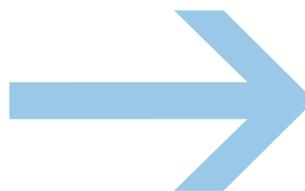


***ON TRACK* LONGITUDINAL
2006 RESULTS**



On Track Longitudinal 2006 Results

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Executive Summary

This report presents the 2006 results from the longitudinal survey undertaken as part of the Victorian *On Track* surveys of school leavers. While the annual surveys of school leavers are able to measure initial destinations and the extent to which young people enter tertiary education and work in their first post-school year, they do 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 several years, providing information on education, training and work activities and experiences that can help inform policy making around pathways planning.

On Track longitudinal contains two cohorts of young people, one that was based on school leavers from 2003 and another based on school leavers from 2004. The two cohorts contain different groups of young people, to provide detailed information on the experiences of different school leavers making the transition from school to further study and work.

The 2003 longitudinal cohort 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. The cohort contains representative samples of early school leavers and Year 12 completers, young people in urban and those in rural areas, and those who engage in education and training in their first post-school year, and those who do not.

The 2004 cohort was designed to provide data on four categories of school leavers: those who completed the VCAL certificate in Year 12, those who were engaged in an apprenticeship, those in a traineeship in their first post-school year, and

those in campus-based entry-level VET (Certificate I, II or III) study in 2005.

The current report examines the activities and experiences of both the 2003 cohort of school leavers in the third year out from school and the 2004 cohort in the second year out from school. It maps the experiences of the different groups of school leavers in the period between leaving secondary school and the interviews in 2006. Comparisons are made between the various categories of school leavers to identify the different pathways young people take through education, training and work, as well as periods of time spent not in the labour force or in study.

The samples were stratified to promote study of key groups of young people leaving school, such as those who enter apprenticeships and traineeships, as well as early leavers and school completers. The strata were intended to provide not only state level estimates, but also accurate estimates of pathways for each of the main groups.

→ Key findings

Results from the 2003 cohort

Many Year 12 completers enter university study after a period in the workforce or other study

In the first post-school year, about 29 per cent of Year 12 completers entered university. By the third post-school year, about 36 per cent were enrolled. Some of the later enrolments were from those who deferred (14.1 per cent of all those enrolled in 2006 had opted to accept their original offer of a place but defer entry for at least 12 months). However, a roughly equal number (13 per cent) had not deferred, but gained a place after participating in VET courses and traineeships. Some entered university study after periods in full-time and part-time work without further study (6 per cent). In 2006, one-third

of the university students in that year were not enrolled in the first post-school year.

Middle and advanced-level VET courses are important for Year 12 completers

About 14 per cent of the 2003 cohort entered a middle or advanced level VET course (Certificate 4 and above) on leaving school. By the third year, almost two-thirds had completed that study or were still enrolled in the same course. One in five enrolled in university after completing their VET certificate. A further 1 in 5 obtained full-time jobs, while a similar number was in part-time work. The rate of unemployment for this group was much lower than for those who entered entry-level VET (4.4 per cent as against 7.1 per cent).

Low discontinuation rates for apprenticeships and traineeships

Over 80 per cent of Year 12 completers who were apprentices in 2004 had remained in their original apprenticeship through to 2006. The extent of withdrawal from apprenticeships by Year 12 completers is lower than for any other form of education and training. Of those who withdraw from their original indenture, many take up other forms of study or training.

Traineeships generally involve a shorter duration of training. Among Year 12 completers from the 2003 cohort, 56 per cent of the trainees had successfully completed their study by 2005. A further 19 per cent completed their original study by 2006. It means that over the three-year period, 75 per cent of trainees who had entered a traineeship after Year 12 completed their training. A further 19 per cent withdrew from their traineeship without having completed their course. The small remaining number — 6 per cent — was still enrolled as trainees in 2006.

Small number of Year 12 completers experience milling and churning

About 22 per cent of the 2003 cohort was not in any education and training in 2004 and either in part-time work (13 per cent) or unemployed (8.8 per cent). Slightly less than one-third of this group (6.3 per cent of the 2003 cohort) were still either in part-time work, unemployed or not in the labour force in 2006. They were not engaged in education or training. It is this group that continues to be at risk in the transition to work and study, as well as those who entered VET entry-level training in their first post-school year and were unemployed, in part-time work or not in the labour force — 26 per cent of those in entry-level VET in 2004, representing about 2.0 per cent of the 2003 cohort of Year 12 completers.

Education and training pathways important for early school leavers

VET, and particularly apprenticeships, remains important for early school leavers. Of the early leavers who took up an apprenticeship in their first post-school year (2004), 78.5 per cent were still engaged in that training in 2006. A further 9.3 per cent were no longer doing their apprenticeship but were in full-time work. Similarly, of those working full-time in 2004, 41.5 per cent were still in full-time jobs in 2006, while a further 22.8 per cent had moved into an apprenticeship. In 2006, 39.9 per cent of early school leavers in the 2003 cohort were in apprenticeships or traineeships compared with 32.2 per cent in 2004.

Some early leavers experience extended periods of milling and churning

About 34 per cent of the 2003 cohort of early school leavers was not in any education and training in 2004 and either in part-time work (13.8 per cent) or unemployed (16.8 per cent) or not in the labour force (3.3 per cent). Roughly half of those in this group (16.9 per cent of the 2003 cohort) were still either in part-time work, unemployed or not in the labour force in 2006 and not engaged in education or training. The rate is nearly three-times that for Year 12 completers. More than one-quarter (28.4 per cent) of those unemployed in their first post-school year — 17 per cent of the early leaver cohort — remained unemployed in 2006. The unemployment rate in 2006 for the early leaver cohort was 4.5 times that of the Year 12 completers (12.9 per cent as against 2.9 per cent).

Results from the 2004 cohort

Withdrawal rates from apprenticeships vary by region

Results derived using the large sample of apprentices in the 2004 cohort (over 1600 apprentices) reveal that withdrawal rates across the first two years of apprenticeship training remain fairly low, about 13 per cent. However, the rates vary by region of Victoria. Generally the rates of withdrawal are lower in country areas of Victoria — 9 per cent compared to 15 per cent in city areas. But within these broad locations, rates can vary substantially, from as much as 30 per cent of apprentices in the southern suburbs of Melbourne to only 7 per cent in Gippsland.

Trainees who complete their training gain jobs

Full-time work is the main destination for school leavers who complete a traineeship. Approximately 30 per cent of trainees who completed their training were in full-time work in 2006, while a further 10 per cent, approximately, were in part-time work. Over 50 per cent entered other forms of education and training, including university (17 per cent of female trainees), middle and advanced-level VET study (8 per cent), another traineeship (24 per cent) and apprenticeships (11 per cent of male trainees). Very few were unemployed (4 per cent of male trainees, and 2 per cent of female trainees).

Completers of entry-level VET study happier with circumstances than those who don't complete

About 56 per cent of school leavers who entered an entry-level VET course (Certificate I, II or III) in 2005 had completed their certificate by the second post-school year (2006). A further 15.1 per cent had discontinued. School leavers who completed their entry-level VET course were more likely than those who did not complete their course to agree that things have worked out the way they wanted since leaving school (for example, 70 per cent of early school leavers who completed their VET course agreed with this view as against 50 per cent of those who did not complete). Completers are less likely to be unemployed, in part-time work or not in the labour force.

VCAL graduates engaged in study and training at similar rates to VCE graduates, though the type varies

For graduates not entering university study, at a similar stage, two years out from school, VCE graduates are in higher-level VET study (Certificate 4 or above) at a much higher rate than VCAL graduates. They also out-number VCAL graduates in entry-level VET and traineeships. However, VCAL graduates are almost three times as likely to obtain an apprenticeship. Similar proportions are in full-time work, though VCE graduates are far more often in part-time work. Unemployment is slightly higher among VCAL graduates.

If part-time work, unemployment and not being the labour force are treated as being in more marginal activities, reflecting young people not fully engaged in work or study, then there is little difference between VCE and VCAL graduates who do not enter university. About a third of VCAL graduates are in this situation, a rate slightly

above that for VCE graduates (2 percentage points). Unemployment is higher for VCAL graduates, but part-time work is higher for VCE graduates. The results of the next wave of the longitudinal study may shed more light on the relative outcomes.



Introduction

This report presents the 2006 results from the longitudinal survey undertaken as part of the Victorian *On Track* surveys 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 profiles of post-school transition that take into account the range of academic and vocational pathways that young people enter after leaving school.

While the annual surveys of school leavers are able to measure initial destinations and the extent to which young people enter tertiary education and work in their first post-school year, they do 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 several years, providing information on education, training and work activities and experiences that can help inform policy making around pathways planning.

The opportunities that young people have in the early years after leaving school, and the decisions they take, can have major implications for their long-term economic and social well being. 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.

On Track longitudinal contains two cohorts of young people, one that was based on school leavers from 2003 and another based on school leavers from 2004. The two cohorts contain different groups of young people, to provide detailed information on the experiences of

different school leavers making the transition from school to further study and work. For example, the 2003 cohort contains representative samples of early school leavers and Year 12 completers, young people in urban and those in rural areas, and those who engage in education and training in their first post-school year, and those who do not. The 2004 cohort includes more representative samples of apprentices and trainees, entry-level VET participants and Victorian Certificate of Applied Learning (VCAL) graduates.

The 2003 longitudinal cohort focuses on groups of early leavers and Year 12 completers and 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 aims 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 employment?
- How many school leavers entering study and training complete their post-school studies?
- Do young people who defer enrolment, ultimately 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?

A report was prepared on the activities of the 2003 cohort two years out from school and was published by the Victorian Department of Education in 2005. It is available at http://www.sofweb.vic.edu.au/voced/ontrack/pdfs/longitudinal_2005.pdf. The report also contains information on the characteristics of the cohort.

The 2004 cohort was designed to provide data on four categories of school leavers: those who completed the VCAL certificate in Year 12, those who were engaged in an apprenticeship, those in

a traineeship in their first post-school year, and those in campus-based entry-level VET (Certificate I, II or III) study in 2005. The sample structure used for this longitudinal cohort, with its focus on apprentices, trainees, entry-level VET students and VCAL graduates, allows the following sorts of questions to be addressed:

- What are the rates of completion and discontinuation of training contracts and entry-level VET courses among school leavers?
- Who is more likely to drop out of an apprenticeship, traineeship or entry-level VET course, and why?
- What happens to school leavers who complete a traineeship or basic VET course?
- What happens to school leavers who drop out of VET study or training?
- Where do VCAL graduates end up in the second year out of school, and how does this compare with VCE graduates?

The current report examines the activities and experiences of both the 2003 cohort of school leavers in the third year out from school, and the 2004 cohort in the second year out from school. It maps the experiences of the different groups of school leavers in the period between leaving secondary school and the interviews in 2006. Comparisons are made between the various categories of school leavers to identify the different 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 and 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.

→ **On Track longitudinal survey samples and design**

The longitudinal surveys were designed to provide information on the activities and experiences of different groups of school leavers, such as those in apprenticeships and traineeships or those in 'at-risk' categories including 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 estimates could be derived.

Table 1 presents the designed and achieved sample sizes. The first panel reports information on the 2003 school leaver cohort. The second panel provides information on the 2004 leaver cohort. The first column presents the proposed or base sample structures for the two longitudinal cohorts. For 2003, 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 sub groups. For 2004, the design was based around achieving representative samples of apprentices, trainees, entry-level VET participants and VCAL graduates.

Young people can enter a variety of pathways involving study and work once they leave school. The 2003 cohort is designed to provide estimates for two broad categories: (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, either entering full-time or part-time work, or experiencing unemployment and periods not in the labour force. The designed or base 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.

Table 1 *Designed and achieved samples for the longitudinal study: 2004 to 2006*

	Designed base sample		Designed sample for 2005		Achieved sample in 2004		Designed sample for 2006		Achieved sample in 2006	
	No.	%	No.	%	No.	%	No.	%	No.	%
2003 Cohort										
Region										
Metropolitan	2150	50.0	1720	50.0	2214	59.9	1548	50.0	1748	59.8
Non-metropolitan	2150	50.0	1720	50.0	1481	40.1	1548	50.0	1174	40.2
Year level										
Year 10	1032	24.0	826	24.0	682	18.5	743	24.0	493	16.9
Year 11	1204	28.0	963	28.0	892	24.1	867	28.0	658	22.5
Year 12	2064	48.0	1651	48.0	2121	57.4	1486	48.0	1771	60.6
Main initial activity										
Education and training	3010	70.0	2408	70.0	2107	57.0	2167	70.0	1694	58.0
Not in education and training	1290	30.0	1032	30.0	1588	43.0	929	30.0	1228	42.0
Total	4300	100.0	3440	100.0	3695	100.0	3096	100.0	2922	100.0
2004 cohort										
Category										
Apprentices	900						720	19.3	1696	40.8
Trainees	900						720	19.3	823	19.8
Entry-level VET	1800						1440	38.5	853	20.4
VCAL graduates	1070						856	22.9	789 [377] ^a	19.0
Total	4670						3736	100.0	3749	100.0

^aThe VCAL figure includes a number of respondents who were also included as apprentices, trainees or in entry-level VET. The figure in brackets represents the number of VCAL graduates not included in the other categories.

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.

Table 1 shows that the achieved sample in 2006 was larger than the designed sample in several categories: those who were living in metropolitan areas in 2003, Year 12 completers, and those who were not in education and training in their first post-school year. The achieved samples were lower than the designed rates for early school leavers (Year 10, Year 11), those who were living in non-metropolitan areas in 2003, and those who were in education and training in 2004.

For the 2004 cohort, sufficient numbers were achieved to meet the needs of the survey design,

and in some categories the numbers were exceeded significantly (for example, apprentices). The last column in Table 1 presents the achieved sample in 2006 by category of school leaver. The achieved sample in 2006 shows that the number of apprentices is much larger than the target number — 1696 achieved interviews as against a target number of 720. The number of leavers in the achieved traineeship sample was also greater than the target sample size (823 achieved compared to a target of 720).

The target sample sizes for 2006 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 2005 and 2006, and a further loss of 10 per cent annually thereafter. In 2006, the sample size is slightly larger than required based on these assumptions. A 20 per cent loss of the target sample would produce a 2006 designed sample of 3736. The achieved sample is 3749.

Table 1 shows that for the 2003 cohort attrition rates between 2005 and 2006 varied from 16.5 per cent for Year 12 leavers to 27.7 per cent for Year 10 leavers. These patterns of attrition are consistent with those achieved in other longitudinal surveys of young people which tend to show higher levels of sample loss among low achievers and early school leavers (for example, see Marks and Long, 2000, for an account of sample attrition in the Longitudinal Surveys of Australian Youth)¹. To address the differential attrition it is necessary to calculate weights which

are built to the base (original) sample design. All of the estimates presented in this report have been weighted to account for differential attrition.

→ Characteristics of the 2004 longitudinal cohort

Table 2 presents the characteristics of the 2006 sample of the 2004 longitudinal cohort. The attributes are provided for all respondents as well as for each of the main program and education and training categories. Year 12 VCAL graduates may also be included as apprentices, trainees or in entry-level VET. For this reason two sets of figures are provided for the VCAL sample: VCAL graduates only and in brackets, the total number of VCAL graduates including those in the other categories.

Table 2 The 2004 longitudinal survey cohort, by selected characteristics (%)

	Apprenticeship		Traineeship		Entry-level VET		VCAL graduate		All
School attainment	N	%	N	%	N	%	N	%	N
Year 12 completer	1203	70.9	772	93.8	411	48.2	377 [789] ^a	100	2763
Early leaver	493	29.1	51	6.2	442	51.8			986
Total	1696	100.0	823	100.0	853	100.0	377 [789] ^a		3749
Gender									
Males	1429	84.3	313	38.0	530	62.1	216 [527] ^a	57.3	2488
Females	267	15.7	510	62.0	323	37.9	161 [262] ^a	42.7	1261
Total	1696	100.0	823	100.0	853	100.0	377 [789] ^a	100	3749
Achievement (GAT) quartile*									
Lowest	372	50.3	204	36.1	132	53.7			708
Lower-mid	213	28.8	199	35.2	68	27.6			480
Upper-mid	126	17.0	114	20.2	40	16.3			280
Highest	29	3.9	48	8.5	6	2.4			83
Total	740	100.0	565	100.0	246	100.0			1551
School Certificate type*									
VCE	952	79.1	730	94.6	292	71.0			1974
VCAL	251	20.9	42	5.4	119	29.0	377 [789] ^a		789
Total	1203	100.0	772	100.0	411	100.0	377 [789] ^a	100	2763
Location									
Metropolitan	980	58.2	416	50.7	556	65.3	220 [452] ^a	58.4	2172
Non-metropolitan	705	41.8	404	49.3	296	34.7	157 [337] ^a	41.6	1562
Total	1685	100.0	820	100.0	852	100.0	377 [789] ^a	100	3734

^a The VCAL figure excludes respondents who were apprentices, trainees or in entry-level VET. The figure in brackets represents the total number of VCAL graduates including those in the other categories.

* Year 12 students only

1. Marks, G & Long, M (2000) Weighting the 1995 Year 9 cohort sample for differential response rates and sample attrition. Technical report No. 15. ACER: Melbourne.

Approximately 71 per cent of those in apprenticeships in their first post-school year had completed Year 12. Among trainees, however, the rate was much higher — 93.8 per cent. The trainee sample also comprises more female school leavers (62 per cent) than male leavers (38 per cent), whereas the apprentices sample comprises more males (84.3 per cent), consistent with national patterns of gender differences in apprenticeship participation (NCVER, 2004).² Trainees are drawn fairly evenly from rural and from metropolitan locations, while apprentices are more often from metropolitan centres.

The entry-level VET sample has roughly equal numbers of Year 12 completers (48.2 per cent) and early school leavers (51.8 per cent), though it comprises more males (62.1 per cent) than females (37.9 per cent). It is also drawn more heavily from young people living in city areas (65.3 per cent of the entry-level sample).

The General Achievement Test (GAT) achievement profile (quintiles) for apprentices, trainees and entry-level VET participants suggest that these groups are more often lower academic achievers. The achievement profile applies only to the Year 12 leavers and is based on GAT results. GAT is a test of general knowledge and skills in written communication, mathematics, science and technology. The profiles suggest that apprentices and entry-level VET participants, in particular, were more often lower achievers, as assessed by GAT performance.

→ Structure of the report

The report is divided into two parts. Part A reports on the 2003 longitudinal cohort of school leavers. Part B reports on the 2004 longitudinal cohort.

Part A contains two chapters. Chapter 1 examines the pathways of Year 12 completers. It looks at what happens to those who obtained VCE during their first two post-school years. How many who entered university in 2004 dropped out of study and why? What happened in 2006 to those who deferred study in 2004? Did they return to study or take up the places they had deferred entering?

Chapter 2 presents information on the pathways of early school leavers. The analyses are based on looking at what happens to early school leavers between 2004 and 2006. 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 gain employment or enter higher certificate courses?

Part B contains four chapters. Chapter 3 presents information on the 2004 cohort of apprentices. It reports on the status of apprentices in 2006, including those who continued into the second year of their apprenticeship as well as those who dropped out. Reasons for dropping out and the current activities of those no longer in apprenticeships are reported.

Chapter 4 presents information on the status of trainees in 2006, including those who completed, those who dropped out and those who are continuing. Reasons for dropping out and the current activities of those no longer in traineeships are reported. With many traineeships able to be completed within a twelve-month period, it is of particular interest to examine the destinations of the trainees from the 2004 cohort because by 2006 many should have completed.

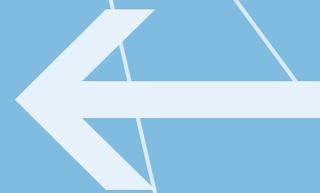
The entry-level VET sample in *On-Track longitudinal* comprises a roughly equal number of early school leavers and Year 12 completers who entered entry-level VET courses in their first post-school year. Chapter 5 presents information on the status and activities of this group, including those who continued in study, those who completed as well as those who dropped out. Reasons for dropping out and the current activities of those no longer in study are reported.

The Victorian Certificate of Applied Learning (VCAL) was introduced in 2002 as an accredited senior year certificate that provides an alternative to the Victorian Certificate of Education. VCAL offers a more practical or hands-on option for students in Years 11 and 12. The 2004 *On Track longitudinal* cohort included a sample of VCAL graduates. Chapter 6 presents information on the status of the VCAL graduates in 2006, in the second year after leaving school. It reports on the main activities of this group over the two years and compares them against VCE graduates at a similar stage.

Chapter 7 is the concluding chapter and draws the main themes and findings of the report together, giving consideration to the policy implications of the results.

2. NCVER (2004) Australian Vocational education and training statistics: Trends in 'traditional apprenticeships'. Adelaide: NCVER.

