HOW YOUNG PEOPLE ARE FARING IN THE TRANSITION FROM SCHOOL TO WORK
The Foundation for Young Australians (FYA) is the only national independent non-profit organisation dedicated to all young people in Australia. Delivering a range of initiatives (co)designed with young people, together we deliver change across Australia.

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CONTENTS

Foreword 3
Executive summary 4
How young people are faring in the transition to from school to work 6
  > Section 1: Participation in education is increasing 7
  > Section 2: Educational attainment is also increasing 10
  > Section 3: Young people are increasingly working in casual or part-time jobs, and less in full-time jobs 12
  > Section 4: Transitions to work 16
Conclusion 18
References 19
Appendix – Data sources 19
Tables and figures index 21
How young people are faring in the transition from school to work.
Our young people are a vital resource to our country. At the Foundation for Young Australians (FYA) we believe in an Australia in which all our citizens: can sustain our standard of living; improve our quality of life; protect and nurture our fragile environment; and be active and generous contributors to the global family.

For this vision to be realized, we must prepare our young people for constant and evolving economic, social, cultural and environmental change in Australia and the region. Young Australians will need to be confident, connected, enterprising, innovative, optimistic and generous.

IS AUSTRALIA INVESTING IN ITS YOUNG PEOPLE ENOUGH? THIS REPORT SUGGESTS NO.

In our 16th annual research release, formerly called How Young People Are Faring, we explore young people’s transition from school to work. This year the report forms part of a collection of findings, called Unlimited Potential: a data and information resource on young Australians. This online resource provides information on demographics, future challenges, transition from school to work and how young people are contributing to and leading change.

Around 30% of young Australians in the labour force are unemployed or underemployed, the proportion of higher education graduates who have found full-time work after graduating is declining, and young people are moving into full time work at an older age.

While the situation may sound critical – and it is – there is still hope. FYA believes there should be a national conversation between all the generations about the role of young people in shaping Australia’s future. There are four priority areas for this conversation, including how we will:

- Educate and equip young people with enterprising skills
- Invest in young Australian social and business entrepreneurship
- Turbocharge young people’s connections with Asia
- Back young people to contribute and lead change

Unlimited Potential will help us start this national conversation and create a dynamic and forward-thinking set of national policies and initiatives that will build the confidence and capability of Australia’s young people so we can prepare them for a changing world.

Now we need governments, businesses, young people and the broader community to join in the conversation and help us find solutions.

Jan Owen AM
CEO
EXECUTIVE SUMMARY

This report, part of the Foundation for Young Australians website *Unlimited potential: a data and information source on young Australians*, describes young people’s transition from school to work. It looks at key education and employment indicators, as well as transitions into the labour market. This executive summary is structured according to these key indicators.

EDUCATIONAL ATTAINMENT CONTINUES TO INCREASE

In concert with participation, rates of educational attainment continue to increase. In 2013 the rate of year 12 attainment was 77.2% for 20-24 year olds. Non-school certificate III and above rates of attainment also continues to increase. In 2013 the rates were 42.5% for 20-24 year olds and 65.7% for 25-29 year olds. However for 25-29 year olds the rates of attainment for higher education qualifications has remained fairly steady – 35.4% in 2009 and 34.6% in 2013.

Rates of attainment vary considerably by sub-group of population. Rates of attainment for females are higher than for males for year 12, certificate III or above, and higher education qualifications. Year 12 rates of attainment are lower though for Indigenous young people and young people living in remote or very remote areas. According to the 2011 census, year 12 rates of attainment were 37.1% for Indigenous 20-24 year olds and 43.3% for 20-24 year olds living in remote/very remote areas. This compares to 69.8% for all 20-24 year olds. However year 12 rates of attainment have increased for Indigenous young people since the 2006 census (by 4.9 percentage points as compared to 2.6 percentage points for all 20-24 year olds).

There is also variation in higher education rates of attainment with for example Indigenous 20-24 year olds and 20-24 year olds living in remote/very remote areas having substantially lower rates of attainment of higher education qualifications (at bachelor degree level or above).

PARTICIPATION IN EDUCATION CONTINUES TO INCREASE

Overall rates of full-time education continue to increase for young people. A little over three-quarters of 15-19 year olds were in full-time education in 2013 and a little over 30% of 20-24 year olds were in full-time education. When looking at rates by education sector the findings are more variable.

