

OFFICE OF LEARNING AND TEACHING



THE 2005 *ON TRACK* LONGITUDINAL SURVEY

THE DESTINATIONS OF 2003 SCHOOL LEAVERS IN VICTORIA TWO YEARS ON



→ ON TRACK 2005

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Acronyms and abbreviations

ABS	Australian Bureau of Statistics
AQF	Australian Qualifications Framework
GAT	General Achievement Test
SES	socioeconomic status
TAFE	Technical and Further Education
VCE	Victorian Certificate of Education
VET	Vocational Education and Training

Executive Summary

This report presents results from the longitudinal survey undertaken as part of the Victorian *On Track* survey of school leavers. The purpose of the longitudinal research component is to follow samples of Victorian school leavers over a five-year period, to enable in-depth analysis of pathways from school to further study and work. The current report examines the activities and experiences of the cohort of 2003 school leavers in their second year out from school. It maps the experiences of this group of young people in the period between leaving secondary school in 2003 and their interviews in 2005.

The opportunities that young people have in the early years after leaving school, and the decisions they take, have significant implications for their long term economic and social wellbeing. Measurement and analysis of what happens to young people in this critical period provides valuable and important information that can inform policy on school, work, education and training strategies to help make the transition process smoother for larger numbers of young people and particularly for those most at risk.

The longitudinal survey was designed to provide estimates of the activities and experiences of groups of school leavers, particularly those in 'at risk' categories, such as early school leavers and young people living in rural and remote areas. For this reason, the samples were originally stratified by region, year level of school leaving, and main initial post-school destination. The strata were intended to provide not only state-level estimates, but also accurate estimates of pathways for each of the main groups.

→ Main findings

Apprenticeships and traineeships are integral to the pathways of early school leavers

For early school leavers, apprenticeships and traineeships are important sources of further study and training. In 2004, roughly one third of all early leavers in the longitudinal sample were in an apprenticeship (27 per cent) or a traineeship (5 per cent). The numbers in this form of training increased in the second post-school year to 40 per cent of the sample: 34 per cent of all early leavers were in an apprenticeship in 2005, and 6 per cent were in traineeships.

Apprenticeship training is an important avenue out of unemployment for early leavers

The importance of apprenticeship training for early leavers in the initial post-school transition is highlighted by the percentage of those who had been unemployed in 2004 taking up apprenticeships and traineeships – 18 per cent of all those unemployed in 2004. Indentured training is also important for young people who were in entry-level VET courses in 2004, with 21 per cent of those moving to apprenticeships or traineeships in 2005.

Early experiences of unemployment have lasting effects for early leavers

The rate of being either unemployed or not in the labour force in 2004 for the longitudinal early school leavers (20 per cent) was double that of the Year 12 completers. While this rate for Year 12 completers fell by more than half in 2005, the rate for early leavers fell only marginally, to 18 per cent. This means that, in 2005, the rate of unemployment or not being in the labour force for the early leavers was four and a half times greater

than for Year 12 completers. More strikingly, 41 per cent of early leavers who were unemployed or not in the labour force in their first post-school year remained so in their second post-school year (2005), compared to a rate of 15 per cent for the Year 12 completers who had been unemployed in 2004.

The reasons given by unemployed early leavers for not undertaking further education are strongly related to their *prior school experience*. They say they are 'not ready' for more study (48 per cent) or doubt they could 'cope' (41 per cent). They also see further education as conflicting with the need to work to support themselves (33 per cent) and view the costs of further study as a deterrent (30 per cent).

University continuation rates are strong for Year 12 completers

For Year 12 completers, university study is a major destination. In 2004, 29 per cent of the longitudinal survey sample of Year 12 completers was engaged in university study. This increased to 34 per cent of the group in 2005, as deferees from the previous year took up places. (The percentages of the sample who were in Diploma and Certificate IV level VET courses remained the same between 2004 and 2005, as the numbers completing or leaving this form of study were matched by the numbers of new entrants.)

Continuation rates in first-year university are about 90 per cent in total. Of students continuing, 8 per cent changed course.

Many who initially defer, enrol in post-school study the following year

Most Year 12 completers who deferred entry to study in their first post-school year either took up their original offer, enrolled in a different course, or began an apprenticeship or traineeship in the following year. Almost 63 per cent enrolled in a tertiary course, with a further 9 per cent commencing an apprenticeship or a traineeship.

Deferees in country Victoria were more likely than those in Melbourne to take up a tertiary course (68 per cent compared to 59 per cent), and marginally more likely to undertake an apprenticeship or traineeship (9.4 per cent compared to 8.5 per cent).

Responses from deferees suggest that, for many, deferment is a financial strategy rather than an educational choice. In part, it is driven by the requirements associated with the independence

criteria of the Youth Allowance, with many young people seeking to access an independent living allowance for full-time study.

Apprenticeships and traineeships are increasingly important sources of training for school completers

Apprenticeships and traineeships are important for Year 12 completers, with the numbers in these forms of training more than doubling between the first and second post-school years, from 7 per cent in 2004 to 16 per cent in 2005. These rates are still well below those for early school leavers, reflecting the greater role of university study for Year 12 completers. However, the growth in apprenticeship participation between the first and second years highlights the importance of this form of training provision to the pathways of Year 12 completers.

The great majority of apprentices continued in their training over their first year, most in their original indenture (88 per cent), with a very small group starting a new contract (3 per cent). Furthermore, amongst this group of Year 12 completers who had entered an apprenticeship in 2004 and were re-contacted in 2005, unemployment was very low (1 per cent).

Completion of Year 12 or a post-school qualification leads to improved employment outcomes

Year 12 completers are more likely to experience favourable employment outcomes – such as full-time work and reduced periods of unemployment – than early school leavers. Completion of Year 12 significantly increased the chance that a school leaver without any additional education or training qualifications was in full-time work at the time of the 2005 interview (41 per cent, compared with 17 per cent of Year 10 leavers and 26 per cent of Year 11 leavers), and markedly reduced the risk of being unemployed. Of those school leavers who were unemployed at the first contact (in 2004), those who left school early were more likely to have been looking for work for a large proportion of the subsequent 12 months compared with Year 12 completers.

For early leavers, completing a post-school qualification considerably increased the likelihood of finding a full-time job as well as increasing the number of hours of work they had, but did not reduce the duration of unemployment compared with early leavers with no qualification. While the prospects of greater full-time work and greater

hours of work were improved by completing a post-school qualification, the fact that this did not reduce time spent unemployed may have been due to the period of training being seen by respondents as a period of unemployment.

→ **Conclusions and policy implications**

This report maps some of the experiences of different groups of school leavers across their second year out of school. It shows that current forms of education and training provision are working successfully to support a large number of young people. Many Year 12 completers enter university study or higher-level VET courses as well as apprenticeships and traineeships, and remain engaged in study and work across the first two post-school years. Many early leavers (over 60 per cent) are also productively engaged in study, training and work in the early years of their transition from school.

However, there are small numbers of Year 12 completers and larger numbers of early leavers struggling to obtain secure forms of study and work. Around 8 per cent of 2003 early leavers were unemployed in both 2004 and 2005. Low achievement and disengagement from school are major causes of early leaving. Unemployed on leaving school, and unemployed a year later, these young people blame the job market (in nearly two-thirds of cases). But they also point to the fact that they don't have appropriate qualifications or training (stated by 59 per cent and 47 per cent respectively). Their lack of qualifications and training has not been addressed over the intervening year since they were first contacted. Where early leavers have sought to engage in post-school education and training, completion of a qualification has rewarded them with greater access to employment, indicating the value of education and training qualifications for this vulnerable group.

From a policy perspective, the results support the recent efforts to improve achievement levels in school and increase student participation, while expanding the opportunities in VET and work-based training for those with lower levels of attainment. The findings highlight the importance of legislative provision for guaranteed opportunities for study or vocational training. However, they also have implications for the kinds of environments that are required to manage the needs of disengaged young people. The findings also reinforce the importance of

increasing achievement for all students. The reasons why unemployed school leavers do not undertake further study are often school-related. Unless these issues are effectively tackled during schooling, there will continue to be a group of early leavers who are in 'flight from school' and who will not invest in further education to improve their economic and social wellbeing over the long term.



Introduction

This report presents results from the longitudinal survey undertaken as part of the Victorian *On Track* survey of school leavers. *On Track* is a program of annual surveys of school leavers designed to provide broader measures of the success of schools in securing outcomes for their students. It seeks to provide a measure or profile of post-school transition that takes into account the range of academic and vocational pathways, and thereby provide a balanced and accurate view of outcomes for students in a range of settings.

The purpose of the longitudinal research component is to follow samples of Victorian school leavers over a five-year period, to enable analysis of pathways from school to further study and work. The opportunities that young people have in the early years after leaving school, and the decisions they take, can have significant implications for their long-term economic and social wellbeing. Measurement and analysis of what happens to young people in this critical period provides valuable and important information that can inform policy on school, work, education and training strategies to help make the transition process smoother for larger numbers of young people and particularly for those most at risk.

The longitudinal sample from *On Track* was designed to provide detailed information on employment and education and training experiences. In particular, by following groups of school leavers over an extended period of time, it will provide information to help address the following sorts of questions:

- If young people enter employment immediately on leaving school, how many are able to remain in full-time work?
- Does part-time work lead to full-time work?
- How many school leavers entering study and training complete their post-school studies?
- Do young people who defer enrolment, subsequently enter study or training?

- Are transition experiences different for young people living in rural and remote areas of Victoria compared with those in urban centres?
- Do experiences vary depending on levels of school attainment and areas of VCE study?

The current report examines the activities and experiences of the cohort of 2003 school leavers in their second year out from school. It maps the experiences of this group of young people in the period between leaving secondary school in 2003 and their interviews in 2005. Comparisons are made between different groups of school leavers to identify the various pathways young people take through education, training and work, as well as periods of time spent not in the labour force or in study. Being a longitudinal study, it facilitates analysis not only of which groups of young people appear to make successful transitions to further study and stable employment, but also the circumstances, fields of training and areas of employment that are most critical. A key policy concern is whether differences in educational, social, demographic and regional circumstances associated with different groups of teenagers leaving school become even more marked as they mature into young adults.

→ Goals of the *On Track* longitudinal survey

The program of *On Track* surveys has three key objectives:

1. Broaden the range of recognised outcomes from education and training;
2. Increase the proportion of 15–19 year olds participating in education, training or employment through young Victorians making more informed career and education choices; and
3. Improve local, regional and statewide pathways planning through the provision of information about student destinations beyond school.

While the annual *On Track* survey, *The Destinations of School Leavers in Victoria*, is able to measure initial destinations of school leavers and the extent to which they enter tertiary education and work in their first post-school year, it does not provide a longer-term view of how successful school leavers are in securing stable employment and completing further study. To get a sense of transition experiences and pathways requires a longitudinal survey, where school leavers are followed over several years. The longitudinal component of *On Track* was implemented to do this. It follows large numbers of young people across five years, providing information on education, training and work activities and experiences that can help inform policy-making around pathways planning.

→ Sample structure and survey design

The longitudinal survey was designed to provide information on the activities and experiences of groups of school leavers, particularly those in 'at risk' categories such as early school leavers and young people living in rural and remote areas. For

this reason, certain groups of school leavers were over-sampled to ensure that accurate and reliable conclusions could be derived.

The first column of Table 1 presents the proposed sample structure for the longitudinal study. It is stratified by region, year level of school leaving, and main initial post-school destination. The strata are intended to provide not only state-level estimates, but also accurate estimates of pathways for each of the main subgroups of young people, particularly those considered to be in 'at risk' categories, and to report those estimates with known confidence levels.

School leavers in non-metropolitan regions and from Years 10 and 11 were over-sampled to more fully identify the needs of young people from 'at risk' categories.

There is a variety of pathways individuals can take involving study and work. However, there are two broad categories that are particularly relevant: (1) those who enter some form of education and training such as university, a VET certificate course, or apprenticeship, and (2) those who do not undertake any study or training in their first post-school year, that is, they either enter full-time or part-time work, or experience unemployment

Table 1 *Designed and achieved samples for the longitudinal study*

	Designed sample in 2004		Achieved sample in 2004		Designed sample in 2005		Achieved sample in 2005	
	No.	%	No.	%	No.	%	No.	%
Region								
Metropolitan	2,150	50.0	4,228	72.0	1,720	50.0	2,214	59.9
Non-metropolitan	2,150	50.0	1,632	28.0	1,720	50.0	1,481	40.1
		100.0		100.0		100.0		100.0
Year level								
Year 10	1,032	24.0	886	15.0	826	24.0	682	18.5
Year 11	1,204	28.0	1,175	20.0	963	28.0	892	24.1
Year 12	2,064	48.0	3,799	65.0	1,651	48.0	2,121	57.4
		100.0		100.0		100.0		100.0
Main initial post-school activity								
Education and training	3,010	70.0	3,675	63.0	2,408	70.0	2,107	57.0
Not in education and training	1,290	30.0	2,153	37.0	1,032	30.0	1,588	43.0
Total	4,300	100.0	5,860	100.0	3,440	100.0	3,695	100.0

Note: Percentages may not total 100 due to rounding.

and periods where they are not in the labour force. The sample was stratified by these two broad pathways in roughly similar proportions to those identified from the 2003 *On Track* survey: 70 per cent in education and training, and 30 per cent not in education and training.

