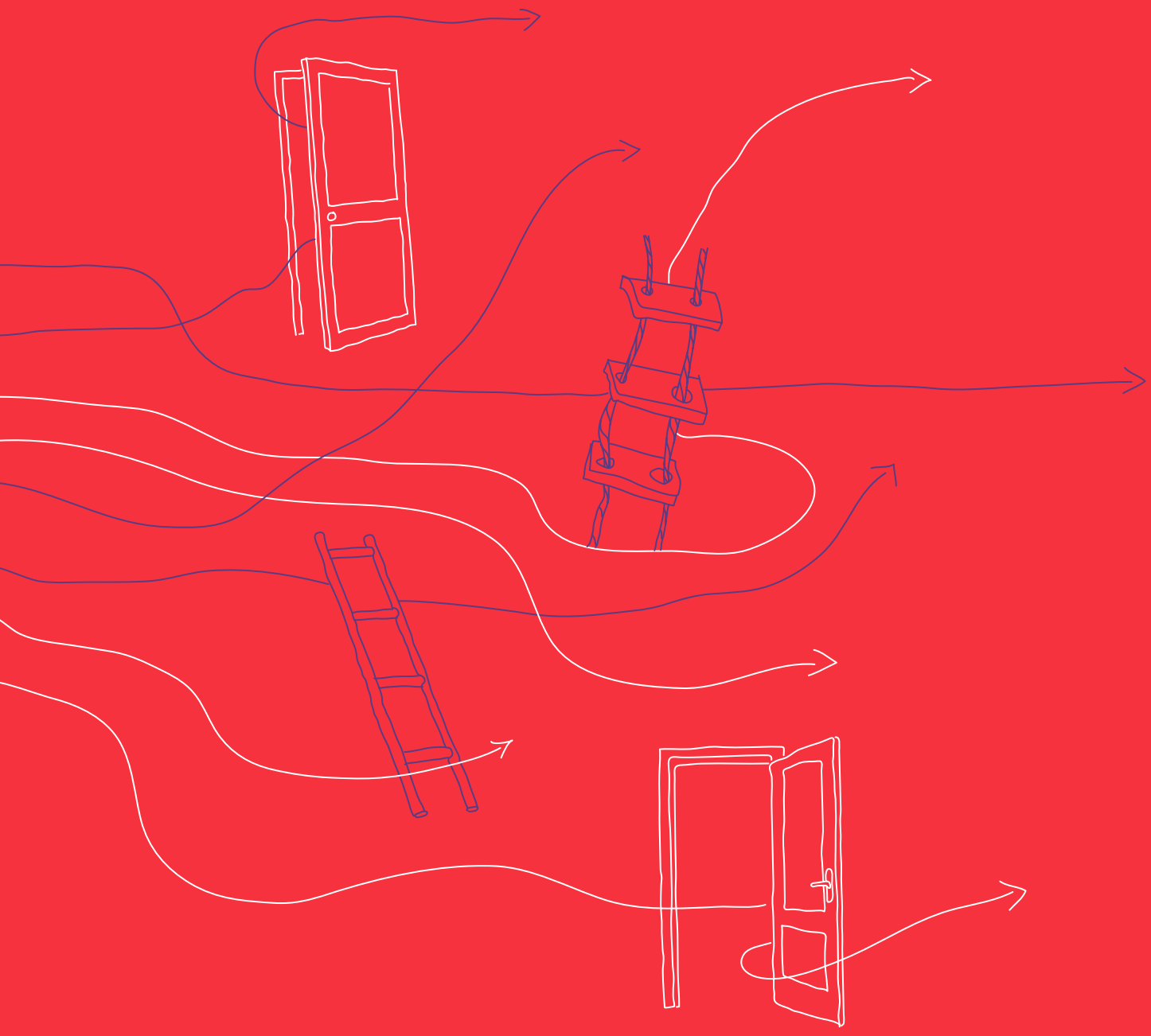
HOW YOUNG PEOPLE ARE FARING 2013

The national report on the learning and earning of young Australians



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This report has been prepared by John Stanwick, Tham Lu, Tom Karmel and Bridget Wibrow of the National Centre for Vocational Education Research (NCVER).

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Foreword

Australia is one of the most privileged and affluent countries in the world. We have a strong and resilient economy, the highest income per capita on the planet, and our land and territorial waters are rich in natural resources. Australia is multicultural at its heart and has been shaped by the migration of people from other nations around the world. Our diverse Indigenous culture anchors our collective identity to the land on which we live in profound ways.