Part A:



The 2003 cohort of school leavers

chapter

1

Pathways for Year 12 Completers

This Chapter presents some of the key findings on pathways for Year 12 completers based on the 2006 results from *On Track longitudinal*. It begins with a broad outline of the main activities of school leavers in 2004, 2005 and 2006. The changes in activities across those years are then presented separately for different groups of Year 12 completers:

- those who entered university on leaving school,
- those who were offered a further study place but deferred taking up their offer,
- those who took up entry-level VET study, those who entered more advanced VET courses (Certificate IV and above),
- those who took up an apprenticeship or traineeship
- those who entered either full-time or part-time work without study, and
- those who initially were unemployed or not in the labour force.

→ Main activities in 2006

An overview of the destinations in 2006 of the cohort of students who completed Year 12 in 2003 is presented in Table 1.1. The destinations are shown for different groups of school completers identified on the basis of their main activity in 2004, their initial post-school year.

The first panel presents row percentages, which are the percentages relative to the 2004 main activity. That is, taking the first percentage, of the Year 12 completers who entered university in their first post-school year (2004), 83.3 per cent were still attending university in 2006. A further 5.3 per cent were no longer at university, but in full-time work. Similarly, of those gaining an apprenticeship in 2004, 86.8 per cent were still undertaking apprenticeship training in 2006. This was not the case for those who began in traineeships, however. As a shorter duration form

of training than traditional trade training, it would be expected for most to have completed their study by 2006. The figures suggest that most who began in a traineeship after leaving school were in full-time work (41.7 per cent), part-time work (15.3 per cent) or even university (11.1 per cent). Few were unemployed (1.1 per cent as against a cohort figure of 2.9 per cent) pointing to the value of traineeships as an avenue to work or other study.

The second panel presents the figures as column percentages, that is, the percentages expressed in terms of the 2006 main activity. Therefore, while 36.3 per cent of the cohort was undertaking a university course in 2006, 65.7 per cent of this group had been in university in 2004. A further 8.5 per cent of those in university in 2006 were enrolled in middle and advanced-level VET courses (certificate IV and above) in 2004. Over 14 per cent of the students enrolled in university in 2006 had originally deferred the take up of their course and were not in university in their first post-school year. Some students at university in 2006 had originally entered full-time work (2.7 per cent) or part-time work (3.0 per cent), in their first post-school year.

About 11 per cent of the original cohort was in an apprenticeship in 2006. Of this group, over a third (35 per cent) had entered apprenticeship training immediately on leaving school. However, 14.6 per cent of apprentices in 2006 were those who were unemployed in 2004, while a further 10 per cent had been in entry-level VET, 13.7 per cent in part-time work and 12.4 per cent in full-time work.

Approximately 3 per cent of the cohort was unemployed in 2006. Over one-quarter of this group (29 per cent) was also unemployed in 2004. A further 40 per cent had entered VET study (entry-level and middle and advanced-level courses) on leaving school.

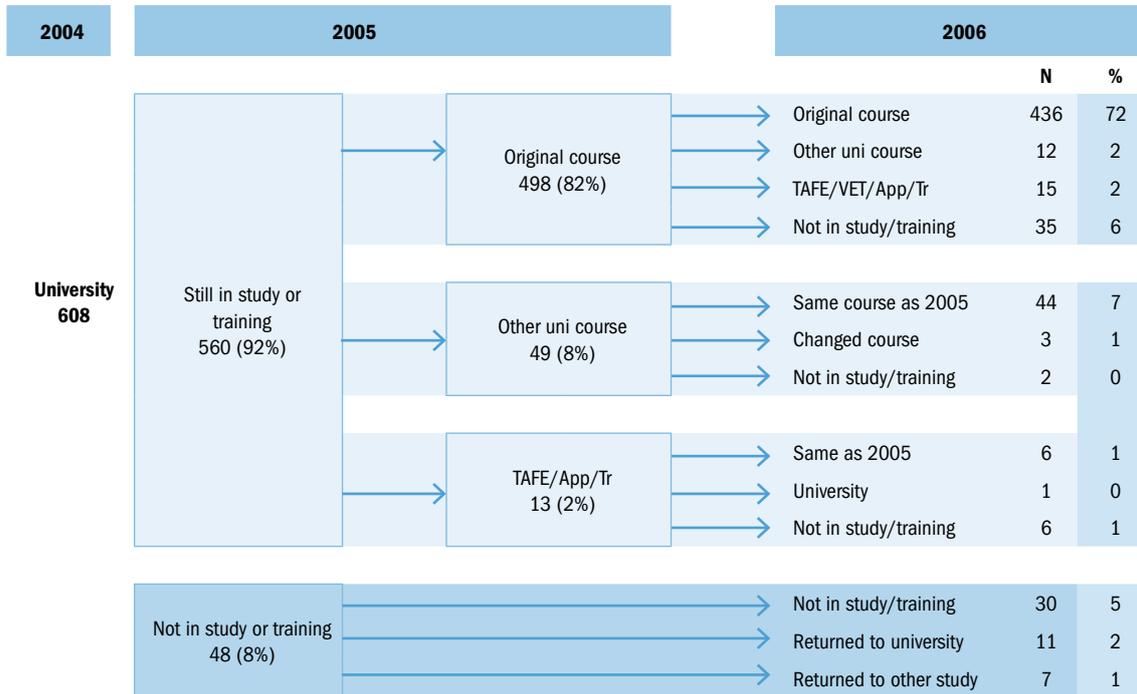
Table 1.1 Year 12 completers: activities in 2006

Activity in 2004	Main activity in 2006									Total
	University	VET Cert IV+	VET Entry-level	Apprentice	Trainee	Full-time work	Part-time work	Unemployed	Not in the labour force	
	Row percentages (percentage based on 2004 activity)									
University	83.3	2.1	0.3	0.5	1.5	5.3	5.3	0.8	1.0	100.0
VET Cert 4+	22.4	22.0	0.3	4.1	4.1	22.0	20.3	4.4	0.3	100.0
Entry-level VET	16.0	6.5	17.2	13.6	3.0	18.3	16.0	7.1	2.4	100.0
Apprenticeship	1.1	1.1	2.2	86.8	2.2	4.4	1.1	1.1	0.0	100.0
Traineeship	11.1	6.9	1.4	5.6	15.3	41.7	15.3	1.4	1.4	100.0
Working full-time	10.4	9.5	2.0	13.9	5.0	44.8	11.4	2.5	0.5	100.0
Working part-time	8.3	8.0	3.6	11.2	11.6	31.9	22.5	1.4	1.4	100.0
Unemployed	5.3	10.7	3.2	17.6	7.5	21.4	21.9	9.6	2.7	100.0
Deferred	48.7	9.8	2.2	5.8	4.9	17.0	8.9	1.3	1.3	100.0
Total	36.3	8.4	2.8	10.6	5.0	19.7	13.0	2.9	1.2	100.0
	Column percentages (percentage based on 2006 activity)									
University	65.7	7.3	3.3	1.3	8.5	7.7	11.6	8.1	24.0	28.7
VET Cert4+	8.5	36.5	1.7	5.3	11.3	15.6	21.7	21.0	4.0	13.9
Entry-level VET	3.5	6.2	48.3	10.2	4.7	7.4	9.7	19.4	16.0	8.0
Apprentice	0.1	0.6	3.3	35.0	1.9	1.0	0.4	1.6	0.0	4.3
Trainee	1.0	2.8	1.7	1.8	10.4	7.2	4.0	1.6	4.0	3.4
Working full-time	2.7	10.7	6.7	12.4	9.4	21.5	8.3	8.1	4.0	9.5
Working part-time	3.0	12.4	16.7	13.7	30.2	21.1	22.4	6.5	16.0	13.0
Unemployed	1.3	11.2	10.0	14.6	13.2	9.6	14.8	29.0	20.0	8.8
Deferred	14.1	12.4	8.3	5.8	10.4	9.1	7.2	4.8	12.0	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

→ University students

Figure 1.1 displays the main activities between 2004 and 2006 of the group of young people who left school in 2003 and began study at university in 2004. It shows that almost three in four (72 per cent) Year 12 completers in the longitudinal survey who were at university in their first year after school were still studying their original course at university in 2006.

Figure 1.1 Progress of 2003 Year 12 completers who enrolled in university in 2004



Some students remain in university, but change their course of study. Estimates from the longitudinal cohort suggest that over three years this involves about 10 per cent of school leavers entering university study. About two per cent of the original group changed study in the third year (2006). A further 7 per cent changed their course in the second year (2005) and remained in their new course in 2006. Approximately one per cent changed course in 2005 and changed course again in 2006, suggesting some milling and churning while trying to find a course of study to suit their needs.

Other students take up study in other sectors, such as in the VET sector, abandoning their original university course. This involved approximately 2 per cent of the university group in the second year (2005). By the third year (2006), it involved a further 2 per cent. This suggests that over a three-year period, about 4 per cent of school leavers entering university move to VET study without having completed their university course.

Some students entering university on leaving school abandon study and training altogether before having completed their initial course. Estimates from the longitudinal cohort survey suggest that this involves approximately 12 per cent of the Year 12 students who enter university after completing school. Of the twelve per cent not in education or training in 2006, five per cent

had left university prior to being surveyed in 2005 and had not returned, while most of the remainder had left university after more than a year in the course they began in 2004. Approximately half of these have deferred or taken a leave of absence from their study, and presumably some may return. About a quarter of university students who were not studying in 2005 returned to university in 2006 (and a further 15 per cent entered some other form of education or training).

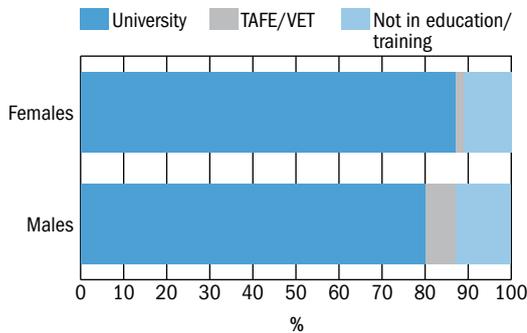
Variation in university continuation rates

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 sub-groups.

Gender

Figure 1.2 shows the rates of continuation in university study from 2004 to 2006. It shows that females were more likely than males to have remained at university, but males who left university were more likely to go into another form of study or training, such as an apprenticeship or other VET study.

Figure 1.2 Activities in 2006 of those who began in university in 2004, by gender (%)

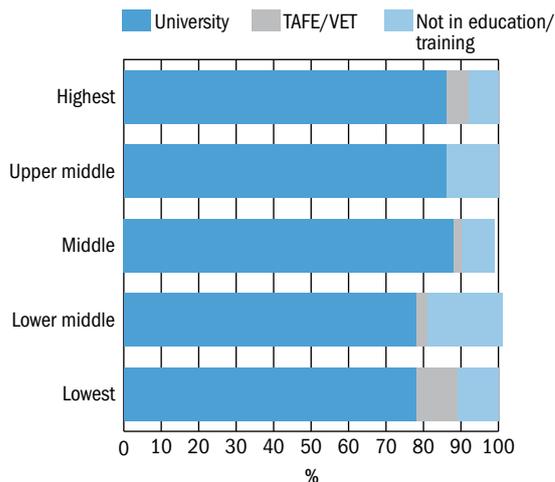


Similar proportions of males and females who were at university in 2004 had not completed their course and were not in education or training in 2006.

Socio-economic status (SES)

Figure 1.3 shows that students from less affluent backgrounds were more likely to withdraw from university study than those from more affluent origins. About 78 per cent from the lowest SES band were still studying at university in 2006, compared with 86 per cent of the highest SES band. Many of those from low SES origins who withdrew from university study entered some other form of study or training (11 per cent).

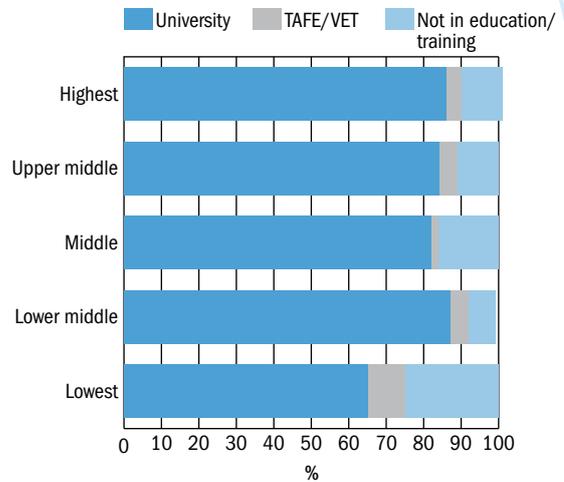
Figure 1.3 Activities in 2006 of those who began in university in 2004, by SES bands (%)



Achievement level

Attrition from university study was highest amongst students who were from the lowest achievement quartile, 35 per cent of whom were not in any study or training in 2006. Just on one-quarter of this group were no longer in university study and not participating in any other form of study or training.

Figure 1.4 Activities in 2006 of those who began in university in 2004, by achievement level (measured by GAT) (%)



→ Deferrers in 2004

There has been interest in the issue of deferral of study among young people and the growth of this group in 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. *On Track longitudinal 2003* 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.

Figure 1.5 presents the main activities of the deferrers over the first three post-school years. It shows that 54 per cent of Year 12 completers who had deferred a tertiary place in 2004 took up the offer in 2005. A further 18 per cent entered some other form of study or training, but not the course of offer that they deferred taking up.

In 2006, many remained in study. Approximately one in three initial deferrers took up their original offer of university study and remained in that course from 2005 to 2006. A further 10 per cent were in university study but not in the course that they deferred.

About one fifth of those deferrers who returned to study in 2005 were not in study or training in 2006 (13 per cent of all deferrers), contributing to an overall 29 per cent of deferrers not in any study or training in 2006. The remainder of this group is deferrers who did not return to study in 2005.

A small number of young people who deferred tertiary study and had not returned to study or training in 2005 ended up back in study or training in 2006. A quarter of this group (3 per cent of all deferrers) took up their original offer in 2006 rather than 2005.

Figure 1.5 Progress of 2003 Year 12 completers who deferred taking up the initial offer of study

2004	2005	2006	N=	%	
Deferred 224	In study or training 162 (72%) (original offer 121 (54%)) (other study 41 (18%))	In study or training 132 (59%)	University	98	44
			TAFE/VET/App/Training	34	15
	Not in study or training 30 (13%)				13
Not in study or training 62 (28%)	In study or training 27 (12%)	Original offer	6	3	
		Other study	21	9	
	Not in study or training 35 (16%)				16

→ VET students

Certificate IV and above

Figure 1.6 presents the main activities of school completers who initially entered middle or advanced level VET courses. It shows that most Year 12 completers who were studying a middle or advanced level VET course (at the level of Certificate IV or higher) in 2004 were no longer enrolled in the same course in 2006. This is expected given the shorter duration of these courses compared with university degrees. Nine in ten of those who were in study in 2005, enrolled in the same VET course as in 2004, reported that they had completed that course. This equates to 50 per cent of the Year 12 completers who enter middle and higher-level VET courses. That is, half of all Year 12 leavers who take up an offer in middle and higher level VET complete that course within two years. A further 14 per cent were still in study in their original course in 2006, three years out from school.

Participation in middle and higher-level VET can be a stepping stone to university. Just over half of the Year 12 completers who were studying middle-level VET in the first year after leaving school remain in education or training in 2006. More than a fifth of those who were studying a VET Certificate IV, Diploma or Advanced Diploma in 2004 were enrolled in a degree course at university in 2006. Almost two-thirds of these did so after completing the VET course in which they were originally enrolled, demonstrating the usefulness of VET as a stepping stone to higher education for some young people.

Some students remain in VET study, but change their course of study. Estimates from the

longitudinal cohort suggest that two years out from school (2005) this involved 11 per cent of those who entered middle and advanced-level VET study after leaving school. Some of this group that changed their VET course did so again in 2006 (2 per cent).

For those who have left the VET sector for the workforce, the labour market provided full-time work for 46 per cent and part-time or casual work for 43 per cent, with the remainder continuing to look for a job.

Those who were not in education or training in 2005 were somewhat more likely to be in full-time work than those who left study more recently, in 2006, (53 per cent compared to 43 per cent), but they are also more likely to be unemployed (13 per cent compared to 8 per cent), possibly reflecting a greater rate of non-completion of their study.

Entry-level VET

Year 12 completers who entered entry-level VET study (Certificate I, II or III or unspecified) in 2004 can find themselves in a wide variety of destinations two years later.

Figure 1.7 shows that one quarter had left education and training by the time of the 2005 survey and remained in the workforce and not in education or training in 2006.

Just over half (56 per cent) of the original group were in some form of education or training in 2006 – with some having left in 2005 and since returned, and others having been in study or training at every point of contact since leaving school.

Figure 1.6 Progress of 2003 Year 12 completers who initially entered middle or advanced-level VET study

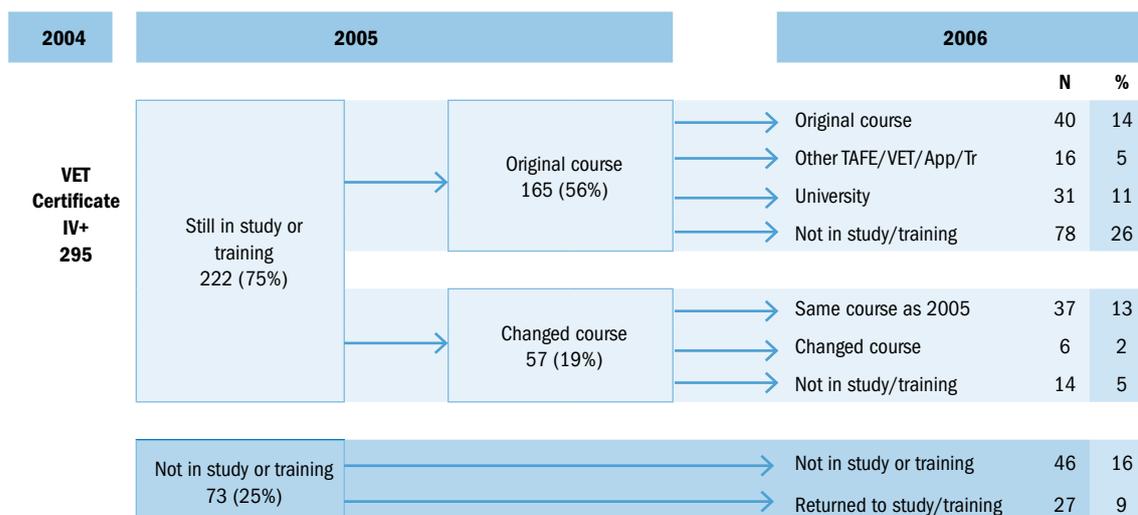
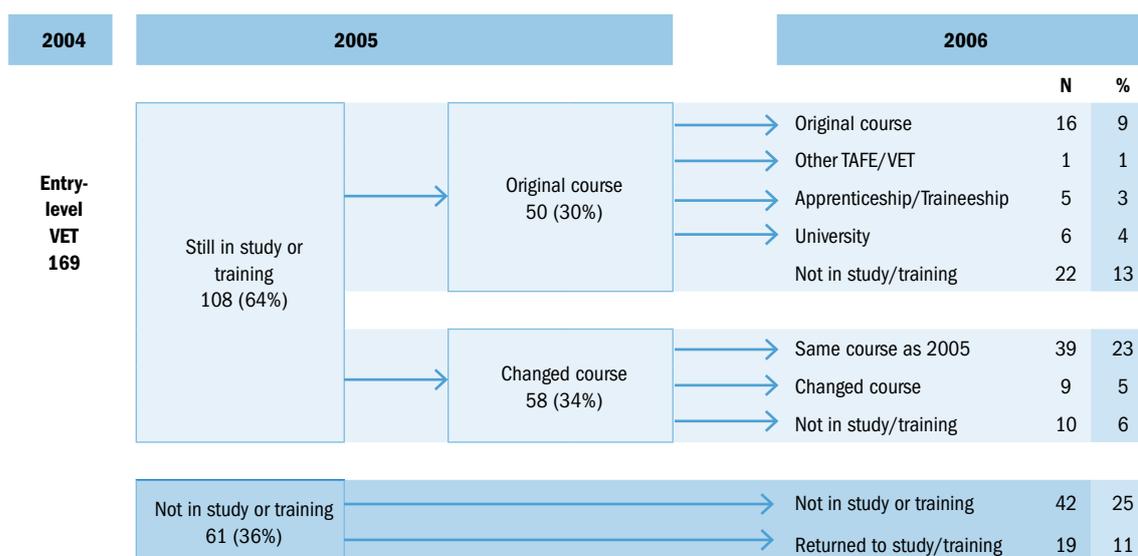


Figure 1.7 Progress of 2003 Year 12 completers who initially were in entry-level VET



The remaining 19 per cent were in some form of education or training in 2005, but in 2006 were working or looking for work and not doing any further study.

Those who were not in education or training in 2005 or 2006 were much more likely to be in full-time employment than were those who had only recently left study.

