



everyone's family

Youth employment and transitions

National Youth Commission Inquiry

July 2019

Level 9, 117 Clarence Street
GPO Box 10500
Sydney, NSW, 2001

Anne Hampshire, Head of Research and Advocacy
anne.hampshire@thesmithfamily.com.au
Telephone 02 9085 7249
www.thesmithfamily.com.au

Overview of The Smith Family

The Smith Family is a national charity founded in 1922 to improve the lives of disadvantaged children in Australia. Almost a century on from its founding, it is now the nation's largest children's education charity.

Our vision is a better future for young Australians in need. Our mission is to create opportunities for them by providing long-term support for their participation in education. This mission is founded on the belief that every child deserves a chance to thrive and create a better future for themselves.

Our mission guides every element of our work, including program development and delivery, research, advocacy and fundraising. The Smith Family delivers programs in each state and territory in Australia, in over 90 communities, including many regional and rural communities.

In 2017-18, The Smith Family supported more than 170,000 disadvantaged children, young people, parents, carers and community professionals through its education-focussed programs, including over 140,000 children and young people. We are supporting 48,000 financially disadvantaged children and young people nationally on our largest program, the *Learning for Life* educational scholarship. One in five students on the *Learning for Life* program is of Aboriginal and Torres Strait Islander background.

As part of our leadership and collaborative work in the sector, The Smith Family is a member of a number of organisations and represented on a number of advisory groups and boards.

1. Introduction

The Smith Family welcomes the opportunity to contribute to the National Youth Commission Inquiry into Youth Employment and Transitions (the Inquiry). We commend the Inquiry for tackling this important topic. Australia will need to better harness the potential of its human capital if it is to deliver a new era of economic growth, remain globally competitive and maintain our high standard of living. A crucial component is improving young people's transition from high school to further education, training or study. This transition is increasingly challenging given the intensity and the pace of social and economic change and the pressure on young people to adapt to constant disruption.

Ensuring young people are ready for a fluid labour market requires improving the way systems interact with one another – for example education, employment and community services. Ensuring young people develop the skills to be workforce ready, or that they have sufficient knowledge and understanding about career pathways, requires thinking about young people's development prior to school and across the primary, secondary and tertiary education systems. It also requires thinking about how these systems can meet individual student need as well as the needs of a dynamic national economy and its most successful industries.

Our submission focuses in particular on disadvantaged young people. The students we support on our largest program, *Learning for Life*, face a range of challenges. All are from low-income families and four in five of them live in a family where one or more members are experiencing a major health or disability issue. A total of 70 per cent of our students have parents or carers who are not in the labour force. These young people are at significant risk of not being in employment post-school. Yet they have so much to offer potential employers. They are remarkably resilient, have a strong work ethic as well as high aspirations to create a better life for themselves. The key is providing them with the right support at the right time, so they can both complete school and move into work and/or study post-school.

The Smith Family's submission responds to parts (a), (d) and (e) of the Inquiry's Terms of Reference and certain questions posed in the Inquiry's Discussion Paper *Positions Vacant? Youth Employment in Australia*.¹ In addition to our focus on disadvantaged young people, throughout this submission we have also identified successful programs that put the relevant research into practice, and exemplify new ways to ensure young people are appropriately skilled for the future of work.

In short, we make the following points:

- increasing fluidity in the labour market has had a substantial impact on young people's future job prospects, including the skills they need to secure employment.
- strengthening the education curriculum to better prepare young people for the labour market requires improved careers education and support as well as the integration of non-cognitive skills into the core of the curriculum.

¹ Chiefly the question posed on page 5, 'What skills and knowledge should governments invest in for young people? How can the education and training systems better prepare young people for the challenges of the new world of work?'

- digital deprivation and exclusion is a major barrier for disadvantaged young people being prepared for the labour market that needs to be addressed.
- the vocational education and training sector needs to be revitalised given how important it is to young people's career prospects and future prosperity as well as Australia's economy.
- young people jobseekers struggling to make the transition from school to further training, study or work need additional assistance, especially disadvantaged young people.

We examine these points further below.

2. The changing labour market and its impact on young people

A crucial challenge for young people leaving high school, university or vocational education and training is navigating an increasingly fluid labour market with uneven jobs growth, where the expectations and requirements of employers continues to change as do the skills required to succeed in a chosen career.

In recent years, many young people have experienced significant difficulty in finding decent, secure employment that helps them build a worthwhile, valuable career. This is due to several factors, including insufficient work experience, lack of appropriate education and lack of career management skills.² Additionally, there has been a narrowing of entry-level opportunities in the labour market, including the range and availability of full-time positions. Even having a tertiary qualification is not necessarily a guarantee of full-time work upon completion of studies. According to Graduate Student Outcomes Survey, in 2018 the proportion of bachelor degree graduates in full-time employment was 72.9%, down from 83.6% in 2007.³ It can in turn take several years for university graduates to achieve full time work.⁴

These patterns can disproportionately affect disadvantaged young people, who can find navigating the labour market even more difficult without targeted, sustained assistance.⁵ Within this cohort, there are certain sub-groups with multiple, complex needs who are at heightened risk, including those:⁶

- from Aboriginal and Torres Strait Islander backgrounds,
- from lower socio-economic backgrounds,
- with disabilities,
- who are newly arrived migrants, and
- with underlying mental health issues.