Participation in school continues to increase for 15-17 year olds. In 2013, 70.3% of 17 year olds were participating in full-time schooling with females participating at a higher rate than males (72.1% vs 68.6%). In addition, school retention rates continue to increase with year 7/8 to year 12 retention rates increasing from 74.6% in 2008 to 81.6% in 2013. Retention rates are higher for females than for males.

However participation in public vocational education and training (VET) for young people (particularly 15-19 year olds not at school) has been declining. For this age group, the rate dropped from 18.8% in 2011 to 16.4% in 2013. Part of the reason for this is that young people are staying at school. Rates of participation in apprenticeships have also been declining for young people, especially 15-19 year olds, and particularly non-trade apprenticeships. Having said this, participation in VET in school programs continues to increase – from 11.9% in 2007 to 16.6% in 2012 for 15-19 year olds.

Participation in higher education has been variable for young people. It has increased only very marginally between 2012 and 2013 for 15-19 year olds but declined for 20-24 year olds (from 28.6% in 2012 to 27.2% in 2013).
FULL-TIME EMPLOYMENT CONTINUES TO DECREASE AND PART-TIME EMPLOYMENT CONTINUES TO INCREASE

Full-time employment quite clearly continues to decrease while part-time employment quite clearly continues to increase. In 2013, full-time employment rates for young people were at their lowest since 1986 (when the data series began) with 42.1% of 15-19 year olds not in full-time education being in full-time employment compared to 59.2% for 20-24 year olds.

At the same time rates of part-time employment have been increasing with part-time employment being at its highest rate in 2013 since 1986 – 26.7% for 15-19 year olds not in full-time education and 18.3% for 20-24 year olds. Females are more likely to be employed part-time but less likely to be employed full-time. In addition, data from the Household, Income and Labour Dynamics in Australia (HILDA) survey indicates that just over a half of 15-19 year olds and about 34% of 20-24 year olds not in full-time education were in casual employment in 2012.

Young people aged 20-24 in full-time education are overall more likely now than in the past to be engaged in some type of employment although there has been a decrease in full-time employment since the 2008 Global Financial Crisis (GFC). In 2013, 45.7% of 20-24 year olds in full-time education were employed part-time and 6.9% full-time.

Unemployment rates for young people have increased for young people since the GFC. For 15-19 year olds not in full-time education the unemployment rate in 2013 was 16.8% while the figure for 20-24 year olds was 9.8%, with females being less likely to be unemployed than males. However underemployment is also an issue. Underemployment can be defined as the proportion of people who are employed part-time but available to do more work. For 15-24 year olds, the underemployment rate increased from 11.3% in 2008 to 14.6% in 2009 and in 2013 was 14.9%. The underemployment rate is higher for 15-24 year old females (17.1% in 2013) than males (12.7%).

TRANSITIONS TO WORK ARE GETTING LONGER

The overall age at which young people are transitioning into full-time work is getting higher. In 2013, the age at which young people transition into work was 23.4 years (22.4 years for males and a bit over 24 years for females). At the time of the GFC in 2008, the average age of the transition to full-time work was 21.8 years.

The proportion of young people not engaged in employment, education or training (NEET) has become an important indicator of the smoothness of the transition from education to work. Data from the Longitudinal Survey of Australian Youth (LSAY) indicates that in 2012 6.2% of 21 year olds were NEET and a further 21.2% not fully engaged. Females are more likely to be NEET or not fully engaged. However, the main activity of the NEET group (excluding those who are unemployed) was home duties/looking after children (54.2%) and this was even higher for females (72.8%).

Australia has a lower average NEET than the OECD average, particularly for 20-24 year olds. In 2011 in Australia 11.7% of 20-24 year olds were NEET compared to the OECD average of 18.4%. It is also worth noting that there are a proportion of young people in these groups that are ‘voluntarily’ and so perhaps not as vulnerable.

Finally, when looking at absorption into the labour market, the proportion of higher education and VET graduates employed a few months after their course has been decreasing. For VET graduates aged 20-24 years, the proportion employed after training who were not employed before training at certificate III level and above fell from 69.6% in 2006 to 53.5% in 2013. For higher education graduates aged 19-24 available for full-time employment, the rate employed full-time dropped about 10 percentage points between 2008 and 2012 for both males and females.
HOW YOUNG PEOPLE ARE FARING IN THE TRANSITION FROM SCHOOL TO WORK
This section examines rates of participation in education over time. In particular, it considers in addition to overall rates in education and training, trends by education sector – namely school, Vocational Education and Training (VET), including apprenticeships, and higher education.

