



everyone's family

Standing Committee on Employment, Education and Training

Inquiry into School to Work Transition

Submission

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Anne Hampshire
Head of Research & Advocacy
Level 9, 117 Clarence Street
GPO Box 10500
Sydney NSW 2001

Telephone 02 9085 7192
Facsimile 02 9085 7299
anne.hampshire@thesmithfamily.com.au

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A. EXECUTIVE SUMMARY

Moving from school to work is a major transition that all young people experience and one marked by key decisions about their life and career. This transition has become increasingly challenging in recent years as global economic influences and changes in the labour market have combined to significantly reduce the range and availability of full time entry level jobs.

While changes in the patterns of employment are felt across the population, young people, particularly those from backgrounds of socioeconomic disadvantage, have been disproportionately affected. For many, the reality of a linear transition from study to work has come to an end. This is borne out in the current youth employment statistics, which show that more than 650,000 young people are unemployed or underemployed.¹

Addressing these issues is of critical importance as we accelerate towards an increasingly uncertain future, one in which the study to work transition must be considered against the backdrop of broader changes regarding the future of employment. Disruption caused by technological change and global competition will be more keenly felt in the labour market in the years to come. In order to equip young people with the skills, knowledge, attitudes and behaviours they need to navigate this complex scenario, we need to respond to a new reality.

Australia's current education and training systems are not providing young people with the skills and competencies they need to best prepare them for their post-school transition. To ensure that young people develop the skills to enable them to take up opportunities created in the future economy we need to embrace new approaches to learning, where the emphasis on achievement in core academic areas is blended with a greater focus on essential non-cognitive skills, deeper integration of STEM and increased exposure to vocational and industry based learning experiences. Key skills, such as critical thinking, innovation, problem solving, resilience and creativity, will be increasingly important to young people as they face the challenges ahead.

This submission highlights the importance of the development of Unique Student Identifiers as a foundation for measuring gains in school. It also identifies the importance of the school system developing, tracking and monitoring student outcomes over time in a range of cognitive and non-cognitive areas. It proposes a range of opportunities to better inform and support students in relation to post-school education and training. These include:

- Incorporating more consistent and higher quality career related activities across a young person's education;
- Intervening earlier to engage students in aspiration building;
- Introducing new measures to engage parents in their child's post-school planning, leveraging students' passions and interests as a tool to increase engagement with their education;
- Modernising and enhancing the quality of the vocational sector.

While the educational system is the primary means through which students are provided with the knowledge and skills they need, a theme throughout this submission is the need for deep and sustained cross-sectoral partnerships involving schools, government, community, business and philanthropy, that harness diverse resources and expertise towards the common goal of improving the employment outcomes of young people.

It is a critical challenge facing Australia that all young people have access to opportunities that enable them to make the most of their education, reach their full potential, and make a positive contribution to future society.

¹ Brotherhood of St Laurence (2017). *Generation Stalled: Underemployment and living precariously in Australia*. BSL, Melbourne.

B. IMPACT OF CHANGING LABOUR MARKETS ON YOUNG PEOPLE

Over past decades the Australian economy has experienced significant structural change. In keeping with wider international trends, this transition has been driven by a range of factors, including the decline of traditional industries, a rising demand for services, the industrialisation of East Asia, advancements in technology and a range of economic reforms.²

These changes have been a major contributor to the high levels of unemployment and underemployment facing young people today. In particular, the shift towards the service sector has “precipitated a collapse in the labour market of full time jobs for young people” and a narrowing of entry-level opportunities.³

Where strong employment growth has occurred, it has been in the knowledge sectors, typically in business services and specialist technical roles. New jobs in these sectors usually require higher skill levels, attract higher wages and require greater levels of professional and managerial experience as a prerequisite for entry.⁴ These are also areas which have less well-developed career structures spanning entry level through to higher level roles, making it difficult for young people to get a foothold into the opportunities on offer.

At the other end of the employment spectrum, growth has occurred in sectors characterised by insecure and precarious forms of employment. As traditional industries have declined, there has been a significant increase in the share of the economy attributed to service sector, which now accounts for as much as 80 per cent of total output and 85 per cent of total employment.⁵ This growth has been driven by rising consumer demand for services such as health, child care, retail, personal and financial services.

Employment in the service sectors is often casual, short term, irregular, seasonal and disconnected from permanent or longer term career opportunities.⁶ This is reflected in the percentage of the work force employed on a part-time basis, which grew from 18.9 to 31.6 per cent between 1986 and 2016.⁷

The growth of casual and part time work has been particularly problematic for young people. While it is noted that there are circumstances when casual employment might be suit a young person, particularly while balancing study and work commitments, the challenge is when this form of employment becomes an end in itself, rather than a stepping stone towards more stable options. The extent to which young people are over represented in the part time work force indicates that this is very often involuntary.⁸

It is clear that structural changes within the economy have had a profound impact on the employment pathways of young people. Currently, around 13.5 per cent of the youth labour force is out of work.⁹ Young people are also over represented in long term unemployment figures, which is particularly problematic given the known impacts that an early experience of prolonged unemployment has on longer term participation in the labour market.