² Foundation for Young Australians, *The New Work Reality*, 2018, p3; The Smith Family, *Young people's successful transition to work: What are the pre-conditions?*, September 2014, p 2-3.

³ Quality Indicators for Learning and Teaching, *2018 Graduate Outcomes Survey – Longitudinal*, October 2018, p iii; Quality Indicators for Learning and Teaching, *2018 Graduate Outcomes Survey: National Report*, January 2019, p ii.

⁴ Quality Indicators for Learning and Teaching, *2018 Graduate Outcomes Survey – Longitudinal*, October 2018, p iii.

⁵ The Smith Family, *Young people's successful transition to work: What are the pre-conditions?*, September 2014, p 2-3.

⁶ The Smith Family, *Young people's successful transition to work: What are the pre-conditions?*, September 2014, p 2.

Present labour market challenges are reflected in stubbornly high youth unemployment figures. The national youth unemployment rate is more than double the general rate of unemployment, at approximately 11.8 per cent.⁷ Regional and remote areas suffer far higher youth unemployment rates, such as Outback Queensland (25.7 per cent), Coffs Harbour in NSW (23.3 per cent), Bendigo in Victoria (18.3 per cent) and South-East Tasmania (17.8 per cent).⁸

As the labour market continues to become more fluid, both the nature of work and the skillset required to succeed in the workplace, are becoming more crucial. For disadvantaged young people this starts with additional specialist support in the primary years, to ensure they have solid literacy and numeracy skills and do not fall behind academically. This support is incredibly important given that achievement is predictive of later school completion.

Non-cognitive skills are also crucial to a young person's employability. A recent report from Deloitte Access Economics suggests that 86 per cent of jobs created between now and 2030 will be knowledge worker jobs, and that two-thirds of all jobs by 2030 will be in 'soft-skills intensive occupations'.⁹ The report also forecasted that in the coming decade, service-centric roles will see some of the highest jobs growth, including areas like teaching, personal care and administration and sales.¹⁰ In order to be ready for these type of jobs, young people require a diverse set of general capabilities as 'engaged thinkers, resilient and resourceful learners, creative problem solvers and active members of their communities'.¹¹ Developing a non-cognitive skill-set helps ensure young people thrive in contemporary life, be that in school, university or TAFE, the workplace or the community generally. The types of requisite capabilities include the following:¹²

- critical thinking;
- creativity;
- problem solving;
- collaboration;
- motivation;
- self-efficacy;
- conscientiousness; and
- perseverance.

The National Careers Education Strategy endorsed by the Education Council and released in February 2019 highlights the importance of young people developing transferable skills for their post-school futures.¹³ Given that young people entering the labour force today will have multiple,

⁷ Brotherhood of St Laurence, '[Smashing the avocado debate: Australia's youth unemployment hotspots](#)', March 2019.

⁸ Brotherhood of St Laurence, '[Smashing the avocado debate: Australia's youth unemployment hotspots](#)', March 2019.

⁹ Deloitte Access Economics, '[The path to prosperity: Why the future of work is human](#)', June 2019, p ii.

¹⁰ Deloitte Access Economics, '[The path to prosperity: Why the future of work is human](#)', June 2019, p 11.

¹¹ Lamb, S., Maire, Q., Doecke, E., '[Key Skills for the 21st Century: an evidence-based review](#)', report prepared for the NSW Department of Education, 2017, p 3.

¹² Lamb, S., Maire, Q., Doecke, E., '[Key Skills for the 21st Century: an evidence-based review](#)', report prepared for the NSW Department of Education, 2017, p 3.

¹³ Australian Government, '[National Careers Education Strategy](#)', February 2019.

non-linear careers, ensuring they have the right skill set is crucial. Acquiring these skills helps young people create lifelong learning habits, develop viable career pathways, and makes them more resilient and ready for the fluidity and pace of change in the labour market.

3. Ensuring the education curriculum prepares young people for the labour market

It is crucial that the education curriculum in Australian schools is strengthened so that young people are better prepared both for the labour market and a life of constant, rapid change generally.

One important way to strengthen the curriculum is to enhance careers education and provide sustained support throughout the educational journey of each young person at school and afterwards. Another is to better integrate non-cognitive skills into schools-based learning. These points are outlined below.