**PARTICIPATION IN EDUCATION CONTINUES TO INCREASE**

Rates of participation in full-time education continue to increase. For 15-19 year olds, rates have increased by 5.3 percentage points to 76.6% over the period 2003-2013 with most of this rise coming after 2009 (figure 1). Rates of school participation have increased at each of the youngest age groups, 15, 16, and 17 year olds, over the period 2006 to 2013 with a substantial increase occurring between 2009 and 2010 (figure 2). For 20-24 year olds, rates of participation in full-time education have increased by 5.4 percentage points to 30.8% over the same period with a sharp increase occurring from 2008 to 2009 (figure 1).

Overall, young female’s rate of participation in full-time education was higher than that for males in 2013 – 79.5% vs. 73.9% for 15-19 year olds and 32.3% vs. 29.4% for 20-24 year olds. Overall participation in education was also higher for females in the school sector (72.1% vs. 68.6%) for 17 year olds in 2013.
PARTICIPATION IN VET IN SCHOOL IS INCREASING BUT DECREASING FOR PUBLICLY FUNDED VET OVERALL

Rates of participation in the publicly funded Vocational Education and Training sector have seen a recent decline, particularly for 15-19 year olds not at school – from 18.8% in 2011 to 16.4% in 2013 for all public VET. However, participation in VET in schools has continued to rise since 2007 when the rate was 11.9% to 16.6% in 2012 (figure 4). There are a few reasons why participation in vocational education and training for young people has declined. One of these is a substitution effect. Young people are staying on a school longer (so would the effect the rates for 15-19 year olds not at school) and in addition more are going to university. Another factor that could account for the decline is the ending of the National Productivity Places Program.¹

Participation in the VET sector is higher for males. For all nationally accredited VET courses in 2013 the rate was 18.3% for males vs. 14.3% for females for 15-19 year olds and 20.8% vs. 16.1% for 20-24 year olds.

In terms of 15-24 year olds who participate in all public VET there are more males than females (56% vs. 44% in 2013) and this has changed little over the past 10 years. The majority of VET students are from major cities (59% of all public VET students stated this in 2013), with very few stated being in remote/very remote regions (about 3%). Students with stated Indigenous status made up about 5.5% of the public VET population in 2013 while those with a stated disability formed over 6% of VET students. Students who stated they were from a non-English speaking background formed about 11% of the public VET population in 2013 (NCVER, 2014a).

¹ This was part of the Australian Government’s Skilling Australia for the Future initiative.
PARTICIPATION IN APPRENTICESHIPS IS DECLINING

The rate of apprenticeship commencements has also declined, once again particularly for the 15-19 year age group, and more so for non-trades apprenticeships – from 4.2% in 2012 to 2.9% in 2013 for 15-19 year old non-trades apprentices (figure 5). Commencement numbers have been affected by the removal of incentive payments for commencing apprentices and trainees in areas not on the National Skills Needs List (NCVER, 2014).

The in training apprenticeship population aged 15-24 is pre-dominantly males (over 70% in the December quarter, 2013). As with all public VET, the majority of apprentices are stated to be from major cities about 60%), with very few stated being in remote/very remote regions (about 3%). A bit over 4% of the apprentice population were stated to be Indigenous in 2013 however only 1.6% had a stated disability. This is a considerably lower proportion than for the VET population overall. The vast majority of apprentices in training are from English speaking backgrounds (about 93%) (NCVER, 2014b).

PARTICIPATION IN HIGHER EDUCATION HAS BEEN SLOWLY INCREASING

In contrast to the Vocational Education and Training sector, the rate of participation for 15-19 year olds in higher education continues to increase, albeit very slightly (figure 6). However for 20-24 year olds participation declined by 1.4 percentage points between 2012 and 2013 from 28.6% to 27.2%. Rates of participation are higher for females than for males - 17.6% vs. 12.9% for 15-19 year olds and 29.8% vs. 24.6% for 20-24 year olds in 2013.
Educational attainment continues to increase since 2003 for young people. Figure 7 shows that for 20-24 year olds year 12 completion rates continue to increase (77.2% in 2013) as does the proportion with a non-school qualification at certificate III level and above (42.5% in 2013). Similarly, for 25-29 year olds the proportions with a non-school qualification at certificate III level and above has generally increased since 2003 (65.7% in 2013), although for bachelor degree or higher it has remained fairly steady since 2009 (35.4% in 2009 and 34.6% in 2013).