→ Apprentices and trainees

Apprentices

Of all the destination subgroups from 2004, it was the apprentices that were most stable in terms of remaining in education or training. Figure 1.8 shows that 84 per cent of survey respondents who were apprentices in 2004 had remained in their original apprenticeship through to 2006. Of course, some caution is needed with these figures. The sampling design for the longitudinal study of the 2003 cohort did not have a focus on apprenticeships, and consequently the estimates of continuation may not be accurate of

all apprentices including younger age groups (with less schooling) and older individuals (also with less schooling). However, putting this aside, the continuation rates do suggest that there is a high rate of perseverance in apprenticeship study for Year 12 completers.

The extent of withdrawal from apprenticeships by Year 12 completers is lower than for any other form of education and training. Of those who withdraw from their original indenture, many take up other forms of study or training. This applied to 9 per cent of the original group of apprentices, some of whom entered other apprenticeships or another form of study or training.

Most of the remaining number of apprentices from 2004 had left their training by the time of the 2005 survey and remained in the workforce either in full-time or part-time work or looking for a job and were not in any form of education or training in 2006.

At least for the apprentices in the survey, the low rate of attrition from apprenticeships drops even further once they make it into the second year of their training contract. While 12 per cent of the original group either left study altogether or changed to another form of education and training in 2005, the rate was only 4 per cent from 2005 to 2006.

Trainees

Traineeships are generally of much shorter duration than apprenticeships. Many involve 12 months of training. For this reason, we would expect to see considerable change in activities over the period from 2004 to 2006. These are displayed in Figure 1.9. The number of trainees in the original sample is small (72 in 2004). It means that the estimates need to be treated with some caution.

Sixty per cent of Year 12 completers in the survey who were trainees in 2004 were in the workforce and no longer in education or training in 2006. Of these, seven in ten were employed full-time.

Further analysis reveals that 56 per cent of the trainees had completed successfully their study by 2005. A further 19 per cent completed their original study by 2006. It means that over the three-year period from 2004, 75 per cent of trainees who had entered their study after completing Year 12 completed their traineeship. A further 19 per cent withdrew from their traineeship without having completed their course. The small remaining number — 6 per cent — were still enrolled as trainees in 2006 in the course they commenced in 2004.

Figure 1.8 Progress of 2003 Year 12 completers who were initially apprentices

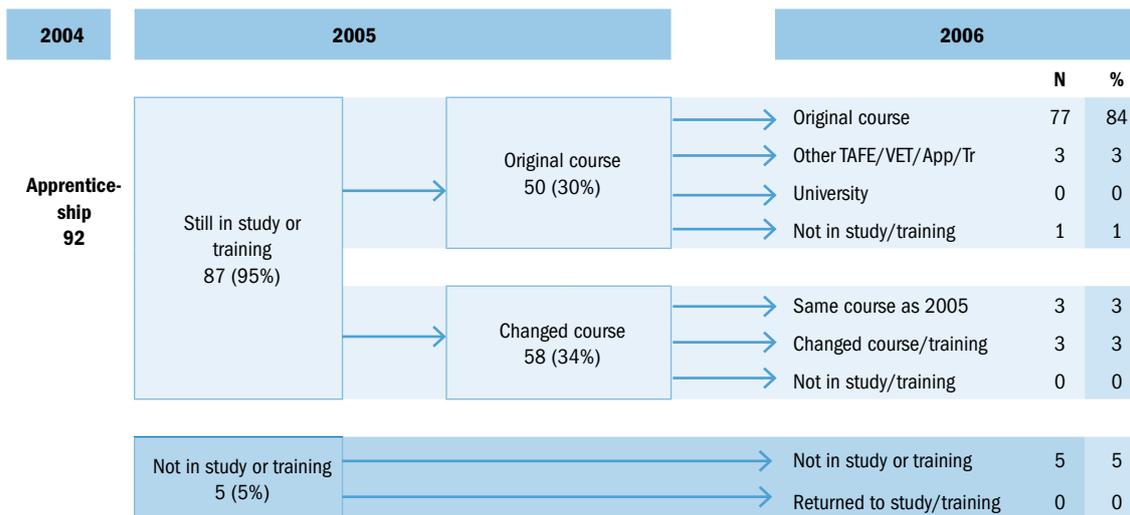
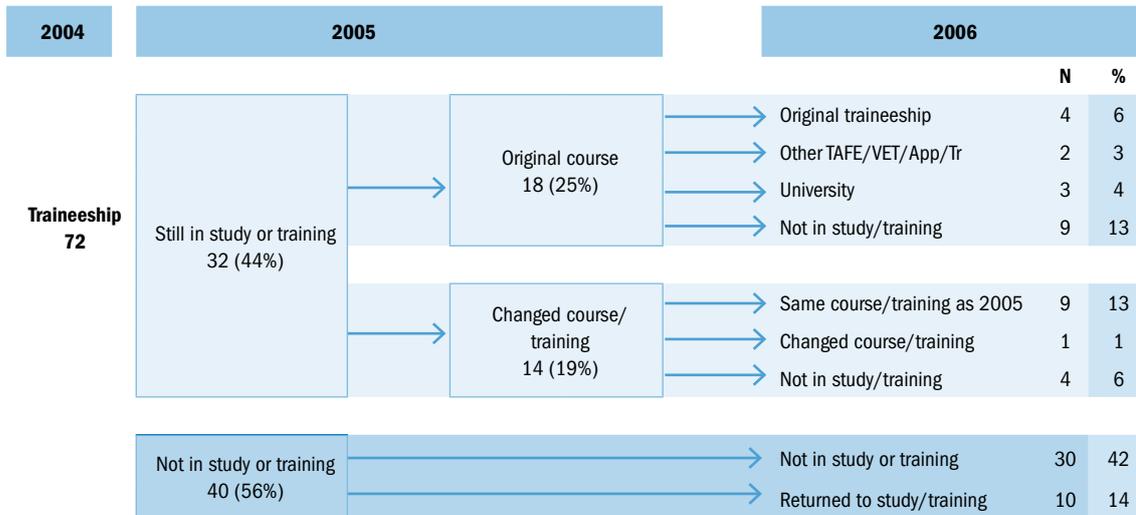


Figure 1.9 Progress of 2003 Year 12 completers who were initially trainees



→ Year 12 completers initially in work

Full-time work

Some Year 12 completers enter the workforce and get a full-time job in the first year after leaving school without doing further education or training. There were 201 of these young people in the 2003 cohort of *On-track longitudinal*. Their experiences between 2004 and 2006 are presented in Figure 1.10. The results show that 39 per cent remained in work across the whole period, without engaging in any further education and training.

Some young people who leave school and get full-time jobs do re-engage in study over time. In the second post-school year (2005), 5 per cent had taken up a university place, while 19 per cent obtained an apprenticeship or traineeship. A further 11 per cent entered other forms of VET study.

In the third post-school year (2006), 19 per cent of those initially in full-time work entered study or training for the first time. Most of this group had been in employment in the previous year, though a few had been unemployed in 2005.

Together the results show that 59 per cent of surveyed Year 12 completers who were in full-time employment and not in education or training in 2004 were not in education or training in 2006. This includes 45 per cent of the original group of full-time workers who were not in education or training in 2005 either.

The other 41 per cent were engaged in study or training in 2006, with most in VET study or in

apprenticeships and traineeships. The time they spend fully engaged in the workforce is reflected in their uptake of vocationally-oriented study and training options – just under half were engaged in an employment-based training contract and 28 per cent were enrolled in campus-based VET courses (most at Certificate IV level or higher). The remaining quarter was studying at university.

One third of those who were working full-time in 2004 and not in education or training in 2005 were engaged in study or employment-based training in 2006.

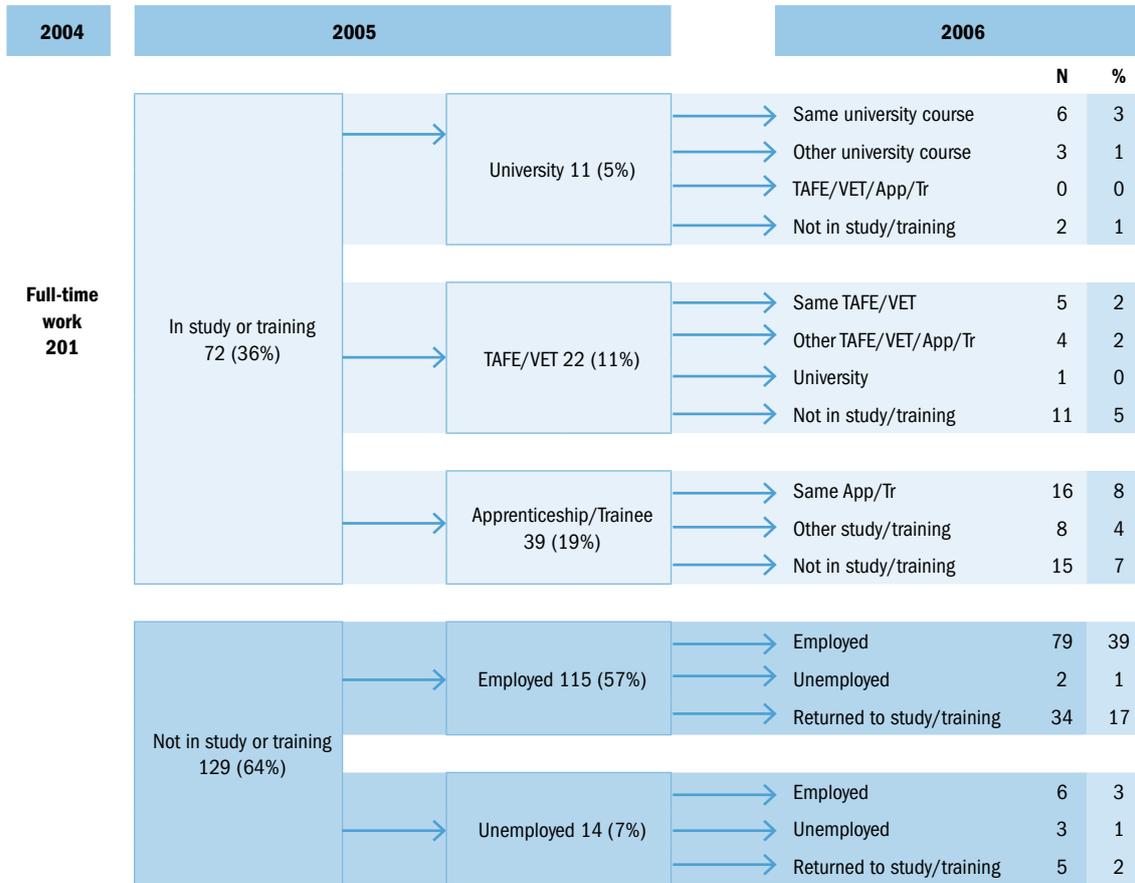
Part-time work

Part-time work is also an important avenue for young people making the transition from school to work and further education. Figure 1.11 presents the main activities of the group of Year 12 completers whose main activity in the first post-school year (2004) was part-time work. This group comprised 275 Year 12 completers. Those making up this group were not engaged in any education or training at the time of being surveyed in 2004.

Less than half of the Year 12 completers who were in part-time work in 2004 were engaged in any form of education or training in 2006. Most of those who were had taken up study or training in 2005, though some 13 per cent of those in part-time work in 2004 and not in education or training in 2005 had made a more recent return to study or employment-based training.

The majority of those who returned to education in 2005 were still engaged in some form of study or training in 2006, and more often than not they were still completing the same course or training contract as in 2005.

Figure 1.10 Progress of 2003 Year 12 completers who were initially in full-time work



→ Unemployment

Some young people can struggle in making the transition from school to work and remain unemployed or not engaged in work, study or training. Initial periods of unemployment can have lasting effects. For this reason it is important to examine the experiences of those who leave school and experience unemployment in their first initial post-school years. There were 185 Year 12 completers in the longitudinal sample who were unemployed in their first post-school year. Their activities over the following two years are displayed in Figure 1.12.

The patterns show that 15 per cent of the original group remained unemployed the following year — in 2005. Some of this group remained unemployed for all three years, from 2004 to 2006. This amounted to 6 per cent of the whole group. A further 3 per cent were unemployed in 2004 and 2006. It means that about one in ten experienced long term unemployment over the three years.

Many of those initially unemployed do engage in some form of study or training. Almost two-thirds of the whole group (62 per cent)

participated in some form of further education and training in 2005 or 2006. For 5 per cent this was at university. For the remainder it was in apprenticeships, traineeships or other VET study.

The duration of this study or training can be short, though. Fifty-seven per cent of the Year 12 completers who were unemployed in 2004 remained in the labour market and were not in education or training in 2006. About a third of these were engaged in study or training in 2005, but the remainder have not been in any education or training at any of the three survey times.

Figure 1.11 Progress of 2003 Year 12 completers who were initially in part-time work

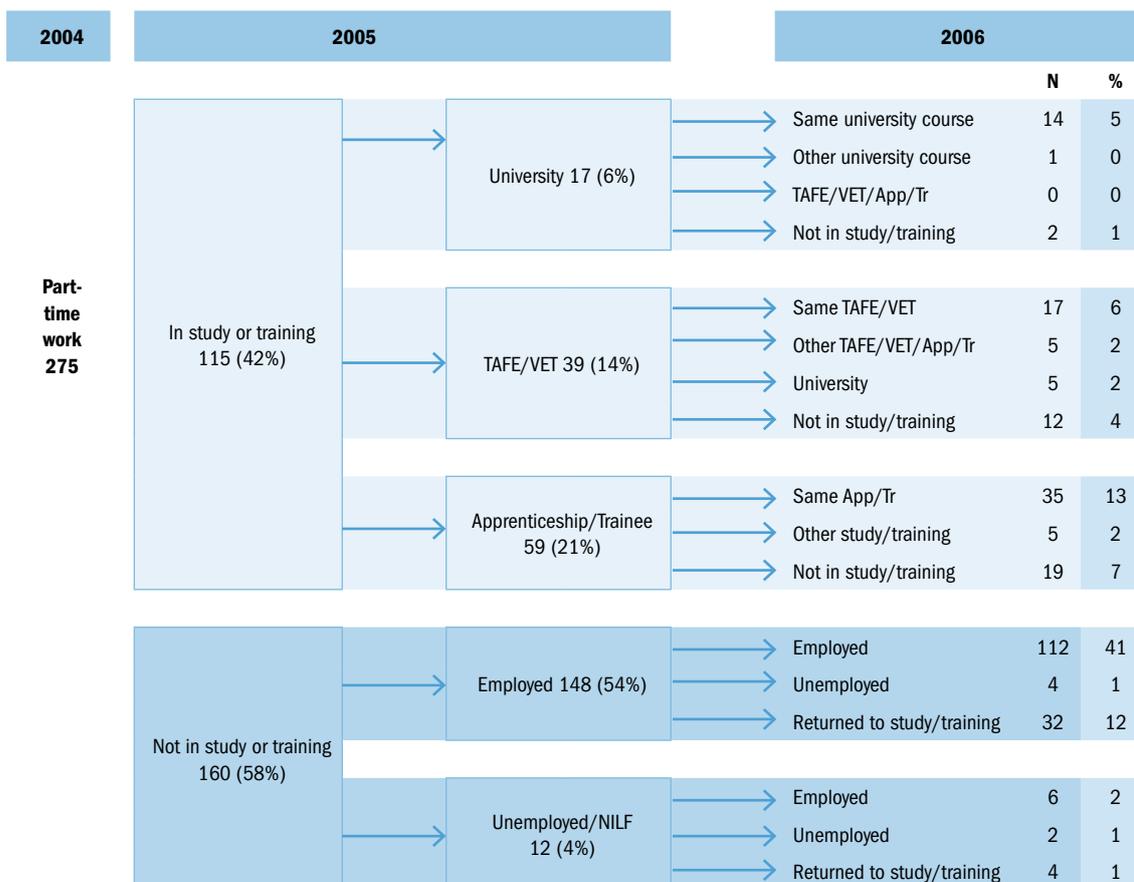


Figure 1.12 Progress of 2003 Year 12 completers who were initially unemployed

2004	2005	2006	N	%	
Unemployed 185	In study or training 87 (47%)	University 7 (4%)	Same university course	5	3
			Other university course	1	1
			TAFE/VET/App/Tr	0	0
			Not in study/training	1	1
	TAFE/VET 40 (22%)	Same TAFE/VET	14	8	
		Other TAFE/VET/App/Tr	7	4	
		University	1	1	
		Not in study/training	18	10	
	Apprenticeship/Trainee 40 (22%)	Same App/Tr	22	12	
		Other study/training	4	2	
		Not in study/training	14	8	
	Not in study or training 98 (53%)	Employed 70 (38%)	Employed	41	22
			Unemployed	6	3
Returned to study/training			23	12	
Unemployed/NILF 28 (15%)		Employed	12	6	
		Unemployed	11	6	
		Returned to study/training	5	3	

Early school leavers

This Chapter presents some of the key findings on pathways for early school leavers based on the 2006 results from *On Track longitudinal*. Early leavers comprise those who left school before Year 12 without having completed VCE or VCAL. They are grouped in this chapter according to their main activity in 2004, at the time of their first *On Track* contact:

- apprentices,
- trainees,
- those in some other form of VET study,
- employment without further study or training, and
- unemployment.

The education and training pathways and destinations of each of these groups are outlined in the following sections of this chapter. The chapter begins with a broad outline of the main activities in 2006 of the early school leavers.

no longer doing their apprenticeship and were in full-time work. Similarly, of those working full-time in 2004, 41.5 per cent were still in full-time jobs in 2006, while a further 22.8 per cent had moved into an apprenticeship.

The second panel presents the figures as column percentages, that is, the percentages expressed in terms of the 2006 main activity. Therefore, of the unemployed in 2006, 24.1 per cent began in VET in 2004, 12.8 per cent had been working part-time, and 36.9 per cent were also unemployed at that time. Approximately 35 per cent of the early leavers were in apprenticeships in 2006, compared to 27.2 per cent in 2004. Of those in this form of training, 15.9 per cent had been in other forms of VET study in 2004, 12.6 per cent had been in work, either full-time or part-time, and 8.2 per cent had been unemployed.

→ Main activities in 2006

Table 2.1 provides an overview, for all early school leavers in the longitudinal sample who were contacted in 2004, of the major destination of each sub-group in 2006. In determining main activity or destination, participation in education and training has been given precedence over employment. Therefore, young people who were both in study or training and working were categorised as students, and the unemployed category excludes those who were looking for work but who were in study or training.

The first panel presents row percentages, which are the percentages based on the 2004 main activity. It shows that of the early leavers who took up an apprenticeship in their first post-school year (2004), 78.5 per cent were still engaged in that training in 2006. A further 9.3 per cent were

Table 2.1 Early school leavers: activities in 2006

Activity in 2004	Main activity in 2006									Total
	University	VET Cert IV+	VET Entry-level	Apprentice	Trainee	Full-time work	Part-time work	Unemployed	Not in the labour force	
	Row percentages (percentage based on 2004 activity)									
VET	1.4	4.7	9.4	24.0	5.2	18.8	19.1	13.5	3.9	100.0
Apprenticeship	0.0	0.7	0.9	78.5	0.9	9.3	4.4	4.0	1.2	100.0
Traineeship	0.0	1.3	5.1	10.1	15.2	32.9	20.3	12.7	2.5	100.0
Working full-time	0.0	2.3	1.2	22.8	7.6	41.5	14.0	9.4	1.2	100.0
Working part-time	0.5	1.4	3.2	13.8	8.8	29.0	24.4	12.0	6.9	100.0
Unemployed	0.4	2.3	5.7	17.0	5.3	16.3	16.7	28.4	8.0	100.0
NILF	3.8	3.8	13.5	5.8	0.0	13.5	19.2	19.2	21.2	100.0
Total	0.6	2.3	4.6	34.8	5.1	20.2	14.9	12.9	4.5	100.0
	Column percentages (percentage based on 2006 activity)									
VET	55.6	47.2	46.6	15.9	23.5	21.4	29.4	24.1	20.0	23.0
Apprenticeship	0.0	8.3	5.5	61.3	4.9	12.6	8.1	8.4	7.1	27.2
Traineeship	0.0	2.8	5.5	1.5	14.8	8.2	6.8	4.9	2.9	5.0
Working full-time	0.0	11.1	2.7	7.1	16.0	22.3	10.2	7.9	2.9	10.9
Working part-time	11.1	8.3	9.6	5.5	23.5	19.8	22.6	12.8	21.4	13.8
Unemployed	11.1	16.7	20.5	8.2	17.3	13.5	18.7	36.9	30.0	16.8
NILF	22.2	5.6	9.6	0.5	0.0	2.2	4.3	4.9	15.7	3.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

→ VET students in 2004

Of the early leaver survey respondents who left school in 2003, a sample of 363 young people who entered a VET destination in 2004 is included in this longitudinal study.

Figure 2.1 shows the destinations of this group through 2005 and 2006. Of this original group, just over half the early leavers who were studying a VET course in 2004 are now in the labour market and no longer in study or training. Of the 45 per cent who had completed or discontinued their VET study in 2005, most have not returned to study, but instead have remained in the workforce. Most who were still in study or training in 2005 remain so in 2006, typically still in VET, either as campus-based students, apprentices or trainees.