The sample sizes for each strata were derived to ensure a minimum 95 per cent confidence that any estimate will be accurate to within + or - 5 per cent.

Maintaining a sufficiently sized cohort that can provide ongoing robust estimates of experiences and activities imposes particular requirements. Ideally, once an individual is in the cohort they will be tracked until the end of the five years. Attrition in a sample of school leavers is likely to be larger than for other populations because of the mobility of the population associated with changes in study and work. One way to address this attrition was to start with a significantly larger sample, as shown in the designed sample for 2004.

The second column of Table 1 presents the achieved longitudinal sample in 2004 by category. In 2004, it was not possible to achieve the target sample numbers for all categories required to address sample attrition through to 2008. For example, the desired sample for Year 10 school leavers was 1032 whereas the achieved sample was 886. The gap was due in part to the relatively small numbers who leave school at the end of Year 10. Similarly, the non-metropolitan numbers fell short of the designed target sample. This means that additional effort needs to be taken over the next few years to ensure lower levels of attrition in these categories.

Sufficient numbers were achieved in most categories to meet the needs of the survey design, and in some categories the numbers were exceeded significantly (for example, Year 12 leavers).

The fourth column in Table 1 presents the achieved sample in 2005 by category of school leaver. The numbers in 2005 provide the first follow-up sample sizes. While there were achieved sample sizes in 2004, respondents were simply identified for the purposes of inclusion over following years and asked to participate during their interview as part of the broader *On Track* survey. In 2005, respondents were re-contacted as part of the longitudinal survey. However, not all respondents were re-contacted. Because of the large excess in Year 12 numbers in the achieved sample for 2004, a randomly generated sample of Year 12 leavers was used for re-contact in 2005, rather than the full 2004 identified group. The

sample was stratified to provide representative regional and initial destination (in education and training, not in education and training) sample category sizes. This means that the Year 12 sample in 2005 (2121 persons) closely matches the designed sample of 2004 (2064), but is well below the achieved sample in 2004 (3799). It is not valid to view the large fall between achieved samples in 2004 and 2005 for Year 12 leavers as attrition, given this strategy. The sample for Year 12 in 2005 is large enough to provide accurate estimates across all of the relevant strata groups.

The achieved samples in 2005 by region show that the metropolitan sample is larger than that designed for 2004. However, it was not possible to achieve the target sample numbers for non-metropolitan leavers because of the smaller achieved numbers in 2004.

The target sample sizes for 2004 were designed to ensure that, following likely rates of attrition, there would be enough sample members in 2008 to provide robust estimates of key groups of leavers. The original design assumed a 20 per cent loss in sample numbers between 2004 and 2005, and a further loss of 10 per cent annually thereafter. In 2005, the sample size is larger than required based on these assumptions. A 20 per cent loss of the target sample would produce a 2005 designed sample of 3440. The achieved sample is 3695.

The critical issue is the loss of sample numbers in key categories or strata. The achieved samples for 2005 are larger than that required to maintain sample integrity for leavers in metropolitan areas for both Year 12 completers and those not in education and training in the first post-school year. The achieved sample numbers for leavers in non-metropolitan areas and those in education and training are below the designed targets for 2005, and will require additional effort to reduce further loss in the next survey period.

→ Characteristics of the longitudinal cohorts

Table 2 presents the characteristics of the 2005 sample of longitudinal survey respondents. The attributes are provided for all respondents as well as for the early leaver and Year 12 leaver cohorts separately. It is important to note that the sample structure was designed to ensure representative samples by region (metropolitan, non-metropolitan), leaver cohort (Year 12 leaver, early school leaver), and initial destination (in education and training, not in education and training).

Figures provided by achievement, socioeconomic status (SES), and school type may not reflect accurate estimates of population characteristics. Rather, the figures provide longitudinal survey sample profiles.

Table 2 shows that, compared to Year 12 completers, the early leavers in the longitudinal survey sample are more often from low SES backgrounds. SES is based on address-matched ABS census Collection District scores from the occupation and education index of the Socioeconomic Indexes For Areas (SEIFA) provided by the Australian Bureau of Statistics. The figures show that 30.7 per cent of the early leavers are from the lowest quartile of SES. The rate for Year 12 completers was 22.7 per cent.

The early leavers are also far more frequently males than females. About two-thirds of the early leavers are males, while males make up slightly less than half of the sample of Year 12 completers.

The GAT achievement profile (quintiles) for Year 12 completers suggests that the sample is fairly evenly drawn from the GAT achievement distribution.

The school background characteristics of the Year 12 completer sample show that just over 60 per cent are from government schools. The rate for early leavers was 78.2 per cent.

Table 2 Longitudinal survey 2005 cohorts, by selected characteristics

	Early school leavers (%)			Year 12 completers (%)	All school leavers (%)
	Year 10	Year 11	All		
School type					
Government	87.8	70.8	78.2	60.7	68.1
Catholic	3.8	7.9	6.1	22.7	15.7
Independent	2.1	3.7	3.0	14.9	9.8
Other	6.3	17.6	12.7	1.7	6.4
SES quintile					
Lowest	31.4	30.2	30.7	22.7	26.1
Lower middle	23.1	22.0	22.5	24.6	23.7
Middle	15.3	17.5	16.5	21.7	19.5
Upper middle	18.2	20.0	19.2	16.0	17.3
Highest	12.0	10.3	11.0	15.1	13.3
Gender					
Male	69.8	66.0	67.6	49.6	57.2
Female	30.2	34.0	32.4	50.4	42.8
Location					
Metropolitan	64.5	63.5	64.2	57.0	60.0
Non-metropolitan	35.5	36.5	35.8	43.0	40.0
GAT quintile					
Lowest				22.0	
Lower middle				19.3	
Middle				20.8	
Upper middle				20.6	
Highest				17.2	

Note: Percentages may not total 100 due to rounding.

→ Structure of the report

In Chapter 1, the focus is on presenting a summary of some of the key findings from the longitudinal survey. The chapter begins by comparing the main activities of early leavers and Year 12 completers in their first and second post-school years. The activities are summarised in a way that provides an overview of the pathways of the two cohorts of school leavers as they make the transition over the two years. It goes on to present separately the key findings on the experiences of groups of early school leavers and then Year 12 completers. There is also a discussion about policy implications of the key findings.

Chapter 2 considers the pathways of early school leavers. The analyses are based on looking at what happens to early school leavers between 2004 and 2005. Do early leavers who are unemployed after leaving school gain entry to employment, apprenticeships or other forms of study and training? Do those in longer-term forms of training, such as apprenticeships or VET diploma courses, continue in that training? How many drop out? Do shorter VET courses assist early leavers to gain employment or enter higher certificate courses?

Chapter 3 examines the pathways of Year 12 completers. It looks at what happens to those who obtained their VCE during their first two post-school years. How many who entered university in 2004 dropped out of study and why? What happened in 2005 to those who deferred study in 2004? Did they return to study or take up the places they had deferred?

Chapter 4 is focused on employment outcomes and draws the main themes and findings of the report together, giving consideration to the policy implications of the results.

Key findings

The initial period following secondary school can be a volatile one for young people as they seek to gain entry to the labour market or pursue further study. While some school leavers enter the labour market and obtain work in full-time jobs, others can experience difficulty in securing full-time work and face periods of unemployment or extended spells in part-time work. In addition, others may not enter the labour force but pursue further study or training before seeking full-time work, or even spend periods – for some, quite long periods – not engaged in study, work or training.

This chapter presents some of the key findings on school-to-work transition based on the 2005 results from the *On Track* longitudinal survey. It begins with a broad outline of the main activities of school leavers in 2004 and 2005. The changes in activities between those years are then presented separately for early school leavers and Year 12 completers, looking in more detail at what happens to particular groups of young people in the period between their first and second post-school years. Policy implications of the findings are also discussed.

→ Main activities

Table 3 presents the main or primary activities of school leavers in 2004 and in 2005. The main activities are defined as:

Study and training

- University
- VET Certificate IV and above
- Entry level VET
- Apprenticeship
- Traineeship
- School study

Labour force

- Part-time work
- Full-time work
- Unemployed, or not in the labour force (NILF)

While many young people can participate in multiple activities at any one time, often combining study and work, study and training are given priority here in defining what constitutes a primary activity.

Table 3 records the changes between 2004 and 2005 in the numbers of young people participating in each of the main activities, presenting them separately for early school leavers (top panel) and for Year 12 completers (bottom panel). Actual numbers are used in the body of the table. However, the percentages of young people engaged in the different activities in each year are shown in the shaded columns and rows.

The table shows that for early school leavers, apprenticeships and traineeships are important sources of further study and training. In 2004, roughly one third of all 2003 early leavers in the longitudinal sample were in an apprenticeship (27 per cent) or a traineeship (5 per cent). By the second post-school year, the numbers in this form of training increased to 40 per cent: 34 per cent of all early leavers were in an apprenticeship and 6 per cent were in traineeships in 2005.

The value of apprenticeship training for early leavers in the early post-school transition is highlighted by the percentage of early leavers who were unemployed in 2004 taking up apprenticeships and traineeships in 2005 – 18 per cent of those who were not employed in 2004. Apprenticeship training provides an important avenue out of unemployment. Indentured training is also important for early leavers who were in entry-level VET courses in 2004, with 21 per cent of them having an apprenticeship or traineeship in 2005.

Table 3 Main activities in 2004 and 2005: early school leavers and Year 12 completers compared

		2004 main activity											
		Early school leavers											
		University	VET Cert 4+	Entry-level VET	Apprentice	Trainee	Working full-time	Working part-time	Unemployed or NILF	Total n	% in 2005		
2005 main activity	Study and training												
	VET Cert 4+		22	7	0	1	3	8	7	48	4		
	Entry level VET		2	82	7	7	7	14	25	144	9		
	Apprenticeship		4	56	368	6	35	26	37	532	34		
	Traineeship		4	9	3	29	10	17	19	91	6		
	School study		1	12	3	1	1	6	9	33	2		
	Labour force												
	Part-time work		7	34	15	6	75	70	51	258	16		
	Full-time work		6	47	16	20	26	37	37	189	12		
	Unemployed or NILF		8	62	17	9	13	39	131	279	18		
	Total n		54	309	429	79	170	217	316	1574	100		
	% in 2004	0	3	20	27	5	11	14	20	100			
			Year 12 completers										
			Study and training										
			University	539	23	15	1	6	57	65	14	720	34
			VET Cert 4+	6	176	1	0	1	30	38	35	287	14
			Entry level VET	3	5	58	1	2	7	15	14	105	5
			Apprenticeship	2	9	21	81	1	24	28	21	187	9
			Traineeship	9	8	12	4	22	27	35	24	141	7
			School study	1	1	1	0	0	1	1	0	5	0
		Labour force											
		Part-time work	32	51	20	2	10	44	133	42	334	16	
		Full-time work	13	13	28	2	27	97	37	31	248	12	
		Unemployed or NILF	3	9	13	1	3	15	17	33	94	4	
		Total n	608	295	169	92	72	302	369	214	2121	100	
		% in 2004	29	14	8	4	3	14	17	10	100		

For Year 12 completers, university study is a major destination. In 2004, 29 per cent of the longitudinal survey Year 12 completers were engaged in university study. This increased to 34 per cent in 2005, as deferees took up places. The percentages in Diploma and Certificate 4 level VET courses remained the same into 2005, as the numbers completing or leaving this form of study were matched by the numbers of new entrants.

Apprenticeships and traineeships are also important for Year 12 completers, with the combined numbers in these forms of training more than doubling between 2004 and 2005, from 7 per cent to 16 per cent. These rates are still well below those for early school leavers, reflecting the greater role of university study for Year 12 completers.

In 2004, about 10 per cent of all Year 12 completers in the longitudinal survey group were unemployed in their first post-school year. This fell by more than half into 2005, to 4 per cent. By the second post-school year, most of the Year 12 completers who were initially unemployed found their way into study and training programs or employment. This represents a major difference between the experiences of early school leavers and Year 12 completers. The rate of unemployment in 2004 for the longitudinal survey early school leavers (20 per cent) was double that of the Year 12 completers. While the unemployment rate for Year 12 completers fell by more than half into 2005, for early leavers it decreased only marginally, to 18 per cent. This means that in 2005 the rate of unemployment for the early leavers was four and a half times greater than for Year 12 completers. More strikingly, over 40 per cent of early leavers who had not been employed in their first post-school year remained out of employment in their second post-school year, whereas the comparable figure for Year 12 completers was 15 per cent.