The rates of attainment are higher for females than for males. In particular:

- More attain year 12 or equivalent – 81.4% vs. 73.2% for 20-24 year olds
- More attain certificate III or higher – 68.9% vs. 62.6% for 25-29 year olds
- More attain a bachelor level degree or higher – 41.0% vs. 28.4% for 25-29 year olds

While the above chart shows that year 12 or equivalent completion is increasing overall, this varies by subgroups of population. Data from the 2006 and 2011 census indicates that year 12 or equivalent completion rates are substantially lower for 20-24 year old Indigenous people and people living in remote/very remote areas (FYA, 2013). According to the 2011 census, Year 12 or equivalent achievement was 37.1% for Indigenous 20-24 year olds and 43.3% for 20-24 year olds from remote/very remote areas as compared to 69.8% for all 20-24 year olds. However, for Indigenous 20-24 year olds, the proportion completing year 12 or equivalent increased by 4.9 percentage points from 32.2% in 2006, as opposed to 2.6 percentage points from 67.2% for all 20-24 year olds.

Other data from the Longitudinal Survey of Australian Youth (LSAY) also shows differences in year 12 completion by some selected sub-groups that may be of interest. Over time, participation rates have increased, and for some subgroups more than others, even over the relatively short period of 2009-2012. For 21 year olds in LSAY year 12 completions increased between 2009 and 2012 from;

- 80.6% to 82.9% for males and 86.5% to 89.9% for females
- 86.1% to 88.2% in metropolitan areas and 76.5% to 81.6% in non-metropolitan areas
- 73.4% to 77.8% in the lowest SES quartile and 92.3% to 93.3% in highest SES quartile
- 82.7% to 85.2% from an English speaking background and 95.3% to 97.5% from a non-English speaking background (Australian Government Department of Education, 2014)

In addition, other research on school non-completers using LSAY (Curtis & McMillan, 2008) found that young people who were most likely to have left school early between the years 2003 and 2005 were from non-metropolitan locations, Indigenous, born in Australia, from non-nuclear families, from parents in blue collar jobs or other than university educated, low academic achievers, and from government schools.

Source: ABS Survey of education and work, cat.no.6227.0.55.003, May 2013
However, when a vocational alternative to school is included (i.e. participation in VET) some of the above factors are not so pronounced or disappear. For instance, including the vocational equivalent cancels out gender differences and parent's occupation as factors. However, parents who had not completed secondary school, coming from a non-nuclear family and from an English speaking background remain as factors.

Data from the census (see FYA, 2013) indicates that university completion rates also vary by subgroups with for example 20-24 year old Indigenous people and people living in remote/very remote areas having substantially lower university completion rates than all 20-24 year olds.

There is also information from LSAY on university completion. As with year 12 completions, rates of university completion have increased over time, even for the period 2008-2012 and for some subgroups more than others. So for 24 year olds in LSAY university completion changed between 2008 and 2012 from;

- 28.5% to 31.2% for males and 42.9% to 44.6% for females
- 39.5% to 40.9% for those in metropolitan areas and 31.0% to 29.5% for those in non-metropolitan areas
- 34.6% to 36.5% for speak English at home and 45.9% to 53.0% for speak a language other than English at home
- In addition, for 2012 only, university completion was 22.4% for the lowest SES quartile vs. 56.5% for the highest SES quartile (Australian Government Department of Education, 2014a)

Other research using LSAY consistently also reveals differences by subgroup in terms of university completion for those who have already commenced university. In terms of socio-demographic factors, Marks (2007) found that females were more likely to complete than males, and that students whose parents had completed at year 12 were more likely to complete than those who did not complete secondary school.

Similarly, McMillan (2005) found that students from small provincial cities, students whose parents had a university qualification and students with a language background other than English were associated with low levels of attrition.

Interestingly, the student’s regional or socio-economic background was not a factor in completion in the Marks study.

