.9	3.9	7.6	50.2	28.4
2009	25.3	11.7	5.1	8.5	45.6	29.1
2010	24.2	10.9	4.7	8.5	46.3	29.5
2011	25.9	12.0	5.3	8.6	44.9	29.2

Participation in full-time work is declining as participation in full-time education grows

As discussed earlier, two strong and consistent patterns of change in the education and labour market activities of young adults are displayed in Figure 12. Throughout the previous 25 years, among 20 to 24 year-olds, the rate of participation in full-time work has declined by 20

percentage points, falling from 64.3 per cent of the age cohort in 1986 to 44.9 per cent in 2011. Participation in full-time education rose steeply over the same period, doubling in the decade from 1986, and almost doubling again since the mid-1990s, reaching 29.5 per cent in 2010, although stalling since then at 29.2 per cent.

Table 18 records the fluctuation, from the mid-1980s to the present, in the percentages of young adults not fully engaged in education or work, disaggregated by

FIGURE 12

Trends in work and study engagement: 20 to 24 year-olds, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

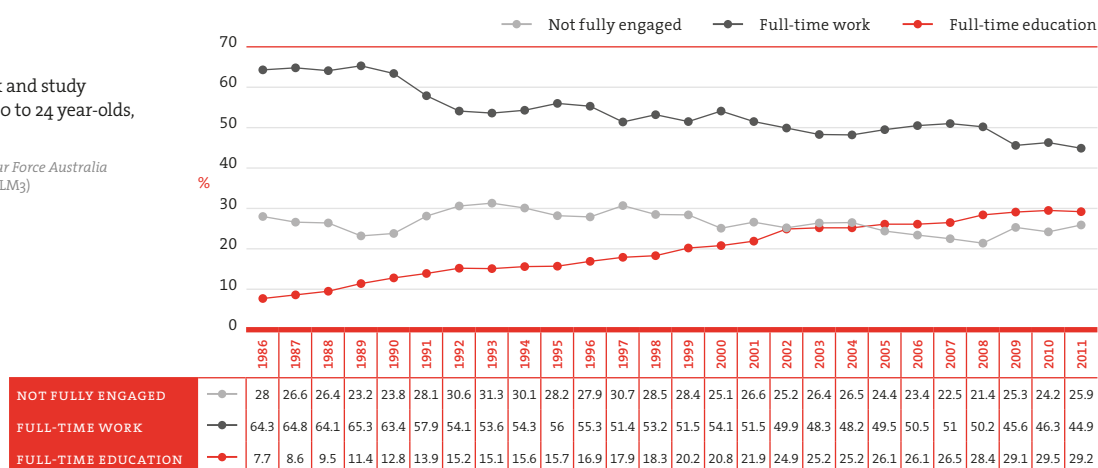


TABLE 18

Not fully engaged, 20 to 24 year-olds, by gender, May 1986–2011 (%)

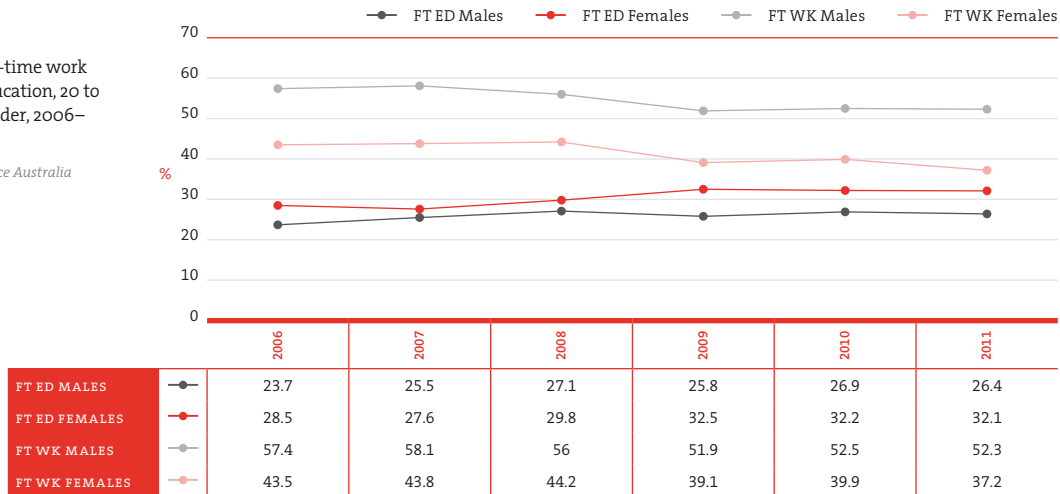
SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

MAY	NOT FULLY ENGAGED			
	MALES	FEMALES	PERSONS	SIZE OF GENDER GAP
1986	18.0	38.2	28.0	20.2
1987	17.4	36.0	26.6	18.7
1988	17.4	35.5	26.4	18.1
1989	14.4	32.2	23.2	17.8
1990	16.4	31.2	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	15.0
1997	24.2	37.3	30.7	13.1
1998	23.4	33.8	28.5	10.4
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	25.2	10.8
2003	22.0	31.0	26.4	9.0
2004	21.1	32.1	26.5	11.0
2005	19.1	29.8	24.4	10.7
2006	18.8	28.0	23.4	9.2
2007	16.4	28.7	22.5	12.2
2008	17.0	26.0	21.4	9.0
2009	22.3	28.4	25.3	6.0
2010	20.7	27.9	24.2	7.3
2011	21.3	30.7	25.9	9.4

FIGURE 13

Participation in full-time work and in full-time education, 20 to 24 year-olds, by gender, 2006–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)



gender. These figures show that throughout this time young women have been more likely to be marginalised than young men, with a gender gap of as much as 20 percentage points in 1986. This decreased during the 1990s and has been around 10 percentage points in each year of the most recent decade. Since narrowing to just 6 percentage points in 2009, the size of the gender gap has increased, reverting to the level more typical of the years prior to the financial crisis, and in 2011 is back at 9.4 per cent. Between 2010 and 2011 the increase in the percentage not fully engaged was larger among females (nearly 3 percentage points) than among males (less than 1 percentage point).

Figure 13 shows the trend over recent years, separately for males and females, in their rates of participation in full-time employment and full-time education. It is these participation rates which in turn account for changes in the residual—that is, in the proportion of the cohort who are not fully engaged in earning or learning. Comparing males and females, the rise in female participation in full-time education between 2008 and 2009 can be seen to account for the narrowing of the gender gap in the percentage not fully engaged in 2009, while the dip in full-time employment for females compared with males between 2010 and 2011 has caused this gap to widen.

Labour force status for those not fully engaged varies by gender

Figure 14 (overleaf) charts, for the last 25 years, the labour market status of young adults who were not in full time education or work. Marked and persistent gender differences in patterns of activity among young people who are not engaged in full-time learning or earning are clearly evident.

Throughout the period, rates of participation in part-time work have been consistently higher among females than males. This gender gap narrowed in 2009 because the percentage of males who were in only part-time employment rose more sharply compared with the increase for females. These rates fell for both males and females in 2010, but in 2011 there was a jump in the percentage of females in this category while the figure for males remained at the same level as in the previous year. (Appendix Table A1 on page 67 contains the figures for these trends.)

Males are more vulnerable to unemployment. This was especially the case in 2009, when the economy was slowing, and (compared with females) there was a larger rise in the proportion of males who were looking for work. Unemployment eased between 2009 and 2010 (for males only), but crept up again in 2011 (and more for females than for males), although still remaining higher for males (6.2 per cent) than females (4.4 per cent).

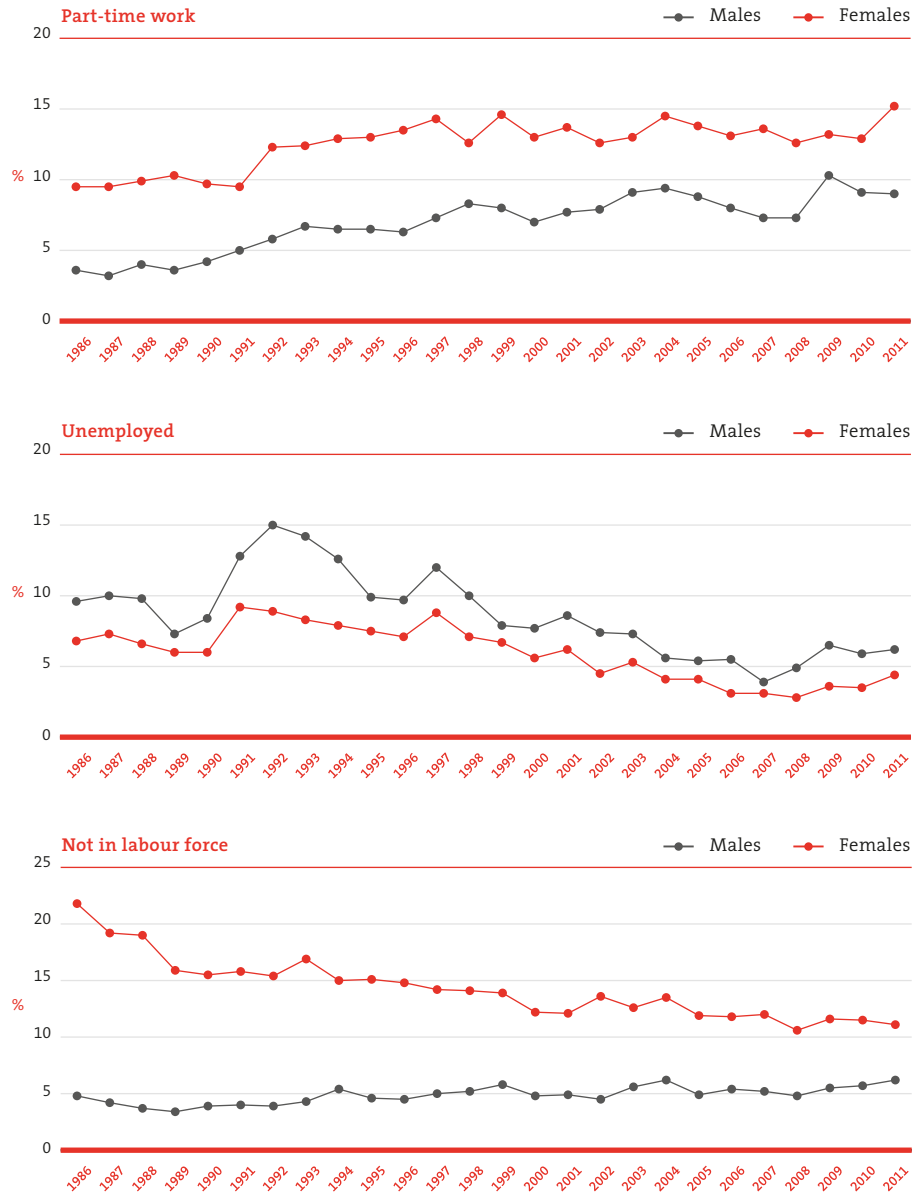
Withdrawal from both education and from the labour market is a more common occurrence among women than men. In 2011, the proportion of females not in the labour force was 11.1 per cent compared to 6.2 per cent for males. The long-term patterns show that the rates for females have been falling, from a high of 21.8 per cent in 1986 to 11.1 per cent in 2011, while the rates for males have increased by 1.4 percentage points from the 1986 level of 4.8 per cent. Several factors are likely to contribute to the changes affecting women, including the tendency to defer having children until a later age, and the growing levels of participation in work and further study.

FIGURE 14

Young adults not studying full-time and in part-time work, unemployed, or not in the labour force, by gender, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (data cube LM3)

See Appendix Table A1 for percentage values.



The numbers of discouraged job seekers have increased

Family formation and other personal factors determine the main activities of many young people who are not in the labour force. When they were asked to specify their main reason for not actively looking for work (and excluding those who were not doing so because they were attending an educational institution), personal and family reasons predominated. This can be seen in the distribution of the responses, for each year from 2008 to 2010, shown in Table 19 (opposite). The table combines both teenagers and young adults because it is not possible to provide separate estimates with the available data. The information has been derived from the ABS *Persons Not in the Labour Force Survey*,

conducted as a supplement to the monthly *Labour Force Survey* in September of each year.

Many of those not in the labour force report child-rearing or family duties as the main reason for not being labour force participants. The estimates show that just under one third report family reasons as the main reason for not seeking jobs. Within this group, the majority report caring for children as the main reason (23.5 per cent in 2010).

While family and other personal factors strongly influence labour market participation rates, there is also evidence in the table that both economic conditions and skill levels have an impact on the propensity for young people to enter the job market.

TABLE 19

Main reason for not looking for work, 15 to 24 year-olds not in education and not in the labour force, 2008–2010 (%)

SOURCE: ABS *Persons Not in the Labour Force* (2010)

	2008	2009	2010
DISCOURAGED JOB SEEKERS	8.4	15.0	13.2
Lack the required skills or training	3.9	5.5	6.5
No jobs where living	2.3	2.9	3.3
PERSONAL REASONS	20.5	18.3	18.8
Health	10.0	10.7	9.9
FAMILY REASONS	28.0	32.5	29.6
Caring for children	20.5	23.2	23.5
Family duties	6.4	7.7	4.6
OTHER REASONS	30.5	19.0	19.2
HAD A JOB TO GO TO	10.0	11.3	14.4
DID NOT KNOW	2.7	3.9	4.8
Total	100.0	100.0	100.0

Responses categorised as ‘discouraged job seekers’ (including there being no jobs available, and lack of training) increased as a proportion of the total, from 8 per cent in 2008 to 15 per cent in 2009, and were still at 13.2 per cent in 2010. Lacking the necessary schooling, training, skills or experience was reported as the key reason by 6.5 per cent in 2010, up from 3.9 per cent in 2008.

Figure 15 displays the main activities of young people aged 15 to 24 years who were not in the labour force (that is, neither working nor looking for work) and not engaged in education or training in 2010. Domestic-related activities were reported by more than five in ten of those not in the labour force — three in ten said

they were caring for children, and two in ten gave home duties as their main activity. A further two in ten cited long- or short-term health issues as their main pre-occupation.

The published data does not enable a gender breakdown for all of these activities, but the figures that are available reveal differences between the main activities of young men and women who are not in the labour force and not in study. Figure 16 shows a far greater number of females than males engaged in child care and home duties, whereas roughly similar numbers were affected by a health issue or disability, and more males than females reported ‘other’ reasons and travel, holiday or leisure as their main activity while not in the labour force.