These broad patterns reveal a number of contrasts between early school leavers and Year 12 completers over their first two post-school years. It is important to examine not only differences across these cohorts, but also differences between groups within each cohort. It is to that issue that we now turn our attention. The focus is on looking at what happens in 2005 for school leavers, based on their main activity in the previous year.

→ Early leavers

Disengaged young people: leaving early, not undertaking further study, and unemployment

Low achievement and disengagement from school are major causes of early leaving. The risks of unemployment associated with 'flight from school' are high. Many young people who do become unemployed on leaving school early do not undertake further education or training to improve their job prospects.

The reasons given by unemployed early leavers for not undertaking further education are strongly related to their *prior school experience*. They say they are 'not ready' for more study (48 per cent) or doubt they could 'cope' (41 per cent). They also see further education as conflicting with the need to work to support themselves (33 per cent) and the costs of further study are cited as a deterrent too (30 per cent). (Note that this issue is being addressed through the Review of Education and Training Legislation, September 2005 White Paper).

If young people leave school early and do not find work, they have a strong chance – 1 in 3 – of being unemployed a year later. Of this group, only about 18 per cent attempted any study after leaving school, and less than half of this minority actually completed a course.

Unemployed on leaving school, and unemployed a year later, these early leavers blame the job market (in nearly two-thirds of cases). But they also point to the fact that they don't have appropriate qualifications or training (cited by 59 per cent and 47 per cent respectively). Their lack of qualifications and training was not addressed over the intervening year (since they were first contacted).

Policy implications

These findings highlight the importance of legislative provision for guaranteed opportunities for study or vocational training. However, they also have implications for the kinds of environments that are needed to manage the needs of these frequently disengaged young people.

The findings also reinforce the importance of Flagship Strategy 1 in the Victorian Government's *Blueprint for Government Schools* of strengthening achievement for *all* students. The reasons why unemployed school leavers frequently do not undertake further study are *school-related*

(though economic factors are also important, and relevant to future legislative provision). Unless the issues of under-achievement and disengagement are effectively tackled during school, there will continue to be a group of early leavers who are in 'flight from school' and who will not invest in further education to improve their economic and social wellbeing over the long term.

Sustaining the training effort for early leavers: those who start in TAFE/VET

Early leavers who do enrol in TAFE/VET have a strong chance of continuing in education or training: about 55 per cent were doing so in 2005.

However, those who do not complete their course or who do not enrol in another course or do not enter into a contract of training have a strong chance (in the order of 30–40 per cent) of unemployment. The experience of these early leavers who do enter TAFE/VET suggests that unless they sustain their education and training effort, they run a high risk of unemployment.

Policy implications

TAFE is to become legally responsible for making free, alternative provision for young people who do not wish or who are unable to complete school. To exercise that responsibility effectively will require good integration and student management strategies to ensure that the training efforts of young people are sustained. Student progress and completion will need to be monitored. Are the systems in place to do this, that is, to ensure both quality of instructional experience and course completion?

Employment-based training: the strongest option for early leavers

Eighty-four per cent of early leavers who commenced an apprenticeship in 2004 were continuing that contract of training in 2005; another 3 per cent had entered into a new contract.

Commencing an apprenticeship is associated with a very low chance of unemployment one year after that commencement.

For the small group who do discontinue training, the main reasons are lack of satisfaction with the job (38 per cent), followed by employer relationship problems (14 per cent) and business closure (14 per cent).

Policy implications

The success of apprenticeship and traineeship as a vehicle for *sustained training* of early leavers, and at the same time also serving as a means of filling skill shortages, should favour an expansion of opportunities. This appears to be happening for school completers.

On the other hand, many early leavers do not undertake an apprenticeship. There may be structural barriers to this (for example, location, employer preference for school completers, wage relativities). But strategies need to be developed, based on an understanding of barriers (including barriers of perception), to expand opportunities to apprenticeship and traineeship as the most effective vehicle for sustained vocational training for young people.

→ School completers

University students and deferees

Continuation rates in first year are about 90 per cent in total for university enrollees. Of continuing students, 8 per cent have changed course.

Students from government schools appear to be slightly more likely than students from independent schools to continue in their original course (and Catholic school students are even more likely to do so). Government school students are just as likely as independent school students to continue in the original or a new course, (that is, the overall continuation rate is as great).

Students in the lowest two bands of GAT, whether from government or independent schools, are more likely than average or high achievers to discontinue study and so exclude themselves from possible university participation.

Most *deferees* take up their original offer, enrol in a different course, or begin an apprenticeship or traineeship – 63 per cent enrol in a tertiary course, and 9 per cent commence an apprenticeship or traineeship.

Deferees in country Victoria are more likely than those in Melbourne to enrol in a tertiary course (68 per cent compared to 59 per cent), and marginally more likely to undertake an apprenticeship or traineeship (9.4 per cent compared to 8.5 per cent).

In general, the lower the level of a student's achievement in school, the lower the chance of that student taking up a tertiary place.

Policy implications

These findings confirm that government schools provide an effective foundation for continuing study in higher education.

However, they also point to the need for more flexibility in student aspirations, especially for Year 12 students in the lower ranges of achievement (from whatever school system), in respect of TAFE/VET options as potentially more effective pathways (including in terms of a learning environment, not only in career terms). There are also implications for how TAFE orients itself as a sector to school completers seeking to build on their schooling.

The findings also indicate that for many young people deferment is now a *financial strategy* rather than an *educational choice*. In part, it operates to access an independent living allowance for full-time study. In part, it also 'buys time' to enable young people to consolidate their position in the labour market, with as many as a third of deferees not taking up a tertiary place, but entering work, including as an apprentice. This behaviour appears to be more common amongst lower achievers, and again calls for more flexibility in student aspirations and for policies that make TAFE/VET options more attractive to young people.

At the same time, there are many young people who are not entering or even applying for higher education because of the costs, both direct and indirect. These young people include high achievers. TAFE/VET should not be operating as a refuge from the cost burden of higher education.

TAFE middle-level students

Almost two-thirds (64 per cent) of students who were enrolled in a Certificate IV program in 2004 were still in study or training when re-contacted in 2005. However, 28 per cent of Certificate IV enrollees had changed course or begun an apprenticeship or traineeship.

One third (36 per cent) of all Certificate IV students were not in education and training in 2005. Almost half of these (17 per cent of Certificate IV students) had not completed their course.

In the case of Diploma students, 78 per cent, or nearly 4 in 5, were still in education or training; this included 18 per cent who had moved to other courses or had entered an apprenticeship or traineeship. About 13 per cent of all Diploma students had discontinued their course, and were not in any education or training.

Policy implications

While care must be taken with these figures (because of low numbers and also sampling design), it appears that continuation rates in middle-level VET are somewhat weaker than in degree programs. This may be due to the greater 'proximity' of VET training to jobs and the likely greater mobility connected with this. However, further analysis is required to confirm or discount the comparative finding, as distinct from exploring the causes of any verified difference. On the face of it, there is more volatility in middle-level enrolment. This needs investigation, as middle-level programs are the second most important education and training destination for all Year 12 completers.

Year 12 completers in apprenticeships and traineeships

The great majority of apprentices continued beyond their first year, most in their original indenture (88 per cent), with a very small group (3 per cent) starting a new contract.

It should be stressed that these are exiting Year 12 students. Their continuation pattern is not necessarily representative of apprentices with lower levels of schooling (amongst whom continuation is somewhat lower, though not greatly) or of older individuals who commence an apprenticeship.

Unemployment was very low (1 per cent) amongst Year 12 completers who entered an apprenticeship in 2004 and were re-contacted in 2005.

The majority of *trainees* were working (51 per cent), or were in the same or a new training contract (32 per cent), with some in study (12 per cent). Unemployment was higher than amongst apprentices (4 per cent compared to 1 per cent).

Policy implications

The stability of the training effort in apprenticeship – at least in the first year of the indenture – makes this a very strong option for school completers (as well as for early leavers). However, access to apprenticeship is uneven and is influenced by factors (some mentioned above) such as local industry structure and the labour market, wage relativities, perceptions of work quality, and gender.

Growing skill shortages should favour an expansion of structured work and training arrangements, including apprenticeship, but

this will depend in part on the willingness of employers to make the sustained commitment that apprenticeship involves; and, on the other hand, the openness of school leavers to workplace-based training in the manufacturing and construction industries.

Strategies are needed to address the wide differences in perceptions and work expectations that occur, for example, between students in metropolitan Melbourne and those in rural and regional Victoria (where apprenticeship commencement is much higher).

chapter

2

Early school leavers

Early school leavers can be categorised according to their main activity in 2004, at the time of their first *On Track* contact: these activities are VET study (mainly in TAFE), apprenticeships and traineeships, employment without further study or training, and unemployment. The education and training pathways and destinations in 2005 of each of these groups are outlined in this chapter.

Table 4 provides an overview, for all early school leavers in the longitudinal sample who were contacted in 2004, of the major destination of

each subgroup in 2005. In determining main activity or destination, participation in education and training has been given precedence over employment. Therefore, young people who were in study or training but also working were categorised as students, and the unemployed category excludes those who were looking for work but who were in study or training.

Table 4 *Early leavers: destinations in 2005 of main groups in 2004*

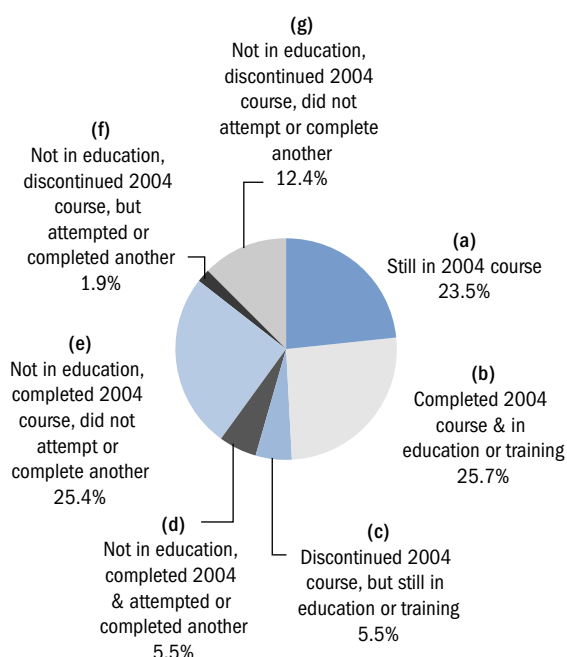
Main activity in 2004	Main activity in 2005 (%)							Total (%)
	School-level study	VET	Apprentice	Trainee	Employed	Unemployed	Not in labour force	
VET	3.6	31.1	16.5	3.6	25.9	16.3	3.0	100
Apprentice	0.7	1.6	85.8	0.7	7.2	4.0	0.0	100
Trainee	1.3	10.1	7.6	36.7	32.9	10.1	1.3	100
Employed	1.8	8.3	15.8	7.0	53.7	10.6	2.8	100
Unemployed	2.7	9.5	12.9	6.8	29.5	33.3	5.3	100
Not in labour force	3.8	13.5	5.8	1.9	19.2	25.0	30.8	100
All (%)	2.1	12.2	33.8	5.8	28.4	14.4	3.4	100

→ Early leaver VET students in 2004

In general, a high proportion of those who had been early-leaver entrants to TAFE/VET in 2004 continued their participation or built on it. Over half (54.7 per cent) of the early leavers who had entered VET in 2004 were continuing in education or training in 2005 (sections a, b and c respectively, Figure 1). (Nearly one quarter (23.5 per cent) were in the same course in 2005 as the one they had been doing in 2004; one quarter (25.7 per cent) had completed their 2004 course, and begun a different course; and a further 5.5 per cent had not completed the original course, but were undertaking a different one.)

A further 30.9 per cent (sections d and e, Figure 1) had completed their 2004 course by 2005 (including 5.5 per cent who took up another course in the intervening period), although they were not continuing in education or training in 2005.

Figure 1 Early leaver VET students in 2004: education and training pathways and destinations in 2005



Additional detail concerning the employment destinations in 2005 of those early school leavers who were VET students in 2004 (Figure 1) can be seen in Table 5. Apart from the 20 per cent who had taken up an apprenticeship or traineeship by 2005, almost 40 per cent were employed (15.7 per cent in full-time work and 22 per cent in part-time work) while 28.9 per cent were looking for work.