² Connolly, E and Lewis, C., (2010). ‘Structural change in the Australian economy’ RBA Bulletin, September 2010, pp 1-10

³ Cuervo & Wyn, (2011), cited in; The Smith Family (2014). Young people’s successful transition to work: What are the pre-conditions?

⁴ Sissons P & K Jones (2012). *Lost in transition? The changing labour market and young people not in employment, education or training*, The Work Foundation, Lancaster University.

⁵ Connolly, E and Lewis, C., (2010). *Structural change in the Australian economy*. RBA Bulletin, September 2010, pp 1-10

⁶ Independent Inquiry into Insecure Work (2012). cited in; The Smith Family (2014). Young people’s successful transition to work: What are the pre-conditions?

⁷ Borland, J (2017). *Part-time work in Australia: A second look*. Labour market snapshot #38.

⁸ *ibid*

⁹ Brotherhood of St Laurence (2017). *Generation Stalled: Underemployment and living precariously in Australia*. BSL, Melbourne.

It should be noted, however, that a focus on unemployment alone underplays the difficulties being experienced by young people. The precarious nature of employment in the service sector has created widespread 'underemployment', which describes the circumstances of those who are in some form of work, but are unable to make the most of their productivity due a lack of available hours. These figures now account for a further 18 per cent of young people.¹⁰ Underemployment now affects more young people than unemployment, and so should be considered with at least the same degree of attention.

The impact on disadvantaged young people

Within this cohort there are a range of risk factors that make a young person more likely to be at risk of becoming disengaged or not fully integrated with the labour market or further study. For example, young people from lower socio-economic backgrounds are particularly at risk.¹¹

The timing of withdrawal from educational activities can also increase a young person's risk of long term detachment from the labour market. Early school leavers are a group who achieve poorer labour market outcomes in the long term. Completing Year 12 or equivalent is critical for young people in the 21st century economy as those who have achieved this have a greater likelihood of being employed throughout their adult life and are less likely to be reliant on welfare, compared to their peers who do not complete school.

There is however, a 30 per cent gap in Year 12 or equivalent completion between young people from advantaged and disadvantaged backgrounds. This in turn influences the gap in engagement in work or study which is apparent at age 24. By age 24, only 58.9 per cent of young Australians from disadvantaged backgrounds are fully engaged in education, training or work. This compares to 83.1 per cent of those from the highest socioeconomic backgrounds.¹² Young people who do not complete Year 12 and experience subsequent disengagement and disconnection from a fully productive adult life incur huge costs, as individuals and for their families, and the nation.¹³ According to a recent report by the Mitchell Institute (2017), the cost to the nation of each early school leaver who does not complete Year 12 or equivalent over the course of their life is around \$950,000.¹⁴

Accordingly, there is a critical need to improve the systems of support provided to young people throughout their education, with the aim of increasing Year 12 completion rates and supporting smooth transitions into further education, training or employment.

Future focus

While the changes that have occurred in the labour market over recent decades have caused considerable disruption to employment practices, it is clear that the pace of technological change that will occur over the next 20 years will accelerate to unprecedented levels. As the World Economic Forum notes, "we stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. In its scale, scope, and complexity, the transformation will be unlike anything humankind has experienced before."¹⁵

¹⁰ Brotherhood of St Laurence (2017). *Generation Stalled: Underemployment and living precariously in Australia*. BSL, Melbourne.

¹¹ Foundation for Young Australians (2013). *How young people are faring: National report on the learning and earning of young Australians*. FYA, Melbourne

¹² Lamb, S, Jackson, J, Walstab, A & Huo, S (2015), *Educational opportunity in Australia 2015: Who succeeds and who misses out*, Centre for International Research on Education Systems, Victoria University, for the Mitchell Institute, Melbourne: Mitchell Institute.

¹³ Lamb, S. and Huo, S. (2017), *Counting the costs of lost opportunity in Australian education*. Mitchell Institute report No. 02/2017. Mitchell Institute, Melbourne.

¹⁴ *ibid*

¹⁵ World Economic Forum (2016). *The Fourth Industrial Revolution: what it means, how to respond*. Available [online] at: <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

B. IMPACT OF CHANGING LABOUR MARKETS ON YOUNG PEOPLE

It is the collective responsibility of governments, business and the broader community, to make sure that Australia's education and labour market policy settings are able to accommodate these changes, and that all young people receive the education and training required to develop the skills, knowledge, attitudes and behaviours that prepare them for the road ahead. A critical step in this process is to review and challenge existing assumptions regarding our system of education.

Our current approach remains strongly influenced by ideas that developed post the industrial revolution, when the needs of the economy were markedly different from today. Where a more limited and uniform set of skills were once crucial, it is becoming clearer that the jobs of the future will require individuals to possess a broader and more diverse set of skills.

Participation in the future workforce will be dependent on acquisition of a range of non-cognitive skills, such as self-efficacy, resilience, creativity, problem solving and critical thinking. It is also important that education supports students to develop technical skills for current and future industry, particularly in relation to STEM. As quoted in the review of Australia's STEM workforce (2016), "Australia's future will rely on science, technology, engineering and mathematics—disciplines at the core of innovation. Our workforce will require specialised skills in STEM as well as high STEM literacy across the board to sustain economic growth."¹⁶

¹⁶ Office of the Chief Scientist (2016). *Australia's STEM Workforce: Science, Technology, Engineering and Mathematics*, Australian Government, Canberra.