Improving careers education and support

It is crucial that young people receive targeted, quality careers education and support as they progress through school so they can make informed decisions for future study, training or work and in turn give themselves the best chance of succeeding in the multiple careers that are likely to be the norm. Currently, careers information available at schools is extensive but fragmented and hard to contextualise. It makes it challenging for young people to obtain useful advice, particularly so for those from disadvantaged backgrounds who often require sustained assistance throughout school and afterwards.¹⁴

If we want young Australians to be ready to navigate the labour market and be able to build multiple, successful careers over their lifetime, it is crucial that they understand how to build for themselves a pathway into further training, study or work after high school. Research shows that not only do young people have low levels of careers knowledge generally, but they often think they have sufficient information to make important career decisions. The volume of careers information available is extensive but dispersed across multiple sources and is hard to contextualise. This makes it challenging for young people to obtain relevant careers advice, and is particularly the case for children and young people from disadvantaged backgrounds.¹⁵

It is important that careers education is integrated across the educational spectrum, and delivered in a high quality, consistent manner throughout the country. This includes offering suitable, targeted careers education and activities beginning in primary school and continuing through secondary school, and into the tertiary level. The supports offered at different educational stages need to be targeted to young people's stages of development.

Despite pockets of excellence in careers support for young Australians, the quality of support is inconsistent. Current approaches largely remain influenced by ideas developed for the industrial economy of the 20th century, not the present labour market. The gap between current careers

¹⁴ Behavioural Insights Team, *Moments of choice: Final report*, 2016.

¹⁵ Behavioural Insights Team, *Moments of choice: Final report*, 2016.

education practice and the economic reality is jeopardising the futures of thousands of young people and in turn our future national prosperity and wellbeing.

Improved careers education can support the development of resilient individuals able to both adapt to the evolving nature of work, and manage multiple careers in their lifetime, according to their circumstances and needs.¹⁶ Delivery of careers education should draw on the latest Australian and international evidence on effective career education initiatives and practices across primary, secondary and tertiary education levels. A model of evidence-based careers support for young people would do the following:

- connect the worlds of education and employment as young people move through school, including direct exposure to the world of work and opportunities to engage with education and training providers;
- support students in their education and post-school planning so they are fully informed about the pathways that match their interests and passions;
- provide personal guidance, mentoring, skills development and targeted support, particularly for those at risk of leaving school early; and
- support parents/carers' engagement in their child's educational and post-school planning, given they are major influences on young people.

This is particularly important issue for young people from disadvantaged backgrounds, given they are less likely to complete Year 12 and have much more limited access to employment and education-related networks. The Federal Government's National Careers Education Strategy (2019) is a valuable overarching framework for improving the delivery of careers education.

The Smith Family delivers evidence-informed initiatives tailored to young people's stages of development and needs. These are outlined below as examples of the types of additional support young people require to create post-school pathways for themselves.

Careers education in primary school

There is a growing body of research about the importance of starting careers education activities and discussions early in the educational journey, indeed in primary school. This is because children begin to form stereotypes (including based on gender) about occupations, careers and participation in post-school education from an early age for a range of reasons, including the unconscious influences of parents, friends and others they engage with.¹⁷ Once these limits are set, individuals will rarely consider broader alternatives. Helping primary school children to see the relationship between what they are learning and the possibilities it opens up for them in later life, helps motivate them to achieve and supports their ongoing engagement in education. Exposing primary school children to a wide range of people undertaking different jobs is particularly important for those from disadvantaged backgrounds, who may be exposed to fewer role models.

¹⁶ Australian Government, [National Careers Education Strategy](#), February 2019.

¹⁷ NSW Education and Communities, *The case for career-related learning in primary schools: An introduction to primary school principals*, 2014.

The Smith Family has drawn on this latest evidence in its recent pilot of the Future Seekers Program. This pilot program targets students in Years 4 to 6 and is informed by the latest research outlined above. The purpose of the program is to support students to increase their understanding of the 'world of work' by introducing them to a wide variety of jobs and the skill sets needed now and in the future. It aims to broaden students' aspirations about their future and encourages them to remain engaged at school and helps prepare them for future careers.

The program:

- supports students to better understand their own interests and skills and helps them develop communication, critical thinking, collaboration and creativity skills.
- engages students with a range of people from the world of work, from a variety of industry and professions. This helps widen the students' views of the world of work and better understand the transferability of skills across industries and professions.
- helps students create and explore a 'job of the future'. This contributes to enhancing their motivation around the world of work.
- facilitates students' interaction with peers, teachers, parents and community members around the world of work.

Careers education in secondary school

It is important that careers education is available to students throughout secondary school, not just as they approach school completion. The latest evidence demonstrates that there is a strong relationship between student participation in career development activities, including direct exposure to the world of work, and positive attitudes to schooling and post-school involvement in work and study. Young people who can recall four or more structured career activities across their school life, are five times less likely to be unemployed or disengaged from education or training in early adulthood.¹⁸ Engagement with employers helps young people, especially those from disadvantaged backgrounds, find out about a wide range of jobs and understand how their learning at school connects to their future. This contributes to them completing school.