In terms of educational related factors, Marks (2007) found that students with high entry scores, from Catholic secondary schools and studying in areas of ‘high prestige’ such as medicine and law are more likely to complete once they’ve started. In addition, McMillan (2005) also found that students who undertook long hours of work while studying had higher levels of attrition.
SECTION 3:

YOUNG PEOPLE ARE INCREASINGLY WORKING IN CASUAL OR PART-TIME JOBS, AND LESS IN FULL-TIME JOBS

This section examines rate of employment for young people, including full-time employment, part-time employment and casual employment. Rates are considered for young people not in full time education and in full-time education.
Transitions to work continue to get longer. Full-time employment is decreasing; and part-time and casual employment has increased over time. There are also substantial proportions of young people who are underemployed or unemployed, although Australia does not do badly compared to the OECD average for unemployment (16.3% for the OECD in 2012 compared to 11.7% for Australia for 15-24 year olds, (OECD, 2013).

Fig. 8 shows how the proportions of young people in full-time and part-time employment (and not in full-time education) changed since 1986. Full-time employment has clearly decreased for both 15-19 and 20-24 year olds particularly post the 2008 Global Financial Crisis. As of 2013, full-time employment was at its lowest rate since the beginning of the time series in 1986- 42.1% for 15-19 year olds and 59.2% for 20-24 year olds. At the same time part-time employment has been increasing with part-time employment being at its highest rate in 2013 (26.7% for 15-19 year olds and 18.3% for 20-24 year olds).

Females are less likely to be employed full-time and more likely to be employed part-time than males. In 2013 for 15-19 year olds, 48.5% of males were employed full-time (for those not in full-time education) as compared to 33.4% of females and the rate for part-time employment was 21.8% and 33.3% respectively. For 20-24 year olds, 67.1% of males were employed full-time as compared to 50.8% of females while the rate for part-time employment was 14.2% and 22.6% respectively.

FEWER YOUNG PEOPLE ARE IN FULL-TIME WORK AND MORE ARE IN PART-TIME OR CASUAL WORK

Figure 8 shows how the proportions of young people in full-time and part-time employment (and not in full-time education) changed since 1986. Full-time employment has clearly decreased for both 15-19 and 20-24 year olds particularly post the 2008 Global Financial Crisis. As of 2013, full-time employment was at its lowest rate since the beginning of the time series in 1986- 42.1% for 15-19 year olds and 59.2% for 20-24 year olds. At the same time part-time employment has been increasing with part-time employment being at its highest rate in 2013 (26.7% for 15-19 year olds and 18.3% for 20-24 year olds).

Females are less likely to be employed full-time and more likely to be employed part-time than males. In 2013 for 15-19 year olds, 48.5% of males were employed full-time (for those not in full-time education) as compared to 33.4% of females and the rate for part-time employment was 21.8% and 33.3% respectively. For 20-24 year olds, 67.1% of males were employed full-time as compared to 50.8% of females while the rate for part-time employment was 14.2% and 22.6% respectively.
How young people are faring in the transition from school to work.

Rates of employment\(^3\) for 15-19 year olds in full-time education increased substantially from 1986 to a peak of 39.0% in 2006, although by 2013 this has dipped back to 34.4% (figure 9).

For 20-24 year olds in full-time education, rates of full-time and part-time employment have increased steadily over the period although have dipped for part-time employment since its peak in 2006 (from 50.5% in 2006 to 45.7% in 2013). Overall, young people in full-time education are now more likely to be engaged in some type of employment than in the past.

Other information on casual employment (figure 10) indicates that rates of casual employment for 15-19 year olds not in full-time education are just over 50% (similar to what they were 10 years ago) and about 34% for 20-24 year olds (a slight increase from the 30% it was ten years ago; the increase was mainly for males – about 29% in 2002 and 35% in 2012.)

**YOUTH UNEMPLOYMENT IS INCREASING**

Unemployment rates have increased since the Global Financial Crisis. Figure 11 using data for March 2014 shows that unemployment rates for those not in full-time education have increased since the GFC following declines from the early 1990s up until the GFC. Indeed, unemployment rates for those not in full-time education were the lowest in 2008 over the entire period 1986-2013. Since 2008, the rate has increased by 5.6 percentage points to 16.8% for 15-19 year olds and 5.0 percentage points to 9.8% for 20-24 year olds. Females not in full-time education are less likely to be unemployed than males – 8.9% vs. 10.6% for 20-24 year olds.