Of this group of early leavers who had been studying VET in 2004, 35 per cent were not in

education or training when contacted in either of 2005 or 2006.

Overall, 31 per cent of early leavers who were VET students in 2004 had, by 2006, completed a qualification since leaving school and remained in or returned to study or training, almost uniformly in the VET sector. Just on 57 per cent of VET students (in 2004) who have since completed a qualification were no longer studying or training in 2006 – 20 per cent were in full-time employment, 20 per cent in part-time or casual work, and the remaining 17 per cent either looking for work or not in the labour market. Of those who had not completed a qualification, half were in education or training in 2006, 19 per cent were unemployed or not in the labour market, and the remainder were split fairly evenly across full-time and part-time/casual work.

Figure 2.1 Progress of 2003 early school leavers who entered VET

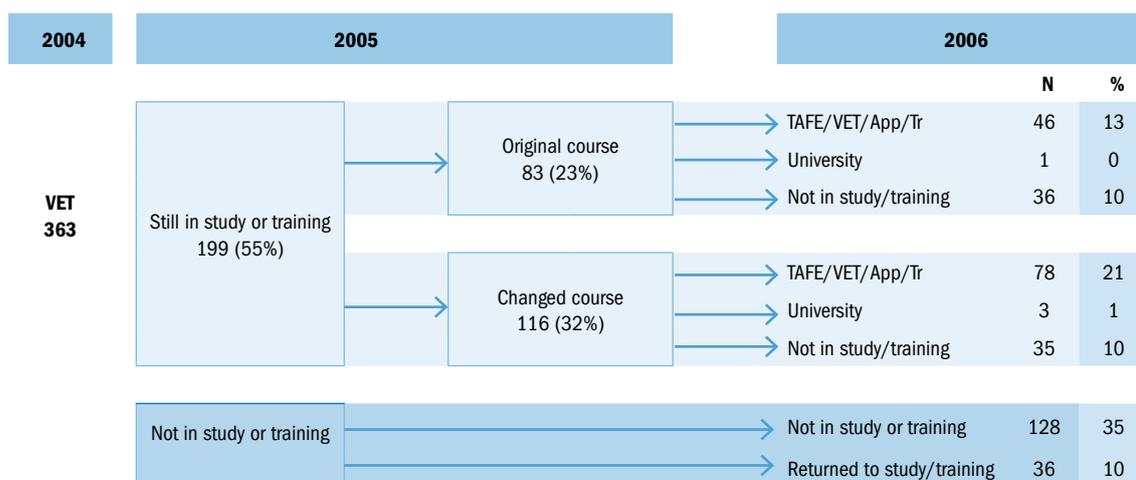
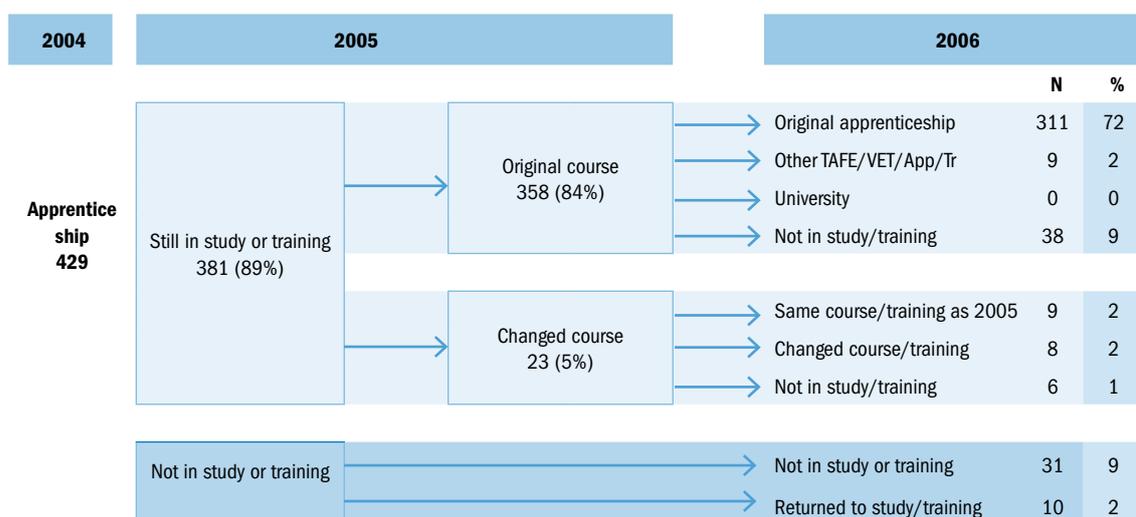


Figure 2.2 Progress of 2003 early school leavers who entered apprenticeships



→ Apprentices in 2004

Of the early leaver survey respondents who left school in 2003, a sample of 429 young people who became apprentices in 2004 is included in this longitudinal study. Figure 2.2 reports the destinations of these respondents across 2005 and 2006. Nearly three quarters (72 per cent) of the early leavers in this group were continuing in their original apprenticeship in 2006, reflecting the fact that apprenticeships are typically training contracts of three or four years.

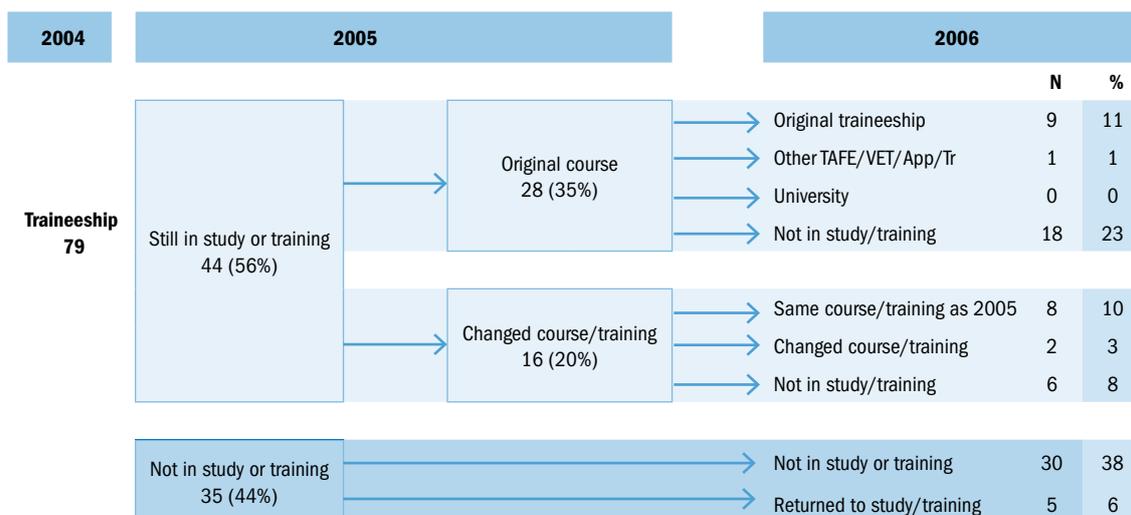
Nine per cent of the 2003 early leavers who entered an apprenticeship in 2004 discontinued their apprenticeship before the 2005 survey and were not in any form of study or training when surveyed in 2005 or in 2006. A further 9 per cent

were still involved in their original apprenticeship in 2005, but, by the time of the 2006 survey, were no longer in education or training. A further 5 per cent had changed their course in 2005, and of these 2 per cent continued in the course in 2006, 2 per cent changed again, and 1 per cent were no longer in education or training.

→ Trainees in 2004

Of the early leaver survey respondents who left school in 2003, a sample of 79 young people who became trainees in 2004 is included in this longitudinal study. The outcomes for this group over 2005 and 2006 are reported in Figure 2.3.

Figure 2.3 Progress of 2003 early school leavers who entered traineeships



Fewer than one-third of the early leavers who were trainees in 2004 are in education or training in 2006. Instead, the majority have moved into the labour market, with about half of those who are no longer in study or training now in full-time employment. Approximately one in five (19 per cent) of those no longer in study or training were unemployed in 2006.

→ Working full-time in 2004

Of the early leaver survey respondents who left school in 2003, a sample of 170 young people who entered the labour market as full-time workers in 2004 is included in this longitudinal study. The outcomes for this group over 2005 and 2006 are reported in Figure 2.4.

By 2005, about one-third of early leavers who had been in full-time employment and not in education or training in 2004 had returned to some form of study or training, most as apprentices or trainees but some in campus-based VET. A similar proportion was in study or training in 2006, though there had been some movement, such that some who had been employed in 2005 (and not in education or training) returned to study in 2006 and some who had been studying or training in 2005 had left study and returned to the workforce.

Of the original group who had been working full-time in 2004, one in ten had taken up study or training in 2005 and either completed or discontinued by the time of the 2006 survey. Similarly, 12 per cent who were working full-time in 2004 were not studying in 2005 but were enrolled in a course of study or engaged in a training contract when contacted in 2006.

Most early leavers who were full-time workers in 2004 and employed in 2005 were still employed in 2006, although a small number were unemployed.

→ Working part-time in 2004

Of the early leaver survey respondents who left school in 2003, a sample of 217 young people who entered the labour market as part-time workers in 2004 is included in this longitudinal study. The outcomes for this group over 2005 and 2006 are reported in Figure 2.5.

Nearly four in ten (37 per cent) of early leavers who were employed on a part-time basis in 2004 were found to be in the workforce and not to be engaged in education or training at either of the subsequent survey points in 2005 and 2006.

Only one in ten early leavers who were in part-time work in 2004 have been in an apprenticeship or traineeship over the period spanning the two contact points in 2005 and 2006, and only 2 per cent have been in TAFE/VET study over that same period.

Of the original group who were working part-time in 2004, 12 per cent have eventually returned to some form of education or training two years after leaving school early, even though they were not in study or training in 2005. This group is likely to include young people who were disillusioned with education after a negative school experience, but who have found their way back into a more suitable learning environment, and those who were drawn out of school by the prospect of employment, but then found that further study would improve their job prospects.

Figure 2.4 Progress of 2003 early school leavers who entered full-time work

2004	2005		2006		N	%
Full-time work 170	In study or training 56 (33%)	TAFE/VET 11 (6%)	→ Same TAFE/VET	1	1	
			→ Other TAFE/VET/App/Tr	3	2	
			→ University	0	0	
			→ Not in study/training	7	4	
	Apprenticeship/ Traineeship 45 (27%)	→ Same App/Tr	31	18		
		→ Other study/training	3	2		
		→ Not in study/training	11	6		
	Not in study or training 114 (67%)	Employed 99 (58%)	→ Employed	74	44	
→ Unemployed			6	4		
→ Returned to study/training			11	11		
Unemployed NILF 15 (9%)		→ Employed	9	5		
		→ Unemployed/NILF	5	3		
		→ Returned to study/training	2	1		

Figure 2.5 Progress of 2003 early school leavers who entered part-time work

2004	2005		2006		N	%
Part-time work 217	In study or training 71 (33%)	University 1 (1%)	→ Same university course	1	0	
			→ Other university course	0	0	
			→ TAFE/VET/App/Tr	0	0	
			→ Not in study/training	0	0	
	TAFE/VET 22 (10%)	→ Same TAFE/VET	4	2		
		→ Other TAFE/VET/App/Tr	1	0		
		→ University	0	0		
		→ Not in study/training	17	8		
	Apprenticeship/Trainee 48 (22%)	→ Same App/Tr	22	10		
		→ Other study/training	6	3		
		→ Not in study/training	20	9		
	Not in study or training 146 (67%)	Employed 106 (49%)	→ Employed	80	37	
→ Unemployed/NILF			9	4		
→ Returned to study/training			17	8		
Unemployed/NILF 40 (18%)		→ Employed	11	5		
		→ Unemployed/NILF	20	9		
		→ Returned to study/training	9	4		

Overall, however, it should be noted that 72 per cent of the original group were not in education or training in 2006, three years after leaving school.

→ Unemployed in 2004

Typically, early leavers are much more likely to experience unemployment upon leaving school than are school completers, so it is important to examine the longer term outcomes of early leavers found to be unemployed upon exiting school. Of the early leaver survey respondents who left school in 2003, a sample of 264 young people who entered the labour market but were unemployed in 2004 is included in this longitudinal study. The outcomes for this group over 2005 and 2006 are reported in Figure 2.6.

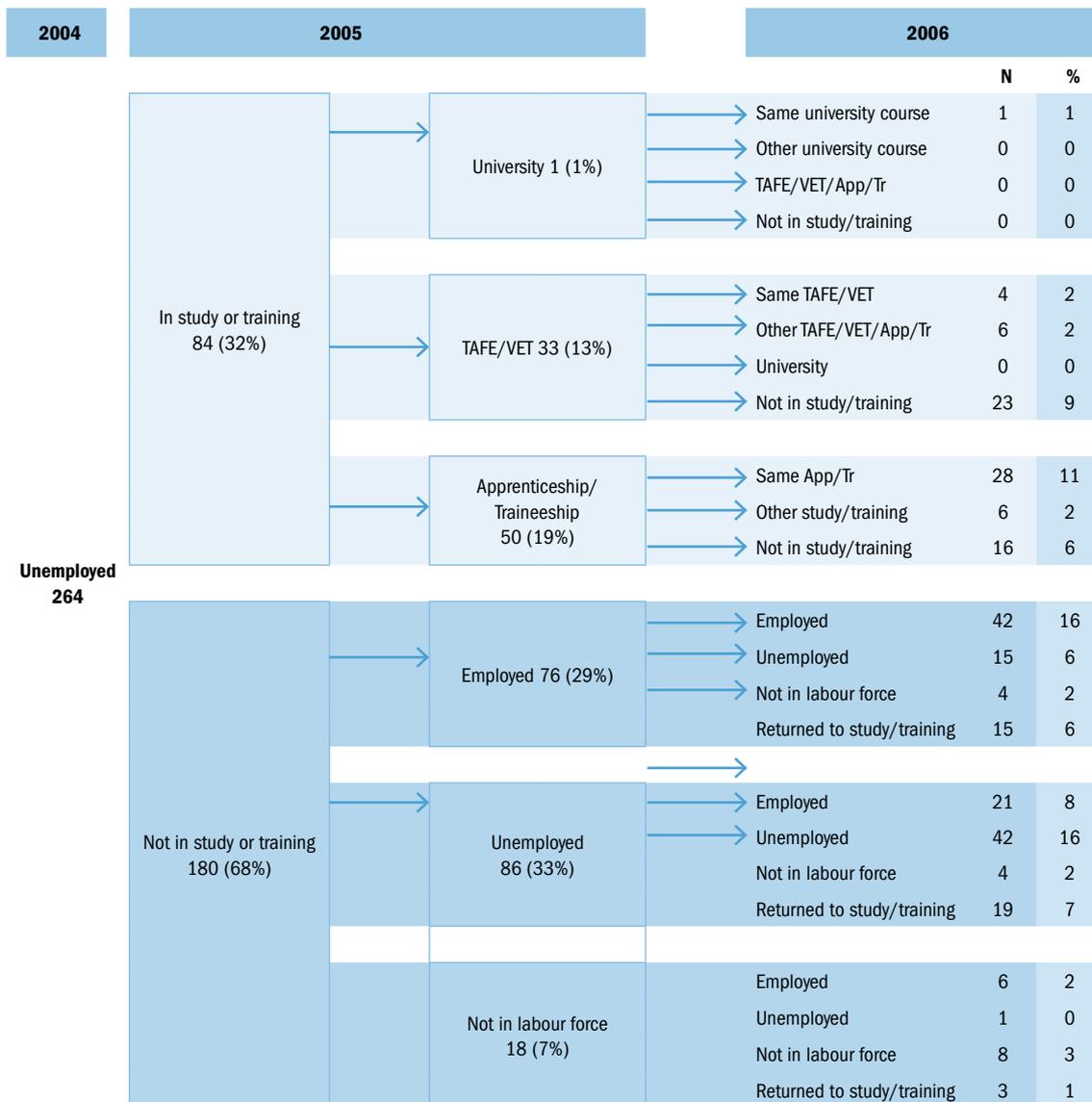
The first thing to note about this group is that approximately seven in ten (69 per cent) were not

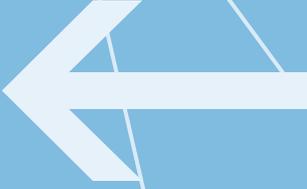
in education or training when contacted in 2006. However, approximately one in six early school leavers (16 per cent) who were unemployed in 2004 have been unemployed at the times of both surveys – 2005 and 2006.

Of the 31 per cent of early leavers who were unemployed in 2004 but were in study or training in 2006, about half were also in study or training in 2005, while the other half had returned to education more recently.

Of the early leavers who were unemployed in 2004 and not in education or training in 2005, almost four in ten were working (and not studying or training) in 2006. Two in ten were in education or training, three in ten were unemployed and the remainder were neither in the labour force nor in study.

Figure 2.6 Progress of 2003 early school leavers who were unemployed



Part B: 

The 2004 cohort of school leavers

chapter

3

Apprentices

The 2005 *On Track* survey of young people who left school in 2004 showed that 5.2 per cent of Year 12 completers were undertaking an apprenticeship in 2005. Of the 4529 early school leavers interviewed as part of the *On Track* survey in 2005, 29.8 per cent were apprentices. The 2006 longitudinal survey followed-up a large number of these apprentices to find out what they were doing in 2006. The sample comprised 1696 apprentices, 1203 who were Year 12 completers and 493 early school leavers.

This chapter presents information on the status of apprentices in 2006, including those who continued into the second year of their apprenticeship as well as those who dropped out. Reasons for dropping out and the current activities of those no longer in apprenticeships are reported.

those surveyed who were apprentices in 2005, 83.3 per cent were still doing that apprenticeship in 2006. Most of the remainder (12.9 per cent of the total group) had discontinued their apprenticeship, while a small proportion reported having completed it already (3.8 per cent).

The patterns varied slightly for apprentices who were Year 12 completers compared to the early school leavers who went on to become apprentices. For example, the discontinuation rate was marginally higher among Year 12 completers: 14.7 per cent compared to 10.6 per cent for early leavers. Also, continuation rates were slightly stronger for early leavers: 80 per cent of apprentices who completed Year 12 were continuing their apprenticeship in 2006, while 87 per cent of the early school leavers who were apprentices in 2005 were still doing the same apprenticeship in 2006.

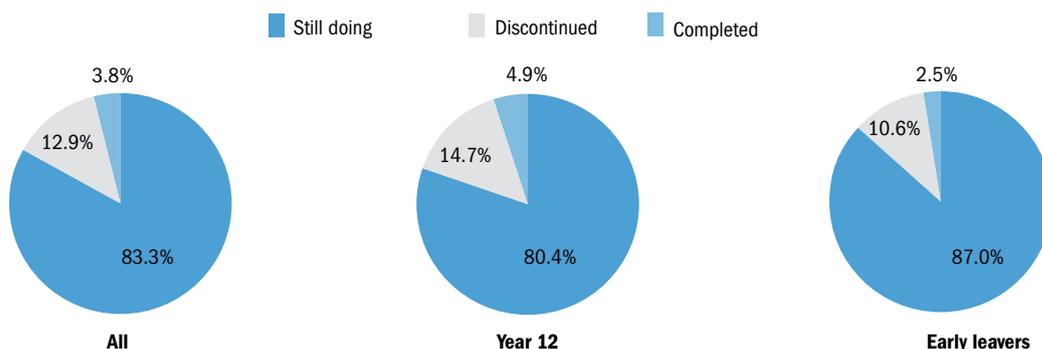
→ Continuation and withdrawal

Figure 3.1 presents the progress of the school leavers who took up an apprenticeship in their first post-school year (2005). It shows that of

Males and females

Discontinuation rates were slightly stronger among females than among males. Figure 3.2 shows that females were more likely than males to drop out of the apprenticeship in which they

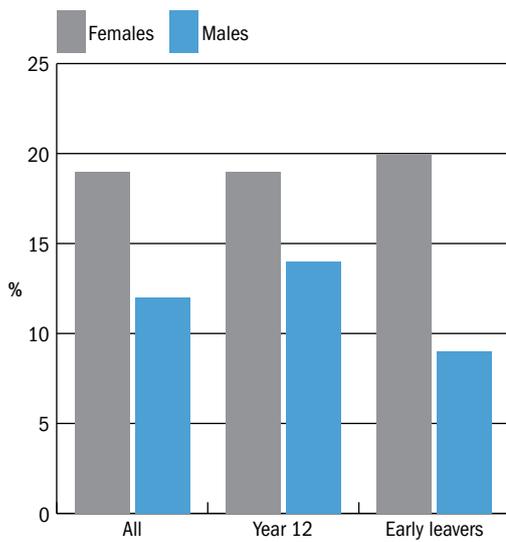
Figure 3.1 Continuation status of apprentices



Discontinuation across different groups

were engaged in 2005: 19 per cent of females compared with 12 per cent of males. The gap varied depending on whether the apprentices had completed Year 12 or not. Female early leavers were more than twice as likely as male early leavers to discontinue (20 per cent as against 9 per cent), whereas the gap between male and female Year 12 completers was only 5 percentage points.