Table 5 Employment destinations in 2005 of early leaver VET students in 2004

	Frequency	%
Apprentice	60	16.5
Trainee	13	3.6
Employed full-time	57	15.7
Employed part-time/casual	81	22.3
Self-employed	2	0.6
Unemployed	105	28.9
Not in labour force	45	12.4
Total	363	100

→ Apprentices in 2004

The following discussion is based on analyses of outcomes in 2005 for those who were apprentices in 2004. (Trainees, whose numbers in the 2005 re-contact sample were low, have not been included.)

A high proportion (87 per cent) of those who were undertaking apprenticeships in 2004 remained apprentices in 2005. The vast majority (84 per cent) was continuing in the same contract of training as in 2004, while 3 per cent had begun a new apprenticeship contract (sections a and b, Figure 2).

A very small group (2 per cent) had discontinued and returned to study; a similar number (2 per cent) said they had completed their indenture and were now either employed or in further study.

A total of 12 per cent of those who were apprentices in 2004 had discontinued their apprenticeship by 2005. This group comprised the 2 per cent who were now in study (mentioned above), 6 per cent who were now employed but not in study, and 4 per cent who were not engaged in study or in the labour force (sections c, e and f respectively, Figure 2).

Figure 2 Apprentices in 2004: training pathways and destinations in 2005

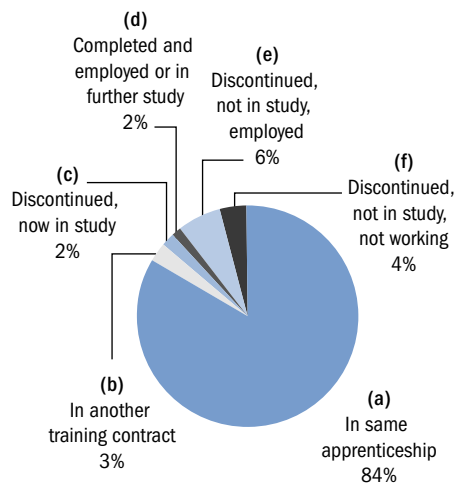
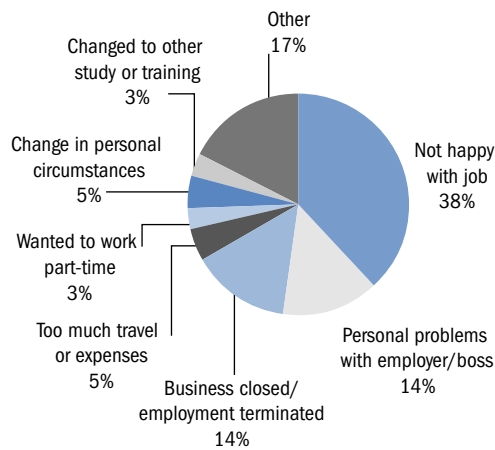


Figure 3 Apprentices who discontinued: reasons given

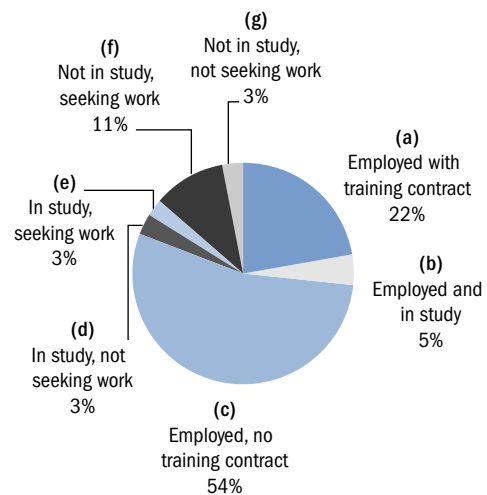


When those who did not continue with their apprenticeships were asked about their reasons for doing so, dissatisfaction with the job was the most common response – 38 per cent said they were not happy in the job. Personal problems with their employer was an issue for 14 per cent, while the same proportion reported that economic circumstances of the business played a part, and there was no ongoing position available with their employer (Figure 3).

→ Employed early school leavers in 2004

The great majority of this group were in work, with or without a training contract, or were in work and study (a total of 81 per cent) (sections a, b and c respectively, Figure 4). A small percentage was in study and either seeking work or not seeking work (a total of 6 per cent) (sections d, e). A larger group (11 per cent) was unemployed and seeking work, but not in study, and a very small group (3 per cent) were neither studying nor in the labour force (sections f, g).

Figure 4 Employed early school leavers in 2004: destinations in 2005



→ Unemployed early school leavers in 2004

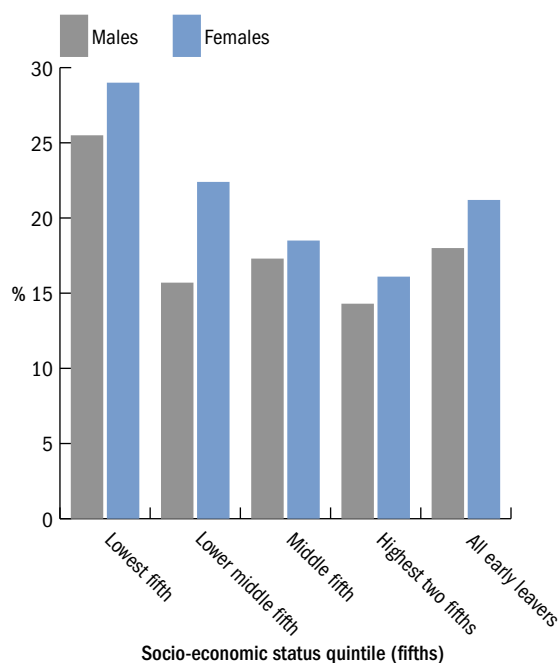
Situation in 2004

On Track data for 2004 provides an indication of the incidence of unemployment among early school leavers. In Victoria in 2004, early leavers had about a 1 in 5 chance of being unemployed six months after leaving school. Girls were marginally more likely to be unemployed than boys (20.9 per cent compared to 18.3 per cent). However, their discontinuation rate from school, or 'drop out' rate, is only about half as great as boys'.

The risk of unemployment for Victorian early leavers varies by region. It was highest in the western suburbs of Melbourne (28.2 per cent), though in the south-eastern suburbs it was also comparatively high (22.9 per cent).

Unemployment is also experienced unequally, depending on family background. In general, the lower the socioeconomic status of an early school leaver, the stronger the chance of unemployment. Figure 5 shows that 25.5 per cent of boys from the lowest SES quintile (fifth) were unemployed, compared with 14.3 per cent from the two highest quintiles. For girls, the figures were 29 per cent and 16.1 per cent respectively. (Note that minor discrepancies between the gender differences for the whole early leaver cohort (cited above) and the numbers shown in Figure 5 for all males and females are due to missing data on SES.)

Figure 5 Unemployment levels amongst early leavers, by SES quintile and gender, 2004



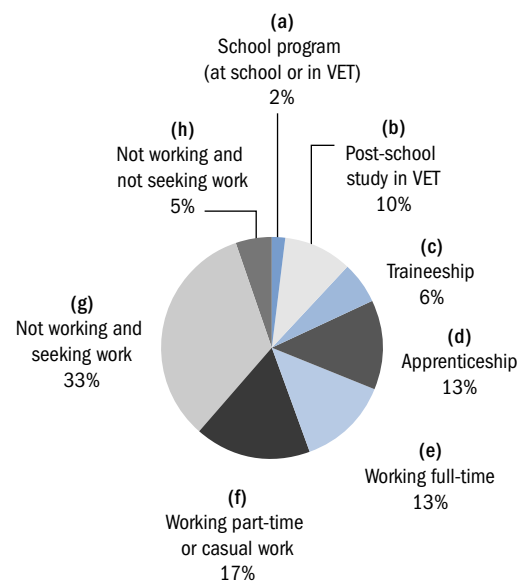
It is important to note the reasons given by unemployed early school leavers for not being in education or training when they were first contacted in 2004. The reasons in order of agreement levels were (a) not feeling ready for more study (48 per cent), (b) not sure about being able to cope with more study (41 per cent), (c) finding it hard to support myself (33 per cent), (d) not seeing the relevance of study (33 per cent), and (e) costs of study (30 per cent).

Study and work destinations in 2005

Nearly 1 in 3 (31 per cent) early leavers who had been unemployed in 2004 were in education or training in 2005. This participation was spread between campus-based school (2 per cent) or VET studies (10 per cent) and employment-based training through apprenticeships (13 per cent) or traineeships (6 per cent) (Figure 6, sections a, b, c and d respectively).

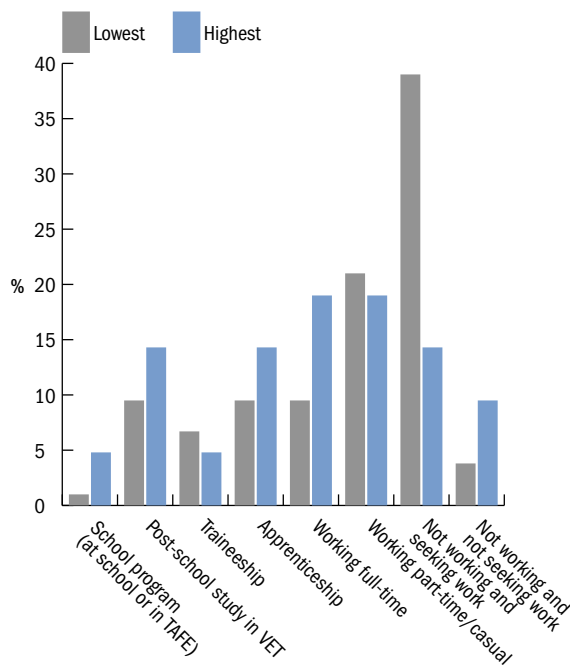
Employment without any study or training was the destination of 30 per cent of the previously unemployed early leavers: 13 per cent were in full-time work, and 17 per cent in part-time or casual work (Figure 6, sections e and f). But one third of early school leavers who had been in the 'at risk' unemployed category in 2004 was also unemployed in 2005 (section g). A small group (5 per cent) was neither in the labour force nor in education or training.

Figure 6 Unemployed early leavers: destinations in 2005 (excludes early leavers not in the labour market in 2004)



Unemployed early leavers from poorer family backgrounds experience greater transition difficulties than those from higher SES backgrounds. Figure 7 illustrates this tendency, although it must be noted that these figures are based on small numbers of cases, and hence do not represent reliable estimates. Figure 7 shows that unemployed early leavers from the lowest SES quintile have a weaker chance of beginning an apprenticeship (9.5 per cent compared to 14.3 per cent), or of getting full-time employment (9.5 per cent compared to 19 per cent), and on the other hand have a much higher chance of being unemployed (39 per cent compared to 14.3 per cent).

Figure 7 Unemployment levels of early leavers in 2004: the comparative situation in 2005 for the lowest and highest SES quintiles



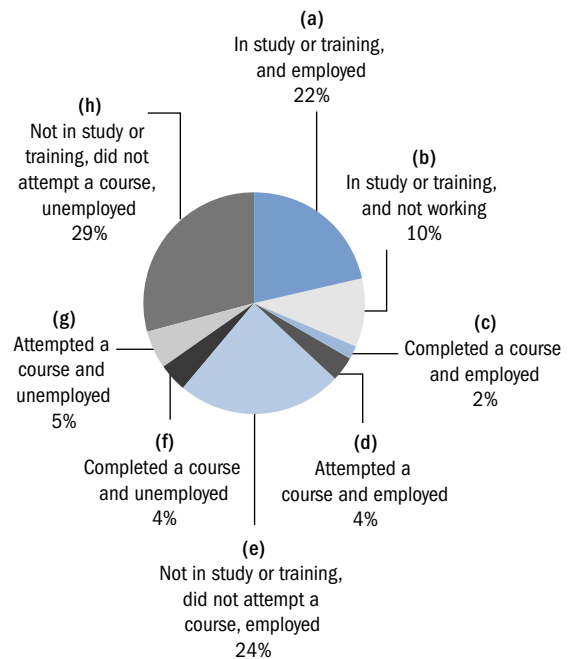
Education and training pathways from 2004 to 2005

Figure 8 provides some additional information about the pathways taken by unemployed early leavers between 2004 and 2005. It shows that a large proportion (a total of 62 per cent) were by 2005 either working or in study or training, or doing both: 22 per cent were combining employment with study or training; 6 per cent were employed, after completing or attempting a course; 24 per cent were working, although they had not attempted a course and were not in

study; and 10 per cent were in study or training, but were not working (Figure 8, sections a, c, d, e and b respectively).

