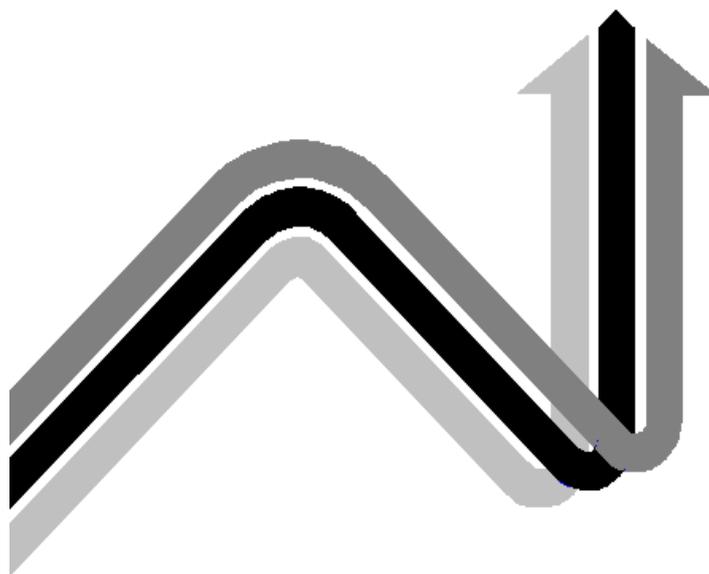


**THEMATIC REVIEW OF THE TRANSITION
FROM INITIAL EDUCATION TO WORKING LIFE**



AUSTRALIA

COUNTRY NOTE

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List of Acronyms

ABS	Australian Bureau of Statistics
ACER	Australian Council for Educational Research
ACT	Australian Capital Territory
AGPS	Australian Government Publishing Service
ANTA	Australian National Training Authority
AQF	Australian Qualifications Framework
ASTF	Australian Student Traineeship Foundation
BEAT	Bridging Employment and Training
DEET	Department of Employment, Education and Training
DEETYA	Department of Employment, Education, Training and Youth Affairs
HSC	Higher School Certificate
ITAB	Industry Training Advisory Board
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
NCVER	National Centre for Vocational Education Research
NETTFORCE	National Employment and Training Taskforce
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
TAFE	Technical and Further Education
TER	Tertiary Entrance Rank
VCE	Victorian Certificate of Education
VECCI	Victorian Employers Chamber of Commerce and Industry
VET	Vocational Education and Training

1. INTRODUCTION

Purposes of the Thematic Review

This paper forms part of the *Thematic Review of the Transition from Initial Education to Working Life*, a project launched by the OECD's Education Committee in November 1996. The review is a cross-national activity designed to identify major aspects of change in the transition from initial education to working life occurring in OECD countries and, on this basis, to evaluate the contribution of different policy approaches to facilitating transition. A detailed description of the review's objectives, analytical framework and methodology is provided in OECD (1996a).

The thematic review places young people's transition to work within a lifelong learning framework (OECD, 1996b). The transition from initial education to work is only one of many transitions that young people will need to make throughout their lives. It is of critical importance, though, since the process by which young people move from education to work can influence the extent to which the benefits of education are retained, and opportunities for new learning are opened up. From this perspective, improving the transition to work means more than getting young people into jobs -- it also requires helping them to become effective learners throughout their adult lives.

The thematic review process is a relatively new form of OECD activity in the field of education, having commenced in 1995 with the *Thematic Review of the First Years of Tertiary Education*. In contrast with OECD reviews that are concerned with education and training in a single country, and whose audience is principally within that country, a thematic review is comparative in nature and intended to be of interest to all Member countries.

From the perspective of participating countries, a thematic review is a less extensive process than a full country review; it involves less time and fewer resources, and does not entail a comprehensive consideration of policy issues in the ministerial portfolio(s) concerned. It also differs from a single country review in terms of output. After each country visit the OECD produces a short Country Note that draws together background materials and the review team's observations. After all participating countries have been visited during 1997, a report will be prepared that draws on their experiences to provide lessons for other OECD countries. This paper is the Country Note for Australia. It will be one input to the comparative report that will pull together analyses and policy developments for all countries participating in the Review.

Australia's Participation in the Review

Australia is one of six countries participating in Round 1 of the review. The others are Austria, Canada, the Czech Republic, Norway and Portugal. These countries provide a diverse range of social and economic contexts and policy approaches towards young people's transition to work.

Australia is not alone in experiencing youth unemployment, social alienation among the young, and concerns about long-term economic prosperity. However, in some respects the forms that those concerns take are unique to Australia, as are some of the policies that have been launched in response. As a society that is becoming increasingly oriented to the Asia-Pacific region, and which has strong ties to Europe and North America, the Australian experience has much to offer the OECD membership as a whole.

Australia's participation is being co-ordinated by the Vocational Education and Training Division of the Department of Employment, Education, Training and Youth Affairs (DEETYA). The OECD is very appreciative of the assistance provided by DEETYA in facilitating Australia's participation, including the organisation of a comprehensive and stimulating visit by the review team in March 1997.

Australia was the first country to be visited in the thematic review. The review team comprised two members of the OECD Secretariat and two invited experts from other Member countries (see the Appendix). During their two weeks in Australia the review team visited the Australian Capital Territory (ACT), Victoria, South Australia, and New South Wales (NSW). Discussions were held with a wide range of policy makers, educational and training institutions, research organisations, employers, trade unions, non-government organisations, and groups of young people.

The discussions revolved around four main issues:

- the ways in which young people's transition to work in Australia is changing;
- where the main problems and priorities for action lie, including the identification of which young people are most at risk;
- how the transition process and its outcomes can be improved, including the particular roles that education and training institutions, employers and other key agents should play; and
- policies and programmes that are particularly effective, the reasons for their success, and constraints that may limit their wider implementation.

The reviewers were very appreciative of the hospitable, frank and informative meetings that were held, and the extensive documentation that each group provided.

Prior to the visit the review team had the benefit of a comprehensive *Background Report* (Ainley, Malley and Lamb, 1997) that had been commissioned by DEETYA from the Australian Council for Educational Research (ACER). The background report, which was based on the guidelines and key questions detailed in OECD (1996a), is an important output from the thematic review process.

Australia is fortunate in that it has growing research base that can be used to inform policy development and practice on transition. Given the length and purpose of this paper it has not been possible to fully draw on and synthesise this work. Only a few of the relevant studies are included in the list of references that accompanies this paper. Much more extensive guides to Australian research and policy documents are provided in, among other places, the *Background Report*, and the vocational education and training database maintained by the National Centre for Vocational Education Research (NCVER).

Needless to say, the paper that follows is the responsibility of the review team. Although we have benefited greatly from the documents and briefings that were provided before, during and after the visit, any errors and misinterpretations are our own.

Structure of the Paper

The remainder of the paper is organised in four main sections. Initially, in section 2, several of the key contextual factors shaping young people's transition are outlined. Section 3 then identifies the major principles that characterise the reform efforts that have been underway since the mid-1980s in Australia.

Although there has been some shifting of emphases following the election of the federal Coalition government in March 1996, the new government's initiatives are broadly consistent with directions that have been evident since the mid-1980s. There seems to be widespread agreement about the goals of transition policy in Australia, although particular policy instruments are often subject to strong debate. Section 4 considers the issues that struck the review team as requiring continuing attention from policy makers and practitioners. Some of these concerns are recent in origin, but others -- such as the orientation of senior secondary education -- are long-standing and indicate the difficulties in making systemic change. In that section we suggest some strategies for meeting the challenges that still remain. These are based in large measure on the promising initiatives in policy and practice that we observed and learned about during the visit. Section 5 contains some concluding remarks.

The suggestions made in the paper recognise the substantial progress that has been made in reshaping young people's transition to work in Australia, and the strong commitment to further improvement that was evident among all of the groups we consulted. The suggestions are also offered in recognition of the difficulty facing a group of visitors -- no matter how well briefed -- in fully grasping the variety and complexity of Australia and the range of factors that need to be taken into account.

2. THE CHANGING CONTEXT OF TRANSITION

A Complex Policy Environment

The large size of Australia, the variations in climate and economic structure among the States, and its increasingly multi-cultural population mean that the visitor should be careful about generalising from experiences in one part of the country to the nation as a whole. This is particularly so in education. Constitutionally, education is a State responsibility and the six States and two Territories (which have State-like powers in education) guard their autonomy carefully. Notwithstanding the significant moves towards a national framework that are outlined in section 3, in all but the university sector there are essentially eight systems of education and training. In that sector, each university is granted a large measure of autonomy through State legislation while substantially funded and co-ordinated nationally.

At school level the number of students range from about 40 000 in the Northern Territory to around one million in NSW. The picture is made even more complex by the existence of a large number of non-government (private) schools in each State and Territory (hereinafter referred to as States). The private schools enrol about 30 per cent of all school students (a share that has been increasing since the late 1970s) and, despite receiving substantial government funding, have a large degree of operational autonomy (although in practice most are similar to government schools in structure and curriculum). The task of forming a national overview is further complicated by the fact that some States have devolved considerable responsibilities to individual schools and Technical and Further Education (TAFE) institutions, while other States have retained a large measure of centralised control.

Governments provide around 90 per cent of the funding for education in Australia, and are major influences on educational policy and practice. Because of the federal structure of government, there are ongoing debates about the clarification of roles of the different levels and arms of government, and how to achieve better co-ordination among them. Although the federal (or Commonwealth) government does not have constitutional responsibility for education, except in regard to student financial support, it plays an increasingly important role in financing and setting broad policy directions.

In simplified terms, and including student financial support, the Commonwealth supplies about 30 per cent of the government funding for school education (with the private school sector being more dependent on Commonwealth funding than government schools), about 35 per cent of the government funding of the Vocational Education and Training (VET) sector, including TAFE, and about 95 per cent of the government funding of universities (Australian Bureau of Statistics, 1996). Both the VET and university sectors are raising increasing levels of income from non-government sources such as student charges and fee-for-service activities with enterprises. For example, Commonwealth funding of universities now supplies about 60 per cent of their income, well down from the 90 per cent of a few years ago. The growing diversity of funding reflects government moves to encourage the education system to be more responsive to student and industry demand. The role of government is gradually shifting from direct provision of education to one of steering and monitoring the system, and guaranteeing its quality.