FIGURE 15

Activities of 15 to 24 year-olds not in the labour force, Australia, 2010 (%)

SOURCE: ABS *Persons Not in the Labour Force* (2010)

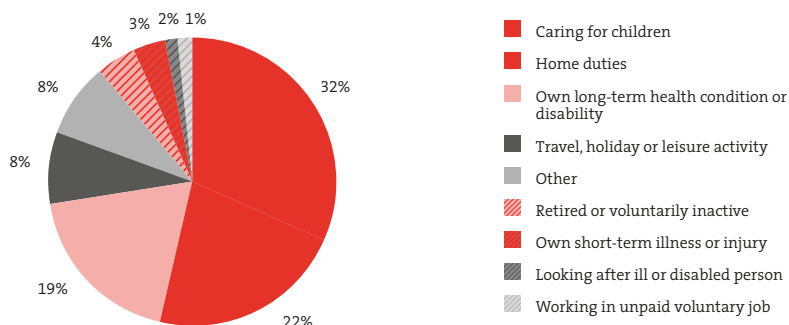
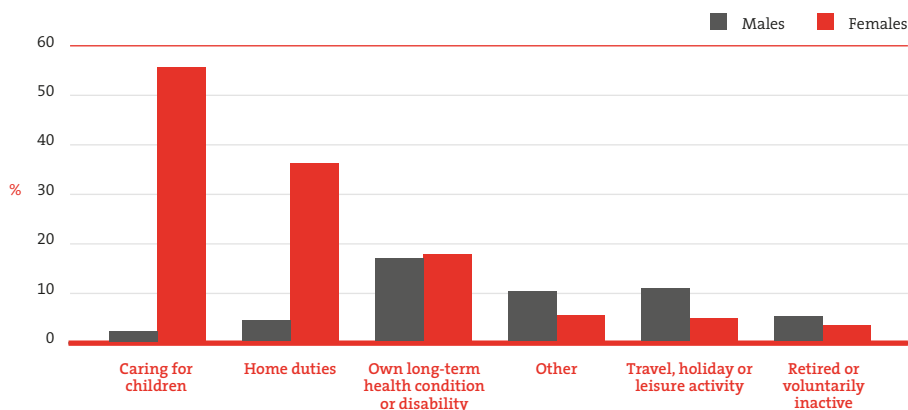


FIGURE 16

Numbers of 15 to 24 year-olds not in the labour force, in main activities, by gender, 2010 ('000)

SOURCE: ABS *Persons Not in the Labour Force* (2010)



THE YOUTH LABOUR MARKET

O2

The education and training system has a major role in preparing young people for entry to the labour market. This section of the report explores a number of aspects of the youth labour market over the previous two to three decades. It begins with an analysis of the change in the size of the teenage labour force relative to that for all adults. Levels of labour market participation and rates of unemployment, which vary according to whether or not young people are engaged in education, are also examined, as is the demand for full-time jobs.

These analyses of long-term trends show that teenagers are particularly vulnerable in the labour market. While the situation for young adults may be less dire, for both age groups access to full-time employment is an ongoing challenge.

THE TEENAGE LABOUR FORCE

The teenage labour force has contracted in size compared with the adult workforce

Figure 17 charts the relative sizes of the teenage labour force and the adult labour force over the last 25 years: the number of teenagers who were not in any education but in the labour force (right-hand scale) can be compared with the number of 15 to 64 year-old labour force participants (left-hand scale). In the adult population, labour force participants grew from 7.5 million to almost 11.7 million between 1986 and 2011. Over this period the number of teenagers in the labour force who were not at the same time doing any study or training has dropped from 590,000, with the steepest decline occurring in the first half of the 1990s. The size of the teenage labour force is the smallest it has been at any time over the last 25 years, falling from a 10-year high of just over 390,000 in 2008 to 348,000 in 2011.

Teenage unemployment rates have fallen in 2011

As displayed in Figure 17, the teenage labour force is now much smaller than it has been in the past. But while there have been fewer teenage entrants to the labour market over recent decades, Figure 18 (overleaf) shows that, compared with adults, they have been less able to find work.

Among teenagers, rates of unemployment (when defined as all those who, regardless of their educational status, are looking for work and are therefore

participating in the labour force) have followed national trends for adults. This has been the case since 1978. Spikes in unemployment rates coinciding with major downturns (in the early 1980s, the early 1990s and in 2008–2009) have been followed by falls in unemployment as the economy has recovered.

But consistently during these three decades the unemployment rate for teenagers has been well above (generally by about 10 percentage points) that for adults. Furthermore, the gap between teenage and adult rates has been widest at times of economic downturn (around 13 percentage points in the early 1980s and early 1990s, and around 12 points in 2010).

The most recent figures, for 2011, indicate a small reduction in the gap, returning to 10 percentage points (15 per cent for teenagers and 5 per cent for all adults). Not only has the gap narrowed slightly, but 2011 has seen a 2 percentage point fall in the unemployment rate for teenagers. It remains to be seen whether this improvement for teenagers, vis-à-vis adults, is maintained in the face of the present international economic turbulence.

Teenagers continue to miss out on full-time jobs

The gap between unemployment rates for teenagers compared with all adults has remained fairly constant, despite the reduction in the size of the teenage labour force that is graphed in Figure 17. This is even more apparent when looking at the changes in the numbers in full-time work. From Figure 19 (overleaf) it can be seen that full-time jobs for teenagers decreased from a high of almost 550,000 in 1981 to just over 200,000 in 2011. Teenagers have been losing access to full-time jobs. There were very steep falls after the major economic downturns of the early 1980s and early 1990s. Recovery periods have not seen rises in full-time job numbers, just some levelling out.

FIGURE 17

Size of the labour force, teenagers not in education and all adults compared, 1986–2011 ('000)

SOURCE: ABS *Labour Force Australia* (2011b) (Table 03b); ABS *Labour Force Australia* (2011a) (Table 01)

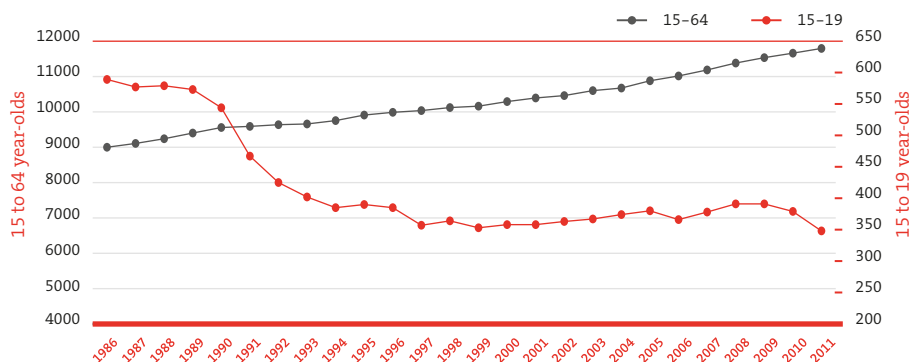


FIGURE 18

Unemployment rates, teenagers and all adults compared, labour force participants, 1978–2011 (May)(%)

SOURCE: ABS *Labour Force Australia* (2011a) (Table 14; Table 18)

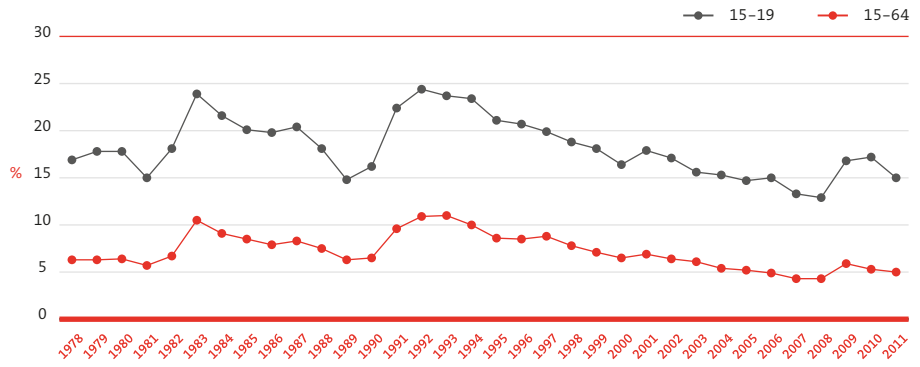


FIGURE 19

Changes in number of full-time jobs for teenagers, 1978–2011 ('000)

SOURCE: ABS *Labour Force Australia* (2011a) (Table 14)

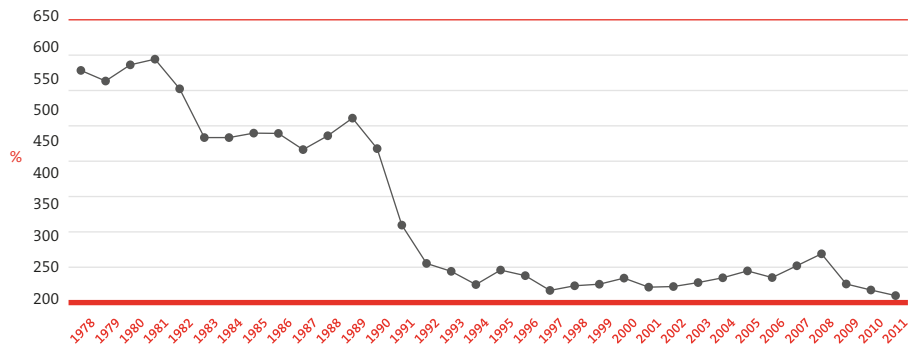
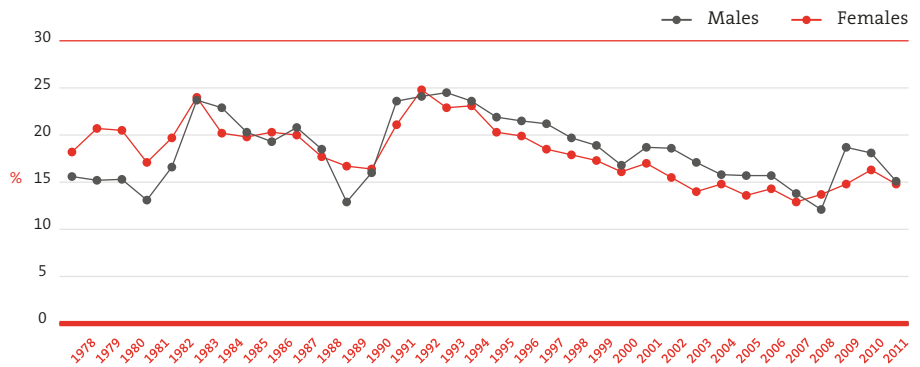


FIGURE 20

Unemployment rates for teenagers, all labour force participants, by gender, 1978–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011a) (Table 14)



As a consequence, teenagers have become more reliant on education and training, with these trends in job numbers helping to explain why school and tertiary education participation have increased over the period.

The sharp drop in full-time jobs associated with the 2008-2009 global financial crisis has been followed by a continued steady decline in 2010 and again in 2011. There is no evidence yet of any growth in numbers in full-time jobs, suggesting this may be another phase in which teenagers suffer permanent loss of employment opportunities.

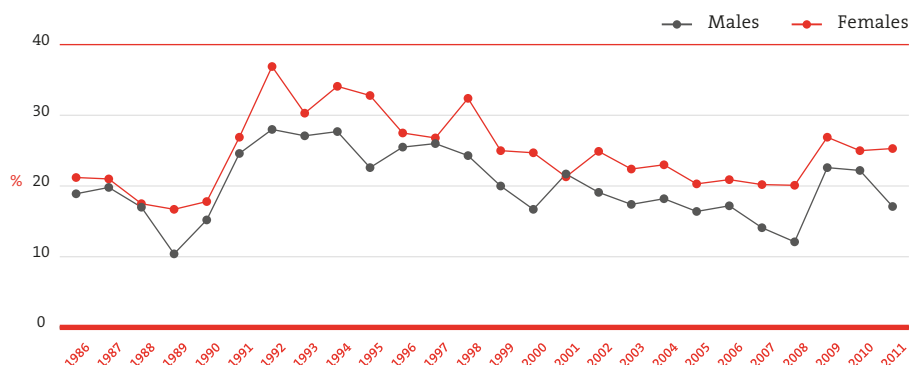
Gender differences in the unemployment rates of all teenagers in the labour force are displayed in Figure 20. From the early 1990s until 2007, rates for males were consistently above those for females. This gender gap

closed in 2007, and was reversed briefly in 2008 when female unemployment was higher than for males. Teenage males appear to have been more exposed to the effects of the downturn in the labour market that occurred with the financial crisis, and their rate of unemployment rose sharply between 2008 and 2009. Subsequent falls in unemployment among males have been larger than for females, so that in 2011 their rates are about the same.

FIGURE 21

Teenagers not in education, looking for full-time work, by gender, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (Table o3b)



Teenagers have difficulty finding full-time work: one in five of those who are not in education are looking for a full-time job

Teenagers in the labour market face not only high unemployment rates, but increasing difficulty in finding full-time jobs. The percentages of 15 to 19 year-olds who have left school or other full-time education and who are seeking a full-time job are recorded in Figure 21, disaggregated by gender. It is evident from this chart that there is considerable unmet demand for full-time work. Overall, one in five teenagers (males and females) who were not engaged in education indicated they were looking for a full-time job in 2011.

Figure 21 also suggests that females have quite a different experience to males. Proportionately more females than males seek full-time work. There was only one year, 2001, in which this was not the case. The gaps over time have varied but have been as high as almost 10 percentage points in the mid-1990s and 8 percentage points in 2008. Subsequently the gender gap narrowed, and was less than 3 points in 2010, but grew again in 2011, when 25 per cent of females and 17 per cent of males who were not in education were looking for full-time jobs.

What needs to be kept in mind, when considering the figures, is that at this age many more males than females are participating in the labour force. Even so, it is females who are more often looking for full-time work, reflecting the larger proportions of females than males who are part-time workers. This gender difference in successful access to the full-time labour market may help to explain why females remain in education and training in much greater numbers than males.

TEENAGERS AND YOUNG ADULTS IN THE LABOUR MARKET

The preceding analyses have focused on teenagers and aspects of their participation to the labour market. Figures 22 and 23 (overleaf) provide a broader perspective on the youth labour market in Australia by showing trends over a lengthy time among both teenagers and also young adults. It is apparent from these next charts that, during the last 25 years, young people in each of these age groups have faced increasing difficulties in accessing full-time employment.

Fewer young Australians not in education are in the labour force

Figure 22 charts the labour force participation of young people (teenagers and young adults) showing both the percentages who were labour force participants while not in education, and also the overall percentages who were labour force participants (that is, regardless of their educational status). On this second measure, Figure 22 (overleaf) reveals that, among all teenagers, labour force participation fell from almost 62 per cent in 1986 to below 55 per cent in the early 1990s, then rose and was relatively stable for a lengthy time at just under 60 per cent. But this dropped sharply from 2008, and in 2011 is back to the 1994 level of 55.1 per cent. Among 20 to 24 year-olds, the labour force participation rate hovered around 80 per cent across most of the 25 years, before declining slightly from 2008.

Throughout the period, and for both age groups, participation in full-time education has grown. At the same time the proportions of young people who are not in full-time education but are in the labour force have dropped, by similar amounts (around 20 percentage points) in each age group. For teenagers, the fall was from 44.1 per cent in 1986 to 23.3 per cent in 2011 and for young adults in this category, their labour force participation rate fell from 79 per cent to 62.2 per cent.

Looking more closely at young people who are not in full-time education, Figure 23 (opposite) displays changes over the last 25 years in their labour force status. The percentages of the total in full-time work, in part-time work, and unemployed are shown for each year, for teenagers and for young adults.

The decline in full-time employment has been greater for teenagers than young adults

The percentage of teenagers in full-time jobs peaked at 77.8 per cent in 1989. After a very sharp drop within

the space of three years in the early 1990s (down to 56.9 per cent in 1992) this figure was relatively stable during the remainder of that decade. In the current decade, for both teenagers and young adults, the small increases in full-time employment associated with more buoyant economic times from 2005 were followed by declines between 2008 and 2009, but the fall was steeper (10 percentage points) for the younger age group.

