



A National Youth Strategy

A TDA Position Paper

August 2004

EXECUTIVE SUMMARY

Large numbers of young Australians are leaving school early and not acquiring the skills they need to get jobs and that will serve them well in later life. This has increasingly serious economic and social implications given that structural changes in the Australian economy, combined with technological change, have reshaped and severely reduced employment opportunities for unskilled or low skilled youth. The numbers of people aged 15-24 who are neither in full-time education nor in full-time work are disturbingly high and compare poorly with other countries.

As Australia's workforce ages, the failure to skill our young people adequately will become an increasing economic problem as well as a major social concern. The significant numbers without the skills to participate in the workforce will add to the burden being placed on others in their own generation and the younger generations who follow them. The Australian Government's Intergenerational Report has highlighted the critical need to ensure that all young people have the capacity to contribute to the economy in the future.

The evidence is strong that post-school education and training results in much better employment prospects, higher income earning capacity, greater labour mobility and, for older workers, the capacity to stay longer in the productive workforce. Much of the recent focus in education policy at the national level has been on university education. We need to make much better provision for the 70% of people who do not go to university.

TAFE has the potential to play a pivotal role in a national youth strategy. It is a key educational pathway for large numbers of young Australians. It has a sound understanding of the various parts of the youth market and is well placed, with appropriate resourcing, to offer innovative options to meet their different learning needs.

A successful strategy will need to have several elements.

Young people need to be given greater support to help them manage the transition from school. TAFE Directors Australia supports the recommendation made by the Dusseldorp Skills Forum, the Smith Family and others for the establishment of a national youth transition support program to provide individual case management especially for potential early school leavers. Action also needs to be taken to improve the quality of careers advice.

The focus should not simply be on year 12 completion at school. Pathways from school to work are diverse and vocational education and training based pathways are both a valuable alternative and a valuable supplement to year 12. We need to provide those who may not thrive in a traditional secondary school setting with alternative education and training pathways including through TAFE.

We need to establish as a national goal that all Australians will be provided with the opportunity of undertaking a minimum of two years of recognised and appropriate post-school education and training qualification, including VET qualifications typically to at least Certificate III or IV level.

TAFE's capacity to realise young people's potential needs to be strengthened by: providing increased funding for places (including pre-employment and year 12 equivalent programs as well as additional places at higher qualification levels); better career advice and student support services; and funding arrangements which would facilitate greater collaboration between schools and TAFE in providing VET to school students.

A National Youth Strategy

Our Vision

The Australian Government develops an effective National Youth Strategy which guarantees that all Australians will have the opportunity to undertake a minimum of two years of recognised and appropriate post-school education and training qualifications, including VET qualifications typically to at least Certificate III or IV level.

The Strategy will include:

- *Provision of adequate and appropriate support services for all students, especially mentoring and professional careers advice*
- *Greater emphasis on higher VET certificate and diploma qualifications (including in the New Apprenticeship Programme) and a sharper focus on areas of projected skills shortage*
- *Strengthening TAFE, by the provision of:*
 - *additional funding for more places specifically targeted at young people, and*
 - *better funding for pre-vocational training (including literacy, numeracy and IT skills, as well as generic/ employability skills).*

Investing in Our Young People

The vocational education and training system, and particularly TAFE as the public and principal provider, has a major role to play in supporting Australia's social and economic growth and well-being. TDA believes very strongly in the importance of all Australians being given the opportunity to undertake the education and training that will equip them with the skills that will enable them to get jobs, earn a satisfactory income and contribute fully to Australia's economic and social development.

The evidence is strong that post-school education and training results in much better employment prospects, higher income earning capacity, greater labour mobility and, for older workers, the capacity to stay longer in the productive workforce.

Conversely, as the Business Council of Australia has pointed out, the potential impacts of a lack of appropriate post-school education and training for all Australians include lower employment rates, increased welfare payments, lower productivity and lower tax revenue, higher health costs, higher crime rates and other social impacts. For business it will mean ongoing labour and skills shortages. For the individuals concerned, it can mean "a life characterised by unemployment and poor living standards".¹