The institutional framework for industrial relations is another element of the transition area where responsibilities are shared between the Commonwealth and State governments. Minimum conditions of employment, including wages, are specified by industrial awards. Depending on the industry and occupation involved, the awards may come under the jurisdiction of industrial relations tribunals at either Commonwealth or State level. Over the past decade there has been a marked move away from centralised awards applying to large sectors of the economy to a greater reliance on enterprise-based agreements between employers and employees within the framework of minimum award conditions¹. Of particular relevance to young people's transition to work, it is only in regard to labour market programmes for the unemployed that the Commonwealth does not share financial or operational responsibility with the States.

Australia was the first OECD country to merge separate departments of education and employment through the establishment in 1987 of the Commonwealth Department of Employment, Education and Training (DEET, and since 1996 DEETYA with the addition of Youth Affairs). In recent years, several States have made similar mergers. As a further move to encourage greater policy coherence, the Commonwealth legislated in 1992, with the agreement of the States, to create the Australian National Training Authority (ANTA) to co-ordinate vocational education and training and in particular to allocate increased Commonwealth funds to the States.

Notwithstanding the significant steps that have been taken over the past decade, the terrain surrounding young people's transition from education to work still seems to be crowded in terms of policy making and service delivery. In virtually all of the discussions that we held in Australia, concerns were expressed about conflicting agendas and programme priorities from Commonwealth and State government authorities. Section 4 develops some suggestions for clarification of roles between the various levels of government. In essence, they support the case for the Commonwealth taking full responsibility for post-secondary education and training.

In late 1983 a group of OECD examiners visited Australia to advise the newly elected federal Labor government on the youth unemployment problem and on ways for dealing with it. The report that was subsequently published (OECD, 1986) provides a useful baseline against which to judge how much has changed since that time -- and areas in which little appears to have altered.

The 1986 OECD report argued that Australia faced two major sets of problems in regard to its young people: high rates of unemployment and underemployment; and low levels of educational attainment and occupational skills. The first of these problems -- high unemployment -- is certainly still evident, although progress has been made in reducing the youth unemployment rate. The second set of problems -- low levels of educational attainment and skills among the young -- is now much less evident, although concerns still exist about the quality of young people's educational experience and the role that social background plays in shaping educational access.

Growth in Education Participation

Secondary school

In 1982 the apparent year 12 retention rate was 36 per cent, a figure that had changed little since the mid-1970s². The apparent year 12 retention rate in the government school sector, which enrolled the majority of students, was only 30 per cent in 1982. The OECD examiners argued that these exceptionally low retention rates indicated that there was something fundamentally wrong with Australian secondary education, especially as there were only limited alternatives for those who did not complete school at that time.

A decade later, the apparent year 12 retention rate had more than doubled, reaching 77 per cent by 1993. It has since slipped back somewhat, to 71 per cent in 1996. We discuss the recent downward movement in year 12 retention later in the paper. At this point, however, it is important to reflect on the quite remarkable change in secondary school completion since the early 1980s. The magnitude of that change, its reasons, and its flow-on effects are central to understanding the current context of young people's transition from education to work.

There are few countries that have experienced as rapid a rise in education participation as Australia has undergone since the early 1980s. A variety of policy tools have been used to increase the attractiveness of education and training, and to tighten the eligibility of young people for unemployment benefits. As well, the income advantages of improved educational qualifications, especially university degrees, have largely been maintained despite the increased numbers of qualified people entering the labour market (OECD, 1996c).

Table 1 records the changes in education participation rates for 17 year-olds in Australia and six other OECD countries between 1981 and 1994. Although the basis for calculating these rates differs somewhat between the two periods, the broad picture is clear. The 1986 OECD report compared Australian participation rates with those in six other OECD countries. In 1981 the Australian rate for 17 year-olds was lower than in all of these countries except the United Kingdom. Education participation grew in all these countries between 1981 and 1994, but the growth was fastest in Australia. By 1994 the participation rate of 17 year-old Australians was similar to that in France, Germany, Sweden and the United States, and exceeded the rates in Denmark and the UK³.

The rise in secondary school retention rates has clearly been related to the sharp decline in full-time jobs for youth over the past 20 years. In August 1970 some 575 000 15-19 year-olds were in full-time employment. By 1985 the number had fallen to 425 000, and by 1993 it had reached just 160 000. Since then the number of teenagers in full-time work appears to have risen slightly as the economic recovery has continued, which accounts for some of the recent decline in the Year 12 retention rate. Long-term, structural changes in the labour market have decreased the demand for teenage full-time workers, and this has increased the incentive to stay at school. However, this negative impact from the labour market does not account for all of the rise in school completion. Since the mid-1970s the secondary school retention rate for females has exceeded that of males and by 1996, the apparent year 12 retention rate for girls was 77 per cent compared with 66 per cent for boys. The attractiveness of secondary school for girls is at least in part due to the substantial opening up of career opportunities for educated women that has been evident over recent years. Over the past 20 years, the demand for labour has changed in a way most favourable to those with university degrees, particularly women, and least favourable to early school leavers (Karmel, 1997).

A number of research studies have pointed to the importance that young people place on continuing in education as a means of obtaining a better job. However, the motives for staying in school are more complex than this. Although it is difficult to disentangle the various factors affecting the decision to continue in education, overall the research suggests that changes to school programmes and teaching approaches are particularly important for potential early school leavers: they leave school largely because they do not like it, rather than for financial reasons. Indeed, there is evidence that those States where the reforms to curricula, assessment and teaching were most far-reaching experienced the most rapid rises in school retention during the 1980s and early 1990s, even after accounting for labour market conditions (Ainley et al, 1997).

Table 1 Participation Rate in All Forms of Education, 17 Year-Olds, 1981 and 1994
(% of 17 year-olds in full-time and part-time secondary and tertiary education)

	1981	1994
Australia	60	92
Denmark	68	81
France	71	92
Germany	89	93
Sweden	69	95
United Kingdom	51	74
United States	87	86

Note: Due to changes in definitions and data collection methods over time, the figures in the two columns are not strictly comparable.

Sources: OECD (1986) and OECD (1996d).

The substantial rise in secondary school participation that Australia has experienced since the early 1980s reflects very positively on the capacity of schools and education authorities to anticipate, and respond to, a broader set of student needs. From the discussions that we held, however, it is apparent that most people feel that there is a considerable way to go in this regard. Almost without exception, the people we spoke to -- including teachers and school administrators -- expressed concern that the prevailing ethos of secondary education is oriented too strongly towards preparing young people for university study. About 30 per cent of the youth cohort (about 40 per cent of year 12 students) enter university within a year or

two of completing secondary school. The most frequently nominated policy question among the people we met was how secondary schools could better meet the needs of the majority of school leavers who do not proceed to university.⁴ We take up this question in section 4.

Tertiary education

There are two sectors of tertiary or post-secondary education: vocational education⁵ and training (VET), of which the largest component is the Technical and Further Education (TAFE) sector; and the higher education or university sector.

TAFE institutes provide a wide variety of courses including pre-employment programs, apprenticeships, retraining and updating programs, para-professional and liberal adult education, and TAFE is the most accessible part of tertiary education (Ainley et al, 1997). In 1995 some 230 000 15-24 year-olds were enrolled in TAFE, of whom 6 per cent were part-time⁶. A further 50 000 students aged 15 to 24 years were enrolled in other types of VET institutions such as business colleges and industry skill centres. In total, around 10 per cent of 15-24 year-olds were enrolled in some form of VET program in May 1995, although institutional data indicate a cumulative participation rate of about 18 per cent during all of 1995.

Apprenticeships continue to provide an important form of vocational education for young Australians, although apprenticeship numbers are in decline. The normal apprenticeship lasts for four years during which the apprentice works for an employer and attends a TAFE institute part-time. Traditionally, apprenticeships have been oriented towards trades in manufacturing and construction, and have appealed more to young men than young women. In 1985 traineeships were introduced to provide a shorter and more flexible approach to entry-level training. Traineeships normally involve a one year programme with an employer incorporating on-the-job and off-the-job training, and are most evident in the service sector in areas such as retail and office work. Apprenticeships and traineeships are becoming increasingly integrated, a process that will continue further under the New Apprenticeship scheme (see section 3). In 1994-95 about a quarter of young males but less than 10 per cent of young females commenced apprenticeships or traineeships (OECD, 1996c).

About 15 per cent of 15-24 year-olds were attending university in May 1995, which was considerably higher than the 10 per cent who were enrolled in the VET sector at that time (ABS, 1996) although, as noted above, cumulative participation in VET during 1995 was about 18 per cent. There has been a continuing debate in Australia about the relative size of the two sectors of tertiary education, with a number of policy initiatives underway to increase the attractiveness of TAFE for young people. From what we can judge, these initiatives have had little effect. Two concerns were raised with us in discussions. The first was that TAFE is widely perceived to be a "second-best" option in the sense that the more academically able students preferred to go to university and, in a related sense, most secondary schools do not provide clear pathways into TAFE programmes. The second concern was that the increasing orientation of the TAFE sector towards adult students (including worker re-training, labour market programmes for the unemployed, and university graduates seeking vocational qualifications) has meant that the curriculum and teaching approaches used in TAFE programmes were becoming less well-suited to the needs of school leavers.

The nature of our visit and the variety of TAFE programmes and institutions made it difficult to assess the validity of these concerns. However, the following observations about relative enrolment in the TAFE and university sectors are possible from the information that we have.

- Since about 1990 university has surpassed TAFE as the most common destination of school-leavers entering tertiary education. Among those who left school in 1995, 28 per cent were enrolled in university the following year, compared to 24 per cent in TAFE (Ainley et al, 1997). By contrast, among the 1983 group of school-leavers, TAFE was the destination of more a year later (20 per cent) than higher education (15 per cent).
- Nevertheless, more 17-19 year-olds are enrolled in TAFE than in any other sector of education. In 1995 an estimated 26 per cent of 17-19 year-olds were enrolled in TAFE compared to 24 per cent in schools, and 17 per cent in higher education (Table 2). Although the TAFE sector has not experienced the rapid growth in educational participation by the young that schools and universities have since the early 1980s, it had a much higher base of participation to start with, and is still a very significant player in the education of young Australians.
- However, most TAFE students are part-time. In 1995, about 60 per cent of the 15-24 year-olds enrolled in TAFE were part-time (ABS, 1996). By contrast, in the university sector in 1995 part-time enrolments accounted for about 40 per cent of all students, and only 7 per cent of those aged 19 or under.
- A high proportion of young part-time TAFE students are apprentices and trainees. In 1994 there were around 115 000 apprentices and trainees aged 15-24 years (ABS, 1996), which represented about 80 per cent of part-time TAFE enrolments by 15-24 year-olds in May of that year. However, the recession of the early 1990s reduced the number of new entrants to apprenticeships, and in the 1993 to 1995 period the total number of apprentices in training was consistently below that of the preceding 10 years. Thus it would seem that the decline of the apprenticeship system has been one of the main reasons why TAFE has not increased its share of enrolment by the young.