An example of a program introducing young people to the world of work whilst still at school is *Work Inspiration*, which The Smith Family has partnered with businesses to deliver since 2013. This program is delivered in schools to students from Years 9 to 12. It offers them a meaningful, practical opportunity to engage with the world of work, across different industries. Students spend time in various workplaces, interacting with employees, and learning more about the skillsets required for the particular industry. It helps create pathways for young people within and beyond school. It helps young people in the transition between school, work and/or further study, and helps keep them attached to education and the labour force. Current employers involved in the program include Audi, SAP, Hilton Hotels, Arup Engineering, DLA Piper, Kain Foundation, Pfizer, Dominos, Michael Page. Annually around 1,100 students from The Smith Family's partner schools participate in *Work Inspiration*.

Additionally, many students in secondary school are not fully aware of the post-school opportunities available to them. Timely high quality careers advice supports young people to

¹⁸ Kashefpakdel, E., Mann, A., and Schleicher, M, *The impact of career development activities on student attitudes towards school utility: an analysis of data from the Organisation for Economic Cooperation and Development's Programme for International Student Assessment (PISA)*. UK: Education and Employers Research, 2017.

develop ambitious and realistic aspirations and helps them put in place plans to achieve them. This is especially so for disadvantaged students who often lack the networks of more advantaged students in planning post-school futures. The Smith Family's *iTrack* online mentoring program is an example of an initiative that provides students with support to understand the full range of available post-school pathways. *iTrack* is delivered to Year 9 to 11 students, including many from regional communities. It is an online mentoring program that matches students with a supportive adult, who provides practical advice and guidance about workplace, study and career opportunities. The program helps students extend the networks of advice that they can draw on, at a key point in their lives. The conversations between the mentor and student encourage the student to do their own research into post-school pathways and to begin formulating a plan for pursuing specific post-school opportunities. This also encourages better ownership of the discussions by the student as they identify the steps needed to implement their post-school plan.

It is also important that young people at risk of leaving school early are supported to stay engaged with their schooling, and at the very least are supported to create viable post-school pathways. As demographic and economic changes occur, it is essential that all young people are able to participate in the world of work and the completion of Year 12 or equivalent is a fundamental component of that. The Smith Family has designed The Career Coaching initiative, to identify those at risk of leaving school early. Specialist Careers Coaches provide individual career advice and guidance to support these students to stay at school and complete Year 12. To avoid early school leavers becoming 'lost' in the system, we also use our existing relationships with these young people, to connect them with post-school services and employment opportunities, increasing the likelihood of them successfully bridging the school to post-school transition. For instance, as part of this program in New South Wales, young people have been placed into work, training and work placements through the program with organisations funded by the NSW State Government's Smart, Skilled and Hired program.

Careers education and support post-school

After secondary school, many young people, particularly those from disadvantaged backgrounds, will still require assistance to establish their careers. The Smith Family's *Cadetship to Career* program is a joint initiative developed with the Business Council of Australia (BCA). This program offers professional cadetship opportunities for disadvantaged students who are currently part of The Smith Family's Tertiary Scholarship Scheme (TSS). A cadetship runs for typically two to four years (while they are in receipt of a tertiary scholarship). During this time, cadets receive eight weeks of paid full-time employment per year, workforce-focused training and skills development, as well as continuing financial support via the TSS. By participating in the program, cadets improve their job readiness, hone their own career aspirations, develop new professional networks, and potentially access graduate-level employment positions. It is a promising example of how not-for-profit organisations and business can collaborate and achieve shared outcomes which benefit the community. The above initiatives exemplify the types of programs, and the types of partnerships we need to embed across the educational system.

Across all stages of young people's development, careers education cannot just be aimed at the individual student. It is best delivered via an integrated model incorporating individual support, parental and guardian involvement and partnerships with community organisations to support the diverse needs and aspirations of young people as they contemplate, and get ready, for the post-

school future.¹⁹ In this way we can help ensure that career education and support is geared for the current labour market and high-growth industries where the most jobs will be over the next decade.

Integrating non-cognitive skills into the curriculum more effectively

It is also important that schools equip children and young people with a diverse set of general, non-cognitive capabilities such as those identified earlier.²⁰ Such skills are imperative in order for young people to thrive in contemporary life generally and be ready for the future of work, given that most jobs will be in 'soft-skills intensive occupations' within the decade.

It is currently difficult however, for many teachers to teach non-cognitive skills because they cut across many different subject-based disciplines, yet require to be taught within specific learning contexts.²¹ For instance, they can be taught in a content-based course such as Maths or English, or through practical application, such as the completion of a complex project.