Figure 3.2 Rate of discontinuation in apprenticeships, by gender (%)



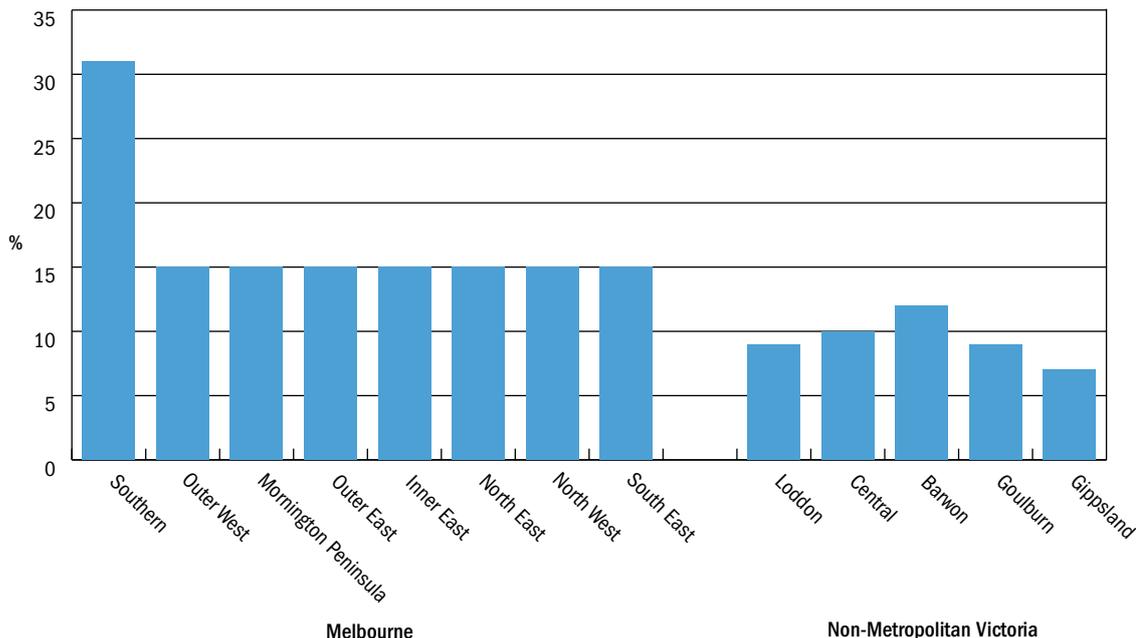
Region

The experiences in relation to continuing or discontinuing in apprenticeships also varied by region. These are displayed in Figure 3.3 which presents the rates by labour force region, comparing those in Melbourne with those in other parts of the state. The figure shows that, overall, in most metropolitan areas about 15 per cent of apprentices dropped out, more than was typical in the country.

In Southern Melbourne, as many as 30 per cent of apprentices discontinued, while South-East Melbourne had only an 11 per cent discontinuation rate.

In regional Victoria, only Barwon had a higher rate of discontinuation than one of the Melbourne regions (12.1 per cent compared to 11 per cent in South East Melbourne). Gippsland recorded a rate of only 7 per cent. Apprentices continue their contracted training more frequently in rural and provincial areas of Victoria than in the city.

Figure 3.3 Rate of apprenticeship discontinuation by labour force region

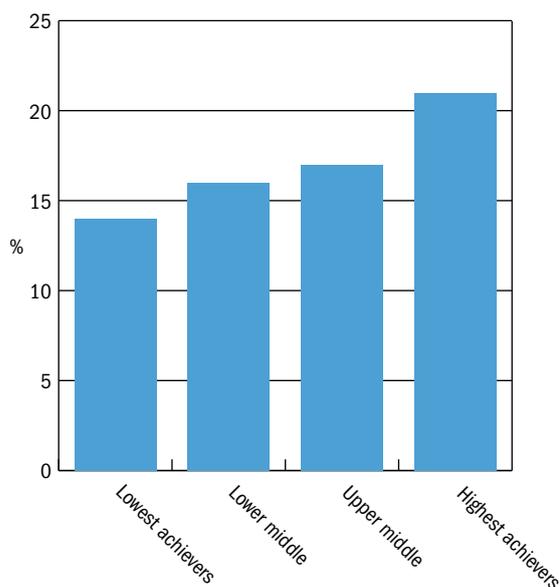


Achievement

Figure 3.4 presents the rates of discontinuation based on achievement levels of apprentices when they were in school. The results relate only to the Year 12 completers who took up an apprenticeship because it was for this group only that achievement results were available. The achievement groups are based on the quartiles of achievement of all Year 12 students in 2004. As Table 2 in the introduction showed, apprentices are far more often drawn from the lowest quartile of achievers rather than the highest.

The results show that apprentices in 2005 who were lower achievers in Year 12 were less likely than their higher achieving counterparts to have discontinued a year later. This may be because of other options that higher achievers want to pursue.

Figure 3.4 Rate of apprenticeship discontinuation by GAT achievement (quartiles): Year 12 completers only

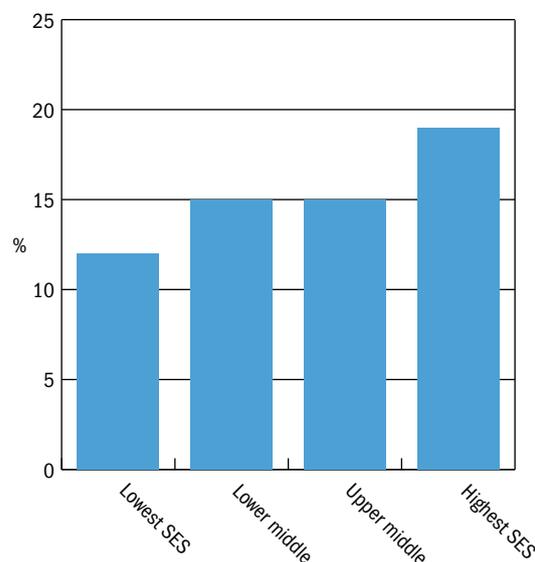


Socio-economic Status (SES)

Figure 3.5 presents the rates of discontinuation based on the SES background of apprentices. The results are restricted to the Year 12 completers who took up an apprenticeship. The SES groups are based on the quartiles of SES of all Year 12 students in 2004.

As with achievement, apprentices from lower socioeconomic status (SES) backgrounds were less likely to discontinue their apprenticeship than those from higher SES backgrounds.

Figure 3.5 Rate of apprenticeship discontinuation by socioeconomic status: Year 12 completers only



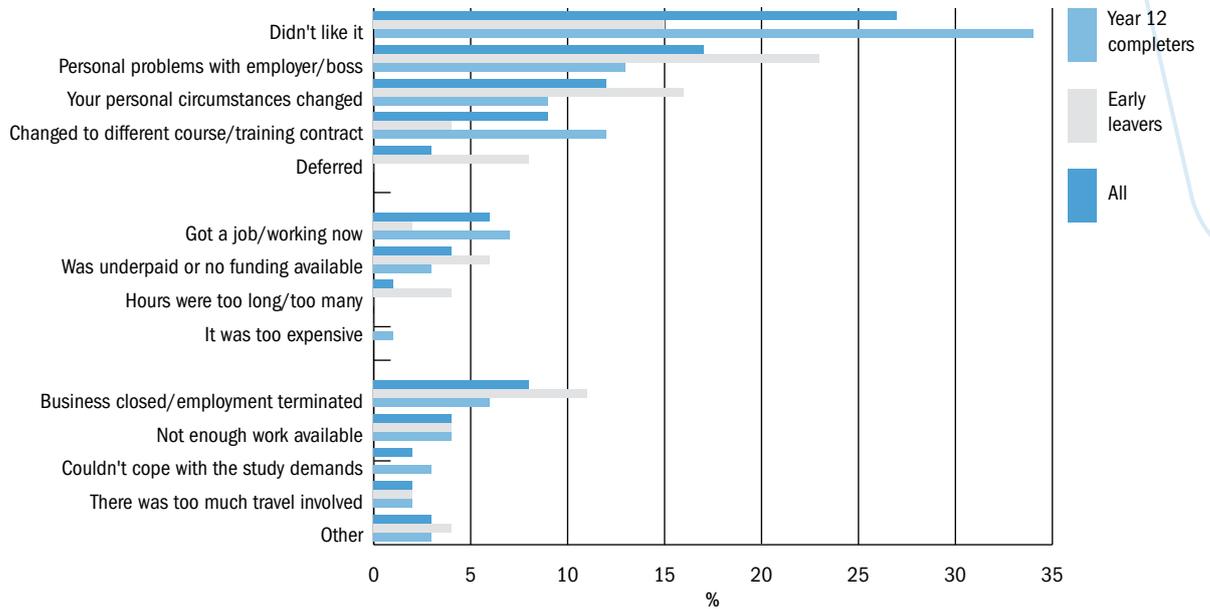
Reasons for discontinuation

Those who discontinued their apprenticeship were asked about the main reason behind the decision to do so. Figure 3.6 presents some of the reasons identified by respondents for not continuing in their apprenticeship training. Overall, the most common response was simply that the individual “didn’t like it”. This reason accounted for over a quarter of the former apprentices.

Leaving the apprenticeship due to a change in personal circumstances, the uptake of another avenue of study or due to incompatibility with one’s employer were the other most common reasons given. Financial issues also played a role for some who discontinued – 5.5 per cent left to work instead, and, for a small number of others, being underpaid or the business not having sufficient funds was the main reason for leaving without completing the apprenticeship.

Early school leavers who left their apprenticeship, more than Year 12 completers, were likely to do so not because they didn’t like what they were doing, but more because of material circumstances. More than one in ten apprentices who were early school leavers were forced to discontinue their apprenticeship, either because their own employment was terminated or the business closed down. Others reported interpersonal issues with their employer or changes in their own personal circumstances which caused them to leave. Year 12 completers were more likely to withdraw because of negative views formed about the nature of the apprenticeship itself.

Figure 3.6 Main reasons for not continuing apprenticeship (%)



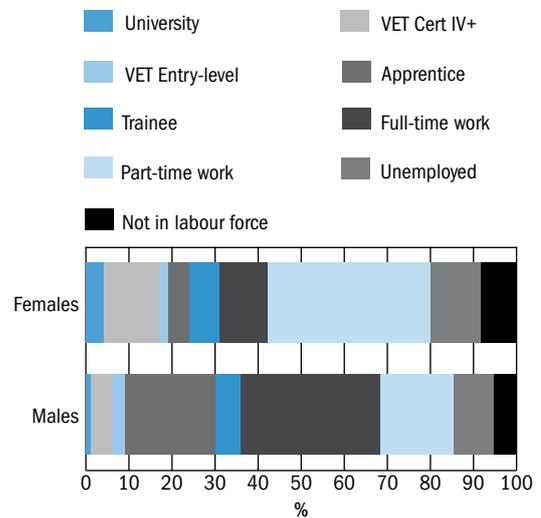
Destinations of apprentices

The destinations in 2006 of those who discontinued the apprenticeship they were doing in 2005 vary considerably by gender. Twenty-one per cent of males who discontinued their original indentured training reported that they had gained another apprenticeship in 2006 (see Figure 3.7). A further 35 per cent were in full-time work and 16 per cent were in part-time work. In contrast, only five per cent of females who discontinued their 2005 apprenticeship were apprentices in 2006, and only 14 per cent were engaged in full-time employment. Instead, the main destinations of these women were part-time work (36 per cent) and VET study at Certificate IV level or above (17 per cent). They were more likely than males to have enrolled in university (seven per cent compared with one per cent) or begun a traineeship (11 per cent versus five per cent). About 1 in 5 females from this group were either unemployed or not in the labour force, compared to about 1 in 7 males.

Female early school leavers who discontinued an apprenticeship were particularly vulnerable in comparison to their male counterparts. More than 70 per cent of female apprentices who left school early and discontinued their apprenticeship were either unemployed, in part-time or casual work, or not in the labour force (or any study or training) in 2006. In stark contrast, less than a quarter of the male early school leavers who discontinued their apprenticeship were in these marginal destinations in 2006.

Instead, the majority had either entered another apprenticeship or moved into full-time work.

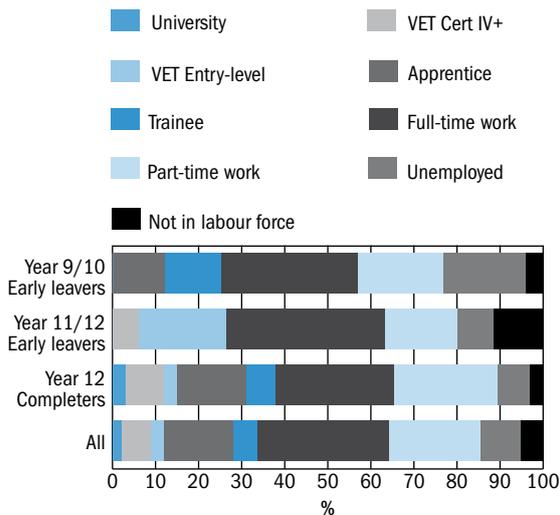
Figure 3.7 Destinations of apprentices who discontinued, by gender



Whether an early school leaver who was an apprentice in 2005 left school in Year 9 or 10, or later, in Year 11 or 12, does not have a significant impact on their likelihood of having discontinued the apprenticeship by 2006. Year level at exit does, however, have some impact on the destinations of those who discontinue an apprenticeship. Those who left in Year 10 or earlier are less likely to enter campus-based VET study after dropping out of their apprenticeship (see Figure 3.8). Young people who leave school

at the end of the compulsory years may be more likely to have negative views of classroom-based learning, and therefore be especially reluctant to return to study. The earlier leavers are less likely to be in full-time work or to have entered into another apprenticeship, and are more likely to be unemployed.

Figure 3.8 Destinations of apprentices who discontinued, by school attainment



By comparison to the earliest school leavers in particular, apprentices who discontinued, but who completed Year 12, have more favourable outcomes. They are more likely to be in some form of study or training and less likely to be out of work and looking for a job.

Year 12 completers may be less dependent on having to remain or complete apprenticeships if they do not like the training they have experienced. Other options are available for this group. This becomes apparent in looking at the reported destinations of the Year 12 completers who discontinued their apprenticeships after only one year. University, higher-level VET study and changing to another apprenticeship occur at higher rates than for early leavers.

Of the Year 12 completers who dropped out of an apprenticeship, lower achievers were more likely to be doing another apprenticeship while the likelihood of going into work or to university increased as achievement rises. There were too few discontinuers in the highest quartile of achievement to comment on their destinations, though the option of university and other forms of study may well have influenced the higher rate of discontinuation among higher achieving school completers reported in Figure 3.4.

chapter

4

Trainees

Just under five per cent of Year 12 completers, and approximately eight per cent of early school leavers who took part in the 2005 *On Track* survey were undertaking a traineeship in 2005. Because of the large differences in the numbers of Year 12 completers compared to early school leavers each year, it means that most traineeships are taken up by Year 12 completers. For this reason there are 772 trainees in the longitudinal sample in 2006 who were Year 12 completers in 2004, compared to only 51 early leavers.

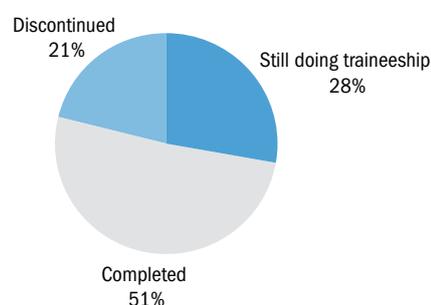
With many traineeships able to be completed within a twelve-month period, it is of particular interest to examine the destinations of this group of young people, as measured by the 2006 longitudinal survey. This chapter presents information on the status of trainees in 2006, including those who completed, those who dropped out and those who are continuing. Reasons for discontinuing and the current activities of those no longer in traineeships are reported.

→ Traineeship completion: who finishes, who discontinues and why?

Figure 4.1 presents the 2006 status of the school leavers who took up a traineeship in their first post-school year (2005). It shows that of this group, just over half (51 per cent) had completed their training by the time of the 2006 survey. A further 28 per cent were still completing and 21 per cent had discontinued without completing.

The rates varied slightly for Year 12 completers and early school leavers, though the estimates for early leavers need to be treated carefully as the sample contains only 51 members. For the

Figure 4.1 Status of trainees in 2006



early leavers who entered traineeships, 40 per cent who were followed up in the longitudinal survey were still completing that traineeship in 2006, compared with only a quarter of Year 12 completers.

Fifty-five per cent of Year 12 completers surveyed who were trainees in 2005 had completed their traineeship by the time they were contacted in 2006, compared with 36 per cent of early leavers.

The remaining one in five Year 12 completer trainees had discontinued the traineeship before completion, and 24 per cent of early leaver trainees had dropped out.

Non-completion rates vary slightly by gender. The rate of non-completion was 19 per cent for males and 22 per cent for females.

Figure 4.2 presents traineeship non-completion rates by region — labour force regions in Melbourne and those in the rest of Victoria. It shows that trainees from metropolitan and non-metropolitan areas were likely to drop out at similar rates, although the rate of non-completion varied across the state from as high as 43 per cent in Outer West Melbourne down to 21 per cent in South East Melbourne.

Figure 4.2 Non-completion rates of traineeships, by labour force region

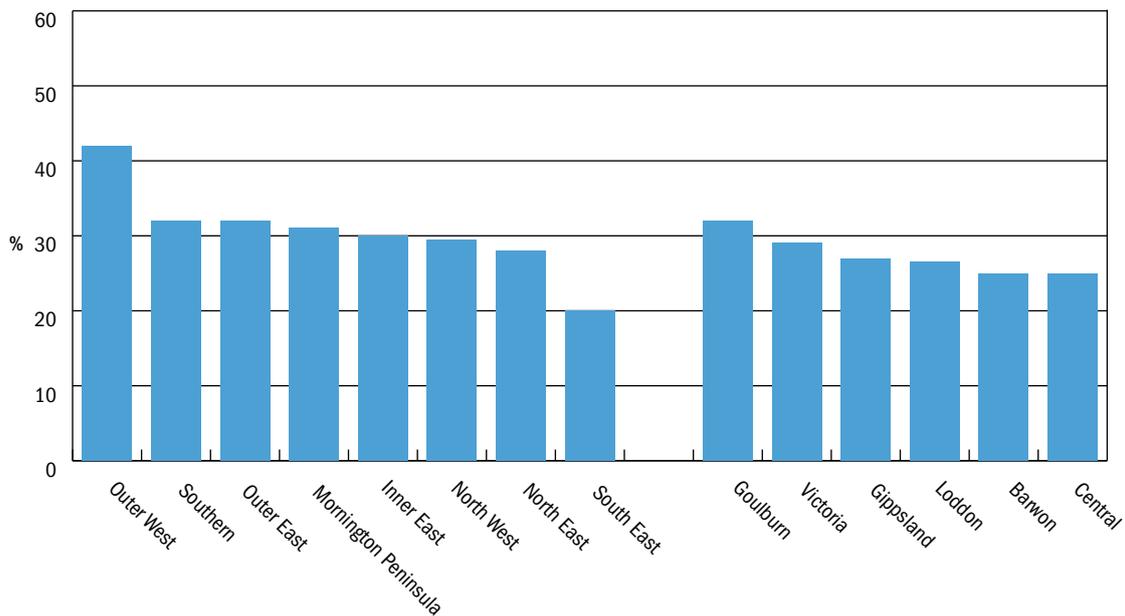
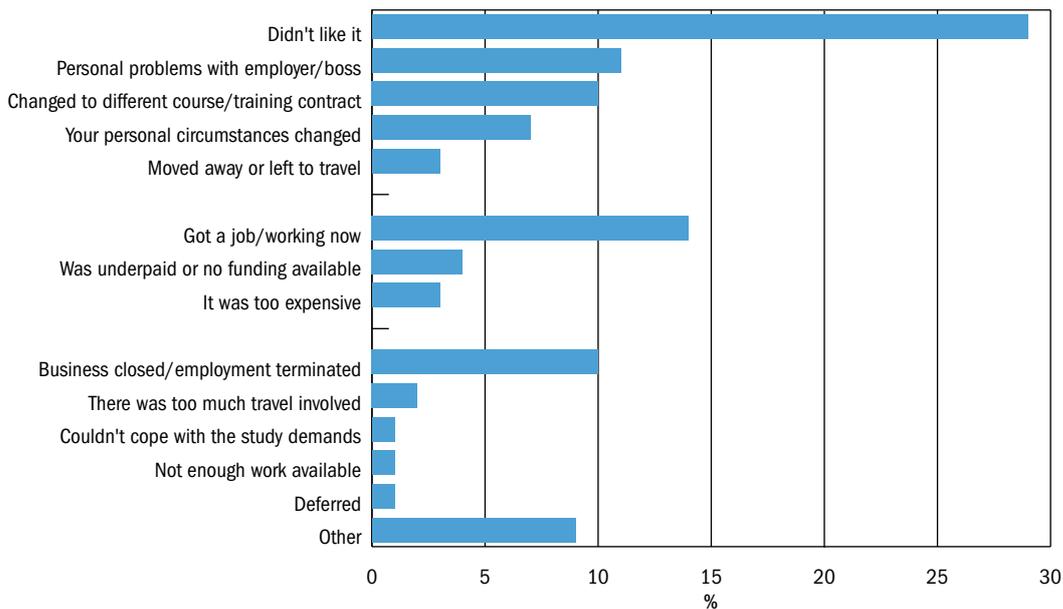


Figure 4.3 Main reasons for not completing traineeship



Reasons for non-completion

Among trainees the most common reason given for not completing a traineeship was, as for apprentices, simply not liking the traineeship (see Figure 4.3). This reason was cited by a quarter of the respondents who had been trainees in 2005 but were no longer doing that same traineeship in 2006. Almost as many left the traineeship in order to do something else — either get a

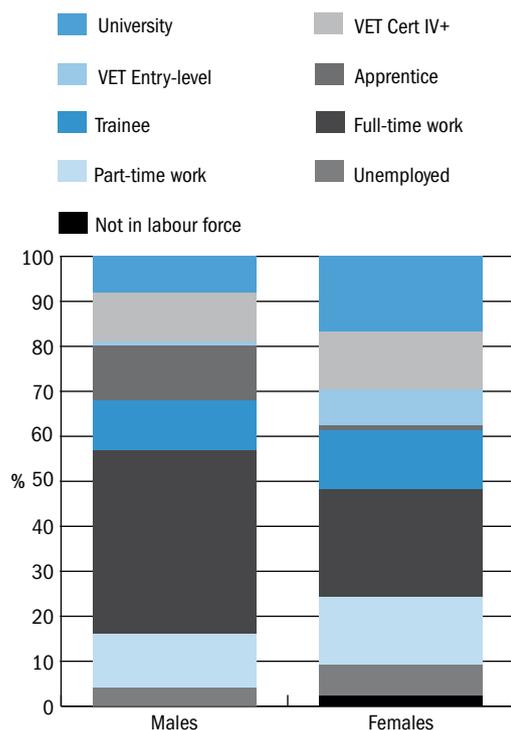
job (13.5 per cent), or begin a course of study or a different training contract (9.6 per cent). Personal problems with the employer, or external factors such as the business closing, were other common factors that resulted in some trainees discontinuing their traineeship. Almost 1 in 10 of the trainees reported not completing because the business had closed or the employment terminated.