More recently, for teenagers not in education, the percentage in full-time employment in 2011 has risen slightly (by 2 percentage points) from the level of the previous two years, although it remains below that which prevailed prior to the financial crisis. However, for young adults the small recovery in full-time employment between 2009 and 2010 did not continue into 2011, instead dipping by more than 2 percentage points.

Over the 25-year period, the clear long-term pattern is one of decline in full-time employment for each age group, a trend which has been much more severe among teenagers (dropping by more than 22 percentage points) than among young adults (for whom there was a fall of 9 percentage points).

FIGURE 22

Labour force participation among 15 to 19 year-olds and 20 to 24 year-olds: all labour force participants, and labour force participants not in full-time education, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (Data cube LM3)



Unemployment is higher among teenagers than young adults

Unemployment levels are substantially higher among teenagers who are not in full-time education than they are among young adults; in 2011 these rates were 15.9 per cent and 8.6 per cent respectively. Furthermore, the increase that occurred between 2008 and 2009 was more acute for teenagers than for young adults (a 6 percentage point rise, compared with 2 percentage points). The figures for teenagers in 2011 suggest that the surge in unemployment may have eased (a fall of 2 percentage points from 2010) whereas for young adults unemployment rose (by 1 percentage point).

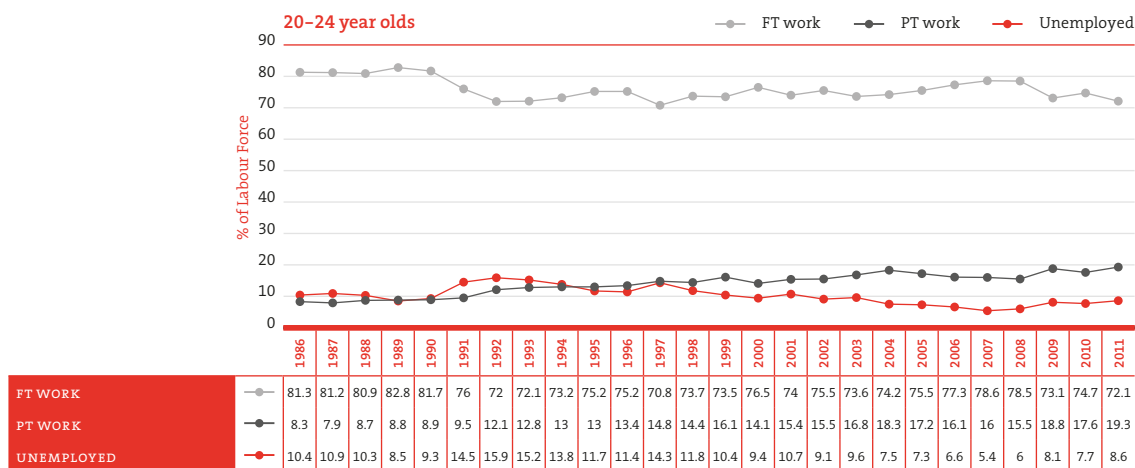
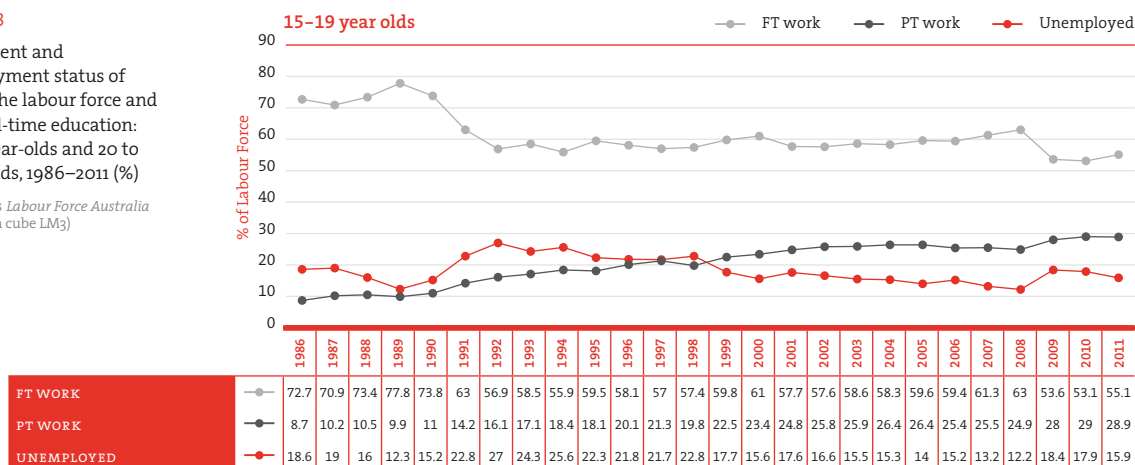
Part-time employment accounts for increasing numbers of young Australians

Part-time employment has accounted for a steadily increasing percentage of these labour force participants. Of the teenagers who were not in education, more than three times as many held part-time jobs in 2011 as in 1986, and the change between 2009 and 2010 which saw teenage unemployment fall slightly was due to a shift toward part-time not full-time employment. Among young adults, too, part-time work has assumed greater significance, with the percentage of 20 to 24 year-olds employed part-time more than doubling, from 8.3 per cent in 1986 to 19.3 per cent in 2011.

Long-term decline in opportunities for full-time work and rising levels of part-time employment are major features of the youth labour market. Hence it is likely that the transition experience, for very many school leavers, will encompass periods of part-time work during their early years in the workforce.

FIGURE 23
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, 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (2011b) (Data cube LM3)



MOBILITY IN THE YOUTH LABOUR MARKET

03

A successful transition from education and training is generally characterised as one which leads to stable long-term employment. This section of *How Young People are Faring* focuses on issues associated with the movement of young people between full-time and part-time work and unemployment, and into and out of the labour force. Several aspects are examined:

- > The stability of full-time work
- > Changing employers
- > Part-time work and the transition to full-time work
- > Long-term unemployment.

The labour market is dynamic, with people changing not only their occupation, industry and employer, but also their labour force status as they move into and out of the labour market. Many of the tables and figures presented earlier in this report show net changes in labour force status. While important, these net changes result from usually much larger gross changes in the labour force. For instance, an increase of 1 percentage point in full-time employment between 2010 and 2011 might result from a 5 percentage point shift into full-time employment and a 4 percentage point shift out of full-time employment. Hence it is relevant to also consider the various underlying movements that together contribute to the overall picture of the youth labour market provided in the previous section of the report.

Nearly one in five teenagers and one in six young adults change their labour force status every month

A sense of the extent of the movement of young Australians between full- and part-time work and unemployment, and into and out of the labour force, can be gained from Tables 20 and 21 (overleaf). They use the panel characteristics of the ABS *Labour Force Survey* (LFS)—the same individuals are interviewed monthly for eight months and so changes in their labour force status can be mapped from one month to the next. The values in Tables 20 and 21 are averages of these monthly changes across 12 months of the LFS survey, from June 2010 to May 2011. This averaging produces more stable estimates and removes any seasonal characteristics associated with employment.

Table 20 records the distribution of individuals by both their current labour force status and their labour force status in the previous month. The diagonal of values from the top left to the bottom right indicate the persons who did not change their labour force status. Hence it can be seen that 11.9 per cent of all 15 to 19 year-olds remained in a full-time job in both the current month and the previous month. In addition, more than one quarter (27.6 per cent) were in part-time work and another 4.9 per cent were unemployed in both the current and previous months, while more than one third (36.3 per cent) were not in the labour force in either month. Other values in Table 20 show individuals who changed their labour force status. For instance, 1.9 per cent of all teenagers had been employed part-time in the previous month and were working full-time in the present month, and 0.5 per cent had been unemployed in the previous month but were in full-time work in the present month.

Table 20 shows that, on average, the full-time employment of teenagers increased from 14.1 per cent to 14.7 per cent, a net increase of 0.6 percentage points. But the changes that produced this result are much larger. As noted above, only 11.9 per cent of 15 to 19 year-olds were in full-time employment in both the current month and the previous month. A total of 2.3 per cent had left full-time employment in the previous month and in the current month were working part-time (1.6 per cent), were unemployed (0.3 per cent), or were no longer in the labour force (0.4 per cent). Another 2.8 per cent had entered full-time employment (previously 1.9 per cent had been working part-time, 0.5 per cent had been unemployed and 0.4 per cent had not been in the labour force). So the 0.6 percentage point increase in full-time employment, from 14.1 to 14.7 per cent, is (allowing for rounding) the result of a loss of 2.3 per

cent and a gain of 2.8 per cent, or changes involving 5.1 per cent of the teenage population.

In the year to May 2011, on average, nearly one in five Australian teenagers and nearly one in six 20 to 24 year-olds changed their labour force status every month. (These estimates are derived from further analyses of the LFS not recorded in Table 20.) Labour mobility is higher for younger people than for others: only about one in ten 25 to 54 year-olds changed their labour force status. In addition, some changes within a month (from say unemployment to part-time employment and back to unemployment) are not included in these estimates—and over the course of a year, the churn is considerably greater.

Among young people, overall levels and patterns of mobility are similar for males and females. This differs from the patterns for older workers aged 25 to 54 years, among whom mobility is higher for females, while stability is greater among full-time workers for males and among part-time workers for females.

Mobility has declined slightly for teenagers but is unchanged for young adults

Mobility rates can change over time. These changes can reflect changes in attitudes and institutional arrangements as well as movements in overall levels of employment—both increasing and decreasing unemployment rates may contribute to greater movement between labour force categories, while stable conditions may reduce mobility. Over the past 13 years there has been a slight negative trend in the proportion of teenagers changing labour force categories from month to month, both overall and for males and females separately. The values in May 2011 were lower than the 13-year average. For young adults, there was little change in labour force mobility over this time period.

The results in Table 20 do not address the question of generational change. Although much is written about the changes in attitudes to work and employment among 'Gen Y', differences in mobility across age cohorts are not the same as generational change. Today's teenagers and young adults may appear to have higher labour force mobility than older Australians, but it is likely that this difference has always been the case. We would need a longer time series to be able to say whether young people today are any more or less mobile (in an absolute or relative sense) than young people of, say, 30 years ago. Any conclusions about

this would also need to take into account differences in economic activity as well as changes in household structure, educational levels and, especially for females, fertility.

STABILITY OF FULL-TIME EMPLOYMENT

Remaining in full-time employment is less certain now than in the past

Table 21 also shows the labour force movements of young people, but in a slightly different way to Table 20. Table 21 records, for teenagers and young adults in each labour force category in the previous month, their labour force status in the current month. For instance, among all teenagers with a full-time job

in the previous month, 84.1 per cent still had a full-time job one month later while another 11.1 per cent of these full-time workers were now working part-time, 2.0 per cent were unemployed and 2.8 per cent were not in the labour force at all. Compared with teenagers, full-time employment was more stable for young adults, with 91.7 per cent of those with full-time jobs in the previous month still in full-time employment one month later.

As it is for churn overall, the stability of full-time work is greater among older workers (about 95 per cent of full-time workers aged 25 to 54 are still in full-time work the next month) than among teenagers (84.1 per cent) or young adults (91.7 per cent). Although not recorded in Table 21, for each age group the stability of full-time work is higher among males than females, with the gender difference greater for teenagers and less for young adults. Over the past decade the stability of full-time work has declined slightly for both teenagers and young adults, and especially for females.

TABLE 20

Monthly changes in labour force status, teenagers and young adults, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011a) (Table GM1)

NOTE: Values are averaged across the 12 months to May 2011. Shows labour force status in the current month compared with labour force status in the previous month. Values may differ from those in similar tables in this report because of averaging and because estimates for any one month are based on only part of the *Labour Force Survey* for each month.

Previous labour force status	CURRENT LABOUR FORCE STATUS				Total
	FT employed	PT employed	Unemployed	Not in LF	
15 TO 19 YEAR-OLDS					
Full-time employed	11.9	1.6	0.3	0.4	14.1
Part-time employed	1.9	27.6	0.7	2.9	33.2
Unemployed	0.5	1.5	4.9	3.0	9.8
Not in the LF	0.4	2.7	3.4	36.3	42.9
Total	14.7	33.4	9.3	42.6	100.0
20 TO 24 YEAR-OLDS					
Full-time employed	44.4	2.8	0.5	0.7	48.4
Part-time employed	3.4	20.5	0.6	1.7	26.1
Unemployed	0.7	0.9	3.6	1.3	6.6
Not in the LF	0.6	1.5	1.6	15.3	19.0
Total	49.1	25.7	6.2	19.0	100.0

TABLE 21

Current labour force status by labour force status in previous month, teenagers and young adults, May 2011 (%)

SOURCE: ABS *Labour Force Australia* (2011a) (Table GM1)

NOTES: Values are averaged across the 12 months to May 2011. Shows labour force status in the current month compared with labour force status in the previous month. Values may differ from those in similar tables in this report because of averaging and because estimates for any one month are based on only part of the *Labour Force Survey* for each month.

Previous labour force status	CURRENT LABOUR FORCE STATUS				Total
	FT employed	PT employed	Unemployed	Not in LF	
15 TO 19 YEAR-OLDS					
Full-time employed	84.1	11.1	2.0	2.8	100.0
Part-time employed	5.7	83.3	2.2	8.8	100.0
Unemployed	4.8	14.9	49.9	30.4	100.0
Not in the LF	1.0	6.4	7.9	84.6	100.0
Total	14.7	33.4	9.3	42.6	100.0
20 TO 24 YEAR-OLDS					
Full-time employed	91.7	5.8	1.0	1.5	100.0
Part-time employed	12.9	78.4	2.2	6.4	100.0
Unemployed	10.9	13.7	55.1	20.3	100.0
Not in the LF	3.2	7.8	8.3	80.7	100.0
Total	49.1	25.7	6.2	19.0	100.0

The instability of full-time employment increases any estimates of young people ‘at risk’

When the instability of full-time employment is taken into account, it tends to increase estimates of the proportions of young people who might be deemed ‘at risk’. The definition of being ‘at risk’ of marginalisation in the labour force is based on an activity status at a point in time, but having a full-time job in, say, May 2011 is no guarantee that a young person will have a full-time job in June 2011. There is a shadow of unstable employment behind any estimates of the proportions of young people who may be at risk of marginalisation.

TRANSITIONS FROM PART-TIME WORK

Teenagers in part-time jobs are only slightly more likely to move into full-time employment than those who are unemployed

The values in Table 21 bear on the question of whether part-time work is a stepping stone to full-time work. For a teenager in part-time work, the probability of moving into full-time work the next month is about six in 100 (5.7 per cent of teenagers did so), whereas the probability of an unemployed teenager finding full-time work is about five in 100 (4.8 per cent of those who were unemployed entered full-time work in the next month). For young adults the pattern is similar, although their level of transition to full-time work is higher than it is for teenagers: among 20 to 24 year-olds, 12.9 per cent of part-time workers, and 10.9 per cent of the unemployed, moved into full-time work in the next month. Compared with being unemployed, part-time work appears to offer younger workers only a slight advantage in shifting into full-time work. This is in contrast with the situation among older workers, for whom the transition rate into full-time work is considerably higher for part-time workers than for the unemployed, for both males and females.