Teaching non-cognitive skills need to be more effectively incorporated into school curricula across the country as a set of learning priorities with measurable outcomes. This was recommended in the *Report of the Review to Achieve Educational Excellence in Australian Schools*.²² Schools need to be properly supported to teach such skillsets, with appropriate resources, training and materials. Schools looking to undertake more project-based, non-cognitive skills development, in addition to subject-based teaching, also require better support. The delivery of these learning modules is improved when schools partner with non-government organisations. Embedding better partnerships at the school level was another key recommendation in the *Review to Achieve Educational Excellence in Australian Schools*. There are a range of organisations that can bridge the gap between schools and the business sector, and help offer opportunities for practical learning partnerships that allow young people to develop non-cognitive skillsets.

4. Tackling digital exclusion as an issue affecting young people preparing for careers

The challenge of digital deprivation and exclusion is a major issue for disadvantaged young people as they advance through school and prepare for post-school pathways. Digital proficiency, and the ability to be a digital creator as well as a content consumer, is fundamental to the future career prospects of young people, given that digital skills will be core to most jobs in 2030. However, many disadvantaged young people have limited access to the internet in their daily lives. For instance, in The Smith Family's *Learning for Life* scholarship program, three in ten students do not have a computer or other device connected to the internet at home.

Recent research in New South Wales, led by the University of NSW and in partnership with The Smith Family explored what material deprivation and social exclusion looks like from the

¹⁹ Youth Action, *Career Guidance: The missing link in school to work transitions*, Youth Action Policy Paper, July 2017, p 9.

²⁰ Lamb, S., Maire, Q., Doecke, E., *Key Skills for the 21st Century: an evidence-based review*, report prepared for the NSW Department of Education, 2017, p 3.

²¹ Lamb, S., Maire, Q., Doecke, E., *Key Skills for the 21st Century: an evidence-based review*, report prepared for the NSW Department of Education, 2017, p 4.

²² Recommendation 7, p xiii.

perspective of young people.²³ The research showed that students in government high schools and on The Smith Family's *Learning for Life* program²⁴ believe that a computer or other mobile device, as well as internet access at home, were essential for all young people to live a 'normal' life.²⁵

This research found that the lack of a computer impacts young people's attitudes to and experiences of schooling, as well as their overall wellbeing. As digital skills are integrated into everyday teaching and learning, students with low digital ability become further disadvantaged due to an inability to complete school tasks. The proportion of students achieving the Proficient Standard in the NAP ICT literacy is significantly lower for students from a low socioeconomic background.²⁶ Young people from disadvantaged backgrounds are at significant risk of digital exclusion without increased efforts to address these issues. Digital exclusion can increase the likelihood of students from disadvantaged backgrounds disengaging from school, or being unprepared for post-school study, training or work.

Better supporting disadvantaged young people to become digitally proficient and to have access to essential digital items is a key part of young people being able to fully participate in employment and create secure, quality futures for themselves.

5. Revitalising the vocational education and training sector

In considering the adequacy of service systems to help young people transition from education to employment, we need to examine how the role of the vocational education and training sector can be enhanced to provide young people with the skills to be job ready.

VET is more relevant than ever when it comes to ensuring Australia has an appropriately skilled workforce. Approximately 1.3 million young people aged 15 to 24 years old are participating in VET courses nationally, including at TAFE, through private providers and in schools.²⁷ The sector currently provides training courses for nine out of ten occupations predicted to have the greatest growth of new jobs to 2022.²⁸ Approximately 74.7% of VET graduates aged 20 to 24 years old were employed after training in 2018.²⁹ Of those who undertook training as part of an apprenticeship or traineeship, 79.8% were employed after training, with 91.2% of graduates in a trade occupation course employed after training.³⁰

²³ Saunders, P., Bedford, M., Brown, Judith, Naidoo, Y., Adamson, E., *Material Deprivation and Social Exclusion Among Young Australians: A child-focussed approach*, November 2018.

²⁴ Young people on this program are living in financially disadvantaged families.

²⁵ Saunders, P., Bedford, M., Brown, Judith, Naidoo, Y., Adamson, E., *Material Deprivation and Social Exclusion Among Young Australians: A child-focussed approach*, November 2018, p 76.

²⁶ Thomson, S., *Australian Students in a Digital World*, Issue #3, June 2015, p 16.

²⁷ National Centre for Vocational Education Research, *Total VET students and courses 2017*, Table 6.

²⁸ Wyman, N., et al, *Perceptions are not reality: myths, realities & the critical role of vocational education & training in Australia*, Skilling Australia Foundation, 2017.

²⁹ Quality Indicators for Learning and Teaching, *2018 Graduate Outcomes Survey – Longitudinal*, October 2018, Table 7, p 23.

³⁰ National Centre for Vocational Education Research, *VET Student Outcomes 2018*, 2018, p 11.