Table 2 Educational participation rates of 17-19 year-olds, 1975 to 1995 (%)

	Schools	TAFE	Higher Education	Total
1975	13	20	11	45
1985	16	24	11	50
1990	20	25	15	60
1995 estimates	24	26	17	66

Note: Changes in data collections affect comparability over time. The TAFE enrolments may include a small number of joint enrolments by school students.

Source: OECD (1996c).

Encouraging more young people to participate in TAFE has been a major part of government response to the Finn Report (1991). State and federal governments have committed themselves to achieving the targets set out in the report. These stipulate that by the year 2001, 95 per cent of 19-year olds should be participating in, or have completed, year 12 or an equivalent level of recognised education and training (certificate level 2)⁷. The equivalent target for 22 year-olds is that by 2001, 60 per cent have completed or

be participating in education and training programmes which lead to level 3 awards (e.g. a trade certificate) or higher (e.g. diplomas or degrees). The achievement of these targets would make young Australians among the best qualified of all the OECD countries.

In 1990 about 70 per cent of 19 year olds met this set of criteria. By 1995 the figure was nearly 80 per cent, although changes in data classification affect the comparison (OECD, 1996c). However, as Table 2 indicated, little of the growth in educational attainment by 19 year-olds seems to have occurred in the TAFE sector.

The magnitude of the task that still lies ahead is indicated by the fact that about 15 per cent of 16 year-olds are not in full-time education. This must be considered to be the group most at risk since the prospects of obtaining stable full-time employment with such low levels of experience and qualifications are poor. These young people appear to prefer no post-compulsory education to the education that is on offer. Despite the significant advances that have occurred in educational participation by all social groups since the early 1980s, it is a continuing concern that early school-leavers -- and the recent decline in year 12 retention rates -- are concentrated among those from low socio-economic groups, rural areas, and government schools (Ainley *et al.*, 1997).

A Changing Labour Market

General Overview

The Australian economy has undergone significant structural change in the past 20 years. It has become much more open to international competition, a number of public sector activities have been restructured and privatised, and economic activity has become more diversified with less reliance on primary production and manufacturing. The economic changes have been associated with extensive initiatives to increase skill levels through education and training. Half of the labour force now holds a post-school qualification (certificate, trade qualification, diploma or degree), and the number of people currently in education will increase this further as they enter the labour force and less well-qualified persons retire. Over the past 20 years the proportion of full-time workers with university degrees has tripled to about 15 per cent (Ainley *et al.*, 1997).

Currently, Australia is in its seventh year of economic recovery. The GDP growth in 1996 was 4 per cent and the expectation is that the economy will grow over the next two years at about 3 per cent, which is close to the estimates of long-term potential growth. Employment growth in Australia has generally been higher than in most OECD countries since the mid-1980s. However, the growth in the labour force has also been comparatively strong, with the net effect that unemployment has remained quite high (OECD, 1996c). Moreover, the unemployment rate has increased during each major recession (1976-76, 1982-83 and 1990-91) and has never returned to pre-recession levels during subsequent economic recovery. The rate of unemployment fell from an annual peak of 11 per cent in 1993 to 8.5 per cent in 1996 and is projected (by the OECD) to fall to 7.8 per cent in 1998.

The Youth Labour Market

The youth labour market has changed substantially over the past 20 years (Wooden, 1996). Three major trends are evident: a marked increase in education participation by 15-24 year-olds; a sharp decline in full-time labour participation; and a growth in part-time employment.

The growth in education participation since the early 1980s has meant that the age at which most young people leave education to commence work has risen quite significantly in Australia. Table 3 provides an index of this by calculating the lowest age at which more than 50 per cent are in employment and not also enrolled in education. In 1984 this age was 19 years in Australia. By 1994 it had reached 22 years. According to this admittedly arbitrary measure, the age at which the transition to work occurs for young people increased more rapidly in Australia than in any of the other 14 OECD countries for which comparable data are available.

One senior education official expressed concern that the growth in education participation rates since the early 1980s had not been matched by an increase in young people's productivity. His point was that where youth wage rates are largely dependent on age, retaining young people in the education system for longer periods runs the risk of pricing them out of jobs when they do finally enter the labour market. Accordingly, the government school system with which he was closely associated was attempting to provide more vocationally-relevant education within secondary schools.

Table 3 The age at transition from initial education to work, 1984 and 1994

	Lowest age at which >50% are employed <i>and</i> not in education	
	1984	1994
Australia	19	22
Belgium	23	23
Canada	21	23
Denmark	22	24
France	22	24
Germany	20	22
Greece	23	24
Ireland	20	22
Italy	23	25
Luxembourg	20	21
Netherlands ^a	22	23
Portugal ^b	22	23
Spain ^a	26	27
UK	20	22
USA ^c	21	21
Country mean	21.6	23.1

Notes: The table shows the lowest single year of age at which more than 50 per cent of people at that age are employed and not enrolled in education. (a) 1987 is used instead of 1984; (b) 1986 is used instead of 1984; (c) 1993 is used instead of 1994.

Source: OECD (1996e).

High rates of youth unemployment are evidence of a failure in the transition process, and concern about the young unemployed drives much of the policy debate in Australia. Table 4 compares several indicators of youth unemployment in Australia in 1994 with 18 other OECD countries. The major features are as follows.

- The labour force participation rate for 15-24 year-olds in Australia, at 69 per cent, was high relative to the OECD average (53 per cent). Australia has a high proportion of its young people in the labour force (the equal 3rd highest out of 19 countries), although a relatively high proportion of them are working part-time.
- At 17 per cent the youth unemployment rate was just under the OECD average (19 per cent).
- However, the combination of a high level of youth labour force participation and an average level of youth unemployment means that the ratio of unemployed youth to the 15-24 year-old population is comparatively high in Australia. In 1994 this ratio was 12 per cent, which meant that Australia ranked equal 3rd highest in this regard.
- Since the adult unemployment rate in Australia was close to the OECD average as well, this meant that the ratio of youth to adult unemployment in Australia, 2.1, was just below the OECD average of 2.3. While young Australians fare comparatively better in the labour market than young people in a number of OECD countries (particularly in southern Europe, where the ratio of youth to adult unemployment is about 4:1), they are less fortunate than those in countries with strong vocational education and training systems (Denmark, Germany, the Netherlands) where the youth and adult unemployment rates are very similar to each other.

Another perspective on youth unemployment in Australia is provided by an analysis of adult and youth rates in OECD countries over the past 15 years (Stern and Wager, in press). Since 1979 the ratio of youth to adult unemployment in Australia has declined from about 3:1 to 2:1. Over this period Australia has been very close to the regression line that relates youth to adult unemployment in OECD countries. In other words, the youth unemployment rate in Australia is close to what would be expected given the adult unemployment rate, and has been for the last 15 years or so. These analyses underline the importance of helping young people to become more competitive in the labour market. In the absence of such moves, a substantial decline in youth unemployment would require a substantial decline in overall unemployment -- a prospect that is unlikely over the next few years.

While the likelihood of unemployment is higher among youth, its average duration is shorter. In 1995 the average duration of unemployment was about 8 months for 15-24 year-olds, and 15 months for 25-54 year-olds (Wooden, 1996). However, the fact that the youth unemployment rate is high, but the duration of unemployment comparatively low, implies that a much higher proportion of young people experience some unemployment than do adults.

The overall policy thrust to increase secondary school completion rates is endorsed by the fact that unemployment rates for year 12 graduates are much lower than for early school leavers, and that there is a generally positive relationship between level of initial educational attainment and participation in on-the-job training (ABS, 1996). Furthermore, in terms of reducing the likelihood of unemployment, the benefits in completing year 12 appear to have increased since the mid-1980s, especially for girls (Ainley *et al*, 1997). Despite smaller numbers of early school leavers competing for jobs in recent years, early school leavers have fared worse in the 1990s than in the 1980s. It seems that as the norm of young people's

behaviour in Australia has shifted to completing year 12, those who leave school early have become even more marginalised.

Table 4 Unemployment Indicators, 1994

	Youth labour force participation 15-24 year-olds (A)	Youth unemployment rate 15-24 year-olds (B)	Youth unemployment to population ratio (A*B)	Adult unemployment rate 25-64 year-olds (C)	Ratio of youth to adult unemployment (B/C)
Australia	69	17	12	8	2.1
Austria	62	5	3	3	1.7
Belgium	35	22	8	8	2.8
Canada	63	16	10	9	1.8
Denmark	69	11	8	12	0.9
Finland	41	34	14	17	2.0
France	31	30	9	11	2.7
Germany	79	8	6	9	0.9
Greece	38	29	11	7	4.1
Ireland	46	23	11	13	1.8
Italy	38	32	12	8	4.0
Netherlands	62	9	6	6	1.5
Norway	56	13	7	4	3.3
Spain	42	45	19	20	2.3
Sweden	51	17	9	7	2.4
Switzerland	44	8	4	4	2.0
Turkey	50	16	8	6	2.7
United Kingdom	70	16	11	8	2.0
United States	58	14	8	6	2.3
Country mean	53	19	9	9	2.3
Australia's ranking	equal 3rd	equal 8th	equal 3rd	equal 8th	10th

Source: OECD (1996e).

However, there is evidence that in terms of type of job, the advantages of completing year 12 appear to have narrowed over the past decade, especially for males. In the early 1980s year 12 completers in their first post-school year were more often employed in technical areas, clerical work, and sales and related work. White collar employment (sales and clerical) has remained the most important source of employment for teenage girls into the 1990s. In recent years more and more teenage males -- school completers and early leavers alike -- have been taking up low-skilled jobs such as factory hand, driver, cleaner and plant operator. More male year 12 completers are entering the type of employment once taken up by early school leavers, at least during the first year out of school. It would be important to monitor the experiences of school leavers in such jobs and the extent to which they provide stepping stones to higher-skill careers or confine people to low-wage futures.

Despite the significant rise in education participation rates that Australia has experienced, and the growth of post-school opportunities, some 43 per cent of the 1995 group of school-leavers were not attending tertiary education in 1996 (Ainley *et al*, 1997). Expressed as a percentage of all school-leavers, those who were not in tertiary education comprised the following groups:

- full-time employed (16 per cent);
- part-time employed (11 per cent);
- unemployed (12 per cent); and
- those not in the labour force (3 per cent).