C. MEASUREMENTS OF GAIN

Terms of Reference 1: Measurements of gain in school and how this contributes to supporting students to prepare for post-school education and training

'Measurement of gain' refers to a student's educational journey over time, rather than, for example, an exam which is a snapshot in time. Such measures are suggested as a means to gauge the improvement in knowledge, skill, work-readiness and personal development made by students during their time spent in education.¹⁷

Within the Australian context, only a small number of measures of educational achievement are currently captured nationally in this way. While the *Melbourne Declaration on Educational Goals for Young Australians* established as core learning outcomes, the acquisition of broader skills and capabilities, such as; critical and creative thinking, personal and social capability, there is no process in place to measure their achievement.¹⁸

There are two main reasons for this. As the Mitchell Institute (2017) explains, "it is not yet well understood by all schools how to teach these capabilities," nor how to implement a reliable measure to track outcomes in these areas over time. The second key challenge facing Australia in implementing such measures is the absence of an overarching policy framework or accountability within a federated structure, where funding is provided by both Commonwealth and state/territory jurisdictions but the constitutional responsibility for schooling is devolved to states and territories.

Unique Student Identifiers

The Smith Family argues that the creation of unique student identifiers is one of the foundations needed to improve our understanding of the impact that schooling has on student development across cognitive and non-cognitive metrics. The development of non-cognitive skills predicts later-life outcomes, including employment, with the same or greater strength, as measures of cognitive skills.

In 2009, all Australian governments endorsed the establishment of a unique student identifier, but to date, there has been limited progress towards this goal. As noted in the National Education Evidence Base, Productivity Commission Review (2016):

*The introduction of a nationally consistent system of unique student identifiers would offer significant benefits to schools, teachers and families as well as supporting data linkage for education research purposes. A national identifier would enable tracking of individual student outcomes over time, across jurisdictions and between government and non-government schools. Having access to students' historical academic and administrative records would make it easier and more efficient for schools and teachers to prepare programs and strategies that support students' individual needs. For researchers, unique student identifiers would provide a straightforward way of accessing longitudinal data on students' outcomes and other personal information (such as disability status), which can form an essential 'backbone' of data for conducting evaluations of the impact of specific programs and interventions.*¹⁹

Given the high level of student mobility, particularly amongst disadvantaged students and its impact on educational outcomes, the value of such an identifier would undoubtedly be enhanced if it was to apply across the early childhood, schooling and tertiary systems, providing a

¹⁷ Scott, J (2016), *Measuring learning gain in higher education is a complex challenge*. Available [online] at: <https://www.timeshighereducation.com/blog/measuring-learning-gain-higher-education-complex-challenge#survey-answer>

¹⁸ Lamb, S. and Huo, S. (2017). *Counting the costs of lost opportunity in Australian education*. Mitchell Institute report No. 02/2017. Mitchell Institute, Melbourne.

¹⁹ Productivity Commission (2016), *National Education Evidence Base*, Report no. 80, Canberra.

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comprehensive longitudinal database. The power and value of such a database for policy and practice and investment decisions cannot be underestimated.

The Smith Family's approach to measuring gain

The Smith Family believes that education is key to addressing intergenerational poverty and long term unemployment. Our mission is to break the cycle of disadvantage by providing long-term support to students to help them make the most of their education and prepare for the transition into employment. Our principal vehicle for delivering these outcomes is our flagship *Learning for Life* program. The program has three integrated components:

- A modest biannual payment made to families to help them cover core education related expenses such as books, uniforms and excursions.
- A Family Partnership Coordinator (The Smith Family staff member) who works with the family and their school to support the young person's long-term participation in education.
- A range of short programs that help ensure the young person is engaged in education. Students develop the skills, knowledge, attitudes and behaviours needed for long-term educational participation and success. Programs include literacy and numeracy, learning clubs, mentoring and career activities, as well as digital and financial literacy initiatives for parents (for more information on our programs, see Appendix A).

Tracking the individual progress of students on the program over time is key to assessing its effectiveness. Each student on *Learning for Life* has a unique student identifier which enables their progress to be monitored. Data on a range of short-term outcomes is collected, such as increases in students' reading ability, motivation, confidence and knowledge of careers and post-school pathways. A focus on both cognitive and non-cognitive outcomes is recognised given the previously stated contribution that both make to long-term educational post-school success.

The short-term outcomes are the foundations for achieving three key longer-term outcomes which The Smith Family has been tracking since 2012. These are:

1. School attendance (Attendance Rate)
2. School completion (Advancement Rate)
3. Post-school engagement in employment, education and training (Engagement Rate).

There are strong links between attendance, achievement, school completion and participation in employment and further education, post-school. These are important outcomes for the long-term economic and social wellbeing of young people and for national productivity and social cohesion. Our long term relationships with students and families, and our ability to track student developments over time enables us to support students to make the most of their potential and prepare for their post-school transition. *Learning for Life* students and families are offered access to individualised support strategies and opportunities to participate in programs designed to enhance their capacity to complete school and transition into further study, training, or employment pathways.