However at the moment, the public's confidence in VET is low. The primary educational mission of the sector is unclear. The quality of VET services varies markedly from one location to the next, thereby inhibiting individual learning and development. The links to industries and employers is often tenuous, and the sector is difficult to navigate for individuals. These challenges frequently mean too many young people leave courses without adequate education or employment outcomes. For disadvantaged students with a heavier reliance on VET pathways, the structural challenges can prevent people from starting their preferred career, and realising a better future for themselves.

The VET curricula should more accurately reflect 21st century workforce needs. The types of competencies taught across the various training packages must include relevant technical vocational skills to be applied in individual employment positions, as well as non-cognitive skillsets that help students succeed in a rapidly changing economy. It is still seldom recognised that over time, VET graduates often undertake work that has high cognitive and non-cognitive skill content.³¹ Throughout a career, an apprentice or a trainee will need to draw on a variety of skills such as problem solving, project management and collaboration in addition to applying their technical expertise.³² The VET sector should be able to support the acquisition of these skills.

Further, the VET courses system is overly complex, and can be incredibly difficult for young people and their parents/carers to navigate to find the course best suited for them. The structure by which competency standards and qualifications are set is rigid, and some of the delineations between similar qualifications and vocational fields is now outdated. This is a problem considering VET graduates today will likely move between related and unrelated vocational fields over the course of their career. For example, in 2018, 31.5 per cent of VET graduates nationally were employed in different occupations to their training course, but their training remained relevant to their current job.³³ The qualifications structure could be streamlined, and made more navigable. Qualifications could be reorganised according to industry clusters or vocational streams, recognising that common learning and areas and skillsets exist in similar areas.

Additionally, many young people and their parents have a limited or inaccurate understanding of VET. Students often do not understand the education and employment pathways on offer via VET, and how to access them. Their post-school choices are influenced by family, carers, friends, teachers, or referral agencies – each of whom may have misconceptions about the value of VET pathways.³⁴ This is another systemic issue in the sector that must be addressed for VET to be a post-school pathway on equal footing with university.

The VET sector can also strengthen its capacity to support disadvantaged students to engage with vocational and education training and complete their qualifications. Disadvantaged students are an important and large equity cohort for the VET sector. In 2017, about 37 per cent of all VET

³¹ Buchanan, J. et al, *Preparing for the best and worst of times: Future Frontiers Analytical Report*, already cited, p 36.

³² Jones, Anne, 'Vocational education for the twenty-first century', August 2018, University of Melbourne, p 4.

³³ National Centre for Vocational Education Research, *Australian vocational education and training statistics: VET student outcomes 2018*, 2018, Table 13, p 29.

³⁴ Myconos, G., Dommers, E. & Clarke, K., *Viewed from the margins: navigating disadvantage and VET*, Brotherhood of St Laurence and University of Melbourne, August 2018, p 6.

students, more than 1.56 million people, were from the two most disadvantaged Socio-Economic Indexes for Areas (SEIFA) quintiles.³⁵ Students from disadvantaged backgrounds often have additional learning needs and often require extra assistance to remain engaged in their education. Students experiencing disadvantage and hardship may be from low-income households where neither parent or carer works, from families experiencing inter-generational disadvantage. They may identify as Aboriginal and Torres Strait Islander or have culturally and linguistically diverse backgrounds, experience serious health or disability issues, or be from regional or remote communities. Many of these students experience multiple and compounding disadvantage.

Yet the sector tends to struggle in supporting disadvantaged students to enrol, engage in and complete VET courses.³⁶ As mentioned, the sector is complex, fragmented and difficult to navigate. For those students intending to pursue VET, they can feel daunted by trying to select a suitable training provider, and enrolling in a course. This can be particularly stressful for disadvantaged students without any additional support from school counsellors or families who solely rely on marketing information from individual training providers. Once participating in VET courses, the capacity of different training providers to assist with the extra learning needs of disadvantaged students is highly variable.³⁷ Overall, this makes the learning experience for disadvantaged students in VET challenging and problematic.

An important policy objective for the country should be to improve the rate of qualification completion by disadvantaged students. Notwithstanding the current challenges with VET, The Smith Family's believes that young people should be better supported to complete their education and establish careers after school.

Another important component of the VET sector is VET in Schools (VETiS). In 2017, approximately 237,700 school students aged 15 to 19 years old participated in VETiS courses.³⁸ About 90 per cent of Australian schools deliver or provide access to some form of vocational education.³⁹ Currently, VETiS does not offer adequate pathways into secure, quality, sustainable employment once students finish their courses and leave secondary school.⁴⁰ This is because the qualifications typically undertaken by school students do not provide sufficient training or skills to meet the needs and expectations of industry and employers. The Smith Family believes that VETiS should be dedicated to preparing young people for the demands of the workforce. Each course offered in VETiS should have a clear, direct link to further study or training in the tertiary system or a link to

³⁵ National Centre for Vocational Education Research, *Australian vocational education and training statistics: Total VET students and courses 2017*, Table 6, p 14.