The last three groups of young people comprise a quarter of all school-leavers. This proportion has altered little since the early 1980s. For example, of the 1983 group of school-leavers, some 61 per cent were not attending tertiary education in 1984. The post-school activities of these young people were as follows:

- full-time employed (34 per cent);
- part-time employed (6 per cent);
- unemployed (16 per cent); and
- those not in the labour force (4 per cent).

There are two striking features of these figures. First, the proportion of school-leavers who have a full-time job in the year after leaving school has more than halved from 1984 (34 per cent) to 1996 (16 per cent). Second, although the proportion of those in the other three categories is the same in 1996 (a total of 26 per cent) as it was in 1984, the composition of the latter group changed between 1984 and 1996: the percentage of unemployed school-leavers fell (from 16 to 12 per cent) while the proportion who are working part-time and not enrolled in education rose from 6 to 11 per cent.

Longitudinal data from ACER's Youth in Transition study indicate that around 20 per cent of 18 and 19 year-old Australians spent at least 12 months of the two-year period 1993 and 1994 in neither full-time employment nor full-time education (Sweet, 1996). This proportion was even higher (about 30 per cent) for those who had low levels of academic performance in school, or who were from low socio-economic backgrounds. Furthermore, the longer that teenagers were outside of full-time education or full-time employment, the greater the likelihood that their mobility within this two year period was from one "marginal" activity to another such as from part-time work to unemployment or to another part-time job. Although more extensive data would be needed to determine the long-term effects of these experiences, such teenagers would appear to face considerable difficulties in making a transition to stable full-time employment.

3. KEY PRINCIPLES AND MAJOR REFORMS

Since the mid-1980s there has been a concentrated effort in Australia to put in place a set of policies and programmes to expand and strengthen the nation's vocational education and training system. For people living inside this system, the pace of change must sometimes appear as overwhelming, with new initiatives -- each with its own funding requirements, implementation rules, and acronyms -- appearing every few months. From the perspective of an outside review team, however, what is striking is the broad policy consensus that seems to have formed around a set of underlying principles that have guided the development of the Australian training reform agenda.

As we understand it, there are five guiding principles that have shaped the reforms that have been put in place over the past decade. Although the programmes and strategies that have flowed from these

principles are often contested by one or another key stakeholder group, we heard little debate about the underlying conceptual framework that these principles represent.

Principle 1: A National Framework

The first principle is that Australia needs a national training system. In a country where education and training, at least below the university level, have been viewed as principally the responsibility of State and Territory governments, this represents a significant change. Perhaps the clearest expression of this principle can be found in the six goals adopted in 1992 by State and Commonwealth Ministers of Vocational Employment, Education and Training, the first of which is “to develop a national vocational education and training system in which publicly funded, private and industry providers can operate effectively, efficiently and collaboratively, and which meets the needs of industry and individuals.”

To stimulate the creation of such a national system the Commonwealth Government that same year established by statute the Australian National Training Authority (ANTA), an agency overseen by an industry-based board, but accountable to a Ministerial Council. ANTA’s role is to provide strategic direction and advice to the States and Territories, to support innovation and to spread effective practice through the provision of growth funds, and generally to strengthen the quality, flexibility and responsiveness of the VET system to its clients and users.

The decision to adopt a national training strategy is also reflected by the adoption in 1994 of the Australian Qualifications Framework (AQF) in 1994 by the Ministerial Council of Education, Employment, Training and Youth Affairs (MCEETYA). The AQF is designed to provide a consistent pattern across the States and Territories of nationally recognised qualifications for the workforce as a whole. The vocational certificates are based on national skill standards developed through Industry Training Advisory Boards (ITABs). Providers of training must base their curriculum and assessment materials on these standards in order to be accredited.

As was noted earlier, at federal level a unified department combining employment, education and training was created in 1987. Even though DEETYA has experienced significant down sizing, and some of its employment-related functions are about to be privatised, its unitary structure and leadership represent another significant force for coherence, co-ordination and consistency across geographic, political and bureaucratic boundaries.

Principle 2: Competency, not Time Based

A second key principle underpinning the current reforms is that Australia’s vocational education and training system should be competency based. While Australia’s schools and universities largely continue to operate in a world in which diplomas and degrees are awarded principally on the basis of credits accumulated and time served, the VET system is committed to awarding credentials based on demonstrations of what students know and are able to do. As suggested above, this means that course design, curriculum and assessment will all be driven by the industry developed skill standards, and that demonstrations of prior learning based upon these standards will be recognised.

Because the VET system overlaps the secondary and tertiary sectors, there will inevitably be tension around the coexistence of these competing systems for recognising and rewarding learning. A major thrust of the current reform agenda is a significant strengthening of the role of vocational education in the schools, especially in the senior secondary years 11 and 12. An important element in this strategy is

the introduction in these years of a set of nationally developed Key Competencies⁸. These are a set of broad employability skills (e.g. communication, problem solving, planning and organising and working in teams) that cut across the curriculum, and which government and business leaders believe that all students will need to participate effectively in the emerging workplace of the 21st century. It seems, though, that as yet there has been only limited progress in embodying the Key Competencies in secondary school programmes. In particular, how such competencies will be assessed and recognised by teachers in academic as well as vocational subjects remains an open question, although the results of a trial evaluation are encouraging (McCurry and Bryce, 1997)

Principle 3: Demand, not Supply Driven

A third principle that threads through these reforms is that the vocational education and training system must be client focused and user driven. A major thrust of the federal government and ANTA has been to promote more choice and competition to reduce the monopoly of public training providers by creating a private training market, and generally to simplify and streamline the system to make it more accessible and responsive to the needs of two key groups of clients: industry and trainees. Virtually everyone acknowledges the need to strengthen industry's sense of ownership and responsibility for training. The moves to inject more market principles into the system, along with recent policy changes designed to promote greater use of the youth training wage, are expected to make the system more attractive to employers.

Principle 4: Multiple Pathways and Flexible Delivery

A fourth principle, closely linked to the third, is that of multiple pathways and flexible delivery. One consequence of the decline in traditional apprenticeships is that policy leaders and educational institutions have moved to create a much greater diversity of pathways for young people to follow in moving from school to employment. The initiation of the traineeship programme in the mid-1980s was based upon the recognition not only that the traditional apprenticeship model was too limited to the trades sector and was therefore unable to attract young women, but that the four- year indenture in a rapidly changing economy was increasingly inappropriate for employers as well as young people.

Traineeships represent but one of many new pathway options currently being pursued in Australia, and one of the most salutary developments we noted was the breaking down of walls that have traditionally separated high schools from TAFE institutions and from employer-based training. We saw and heard of many different programmes that combined resources from these sectors in new and imaginative ways, to provide new and more integrated combinations of work and learning for young people. We sensed a widespread desire to create a system in which there is a greater array of options from which young people can choose that will equip them with both a solid floor of academic skills and knowledge and a meaningful introduction into a career pathway.

Principle 5: A Commitment to Access and Equity

A fifth principle that has guided these reforms, while hardly new, is worth noting. That is the preservation of Australia's commitment to access and equity. The commitment to fairness runs deep in Australian life, and although we heard substantial concern expressed about how the least advantaged young people would fare in a more deregulated education and training system that relied more heavily on choice and competition among providers, we also heard a widely shared view that one important criterion for judging

the success of the training reform agenda was its ability to reach the young people who have historically fallen through the cracks.

Major Directions of Reform

Australia's commitment to create a national education and training system that is more competency-based, demand-driven, flexibly delivered and equitable struck the review team as entirely laudable. The major questions facing Australia are much less ones of direction or broad policy goals than of system redesign and implementation: how does the nation move from the education and training arrangements currently in place to a more effective and equitable system?

In the 1990s a continuing set of reforms have been introduced to implement the vision embodied in the principles outlined above. First, there has been a continuing push to broaden the senior secondary curriculum in order to induce more young people to complete year 12. The target set by the Finn Committee in 1991 -- that by 2001 95 per cent of 19 year-olds should either have completed or be enrolled in year 12 or a vocational equivalent -- remains in force, and there are efforts to reverse the decline in year 12 retention experienced in recent years. Although there is some variation in strategies across the States in how to accomplish this goal, there has been a broad push to "return" vocational education to the schools. At least one State -- Victoria -- has created programmes that enable students to leave year 12 with both a high school certificate qualifying them for higher education and a vocational certificate with currency in the workplace and the TAFE sector. Other States have concentrated their attention on the expansion of work-based learning opportunities for students that go well beyond the limited kinds of exposure to work that have been offered in the past under the label of work experience.

In 1994 the Commonwealth government created an agency to provide seed funding, advice, and technical assistance to local industry-education partnerships committed to "the broadening of senior school education to include the opportunity for young Australians to acquire work place knowledge and experience before they graduate from school." Although funded entirely by the Commonwealth, the Australian Student Traineeship Foundation (ASTF) functions like a private foundation. It has an industry-led board, and it sees its role as providing seed capital for innovation. Although its grant making is entirely local, it combines a networking-oriented change strategy with a public information, research and advocacy strategy designed to influence policy makers, corporate and community leaders, and the wider public. Although the ASTF has been in operation for less than three years, and has been funded at under \$10 million per annum, virtually everywhere the review team went we encountered evidence of its impact.

The Commonwealth's recently announced initiative to reform the apprenticeship system, the New Apprenticeship scheme, has as one of its aims the promotion of school-based apprenticeships. Students will be encouraged to begin a new, more flexible style of apprenticeship as they move into year 11, and to combine on-the-job training with continuing progress towards their senior school certificate. The Commonwealth will at the same time expand its Jobs Pathway programme specially designed for senior secondary school graduates seeking employment. Through these and other programs, the government is acknowledging the reality that a senior school certificate is increasingly becoming a prerequisite for employment in an information-age economy, and can no longer be viewed solely or primarily as a passport to higher education.