More problematic are the remaining 38 per cent of those who had been unemployed in 2004 (Figure 8, sections f, g and h respectively). They include 9 per cent who continued to be unemployed, despite having attempted or completed a course. (Only a small number – about 18 per cent – of unemployed early leavers had attempted any study between 2004 and 2005; less than half of these actually completed a course.) The other 29 per cent who were not employed in 2005 (including 5 per cent who were not seeking work) had not completed or attempted any course, nor were they in education or training at that time.

Figure 8 Unemployed early leavers in 2004: education and training pathways and destinations in 2005



Barriers to employment

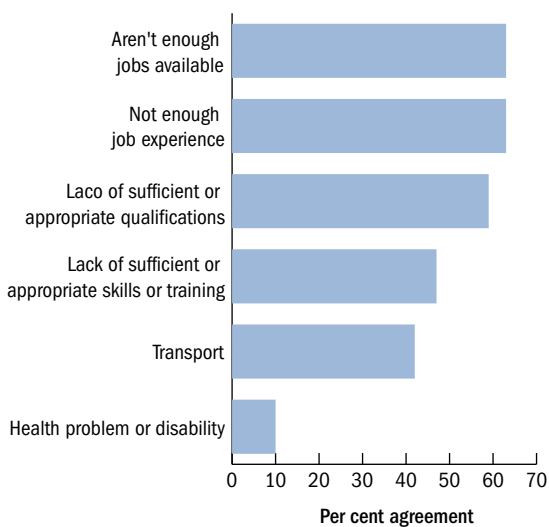
Unemployment, as noted above, continues to be a problem for one third of early leavers who were unemployed at the time of the first *On Track* contact. How do these young people see the barriers to obtaining employment? Nearly two-thirds consider that there are not enough jobs to go around. But the same proportion also say they have not had enough job experience to be able to get the jobs that are available. High proportions also say they lack appropriate qualifications and training (59.1 per cent and 46.6 per cent respectively) (Figure 9).

These responses regarding barriers to employment should be seen in the context of the reasons these young people gave for rejecting further education when they were first contacted in 2004. At that time, many (one third of those who were unemployed in 2004) said that they did not see the relevance of further study. Yet they have subsequently faced sustained periods of unemployment. Similarly, a great many (almost half of the early leavers who had been unemployed) said they were 'not ready' for more study. But a year has elapsed since the first contact and their current situation is that they are not employed and they are looking for work, but in general have not attempted or not completed any studies subsequent to leaving school.

of precariousness, attention is needed in other areas as well. These include preventive measures of greater program breadth within schools to reduce dropout associated with lack of interest and disengagement, more effective and continuous intervention to lift achievement standards, and more effective careers education and guidance.

In reference to this last point, it is pertinent to note that the *On Track* survey for 2005 shows declining levels of agreement that schools provide 'good careers education and guidance' the further that Year 12 students are from the most well-defined pathways. This further emphasises the need for a system of guidance that focuses on the aspirations of all students, not only those with a leaning toward higher education. Over half (55 per cent) of the early school leavers who had been unemployed in 2004 claimed, in 2005, that they would be doing something different if they had received better advice on careers or study while at school; the comparable percentage, for those who were unemployed in both 2004 and in 2005, was 72 per cent. Of this latter group (those unemployed in both years), 55 per cent had not received any advice on careers or study since leaving school.

Figure 9 *Early leavers unemployed in 2004 and unemployed in 2005: perceived barriers to finding work*



Implications

With comparatively high levels of continuing unemployment, the situation of this 'at risk' group remains a concern. These young people are drawn disproportionately from the lower socioeconomic status bands, and it is likely that in many cases they have been unsuccessful at school, not simply uninterested. They experience a double jeopardy of greater academic as well as greater economic vulnerability.

Their situation highlights the importance of the Victorian Government's proposed guarantee of a place at a TAFE institute to the end of Year 12 or its equivalent.

However, while assured alternative provision of post-compulsory education and training will help address the issue of continuing risk

chapter

3

Year 12 completers

An overview of the destinations in 2005 of the cohort of students who completed Year 12 in 2003 is presented in Table 6. These destinations are shown for different groups of school completers identified on the basis of their main activity in 2004, their initial post-school year.

University students in 2004

The great majority (89.8 per cent) of students who commenced university in 2004 were still there one year later. Figure 10 shows that almost all were in the original course (81.9 per cent), while a small group had transferred to another university course (7.9 per cent).

Small numbers had shifted to a TAFE/VET course (1.6 per cent) or had taken up an apprenticeship or traineeship (0.7 per cent).

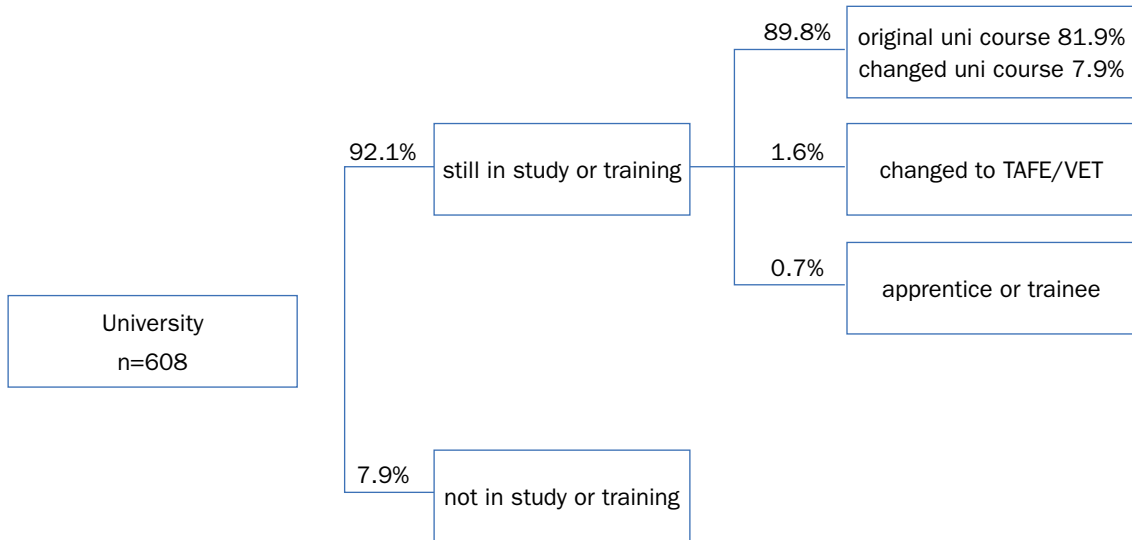
Of the total sample of university commencers, only about 8 per cent were not in some recognised form of education or training in the following year.

Withdrawal from university study is not necessarily a permanent decision; many of those who discontinued the university course they had commenced in 2004 reported in 2005 that they had deferred their study.

Table 6 Year 12 completers: destinations in 2005 of main groups in 2004

Year 12 in 2003:	Main activity in 2005 (%)							
Main activity in 2004	Uni	VET	Apprentice	Trainee	Employed	Unemployed	Not in labour force	Total (%)
University	89.8	1.5	0.3	0.5	7.4	0.2	0.3	100
VET Certificate 4+	7.8	61.7	3.1	2.7	21.7	2.7	0.3	100
Entry-level VET	8.9	35.5	12.4	7.1	28.4	6.5	1.2	100
Apprentice	1.1	1.1	88.0	4.3	4.3	1.1	0.0	100
Trainee	8.3	4.2	1.4	30.6	51.4	4.2	0.0	100
Working full-time	19.9	11.6	7.9	8.9	46.7	4.0	1.0	100
Working part-time	18.2	14.1	7.6	9.5	46.1	3.3	1.4	100
Unemployed	7.5	22.0	9.8	11.2	34.1	11.7	3.7	100
All	34.6	18.3	8.8	6.4	27.4	3.4	1.0	100

Figure 10 Destinations in 2005 of Year 12 completers who enrolled in university in 2004⁽¹⁾



Note: (1) Does not include deferees

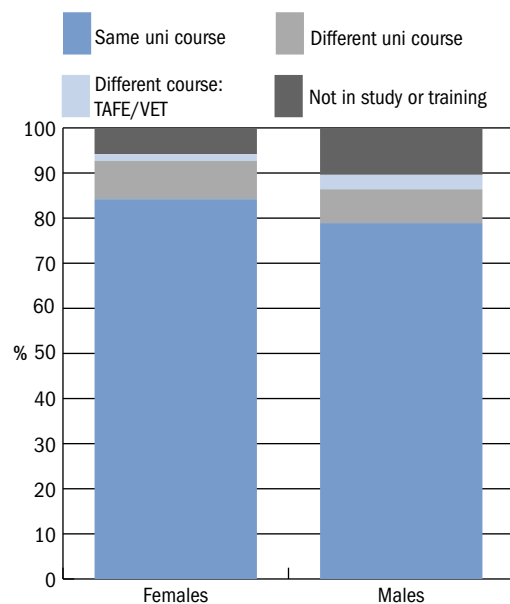
Variation in university continuation rates

There were patterns discernable in the data indicating that continuation in university study varies somewhat according to background factors such as gender, achievement level and socioeconomic status. Caution is required in interpreting these figures, however, as the longitudinal sample was not specifically designed to allow estimates for any of these particular subgroups.

Gender

Girls were slightly more likely than boys to remain in their original university course (84 per cent compared with 79 per cent), and less likely to withdraw from study completely (6 per cent of girls and 10 per cent of boys had done so in 2005) (Figure 11).

Figure 11 Continuation in study in 2005 of university commencers in 2004, by gender

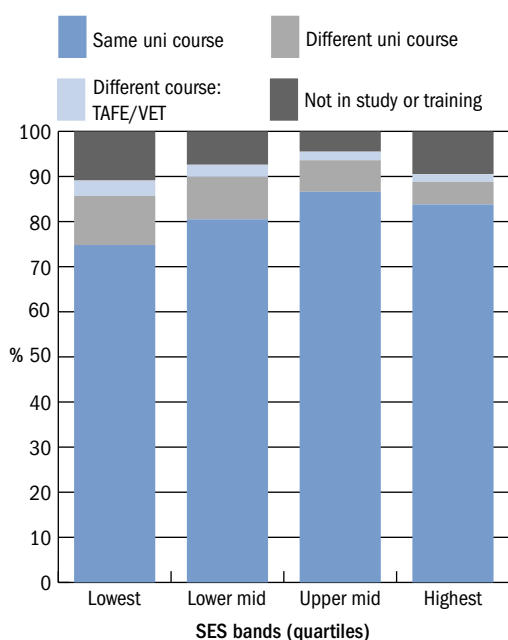


¹Review of Education and Training Legislation, Victorian Government White Paper, September 2005.

SES

As Figure 12 shows, students from less affluent backgrounds were less likely to remain in their initial university course; 75 per cent from the lowest SES band (quartile) were in the same course in 2005, compared with 84 per cent of the highest band. Compared with those in the two middle SES bands, students from the poorest backgrounds were also more likely to not be in any study or training in 2005.

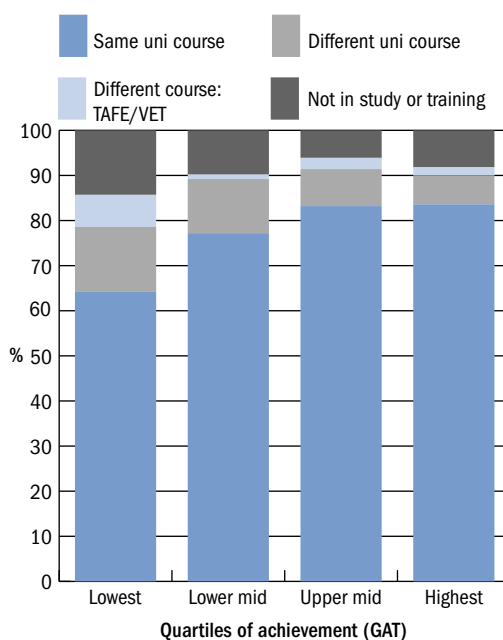
Figure 12 Continuation in study in 2005 of university commencers in 2004, by SES bands (quartiles)



Achievement level

Attrition from university study was highest amongst students who were from the lowest achievement (GAT) quartile, 14 per cent of whom were not in any study or training in 2005. Persistence in the same university course in which they had initially enrolled was greater among students from the highest achievement quartile – 84 per cent of these students remained in their original course, whereas the figure for the lowest achievement category was 64 per cent. Lower achievers were also more likely to change to a different university course.

Figure 13 Continuation in study in 2005 of university commencers in 2004, by achievement level (measured by GAT)



Continuing at university and school sector differences

Figure 14 presents the ‘stay or change’ patterns for students in each GAT band, analysed by sector of schooling. Great care must be taken in comparing school sector differences in university continuation rates because the re-contact sample in 2005 was not designed to provide such comparisons. However, in light of media treatment of government High Schools and the issue of transition to university, it is important to consider the findings from the *On Track* longitudinal study, keeping in mind the limitations in survey design.