MOVEMENT BETWEEN EMPLOYERS

Young workers are more likely than older workers to change employers, but the rate of change of employer has declined over recent years

Table 22 (overleaf) draws on a different data source—the ABS *Labour Mobility Survey*—that addresses another aspect of labour force mobility. The table records the extent to which people change employers. It shows the per cent of persons who have at any time in the last 12 months been employed either full-time or part-time and who have changed their employer. The main features are:

- > Movement between employers is higher for young adults (14.7 per cent in 2010) than for teenagers (9.9 per cent) and higher for teenagers than for older workers (7.9 per cent).
- > There is no consistent gender difference between the rate of changing employers among either teenagers or young adults. This differs from the experience of older workers, of whom males are more likely than females to change employers (8.6 per cent compared with 7 per cent respectively).
- > Movement between employers declined substantially in 2010, probably associated with the increase in unemployment in Australia during the global financial crisis (the results mostly reflect conditions in the year preceding the year for which they are reported).
- > Movement between employers seems to have been declining more generally over the last decade, even before the onset of the global financial crisis.

TABLE 22

Job mobility between employers, teenagers, young adults and 25 to 54 year-olds, by gender, 1998–2010 (Feb) (%)

SOURCE: ABS *Labour Mobility, Australia*, various years

NOTES: These results are not affected by a break in the series in 2006 that expanded the scope of the survey.

		1998	2000	2002	2004	2006	2008	2010
MALES	15-19 years	16.4	19.2	17.9	17.8	14.0	15.2	9.1
	20-24 years	20.8	25.3	22.2	21.4	19.9	19.4	14.3
	25-54 years	10.6	12.2	11.7	11.7	10.7	11.0	8.6
FEMALES	15-19 years	16.1	17.4	18.6	16.9	14.4	14.7	10.8
	20-24 years	22.9	22.9	23.7	22.7	19.4	21.1	15.2
	25-54 years	9.5	10.7	10.6	9.5	9.9	9.5	7.0
PERSONS	15-19 years	16.3	18.3	18.3	17.4	14.2	15.0	9.9
	20-24 years	21.8	24.2	22.9	22.0	19.6	20.2	14.7
	25-54 years	10.1	11.5	11.2	10.7	10.3	10.3	7.9

LONG-TERM UNEMPLOYMENT

Month-to-month labour force mobility of the unemployed varies substantially. Table 21 (previous page) showed that, among teenagers, about half of those who were unemployed in one month were not unemployed the next month. For young adults the corresponding figure is slightly less than half (55.1 per cent remained unemployed in the next month). However, movement from unemployment into employment accounts for a smaller fraction—less than 20 per cent for teenagers and less than 25 per cent for young adults, and in each of these age groups this movement into employment is more likely to be into part-time rather than full-time work. The remainder is movement out of the labour force.

Significant proportions of young people who are unemployed in one month are still unemployed in the next month—50 per cent for teenagers and 55 per cent for young adults. Labour market research mostly suggests that the longer a person has been unemployed, the more likely they are to remain unemployed (see, for instance, OECD 2011a, ABS 2001, Carroll 2006), although this may be related to the permeability from unemployment. The relationship is stronger in countries with relatively high levels of outflow from unemployment—English-speaking and Nordic countries and the Netherlands—than in countries with lower levels of mobility (OECD 2011a).

Two (not mutually exclusive) processes might explain this observation:

- > the experience of unemployment itself is progressively damaging—increasing lack of confidence and motivation, loss of work

experience, and/or the deterioration of skills—making unemployed persons increasingly less employable. Firms may even use length of unemployment as a negative signal when deciding about hiring new workers.

- > unemployed individuals have other characteristics that make them more likely to become unemployed and then to remain unemployed. For instance, lower levels of skills are associated with higher levels of unemployment and are also associated with longer-term unemployment.

Compared to other OECD nations, Australia has higher levels of teenage long-term unemployment, but lower rates for young adults

Governments in many countries affected by the global financial crisis are concerned that persistently high levels of unemployment will eventually result in widespread loss of skills, discouragement and labour market withdrawal. The risk is strongest for youth and less skilled workers who have been disproportionately affected by the rise in unemployment (OECD 2011b).

Meaningful international comparisons of education and employment are always difficult. Despite efforts to ensure the consistency of estimates between countries, comparisons are almost always affected by institutional differences, sometimes from unexpected sources (for example, differences in incarceration rates) but also due to structural differences of education and training provision, including school starting and leaving ages. In many European countries the large majority of teenagers remain in the education and training system—for instance, in Germany's dual system—so that the potential for long-term unemployment among this age group is curtailed. With this caveat, Table 23 (opposite) shows that the level of long-term unemployment of teenagers in Australia in 2010 was close to the OECD average—

1 per cent in Australia compared with 0.9 per cent for the OECD. The latter, however, is influenced by several countries (notably Spain, the UK and Ireland) with relatively high levels of long-term teenage unemployment. Despite Australia's relatively strong economic performance in recent years, in nearly three quarters of OECD countries long-term unemployment levels among teenagers are lower than in Australia. On the other hand, the rate in Australia is below that in the United States (1.2 per cent), one of the countries with which it is most directly comparable. By contrast with the circumstances faced by teenagers, the level of long-term unemployment among young adults in Australia (1 per cent) is well below the OECD average (2.5 per cent), with only a handful of countries having lower levels of long-term unemployment.

Recent policy responses in Australia have been influenced more by concerns about projected labour shortages than by concerns about the consequences of the global financial crisis. Long-standing strategies have been continued, including:

- > progressive tightening of the conditions for eligibility for income support;
- > encouraging, requiring and providing assistance to recipients of welfare to undertake activities that could make them more employable (e.g. education and training, voluntary work or work for the dole); and
- > offering incentives for employers to provide jobs to long-term welfare recipients.

The strategy is motivated by a combination of goals ranging from social inclusion to economic efficiency. The recent *Report on Australia's Future Tax System* argued that the increased emphasis on requiring welfare recipients to work, actively seek employment or participate in training is a response to concerns that they could be locked in to continued dependency through high effective marginal tax rates (Commonwealth of Australia, 2010).

In its 2011–12 Budget the Australian Government introduced new welfare-to-work measures designed

TABLE 23

Long-term unemployment, OECD countries, 15 to 19 year-olds and 20 to 24 year-olds, by gender, 2010 (%)

SOURCE: OECD (2011c)

NOTES: Values are sorted by descending order. Values for Australia in this table will differ from other values in this report because they cover different periods and were estimated differently.

	15 TO 19 YEAR-OLDS			20 TO 24 YEAR-OLDS			
	Males	Females	Persons	Males	Females	Persons	
Spain	4.7	2.8	3.8	Spain	11.2	8.0	9.6
United Kingdom	3.4	2.1	2.7	Slovak Republic	11.9	5.5	8.7
Ireland	2.3	1.3	1.8	Ireland	12.0	4.9	8.3
Estonia	2.0	0.6	1.3	Estonia	9.0	5.1	7.1
Italy	1.6	1.0	1.3	Greece	5.0	7.1	6.1
Slovak Republic	1.2	1.3	1.2	Italy	6.2	5.1	5.6
USA	1.5	0.9	1.2	Hungary	5.6	3.6	4.6
France	1.3	1.1	1.2	Portugal	4.3	3.9	4.1
Australia	1.1	0.8	1.0	France	4.8	3.3	4.1
Turkey	1.2	0.7	0.9	Belgium	4.3	3.4	3.8
Greece	1.0	0.8	0.9	Slovenia	3.6	2.4	3.0
OECD	1.1	0.7	0.9	Turkey	3.2	2.9	3.0
Portugal	1.2	0.5	0.8	United Kingdom	4.3	1.6	2.9
Germany	0.9	0.6	0.7	Czech Republic	3.0	2.1	2.6
Czech Republic	0.9	0.6	0.7	OECD	3.0	2.0	2.5
Netherlands	0.7	0.8	0.7	USA	3.1	1.7	2.4
Austria	0.9	0.5	0.7	Poland	2.5	2.0	2.2
Iceland	1.1	0.2	0.6	Germany	2.2	1.5	1.9
Slovenia	0.9	0.3	0.6	Iceland	1.9	1.9	1.9
Hungary	0.8	0.3	0.6	Sweden	2.0	1.0	1.5
New Zealand	0.5	0.6	0.5	Finland	2.1	0.8	1.5
Belgium	0.7	0.3	0.5	Luxembourg	1.8	1.1	1.4
Denmark	0.5	0.3	0.4	Austria	1.2	1.0	1.1
Luxembourg	0.5	0.2	0.4	Australia	1.3	0.8	1.0
Israel	0.5	0.1	0.3	Israel	0.8	0.7	0.7
Sweden	0.2	0.2	0.2	Denmark	0.8	0.6	0.7
Poland	0.2	0.2	0.2	Netherlands	0.8	0.6	0.7
Finland	0.1	0.2	0.2	New Zealand	0.4	0.5	0.4
Norway	0.1	0.0	0.1	Norway	0.4	0.2	0.3
Mexico	0.0	0.0	0.0	Mexico	0.1	0.1	0.1
Korea	0.0	0.0	0.0	Korea	0.0	0.0	0.0

to both reduce and prevent long-term welfare dependency. These measures focus on the long- and very long-term unemployed and recipients of disability pensions and parenting payments. They are part of an overall strategy to promote economic growth and social inclusion by providing better access to education and training and stronger incentives to participate in it.

The measures outlined in the 2011-12 Budget included:

- > almost doubling the annual work experience (part-time or volunteer work or work for the dole) required of income-support recipients who have been out of work for more than two years, increasing this requirement to two days a week for 11 months per year.
- > extending the earn or learn age eligibility requirement for the Newstart Allowance for the young unemployed from 20 to 21 years. The earn or learn criterion requires young Australians to be either enrolled in a course of study or employed.
- > providing wage subsidies of between \$5,700 and \$6,000 for employers hiring highly disadvantaged job seekers (unemployed for more than two years) and improving the availability of other support services.
- > reforming the disability support pension by: requiring recipients 34 years or younger and capable of working at least a day a week to attend Centrelink interviews to discuss the support available to help them to return to work and to develop a participation plan; expanding disability employment services; changing some eligibility rules that discouraged recipients from engaging with employment services; and employment counselling before applications for the disability support pension are considered.
- > greater incentive for recipients of the parenting payment to undertake more work by extending the taper rates on withdrawal of benefit.
- > support for teenage mothers receiving the parenting payment to finish Year 12 or its equivalent, and thereby becoming more likely to be able to support their children.
- > geographically concentrated programs for ten selected areas with high unemployment and social disadvantage.

Many of these programs are to be implemented from 2012 and hence any effect will not yet be reflected in the education and labour force participation rates presented in this report. Similarly, the broader 2011 budget initiatives designed to improve labour force participation and productivity through higher levels of education and training will only be effective in the medium- to longer-term.

The welfare-to-work strategies outlined above straddle the labour force categories of the long-term unemployed (especially those unemployed for two or more years) and those not in the labour force (and possibly not even marginally attached to the labour force). Policy in these areas tends to be driven more by the number and categories of welfare recipients, especially recipients of the Disability Support Pension. Nevertheless, the following analyses, drawing on *Labour Force Survey* data, provide some evidence about the extent of long-term unemployment, especially its impact on young people.

Table 24 (opposite) shows the duration of unemployment by age and sex. Duration of unemployment is defined by responses to two LFS questions:

- > When did you begin looking for work?
- > When did you last work for two weeks or more? (ABS, 2011)

Duration of unemployment is the shorter of these two time periods — time spent looking for work, or the time since last employed in a full- or part-time job. The long-term unemployed (those have been looking for work for 12 months or more) are a small segment of the 15 to 64 year-old population, comprising only about 0.8 per cent in May 2011. Because the corresponding numbers in the ABS *Labour Force Survey* are small, the estimates in Table 24 are averages from the 12-monthly surveys from June 2010 to May 2011.

More than one quarter of the long-term unemployed are 15 to 24 year-olds

Several points emerge from the results presented in Table 24.

The average number of weeks of unemployment since an unemployed person's last job typically:

- > increases with age. For instance, the duration of unemployment is 20.5 weeks for teenagers but at 51.8 weeks is more than twice as long for 45 to 54 year-olds. The trend only stops for persons who are 65 years and older, when it is confounded with retirement.
- > is higher for males than for females and the difference increases with age. For instance, there is almost no difference between teenage males and females (20.8 weeks for males compared with 20.3 weeks for females), but for 45 to 54 year-olds the difference is more than three months.

TABLE 24

Duration of unemployment, by age and gender, May 2011

SOURCE: ABS *Labour Force Australia* (2011b) (Table UM3_Apro1 and Table LM8)

NOTES: Values are an average across the 12 months to May 2011. Totals are for 15 to 64 year-olds.

AGE	UNEMPLOYED FOR ONE YEAR OR LONGER											
	AVERAGE WEEKS SINCE LAST JOB			% OF UNEMPLOYED			% OF POPULATION			'000s		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
15–19	20.8	20.3	20.5	11.2	9.8	10.5	1.0	0.9	1.0	7.9	6.8	14.7
20–24	30.7	25.3	28.3	19.2	14.2	17.0	1.4	0.8	1.1	11.6	6.7	18.3
25–34	37.2	27.9	32.7	20.5	16.3	18.5	0.8	0.6	0.7	13.3	9.8	23.1
35–44	44.8	41.1	43.1	24.2	19.6	21.8	0.7	0.6	0.7	11.1	10.2	21.4
45–54	59.4	45.3	51.8	27.2	25.3	26.2	0.7	0.7	0.7	10.3	10.9	21.3
55–59	67.5	49.3	59.2	30.6	25.4	28.4	0.9	0.5	0.7	5.7	3.1	8.9
60–64	86.6	99.3	90.7	40.4	40.0	40.2	0.8	0.4	0.6	5.2	2.5	7.6
65 OR MORE	67.6	36.1	62.7	25.8	25.6	27.3	0.1	0.0	0.0	0.9	0.3	1.3
Total	39.8	33.1	36.5	20.9	17.2	19.1	0.9	0.7	0.8	65.2	50.1	115.3

The proportion of unemployed persons who have not had a job for 12 months or longer:

- > increases with age (with the exception of those 65 years or older). For instance, 26.2 per cent of unemployed 45 to 54 year-olds last worked more than 12 months ago, compared with only 17 per cent of unemployed 20 to 24 year-olds, and 10.5 per cent of teenagers.
- > is mostly higher for males than for females.

The proportion of the population for whom it is 12 months or longer since they last had a job:

- > is highest for teenagers (1 per cent) and young adults (1.1 per cent). Despite these small values, the relative differences are quite large. For instance 20 to 24 year-olds are about 50 per cent more likely than 45 to 54 year-olds to be long-term unemployed.
- > is mostly higher for males than for females, although the differences vary somewhat with age.

The relatively small estimate of the proportion of the total population that has been unemployed for longer than a year (0.8 per cent) may understate the real numbers of persons in such circumstances. Considerable motivation and stamina is required to continue searching for a job. Doubtless there are some among those described as marginally attached to the labour force who have also been out of work for lengthy periods.