If one major policy strand in Australia's training reform strategy is to broaden secondary education in ways that will encourage more young people to complete a senior secondary certificate, and thereby improve both their general education level and their qualifications for employment, a second strand of the strategy focuses on employers, and its goal is to strengthen the inducements for industry to become a more

active partner in the youth training system. There is evidence that youth wages in Australia, especially for apprentices, are relatively high, and that this may deter employers from expanding apprentice numbers and providing for off-the-job training for apprentices, other than for the release time at TAFE (Sweet, 1995). Under the new legislation, employers will only need to pay trainees for the time on-the-job and not for training time, and administrative arrangements will be simplified. The government will subsidise trainees to ensure that their pay does not fall below the level of unemployment (job search) benefits. Subsidies to employers to take on apprentices and trainees will continue, although it seems that there will be some changes to the structure of these subsidies. It remains to be seen how the changed mix of incentives for employers to take on apprentices and trainees will affect the supply of training places. It also remains to be seen how the changed trainee wage structure will affect young people's demand for places. Even in those occupations where private rates of return to apprenticeship training are high, it is not because career earnings are particularly high, but because earnings foregone during training are low (Dockery and Norris, 1996).

A third major strand in Australia's reform strategy is an increasing emphasis on the importance of individual initiative and responsibility for shaping one's own transition pathway. Unlike the first two strands, which are already articulated in government policy documents and programme initiatives, this strand is less a matter of explicit government policy and more an inevitable concomitant of the decision to decentralise and privatise the training market. The theory, as we infer it, is that *if* virtually all young people seeking training and employment opportunities arrive at the market with a solid foundation of academic skills and substantial learning at a workplace, and *if* employers come to the market with greater incentives and fewer barriers to their participation, then both young people and employers can shape the provider market to fit their respective needs.

With purchasing power more directly in the hands of industry users, the mechanism seems to be that secondary school completers will find their on-the-job training or employment place first, and then with their employer select the most appropriate site and type of off-the-job education, rather than first enrolling in a TAFE institution and then seeking related employment, which seems to be the dominant pattern for young people pursuing post-secondary education and training today. It is in this sense that we see the new policies as changing the balance of power between training consumers and providers, and putting greater authority and responsibility in the hands of individuals to navigate their own way through the education and training market. The challenge is to ensure that young people are equipped enough, and enterprises are responsive enough, for this approach to work.

4. REMAINING CHALLENGES AND SUGGESTED RESPONSES

Although the review team applauds the major directions and thrust of Australia's training reform agenda, we see five remaining challenges that must be met if the vision that has animated these reforms is to be fully realised. In this section, we outline these challenges and offer some suggested strategies for addressing them. We label these "suggestions" rather than "recommendations" for we are mindful of the limits of our own knowledge and understanding, despite the excellent background report, policy briefings, and site visits organised on our behalf. Nonetheless, we hope these suggestions will stimulate discussion and dialogue among educators, government officials, employers and others interested in improving education and economic opportunity for Australia's young people.

Continuing to Reform Secondary Education

Virtually everyone we spoke with applauded the goal of continuing to broaden the secondary school curriculum to meet a wider range of student needs and talents, but there was no clear agreement on how this could best be accomplished. Given the deep cultural value placed on higher education, and the pervasive mindset that secondary schools exist primarily to prepare people for university, how might Australia redesign its secondary education to better serve the two students in three who are not university-bound in the years straight after secondary school? It is tempting to think that this is a new problem brought on by the dramatic expansion of secondary school completion rates over the last 15 years, but the fact is that in 1983, when only 32 per cent of young people stayed on to year 12, the proportion of graduates going on to university was no higher than it is today.

Given the goal of making the completion of senior secondary school (or its equivalent in the VET system) virtually universal, how might Australia realign its secondary schools to better fit with the reality of student interests and aspirations? A 1994 Schools Council report suggested that the nation had three options: a *dual model*, in which a vocational track leading to vocational qualifications is built to co-exist alongside the university-bound track; a *unitary model*, in which there is a single credential that incorporates academic and vocational studies; and an *integrated model* which extends the emphasis of the unitary model on the convergence of general and vocational studies by requiring that *all* students take courses that integrate academic and vocational learning. The dual model in a sense recreates an older Australian system in which separate technical colleges existed alongside academic secondary schools, but this time the technical or vocational option would exist within the same building. This model requires the least change on the part of the academic subject teachers who set the tone in most Australian secondary schools; but its downside, given the predominant culture, is that the vocational stream, as it was in the older system, will almost inevitably be perceived as second class.

The unitary model, which is the path that schools in Victoria and elsewhere have taken in promoting a single school certificate that is recognised for entry into higher education, and VET or work, reduces the separation implicit in the first model, but it nonetheless maintains a clear distinction between academic and vocational courses and pathways within the secondary school. The integrated model begins from a different premise: namely, that all students need to be prepared for both work and further learning, and that all students, whether headed for university or directly into the labour market, will benefit from a programme of studies that integrates academic and applied learning.

In our view there is no single best way for nations to organise their secondary education systems, no universal path that all countries should be following. Countries such as Germany and Denmark have demonstrated that it is possible to design dual-model systems in which the majority of young people are enrolled in a high-quality vocational stream⁹. These systems flow out of deep-rooted cultural values and traditions, and are supported by long-standing governmental policies that reinforce and support the notion that youth transition to employment and adulthood is a shared responsibility among several social partners: education, industry, labour and government. In countries such as Australia, the United Kingdom and the United States, the concept of social partnership, especially as it applies to responsibility for youth transition, is significantly weaker, and there is a concomitantly stronger social value placed on university enrolment as the preferred outcome of secondary education.

Given Australia's deep-rooted belief system about the purposes of secondary education, we are sceptical that separate vocational education programmes or streams in the senior secondary years can ever acquire parity of status with the academic stream. We understand, however, that in two States we did not have an opportunity to visit -- Western Australia and Tasmania -- high quality vocational programs similar in structure to the European dual system model are under development, and that the early reports are

encouraging. Such developments need to be monitored closely and their results disseminated widely. In general, though, we are much more inclined to urge the expansion of the unitary strategy embodied in programmes that provide a single certificate leading to multiple destinations, and the integrated strategy that is now evident in embryonic form in some Australian secondary schools.

Different approaches towards embodying an integrated model within curriculum design, pedagogy and assessment are documented in the school case studies by Cumming and Carbines (1997). These schools share a strong emphasis on learning in the workplace, and all of them have significantly more of their years 11 and 12 students involved in work placements than the national average of about one in eight students. A school that we visited, Bradfield College, is also moving towards a more integrated approach but within a relatively rare organisational structure that combines features of senior secondary school and TAFE (see Box 1).

Box 1 Bradfield College: An Integrated Strategy

Bradfield College, a joint venture between NSW's Department of School Education and TAFE Commission, commenced operation in 1992 and now enrolls about 600 students. It is restricted to 16-19 year-olds, and spans the boundaries between senior secondary education and TAFE. In terms of regular teaching costs the college is funded as a secondary school, with the additional costs of being a VET college shared between the School Education and TAFE authorities.

Students choosing Bradfield can design an individual study plan that prepares them for university, for further TAFE studies, or for direct entry into the work force. The College offers a full range of High School Certificate subjects for students seeking a Tertiary Entrance Rank, courses in six vocational areas (business, design, entertainment, environmental studies, information technology, personal and hospitality services), and industry-based training linked to their career interests. All students choose a vocational pathway when they enter Bradfield, spend a day a week at a work site, and enrol in courses designed to help them integrate academic and applied learning. The atmosphere is much more like that of a TAFE institution than a secondary school. Bradfield operates 12 hours a day, year-round, and the students are treated (and behave) more like young working adults than like adolescents.

The College is open to students from all over Sydney, and some travel considerable distances to attend. About half of the students are from private schools. Employers are selected to meet the needs of students, and through a variety of means to establish communication with employers, there is now a sufficient number of work placements to meet demand.

What is most significant about Bradfield as a model for the senior secondary years is its recognition that the changes required in schools that are serious about preparing all of their students for work and further learning go well beyond expanding the curriculum. The school's calendar, timetable, organisational climate, guidance and counselling system, staff selection criteria and dominant pedagogical style all flow from the premise that academic and vocational subjects can be taught in ways that are connected and mutually supportive, and that learning in the workplace can powerfully extend and reinforce learning in the classroom. Students might choose Bradfield because their principal interest is in getting on with a career, but they soon come to understand that academic and career preparation are two sides of the same coin, not mutually exclusive pathways.

Unfortunately, Bradfield College has other lessons to teach about the difficulty of working across sectoral boundaries. Despite its obvious success with students --virtually all of its graduates go on to university, TAFE, or employment, and its enrolment has more than tripled in four years -- neither of its institutional parents seem to know quite what to make of it, and so far it has had little impact on the larger systems within which it sits. The important point here, however, is that it offers a promising model for integrating academic and applied learning within a single institution, especially for students for whom the traditional secondary school environment is not a good fit.

Although institutions such as Bradfield College demonstrate the potential for designing a new kind of educational structure out of separate senior secondary school and TAFE colleges, the near-term reality is that most year 11 and 12 programmes will remain part of secondary schools. In these circumstances, initiatives such as Victoria's VET in Schools programme provide a vehicle for combining academic and vocational preparation. This programme enables years 11 and 12 students to gain a recognised vocational qualification as part of their Victoria Certificate of Education (VCE). Courses are offered in such areas as electronics, engineering, retail, horticulture, and information technology. Enrolments have grown from 300 students in 1994 to 8 000 in 1997, with a target of 20 000 (or about one in three students from years 11 and 12 in government schools). As with the Bradfield College experiment, the intent in Victoria is to bring some of the strengths of the TAFE sector into the senior secondary school, especially its flexibility and links to employers. Most VET in Schools programmes engage employers in the assessment of student performance at the worksite, based upon industry standards. What is hard to gauge from a distance is what impact the presence of such programmes has on the dominant culture and pedagogy of Victoria's

secondary schools, but over time the kinds of applied learning and authentic assessment of students' experience at the workplace are bound to have some spill-over effect on the academic side of the school, especially as the proportion of students involved in substantial work-based learning increases.

Like several other States, New South Wales has, since the late 1980s, looked to its TAFE sector to provide vocational education for secondary school students. Under joint agreement between the two sectors, over 200 courses are now offered in TAFE institutions to secondary students in a broad range of occupational fields. These courses appear on students' Higher School Certificates (HSC), and in some cases contribute to their Tertiary Entrance Rank (TER), and in others lead to TAFE certificates at AQF level 1 or 2. These courses, however, seem to provide relatively little workplace experience, and we understand that the way in which the HSC interacts with university entry requirements involves many students having to choose between the university-bound and vocational streams.

Just as the review team arrived in Australia, the NSW Government released a comprehensive report calling for a sweeping overhaul of the HSC in order to provide greater parity and linkages between academic and vocational education in the secondary school years (McGaw, 1997). Perhaps the most controversial recommendation in the report is the call to eliminate the Tertiary Education Rank (TER) and replace it with a university entrance score that will be available only for university applicants. Although the review team has not had an opportunity to study the McGaw Report in depth, it is clear from the press accounts that its recommendations proceed from a very similar analysis to ours of the undue influence of preparation for university study on the content and structure of secondary education.