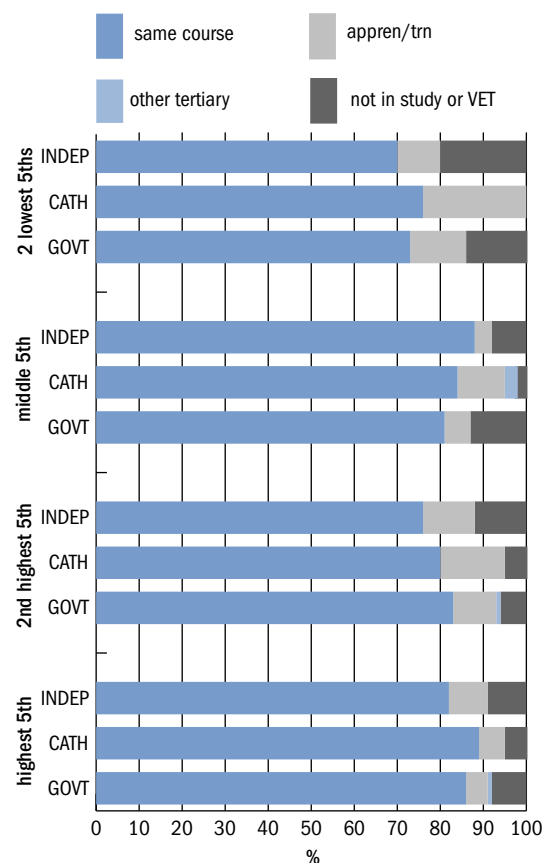
University students who attend Catholic or government secondary schools continue in their course at least as often as students from independent schools, and they tend to stay in their original course more often. Students from independent schools appear to be more likely to change to another course.

The greater volatility of course enrolment amongst students from independent schools may simply reflect sampling error. However, it is possible that it captures a greater propensity of these students to re-orient from initial choices, based on experience during first year or towards a preferred course for which they did not receive an offer in 2004.

Course enrolment of government school students is more stable than the course enrolment of independent school students for each of the two highest bands of achievers (as measured by GAT). But in the middle band of GAT – that is, among the ‘average’ students – continuation in the same course is slightly lower for government school students than among students from independent schools. Amongst students in the lowest two-fifths of achievement, those at government schools again have slightly more stable enrolments than is the case in the independent sector.

Course enrolments among university commencers from Catholic schools are generally more stable than enrolments of either government school or independent school students.

Figure 14 Study status in 2005 of university commencers in 2004 by GAT band and school sector ⁽¹⁾



Note: (1) As the contact sample was not designed to compare sector cohorts, these figures must be used with care.

Deferees in 2004

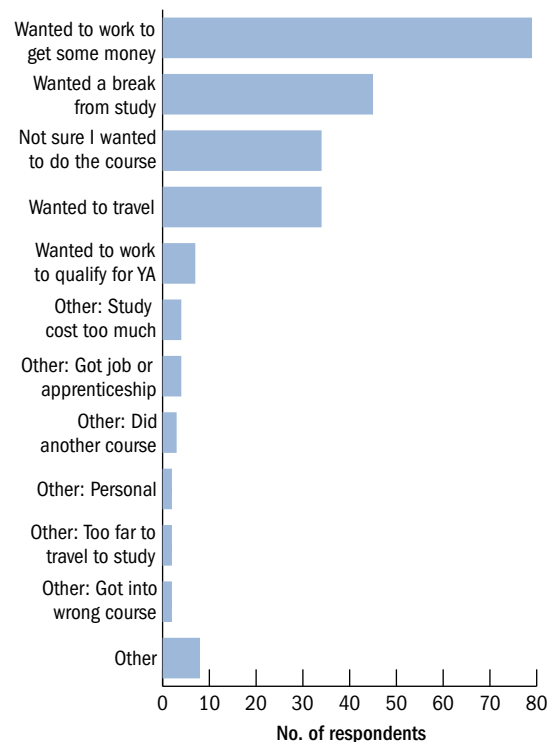
From a policy perspective, there has been some interest in the issue of deferral of study among young people and the apparent increase in the incidence of this choice over recent years. The 2004 *On Track* survey indicated that 6.2 per cent

of students who had completed Year 12 in 2003 had deferred their tertiary study in 2004. The *On Track* longitudinal survey sample included 224 young people who had received the offer of a place in a course of post-school study for 2004 but had decided to defer in that year. (Note that this group is not identified separately in Table 6; most were employed at the time of the 2004 survey.) When contacted in the early part of 2005, they were asked to nominate the main reason for their deferral of study in the previous year. Figure 15 shows the results.

Reasons for deferring in 2004

As Figure 15 shows, the major reason for deferral of study was an economic one. More than one third (35 per cent) (79 of 224) of the young people who had deferred said that the main reason they had done so was because they wanted to work to get some money. In addition, a small number indicated that their deferral was motivated by the desire to earn money in order to then qualify for Youth Allowance payments while studying. Some of the ‘other’ reasons that deferees gave also referred to the financial barriers to studying (such as ‘wasn’t able to support myself for university’ and ‘needed to save some money to move out rather than commute to uni daily’).

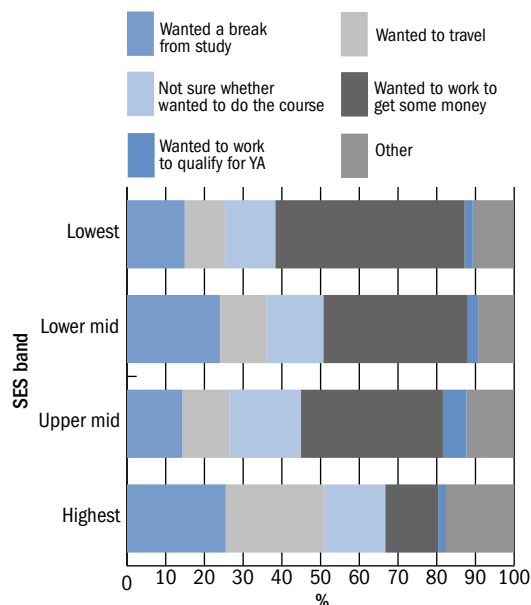
Figure 15 Main reason for deferral of study in 2004



Deferral is attributable not only to financial obstacles, but also to a preference among some students to take some time off from study. When the numbers of young people citing the main reason for deferral as 'wanted to take a break from study' and 'wanted to travel' are combined, they are similar to the number who said that they needed to work to earn some money before going on with study. 'Other' responses were generally a combination of reasons, and some of these multiple responses included 'wanted to get some life experience' or 'wanted a year to think'. Hence, from these data, the monetary impediments to continuing in study directly from school and the perceived benefits of having some time away from study appear to be roughly equally important in accounting for deferral, when the overall student population is considered.

However when the pattern of responses is disaggregated by socioeconomic status, there is a clear difference in the relative importance of the two broad sets of factors influencing deferral. Among students from high socioeconomic status backgrounds, wanting to take a break from study and wanting to travel were much more commonly cited as the main reasons for deferral: 51 per cent of young people in the highest SES category nominated one of these reasons, while only 25 per cent did so among the lowest SES category. For 49 per cent of the latter group, the need to work was the main reason for deferring study, whereas for students from the highest SES category the figure was only 14 per cent.

Figure 16 Main reason for deferral, by SES quartile



Uncertainty about the appropriateness of the course for which they had been offered a place was the third most frequently nominated reason for deferral: about 15 per cent of young people said that the main reason they did not take up their study was that they were not sure they wanted to do the course, and this incidence did not vary with SES.

Deferees' destinations in 2005

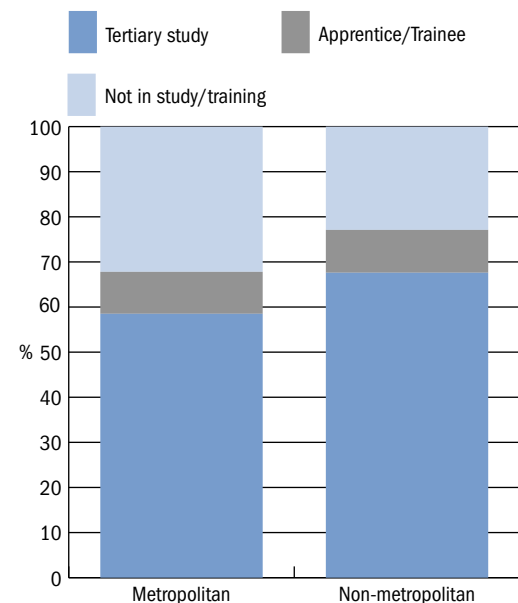
Almost three quarters (72.3 per cent) of those who had deferred in 2004 had entered study or training in 2005. A little less than half of all deferees (46.4 per cent) were, in the following year, studying at university, 16 per cent were doing a VET course, and a further 9 per cent had begun an apprenticeship or traineeship. But 28 per cent were not in any study or training.

There were variations in the rate of take-up of study in 2005 among deferees, and in the level of study that they pursued, as Figures 17 to 20 show.

Location

Deferral tends to be higher in rural and regional Victoria than in Melbourne. It is also the case that deferees in country Victoria are more likely than those in Melbourne to take up their deferred study. Nearly 68 per cent of regional deferees entered study in 2005, compared to only 59 per cent of those in the metropolitan area.

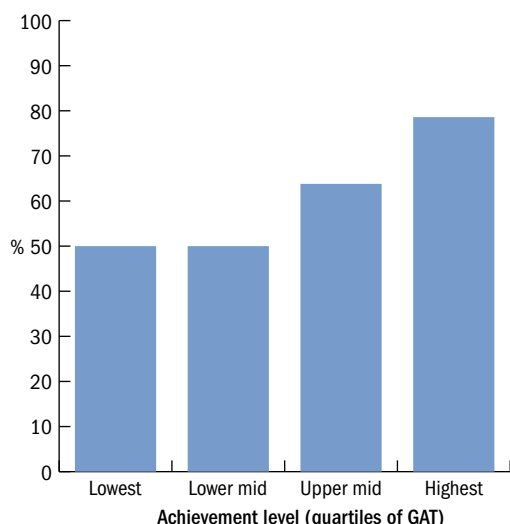
Figure 17 Study status in 2005 of deferees, by location



Achievement

There is a link between the likelihood of deferees taking up a place and the level of achievement of a student as measured by their GAT score. It is difficult to be confident about the strength of this link because of sampling design restrictions. However, Figure 18 shows that, while half of the deferees who had been in the two lower quartiles of achievement were in tertiary study in 2005, for those in the highest achievement quartile the tertiary study rate was almost 8 in 10. That is, there appears to be a gap of as much as 25 per cent in the likelihood of the highest achiever taking up a place as compared to the lowest.

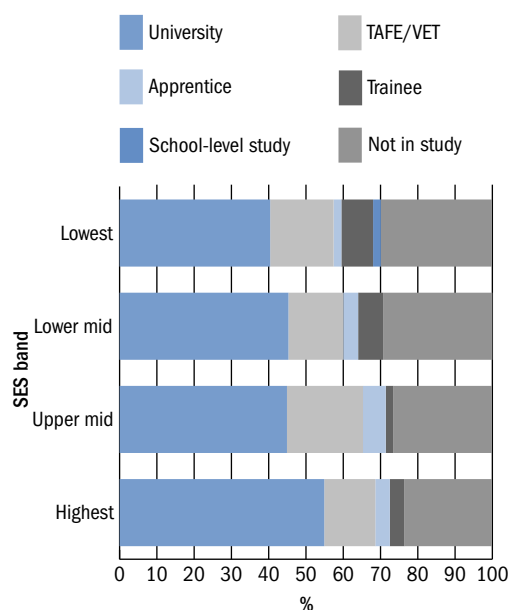
Figure 18 Deferees taking up tertiary study, by achievement (GAT quartile)



Socioeconomic status

There is a relationship between socioeconomic status and the study pathways taken by those who had deferred (see Figure 19). The percentage of deferees who did not enter study or training was greatest among the lowest socioeconomic category, and least among the highest SES category, and university study was positively associated with socioeconomic status.

Figure 19 Study status in 2005 of deferees, by SES quartile



Deferees' reasons for not taking up study in the second post-school year

As noted above, a little over one quarter (28 per cent) of those who had deferred the offer of a place in a course of study in 2004 were not engaged in any study or training in 2005. Some of these young people nominated barriers to study as the main reason for not having taken up their course. For some, this was not yet having enough money, while others mentioned similar difficulties (for instance, *'too hard living away from home, particularly economically'*, and *'couldn't get to Melbourne this year'*). However, the reason most frequently cited by these deferees was generally to do with a preference for their current activity, as shown in Figure 20.