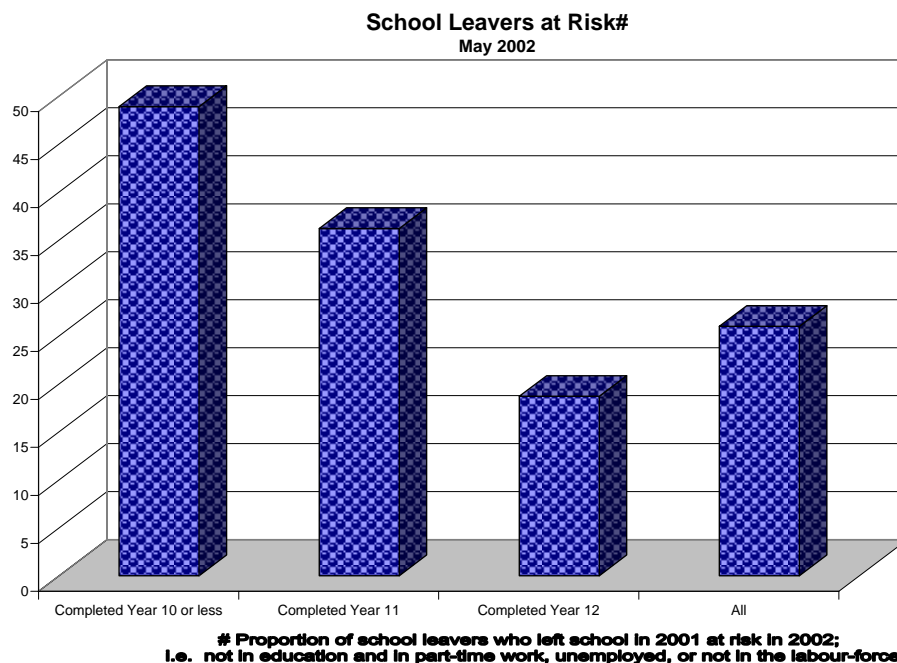
While providing vocational education and training opportunities is important for all age groups, it is particularly important that we lay a sound basis for the future and invest now in the skilling of our next generation.

¹ Business Council of Australia, *The Cost of Dropping Out: The Economic Impact of Early School Leaving*, 2003.

The Challenge

Currently there are large numbers of young Australians who are leaving school early and who are not acquiring the skills they need to get jobs and that will serve them well in later life. This has increasingly serious economic and social implications given that structural changes in the Australian economy, combined with technological change, have reshaped and severely reduced employment opportunities for unskilled or low skilled youth.

- For the past decade 15 per cent of teenagers have not been in full-time learning or work, and at least one in ten school leavers are not making a successful transition.
- As many as 26 per cent of young adults (20-24) are neither in full-time education nor in full-time work; Australians aged 15-24 years have 2.7 times higher levels of unemployment of adults (25-54 years).
- Those who complete 12 years of school or equivalent vocational qualifications have better transition prospects than those who do not.



- A sharp fall in apprentice training rates in the main trades is contributing to shortages of core vocational occupations, which are essential to both production and maintenance in a modern knowledge-based economy.
- Social commentators, such as ACOSS, the Reverend Tim Costello, and the Smith Family, are highlighting the need to address the growing problem of disengaged youth who do not engage in training and therefore may not attain the work skills to become part of the paid workforce in a sustainable way.
- A number of organisations, including the Business Council of Australia and the Dusseldorp Skills Forum, have pointed to the pressing need to address the social and economic problems created by early school leaving, and the importance of investing in long term and sustainable solutions to increase the education and training outcomes of Australia's youth.

² Dusseldorp Skills Forum *How Young People are Faring, Key Indicators 2003*, p.12

Further, there are many other young people who appear to be making ill-judged or insufficiently informed choices about the most appropriate further education or job pathway for them. This is probably a significant factor behind the high attrition rates among university students and represents a worrying waste of resources.

As Australia's workforce ages, the underdevelopment of the potential which Australia's youth has to contribute to the community and the economy will become an increasing economic problem as well as a major social concern. There will be significant numbers without the skills and capabilities to participate in the workforce and this will add to the burden being placed on others in their own generation and the younger generations who follow them. The Australian Government's Intergenerational Report³ has highlighted the critical need to ensure that all young people have the capacity to contribute to the economy in the future.

Much of the recent focus in education policy at the national level has been on university education, and the funding of the higher education sector has been seen as a priority. Yet only a minority of young people go direct from school to university. We need to make much better provision for the 70% of people who do not go to university. We need an approach that caters for all our young people, and that provides adequate support for the transition from school to work including, especially, through providing encouragement and support to undertake further education and training which will strengthen their lifetime opportunities. It is important that the approach recognises that the pathways from school to work are diverse and that vocational education and training based pathways are both a valuable alternative and a valuable supplement to Year 12.