The review team heard strong endorsement from virtually all involved in secondary school reform for the Key Competencies strategy as a lever for introducing much needed changes in curriculum and pedagogy. It was apparent from our conversations with representatives of schools such as South Australia's Salisbury High School that the Key Competencies can be a powerful lever for introducing much needed changes in curriculum and pedagogy by focusing the attention of teachers across the curriculum on the development of those cross-cutting skills -- communicating, planning, problem-solving, working in teams, using technologies - that are essential for success in the modern workplace. But we also heard strong testimony that work on the Key Competencies needs to begin well before the senior secondary years if they are to have the kind of transformative impact on teaching and learning that their developers envisioned. It is also clear that unless the assessment of these competencies is somehow built into the secondary school certificate system, teachers will have little incentive to change their practice in ways designed to cultivate the development of these competencies, or to participate in professional development programmes aimed at equipping them to do so.

The suggestion that the Key Competencies need to be introduced much earlier than Years 11 and 12 raises a larger point, and that is the need to begin educating young people about work and careers well before the final years of secondary school. Lower secondary education is an especially propitious time to introduce students to the world of work, for early adolescence is a time when young people are eager to begin exploring more adult roles and to become engaged with the world around them. Projects which take young people into their communities and provide opportunities for both learning and service can lay the foundation for more formal vocational preparation in later years, as can job shadowing and other strategies for enabling young people to see first-hand the kinds of knowledge and skills required in an information-age economy. It is from around Year 8 that career information and counselling services should be available as well, so that young people and their parents can make informed choices about secondary school courses based upon a realistic understanding of the academic preparation required for different kinds of career pathways. Where young people at around the age of 14 or 15 develop a stronger sense that schooling matters, the chances of preventing early school leaving are increased.

Strengthening Partnerships

In recent years, Australia has established new mechanisms and structures to involve employers in education and training, and strengthened structures that were already in place. Some employers have also taken the initiative -- either through their professional associations or individually -- to participate directly. These developments are evident at national, state, regional and local level. Some of the most promising have occurred at regional level where employers have combined with local government authorities and educational institutions to link young people's education and training to a regional development focus. For example, the review team was impressed by the achievements and further potential of the regional development organisations that were visited in the Barossa Valley and Northern Adelaide regions of South Australia. The education and training committees of these organisations have played pivotal roles in encouraging workplace learning opportunities for young people and providing cross-sectoral leadership on education reform throughout the region.

In Victoria another business-centred organisation, the Victorian Employers Chamber of Commerce and Industry (VECCI), has played a key role in strengthening school-industry links and in helping the Education Department expand its vocationally-oriented programmes. VECCI was a prime mover in the development of Industry and Enterprise Studies, the most recent area of study to be incorporated into the Victorian Certificate of Education. It co-ordinates a very substantial Teacher Release to Industry programme, through which over 300 teachers in seven years have spent 40 weeks inside enterprises, gaining first-hand knowledge about the changing requirements of the workplace which they then communicate to their students and teacher colleagues back at their home schools. VECCI also plays a key role in seeking out work placements for student and providing training for worksite supervisors.

As these examples suggest, business and industry-education organisations that understand the relationship between educational reform and economic prosperity can be powerful allies and advocates for change. Such organisations understand that it is no longer permissible for employers to simply sit back and complain about the quality of the products of Australia's schools. Employers need to join forces with educators to help shape the quality of their future labour supply, even if this means becoming much more directly involved in the educational process itself. Largely as a consequence of ASTF's pump-priming grants, and the energy of industry-education intermediaries, there has been a dramatic expansion of work-based learning opportunities since 1994, with approximately 60 per cent of secondary schools and 12 per cent of years 11 and 12 students now participating in such programmes. But if opportunities to apply classroom concepts in real-world settings are desirable for virtually all students, there will need to be a mobilisation of enterprises (including those in the governmental and not-for-profit sectors) well beyond anything that is currently being practised.

Students need to know that working hard in school matters, and that there is a close enough working relationship between their teachers and their prospective employer community so that school success will advantage them in the labour market. This argues for an expansion of teacher externship opportunities in industry of the type operated by VECCI in Victoria, and for bringing educators and employers together to co-design work-based curriculum and methods for assessing student learning at the workplace. It also argues for a greater use of student portfolios as part of a student's overall school record, so that employers can have access to better information about what young applicants actually know and can do. If more employers were to develop the habit of asking to see examples of student work as well as the final school certificate, and of seeking referrals and recommendations from teachers before making initial hiring decisions, it would send a powerful message to students about the connection between school performance and their future employment prospects.

The experience of other OECD countries suggests that without the kinds of strong social partnership structures that guide national policy in Germany and Scandinavia, for example, recruiting and sustaining widespread enterprise participation in transition programmes is very difficult. As we understand it, there is no national intermediary devoted principally to providing technical assistance, advice and leadership to expand the base of enterprises involved in education and training. Australia has, however, started to accumulate valuable experience in how such an organisation could be structured and made to work effectively. The ITABs have done, and continue to do, much of this sort of work at the industry level. The National Employment and Training Taskforce (NETTFORCE) -- a government-supported vehicle for involving employers and trade unions in promoting entry level training and jobs for the unemployed -- appears to have had considerable success recently in encouraging enterprises to take on more trainees. The roles of ANTA and ASTF in increasing employer involvement in vocational education and training have already been favourably commented on. Given Australia's commitment to the development of a more national strategy for addressing the youth transition problem, either an existing national organisation needs to step forward and play this role, or a new organisational vehicle needs to be created.

Addressing the Needs of At-Risk Youth

There is one segment of the youth population for whom it is especially crucial that schools develop stronger connections with other societal institutions, and that is the young people who are most at risk in the transition process. These are the 15 to 20 per cent of young people who arrive at age 18 neither in school nor full-time employment, typically with weak academic skills, little or no vocational training, and a bleak sense of their own future prospects. The review team heard powerful testimony in Melbourne and Adelaide from disenfranchised young people and the extraordinarily dedicated staff who work with them in storefront centres and other non-traditional centres, as well as from representatives of a NSW task force established to address the education and employment problems of such young people. It was clear from these conversations that schools as they are presently structured are unlikely to be able to provide the range of support services that at-risk youth need if they are to be expected to navigate their way successfully through school and on into the labour market.

What can be done for those young people who are most likely to fall between the cracks? In its site visits and discussions, the review team heard three ideas which, taken together, could form a workable response to their problems. The first idea, and the one with the broadest applicability, is to consider the development, especially in communities serving large numbers of at-risk youth, of what have come to be called "full-service schools". These are schools that provide access to a broad range of health, employment, counselling and social services for young people and their families, that are typically open during evenings and weekends, and that acknowledge that in many neighbourhoods the school is virtually the only institution with which families have extended contact.

In so many of the discussions that the review team held, and in so much of the background literature, the point was made that the problems of "at-risk" young people are multi-faceted in nature. The factors that cause young people to have difficulties at school are multi-faceted, as are the consequences. Given this, schools are limited in their capacity to address problems or to help find solutions if they do not have the full range of expertise and resources that are needed. This need not necessarily mean that employment, health and social welfare services oriented towards young people should be physically located in secondary schools. However, the school could have the key role in putting young people in touch with the relevant services, and in monitoring their impact and co-ordinating any necessary adjustments.

The transition from education to working life is not a process that can, or should be, isolated from the other transitions involved in growing up. The school is the one social institution with an explicit mission

to prepare young people for adult life. The school's key contribution to this has been through fostering young people's intellectual development. This must remain the paramount function of the school. However, it is clear that intellectual development requires more than educational inputs alone. It also requires an array of other supportive factors -- good health, self-confidence, a safe and positive home and neighbourhood environment, and so on. As they are presently structured, schools have only a limited capacity to ensure that such factors are working for, rather than against, educational success and to help students overcome those factors that reduce the chances of using educational success as the springboard for a successful transition to adulthood. A shift in perspective is needed towards seeing the school as the delivery vehicle for those services -- educational as well as non-educational -- to help young people become full and productive participants in adult society.

To be successful, such a shift would need to be complemented by a supportive policy environment and the necessary personnel and other resources. There was plenty of evidence provided to the review team about the difficulties schools faced in adequately coping with the expanded range of roles that society now expects them to perform. It was not that principals and teachers did not accept the legitimacy, or the necessity, of contemporary schools having to meet broader, and more demanding, expectations. Rather, they felt that they lacked the tools to do the jobs that society now asked of them. The adoption of a "full-service" approach to secondary education would make the right quantity and quality of resources even more critical.

Even if urban secondary schools were to develop a stronger set of connections to social service agencies, there will still be some young people whose educational and developmental needs are unlikely to be met within the structure of a typical secondary school, which leads us to the second policy idea, the creation of networks of smaller scale, alternative secondary schools. The young people we met at the Bridging Employment and Training (BEAT) Centre in Melbourne, a storefront counselling and education facility operated under the aegis of the Salvation Army, were unlikely candidates to return to the kinds of schools from which they had left, for they clearly needed to be part of smaller, more intimate communities where they could maintain close and continuing contacts with adults they trusted and respected. The BEAT Centre staff bemoaned the absence of such small-scale alternative secondary schools, a theme we heard repeated from youth workers in Adelaide and Sydney as well. The young people we met at the BEAT Centre and elsewhere understood full well the need to equip themselves with a set of educational and occupational credentials, but they felt they had left their high schools for good reason and saw little profit in returning. In the long run, one might hope that the kind of changes we are urging in secondary education might make these schools more responsive to the full range of students. In the near term, however, the kinds of young people we interviewed in these urban centres will be lost to secondary education without the creation of some smaller scale alternative schools especially tailored to meet their needs.

Other countries are finding ways of meeting the needs of disaffected youth and yet keeping them in contact with mainstream institutions. In Denmark, for example, secondary schools often have small-scale, alternative settings that operate in a satellite arrangement, and which are readily available for young people at around the 15 to 16 years age level. Not all of the young people in such settings are socially alienated. Many of them simply have had difficulty in mastering the basics of literacy and numeracy in conventional schools. Although the intensive, personalised approach of the alternative school settings in Denmark requires considerable resources, they are seen as cost-effective over the longer-term in preventing drop-out and marginalisation.