Figure 20 Deferees' main reason for not taking up study in the second post-school year

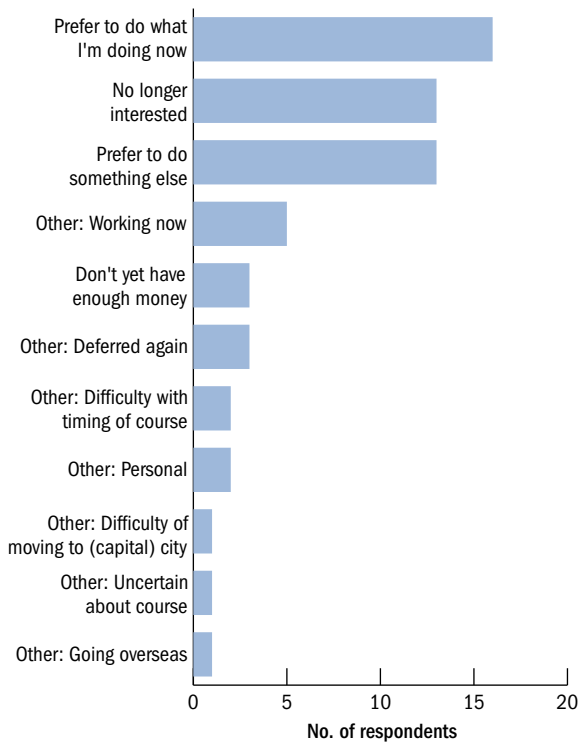
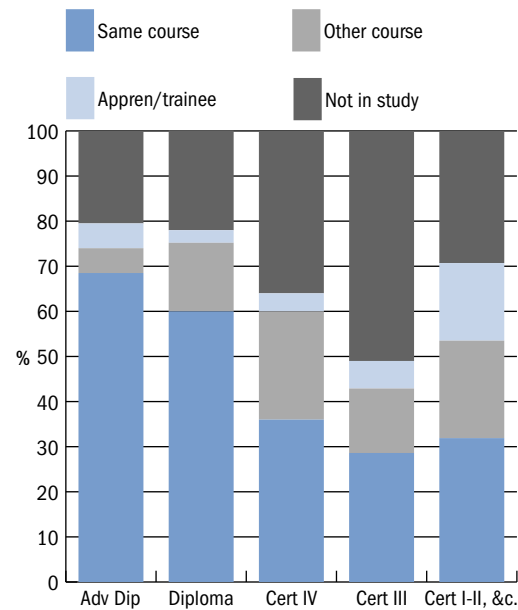


Figure 21 Study destinations in 2005 of TAFE/VET students, by award level of 2004 course



→ VET students in 2004

Students doing TAFE/VET courses have variable patterns of destinations, depending in part on the award level of their studies. In general, as Figure 21 reveals, the higher the Australian Qualification Framework (AQF) level, the greater the propensity to continue in study, including changes in courses. Conversely, the lower the AQF level, the more likely students are to discontinue study.

TAFE/VET courses are both shorter in duration than degree programs in universities. They are also closer to employment in the sense that courses are undertaken with a view to employment within one or two years in a fairly clearly defined field, and, in addition, a course can often be undertaken part time, while the student works. As a result, it is to be expected that there will be considerable movement between study and work in the VET sector, particularly at the lower end of the AQF, where courses are of shorter duration. For example, Figure 21 shows that lower-level certificate courses provide one pathway into employment with a contract of training – 17 per cent of Year 12 completers engaged in such courses in 2004 were doing an apprenticeship or traineeship in 2005.

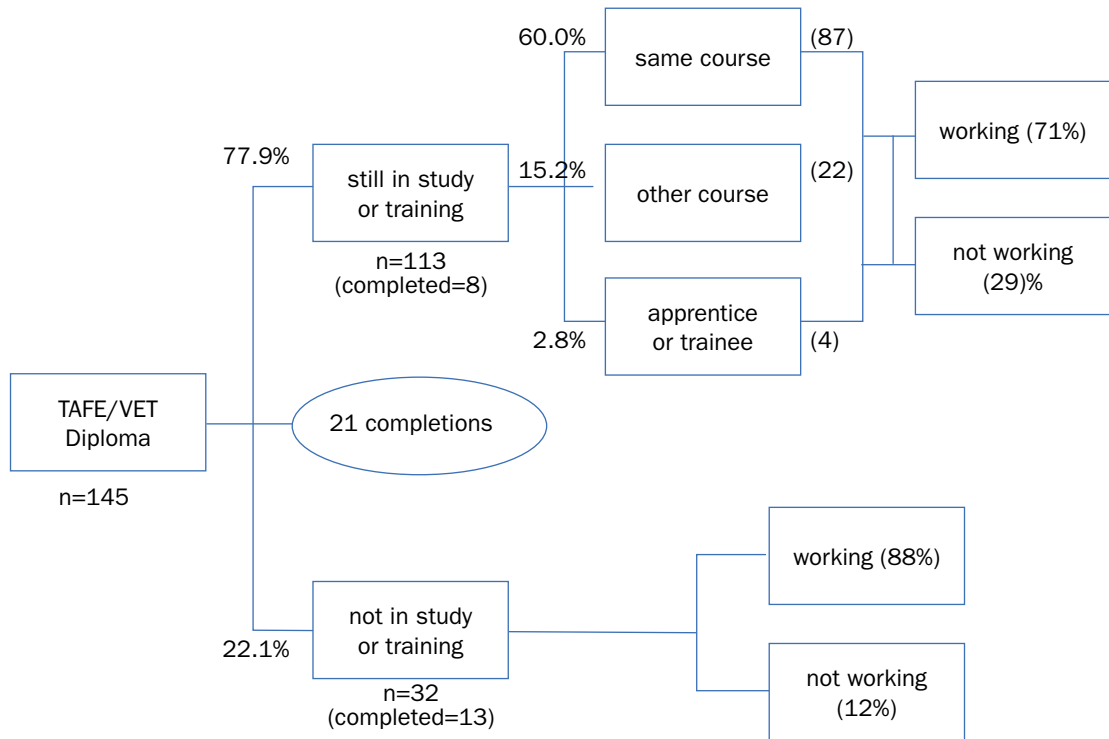
VET middle-level students in 2004

The majority of students who had been doing a TAFE/VET middle-level course in 2004 had either remained in the same course or were doing another course in 2005. As can be seen from Figure 21, the proportion that continued in study was 60 per cent for Certificate IV students and 75 per cent for Diploma students.

Students undertaking a Certificate IV course of one year duration had a completion rate of 53 per cent (not shown in Figure 21). However, many transfer to another course, including a Diploma. So the completion rate as such is a potentially misleading indicator of the extent to which course and individual objectives are being met.

The Diploma course is longer and completion cannot be measured over a single year from the time of original enrolment. Figure 22 provides a picture of the study and work destinations of those who had been undertaking a Diploma course in 2004. While 78 per cent were still in either study or training in 2005, just over 2 in 10 (22 per cent) had discontinued education or training; the great majority of these (88 per cent) were working in 2005.

Figure 22 Destinations in 2005 of Year 12 completers who enrolled in a Diploma course in 2004

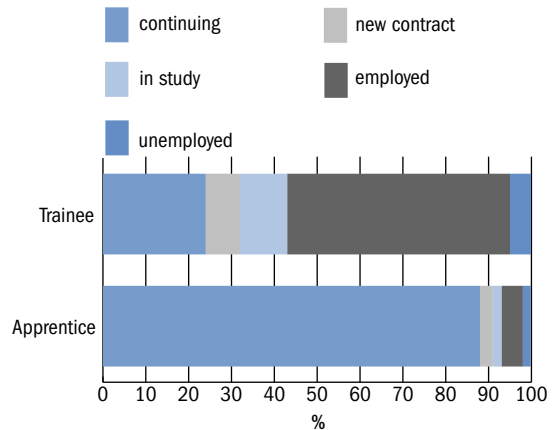


Apprentices and trainees

Of the Year 12 completers who began an apprenticeship in 2004, a large majority (88 per cent) were still in that apprenticeship one year later. A further 3 per cent had begun a new apprenticeship contract.

These high continuation rates need to be treated with care, and cannot be considered as typical. Firstly, the sampling design of the longitudinal study did not have a focus on apprenticeship, and consequently the estimates of continuation may be distorted. Secondly, the continuation rates are for VCE completers. These are not necessarily representative of other apprentices, including younger age groups (with less schooling) and older individuals (also with less schooling).

Figure 23 Destinations in 2005 of 2004 apprentices and trainees



chapter

4

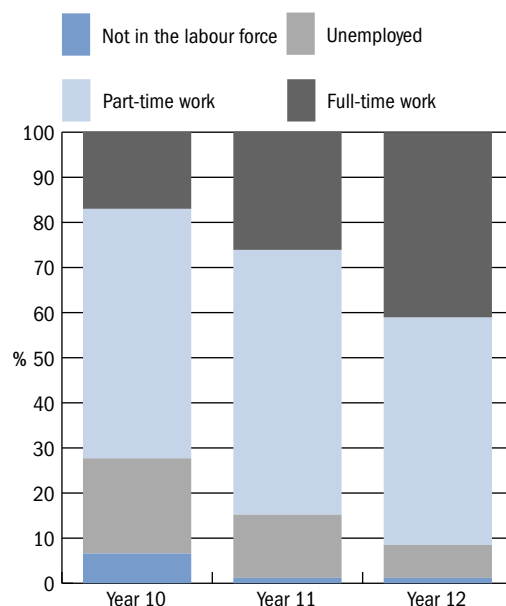
Effect of education and training on employment outcomes

The increased risk of unemployment faced by early school leavers implies that completion of a school certificate such as the VCE confers an advantage on job seekers. To identify the value of completing education and training qualifications (either subsequent to leaving school early or by staying on at school), and also the vulnerability of school leavers without education and training qualifications, the labour market experiences of Year 12 completers and early leavers were examined.

A set of three outcomes was investigated – duration of unemployment, likelihood of having a full-time job, and the number of hours working – to examine what effect, if any, completion of school as compared with leaving early has on each of these outcomes, and, for early leavers, the effect of obtaining a post-school qualification. The findings of these analyses indicate that the longer a young person stays on at school, the shorter the period of unemployment they will experience, the greater their chance of finding full-time work, and the more hours of work they will have.

Figure 24 shows that in the absence of any post-school qualifications, the longer a young person stays on at school the more likely they are to be engaged in full-time work (or indeed any work) and the less likely they are to be unemployed. Year 10 leavers are particularly at risk of finding themselves unemployed, with more than 1 in 5 who were employed in the first year after leaving being unemployed in 2005.

Figure 24 Ex-students in 2005: labour force status, by year level of exit from school

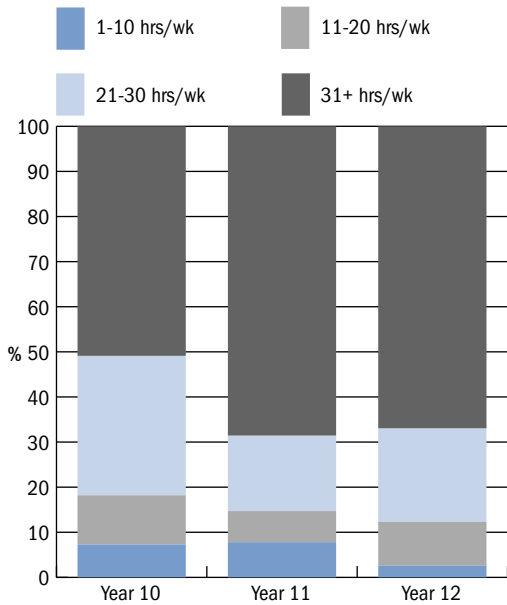


Of those school leavers who were employed in 2004 and 2005 and had not undertaken any education or training since leaving school, early leavers were more likely to be working less than 10 hours per week than school completers. Only half the Year 10 leavers in this group were working more than 30 hours per week in 2005, compared with more than two-thirds of Year 11 leavers and Year 12 completers (see Figure 25).

Figure 26 demonstrates the effect of completing school on the duration of unemployment experienced by school leavers. Early school leavers who were unemployed at the time of the first interview (2004) have spent more of the following twelve months looking for work than their Year 12 graduate counterparts. Forty-three per cent of this group of early leavers had been unemployed for more than six months since the

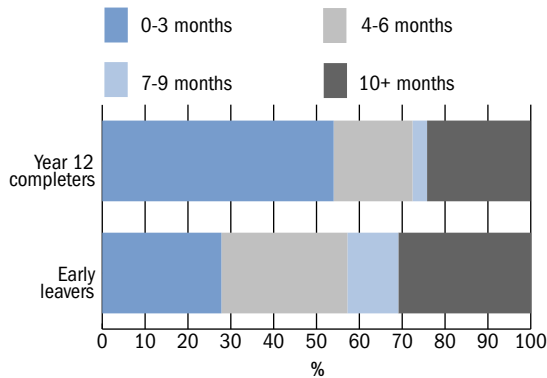
first interview, compared with just over a quarter of Year 12 completers who were unemployed at the first contact.