The final column of Table 24 shows 14,700 teenagers and 18,300 young adults as long-term unemployed in 2011; a total of 33,000, or more than one quarter (28.6 per cent) of the long-term unemployed, are aged between 15 and 24. This is despite the natural constraint that youth places on the likelihood of long-term unemployment—some young people will not have been in the labour market for even a year. On the other hand, young people are almost universally labour

market entrants and hence more likely to experience the challenge of trying to find a job.

The substantial number of young people who have been unemployed for a year or longer is also despite the fact that the incidence of long-term unemployment among unemployed young people (10.5 per cent among unemployed teenagers, and 17 per cent among unemployed young adults) is lower than it is among unemployed older age groups (for example, 26.2 per cent of 45 to 54 year-olds). The higher levels of overall unemployment among the young mean that the proportion of 15 to 24 year-olds who have been unemployed for a year or longer is higher than it is for older people. Coupled with the greater relative population size of the young, the result is that long-term unemployment is very much a problem of the young.

The percentage of young Australians who have not had a job for a year or longer has almost doubled over the last few years

The incidence of long-term unemployment (persons unemployed for 12 months or longer) has changed markedly over the last decade, under the influence of declining unemployment rates initially, and more recently the global financial crisis. Figure 24 (overleaf) charts the incidence of long-term unemployment among all unemployed persons for three age cohorts—15 to 19 year-olds, 20 to 24 year-olds, and 15 to 64 year-olds, while Figure 25 (overleaf) shows, for these same age groups, the long-term unemployed as a per cent of the population.

Considering long-term unemployment among those who are unemployed, Figure 24 shows that:

- > the per cent of 15 to 64 year-olds who have been unemployed for 12 months or longer declined fairly uniformly from 22.4 per cent in May 2002 to a low of 13.8 per cent in May 2009, before increasing again to reach 19.1 per cent in May 2011.
- > a similar pattern has occurred for teenagers, and although the incidence of long-term unemployment is lower among unemployed teenagers, the relative effect has been stronger. The long-term unemployed comprised 9.4 per cent of unemployed teenagers in 2002, and fell to 6.5 per cent in 2009, but by 2011 had increased again to 10.5 per cent — the highest level in a decade.
- > long-term unemployment among young adults also fell through much of the 2000s, declining from 18.6 per cent in 2002 to 10.8 per cent in 2008 before rising rapidly back to 17.0 per cent in 2011.

- > among teenagers, long-term unemployment also halved from 1 per cent in 2002 to 0.5 per cent in 2009, then rapidly returned to 1 per cent in 2011.
- > among young adults, long-term unemployment fell by two thirds during the 2000s, from 1.6 per cent in 2002 down to 0.5 per cent in 2008, but subsequently more than doubled to 1.1 per cent in 2011.

Although long-term unemployment generally increases with higher unemployment and falls with lower unemployment, as it did through much of the first decade of this century, this pattern has not been as clear with the recent recovery following the global financial crisis. It remains to be seen whether this reflects the impact of the floods and cyclones that disrupted agriculture, mining and tourism in late 2010 and 2011, a lagged recovery in employment, or a more structural change in the youth labour market. In the meantime, demand-side policies designed to maintain high demand for labour and to encourage job seeking by the unemployed, and programs to develop and improve their skills, seem best-suited to minimise long-term unemployment, both for the broader population and for young people in particular.

Expressed as a proportion of the population, long-term unemployment follows a similar but stronger pattern to that charted in Figure 24. From Figure 25 it can be seen that:

- > among all those aged 15 to 64, long-term unemployment more than halved from 1.1 per cent in 2002, to 0.5 per cent in 2008 and 2009, before increasing to 0.8 per cent in 2011.

FIGURE 24

Long-term unemployed as per cent of unemployed, 15 to 19 year-olds, 20 to 24 year-olds and 15 to 64 year-olds, 2002–2011

SOURCE: ABS *Labour Force Australia* (2011b) (Table UM3_Apr01 and Table LM8)

NOTES: Values are averaged across the 12 months to May each year.

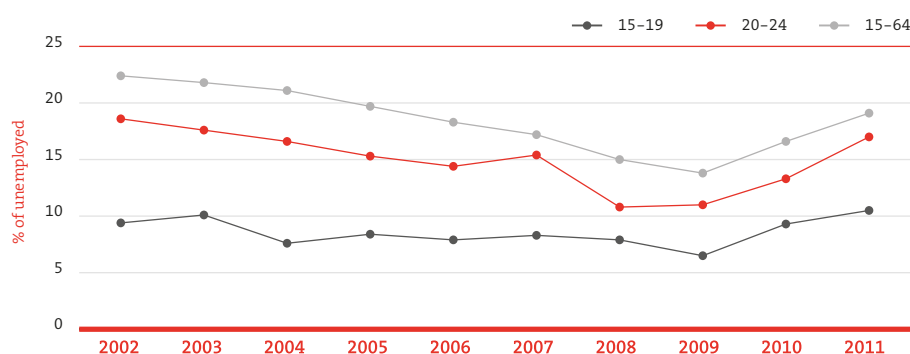
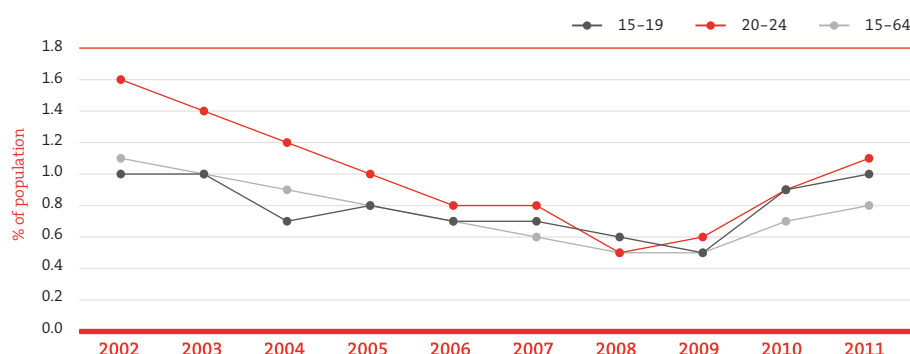


FIGURE 25

Long-term unemployed as per cent of population, 15 to 19 year-olds, 20 to 24 year-olds and 15 to 64 year-olds, 2002–2011

SOURCE: ABS *Labour Force Australia* (2011b) (Table UM3_Apr01 and Table LM8)

Notes: Values are averaged across the 12 months to May each year.



EDUCATIONAL ATTAINMENT

04

A major goal of education policy is to increase attainment at both secondary and tertiary levels. The Australian government has a target of 90 per cent of students completing Year 12 or its equivalent. There is also a target to increase the proportion of the population with a university degree to 40 per cent. Such targets raise questions about present levels of attainment, and how much improvement is needed to reach these targets. Policies must be developed and effectively implemented to help the groups in the population among whom attainment levels are low, and who therefore require the most support if the increased attainment targets are to be met.

This section of the report assembles information about the current levels of educational attainment among young Australians, with a focus on secondary school completion. It also uses data from other countries to put attainment levels into an international perspective.

Two major national data sources are drawn on to estimate levels of educational attainment in the population as a whole and in sub-groups of particular interest, with each source having both advantages and limitations. The ABS survey *Education and Work*, conducted annually in May as a supplement to the *Labour Force Survey* in that month, provides several indicators used by COAG to monitor progress towards national targets. This survey has the advantage of yielding reliable estimates and also enabling comparisons across jurisdictions. A limitation, however, is that aside from gender and age there is little information available on the personal and social characteristics of individuals, and therefore the data cannot be used to shed light on the attainment levels of sub-groups who are more or less likely to be at risk. On the other hand, data collected through personal interviews for the *Survey of Education and Training*, conducted most recently in 2009, does include background information about individuals, and hence can be analysed to explore patterns of association. Together these data sources provide a comprehensive picture of educational attainment among young people in Australia.

In addition to these national data sources, international data collections by the OECD enable comparisons of the levels of attainment achieved across different countries, and therefore the means of assessing the relative performance of education and training systems in those countries, including Australia. The overview of educational attainment in Australia that this section of the report provides begins from this international standpoint, one reason being that the data on which it relies is, by its nature, not as current as that which pertains only to Australia. Both trends over time and the most recently available evidence within Australia are the focus of the second part of this review of levels of educational attainment.

EDUCATIONAL ATTAINMENT: AN INTERNATIONAL COMPARISON

School completion

The completion of upper secondary education has become an important benchmark of performance internationally. This is partly because it is increasingly recognised as the minimum level of education needed for participation in further study and in the labour force. It is the requirement for entry to many post-secondary education and training courses, and important also as a minimum credential for successful entry to the labour market. In addition, over time secondary school completion has also become more and more influential in determining how economic and other life benefits, such as good health and well-being, are distributed. As a consequence, many countries, including Australia, have established targets for attainment. The goal in Switzerland, for example, is for 95 per cent completion of upper secondary qualifications. In European countries, most systems agreed to work towards the benchmarks established as part of the Lisbon strategy for education, which set the upper secondary attainment target of 85 per cent of young people aged 20 to 24 by 2010.

Seven out of ten Australians aged 25 to 64 had attained at least upper secondary education in 2008, according to the most currently available OECD figures (OECD, 2010a). For this broad age-group, this rate is slightly below the OECD average of 71 per cent, and well below the leading countries. Top ranking countries include the United States (89 per cent), Canada (87 per cent), Switzerland (87 per cent), Sweden and Germany (85 per cent).

To see the impact of more recent efforts to raise attainment it is necessary to look at change over time, and consider the proportions of different age cohorts that have completed at least upper secondary education. Figure 26 (opposite) displays these attainment rates in OECD countries for two age groups, 25 to 34 year-olds and 45 to 54 year-olds. (Appendix Table A2 on page 67 provides additional detail, with rates disaggregated by gender, for 25 to 34 year-olds, and also for the wider population aged 25 to 64 years.)

FIGURE 26

Attainment of at least upper secondary education¹ in OECD countries, population aged 25 to 34 years and 45 to 54 years, 2008 (%)

SOURCE: OECD (2010)

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.

1. Excluding ISCED 3C short programmes.

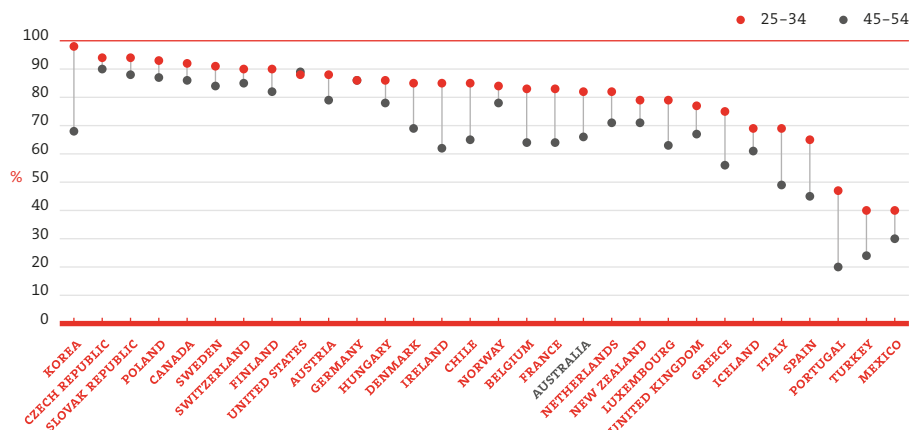


Figure 26 reveals a higher proportion of secondary school graduates in the younger generation of adults. For Australia the figures are 82 per cent of 25 to 34 year-olds compared with 66 per cent of 45 to 54 year olds, a difference of 16 percentage points. European countries such as Italy, Spain, France, Belgium, Denmark and Ireland, and other nations like Korea and Chile, also show intergenerational differences of more than 15 percentage points. Hence the relatively rapid improvement in secondary school attainment achieved in Australia is a trend similar to that which has occurred in numerous other countries.

International comparisons show scope for improvement in Australia’s rate of upper secondary completion

The rate of upper secondary attainment among young adults aged 25 to 34 in Australia of 82 per cent was the same as that recorded in France, the Netherlands and New Zealand, and just above the OECD average of 80 per cent. As Figure 26 shows, there were eight countries which in 2008 had reached Australia’s target of 90 per cent attaining upper secondary education: these were

Korea, Czech Republic, Slovak Republic, Poland, Canada, Sweden, Switzerland and Finland.

Tertiary attainment

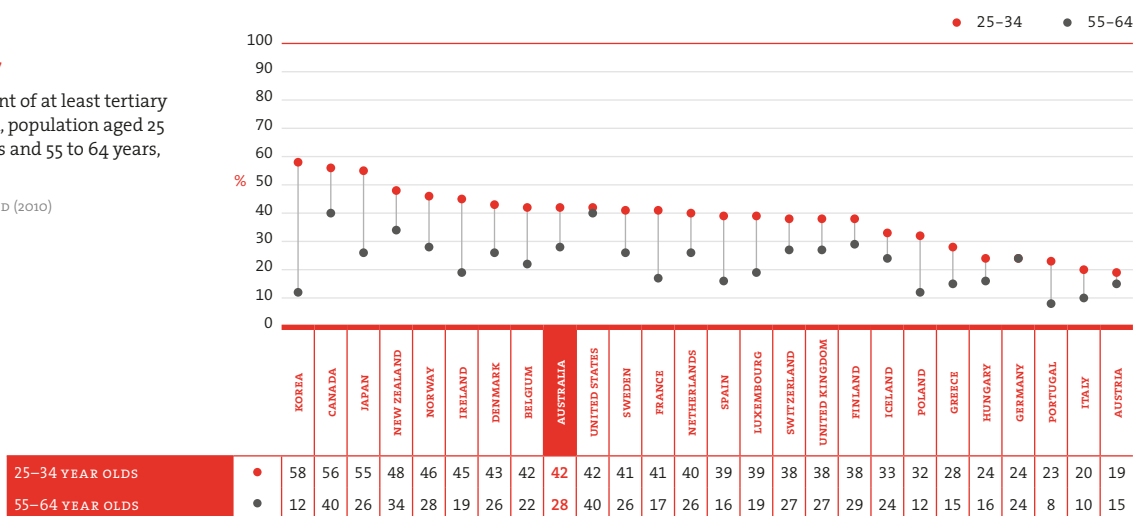
Tertiary education is important for economic and social development, in part because it contributes to the enrichment of scientific and cultural knowledge. It also gives individuals the tools they need to participate in social and economic life. The educational attainment of people in the labour force also influences the competitiveness and prosperity of economies. Variation in attainment over time can reflect differences in access to education and training, as well as changes in provision.

Tertiary education levels are rising in OECD countries. Figure 27 shows that more people are completing tertiary-level courses than ever before. This data includes university degrees as well as higher-level VET qualifications such as diplomas and advanced diplomas. A comparison of tertiary education levels of the younger age group (25 to 34 year-olds) with the older

FIGURE 27

Attainment of at least tertiary education, population aged 25 to 34 years and 55 to 64 years, 2008 (%)

SOURCE: OECD (2010)



(55 to 64 year-olds) reveals a much higher proportion of tertiary graduates among the younger generation.