The outcomes of the *Learning for Life* program demonstrate what can be achieved when young Australians are provided with long-term, targeted support as they move through the school system and into post-school employment and further study. Within the program there are lessons that can be applied more broadly through the education system, ensuring equitable access to opportunities for all students, and providing all students with the support and skills they need to make the most of their academic potential and successfully transition into the labour market.

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Our *Learning for Life* approach is:

- An early intervention, long-term approach, responsive to the changing educational needs of young people as they move through school
- Highly targeted
- Based on the principles of reciprocity, parental engagement and high expectations
- Outcomes focused, measuring key short and longer term education and employment outcomes for each individual student and at the cohort level.
- Cost effective given its partnerships with individuals, families, communities, schools, business and philanthropy.

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Terms of Reference 2: Opportunities to better inform and support students in relation to post-school education and training, including use of employment outcomes of students who undertake school-based vocational education or post-school tertiary pathways

This section includes a range of suggestions focused on improving the support provided to students regarding post school employment, education and training. Combined, these measures would facilitate greater integration of post-school planning, career related activities and industry focussed learning within the education system.

Such an approach recognises that disengagement from education, training and employment is not a one off event that occurs in isolation at the end of a student's schooling, but is the result of a long term process that can begin in childhood and continue throughout the course of a child's schooling. The suggestions here, therefore, should be considered as part of a longer term process of building the skills, knowledge and confidence that young people need to prepare for their post school transition.

Early and sustained interventions

There is considerable evidence showing that the path towards disengagement from education and employment begin early.²⁰ It is critical, therefore, that intervention strategies are adopted early in a child's development and consolidated across the education pathway through the implementation of age appropriate support measures.

The evidence from the Smith Family's work over many years demonstrates the value in engaging students in post-school planning and aspiration building early in their education. Research suggests that children start to rule out options at an early age because of the unconscious influences of parents, friends and the stereotyping of occupations.²¹ Once these limits are set, individuals will rarely consider broader alternatives.²² An earlier intervention within the primary school setting can help change perceptions about the world of work and the range of available opportunities, thereby building the foundations for positive transitions in the future.

While some school communities are beginning to move towards the practice of delivering career education that supports young people's career development in the primary years, such initiatives are currently driven on a local level and are yet to become formally integrated within the wider curriculum.²³ There is also an opportunity to better inform younger students by drawing on their natural curiosity and existing perceptions of work roles.

Once a foundation of career development has been established, it is important the learnings are sustained and built on over time. Evidence shows that there is strong relationship between student participation in career development activities, including elements of direct exposure to the contemporary working world, and positive attitudes towards schooling. Crucially, studies show that if young people can recall four or more structured career activities across their school

²⁰ Lamb, S. and Huo, S. (2017). *Counting the costs of lost opportunity in Australian education*. Mitchell Institute report No. 02/2017. Mitchell Institute, Melbourne.

²¹ NSW Education and Communities (2014). *The Case for Career-Related Learning in Primary Schools: An Invitation to primary school principals*, NSW Education and Communities

²² Miles Morgan (2012), *Engaging Parents in the Career Development of Young People*. CICA: Victoria

²³ NSW Education and Communities (2014). *The Case for Career-Related Learning in Primary Schools: An Invitation to primary school principals*, NSW Education and Communities

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life, they are five times less likely to be unemployed or disengaged from education or training.²⁴ This evidence points to the need for a sustained approach to career development.

Of these career development activities, there is particularly strong evidence related to the value of ensuring that students have access to high quality career advice while they are forming their post school plans.²⁵ Unfortunately, current approaches to career advice within the school setting are highly inconsistent and often ad hoc. While examples of good practice certainly exist, there is no standardised approach within the curriculum. This is underpinned by an ongoing lack of investment across schooling systems.

On a national level, we need to move towards an integrated model of best practice, woven into all aspects of school learning which should “include individual support, parental/guardian involvement and partnerships with community organisations to support the diverse needs and aspirations of young people.”²⁶

Parental engagement

Research over the past forty years highlights the critical role of parental engagement in their children’s learning. This is particularly true for children and young people from disadvantaged backgrounds. Parental engagement in children’s learning is a bigger predictor of their outcomes than their family’s socioeconomic background. Students with engaged parents, no matter what their income or background, are more likely to do well at school, graduate from school and go on to higher education. However, many schools and other learning institutions in Australia do not as yet possess the capacity or means to implement parental engagement strategies in a systematic way.²⁷

According to the research literature, “strategies which have a component of raising parents’ awareness of education and training opportunities, and which raise the value attributed to those opportunities by parents, are likely to have the most beneficial impact on learning and transition outcomes.” Parents, therefore, need to be empowered in their role as their child’s principal careers advisor and have greater access to information regarding career development opportunities that are available to their children. In keeping with the above, the focus of parental engagement in the career development activities needs to be weighted more evenly throughout the child’s education, rather than focusing only on the planning that takes place as the young person approaches the end of their schooling.