³⁶ Myconos, G., Dommers, E. & Clarke, K., *Viewed from the margins: navigating disadvantage and VET*, Brotherhood of St Laurence and University of Melbourne, August 2018, p 6.

³⁷ Myconos, G., Dommers, E. & Clarke, K., *Viewed from the margins: navigating disadvantage and VET*, Brotherhood of St Laurence and University of Melbourne, August 2018, p 7.

³⁸ National Centre for Vocational Education Research, *Young People in Education and Training 2017*, 2018, p 1.

³⁹ Nguyen, N., 'The Impact of VET in Schools on Young People's Intentions and Achievements' National Centre for Vocational Education Research, 1 September 2010.

⁴⁰ Clarke, K., *Entry to vocations: building the foundations for successful transitions*, National Vocational Education and Training Research Program, 2014, p 6.

entry-level employment via apprenticeships and the like.⁴¹ The lower-level qualifications, Certificates I to III, should provide foundational learning in a vocation, such as the theoretical knowledge underpinning a particular industry, as well as specific, immediate skills required for particular occupations.⁴² This helps ensure students are ready for further vocational education or training, or for further practical training via apprenticeships and traineeships.⁴³ This is particularly important for disadvantaged students who are more likely than others to leave school early. For instance in New South Wales in 2017, over half of all early school leavers went to either an apprenticeship, a traineeship or started a VET course.⁴⁴

Even though most secondary schools offer or provide access to VET, there is great variability in how it is delivered. This includes variability in how it is incorporated into senior secondary certificates in different jurisdictions and how well it links to workplace learning.⁴⁵ There is a need to better integrate VETiS into secondary schools. This includes better embedding VET in the schools curriculum, placing it on equal footing with mainstream academic subjects. All secondary school students should have opportunities to access quality VET opportunities that help them create their best pathway after school into further training, study or work. It is crucial that VETiS equips young people to start building durable and decent careers beyond school.

Whilst the sector has been the subject of an expert national review recently, it still remains to be seen whether comprehensive, structural reform of the sector will result, especially as the administration of VET is the responsibility of the states and territories. On a positive note, the Federal Government recently announced that it will establish a National Skills Commission, and a National Careers Institute, as well as improve support for disadvantaged Australians to upskill, in line with recommendations from the Expert Review of Australia's Vocational Education and Training System.⁴⁶ Holistic rather than piecemeal reform is required if we are to maximise the value of our VET system and ensure young people are best prepared for the labour market.

⁴¹ Buchanan, J. et al, *Preparing for the best and worst of times: Future Frontiers Analytical Report*, already cited, p 38; Clarke, K., *Entry to vocations: building the foundations for successful transitions*, National Vocational Education and Training Research Program, 2014, p 6.

⁴² Buchanan, J. et al, *Preparing for the best and worst of times: Future Frontiers Analytical Report*, already cited, p 42.

⁴³ Clarke, K., *Entry to vocations: building the foundations for successful transitions*, National Vocational Education and Training Research Program, 2014, p 8; Buchanan, J. et al, *Preparing for the best and worst of times: Future Frontiers Analytical Report*, already cited, p 36.

⁴⁴ ANU Social Research Centre, *NSW Secondary Students' Post-School Destinations and Expectations: 2017 Annual Report*, December 2018, p 12.

⁴⁵ Clarke, K., *Entry to vocations: building the foundations for successful transitions*, National Vocational Education and Training Research Program, 2014, p 3.

⁴⁶ Department of Prime Minister and Cabinet, *Strengthening Skills: Expert Review of Australia's Vocational and Education Training System*, April 2019; Minister for Small and Family Business, Skills and Vocational Education, '*Delivering a world class vocational education and training system*', 2 April 2019.

6. Providing sustained employment support for young jobseekers, especially disadvantaged persons

The capability of employment and other relevant social services to help young jobseekers become employable and find work needs to be significantly improved. In particular, many disadvantaged young jobseekers have to overcome multiple personal barriers in order to be ready for work. The Department of Jobs and Small Business has outlined a series of future reforms in its *Employment Services 2020 Report* that promise more tailored, flexible and valuable support for jobseekers, identifying young people as a cohort in need of additional support.⁴⁷

Increasing the focus on disadvantaged jobseekers requires ensuring that these people have easy access to intensive, ongoing case management to help them firstly become job ready and overcome personal barriers, and then find, obtain and keep a job. This in turn means reducing the pressure of high caseloads, allowing case managers to invest time in clients, building with them a life plan for becoming job ready, and staying with them as they transition into the first stages of employment and beyond. Case managers need also need more flexible access to funds for training and personal development.