The largest intergenerational differences were in Korea (46 percentage points) and in Japan (29 percentage points). Other countries where the difference between the two age groups was 20 percentage points or more were Ireland, France, Spain and Poland. By contrast, increases were small or non-existent in the United States, Germany and Austria (although it can be noted that attainment rates in the United States are relatively high for both age groups).

In Australia there was a modest increase in the proportion of tertiary graduates, with a difference of 14 percentage points between the two age groups in 2008. Of young adults aged 25 to 34 years, 42 per cent had attained tertiary qualifications in Australia, compared with 28 per cent for the older cohort aged 55 to 64. The attainment rate for younger adults puts Australia alongside Belgium and the United States, and close to Denmark (43 per cent). Tertiary attainment rates in Australia lag well behind Korea (58 per cent), Canada (56 per cent) and Japan (54 per cent), and a little behind New Zealand (48 per cent).

University attainment

Recently the Bradley review of higher education argued that Australia needs more university-qualified people if it is to meet the future demands of our economy (Bradley, 2008). The review proposed as a target that 40 per cent of 25 to 34 year-olds will have attained at least a bachelor-level qualification by 2020. While this represents an enormous challenge, international experience suggests that it is a target that can be achieved. As shown in Figure 28, which displays the

levels of attainment of university qualifications for 25 to 34 year-olds and for the broader adult population of 25 to 64 year-olds in various OECD countries in 2008, Norway already had an attainment rate of 44 per cent among the younger age group.

In Australia 32 per cent of young adults aged 25 to 34 had attained university-level qualifications in 2008

An indication of the gains made in Australia can be seen by comparing the attainment levels of the two age cohorts in Figure 28. More than one quarter (26 per cent) of adults aged 25 to 64 had completed university-level qualifications in 2008. For the younger age group, the proportion was nearly one third (32 per cent). This latter figure was equal with university-level attainment rates in the United States, Sweden and Finland, and close to New Zealand (33 per cent), but well below Norway and the Netherlands.

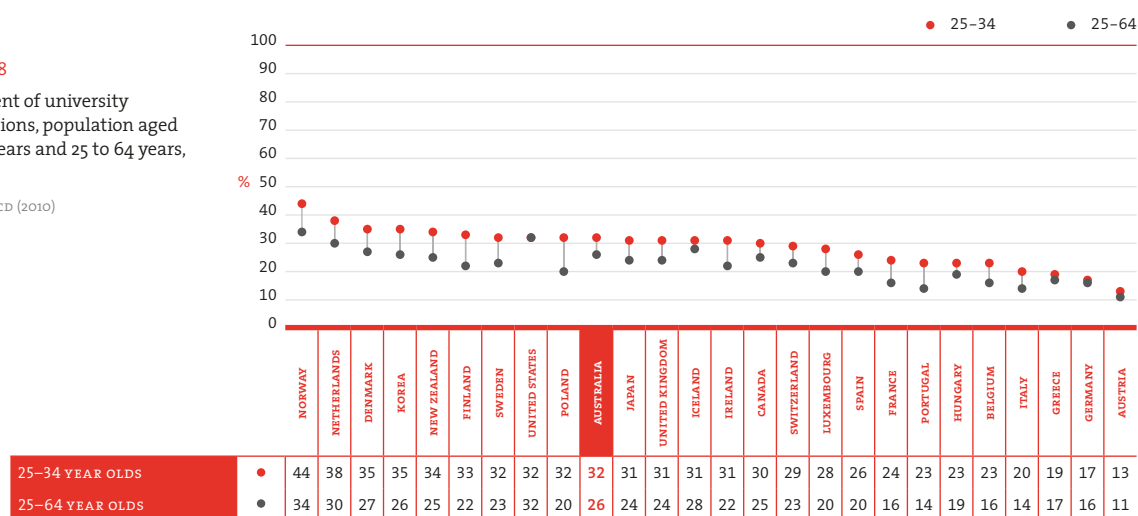
EDUCATIONAL ATTAINMENT IN AUSTRALIA

School completion

The indicator that has been agreed upon to measure progress toward the COAG target of 90 per cent Year 12 or equivalent completion is drawn from the ABS *Education and Work* survey, and is the proportion of the population aged 20 to 24 years that has attained

FIGURE 28
Attainment of university qualifications, population aged 25 to 34 years and 25 to 64 years, 2008 (%)

SOURCE: OECD (2010)



either Year 12 or an equivalent VET qualification. When it was first announced, the target was set as one to be achieved by 2020, and the equivalent VET qualification was deemed to be Certificate III or higher. In 2009 COAG decided to bring forward the 90 per cent target date to 2015, and to use, as an interim progress measure, the percentage of the age cohort that attained Year 12 or a qualification at the level of Certificate II or higher.

Estimates for 2010 show 85 per cent of young adults have attained Year 12 or its equivalent

The steady increase since 2001 in Year 12 or equivalent attainment is recorded by Figure 29. In 2010 it is estimated that 84.5 per cent of 20 to 24 year-olds had either completed Year 12 at school or attained a VET qualification at Certificate III or higher. The percentage that had attained Year 12 or Certificate II or higher was slightly more, at 85.6 per cent, leaving a gap of more than 4 percentage points to be closed if the 90 per cent target by 2015 is to be reached.

Note that Figure 29 displays the national trend. Under the terms of the agreement between the Commonwealth and the states and territories, the National Partnership Agreement on Youth Attainment and Transitions, there are differential attainment targets across jurisdictions. Figure 30 indicates how Year 12 or equivalent attainment rates varied by State in 2010, as well as the extent to which these rates have risen over the last ten years. According to the most recent figures, Victoria, Queensland and the ACT have the highest proportions (in each case more than 87 per cent) of young adults with Year 12 or Certificate III or above.

During the last decade large increases in secondary school attainment (in the order of 10 percentage points) were recorded among young adults in South Australia and Tasmania. Both are states where, in the past, attainment levels were considerably below the national average, and despite the increases they remain low when compared with the rest of Australia. Figure 30 also shows a substantial improvement over the ten years in Queensland, where Year 12 or equivalent attainment levels rose from just under the national average in 2001 to nearly 3 percentage points above it in 2010.

FIGURE 29
Completion of Year 12 or Certificate III or higher, and of Year 12 or Certificate II or higher, 20 to 24 year-olds, Australia, 2001–2010 (%)

SOURCE: ABS *Education and Work, Australia* (2010)
NOTE: Some values for Year 12 or Cert III or above differ from the previous edition of HYPAF due to use of revised estimates.

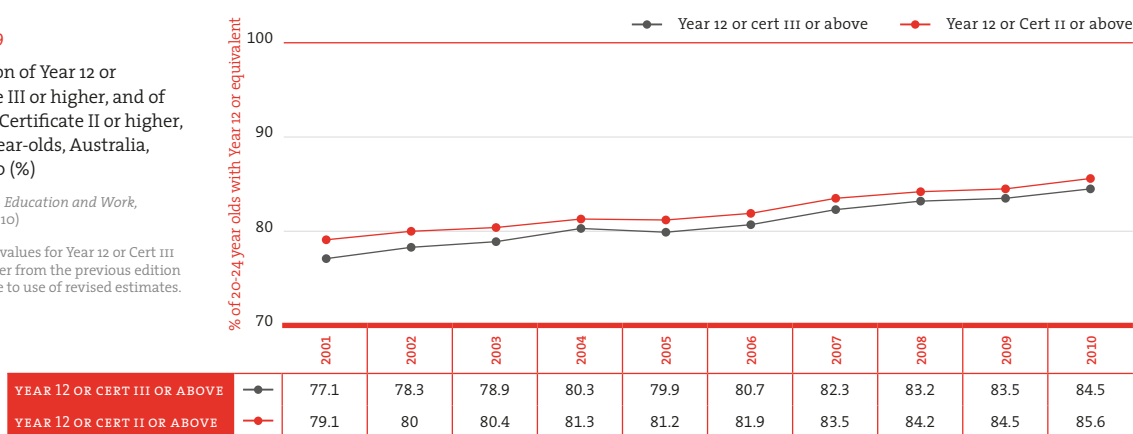


FIGURE 30
Completion of Year 12 or Certificate III or higher, 20 to 24 year-olds, by state/territory, 2001 and 2010 compared (%)

SOURCE: ABS *Education and Work, Australia* (2010)



APPROACHES TO RAISING ATTAINMENT IN AUSTRALIA

Commonwealth and state and territory governments have the shared goal of raising educational attainment, and there are various policies and programs in place seeking to achieve that goal. For instance the National Partnership (NP) Agreement on Youth Attainment and Transitions commenced in July 2009, and will operate until December 2013. Overall, the aim of this NP, which is focused on the post-compulsory years of schooling, is to increase participation in education and training among young people, raise their attainment levels and improve their transitions from school.

Increasing school retention

Completion of Year 12 or an equivalent qualification is contingent on students remaining in education. Hence the importance of improving school retention.

Retention rates have recently returned to the high levels that prevailed in the early 1990s

Figure 31 reveals an upward trend in the rate of apparent retention of students in secondary school over the last 15 years, from 71.3 per cent in 1996 to 78 per cent in 2010. But when a longer time frame is considered, it can be noted that apparent retention rates had been substantially higher in the early 1990s, peaking at 77.1 per cent in 1992, and they are only now returning to those previous high levels. Apparent retention hovered around 75 per cent in the years between 2002 and 2005,

but dipped in 2006–2008 during buoyant economic times, when there were more opportunities for young people in the labour market. When jobs become harder to find, young people tend to remain in education. This ‘shelter effect’ of the economic downturn since 2008 can be seen in the increases in apparent retention rates in 2009 and 2010.

Females stay on at school at much higher rates than males, but the gender gap has narrowed slightly since 2008

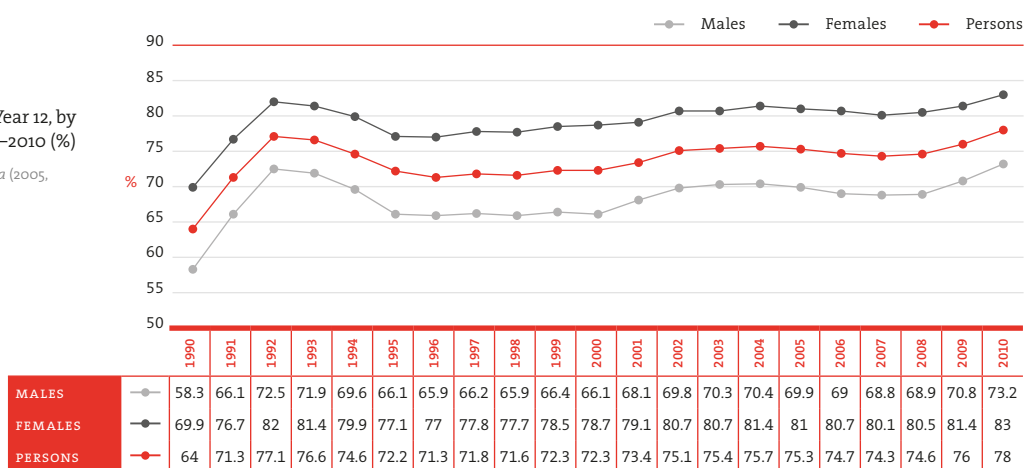
Throughout the last two decades school retention rates have been consistently higher for females than for males, by a margin of at least 10 percentage points. This gender gap appears to be widest when jobs are plentiful, and males tend to be more likely than females to enter the labour market: in 2008, the gap was 11.6 per cent. But the economy has weakened since then, and in 2010 the gender gap in retention has narrowed to less than 10 percentage points for the first time since the early 1990s.

There are differences between states in retention rate increases

Apparent retention rates are sensitive to policy initiatives. In recent years many states have developed policies to raise the school leaving age, as has been the case in South Australia and Western Australia. The impact of such policies can be seen in Figure 32 (opposite), which charts the extent of change in apparent retention over the last decade. It reveals marked increases in apparent retention for those two states, with rates rising from 66.4 per cent to 81.9 per cent in South Australia, and from 72 per cent to 78.3 per cent in Western Australia. Other changes, such as the introduction of an alternative senior school certificate in Victoria, the Victorian Certificate of Applied Learning (VCAL), may have contributed to the retention rise in that state.

FIGURE 31
Apparent retention to Year 12, by gender, Australia, 1990–2010 (%)

SOURCE: ABS Schools, Australia (2005, 2010)



Apparent retention rates of Indigenous students are well below those of other students, and the relative gains made in the decade to 2008 have stalled

The National Indigenous Reform Agreement (Closing the Gap) aims to reduce the level of disadvantage experienced by Indigenous Australians. One of the targets agreed by COAG is to halve the gap between Indigenous and non-Indigenous students in Year 12 or equivalent attainment by 2020 (COAG, 2008). Improving the attainment level of Indigenous students means ensuring that more stay on at school. Currently, as measured by apparent retention rates, there is much ground to make up. Figure 33 charts the apparent retention rates to Year 12 for both Indigenous and non-Indigenous students from 1996 to 2010, showing the magnitude of the gap between the two groups.

During the 15-year period depicted in the chart there has been a steady increase in apparent retention among Indigenous students, with the rate rising by 18 percentage points from 29.2 per cent in 1996 to 47.2 per cent in 2010. Over the same time span retention among non-Indigenous students increased by just 7 percentage points, but from a much higher base, and reached 79.4 per cent in 2010.

The difference between apparent retention rates for Indigenous and non-Indigenous students was large (more than 40 percentage points) in 1996. The size of this gap gradually narrowed over the following years, and in 2008 it had been reduced to about 28 percentage points. However, this improvement has not been sustained since then, with the retention gap between Indigenous and non-Indigenous students in 2010 growing to more than 32 percentage points.

Changes in retention rates of Indigenous students vary by State

While Figure 33 plots the national trend in retention rates of Indigenous students, Figure 34 (overleaf) reveals the variation in the change that has occurred between 2001 and 2010 at a State level. The state in which there has been the largest increase in retention of Indigenous students is South Australia, followed by Western Australia and Queensland. In one State, Tasmania, apparent retention of Indigenous students actually declined between 2001 and 2010.

FIGURE 32
Apparent retention to Year 12, by state/territory, 2001 and 2010 compared (%)

SOURCE: ABS Schools, Australia (2010)



FIGURE 33
Apparent retention to Year 12, by Indigenous status, 1996–2010 (%)

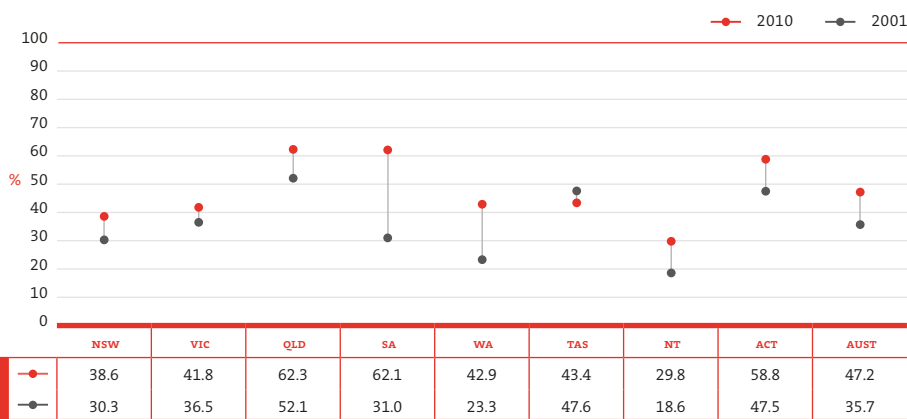
SOURCE: ABS Schools, Australia (2010)



FIGURE 34

Apparent retention of Indigenous students to Year 12, by state/territory, 2001 and 2010 compared (%)

SOURCE: ABS Schools, Australia (2010)



Promoting participation in VET in schools

The number of secondary school students undertaking vocational education and training while at school has risen substantially, and it is widely acknowledged that VET in schools programs are effective in improving retention, especially among students who are likely to be early school leavers. As well as helping to raise retention, another advantage of VET in schools is that students who may otherwise not attain Year 12 may be encouraged to acquire an equivalent vocational qualification. Broadening options for those not focused on a pathway from Year 12 to university is an important strategy to lift overall levels of attainment.