Australia's challenge is to create a society in which we:

- Sustain our standard of living
- Enhance our quality of life
- Protect and nurture our fragile environment
- Actively and generously contribute to the global family
- Become a lighthouse nation to the world.

To achieve these goals, we must prepare our young people for constant and rapid economic, social, cultural and environmental change, in Australia and overseas. Our society needs young Australians to be confident, connected, enterprising, innovative, optimistic, generous and fulfilled.

It begins with an equitable, world class and outward looking education system and the opportunity for young people to engage and become immersed in the real world. This involves young Australians contributing their skills and ideas to help construct and bolster the communities in which they live. It means governments and decision-makers backing their ideas for improvement and change.

Young Australians today have much of the attitude, beliefs and tools needed to thrive and excel in life and work. They still require strong support, however, from our key institutions and communities, and they require a vote of confidence from our governments.

We want to see generations of:

- **Future Focused Learners** with the skills to navigate the world of work and learning, and to follow career pathways
- **Confident Global Citizens** with the ability to see and find themselves in the world, especially in relation to our neighbours in the Asia and Pacific regions
- **Enterprising Changemakers** with the ideas, confidence and capabilities to create change in their communities and beyond.

Our collective obligation is to be relentlessly optimistic about the young people of this country and supportive of their capacity and capability to envision and create the nation, and world, in which they want to live, work and contribute. Delivering on this commitment will require a significant, intergenerational transfer of leadership, trust and resources to empower our young people to meet the challenges and take up the opportunities which lie ahead.

We hope this, the fifteenth annual *How Young People are Faring*, will help inspire conversation to achieve these goals.

Jan Owen AM
CEO
Foundation for Young Australians

Executive summary

This year's *How Young People Are Faring* is the fifteenth edition of the annual series produced by the Foundation for Young Australians (FYA). The series provides important point-in-time and trend information on the education and training outcomes of young people in Australia as they make the transition from school to further study and work. This edition also examines the nature of young people's jobs and the broader social context for young people, including trends in independence, marriage, fertility, home ownership and life satisfaction.

How Young People are Faring 2013 has been prepared by John Stanwick, Tham Lu, Tom Karmel and Bridget Wibrow of the National Centre for Vocational Education Research (NCVER).

The latest available data show that teenagers (15 to 19 year-olds) and young adults (20 to 24 year-olds) in Australia are participating in formal education and training at higher rates than in the past. Despite increased participation, however, young people living in remote or very remote locations and Indigenous young Australians continue to experience far lower education and training engagement and achievements.

While educational attainment and achievement has been increasing, so have youth unemployment, underemployment, labour underutilisation and rates of casual employment among young people. Being able to demonstrate desired employability skills, however, is becoming increasingly important for young people entering the workforce, and we need to better understand whether the types of skills young people are developing match the needs of employers.

For young people in work, the job market, on the whole, is favourable. Young people tend to be concentrated in jobs associated with lower status, income and skills, but once they have passed the 'youth transition period' they tend to be concentrated in better jobs. In addition, young people who have obtained a post-school qualification have a strong chance of getting a 'good' job compared with the rest of the workforce. This points to positive prospects for young Australians and highlights the importance of outstanding education and training. This means, however, that young people without post-school qualifications are likely to find the labour market more difficult.

Life transitions for young people are being delayed commensurate with increased participation levels in education and decreased levels of full-time employment. Overall, young Australians are delaying full-time work, independence from parents, marriage, starting a family and owning a home. Some young people may prefer to not be in the labour force or to only work or study part-time in order to pursue their preferred lifestyle and interests. Some do not commence employment because of caring responsibilities, although this situation may be involuntary.

Key findings

1 YOUNG AUSTRALIANS ARE PARTICIPATING AT HIGHER RATES IN EDUCATION AND TRAINING

Three-quarters (75%) of teenagers and just under one-third (32%) of young adults are in full-time education.

- The participation of young people in school, vocational education and training (VET) and higher education is continuing to increase.
- Four out of five (80%) students who commenced secondary school in 2007 have stayed in school to Year 12. This is a significant improvement from the 75% Year 12 retention rate four years earlier.
- Females continue to participate in full-time education at higher rates than males and are more likely than males to remain at school until Year 12.

Participation and achievements in education and training can vary considerably between subgroups of young people.