For those 17 and 18 year-olds for whom any form of schooling, no matter how informal and student-centred, is anathema, we suggest a third option: an education and training entitlement. Such an entitlement would be a form of credit that the young people could use to purchase approved education and

training programmes from public or private providers at times and in forms that are best suited to their needs. A starting basis could be the amount of public funding that would have been involved had they continued with their initial education up to the minimum level of acceptable qualification (say year 12). Such an approach would go some way to redressing the large differences that are now present in the amount of public resources provided for different young people according to the length of time they spend in education. An entitlement scheme would be consistent with policy directions towards a more demand-driven education and training system, and a greater emphasis on individuals constructing their own pathways between education, training and work.

The need for a youth entitlement in Australia was a major recommendation of the OECD review in the early 1980s (OECD, 1986). That review argued that at that time the education and training provisions for young people, and the various forms of income support for students and the young unemployed, were uneven in quality, disconnected from each other, and sometimes contradictory in terms of the mix of incentives and penalties they provided. Across a whole range of areas affecting young people, the situation has improved dramatically since that time. Services are better co-ordinated among different agencies, the incentives to continue in education and training have been substantially improved, and changes in curriculum and teaching approaches have made education more relevant to a wider range of young people. Despite these changes, however, there is still some 15 to 20 per cent of the youth population who leave school early and find themselves only marginally attached to the labour force. Ways need to be found to ensure that marginalisation during youth does not eventually become marginalisation during adulthood. A guaranteed source of funding to support a return to education and training is one part of the strategy. Although the costs of such funding support may be considered high, they will almost certainly be less than the long-term costs of youth failing to acquire the education and training needed for productive work.

As was noted in section 2, there is a growing number of young people whose only activity is part-time work. Although such work can be a stepping stone to stable full-time employment, it seems to be difficult for many young people to make this transition. One policy response is to develop mechanisms that enable individual packages of part-time employment to be bundled up into a more coherent whole, and to link such employment more directly to learning (Sweet, 1996). The approach is analogous to that used by Group Training Companies to provide apprenticeships and traineeships in industries with a large number of small firms (see Box 2). The same principle could be applied to organise packages of part-time employment for the young. The intermediary body would be the actual employer, the firm would not be obliged to retain young people who are not satisfactory. From the young person's viewpoint, the costs of job search would be considerably reduced and there would be a greater likelihood of accessing related training and social support programmes. Although the role of an intermediary organisation could well be filled by commercial employment agencies, the profit margins may be too low to attract interest from the private sector. Where not-for-profit organisations would be the more feasible approach, the authorities would have an important role to play in accrediting such bodies, and in ensuring that a focus on improving young people's access to learning opportunities is part of their mission.

Box 2 Group Training Schemes: A Response to Changes in the Labour Market

Group training schemes developed in Australia in the 1980s as an alternative to apprentices entering into an indentured contract with a single employer. The schemes, which are normally organised by employer associations or regional development bodies, perform the role of an intermediary (often termed a Group Training Company) between the apprentice and employers. Where firms are too small to take on a full-time apprentice, or where the firm's work is too specialised to provide an apprentice with broad experience, the group training company takes on the employment of the apprentice and organises their workplace experience by leasing them on a rotating basis among several different firms. The individual firm is spared the risk and cost of taking on a full-time apprentice, and the young person has more varied work experience than would otherwise have been the case.

From the mid-1980s, group training schemes have included trainees as well as apprentices, and have started to provide a range of employment, training and advisory services for young people. Most group training schemes are organised on a not-for-profit basis. Enterprises receiving apprentices pay the group training company a fee based on wage costs, and the group training company as the primary employer receives various forms of financial support from State and Commonwealth governments. In 1996 there were around 130 group training schemes which employed about 20 000 apprentices and trainees.

Group Training Companies have played an important role in periods of economic downturn by employing "out of trade" apprentices discarded by their original employer (Ainley et al, 1997). During the period 1990 to 1994, despite a 23 per cent decline in the number of apprentices in Australia, the number of group training apprentices increased by 28 per cent. The schemes appeared to have played a major role in encouraging girls to take up apprenticeships in traditionally male domains, and in encouraging structured training in emerging areas such as tourism and retailing (Australia, House of Representatives, 1995). The Australian National Training Authority is currently conducting a review of funding and operations of Group Training Companies.

Clarifying Governmental Responsibilities

In any federal system the distribution of responsibilities between national and state governments is always complicated for outside observers to grasp. As was outlined in section 2, In Australia, primary and secondary education are mainly the responsibility of the States. They pay most of the costs, set the rules, employ the teachers, administer examinations and award school leaving certificates. The Commonwealth contributes financially -- substantially in the case of non-government schools, less so for government schools -- and has helped to develop a more national orientation in school education, but has little direct influence on what goes on inside classrooms.

In the university sector by contrast, although the universities are established under State legislation, there is virtually no direct State role in their operations. The governmental reference point for the universities is almost exclusively the Commonwealth. The national government supplies most of the financing for universities and their students, and imposes the accountability requirements for using public money. The university sector is generally perceived in national terms, and we heard no views expressed that the States should play a bigger role in their operations.

Things are not so clear in vocational education and training. The VET system is the shared responsibility of the States and the Commonwealth. Although the delivery of vocational education and training is principally a responsibility of the States, the policy framework has become increasingly national in scope, as evidenced by developments such as the AQF, the Key Competencies, the national industry standards, and by the role played by ANTA. While it is true that the States retain primary responsibility for the

TAFE sector, and for the recognition of accredited training courses and the award of vocational certificates, they do so in a national framework. With the advent of ANTA, the States now look to a national agency for their growth funds, in return for which they must negotiate an acceptable training plan or profile.

While this balance of power and responsibilities may be workable for the governmental actors who must operate within it, the review team came away with the impression that for the two principal user groups -- the young people themselves and employers - the divided governmental responsibility is the source of considerable confusion. It can be dangerous to generalise from anecdotes told by a handful of disaffected youth, but the sample of young people to whom we talked were highly mobile, and were frustrated by the inconsistent policies and rules governing access to governmental programmes in different State jurisdictions. From the employer perspective, one national food retailer we met, who is a significant employer of young people and provides substantial on-the-job training for youth, expressed concern about the costs and effort involved in having to register training programmes with different State authorities. From what we understand, many other employers are also critical of the complexity and costs of operating within the current State-Commonwealth mix. Although, as discussed in section 3, significant steps have been taken in recent years to create a national framework for vocational education and training, from the users' perspective there seems to be a substantial way to go. The benefits of a clearer, stronger national framework for VET are widely agreed: it would make access to vocational education and training easier for those who are mobile and for employers who operate across State boundaries, create greater parity of resource levels in post-secondary education, and facilitate more flexible pathways for young people between TAFE and universities. The difficult questions revolve around how to accelerate progress towards a more genuinely national VET system.

In thinking about the choices open to Australia for moving towards the stronger national VET framework that seems to be so widely called for, we feel that there are three broad principles that need to be clarified at the outset. The first is that the issue involves far more than determining which particular level of government does what. A truly national framework is one in which the nation has confidence and is directly involved. In the case of VET, this means that industry -- employers and trade unions from both the private and public sectors -- has a stake in, and a commitment to, the framework that is developed and forms a genuine partnership with government. The second broad principle is that VET cannot be separated from the other parts of education and training system. In a world in which lifelong learning will become increasingly important, and the distinctions between vocational and general education less apparent, institutional structures need to be as seamless as possible. The third principle we would offer is that a national framework for VET does not necessitate the provision of VET by a single national agency. In a country as large and diverse as Australia, it would be very difficult for a national body to effectively manage something as substantial and as dynamic as the VET system. Institutions at State and local level need to have the flexibility to adjust programmes to meet local needs and circumstances, but to do so within a framework that ensures their students gain nationally-recognised qualifications and competencies, and which delivers quality outcomes for the users of the system.

The National Commission of Audit (1996) recently examined the balance of Commonwealth and State responsibilities in education and training, and proposed one means of creating a national VET system. It recommended that the Commonwealth should assume responsibility for all post-secondary VET, the States should assume full responsibility for schooling, and that Commonwealth grants to the States should be adjusted to reflect the new balance of responsibilities. We have some sympathy for the first of these proposals, but less for the second. However, in light of the principles outlined above, our concerns about the States resuming full responsibility for schools lead us to suggest a different way forward for the post-school VET sector as well.

Any proposal for the Commonwealth to reduce the limited role that it currently plays in school education should be treated very cautiously. Such a move would run the risk of weakening young people's pathways from school into post-school education and training, and would be counter to the arguments we have made about the need for more coherent approaches to service provision, especially for disadvantaged young people. Much has been achieved in Australian school education over the past 15 years by the Commonwealth working in collaboration with the States. Although Commonwealth-State relations in school education can undoubtedly be made to work better, no one that we met argued that the solution is for the Commonwealth to withdraw completely from the school sector.

If it is accepted that (a) the States and Commonwealth need to continue working closely together in school education, and that (b) the VET field spans both upper secondary school and tertiary education, the proposal for the States to withdraw from post-secondary VET may reduce, rather than improve, the prospects for a national VET framework. The key to this argument is the recognition that vocational education and training forms part of secondary education, and is not just confined to tertiary education. Starting in secondary school, young people need to be provided with an environment in which the pathways between the various elements of education and training are as smooth as possible, and which lead to qualifications that are valued in the national labour market. Following this argument through means that the collaborative arrangements between the States and the Commonwealth need to be strengthened, not dissolved. Furthermore, industry needs to be brought more directly into the policy framework so that the differences between States in VET provision -- whether in senior secondary school or tertiary education -- that work against the interests of young people and industry are removed and high-quality standards are consistently met on a nation-wide basis.

Generating Jobs

The suggestions made throughout this paper, and those contained in any number of official reports on education and training, are essentially concerned with the supply side of the youth labour market. The suggested changes seek to help young people become more able to compete for jobs by improving their employment-related skills, and giving them greater exposure to the world of work.

In our visit we did hear instances of where changes in the supply side seemed to have generated new jobs. We were told of cases where work placements by secondary school students had helped employers to see that taking on an extra person would be profitable. We also observed the job-creation effects of a small business "incubator" within the University of Adelaide that provided a supportive environment for developing entrepreneurial skills among university graduates. However, despite all of the worthwhile changes that are underway and planned to improve young people's preparation for work, the reality is that supply-side changes can go only so far. Without sufficient demand for labour, these efforts risk failure and the creation of disillusioned young people and families.