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\(^3\) Full-time and part-time employment combined as there are very few in full-time employment.
There is also a group of young people who can be classified as underemployed, i.e. young people employed part-time but who are available to do more work. Figure 12 shows proportions of 15-24 year olds who are underemployed and in addition the labour force underutilisation rate which is the sum of the underemployment rate and the unemployment rate. The underemployment rate increased from 11.3% in 2008 to 14.6% in 2009 following the GFC and the labour force underutilisation rate from 19.8% in 2008 to 26.6% in 2009. In 2010 the rates decreased slightly and remained fairly level until 2013. In 2013 the rates increased slightly again – 25.3% in 2012 to 27.2% in 2013 for the labour force underutilisation rate and 13.5% to 14.9% for the underemployment rate. The underemployment rate is considerably higher for females (17.1% vs. 12.7% in 2013) but the labour force underutilisation rate less so (28.6% vs. 25.8% in 2013) due to the lower rate of unemployment for females.
This final section considers aspects of the transition from education to work. It firstly examines an indicator of the smoothness of the transition, namely the proportion of young people that are not engaged in employment, education or training (NEET). Following this, the rate of absorption into the labour market of VET graduates not employed before training at certificate III level and above, and higher education are considered. Finally, this section looks at trends in the age of transition into full-time work.

### Table 1: Not engaged and not fully engaged in employment, education or training, 21 year olds by gender 2012 (%)

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th></th>
<th>Males</th>
<th></th>
<th>Persons</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Not engaged</td>
<td>130</td>
<td>7.3</td>
<td>123</td>
<td>5.2</td>
<td>253</td>
<td>6.2</td>
</tr>
<tr>
<td>Not fully engaged</td>
<td>503</td>
<td>24.7</td>
<td>397</td>
<td>17.9</td>
<td>900</td>
<td>21.2</td>
</tr>
</tbody>
</table>

Notes: Excludes those who are undertaking study other than a recognised qualification or looking for work (unemployed).

*Estimate has a relative standard error of 25%. ** Estimate obtained using less than five responses

### Table 2: Main activities for those not engaged in employment, education or training, 21 year olds by gender 2012 (%)

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<thead>
<tr>
<th></th>
<th>Females</th>
<th></th>
<th>Males</th>
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<th>Persons</th>
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<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
<td>%</td>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>1 Study/training</td>
<td>1.8**</td>
<td></td>
<td>10.7*</td>
<td></td>
<td>5.0*</td>
<td></td>
</tr>
<tr>
<td>2 Home duties/looking after children</td>
<td>72.8</td>
<td></td>
<td>20.2*</td>
<td></td>
<td>54.2</td>
<td></td>
</tr>
<tr>
<td>3 Travel or holiday</td>
<td>5.9*</td>
<td></td>
<td>20.7*</td>
<td></td>
<td>11.2*</td>
<td></td>
</tr>
<tr>
<td>4 Ill/unable to work</td>
<td>10.1*</td>
<td></td>
<td>22.7*</td>
<td></td>
<td>14.6*</td>
<td></td>
</tr>
<tr>
<td>5 Other</td>
<td>9.4*</td>
<td></td>
<td>25.7*</td>
<td></td>
<td>15.2*</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td></td>
<td><strong>100.0</strong></td>
<td></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>
THERE ARE YOUNG PEOPLE THAT ARE NOT FULLY ENGAGED IN EMPLOYMENT, EDUCATION OR TRAINING

In 2012, an estimated 6.2% of 21 year olds were NEET (and 21.2% were in a broader not fully engaged group defined as those who are unemployed (and not studying), not in the labour force (and not studying), working part-time (and not studying) and studying part-time (and not working)).

In recent years the size of this group has been increasing. Australia has a lower rate of NEET than the OECD average: in 2011 in Australia 7.8% of 15-19 year olds and 11.7% of 20-24 year olds were NEET compared to the OECD average of 8.2% and 18.4% respectively (OECD 2013). The NEET group has the following characteristics:

> In 2012, 21 year old females were slightly more likely to be NEET or not fully engaged.

> Of the female NEETs 45% were unemployed and 55% not in the labour force. Of the male NEETs, 61% were unemployed and 39% were not in the labour force.