The Trade Training Centres in Schools Program was established in 2008 as one of a number of initiatives within the Australian Government's education reform agenda. This agenda involves increased investment in education, skills and training, and includes funding over ten years to provide facilities to enhance vocational training opportunities for students in Years 9 to 12. Under the program, schools can apply for grants to establish new trade or vocational education and training centres or upgrade existing facilities. Priority is to be given to supporting secondary school communities with Indigenous students and students from regional or other disadvantaged areas, as well as encouraging enrolment at Certificate III level (or higher) of traditional trades identified as experiencing skills shortages.

Trade Training Centres have two main objectives. The first is to increase Year 12 retention rates and help to increase the proportion of students completing Year 12 or an equivalent qualification to 90 per cent by 2015. The second is to address national skills shortages in traditional trades and other occupations by improving the relevance and responsiveness of trade training programs in schools.

While the large range of factors that influence school retention and Year 12 or equivalent attainment mean that it will be difficult to establish a clear link between the Trade Training Centres program and any progress in achieving its key objectives, it will be important to monitor trends in VET participation, and the outcomes for students who undertake such training, over the ensuing years.

Numbers doing VET in schools have increased in recent years

There has undoubtedly been an increase in VET in schools student numbers within states and territories over the last decade, but monitoring this trend at a national level over time has been constrained by data quality issues. Obtaining data that can be used consistently across jurisdictions is problematic due to differences between states in definitions, reporting processes, and in training provision arrangements, as well as changes in these arrangements over time.

As shown in Figure 35 (opposite), close to 230,000 Australian students did some VET in schools in 2009, up from 170,000 in 2006. However, the substantial increase between 2007 and 2008 is due at least in part to changes in data compilation processes. This occurred notably in Queensland, where changes related to reporting requirements for the Queensland Certificate of Education and the use of a unique student identifier improved the identification of school-based training activity.

The indicator that is used by the Commonwealth and Ministerial Council on Education, Employment, Training and Youth Affairs to measure VET in schools participation is the number of school students who do VET as part of their senior school certificate expressed as a proportion of all those undertaking a senior school certificate. However, there are complexities in

FIGURE 35

Number of students undertaking vET in schools, by gender, Australia, 2006–2009

SOURCE: NCVET VET in Schools Collection (2006–2009)

Note: vET in schools students aged up to 24 years; small number aged 25 or more are excluded.



determining both the denominator and the numerator for this calculation (for instance, differing senior certificate requirements across states, and whether Year 10 and mature age students are included) which create anomalies between states, making inter-State comparisons difficult.

According to this indicator, for which there is only limited time series data available, about one third of Australian students undertook vET in schools as part of their senior school certificate in 2006 and 2007 (33.6 per cent and 33.4 per cent respectively). Table 25 (overleaf) shows this rate jumped to 41 per cent in 2008, an increase that can be partly attributed to the changes in Queensland already noted.

Another way of looking at participation in vET in schools is to consider the numbers who undertake vET in schools as a percentage of the total numbers of students in secondary school. As Figure 35 indicated, in 2009 more than 228,000 students did vET in schools: this represented 15.3 per cent of all Australian secondary students — 15.7 per cent of males and 14.8 of females who were at secondary school. The comparable proportions were lower in 2006 — 11.7 per cent overall and 12 per cent and 11.5 per cent for males and females respectively (see Figure 36).

The caveat concerning anomalies between the states in the way in which data is compiled must be

borne in mind when looking at both Tables 25 and 26 (overleaf), which record the variation across states in the proportions of students who did vET in schools. In Table 26, Queensland, with more than 30 per cent of all secondary students doing vET in schools, stands out as having the highest participation rate, and Western Australia ranked second, with 16.7 per cent. Rates were similar, around 11 per cent, in NSW, Victoria and South Australia. On this measure, Tasmania recorded the lowest participation level, just 5 per cent; however this was due to changes in training arrangements in that state in 2009. In previous years vET in schools participation rates in Tasmania, when measured as a proportion of students doing a senior school certificate, were very high — 56 per cent in 2006 and 2007, and just on 70 per cent in 2008 (see Table 25).

Addressing disadvantage

Efforts to increase Year 12 or equivalent completion need to focus especially on those groups among whom attainment is currently low — and there is clear and consistent evidence about the young people who have the greatest need for support if they are to achieve that level of qualification. Table 27 (overleaf) reveals how Year 12 or equivalent attainment rates vary across sub-groups of young adults, and therefore where policy must be directed if the overall rate of attainment is to be lifted.

FIGURE 36

Per cent of secondary school students participating in vET in schools, by gender, Australia, 2006 and 2009

SOURCE: NCVET VET in Schools Collection (2006, 2009); ABS Schools, Australia (2010)

NOTES: Includes vET in schools students aged up to 24 years. Secondary student numbers include both full-time and part-time students.

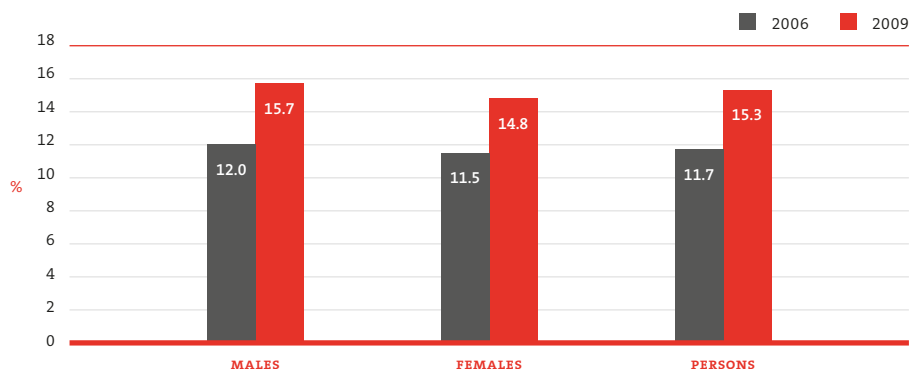


Table 27 (opposite) is based on data from the 2009 ABS *Survey of Education and Training*, and shows that nearly one in five, or 19.2 per cent, of young adults aged 20 to 24 had not completed Year 12 or attained a vocational qualification at least at Certificate III. (This translates to an upper secondary attainment rate of 80.8 per cent, which is less than the rate of 83.5 per cent for 2009 that is displayed in Figure 29 (page 55), the difference in the estimates being due to differences between the two data sources used, and the methodologies and reference periods of the two surveys.) Although the figures are not presented in the table, it can be noted that the 19.2 per cent of 20 to 24 year-olds that had not attained Year 12 or Certificate III or above in 2009 amounted to about 253,000 individuals, while the 16.6 per cent of 25 to 29 year-olds in this category numbered more than 235,000.

The importance of Table 27 is that it highlights the sub-groups of young people in need of the most assistance to complete an initial qualification — either Year 12 or a vocational qualification at least at Certificate III level. From the table it can be seen that lower levels of secondary attainment occur among 20 to 24 year-olds who:

- > live outside metropolitan areas
- > are disabled
- > come from homes in which English is not the first language and is not spoken well

- > have parents who have not completed Year 12
- > have fathers who are unemployed or working in manual occupations.

Figure 37 charts the disparity between capital city dwellers and others. Among young people aged in their twenties, and for both males and females, attainment levels are much lower for those who live outside of the capitals, with this gap between city and country being greatest for males in the 25 to 29 age group.

It might be anticipated that young people with a disability, facing greater challenges than others, would be less likely to attain Year 12 or an equivalent qualification. As Figure 38 shows, among 20 to 24 year-olds more than one third (35.6 per cent) who had a disability ranging in severity from profound to mild had not completed Year 12 or Certificate III, while the comparable proportion among young adults who did not have a disability was less than half that (16.2 per cent). However, attainment levels were also low among others who indicated that, although they had a disability, it was not one which restricted their capacity to participate in education — one quarter of this group of young adults had not attained Year 12 or equivalent. The same pattern, although not quite as marked, was evident for 25 to 29 year-olds.

FIGURE 37
Per cent of young adults without Year 12 or Certificate III or higher, by usual residence, 20 to 24 year-olds and 25 to 29 year-olds, Australia, 2009
SOURCES: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)

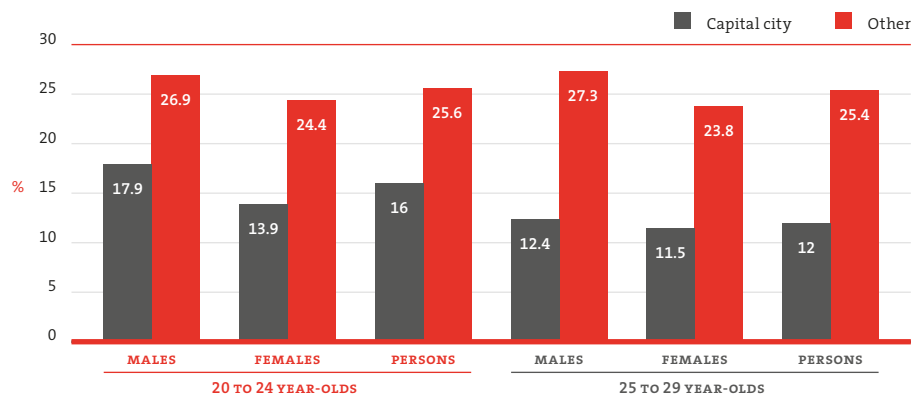


FIGURE 38
Per cent of young adults without Year 12 or Certificate III or higher, by disability status, 20 to 24 year-olds and 25 to 29 year-olds, Australia, 2009
SOURCES: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)

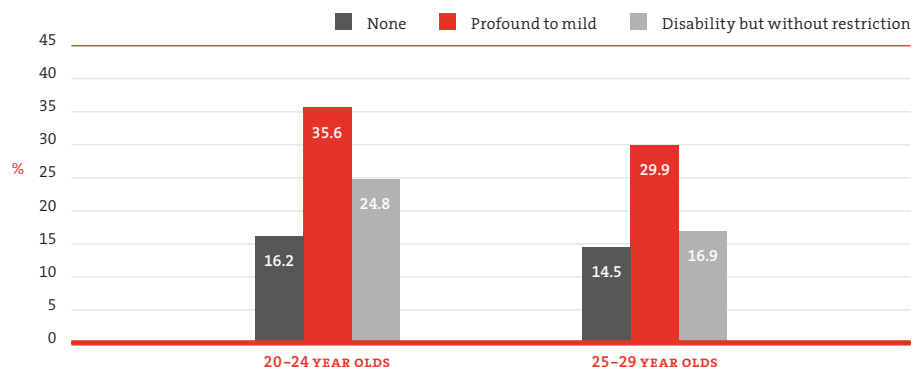


TABLE 25

Participation in VET in schools as per cent of senior school certificate students, by state/territory, 2006–2008

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
2006	35.8	24.7	48.2	24.1	34.5	56.3	32.7	48.9	33.6
2007	35.9	25.8	48.0	22.1	30.3	56.0	40.7	47.9	33.4
2008	36.2	26.9	83.6	22.9	38.3	69.6	37.0	43.5	41.0

SOURCE: NCVET VET in Schools Statistics (2008, 2009a, 2009b)

TABLE 26

Participation in VET in schools as per cent of all secondary students, by gender and state/territory, 2009 (%)

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
MALES	10.8	12.9	30.2	11.5	17.8	5.1	15.3	15.7	15.7
FEMALES	11.3	9.9	30.4	10.6	15.6	5.7	13.8	12.8	14.8
PERSONS	11.1	11.4	30.4	11.0	16.7	5.4	14.6	14.3	15.3

SOURCES: NCVET VET in Schools Collection (2009); ABS *Schools, Australia* (2010)

NOTES: Includes VET in schools students aged up to 24 years. Secondary student numbers in 2009 include both full-time and part-time students.

TABLE 27

Per cent of young adults without Year 12 or Certificate III or higher, by gender and other characteristics, 20 to 24 year-olds and 25 to 29 year-olds, Australia, 2009

SOURCE: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)

NOTES: Statistical significance is indicated in the first row for each variable: ° is not significant, * is p<0.05, ** is p<0.01. Values in the first row show the statistical significance of gender differences. Parental background questions were not asked of 25 to 29 year-olds. International students are excluded.

	20 TO 24 YEAR-OLDS			25 TO 29 YEAR-OLDS		
	Males	Females	Persons	Males	Females	Persons
TOTAL	20.8	17.5	19.2 °	17.3	15.8	16.6 °
USUAL RESIDENCE						
Capital city	17.9 **	13.9 **	16.0 **	12.4 **	11.5 **	12.0 **
Other	26.9	24.4	25.6	27.3	23.8	25.4
DISABILITY						
None	17.4 **	14.9 **	16.2 **	15.1 **	14.0 **	14.5 **
Profound to mild	39.3	32.8	35.6	29.9	29.8	29.9
Without restriction	31.1	19.0	24.8	20.8	13.5	16.9
COUNTRY OF BIRTH						
Australia	20.3 **	17.7 **	19.1 **	20.1 **	18.2 **	19.2 **
Other English-speaking	35.9	33.3	34.8	16.2	16.4	16.3
Non English-speaking	14.1	8.9	11.3	5.6	6.8	6.3
LANGUAGE FIRST SPOKEN						
English	21.8 **	19.2 °	20.5 **	19.8 **	17.8 **	18.8 **
Other	14.8	7.8	11.3	7.5	8.7	8.1
LANGUAGE BACKGROUND & PROFICIENCY						
Only speaks English	22.3 **	19.2 **	20.8 **	19.2 **	18.2 **	18.7 **
Not English but only speak English	9.1	5.1	7.3	5.6	5.3	5.5
Not English but English well spoken	11.2	1.4	6.9	12.4	3.5	8.0
Not English and English poorly spoken	42.4	24.9	33.8	21.8	24.5	23.5
FATHER'S HIGHEST EDUCATIONAL QUAL.						
Degree or higher	4.3 **	2.5 **	3.4 **	—	—	—
Certificate or Diploma	20.8	18.3	19.5	—	—	—
Year 12	12.0	11.5	11.8	—	—	—
Less than Year 12	31.9	27.8	30.0	—	—	—
MOTHER'S HIGHEST EDUCATIONAL QUAL.						
Degree or higher	7.8 **	7.3 **	7.5 **	—	—	—
Certificate or Diploma	20.7	12.5	16.6	—	—	—
Year 12	22.1	15.6	19.0	—	—	—
Less than Year 12	25.5	25.6	25.5	—	—	—
FATHER'S HIGHEST LEVEL OF SCHOOLING						
Year 12	11.4 **	7.5 **	9.5 **	—	—	—
Not Year 12	27.4	25.2	26.4	—	—	—
MOTHER'S HIGHEST LEVEL OF SCHOOLING						
Year 12	13.7 **	9.3 **	11.6 **	—	—	—
Not Year 12	26.0	23.4	24.8	—	—	—
FATHER'S CURRENT OCCUPATION						
Manager, professional	9.2 **	6.2 **	7.8 **	—	—	—
Tech, trades, comm & pers services	24.6	20.4	22.3	—	—	—
Clerical, admin, sales	11.7	5.4	9.0	—	—	—
Machinery ops, drivers, labourers	28.1	24.3	26.2	—	—	—
Other	6.2	0.0	3.3	—	—	—
Not employed	33.0	27.7	30.4	—	—	—

There is substantial research evidence of the link between non-English speaking family background and high educational attainment. Figure 39 provides further confirmation of this link, but also points to the need for disaggregated data to target need more effectively. The percentage of young people without Year 12 or an equivalent qualification was much lower in non-English speaking homes where, although English is not the first language, it is the only language spoken or it is spoken well. In each of those two categories, the percentage was around 7 per cent, compared with young adults who came from English-speaking families, 20.8 per cent of whom had not completed Year 12 or Certificate III. However, young adults from families whose first language was not

English and where English was not spoken well were the most disadvantaged—one third (33.8 per cent) had not attained an initial qualification.