Engage interests and passions

One of the key aspects to supporting students to engage with their education and post-school planning is to ensure that that they are fully informed about the pathways that best match their passions.²⁸ Education policy has not adjusted quickly enough to the recognition that students work best when their passions and interests are used as a motivator to learn.

Initiatives such as the P-Tech and Big Picture schools have started to address this issue by engaging students in activities and projects that align with their interests. However, these opportunities are limited in scope. Meanwhile, there is a need to apply this approach to learning more broadly throughout the current system. This should involve greater levels of integration

²⁴ Kashefpakdel, E., Mann, A., and Schleicher, M (2017), *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

²⁵ *ibid*

²⁶ Youth Action (2017). *Career Guidance: The missing link in school to work transitions*. Youth Action: Sydney

²⁷ Miles Morgan (2012), *Engaging Parents in the Career Development of Young People*. CICA: Victoria

²⁸ Youth Action (2017). *Career Guidance: The missing link in school to work transitions*. Youth Action: Sydney.

between schools, business and the vocational sector, to provide creative opportunities to build skills, while providing a greater insight into further education, training and employment pathways.

Preparing for the jobs of the future

A number of recent reports demonstrate clearly that the global economy is increasingly defined by digital disruption and rapid automation, and that an ever greater proportion of job roles will be found in STEM and digital related disciplines in the future.²⁹ International research indicates that 75 per cent of the fastest growing occupations require STEM skills and knowledge, while employment in STEM occupations is projected to grow at almost twice the pace of other occupations.³⁰

However, in the Australian context, there remains a great deal of progress to be made in ensuring students are equipped with these vital skills. From a school perspective, there are significant issues in terms of attracting students to these subjects. “Despite attempts by governments over the last decade to increase school student participation in STEM, the proportion of school students commencing in senior STEM-related studies has flat-lined at around 10 per cent or less.”³¹ In essence, schools have not yet found a way to modernise and promote these subjects in a way that inspires student participation and engagement.

Similarly, although digital technology is playing an ever-increasing role in the way in which we work and live, there are still nearly four million householders in Australia without access to the internet.³² Data clearly shows that children growing up in low SES households, in particular, are at risk of being left behind in the education/technology race. Many lack the access to hardware, software, and reliable internet enjoyed by their better off peers. Alarming, significantly fewer low SES students understand the importance of computer proficiency, reflecting a lack of understanding of the nature of the jobs of the future. Without intervention we risk exacerbating the challenges young people from low SES backgrounds face as they make the transition from school to the adult world of work.

The Smith Family has embarked on a project to address the deepening digital divide for the families we support. Working with our partners and in a co-design process with our families, we are looking at how we can improve both access and skill levels for students and their families. Despite these efforts, there are many communities where we do not have a presence and many families in our communities who we are not able to support. Providing young people with the skills they need requires a much more comprehensive approach, one that includes vital contributions from the education system, industry and the broader community. “We need businesses and schools to work together in order to ensure that our teachers and students are provided with the most up-to-date scientific methods and information.”³³

²⁹ See; CEDA (2015). *Australia's future workforce*. CEDA: Melbourne, and; Deloitte (2016). *The future of the workforce: Critical drivers and challenges*. Deloitte: Australia.

³⁰ Ai Group (2017) Strengthening School – Industry STEM skills partnerships: Final project report. Ai Group: Melbourne

³¹ Ibid

³² Hajkovic SA, Reeson A, Rudd L, Bratanova A, Hodgers L, Mason C, Boughen N (2016). *Tomorrow's Digitally Enabled Workforce: Megatrends and scenarios for jobs and employment in Australia over the coming twenty years*. CSIRO, Brisbane

³³ Ai Group (2017) Strengthening School – Industry STEM skills partnerships: Final project report. Ai Group: Melbourne

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Review the 'transitions framework'

Australia's current approach to transition policy is largely premised on the idea that young people make a series of linear transitions from schooling to post-school qualifications and finally to the full-time labour market.³⁴ An assumption underpinning this framework is that students' interests are best served by completing their schooling and transitioning into higher education, particularly through the university pathway.

However, the university model is under pressure. The move to a demand driven system has contributed to a large increase in the number of students enrolled in undergraduate degrees. While the university system has historically been viewed as a reliable pathway to employment, this is no longer as certain or it may take a considerably longer time to find employment than previously. Between 2008 and 2014 the proportion of bachelor degree graduates in full-time employment fell from 86 to 68 per cent.³⁵ Meanwhile, the number of unemployed graduates is at its highest rate since records began.³⁶

The move to the demand driven model and the growth in available places has resulted in the delayed exposure of a large number of students to the labour market by prolonging their participation in education. The transition framework is fundamentally reliant on there being a pipeline of jobs available for graduates when they reach the end of the education journey. There is no projection of the impact these graduates will have on the labour market once they complete their study. Nor is there a comprehensive understanding of the impact that record levels of student debt will have on both individuals, or the wider economy.

While the university system remains an enormously valuable component of the education system, the prevailing sense that the vocational sector is a lesser alternative must be fundamentally challenged.