It is true that State and Australian Governments have a range of policies in place that are directed at increasing participation in the vocational education and training system through a variety of strategies ranging from expanding the traineeship system to increasing VET in Schools programs. But the results to date fall well short of what is needed. A national youth strategy is required.

TAFE and Australian Youth

TAFE has the potential to play a pivotal role in a national strategy.

Through its supportive adult learning environment, student services capacity, and its innovative courses, TAFE nationally has been a major player in serving the needs of young people and making a highly positive contribution towards their successful transition to the workforce:

- TAFE is a major destination for school leavers:
 - 27.5% of those who complete Year 10;
 - 32.6% of those who complete Year 11;
 - 22.2% of those who complete Year 12; and
- Almost 80% of them are soon employed after gaining their TAFE qualification.

Despite the multiple and highly complex demands and challenges that have placed greatly increased demands on their resources in recent times, TAFE institutes have responded to the needs of youth, providing appropriate learning modes through turbulent VET reform. These

³ Commonwealth Government, 2002-2003 Budget Papers, Budget Paper No 5 – Intergenerational Report

responses range from dealing with the impact of welfare reforms on young students, such as mutual obligation training, to responding to young people's changing career aspirations.

TAFE has been and remains a key pathway for young Australians; participation rates exceed one in four for those aged 15 to 19 years, and are increasing significantly.

However, the growth of short-term and low-skills based programs and qualifications in the broader VET sector, the focus given to increasing retention to Year 12 for higher education pathways, and the lack of real funding growth, has placed at risk TAFE's capacity to have a significant impact on providing educational pathways for young Australians.

The TAFE sector can continue to positively address the needs of Australian youth. TAFE needs both government funding support and community endorsement if it is to continue to develop and deliver appropriate options for their learning and work. It will be able to maximise its contribution if it is part of a well-designed, coherent education and training strategy to address youth needs.

The Youth Profile

A profile of Australian youth includes various segments, each with different career aspirations and learning needs:

- *Early Year 10 leavers:*
 - Focussed on leaving school rather than pursuing a career, often with a negative attitude to further education and training, and employment; or
 - Seeking employment, and prepared to undertake further education and training to increase employability, providing it can be shown to be useful; or
 - Seeking employment, but with negative attitudes towards further education and training and reluctant to engage further in 'school'.
- *Career students, Year 10, 11 or 12 leavers, already decided on a career path:*
 - Trainees and apprentices;
 - TAFE full-time pre-employment student with a career focus;
 - University career focus.
- *Career searcher, Year 11 or 12 leaver:*
 - Don't know what they want but prepared to try available further education and training options as a way of finding out.

There are also issues with those young people who have embarked on inappropriate pathways, and who may as a result be at risk of 'dropping out' or becoming disengaged. In addition, for many of today's young people, pathways are no longer linear; job and career change is now a constant feature of working life.

TAFE has developed a sound understanding of each of these youth segments, and is well placed to respond to each one in customised and supportive ways in order to offer a range of options to meet their different learning needs. TAFE has the capacity, with appropriate resourcing, to develop active, innovative approaches to program provision including utilising appropriate new delivery and learning modes.

Current deficiencies in our VET system

National initiatives taken in recent years have helped increase the numbers in training but it is highly questionable whether a sound basis is being laid for Australia's long term skills development. It is also clear that current policies are having some detrimental effects on pathways for youth, and our ability to respond to the dreams and aspirations of our young people.

- **Apprentices/Traineeships:** The participation of youth, particularly boys, in traditional trade apprenticeships has declined significantly with the expansion to the traineeship system which, through funding incentives to employers and to RTOs, has encouraged more youth into short term training options with low employment outcomes. As a result the skills base in the traditional trades is disappearing.
- **VET in Schools:** Many more youth have been able to gain lower level qualifications, but in many cases within a school setting which includes some vocational placement, rather within the well established vocational training available in TAFE. This can limit access to further training, and affect credibility with industry.
- **User Choice:** While User Choice was introduced to provide a stronger client focus in VET, it has been used to stimulate market forces. Few students have a real choice of training provider because employers primarily make the decision.
- **Training Packages:** The on-the-job training and assessment focus of training packages has had an adverse impact on the participation in TAFE of the many young people who are not in employment, even though TAFE has adjusted its delivery of training packages to facilitate access to training for young people.
- **Affordability:** We must ensure that course fees do not put TAFE out of the reach of those, such as youth and the unemployed most in need.
- **Pathways:** Significant numbers of TAFE students have the ability and motivation to proceed to university and do well there. However, the absence of systemic pathways, with fair credit recognition programs remains a significant barrier to equity for many young Australians' access to higher education.