Social background, indicated by parental education and occupation, is strongly associated with the likelihood that young people will complete Year 12 or its equivalent. Figure 40 uses one measure of social background, father's highest level of educational qualification, to demonstrate how low educational attainment in one generation influences the next—the percentage of young adults without Year 12 or Certificate III was highest among those whose fathers had not completed Year 12 (30 per cent), whereas it was just 3.4 per cent among those whose fathers held a degree.

FIGURE 39
Per cent of young adults without Year 12 or Certificate III or higher, by language background and proficiency, 20 to 24 year-olds, Australia, 2009

SOURCES: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)

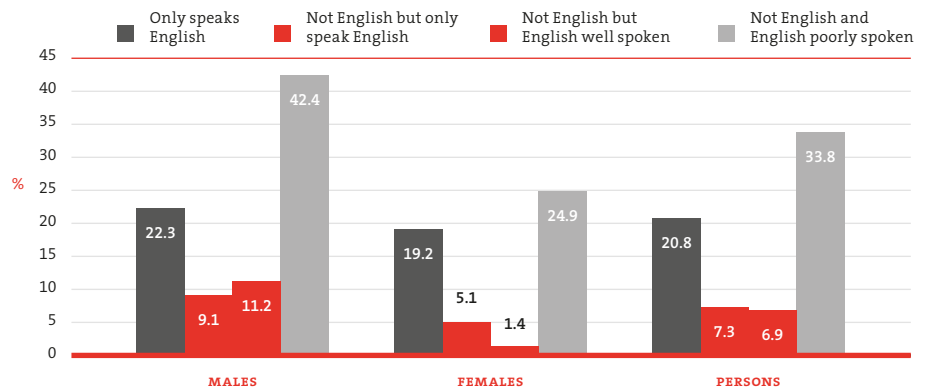
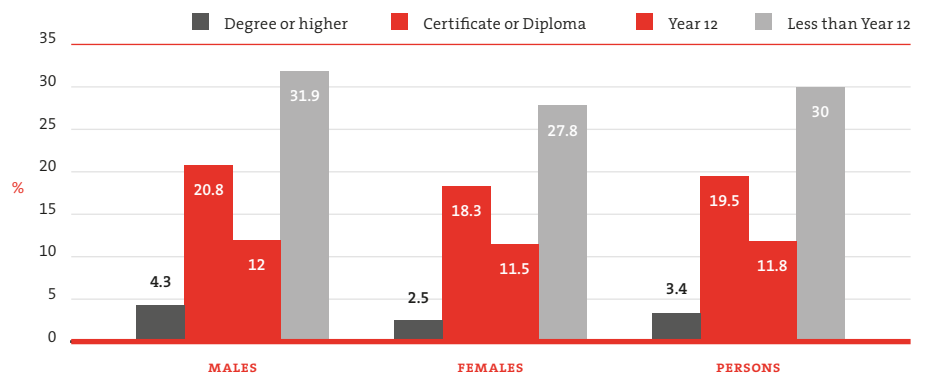


FIGURE 40
Per cent of young adults without Year 12 or Certificate III or higher, by father's highest qualification, 20 to 24 year-olds, Australia, 2009

SOURCES: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)



YOUNG PEOPLE MOST AT RISK

05

When used in reference to young people and their transition from education to employment, there are potential ambiguities in the terms ‘not fully engaged’, ‘at risk’, ‘marginalised’ and ‘disengaged’, and hence a need for clarity in using them. As defined in this and in all previous editions of *How Young People are Faring*, young people who are not in full-time education or full-time employment have been categorised as ‘not fully engaged’.

This includes young people who are not undertaking any full-time study or training and are in part-time work only, or are unemployed, or have withdrawn from the labour force. By implication, these young people may be considered to be ‘at risk’, that is, at risk of marginalisation from education and from the labour force. In May 2011 estimates based on the monthly *Labour Force Survey* (LFS) indicate that approximately 15 per cent of teenagers and 26 per cent of young adults were not fully engaged in learning or earning (see, for instance, Tables 4, 17 and 18, and Figures 2 and 10 in this report).

While young people not engaged in full-time study or full-time work might be considered to be 'at risk', there is a critical sub-group that might be deemed the most at risk of marginalisation, and that is those who are not engaged in study or full-time work and do not hold Year 12 or equivalent qualifications. It is worth looking at who is in this group. Personal background information about individuals is not available from LFS data, but the *Survey of Education and Training* does collect such information. Drawing on data from the 2009 survey, it is possible to look at both the current activities and also the attainment levels of sub-groups of the population.

This data has been used for Table 28 (opposite), which is concerned with some of the characteristics of the young adults who might be termed 'most at risk', that is, 20 to 24 year-olds who:

- > are not in full-time work (they are working only part-time, are unemployed or are not in the labour force);
- > are not studying for a qualification;
- > have not completed Year 12; and
- > have not completed any post-school qualification.

Table 28 indicates that 8.1 per cent of 20 to 24 year-olds make up this group of young adults who do not have a full-time job, do not have any educational qualifications and do not show any sign of seeking them. While the size of this group in percentage terms may seem relatively small, the numbers involved are nevertheless substantial. Although not shown in the table, the number of young adults in this category amounted to more than 107,000.

The results in Table 28 show how the proportion of young adults most at risk of making a poor transition varies depending on where they live, as well as on their personal characteristics and family backgrounds. Females were more likely than males to be not engaged in full-time work or study, and without qualifications: 9.4 per cent for females as against 6.9 per cent for males. The higher representation of females is not due to lower levels of educational attainment because, as was shown in Table 27 (page 61), the percentage of females without Year 12 or its equivalent was below the percentage of males who lacked this qualification (although the difference was not statistically significant). Rather, the gender difference can be largely attributed to the effects of family formation and childcare responsibilities, with many young adult females withdrawing from the labour force due to pregnancy, child rearing or family duties (see Figures 15 and 16, p. 35).

The other results in Table 28 follow the same patterns of disadvantage that were noted in discussing the

variations in the educational attainment rates presented in Table 27. The groups that do not attain Year 12 or equivalent qualifications also tend to be those who, as young adults, are not in any post-school study or full-time work. For instance, those who live outside of the capital cities are more likely to be at risk than those who live in the capitals: 11.7 per cent for those not in capital cities compared with 6.3 per cent of capital city residents.

Chances of being in the most at risk group of young people were also high for those with a disability. This was the case particularly for young adults with a disability ranging from profound to mild (22.1 per cent), but also among others who indicated that their disability did not restrict their capacity to engage in education or employment (10.3 per cent), whereas the figure for young adults without a disability was just 6 per cent.

Country of birth, language background and language proficiency also have an effect, but in differing ways. Rates among young adults born in non-English speaking countries and among those who first spoke a language other than English were very similar, and in each case were about half the levels of those who were born in Australia and those whose first language was English. For instance, only 4.2 per cent of 20 to 24 year-olds born in a non-English speaking country were in the most at risk group, compared with 8.5 per cent of those born in Australia. This broad pattern in which non-English background confers an advantage is altered when young adults are categorised according to their proficiency in English. In the case of individuals for whom English is not the main language spoken at home yet it is spoken well, the percentage most at risk was low (5.1 per cent) but in homes where English proficiency is poor it was nearly three times higher (14.2 per cent, for both males and females).

In the same way as it is associated with attainment, social background has a strong influence on whether or not young adults engage in study or full-time work. Various measures of parental education are shown in Table 28, with a consistent effect: the lower the educational background of parents, the higher the percentage of young people who, while lacking an initial qualification, are not engaged in study or in full-time work. For instance, considering parents' level of schooling, much higher percentages of young adults whose fathers did not finish secondary school were in this most at risk group (11.5 per cent) compared with those whose parents had attained Year 12 (3.6 per cent). Similarly, the rate was higher among those whose fathers were unemployed (15.4 per cent) or in manual occupations (8.4 per cent), whereas the lowest percentage of young people most at risk was

TABLE 28

Per cent of young adults without initial qualifications and not in study or full-time work, by gender and other characteristics, 20 to 24 year-olds, Australia, 2009

SOURCES: ABS *Education and Training, Australia* (2009) (Microdata: Basic CURF)

NOTES: Statistical significance is indicated in the first row for each variable: ° is not significant, * is p<0.05, ** is p<0.01. Values in the first row show the statistical significance of gender differences. International students are excluded.

	20 TO 24 YEAR-OLDS		
	Males	Females	Persons
TOTAL	6.9	9.4	8.1 *
USUAL RESIDENCE			
Capital city	5.5 **	7.3 **	6.3 **
Other	9.9	13.5	11.7
DISABILITY			
None	4.7 **	7.4 **	6.0 **
Profound to mild	27.2	18.3	22.1
Without restriction	7.2	13.0	10.3
COUNTRY OF BIRTH			
Australia	6.5 **	10.6 °	8.5 *
Other English-speaking	12.9	6.9	10.3
Non English-speaking	6.0	2.7	4.2
LANGUAGE FIRST SPOKEN			
English	7.2 *	10.6 °	8.9 **
Other	4.9	2.5	3.7
LANGUAGE BACKGROUND & PROFICIENCY			
Only speaks English	7.5 **	10.6 °	9.0 **
Not English but only speak English	1.6	0.9	1.3
Not English but English well spoken	8.8	0.6	5.1
Not English and English poorly spoken	14.2	14.2	14.2
FATHER'S HIGHEST EDUCATIONAL QUAL.			
Degree or higher	3.0 **	0.9 **	1.9 **
Certificate or Diploma	6.3	9.8	8.0
Year 12	2.4	4.4	3.4
Less than Year 12	10.8	16.0	13.2
MOTHER'S HIGHEST EDUCATIONAL QUAL.			
Degree or higher	4.2 **	2.9 °	3.5 **
Certificate or Diploma	6.2	5.8	6.0
Year 12	10.3	7.8	9.1
Less than Year 12	7.1	14.9	10.8
FATHER'S HIGHEST LEVEL OF SCHOOLING			
Year 12	4.1 **	3.1 **	3.6 **
Not Year 12	8.8	14.4	11.5
MOTHER'S HIGHEST LEVEL OF SCHOOLING			
Year 12	6.3 **	3.9 °	5.2 **
Not Year 12	7.3	13.4	10.3
FATHER'S CURRENT OCCUPATION			
Manager, professional	3.3 **	2.9 **	3.1 **
Tech, trades, community & personal services	4.9	12.2	8.9
Clerical, admin, sales	2.8	3.2	2.9
Machinery ops, drivers, labourers	6.1	10.8	8.4
Other	5.1	0.0	2.7
Not employed	15.0	15.8	15.4

among those whose fathers were in managerial or professional occupations (3.1 per cent).

Patterns of secondary attainment and of disengagement among young adults provide clear evidence of the disadvantage experienced by particular groups of young people—especially Indigenous students, those from rural and remote areas, those with a disability and those from low SES backgrounds. If

Australia is to meet the educational attainment targets that have been set—90 per cent of young people with Year 12 or equivalent and 40 per cent with a university level qualification—then these groups that at present have low levels of attainment must be the focus of attention. Only when policies and resources are directed to better meeting the needs of those who are currently not well served by the education and training system will school completion rates improve.

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APPENDIX TABLES

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 1986–2011 (%)

SOURCE: ABS *Labour Force Australia* (May 2011) (data cube LM3)

MAY	IN PART-TIME WORK			UNEMPLOYED			NOT IN THE LABOUR FORCE		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
1986	3.6	9.5	6.6	9.6	6.8	8.2	4.8	21.8	13.2
1987	3.2	9.5	6.3	10.0	7.3	8.7	4.2	19.2	11.6
1988	4.0	9.9	6.9	9.8	6.6	8.2	3.7	19.0	11.3
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	13.6	9.0
2003	9.1	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	13.5	9.8
2005	8.8	13.8	11.3	5.4	4.1	4.8	4.9	11.9	8.3
2006	8.0	13.1	10.5	5.5	3.1	4.3	5.4	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
2010	9.1	12.9	10.9	5.9	3.5	4.7	5.7	11.5	8.5
2011	9.0	15.2	12.0	6.2	4.4	5.3	6.2	11.1	8.6

TABLE A2

Attainment of at least upper secondary education¹ in OECD countries by gender, population aged 25–34 and 25–64, 2008 (%)

SOURCE: OECD 2010

STATS EXTRACTS: Education at a Glance 2010 OECD

Indicators: Indicator A1

1. Excluding ISCED 3C short programmes

	25 TO 64		25 TO 34	
	Males	Females	Males	Females
Australia	73	67	82	83
Austria	87	75	89	86
Belgium	70	70	80	86
Canada	86	88	90	94
Chile	69	67	84	85
Czech Republic	94	88	95	94
Denmark	76	73	84	87
Finland	79	83	88	92
France	71	69	82	84
Germany	88	82	86	85
Greece	60	62	69	81
Hungary	83	76	85	86
Iceland	66	62	65	73
Ireland	66	73	81	88
Italy	52	54	65	73
Korea	84	74	97	98
Luxembourg	72	64	78	80
Mexico	36	32	41	39
Netherlands	76	71	80	84
New Zealand	73	71	77	81
Norway	81	81	82	87
Poland	88	87	92	94
Portugal	26	31	40	53
Slovak Republic	93	87	95	94
Spain	51	52	61	70
Sweden	83	87	90	92
Switzerland	90	83	92	89
Turkey	35	25	46	34
United Kingdom	71	68	76	78
United States	88	90	86	90
OECD average	72	70	79	81

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