Revalue the VET sector

In recent years Australia has systemically undervalued and underutilised the vocational education and training sector (VET), which has witnessed declining enrolments and depreciating recognition. In part, this can be attributed to an erosion of confidence in the sector on account of inconsistent quality and poor training outcomes.³⁷

Evidence from overseas however, shows how effective the VET sector can be when it is delivered with quality, and recognised as a fully integrated component of the education system. Countries where a high proportion of students choose technical and vocational paths often have lower rates of youth unemployment, and vice versa.³⁸ In countries like Switzerland, corporations play a key role in providing meaningful, paid work placements as part of vocational training for 70 per cent of school leavers. These traineeships ensure a supported transition to employment for young people and allow employers to participate in training their future workforce to develop the skills their organisations need.

For this success to be replicated in Australia, the vocational sector requires a process of modernisation. Here, The Smith Family aligns with the Business the Council of Australia (BCA), who have previously stated the need for a systematic rethink of how we design our tertiary

³⁴ Denny, L and Churchill, B (2016) *Youth Unemployment in Australia*. Journal of Applied Youth Studies, V.1, N2, 2016

³⁵ Graduate Careers Australia (2015), *Graduate Destinations 2015: A report on the work and study outcomes of recent higher education graduates*. Graduate Careers Australia, Melbourne.

³⁶ Graduate Careers Australia (2015), *Graduate Destinations 2015: A report on the work and study outcomes of recent higher education graduates*. Graduate Careers Australia, Melbourne.

³⁷ Business Council of Australia (2015), Submission to the Victorian VET Funding Review, BCA, Melbourne.

³⁸ Baker, K (2017). 14-19 Education: A new Baccalaureate. Edge Foundation: UK

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system to best deliver to the majority. VET reform is instrumental within this process, ensuring Australia's workforce is supplied with a pipeline of skilled workers who can respond to the challenges of digitisation, globalisation and demographic change.³⁹

These reforms should include greater regulation of quality, ensuring that the training is adequate and that the skills taught reflect the standards expected in the workplace. This would alleviate concerns from employers that graduates complete their courses of study without possessing the requisite skills. Furthermore, it is recommended that the definition of 'competency' across all VET qualifications should be expanded to include non-cognitive domains.⁴⁰ This will rebalance generic and technical skills in training packages and help ensure students gain a broad-based qualification.

Part of the repositioning of VET should also involve addressing misconceptions, particularly the view that a vocational qualification is a less valuable education pathway compared to university. To challenge this assumption, there needs to be greater emphasis on celebrating success, particularly in relation to student employment outcomes; which currently suggest that VET graduates have higher employment rates than undergraduates, as well as earning wages comparable to, if not exceeding, their university educated peers.⁴¹

Another key challenge is addressing the perceptions that young people have regarding the types of opportunities available through the VET system. These perceptions tend to link VET qualifications with traditional trades, when in fact, the VET sector currently provides training courses for nine out of ten occupations predicted to have the greatest growth of new jobs over the next five years.⁴² This shows that VET is more relevant than ever when it comes to preparing Australia to be more globally competitive.

To ensure that young people, parents and educators are aware of the breadth and depth of opportunities available through the VET pathways, there is a need to build awareness through the community, school system, families, students and business, of the employment and career opportunities available through the vocational system.

Shared responsibility and collaboration

Given the complex range of individual, family, school and community factors that influence educational and employment outcomes, there is an increasing realisation of the need for shared responsibility, and cross-sectoral and cross-institutional efforts to address the challenges within the existing system.

It is The Smith Family's view that business and the broader community have a role to play in solving these problems. Businesses large and small have a continuing role to play in supporting young people to successfully transition into the labour market. Many of the organisations we partner with feel this responsibility keenly and want to provide targeted opportunities to young people who most need their support.

Organisations like The Smith Family play an important role in brokering relationships between young people and business. In doing so, The Smith Family is able to help provide students with access to valuable social, economic and cultural capital, a known enabler of positive post school

³⁹ Business Council of Australia (2015), Submission to the Victorian VET Funding Review, BCA, Melbourne.

⁴⁰ *ibid*

⁴¹ Wyman, N., McCrindle, M., Whatmore, S., Gedge, J. & Edwards, T. (2017). Perceptions are not reality: myths, realities & the critical role of vocational education & training in Australia; Skilling Australia Foundation, Melbourne

⁴² Wyman, N., McCrindle, M., Whatmore, S., Gedge, J. & Edwards, T. (2017). Perceptions are not reality: myths, realities & the critical role of vocational education & training in Australia; Skilling Australia Foundation, Melbourne

D. OPPORTUNITIES TO BETTER INFORM AND SUPPORT STUDENTS

transitions. However, it is clear that these types of partnerships must be embedded within the wider school system if we are to make access to opportunities equitable across the nation and provide all young people with the opportunity to develop networks with industry and business sectors, thereby deepening their understanding of career pathways and building aspirations.⁴³

⁴³ Youth Action (2017). *Career Guidance: The missing link in school to work transitions*. Youth Action: Sydney

Terms of Reference 3: Other related matters that the committee consider relevant

National employment and economic policy framework

While The Smith Family remains confident and optimistic that improvements can be made within the education system to better support, inform and prepare students in their transition from study to employment, the reality is that the impact of such changes are highly dependent on macroeconomic circumstances.