The Way Forward

Governments (Australian, State and Territory) have already committed themselves to the goal that all young people should have the opportunity to complete 12 years of schooling or its vocational equivalent. But insufficient progress is being made. Further, there is evidence that those who have post-school education and training will have better employment outcomes and lifetime opportunities than those who do not.

Action is needed to

- provide young people especially those 'at risk' with greater support to help them manage the transition from school;
- provide those who may not thrive in a traditional secondary school setting with alternative education pathways including through TAFE;
- give encouragement and support to all young Australians to undertake post-school education and training;

- strengthen TAFE's capacity to provide vocational education and training for young people including through funding for additional places.

Support services

The Dusseldorp Forum, the Smith Family, the BCA, Australian Industry Group and others, have drawn attention to the need for the provision of personal advice and support for each and every school leaver, and especially early school leavers, to enable them to make a successful transition. Recent research by ACER for the Smith Family has identified that boys are much less likely than girls to have made post-school plans. It is particularly important that there be appropriately trained and resourced transition workers who can support, mentor and assist all early and potential early school leavers, and to individually plan and manage pathways during and after school.

There is also a strong case for significantly improving the availability of other support services for young people. These include access to remedial literacy and numeracy programs where necessary, and pre-vocational training, which includes generic or employability skills, to assist young people with the sometimes difficult transition from school to further education and training and the world of work.

Appropriately targeted careers programs can also significantly improve job and career outcomes. Careers advice, from qualified careers counsellors who have a broad background in the world of work, has been shown to have a positive impact. However the provision of careers advice should also draw where possible on the expertise and experience of those with direct knowledge of job prospects and outcomes, including those in industry and TAFE counselling services.

Appropriate training must be in place for vocational counsellors to ensure that young people receive a better appreciation of the true range of options available to them; assist to dispel myths and outdated misconceptions relating to occupations such as the traditional trades; and reduce the incidence of young people making poor choices based on inadequate or inappropriate advice.

Alternative Education and Training Pathways

The needs and aspirations of young people are diverse and this needs to be recognised in the programs offered if we are to be successful in significantly increasing retention rates. The majority of young people are not seeking to pursue an academic pathway but rather pathways to work or to further vocational education and training. Their learning needs and preferred learning environment are often somewhat different to those who are intending to seek entry to higher education.

Some young people are keen to move early into the world of work and will be successful in seeking to go into an apprenticeship or traineeship following year 10 or 11. Typically they will do the structured part of their training at their local TAFE Institute. There are others who are not suited to a school environment but may respond much better to the adult learning environment offered by TAFE. These early school leavers, many of whom are not ready for or able to get apprenticeships, can be encouraged to remain engaged in education through being given the opportunity of undertaking pre-employment training or Year 12 equivalent programs at TAFE. It is important therefore that there be adequate provision for TAFE to offer these programs.

Within the school framework, there is already some recognition of the desirability of providing more than one option for students to encourage them to undertake year 12 or its vocational equivalent. The Victorian Certificate of Applied Learning is one example of this approach.

There is merit in taking the VCAL concept further and looking at the possibility of providing additional, well designed, vocational education and training options to Year 12 that are likely to engage and support those young people who may not thrive in a traditional secondary school setting. One option would be to build on the strengths and flexibility of TAFE to develop innovative strategies of offering applied vocational education. This approach would draw on the facilities and expertise of TAFE and offer a strong pathway from school to TAFE, but at the same time deliver skills and knowledge that are typically seen as the province of generalist education. It could be achieved, for example, by establishing vocationally oriented secondary colleges that would be co-located with TAFE and have close links to both the TAFE Institute and the local school system.

A Youth Training Guarantee

TAFE Directors Australia believes that the year 12 target needs to be supplemented by a commitment to provide *all* school leavers with some post-school education and training. Accordingly, TDA recommends that the Australian Government take the lead and provide a guarantee to every Australian, with a particular focus on young people to the age of 22 years, that they will be given the opportunity of a minimum of two years of post-school education and training, which would include VET-based pathways, typically to at least the Certificate III or IV level or equivalent.

The strategy would encompass a second chance strategy to re-engage early leavers to achieve a Year 12 or an equivalent qualification including through VET.