> In terms of main activity for the 21 year old NEETs by far the largest grouping was home duties/looking after children (54% overall and 73% for females), see table 2.

> For the unemployed NEETs, 84% were looking for full-time work and 16% for part-time work with males more likely to want full-time work than females, see figure 13.

It is important to note that not all NEETs or not fully engaged young people are ‘vulnerable’. There are those that are in this category voluntarily (Eurofound 2012).

Figures 13 and 14 shows the extent to which higher education and VET graduates (at certificate III level and above) are absorbed into the labour market

There was clearly a drop in full-time employment (for those who were available) after the GFC for higher education graduates aged 19-24 – to the tune of 10 percentage points, both for males and females.

Employment has also been dropping for VET graduates aged 20-24 at certificate III level or above not employed before training. Since 2006, the proportion has dropped by 15.1 percentage points for males to 58.8% in 2013, by 17.3 percentage points to 46.8% in 2013 for females and by 16.1 percentage points overall to 53.5%.

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Footnotes:
5 NEET data for 21 year olds were derived from Australian Department of Education (2014).
6 Noting that the graduate surveys take place about 6 months after the completion of the course.
The age at which young people, on average, transition into full-time work\(^7\), continues to increase (figure 15). The age of transition increased markedly after the GFC when it became more difficult to obtain full-time employment (from 21.8 years in 2008 to 23.2 years on 2009); it then dropped slightly before increasing again to 23.4 years in 2013. The transition age is higher for females (over 24 years of age in 2013) than for males (22.4 years of age in 2013). This information on transitions is consistent with the trends from the other employment related data.

\[ \text{Fig. 15: VET graduates employed after training and not employed before training, certificate III level and above, by sex, 20-24 year olds 2005-2013 (\%)} \]

\[ \text{Fig. 16: Transition to full-time work for 15-24 year olds, Australia, 1986-2013 (\%)} \]

CONCLUSION

Educational participation and attainment continues to increase overall, although there has been a recent dip in VET, including apprenticeship participation. Year 12 attainment has been increasing for some subgroups of young people such as Indigenous young people and young people from non-metropolitan areas.

In concert with increases in educational participation and attainment, rates of full-time employment have been decreasing post the Global Financial Crisis, while at the same time there have been increases in the rates of part-time employment band unemployment.

The decreases in rates of full-time employment have also affected bachelor degree graduates. There are also a group of young people not fully engaged in employment, education or training, although some of this group are there voluntarily. Increases in participation in education and decreases in full-time employment rates have also meant that transitions to work are getting longer.

\[ \text{\footnotesize\(^7\) The data represents the age at which half of the group of people under consideration are not attending full-time education and are in full-time work. The calculations are based on OECD methodology which calculates duration from education to work for young people in OECD countries (see OECD, 1996).} \]
REFERENCES

Foundation for Young Australians 2013 How young people are faring 2013: the national report on the learning and earning of young Australians, FYA, Melbourne.

APPENDIX – DATA SOURCES

This report provides information on young people’s transition from school to work. It draws on various statistical information such as:

> Australian Bureau of Statistics data
> the National Centre for Vocational Education Research (NCVER’s) data collections
> Graduate Careers Australia’s Australian Graduate Survey
> the Organisation for Economic Co-operation and Development (OECD) data
> the Longitudinal Survey of Australian Youth (LSAY) and the Household, Income and Labour Dynamics in Australia (HILDA) longitudinal surveys.

A NOTE ON THE HOUSEHOLD, INCOME, AND LABOUR DYNAMICS AUSTRALIA (HILDA) SURVEY

This paper uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported in this paper, however, are those of the author and should not be attributed to either DSS or the Melbourne Institute.
GRAPH SOURCES:

**Fig 1:** ABS cat. no. 6291.0.55.001 - Labour Force, Australia, Detailed - Electronic Delivery, Mar 2014. Cube LM3, August figures.

**Fig 2:** ABS cat. No. 4221.0 - Schools, Australia, 2013
*Note: Rates for years prior to 2010 are calculated using Estimated Residential Population (ERP) data based on the 2006 Census. Rates for 2010 onwards are calculated using ERP data based on the 2011 Census.*

**Fig 3:** ABS cat. No. 4221.0 - Schools, Australia, 2013.

**Fig 4:** NCVER National VET Provider Collection 2003-2013, NCVER National VET in Schools Collection 2006-2012 ABS cat no. 3101.0 - Australian Demographic Statistics, Sep 2013, June figures.