On a national level, the most significant issue facing young job seekers is the limited availability of secure and meaningful opportunities in the labour market. This problem cannot be solved without a national policy framework that puts employment, education, and the health and wellbeing of the population to the top of the policy agenda.

Many of the conversations regarding youth unemployment and successful labour market transitions rely on strategies that are bound to our existing economic parameters, rather than discussing ways to grow and repurpose the economy with, for example, targeted and sustained investments in innovation and high-tech industries. Continued investment in these growth industries, combined with measures to improve the skills young people, would help alleviate the pressure on unemployment in the longer term by reinvigorating the economy, while helping to solve some the most critical issues of our time.

The Smith Family strongly endorses efforts to better inform and support students into post-school education, employment and training. This issue is of critical importance, not only for the individuals involved, but also to their wider communities and to the nation. The proportion of young people who are either unemployed or underemployed after completing their education is already at unacceptable levels. Left unaddressed, this issue is likely to be compounded as the effects of ongoing technological change are felt more keenly throughout the labour market.

While recognising that there is no 'silver bullet' to remedy a complex set of scenarios with many influencing factors, The Smith Family puts forward a number of recommendations to strengthen a national approach to improve outcomes.

These measures include increased efforts to strengthen the national evidence base regarding measurements of gain by implementing a unique student identifier for each school student. Such a measure should include a dual focus on core academic and non-cognitive achievements. The current emphasis on academic achievement neglects the importance that non-cognitive skills have on future employment and life outcomes. Our education system should ensure that young people develop the ability to solve problems, think creatively and communicate effectively.

Implementing such a system would enable tracking of student outcomes over time, across jurisdictions and between schools. This data would deepen our understanding of the issues, and make it easier and more efficient for schools and teachers to prepare tailored programs and strategies that address student needs.

At the same time, the effectiveness of our education system should be reviewed in the context of the modern economy, to ensure that we are supporting students to develop the skills, attitudes, knowledge and behaviours they need to flourish in the future workforce. This should include greater emphasis on practical and vocational skills, particularly in relation to STEM and digital focussed disciplines. For this model to be successful, however, schools must work in greater collaboration with industry partners, higher education institutions and the broader community, including non-government organisations. It is essential that students gain inspiration from the world of work, and have exposure to opportunities outside of their existing networks and immediate community. This is particularly important for students from low socioeconomic backgrounds.

It is also important that we review our approach to higher education. While the university sector will continue to play a critical role in the education of young people, it is also important that a modernised, regulated and high quality vocational sector plays a leading role in providing practical, industry focussed training, paving the way for future careers in growth areas in the economy.

Within the school setting, this submission highlights a number of measures that could be integrated within the national education framework. These include:

- Earlier and sustained interventions
- Strengthening parental knowledge and engagement
- Engaging student passions
- Cross sectoral solutions

The Smith Family believes that all young people should be provided with the opportunity to make the most of their education and fulfil their potential. It is essential, therefore, that measures taken to support students in building the skills and providing the opportunities they need for future success are wide-ranging and available to all students, particularly those from disadvantaged backgrounds, who will benefit most.

The Smith Family has developed an integrated suite of initiatives focussed on supporting disadvantaged young people as they progress through the middle and later years of high school, tertiary education and into employment. The suite takes account of the pre-conditions young people need for positive engagement post-school and in the labour market.

These core preconditions include: stable economic supports; supportive relationships and networks; a capacity to assess new employment opportunities on both the supply and demand sides of the labour market; provision of supports for the formation of job readiness and employability skills; and the opportunity to undertake skill development which is formally recognised and valued by both the labour market and the jobseeker.

The suite leverages The Smith Family's long term relationships with disadvantaged students and families, and its extensive partnerships with schools, corporates, employers and community organisations. It sits within a broader range of The Smith Family programs that begin in the early years and responds to the evidence of the need for targeted long-term support for disadvantaged children and young people.

The Smith Family's integrated suite of programs across the high school and tertiary years includes:

1. iTrack
2. Work Inspiration
3. Senior Secondary Learning Clubs
4. Post-school options activities
5. Professional cadetships
6. Career Mentoring

In combination, these programs enhance students' skills, knowledge, confidence, aspirations and networks so they can complete school and further education and successfully transition to employment.

1. iTrack (Years 9 to 11)

iTrack is an on-line mentoring program for students in Years 9 to 11 that aims to increase their confidence, aspirations and knowledge regarding post-school transitions. Students are matched with a supportive adult who provides advice and guidance about workplace, study and career opportunities, and how to plan for them.

iTrack extends the networks young people can draw on, at a key time in their lives. This is critical given many of the students' parents are not in employment and/or have not undertaken post-school education, and/or are unfamiliar with the Australian tertiary education system and labour market.

Weekly chat sessions occur over an 18 week period, via a purpose built platform. Mentors are drawn from the Smith Family's corporate and community partners and, where possible, matched according to the student's aspirations.