As was noted earlier, despite the strong employment growth that Australia has experienced at different periods of the past 15 years, unemployment levels have reduced only slowly. The current projections are that, despite the prospect of relatively strong economic growth, the unemployment rate is likely to decline by only one or two percentage points over the next two to three years. Although young people with qualifications are likely to obtain a reasonable share of the new jobs, and thereby continue the slow improvement in the ratio of youth to adult unemployment rates that Australia has experienced over the past 15 years or so, the current rate of job growth will not reduce the number of young unemployed by very much. In particular, the position of early school leavers who lack vocational skills is likely to worsen even more.

Over the past decade or so, Australia has taken many of the steps needed to generate sustainable economic growth (OECD, 1996c). Despite these steps, though, there are no indications that economic growth over the next few years will rise much above 3 or 4 per cent. When allowance is made for increases in labour force participation and productivity growth, economic growth rates at this level will decrease unemployment by only a percentage point or so per year. While the policy efforts needed to lift Australia's long-term economic growth rates need to be sustained and accelerated, it is also clear that governments need to consider more demand-side measures targeted especially at youth if young people's employment prospects are to improve.

5. CONCLUSION

Economic and social changes have made young Australians' integration into adult society and the world of work more complex and prolonged. Faced with high youth unemployment, and tighter eligibility for social security benefits -- as well as education reforms to develop programmes more relevant to a wider span of the youth population -- many young people are staying on longer in initial education and training before seeking to enter the labour market on a full-time basis. For those who do become unemployed, or who have a high risk of unemployment, Australia, like many other countries, provides training and job creation programmes that result in temporary employment and intermittent involvement in various types of schemes. The decline in the apprenticeship system has limited one relatively direct form of integration into employment.

Early school leavers will become increasingly disadvantaged in the labour market because not only will they find it hard to obtain jobs, they are likely to lack the foundation skills needed to take advantage of further education and training opportunities. The fact that early school leavers in Australia are far more likely to come from families with low levels of income and educational qualifications, or who live in rural areas, or who are Aboriginal, makes addressing this problem even more urgent since leaving school early compounds other social and economic disadvantages.

A consistent stream of Australian reports and policy initiatives has emphasised the importance of lifting young people's educational qualifications. Australia has made the judgement that young people's best pathway to employment is high-quality education and training. In our view this has been the correct judgement. To make young people's qualifications and competences attractive to enterprises and the labour market is the most efficient way of building pathways for a successful transition from education to working life. The key strategy is to ensure that when young people leave initial education and training, they have the skills, knowledge and attitudes necessary to be productive and employable workers. This is the bedrock upon which all other policies depend.

In undertaking this difficult task, Australian education and training has changed in ways that were barely foreseeable 15 years ago. Education participation rates have lifted substantially; many elements of a national framework are now in place; there is an increasing focus on people's competency rather than the length of time they have been in education; incentive structures are being reoriented to give more influence to the users of education and training; a greater variety of education and training pathways, and forms of programme delivery, are now in place; and, in all of this, the Australian commitment to access and equity is still clearly evident. Some of the approaches and programmes that have been developed are world class by any measure.

Yet, despite all of the worthwhile changes that have been implemented, and the successes that have been achieved, youth unemployment in Australia remains high, and some 15-20 per cent of young people seem

to face particularly high risks of long-term social and economic exclusion. Meeting the needs of this group, and of young people as a whole, is going to require sustained action on a number of fronts.

The efforts to broaden secondary education will need to be continued, and the most appropriate approach to this in the Australian context will involve integrating the best features of academic and vocational education and making them available to all secondary students, rather than by the creation of a separate vocational stream. Encouraging marginal youth to remain at school will require a variety of new strategies, including the introduction of curricular, pedagogical and organisational changes in the lower secondary years as well as in Years 11 and 12. It will also be necessary for a shift in perspective towards the school being the delivery vehicle for the range of guidance, employment, health and social welfare services needed to equip young people for a successful transition to adulthood. Ways need to be found to enable those who leave early to return to the education and training system at a later stage in their life when their motivation and personal circumstances may be more conducive to systematic study. An entitlement that gives early school leavers access to further education and training would be an important step in this regard.

The responsibility for helping young people make a successful transition from initial education to working life cannot be left to any single institution. Clearly the schools have a major role to play, but so do many other agencies and organisations. We formed the impression that a considerable gulf still exists between educational institutions, especially secondary schools, and the labour market. If schools are going to succeed in the very difficult task of ensuring high-quality, relevant education for all their students, and not just for the university-bound, they will need sustained support from enterprises and the wider society. We saw a number of promising partnerships underway between schools and industry. However, in general, educators seem isolated and are naturally defensive when whatever comments are forthcoming from employers about young people tend to be negative. Employers, when probed, recognise the substantial long-term costs to themselves and the wider economy from their limited engagement in initial education and training. But there need to be much stronger efforts to engage employers and educators to take joint responsibility for planning and implementing programs that can help young people make a successful transition from school to working life. Employers need to become full partners with educators in providing solid information to young people about the labour market and its changing requirements, substantial opportunities for learning at the workplace, candid and constructive feedback on student performance, and support for career development and continuous learning once young people are on the job

There needs to be continuing work on smoothing the interfaces between the different parts of the education and training system and the labour market. Australia has already made considerable progress in this regard. However, even after the significant steps that have been, it still seems that a sizeable number of disadvantaged young people fall between the cracks of the various policy frameworks and delivery mechanisms. If there was a single common theme that ran through the many effective programmes that we observed during our visit, it was the refusal to be deterred by the institutional and sectoral boundaries that too often seem to work against the needs of young people. In our view, further strengthening the collaborative arrangements between the Commonwealth and the States for schools and vocational education and training, and more directly involving industry in setting common national standards, would be significant steps in the right direction.

Finally, it needs to be said that no matter how much progress continues to be made in preparing young Australians for the world of work, they will struggle in the job market unless the overall rates of economic and employment growth rise. Youth unemployment in Australia is closely related to the level of adult unemployment. Current projections are that overall unemployment will fall only slowly in the next few

years. In these circumstances policy makers may need to also consider measures that are targeted to lift enterprise demand for young workers.

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APPENDIX: OECD Review Team

Dr Abrar Hasan
Head
Education and Training Division
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Dr Phillip McKenzie
Principal Administrator
Education and Training Division
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Mr Erik Nexelmann
Head
Division of Vocational Education and Training
Ministry of Education
Copenhagen, Denmark

Mr Robert Schwartz
Lecturer
Graduate School of Education
Harvard University
Cambridge, United States of America

Endnotes

1. It seems that, to date, relatively few workplace agreements have included provisions covering training, especially entry-level training (Teicher and Grauze, 1996). The impact of enterprise agreements needs to be monitored since there is a risk that agreements reached between employers and the existing workforce will play little attention to the recruitment and training of young workers.
2. The apparent year 12 retention rate is a widely used indicator in Australia. It expresses the number of students in year 12 (the final year of secondary school) in year n as a proportion of the number of students in year 7 or year 8 (the first year of secondary school, depending on the State concerned) in year n-5 or n-4 respectively. It provides a proxy measure of the number of commencing students who remain to the final year of secondary school. The measure takes no account of grade repetition or mobility between schools. Since the indicator is based on enrolments relatively early in the school year, it does not measure the numbers who finish year 12, or those who complete satisfactorily in the sense of obtaining an overall pass on the final school certificate.
3. International comparisons are made particularly difficult by the limited availability of data that distinguish between full-time and part-time enrolments. Unlike many countries, Australia does report enrolment data on this basis. Although Australia overall has a relatively high proportion of part-time students in post-school education, at age 17 - when most Australian students are in the school sector - fewer than 10 per cent of Australian enrolments are part-time (Ainley et al, 1997).
4. There are clearly important questions, too, about how well university students fare in the transition to work. Universities did not feature strongly on the review visit because of the judgement that the more critical transition issues relate to young people who do not enter university. The fact that Australian higher education was the subject of an OECD thematic review in 1995 (see OECD and DEETYA, 1997) also influenced priorities on this occasion. Nevertheless, in the briefing materials and discussions it was evident that there are concerns in Australia about the costs of the university sector, student attrition from university, the extent to which university graduates need to take further courses in the TAFE sector to give them vocationally-relevant qualifications, and a lack of entrepreneurial skills and work-readiness among graduates.
5. The terms “vocational” and “general” education are becoming less useful ways of distinguishing the character of different educational programmes in Australia. Vocational programmes have traditionally been viewed as those whose primary purpose is to prepare students for direct entry to the labour market, whereas general education programmes have been oriented to broader purposes, including preparation for the next level of education. The distinctions between these programme types are blurring in Australia, and will become even less relevant as the concept lifelong learning is more widely embraced. However, the terms are used in the report in line with common usage.
6. These data refer to student numbers at one point in time, normally May of the year after leaving school. The nature of TAFE programmes is such that large numbers of people enrol for comparatively short courses. Therefore, the enrolment position at May would understate the number of school leavers who enrol in a TAFE course at some time during the year after leaving school.
7. There are 12 qualifications under Australian Qualifications Framework (AQF), which was introduced in 1995. The certificates awarded by the school sector constitute one form of qualification. The vocational education and training sector provides qualifications at Certificate 1 to 4, Diploma, Advanced Diploma, and Graduate Certificate level. The school certificates are broadly equivalent to Certificates 1 and 2. The higher education sector provides 7 types of qualifications. Three of these - Diploma, Advanced Diploma and Graduate Certificate - are also provided by the vocational education and training sector. The other four, which range from Bachelor Degree to Doctoral Degree are provided only in the higher education sector.

The AQF, which brought together formerly separate qualifications within a single structure, is intended to encourage flexible pathways within and between the school, VET and higher education sectors.

8. Ensuring that young people acquired employment-related key competencies was a major recommendation of the Finn Committee (1991) and was elaborated by the Mayer Committee (1992). The Key Competencies are summarised as: collecting analysing and organising information, communicating ideas and information, planning and organising activities, working with others and in teams, using mathematics, solving problems, and using technology. There has been considerable work by the States in collaboration with the Commonwealth to integrate the Key Competencies with the separately developed statements and profiles in eight key learning areas for school education. In general, though, the Key Competencies have been most influential in the VET sector through their incorporation into education and training modules. There has been little take up of the Key Competencies approach by the higher education sector.

9. It is worth noting, though, that even in these countries there is rising concern about a decline in apprenticeship numbers as young people seek more flexible (and perhaps higher status) educational pathways, and enterprises are less willing to offer apprenticeships in times of recession.