→ Destinations of Trainees

Non-completers

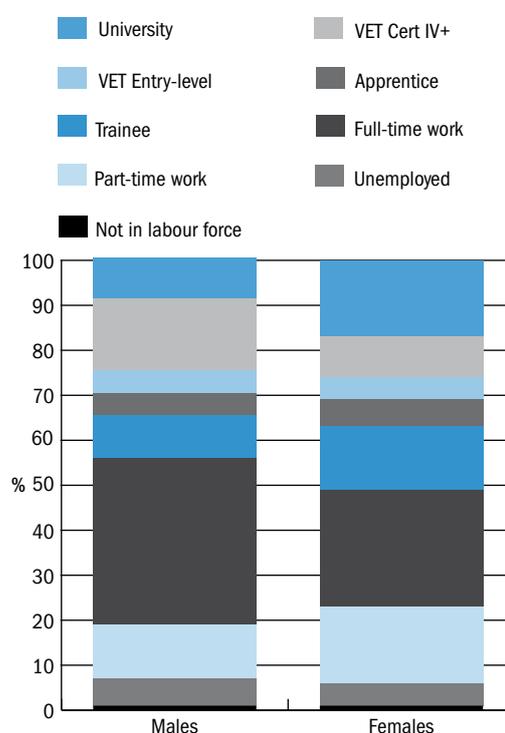
Figure 4.4 presents the activities in 2006 of those who discontinued their 2005 traineeship, most were either in full-time work or some kind of study or training. Among males, 41 per cent were employed full-time, and almost a quarter had a contract of training, either as an apprentice or a trainee. Among females, a quarter were in full-time work and almost a third were in study at either university (18 per cent) or in the VET sector at Certificate IV level or higher (13 per cent). The stronger university entry rates for trainees as compared with apprentices who didn't complete, possibly reflects the stronger school achievement profiles of trainees.

Figure 4.4 Destinations of trainees who discontinued their traineeship, by gender



There are some differences between the 2006 destinations of trainees from the country who don't complete and those from the city (see Figure 4.5). Trainees in non-metropolitan areas who discontinue are more likely than their city counterparts to take up university study or another traineeship, or be in part-time work, while those from the city are more likely to enter VET study at Certificate IV level or higher or be employed full-time in 2006.

Figure 4.5 Destinations of trainees who discontinue, by location



Completers

Figure 4.6 shows the activities in 2006 of those who completed the traineeship they were doing in 2005. It reveals that full-time work is the main destination for both males and females who had completed a traineeship. Approximately 30 per cent of both females and males were in full-time work in 2006.

The main difference between males and females is the increased likelihood of boys who complete traineeships to then take up an apprenticeship, and the increased likelihood of girls to enter university after completing a traineeship. Traineeships are part of the avenue to university for about 17 per cent of girls. It maybe that the traineeship provides a gap year for these students, providing an opportunity to participate in structured training and experiment with alternative options before returning to more traditional academic study. It may also help some fulfill the independence criteria for youth allowance for support during their university study.

A quite high proportion of both males and females who complete a traineeship commence a second traineeship. Almost a quarter obtained another traineeship after completing the first. The unemployment rates for both male and female traineeship completers was quite low (less than 4 per cent).

Figure 4.6 Destinations of trainees who completed, by gender

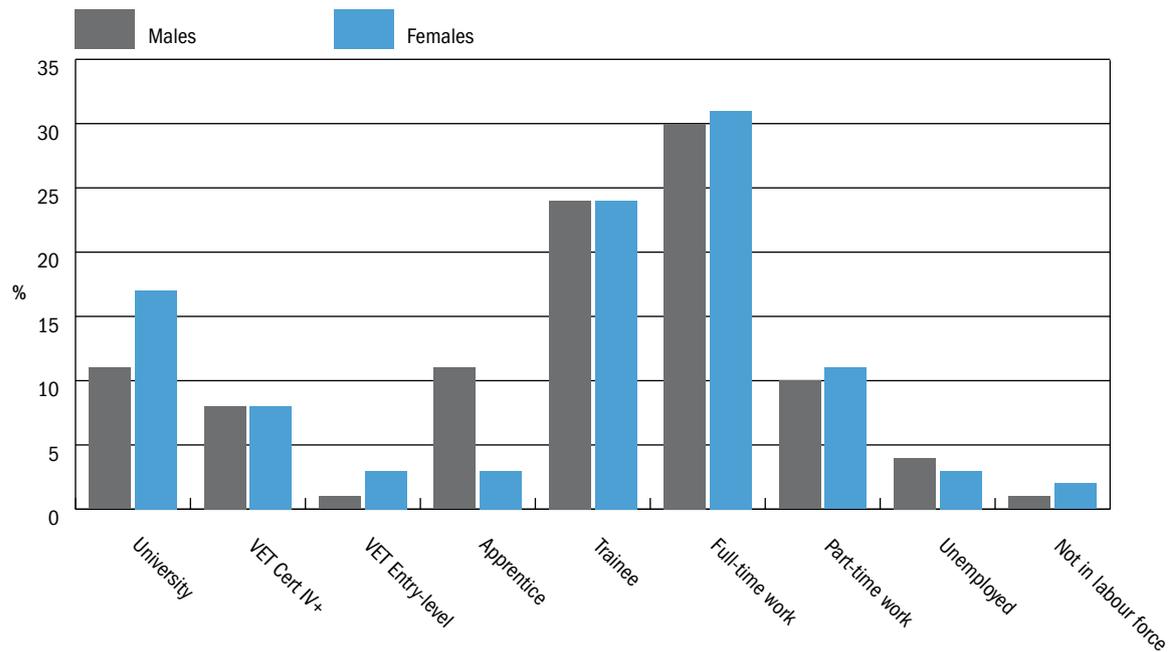
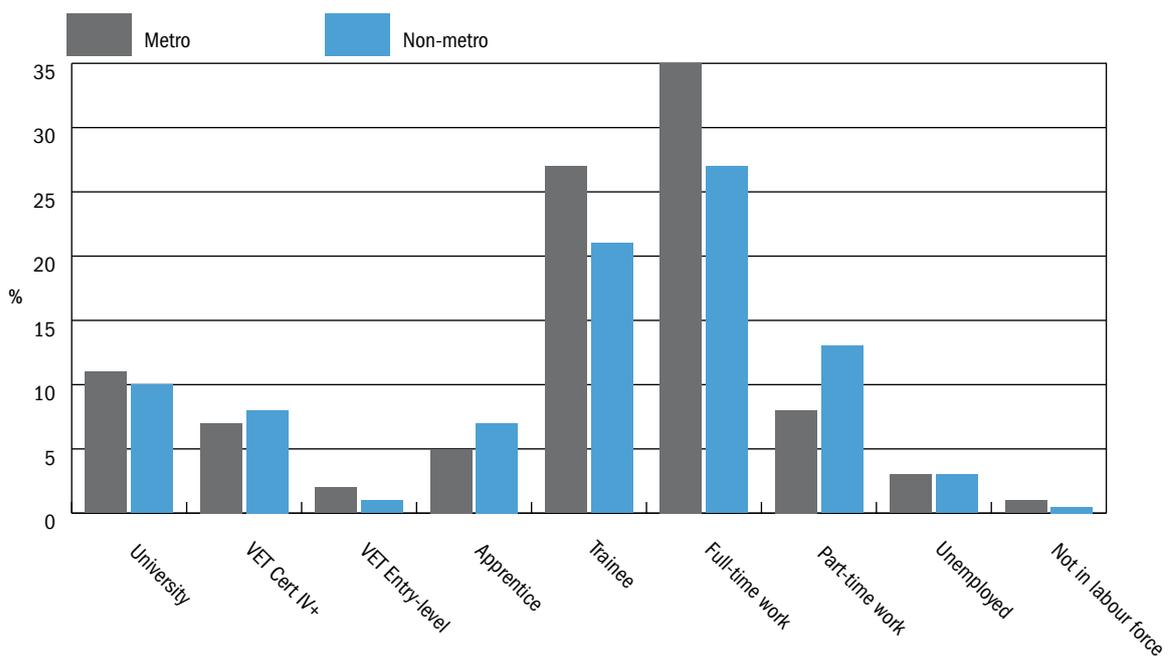


Figure 4.7 Destinations of trainees who completed, by location



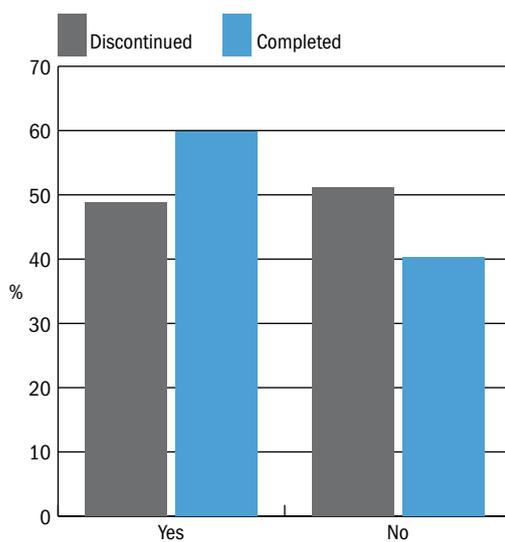
The destinations of traineeship completers varies by broad location (metropolitan versus non-metropolitan). Figure 4.7 shows that traineeship completers from country Victoria are more likely to have entered university or taken up part-time work, and less likely to be working full-time or undertaking another traineeship, than traineeship completers from metropolitan areas.

→ Importance of traineeship completion for career pathway

As a part of their interview, respondents in jobs at the time of the longitudinal survey were asked if the current job they held was the type of job they would like as a career. Figure 4.8 presents the percentages of traineeship completers

who agreed and those who did not agree, and compares them with those who did not complete their traineeship. Those who were trainees in 2005 and completed their traineeship and were working when contacted in 2006 were 11 per cent more likely than those who dropped out and were working in 2006 to agree that the job they were currently in was the type of job they would like as a career. Those who discontinued were more likely to disagree than agree that their current job was one they would like to have as a career. It is possible that the traineeship completers have been able to more successfully access jobs based on their study which they view as worthwhile from a career perspective. This may be related to the type of work they were doing during their traineeship.

Figure 4.8 Views on current job as career (%)*



* Figures report the percentage of respondents who agree (yes) or disagree (no) with the statement "Is the job you have the type of job you would like as a career?".

chapter

5

Entry-level VET participants

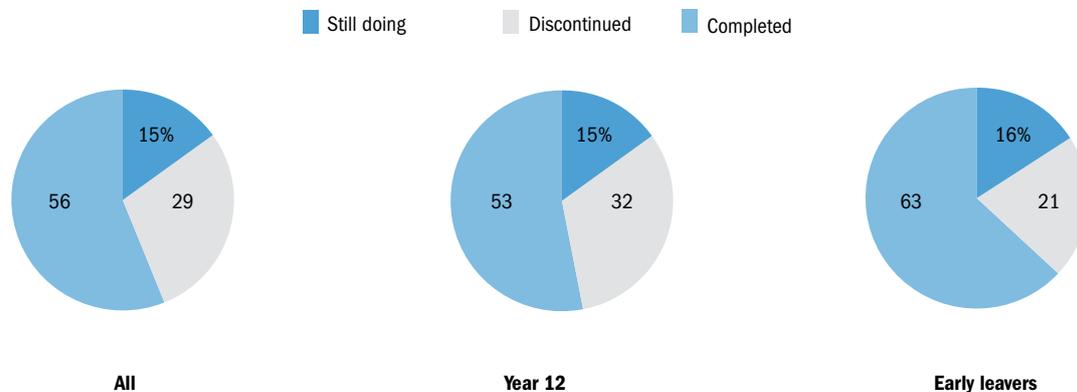
Some 16 per cent of early school leavers in the 2005 *On Track* survey reported that they were studying a VET program at Certificate I, II or III level. This pathway is viewed as a positive one for early leavers. It indicates that while not wanting to continue in a school setting, these young people have not turned away from education altogether. The TAFE and ACE sectors offer pathways for early school leavers which have the potential to support successful labour market outcomes and promote skills for lifelong learning. The longitudinal survey offers us a chance to examine whether these early leavers continued on this study or training pathway and what the outcomes have been one year down the track.

Additionally, a small but significant number of school completers were known to be studying a campus-based VET course at Certificate I or II (and in a few cases Certificate III) in the year

after finishing school. Given that this level of VET study is available to most students as part of the VCE or VCAL, and VCE graduates are generally considered qualified for entry to the VET sector at Certificate IV level or higher, it is of interest to continue following the pathways of school completers who embark immediately on a basic VET course.

The entry-level VET sample in *On-Track longitudinal* comprises 442 early school leavers and 411 Year 12 completers, a total sample of 853 school leavers who entered entry-level VET courses in their first post-school year. This chapter presents information on the status and activities of this group, including those who continued in study, those who completed as well as those who dropped out. Reasons for dropping out and the current activities of those no longer in study are reported.

Figure 5.1 Status in 2006 of school leavers in entry-level VET study in 2005



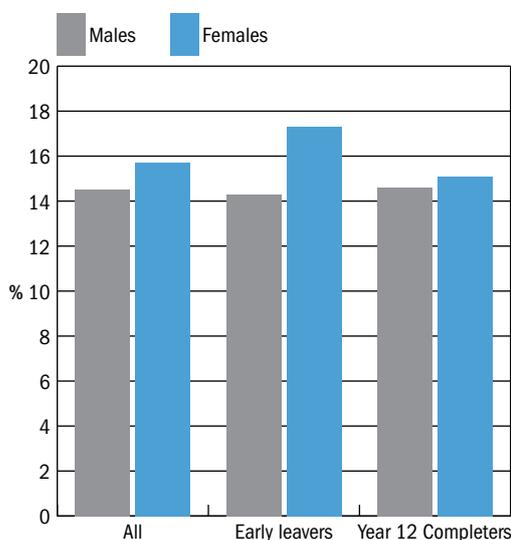
Entry-level VET completion: who finishes, who discontinues and why?

Figure 5.1 shows the status in 2006 of those who were in entry-level VET study in 2005. It shows that more than half the longitudinal survey participants who had been studying a VET program at entry-level in 2005 had since completed that course. A further 28.5 per cent were still enrolled in the course, and the remaining 15 per cent had discontinued without completing.

Almost two-thirds of early school leavers who were studying VET programs at Certificate I, II or III in 2005 had completed their course by the time they were interviewed in 2006. By comparison, 54 per cent of Year 12 completers who were in entry-level VET in 2005 had completed.

One of the reasons for the difference in completion rates between early leavers and Year 12 completers may be the duration of the course of study linked to level of study. Non-completion rates do not vary much between the groups of school leavers, indicating that continuation rates are the main reason for the variation in completion rates. Among entry-level VET students who were early school leavers, 21 per cent were still studying the same course in 2006 as they were in 2005, compared with close to a third of Year 12 completers who were doing so. Similar proportions of early school leavers and Year 12 completers had discontinued without completing: 16 per cent and 15 per cent respectively.

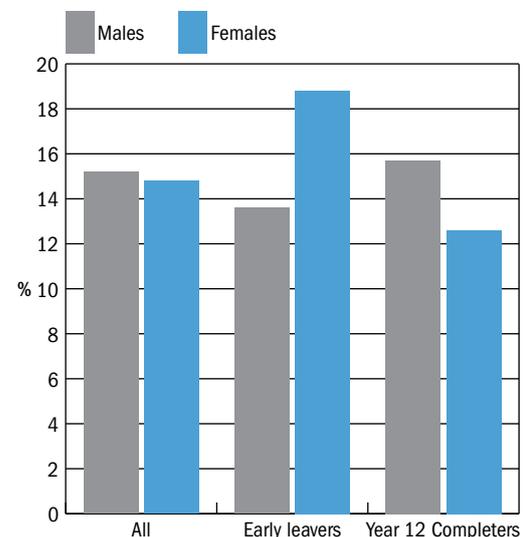
Figure 5.2 *Non-completion rates of entry-level VET, by gender*



Rates of non-completion varied only slightly by gender (see Figure 5.2). Females in entry-level study in 2005 were slightly more likely to not complete their course than males were. However, the gender gap was greater for early leavers than for Year 12 completers. About 17 per cent of female early leavers dropped out of their entry-level VET courses without having completed, as against a rate of about 14 per cent for male early leavers. The gap was only half a percentage point between male and female Year 12 completers in VET study.

Differences in rates of non-completion did not vary much by region when looking at all non-completers. Figure 5.3 shows that the rates were nearly the same for those from metropolitan as for those from non-metropolitan Victoria. However, there were differences depending on school attainment. Early leavers in non-metropolitan locations were more likely to withdraw from study than those in metropolitan areas. The reverse was true for Year 12 completers. Those in non-metropolitan areas were less likely to discontinue their VET course.

Figure 5.3 *Non-completion rates of entry-level VET, by location*



The metropolitan/non-metropolitan split conceals wide variation in the rate of discontinuation across the different labour force regions. Figure 5.4 shows that in the north-east of Melbourne close to four in ten entry-level VET students had dropped out of their initial course of study without having completed, while in Southern Melbourne the rate of discontinuation was around 12 per cent.