It would also include the opportunity for those who are not in higher education or employment to undertake post-Year 12 vocational training to at least the Certificate III or IV level. Research shows that while Year 12 completers are much more likely than early school leavers to go on to further education, Year 12 completion is no guarantee of obtaining a full time job. Only 14 per cent of Year 12 completers who do not go on to further education are able to get full time work.⁴

The Importance of Meaningful Training

While pre-vocational courses and Certificate I and II courses are critical for many as a first step, young people need higher level skills if they are to have good employment prospects in the longer term, and a sound basis for life long learning. The guaranteed training must therefore be substantive, and directed towards gaining meaningful long-term employment.

Those school leavers who undertake apprenticeships have typically better employment outcomes than those who do short term traineeships.

Pathways

While VET offers a great variety of career paths in its own right, the development of satisfactory, clear and reliable pathways, with fair credit recognition, for those students wishing to proceed from TAFE to university remains a very important issue. TAFE's role as a pathway to higher

⁴ Dusseldorp Skills Forum, *How Young People are Faring: Key Indicators 2003*

education is particularly significant for those from disadvantaged backgrounds. Smith Family research⁵ indicates that those from a disadvantaged background benefit from the adult learning environment and applied skills TAFE provides and in that way can assist the transition to higher education.

Most arrangements that exist tend to be one-off, negotiated bilaterally between institutions or, more often, between individual departments or faculties within institutions. They are subject to change and uncertainty for the student, which is compounded by the lack of a guarantee that a place will be available even where credit transfer arrangements apply. The absence of systemic pathways in most areas between TAFE programs and university programs remains a significant barrier to equity for young Australians' access to higher education.

Strengthening TAFE

Above all other providers in Australia, TAFE institutes nationally are best placed to respond emphatically, and with empathy, to the learning needs of Australian youth in delivering a comprehensive package.

In the case of TAFE, TDA recommends that the arrangements include:

- increased funding to make more places available for young people
 - including better funding for pre-employment/year 12 equivalent programs in TAFE
 - as well as additional places at higher qualification levels
 - and keeping costs of training affordable for young people;
- entry level training which places more emphasis on literacy, numeracy, IT skills, time management and business skills;
- a fresh approach to Training Packages which puts more emphasis on generic and cross-occupational skills, and makes them more culturally inclusive and responsive to the diverse needs of metropolitan, rural and remote areas;
- much better provision for career advice and student support services including youth transition workers and mentoring arrangements;
- funding arrangements which would facilitate collaboration between schools and TAFE in providing VET to school students; and
- incentives to improve pathways from VET to Higher Education.

The Benefits of a National Youth Strategy

Too often, training is perceived as a cost, rather than an investment. Much research has been undertaken in recent years on the short- and long-term social and economic benefits to young people, and to Australia as a whole, of investing now in skilling our next generation and it is clear that the benefits significantly outweigh the short term costs to the budget. Conservative estimates suggest that implementing some form of national youth guarantee, of the type now supported by a wide range of business, education and community groups, is likely to deliver a return of at least 2.3 : 1 on this investment in our future⁶.

⁵ Smith Family, *Barriers to Participation: Financial, Educational and Technological*, 2003

⁶ Dusseldorp Skills Forum, *Honouring Our Commitment A policy paper about Realising Australia's Commitment to Young People*, 2002

Summary of Recommended Actions

TAFE Directors Australia calls on any future government to

- Provide young people especially those ‘at risk’ with greater support to help them manage the transition from school, through
 - the establishment of a national youth transition support program under which trained transition workers would support, assist and mentor early and potential early school leavers; and
 - acting to ensure the provision of better careers advice.

- Provide those who may not thrive in a traditional secondary school setting with alternative education pathways including through TAFE.

- Establish as a national goal that all Australians will be provided with the opportunity to undertake a minimum of two years of recognised and appropriate post-school education and training qualifications, including VET qualifications typically to at least Certificate III or IV level.
 - This should include provision for a second chance strategy to re-engage early leavers to achieve at least Year 12 or an equivalent qualification including through VET.

- Strengthen TAFE’s capacity to help realise young people’s potential by providing
 - increased funding to make more places available for young people including
 - ~ pre-employment/year 12 equivalent programs in TAFE
 - ~ as well as additional places at higher qualification levels
 - ~ and keeping costs of training affordable for young people;
 - funding for entry level training which places more emphasis on literacy, numeracy, IT skills, time management and business skills;
 - funding for improved career advice and student support services
 - a fresh approach to Training Packages which puts more emphasis on generic and cross-occupational skills;
 - funding arrangements which would facilitate greater collaboration between schools and TAFE in providing VET to school students; and
 - incentives for universities to improve pathways from VET to Higher Education.

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