Figure 25 *Employment intensity of non-students without a post-school*



Note: Employment intensity of school leavers who were employed and not in education or training at 1st (2004) and 2nd (2005) contact (and with no post-school qualification)

Figure 26 *Duration of unemployment: school leavers unemployed in 2004*



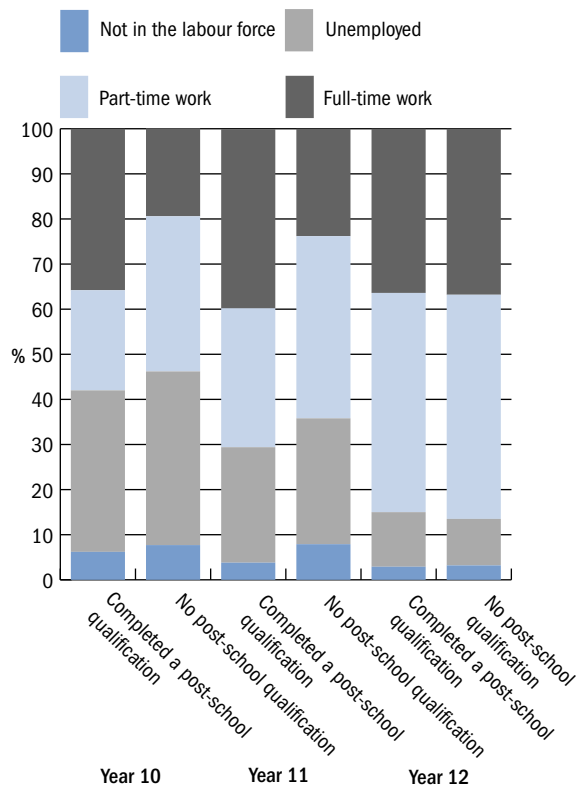
Note: Months spent looking for work by early school leavers and Year 12 completers who were unemployed and not in education or training at 1st contact

Turning to the effect on employment outcomes of post-school qualifications, which could be expected to help early leavers bridge the gap between themselves and school completers, we find that for two of the three measures investigated, this is indeed the case. For early leavers not in education or training in 2005, the completion of a post-school award increases their

chances of being in full-time work in the second year after leaving school (see Figure 27). Those with a qualification are significantly more likely than their counterparts without a qualification to be engaged in full-time work, and are just as likely as Year 12 completers to have a full-time job. This is particularly heartening when the level of VET course that can be completed in a year or less is considered. Interestingly, however, while their likelihood of finding full-time employment increases markedly, their vulnerability to unemployment does not reduce as significantly.

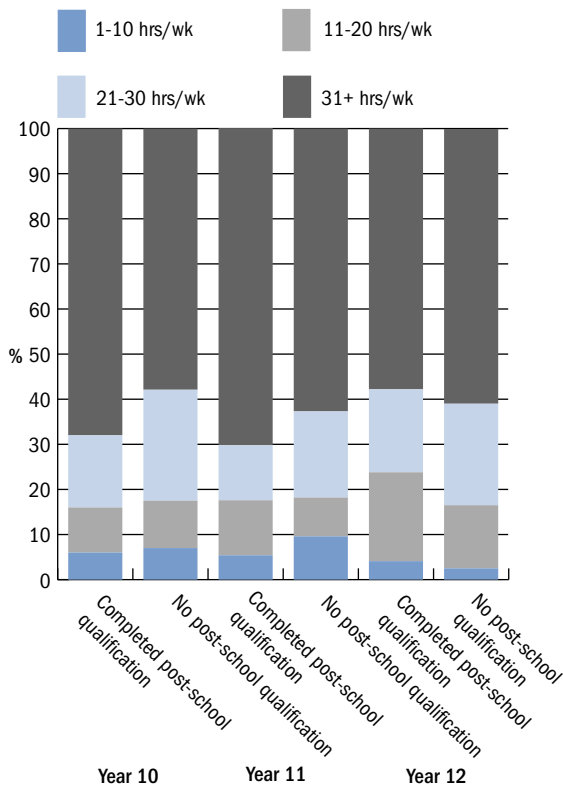
For Year 12 completers not in education or training in 2005, the completion of a further qualification in the first 18 months after leaving school does not appear to have a dramatic effect on their labour force status. Again, this may be influenced by the type of VET qualification that could be completed by the time of the second contact survey compared to the labour market value of Year 12 itself.

Figure 27 *Ex-students in 2005: labour force status, by year level and post-school qualification*



The effect on employment intensity of completing a post-school qualification, as measured by hours of work per week, is similarly evident for young people who leave school early, while conferring no further advantage on Year 12 completers. Figure 28 shows that, of the early leavers employed in 2005 and not in education or training, those who have completed a qualification since leaving school are more likely to be working more than 30 hours per week than are those early leavers without a qualification.

Figure 28 Employment intensity in 2005 of ex-students, by qualification and year level at exit



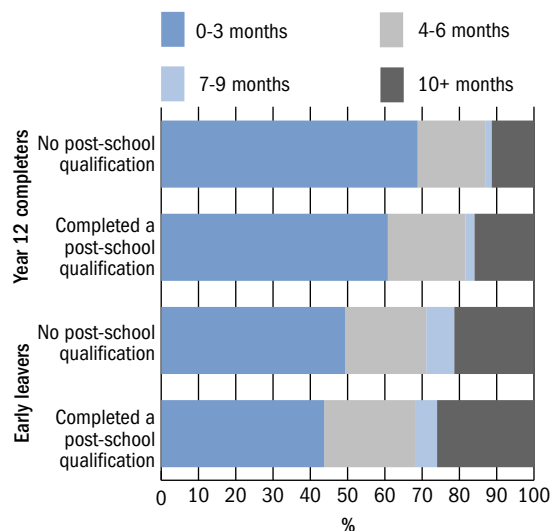
Note: Employment intensity of school leavers employed and not in education or training at 2nd contact, by post-school qualification and year level at exit)

Despite the fact that completing a post-school qualification appears to increase the chances of early school leavers finding full-time work and also the number of hours of work in which these young people engage, obtaining such a qualification does not appear to reduce the duration of unemployment experienced by this group. Consideration of all school leavers who experienced a period of unemployment since the first interview in 2004 reveals that the duration of unemployment in the period up to the 2005 interview was not reduced among the groups

of school completers or early leavers who had completed a qualification after leaving school. In fact, members of these groups had a greater likelihood of spending *more* time unemployed (Figure 29). It should be noted, however, that unemployment duration may be affected by the time spent obtaining a qualification – a period during which the individual may have been less available for employment or not technically in the workforce.

The findings presented in this chapter show that completion of Year 12 is more likely than early leaving to lead to a favourable outcome in all three of the measures investigated here. This is confirmed by the findings reported by the Dusseldorp Skills Forum (*How Young People are Faring: Key Indicators 2005*, p.13), which demonstrated that completion of Year 12 improves employment outcomes. The evidence for more positive employment outcomes for Year 12 completers who enter the workforce rather than education or training, as compared to their early leaver counterparts, in all likelihood reflects a combination of contributing factors. Importantly, and most obviously, is the fact that these individuals have a recognised award. In addition to this is likely to be the appeal to employers of higher generic competency levels, greater maturity and social skills, and probably greater personal 'integration', confidence and self-esteem. The completion of a post-school qualification almost certainly goes a significant way towards similarly equipping early school leavers, making them more competitive in the labour market.

Figure 29 Effect of post-school qualification on duration of unemployment



Conclusions

This report has presented results from the 2005 Victorian *On Track* longitudinal survey of school leavers of 2003. The longitudinal component of *On Track* was initiated to follow samples of Victorian school leavers over a five-year period, to enable analysis of pathways from school to further study and work. The survey in 2005 was the first follow-up of the longitudinal sample of 3695 young people.

The results show that many leavers enter study and training or work on leaving school and continue in study in the following year. For Year 12 completers, the proportion who were in university study increased between the first and second post-school years, from 29 to 34 per cent. Almost 89 per cent who were in university in 2004 continued in higher education in 2005, and deferees also commenced study. Those who dropped out did so mainly because they didn't like the course they were doing. Most who dropped out obtained full-time jobs.

Most Year 12 completers who defer tertiary study on leaving school either take up their original offer, enrol in a different course, or begin an apprenticeship or traineeship – 63 per cent enrol in a tertiary course and 9 per cent commence an apprenticeship or a traineeship. The results show that deferment is often a financial strategy rather than an educational choice. In part, the current income support arrangements linked to Youth Allowance encourage deferment in order to enable young people to access an independent living allowance for full time study. Some enter study after fulfilling the requirements.

The numbers of Year 12 completers in apprenticeships and traineeships more than doubled between the first and second year after leaving school (from 7 per cent in 2004 to 16 per cent in 2005). Those in apprenticeships in 2004 largely remained in the same training in 2005: this applied to almost 90 per cent of apprentices.

For early school leavers, apprenticeship training is an important source of engagement in early post-school transition. About 27 per cent of early leavers were doing an apprenticeship in 2004, rising to 34 per cent in 2005. Furthermore, a large majority (86 per cent) of those in apprenticeships in 2004 continued this training in 2005. Apprenticeship training is also an

important avenue out of unemployment: 13 per cent of all early leavers unemployed in 2004 were in an apprenticeship in 2005.

For some, the transition from school is less smooth. In 2004, about 10 per cent of all Year 12 completers in the longitudinal survey group were unemployed or not in the labour force in their first post-school year. The rate fell to 4 per cent in 2005, with a third of those unemployed in 2005 also having been unemployed in the previous year. The unemployment experiences of early school leavers are more dramatic. The rate of unemployment or not being in the labour force in 2004 for the longitudinal early school leavers (20 per cent) was double that of the Year 12 completers. While the rate for Year 12 completers fell by more than half into 2005, the rate for early leavers did not fall by much (to 18 per cent), meaning that in 2005 the unemployment rate for the early leavers was four and a half times greater than for Year 12 completers. More strikingly, 41 per cent of early leavers who were unemployed or not in the labour force in their first post-school year – 8 per cent of all early leavers – remained so in their second post-school year.

The young people whose transition from school is more problematic are disproportionately drawn from particular educational and social backgrounds. Many are low school achievers, and many have not completed Year 12. Young people from low SES backgrounds tend to have a more difficult time making the transition to study and work than do those from high SES origins.

A feature of the experiences of those who have a more problematic transition is the relationship between their outcomes in 2005 and the activities they participated in during their first post-school year. Many who were not in full-time work or study in 2005 started out unemployed or at best in part-time work in 2004, often having experienced academic failure in school and having left school early. For these young people, rather than the initial settling-in period representing a trial period where activities act as a stepping-stone to full-time employment, the results suggest that a negative early start can be protracted. Results such as these underline the importance of intensive follow-up measures for school leavers experiencing problems in the labour

market. The finding that the completion of a VET qualification results in early school leavers having a significantly greater chance of gaining full-time work underlines the importance of training opportunities for early school leavers.

These findings highlight the importance of legislative provision for guaranteed opportunities for study or vocational training. However, they also have implications for the kinds of environments that are needed to manage the needs of these frequently disengaged young people.

The results also highlight the importance of preventative measures within the school system. There are strong associations between school experiences and the likelihood of where young people find themselves in their first post-school year. Achieving well in school, and completing Year 12, are associated with positive education, training and employment outcomes for young people, helping promote entry to higher education and other forms of study and training. Early school leavers have less chance of securing full-time employment, and a problematic early start in the labour market can be more difficult to overcome. Their transition experiences reflect the impact of disadvantages experienced earlier in school, and strengthen the call for strategies to address these matters. Unless the issues of under-achievement and disengagement are effectively tackled during school, there will continue to be a group of early leavers who are in 'flight from school' and who will not invest in further education to improve their economic and social wellbeing over the long term.

From an educational policy perspective, there is a need for continuing to support the efforts being put into improving young people's foundation skills for lifelong learning while at school. Those who succeed in education generally do well in the labour market, and the system offers them considerable flexibility and opportunity. However, those who leave school early are more exposed to being penalised by a labour market that emphasises the level of education attained, and it is not clear that the opportunities for re-entry to education and training are taken up by those who need them most. There is also a need to recognise and reinforce the important role of apprenticeships and other VET certificate courses, as these are proving to be viable pathways to employment, particularly for early school leavers.





← ON TRACK 2005