Figure 5.4 Non-completion rates of entry-level VET, by labour force region

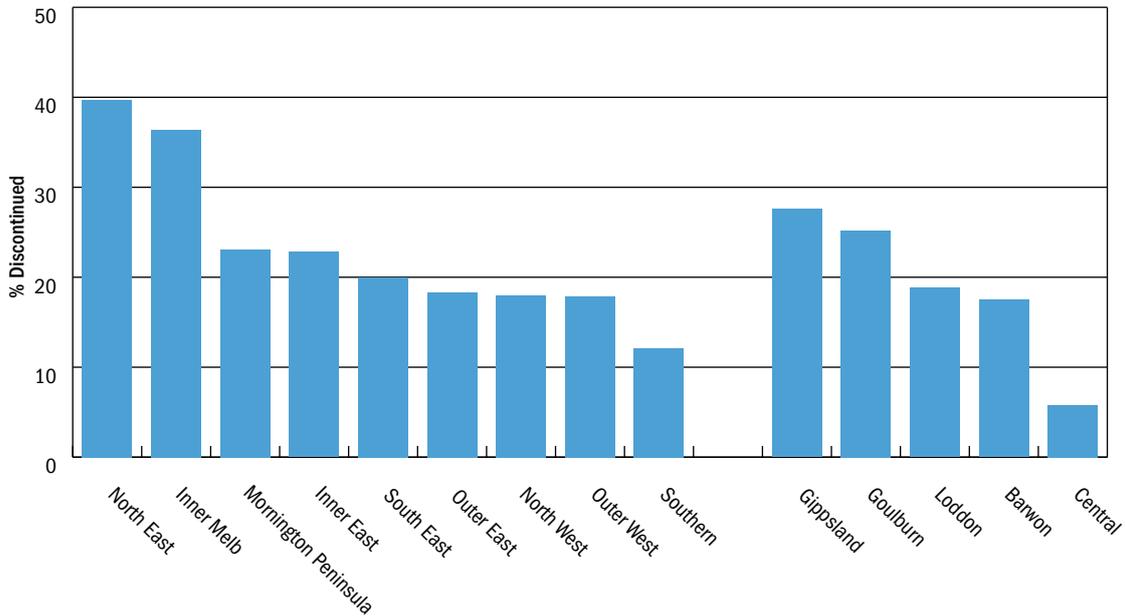
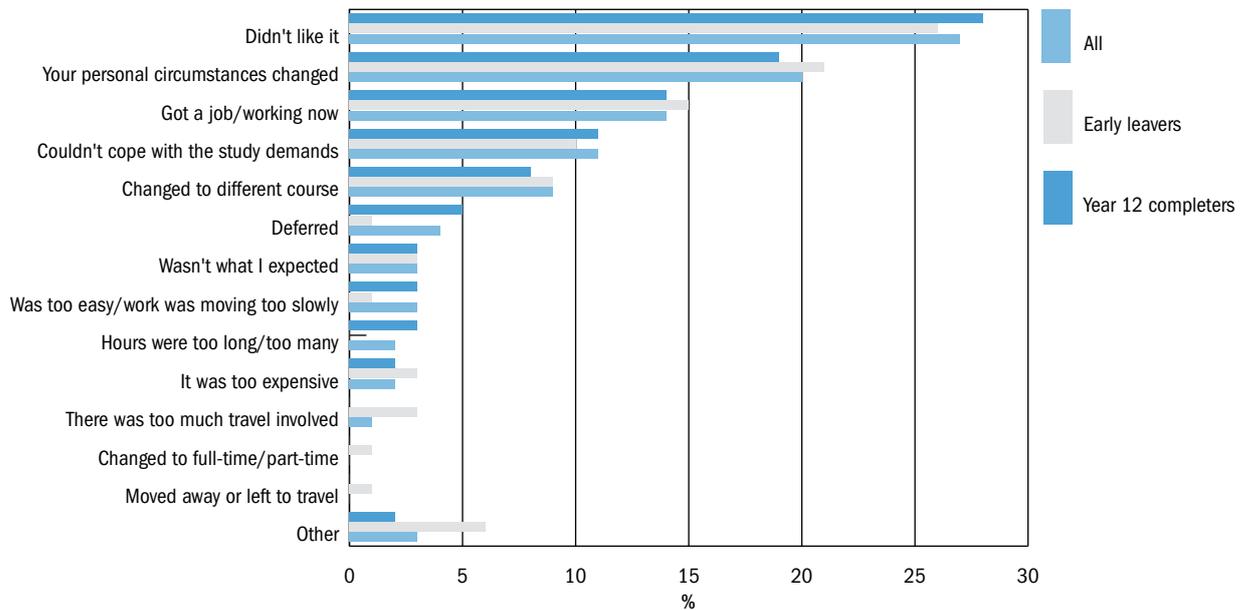


Figure 5.5 Main reasons for not completing entry-level VET course



In the country, Gippsland has the highest drop-out rate (27.6 per cent) and Central Victoria the lowest (5.8 per cent) across all regions of the state.

Reasons for non-completion

Those who didn't complete their entry-level study and were no longer enrolled were asked about the main reason behind the decision to discontinue. Figure 5.5 presents some of the reasons identified by respondents for not completing or

continuing their VET study. Overall, the most common response was that the participant didn't like the course they were doing and so dropped out. This reason was given by over a quarter of all those who dropped out of their VET study, and was true for both Year 12 completers and early school leavers.

Leaving study because of a change in personal circumstances was the second most common reason given. A fifth of all non-completers gave this as their main reason. A further 1 in 10

indicated that they could not cope with the study demands of the course they were doing. It may reflect weaker skills among students enrolling in entry-level VET. This presents a challenge for VET providers and schools because the skill-demands in courses at this level are supposed to be suited to the sorts of students entering this level of study.

Many in study may also be looking for work, and about 15 per cent of all non-completers reported giving up their VET course because they had found a job.

There were few differences between early leavers and Year 12 completers in the reasons given for not continuing in study.

→ Activities in 2006 of entry-level VET students

Non-completers

The 2006 destinations of school leavers who were enrolled in entry-level VET programs in 2005 vary somewhat by gender. They are displayed in Figure 5.6. While both males and females who didn't complete their course were roughly equally likely to end up in part-time or casual work (one in four), females were more likely to be working full-time (25 per cent compared with 18 per cent). More than a fifth of all males in this group had secured an apprenticeship, but no females had made such a transition. Nine per cent of females had, however, entered a traineeship, while few males (two per cent) had done so.

Twenty per cent of females and 16 per cent of males who dropped out of an entry-level VET course had embarked on a different course of further study and for both groups this was slightly more likely to be at the level of Certificate I, II or III rather than middle or advanced-level VET. A small number of males had entered university.

Males were much more likely than females to be unemployed. However, many more females were not in the labour force and not in study or training.

There were some differences in activities depending on school attainment. The rates are shown in Figure 5.7. It shows that the most common destination in 2006 of early school leaver respondents who dropped out of an entry-level VET course was unemployment (30 per cent overall), and a further quarter were in part-time or casual work. While Year 12 completers who discontinued an entry-level VET course were

equally likely to be in part-time or casual work, their rate of unemployment was much lower (8 per cent). Early leavers taking the entry-level VET route from school work and who do not complete their study more often remain marginalised, not engaged in full-time work, study or training.

Year 12 completers who have since taken up further study are more likely to be enrolled at Certificate IV level or higher, while early school leavers tend to remain in entry-level VET courses. Apprenticeships were secured by around one in ten early school leavers and school completers. School completers were more likely than early leavers to be in a traineeship.

Figure 5.6 Activities in 2006 of entry-level VET students who discontinued, by gender

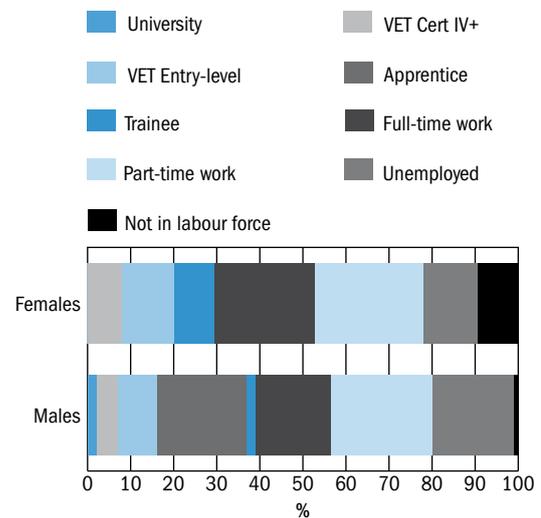


Figure 5.7 Activities in 2006 of entry-level VET students who discontinued study without completing: early school leavers and Yr 12 completers compared

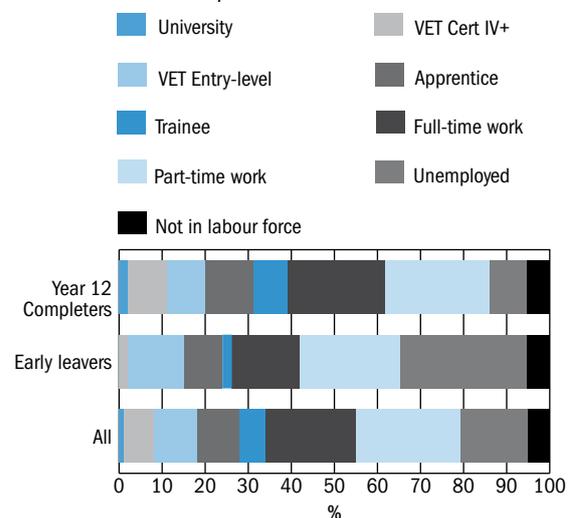
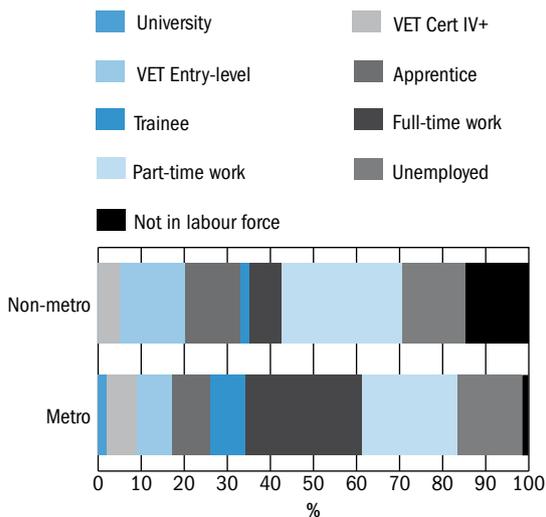


Figure 5.8 compares the activities of non-completers in country Victoria with those of non-completers in the city. It shows that school leavers from the country who discontinued entry-level VET study were more likely to have found an apprenticeship or enrolled in another basic VET course than those from metropolitan regions, who were more likely to be in full-time work.

However, unemployment and part-time/casual work accounted for nearly 60 per cent of the 2006 destinations of entry-level VET course discontinuers from non-metropolitan areas, compared to about 40 per cent for those in city locations. This may reflect differences in labour market opportunities and employment across these areas.

Figure 5.8 Activities in 2006 of entry-level VET students who discontinued, by location



Completers

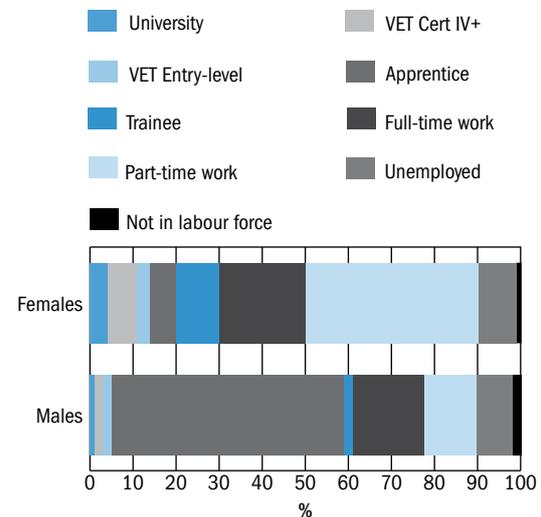
A large number of respondents who completed their entry-level VET course after completing Year 12 appear to have used it as a stepping stone to a training contract, with 54 per cent of males who completed their course undertaking an apprenticeship in 2006, and about 16 per cent of female completers becoming either apprentices or trainees (see Figure 5.9). For males, completion of an entry-level VET program after leaving school produces largely positive transition outcomes. Many of these boys have probably completed a pre-apprenticeship course, as part of a planned pathway into training. The usefulness of entry-level VET seems reduced for females though, with 40 per cent of completers in part-time work in 2006. Almost half of females who took the route of entry-level training after leaving school and

completed their study were either unemployed, not in the labour force or in part-time work. For males the rate is less than 25 per cent.

The experiences vary by level of school attainment. Figure 5.10 presents the activities of early school leavers and Figure 5.11 presents the rates for Year 12 completers. For about a half of all male early leavers who complete entry-level VET certificates, completion of their course led to an apprenticeship. Just as for Year 12 completers who complete entry-level VET courses, male early school leavers also appear to take this strategic approach to the competitive apprenticeship market of completing a pre-apprenticeship certificate at TAFE.

With almost all of the early school leaver entry-level VET course completers who secure apprenticeships being male, the outcomes for females who complete their entry-level VET course are far less positive. While 20 per cent were in full-time work, few gained apprenticeships or traineeships and a huge number (63 per cent) were in part-time work, unemployed or not in the labour force.

Figure 5.9 Activities in 2006 of entry-level VET students who completed their study, by gender



Female Year 12 completers fared slightly better than their early leaver counterparts. Those who completed entry-level VET courses were less likely than their early leaver equivalents to be in part-time work, unemployment or not in the labour force, and more likely to be training or some other form of study. About 45 per cent were in part-time work, unemployed or not in the labour force compared to 63 per cent of female early leavers. Their experiences still contrast sharply with their

male peers, who obtain apprenticeships in large numbers.

Figure 5.10 Activities in 2006 of early school leavers who completed an entry-level VET course, by gender

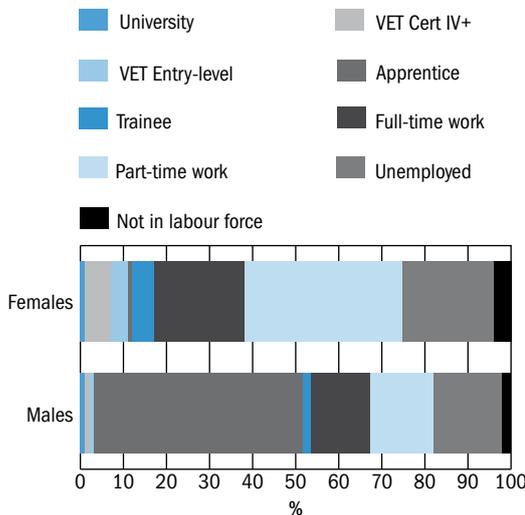
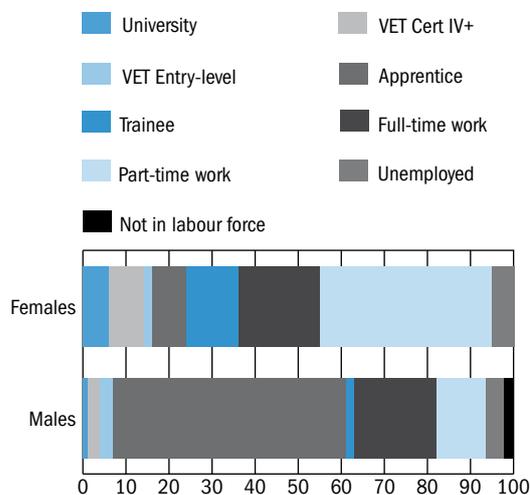


Figure 5.11 Activities of Year 12 completers who completed an entry-level VET course, by gender



→ Comparing the views of VET completers and non-completers

Careers advice at school received attention from some of the survey respondents. Figure 5.12 shows that about half of all school leavers who discontinued the entry-level VET course in which they were enrolled in 2005 reported that they would be doing something different if they had received better careers advice at school. By

comparison, only slightly more than a third of those who completed their course felt the same way.

School leavers who completed their entry-level VET course were more likely than those who did not complete their course to agree that things have worked out the way they wanted since leaving school, and Year 12 completers are more satisfied with how things have worked out than early school leavers.

Less than a third of school completers who were in entry-level VET study in 2005 and not in the same course in 2006 report having received any careers advice since leaving school, and this is particularly true of those who dropped-out. On the other hand, early school leavers who were in entry-level VET in 2005 were more likely to have received post-school careers advice, especially if they discontinued.

As has been shown, about a third of early leavers who completed their 2005 entry-level VET course went on to secure an apprenticeship, and about 40 per cent entered the workforce in a full- or part-time capacity. Seventeen per cent, however, were unemployed when surveyed in 2006. While this is an improvement on the unemployment rate for those who did not complete their course, it is still a significant number, particularly given that this group now has a VET qualification, albeit at entry level.

The majority of early school leavers who have completed the entry-level VET course in which they were enrolled in 2005 and who were unemployed in 2006 report that they have been looking for work for less than four months, probably reflecting the period of time since completing their study. Some 22 per cent, however, report having been seeking work for 10 months or more.

Figure 5.13 reports some reasons they have given for not being able to find work. Almost two-thirds report that labour market conditions, in the form of a shortage of jobs, is a major reason for being unemployed. However, skills and training figure strongly. Almost half identify lack of work experience as critical. Nearly 31 per cent report a lack of appropriate qualifications as important, while 38.4 per cent identify a lack of skills or training as a major reason.

Figure 5.12 Views of VET completers and non-completers compared, by school attainment

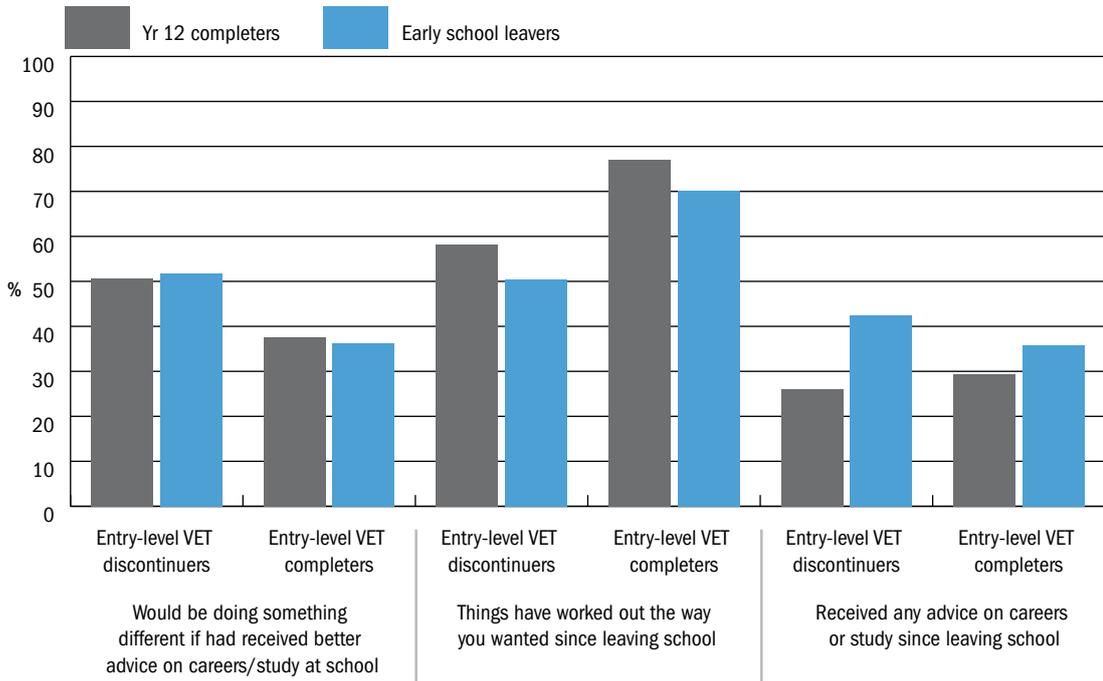
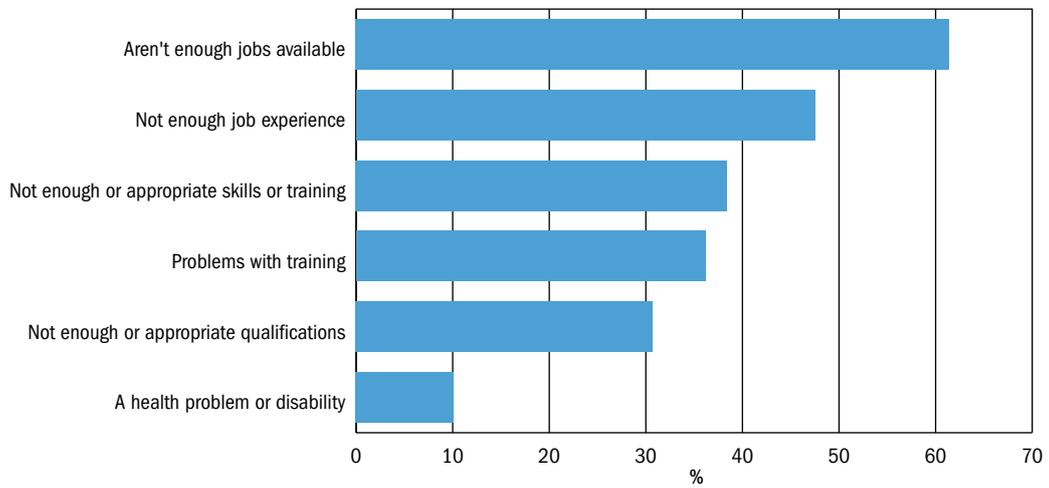


Figure 5.13 Reasons for unemployment: early leaver VET completers unemployed in 2006



chapter



VCAL graduates

The Victorian Certificate of Applied Learning (VCAL) was introduced in 2002 as an accredited senior year certificate that provides an alternative to the Victorian Certificate of Education. VCAL offers a more practical or hands-on option for students in Years 11 and 12. It provides courses which offer combinations of work-related experience, as well as literacy and numeracy skills, and the opportunity to acquire other skills needed for life and work. In 2005, more than 10,000 students in Victoria were enrolled in VCAL courses. There is considerable interest in the outcomes of students participating in VCAL, including the experiences of VCAL students in the transition from school to work.

The 2004 *On Track longitudinal* cohort contains a sample of 789 VCAL graduates. This chapter presents information on the status of the VCAL graduates in 2006, in the second year after leaving school. It reports on the main activities of this group over the two years and compares them against VCE graduates at a similar stage.