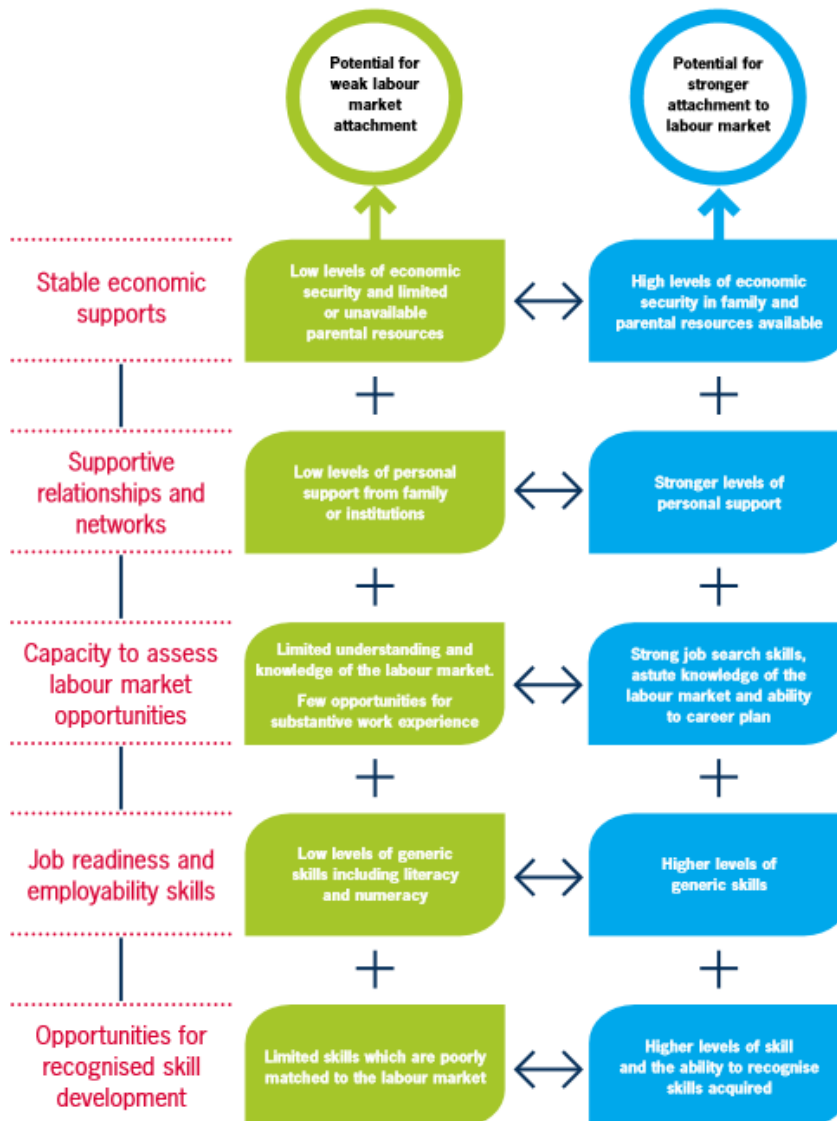
For instance, in relation to young jobseekers, research demonstrates that they are likely to have a stronger attachment to the labour market if they have stable economic supports, stronger levels of personal support, strong job search skills, knowledge of the labour market, ability to career plan, high generic skills and ability to recognise skills required.⁴⁸ For disadvantaged jobseekers, many of these elements need to be accessible via employment and other social services. This is presented in the Figure 1 below.⁴⁹

⁴⁷ Department of Jobs and Small Business, *I Want To Work: Employment Services 2020 Report*, December 2018, p 23.

⁴⁸ The Smith Family, *Young people's successful transition to work: What are the pre-conditions?*, September 2014, p 4-5.

⁴⁹ The Smith Family, *Young people's successful transition to work: What are the pre-conditions?*, September 2014, p 5.

The preconditions for labour market attachment



The employment services system is a major element in helping young people transition from school, study or training into a quality career. It can more effectively support young jobseekers, provide more tailored support, especially to those from disadvantaged backgrounds, and can better integrate with other social and community services rather than operating in isolation.

7. Conclusion

Australia stands to benefit significantly if we can improve the way young people are better informed and supported in creating pathways to education, work or training after high school. Youth unemployment rates remain stubbornly high, and young people continue to find it difficult to secure meaningful work that they value despite being well qualified or credentialed for positions. This has a major flow on effect in their life and their ability to meet a minimum acceptable standard of living. Young people from disadvantaged backgrounds are at even greater risk of detaching from the workforce. Finding durable solutions to such dilemmas requires reimagining the way our service systems work together, redesigning education curricula and finding ways for government to collaborate with business and the community sectors. The Smith Family welcomes the sharp focus the Inquiry brings to bare on these challenges, and looks forward to seeing the impact of its work in the coming year.