*Participation in all VET and participation in VET certificate III and above exclude those still attending school and school status not known.*

**Fig 5:** NCVER National Apprenticeship Collection as at December quarter 2013. ABS cat no. 3101.0 - Australian Demographic Statistics, Sep 2013, June figures.

**Fig 6:** ABS cat. no. 6227.0.55.003 - Education and Work, Australia - Additional data cubes, May 2013. ABS cat. no. 6227.0 - Education and Work, Australia, May 2007 - May 2013.

**Fig 7:** ABS, cat.no.6227.0.55.003, Survey of education and work, May 2013.

**Fig 8:** ABS, cat.no.6291.0.55.001, Labour Force, Australia, Detailed - Electronic Delivery, Cube LM3, August figures.

**Fig 9:** Labour force Australia cat no. 6291.0.55.001, detailed electronic delivery, March 2014, cube LM 3, August figures.

**Fig 10:** HILDA, wave 2 and wave 12-See more information on HILDA is included at the end of this document.
*Note: Proportions refer to where status is known (i.e. excludes missing values etc. from calculations) Data is weighted.*

**Fig 11:** ABS 6291.0.55.001 - Labour Force, Australia, Detailed - Electronic Delivery, Mar 2014. Cube LM3, August figures.

**Fig 12:** ABS 6202.0 - Labour Force, Australia, Feb 2014, table 22, trend series, August figures.

**Fig 13:** Commonwealth Government Department of Education (2014).

**Fig 14:** Graduate careers Australia, Australian Graduate Survey, unpublished data, 2002-2012.

**Fig 15:** NCVER, Student Outcome survey, 2005-2013.

**Fig 16:** ABS Labour force Australia cat. No. 6291.0.55.001, electronic delivery, table 3b and 3c, August figures.
*Note:The data for females levels out at age 24 as this is the maximum age in the ABS data for information on full-time education. While the actual age for females transitioning into full-time employment is over 24 in the later years, it is likely to be only slightly more.*

**Table 1:** Commonwealth Government Department of Education (2014)

**Table 2:** Commonwealth Government Department of Education (2014)
Tables and Figures Index

**Tables:**

Table 1: Not engaged and not fully engaged in employment, education or training, 21 year olds by gender 2012 (%)  
Table 2: Main activities for those not engaged in employment, education or training, 21 year olds by gender 2012 (%)

**Figures:**

Figure 1: Participation in full-time education, 15-19 and 20-24 year olds, Australia, 2003-2013  
Figure 2: Full-time school participation rates, 2006-2013, 15-17 year olds, Australia  
Figure 3: Apparent school retention rates, year 7/8-year 12, Australia, 2003-2013  
Figure 4: Participation rates in Vocational Education and Training courses for those not at school, 15-19 and 20-24 year olds, Australia, 2003-2013  
Figure 5: Proportion of apprenticeship commencements, 15-19 to 20-24 year olds, Australia, 2003-2013  
Figure 6: Higher education participation rates, 15-19 and 20-24 year olds Australia, 2007-2013  
Figure 7: Rate of attainment of education for 20-24 and 25-29 year olds, 2003-2013  
Figure 8: Young people in full-time and part-time employment (for those not in full-time education) 1986-2013  
Figure 9: Rates of employment for 15-24 year olds in full-time education, 1986-2013  
Figure 10: Percentage of young people not in full-time education in casual employment in 2002 and 2012  
Figure 11: Unemployment rates for 15-24 year olds not in full-time education 1986-2013  
Figure 12: Underemployment and labour force underutilisation rates, 15-24 year olds, 2003-2013  
Figure 13: Proportion looking for work for the not fully engaged group and those working part-time only, 21 year olds 2012  
Figure 14: Higher education graduates employed full-time as a proportion of graduates available for full-time employment, 19-24 year olds, by sex, Australia, 2002-2012  
Figure 15: VET graduates employed after training and not employed before training, certificate III level and above, by sex, 20-24 year olds 2005-2013  
Figure 16: Transition to full-time work for 15-24 year olds, Australia, 1986-2013
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