→ Destinations of VCAL graduates in their second post-school year

Table 6.1 provides an overview, for school completers who completed VCAL rather than VCE in 2004, of the major destinations in 2006. As an alternative senior school certificate, with its applied nature, VCAL could be expected to provide students with a solid platform from which to access VET and/or employment after leaving school. Indeed, when contacted in 2005 almost a third of the VCAL graduates were engaged in an apprenticeship, and a further 40 per cent were either in another form of VET study or training or in full-time work. The longitudinal study allows us to explore the stability of these post-school outcomes for VCAL students

The first panel presents row percentages, which are the percentages based on the 2005 main activity. It shows that of the VCAL graduates who took up an apprenticeship in their first post-school year (2005), 90.2 per cent were still engaged in that training in 2006. A further 5.1 per cent were no longer doing their apprenticeship and were in full-time work. Similarly, of those working full-time in 2004, 37.7 per cent were still in full-time jobs in 2006, while a further 18.0 per cent had moved into an apprenticeship and 11.5 per cent had become unemployed.

The second panel presents the figures as column percentages, that is, the percentages expressed in terms of the 2006 main activity. Therefore, of the unemployed in 2006, 18.8 per cent were in entry-level VET in 2005, 13.9 per cent had been working full-time, and 39.6 per cent were also unemployed in 2005.

Table 6.1 VCAL graduates: activities in 2006

Activity in 2004	Main activity in 2006									
	Univers-ity	VET Cert IV+	VET Entry-level	Appren-tice	Trainee	Full-time work	Part-time work	Unem-ployed	Not in the labour force	Total
	Row percentages (percentage based on 2005 activity)									
University	81.3	6.3					6.3	6.3		100.0
VET Cert 4+		48.8	1.3	5.0	1.3	15.0	16.3	8.8	3.8	100.0
Entry-level VET		2.5	23.3	18.4	1.8	17.2	23.3	11.7	1.8	100.0
Apprentice-ship				90.2	0.3	5.1	2.4	2.1		100.0
Traineeship	3.4	5.1	1.7	6.8	32.2	25.4	16.9	5.1	3.4	100.0
Working full-time		0.8	2.5	18.0	8.2	37.7	17.2	11.5	4.1	100.0
Working part-time		3.8	0.6	15.2	10.8	20.9	42.4	6.3		100.0
Unemployed			4.4	13.9	10.9	14.6	21.9	29.2	5.1	100.0
Total	1.4	5.0	4.7	37.9	6.2	16.0	17.6	9.4	1.9	100.0
	Column percentages (percentage based on 2006 activity)									
University	86.7	1.9					0.5	1.0		1.5
VET Cert4+		72.2	2.0	1.0	1.5	7.0	6.9	6.9	15.0	7.5
Entry-level VET		7.4	76.0	7.4	4.5	16.4	20.2	18.8	15.0	15.2
Apprentice				74.6	1.5	9.9	4.3	6.9		31.4
Trainee	13.3	5.6	2.0	1.0	28.8	8.8	5.3	3.0	10.0	5.5
Working full-time		1.9	6.0	5.4	15.2	26.9	11.2	13.9	25.0	11.4
Working part-time		11.1	2.0	5.9	25.8	19.3	35.6	9.9		14.8
Unemployed			12.0	4.7	22.7	11.7	16.0	39.6	35.0	12.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The most common destination for all VCAL graduates surveyed in 2006 was the same education, training or labour market destination they were in the year before. Almost all apprentices and most of the few university students were still in that same study or training destination – not a surprising finding given that these are typically pathways that take three or more years to complete. About half the number of VCAL graduates in middle or advanced-level VET study in 2005 were studying at the same level in 2006. Most who were not had moved into employment. About a quarter who had

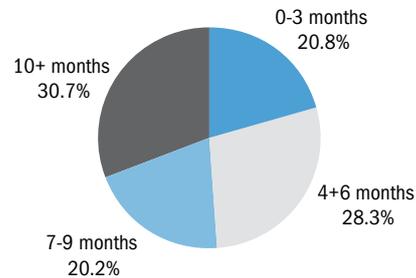
been in basic VET courses were still studying at Certificate III level or below, while 18 per cent had found an apprenticeship and 40 per cent were working. A third of trainees were still trainees, and further quarter had moved into full-time work. Some 38 per cent of VCAL graduates who were in full-time work and not in study or training in 2005 were still working full-time, while 18 per cent had secured an apprenticeship and 17 per cent had changed to part-time work. Just on 11 per cent were unemployed in 2006. Forty-two per cent of part-time or casual workers were still working part-time or casually, but 20 per cent had found

full-time employment. A third of those surveyed who had been unemployed in 2005 were also unemployed in 2006. Only 15 per cent had found full-time work, and 22 per cent were in part-time or casual employment. A quarter had moved in to a training contract as either an apprentice or trainee.

→ Longer-term employment outcomes for VCAL graduates

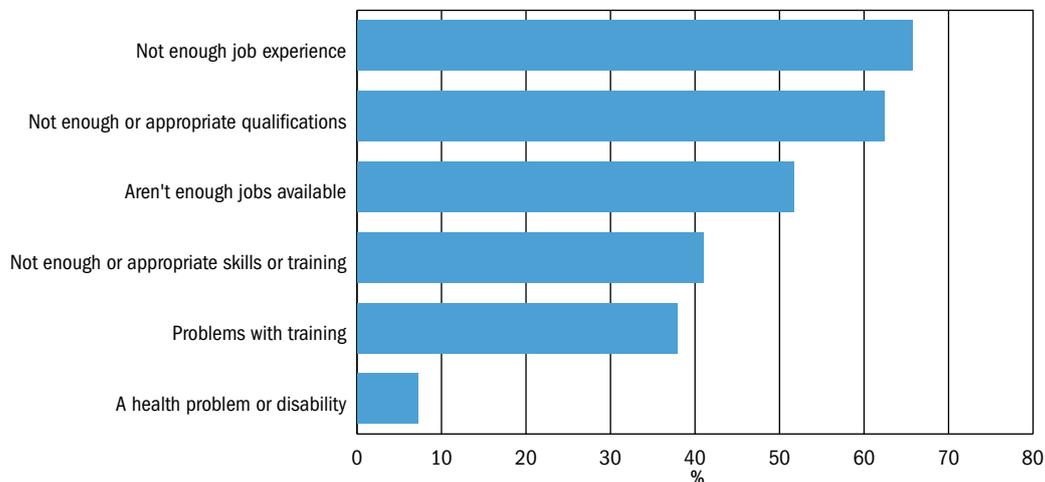
About 1 in 8 VCAL graduates in the 2005 *On Track* survey was unemployed in 2005. This figure dropped to about 1 in 10 in 2006, 29 per cent of which were part of the unemployed group in 2005. As Figure 6.1 shows, of this 29 per cent, a fifth had been looking for work for less than four of the twelve intervening months, and were either working or not in the labour force for the remaining period. More than half, however, had been unemployed and actively seeking work for at least seven months, and in three out of ten cases, for 10 months or more.

Figure 6.1 VCAL graduates looking for work in 2005 and 2006: length of time unemployed



The VCAL graduates who were unemployed at the time of both surveys were asked about some of the possible reasons they might be having trouble finding a job. Two-thirds agreed that their difficulty in finding work was due, at least in part, to them not having enough job experience (see Figure 6.2). Almost as many cited a lack of qualifications as a barrier.

Figure 6.2 Reasons given for being unemployed in 2005 and 2006: VCAL graduates



Almost two-thirds of VCAL graduates who were employed in both 2005 and 2006, report that in 2006 they are still working in the same job as they were in 2005. This proportion is roughly the same for males and females, and for both full-time and part-time workers.

VCAL graduates who were not in study or training at the time of either survey were unlikely to report having undertaken any study or training in the intervening period – only 16 per cent of both males and females had done so, and in most cases the study or training was of a month or less duration, for example, Responsible Service of Alcohol certificate.

→ Comparison of VCE and VCAL graduates' destinations

Figure 6.3 shows a comparison of the 2006 destinations of VCAL graduates with the destinations of VCE graduates from the previous year's longitudinal survey cohort, in their second year out of school. Due to the structure of the longitudinal sample drawn from the main *On Track* survey of 2004 graduates, a comparable group of VCE graduates was not available from the same cohort. Instead, VCAL graduates from 2004 are here compared with VCE graduates from 2003, who were surveyed in their second post-school year in the 2005 *On Track* longitudinal survey.

Figure 6.3 shows that the destinations profiles of the two groups and reveals some marked differences, most notably in the rates of transition to university and apprenticeships. Almost 35 per cent of the VCE graduates were in university two-years out from school, compared to less than three per cent for VCAL graduates. This is hardly surprising, given the more vocational and less academic nature of VCAL compared with the VCE.

Equally as striking is the rate of participation in apprenticeships of VCAL graduates. The rate is nearly 40 per cent and almost five times that for VCE graduates. VCAL graduates are also more likely to be in full-time work.

Unemployment is higher amongst VCAL graduates, even in the second year out from school.

Possibly a more meaningful comparison of the two cohorts is to exclude those going into university. It is more meaningful because it compares school leavers attempting, in large part, to enter the workforce or further non-university study or training. This is true of both the majority of VCAL graduates and the VCE graduates not entering university. The results of the comparison are provided in Figure 6.4.

The figures suggest that at a similar stage two years out from school, the VCE graduates are in higher-level VET study (Certificate 4 or above) at a much higher rate than VCAL graduates. They also out-number VCAL graduates in entry-level VET and traineeships. However, VCAL graduates are almost three times as likely to obtain an apprenticeship. Similar proportions are in full-time work, though VCE graduates are far more often in part-time work. Unemployment is higher among VCAL graduates.

If part-time work, unemployment and not being the labour force are treated as being in more marginal activities, reflecting young people not fully engaged in work or study, then there is little difference between VCE and VCAL graduates who do not enter university. About a third of VCAL graduates are in this situation, a rate slightly above that for VCAL graduates (2 percentage points). Unemployment is higher for VCAL graduates, but part-time work is higher for VCE graduates. The results of the next wave of the longitudinal study may shed more light on the relative outcomes.

Figure 6.3 Activities of school leavers in second post-school year: VCE cohort of 2003 and the VCAL cohort of 2004 compared

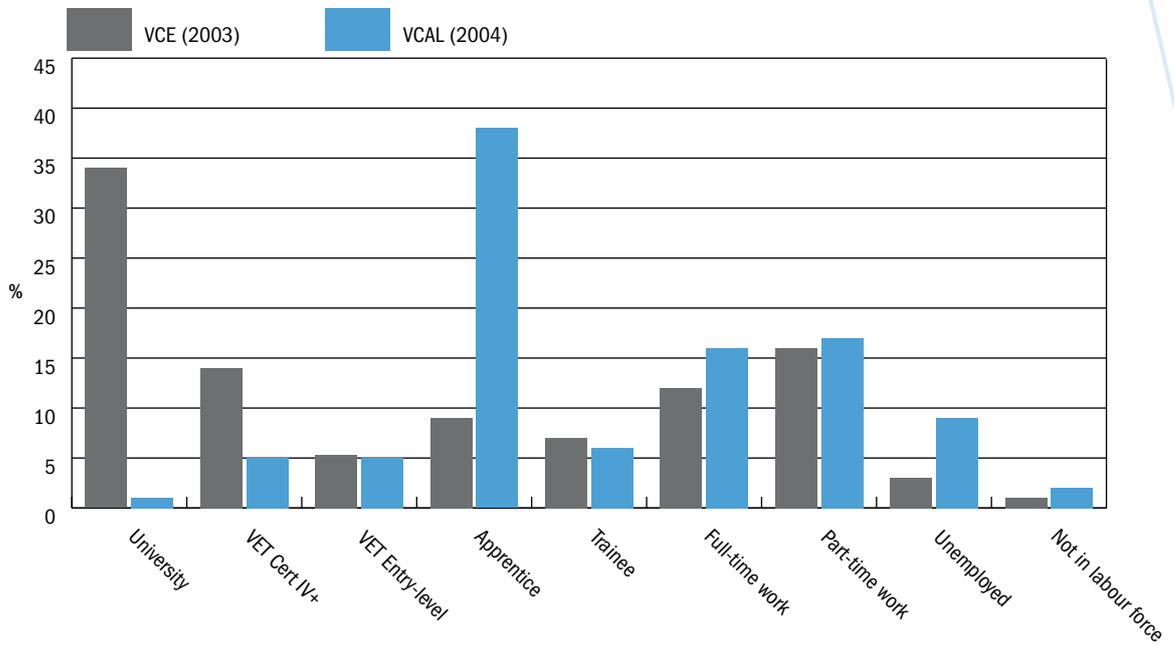
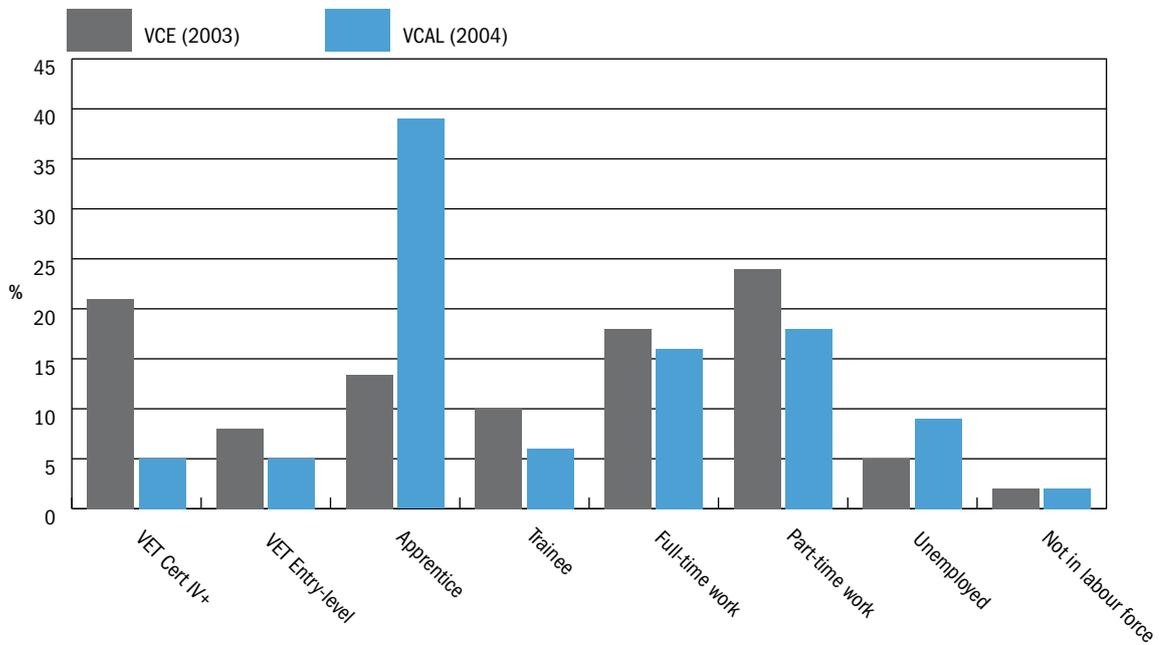


Figure 6.4 Activities of school leavers in second post-school year: VCE cohort of 2003 and the VCAL cohort of 2004 compared, excluding university students



chapter

7

Conclusion

This report maps some of the experiences of different groups of school leavers across their first few years out of school. It shows that current forms of education and training provision are working successfully to support a large number of young people.

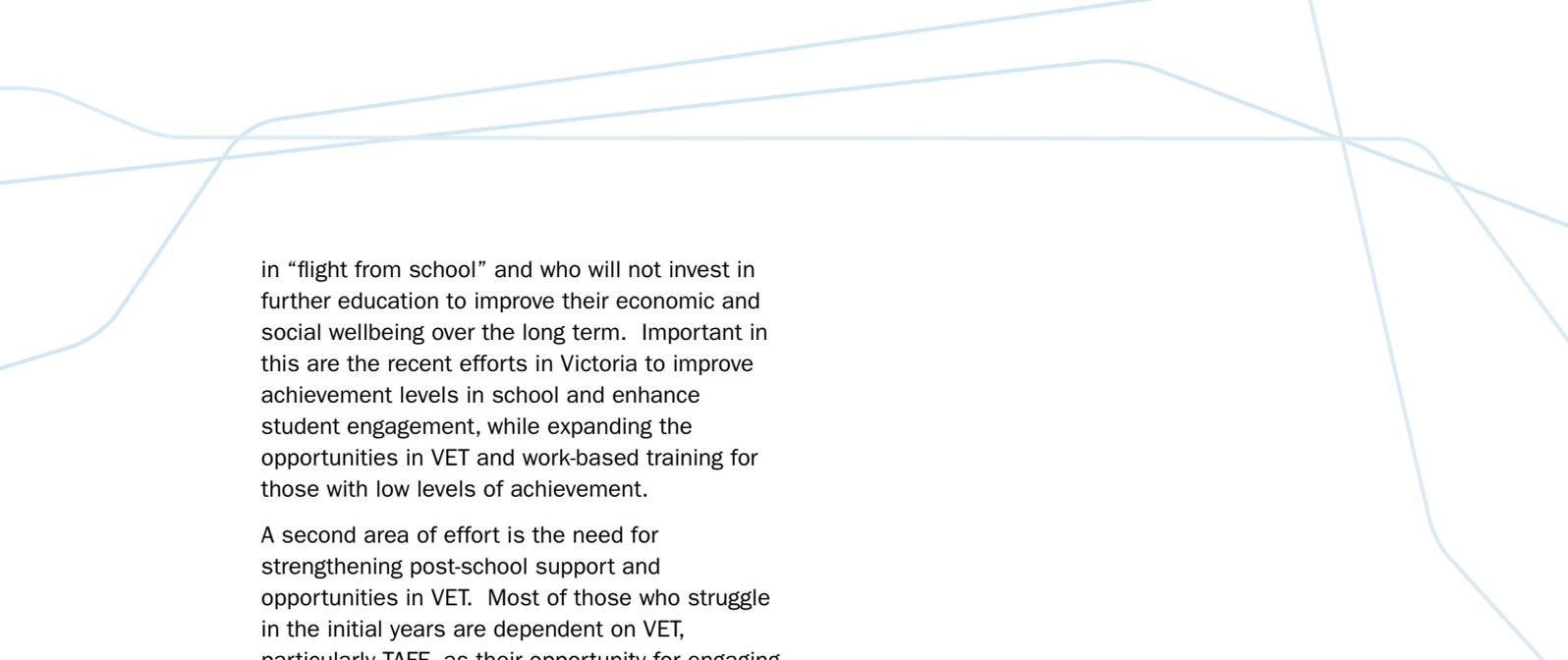
Many Year 12 leavers who enter university study or higher level VET courses as well as apprenticeships and traineeships remain engaged in study and work across the first three post-school years. Many early leavers (around 67 per cent) also remain productively engaged in study, training and work over the first few years of their transition from school.

Apprenticeships, in particular, remain successful as a vehicle of *sustained training* for early leavers and Year 12 leavers, important at a time in which skilled workers are in heavy demand across Australia and in short supply. About 40 per cent of early leavers are in an apprenticeship or traineeship three years out from school. The rate for Year 12 leavers is about 16 per cent. Moreover, the continuation rates in apprenticeships are high: over 75 per cent of those who took up an apprenticeship after leaving school were still participating two years later. The stability of the training effort in apprenticeship makes this a very strong option for school completers as well as for early leavers even though access to apprenticeship can be uneven, influenced by factors such as local industry structure and the labour market, wage relativities, perceptions of work quality, and gender.

While most school leavers make positive progress in the transition to work and study over the initial years, there are small numbers of Year 12 leavers and larger numbers of early leavers who struggle to obtain secure forms of study and work. Around 8 per cent of early leavers who were unemployed in 2005 remained

unemployed in 2006. A further 4 per cent were not in study or training and dependent on part-time work. With comparatively high levels of continuing unemployment, the situation of this 'at risk' group remains a concern. These young people are drawn disproportionately from lower socio-economic 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. Low achievement and disengagement from school are major causes of early leaving. Unemployed on leaving school, and unemployed two years 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 or work experience. Their lack of qualifications and training has not been addressed since they were first contacted. Where early leavers do engage in education and training, completion of a qualification rewards them with greater access to employment, indicating the value of education and training qualifications for this more vulnerable group.

From a policy perspective, these results point to the need to continue to work on two fronts to assist those who tend to struggle during transition to find work or take up education and training options. First is the need for strengthening preventive measures through 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. The reasons why unemployed school leavers frequently do not undertake further study are often school-related. Unless these issues 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. Important in this are the recent efforts in Victoria to improve achievement levels in school and enhance student engagement, while expanding the opportunities in VET and work-based training for those with low levels of achievement.

A second area of effort is the need for strengthening post-school support and opportunities in VET. Most of those who struggle in the initial years are dependent on VET, particularly TAFE, as their opportunity for engaging in education and training. There is 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. The legislative provision for guaranteed opportunities for study or vocational training is very important in this regard.