Evaluations show that through completing iTrack, students:

- Are more motivated to try harder at school and more inspired to go on to further study
- Have increased knowledge of where to get information on careers and how to achieve their career goals
- Are more positive about their career and study options and have more ideas about post-school plans

- Have increased confidence about asking for help and advice from adults.

In the words of one of the many young people who have benefited from iTrack:

My mentor helped me with my career options and what I might be interested in. He told me about his career and what he did to reach where he is. He motivated me to do well in my education and we have many things in common. My mentor is the best.

2. Work Inspiration (Years 9 to 11)

Work Inspiration is an employer-led initiative that aims to ensure young people's first experience of the world of work is meaningful and inspiring. It is based on the highly successful UK model of the same name.⁴⁴

Work Inspiration combines hands-on experiences, career conversations between students and adults in the workforce, and student reflections and feedback. Students undertake Work Inspiration in small groups with a host employer, rather than individually, which is often the offering of 'traditional' work experience. This enriches the experience for young people. Educational experiences that engage employers are particularly valuable for young people, as they make learning relevant through real-life connections.

Work Inspiration enables employers to use their expertise and creativity to design a program of career and work related activities that suit their individual circumstances and those of the young people involved. As such, it is highly flexible and able to effectively harness employers' interest in supporting young people to develop the skills and knowledge they need to move into employment post-school.

Evaluations of the program have continually shown that Work Inspiration increases' students school engagement, motivation, confidence and knowledge of careers and post-school pathways.

3. Post-school options activities (Years 9 to 11)

Post-school options activities include a range of experiences that help students gain an understanding of career pathways and training and study options. They include experiential careers days and university experience days for students in Years 9 to 11, run in partnership with corporate and university partners.

These activities help develop students' understanding of career options, build students' confidence in their capacity to make a successful post-school transition and expand their networks with other students and supportive adults. These experiential activities are key to helping disadvantaged young people realise they are capable of undertaking tertiary study and securing a wide range of employment opportunities.

4. Senior Secondary Learning Clubs (Years 11 and 12)

Learning Clubs provide a supportive out-of-school learning environment where disadvantaged students access tutoring and educational support that enhances their academic skills, confidence as a learner and engagement in education. They take place on a weekly basis, from Term 2 through to the start of VCE exams.

⁴⁴ Work Inspiration was developed in the UK by Business in the Community and was rolled out in Australia, starting in 2013 through a 3 year partnership involving The Smith Family, National Australia Bank and the Foundation for Young Australians. The program remains a key initiative of The Smith Family however FYA and NAB are no longer directly involved.

Support is provided one on one or to small groups of students, in the senior years of school. The subjects covered depend on the students' needs and include a range such as maths, chemistry, physics and English. Many of the students who participate are from culturally and linguistically diverse backgrounds, including from refugee backgrounds.

Tutors are undergraduate students who have been trained and provide their support on a voluntary basis. In addition to their tutoring support, they can share with students their experience of university study and act as role models. The Learning Clubs leverage The Smith Family's strong partnerships with a number of universities, with both the tutors and venues being provided by the universities.

5. Professional Cadetship program (through the years of tertiary study)

The Professional Cadetship program is a new initiative jointly developed by The Smith Family with the Business Council of Australia. It aims to support disadvantaged young people to complete a tertiary qualification (university or vocational training) and gain the skills and work experience that will help them successfully transition from education into the labour market.

A cadetship runs for the length of a cadet's period of study, typically two to four years. It provides cadets with:

- Eight weeks per year of full-time paid employment with a Business Council member company. Typically this will take place over summer, but can be scheduled at any time that is convenient to both the Cadet and employer. By mutual agreement, the Cadet can also participate in additional work beyond the eight weeks work experience.
- A financial scholarship to assist with living and educational expenses
- Training and development that enhances the skills critical for securing and sustaining employment in the 21st century (eg interpersonal skills, initiative, team work, goal setting).

The Cadets receive support throughout their cadetship from a Smith Family Tertiary Coordinator specialist.

6. Career Mentoring

Disadvantaged young people, including those undertaking tertiary education, often need support to smooth their transition to employment. They generally have fewer resources and more particularly the networks of advice and support that can be drawn on to help establish themselves in the labour market. The Career Mentoring program supports disadvantaged young people who are on The Smith Family's Tertiary *Learning for Life* scholarship to develop the skills, knowledge and networks to prepare them for the world of work and life post-study by matching them with mentors in their chosen career field to support them to complete their studies, look for work and provide networking opportunities.

Through participating in the Career Mentoring program disadvantaged young people:

- Develop a career plan and identify the actions needed to achieve their goals
- Expand their professional networks and interact with graduate employers
- Enhance their insights on particular industries
- Develop industry specific job searching skills
- Enhance skills that are critical for both securing and sustaining employment (eg interpersonal skills, initiative, team work, goal setting)

- Understand the role of social media in a professional context and develop the skills to use it for career development.

Summary

In combination, The Smith Family's suite of initiatives across high school and post-school study, offer targeted and timely support to highly disadvantaged young people. They provide them and their families with the social and economic resources and networks to successfully develop and navigate career and post-school pathways.

Through enhancing students' skills, knowledge, confidence and aspirations to complete school and further education and successfully transition to employment, they are set up to positively participate in the labour market.