- Overall, young people who speak a language other than English at home tend to have higher education levels than those whose speak only English at home.
- From 2006–2011, the proportion of young Indigenous Australians participating in education and training has risen noticeably, and there has also been a slight increase in the participation of young people living in remote and very remote areas of Australia. Despite this growth, education and training participation and attainment rates are still very low among these two groups, compounding their disadvantage in the labour market.

Young Australians are faring relatively well in education and employment compared with other OECD countries.

- In 2010, 85% of 25 to 34 year-olds have attained at least upper secondary education, compared with the Organisation for Economic Cooperation and Development (OECD) average of 82%, and 44% have attained tertiary education compared with the OECD average of 38%.
- The unemployment rate for young Australians in 2011 was 11%, which is lower than the OECD average of 16%.

2 MORE YOUNG PEOPLE ARE WORKING ON A CASUAL BASIS

Young people are less likely to be in full-time employment and are more likely to start full-time work at a later age.

- There are several reasons for this trend: some young people are choosing not to take on full-time work, often because they are studying; others are experiencing greater difficulties obtaining full-time work, partly because a larger proportion of jobs are part-time or casual.
- Over the past decade, the proportion of adults (25 years and older) working on a casual basis has remained relatively constant. Incidence of casual work among young people, however, has increased considerably, especially among teenagers. In 2012, 15 to 19 year-olds made up one-fifth (20%) of all casual workers in Australia.

Unemployment and underemployment rates for young people have increased since the Global Financial Crisis (GFC).

- In 2012, the unemployment rate for teenagers not in full-time education was 17.7%, whereas for young adults it was 8%.
- Since the GFC, there has been a rise in Australia's youth unemployment rate, particularly for 15 to 19 year-olds.
- Underemployment rates have fluctuated over the past decade. The 2012 underemployment rate is similar to the rate 10 years ago and young females are more likely to be underemployed (14%) than young males (11%).

The proportion of young higher education and VET graduates who are in full-time employment has dropped since 2007.

- More higher education graduates are going on to further full-time study or undertaking casual/part-time work rather than seeking full-time employment.
- In 2007, however, two-thirds (67%) of 20 to 24 year-old VET graduates (Certificate III or above) who had not been employed before training were employed after graduation. By 2012, this proportion had dropped to 52%, or just over half of the graduates.

An estimated 22% of 23 year-olds are not fully engaged in employment, education or training (meaning that they are either not in the labour force, are unemployed or are only working or studying part-time).

- Females are more likely not to be fully engaged (28%) than males (17%).

- Many females not engaged in employment, education or training are occupied with childcare or domestic duties, while males are more likely to be travelling or on holidays.
- Approximately half of the 23 year-olds who are unemployed or only working or studying part-time are looking for work, which suggests that participating only in part-time work or study is a deliberate choice for many in this group.

3 SOME KEY LIFE TRANSITIONS ARE OCCURRING LATER FOR YOUNG AUSTRALIANS

Important life transitions extend beyond the realm of education and employment and young people are delaying many of these transitions.

- In 2011, around 50% of 23 year-old Australians lived away from their parents and 10% owned a home. This is a decrease from 2007, when 54% were independent and 14% owned a home.
- The fertility rate of young women has decreased over the past decade. Women are getting married and having children later in life. In 2010, the average age of first-time mothers was 28 years compared to 27.5 in 2001 (AIWH et. al., 2012; Laws & Sullivan, 2004).

The proportion of young people who are very satisfied with life has increased over the past decade.

- This increase was higher among teenagers than young adults, and teenagers are generally more satisfied with life.
- Life satisfaction is similar between young males and females.

4 EDUCATION AND SKILLS ARE CRITICAL TO THE ECONOMIC SUCCESS OF YOUNG AUSTRALIANS

There are growing opportunities for young people to get good jobs, but they need good qualifications and skills.

- Although it can be much harder for 15 to 24 year-olds starting out in the workforce to get a full-time job with 'good' status, skills and income, the prospects appear to be reasonably favourable for 25 to 34 year-olds. This suggests that once young people are past the 'youth transition period', their job prospects considerably improve.
- Young people with higher levels of education are better placed to enjoy these opportunities. In sum, higher qualifications lead to better jobs.

Often the skills young people have do not match the skills they need for their existing jobs or to get a new job.

- There is often a misalignment between the skills many young people have and the jobs they take up or that are available to them: they are overqualified for their jobs.
- A recent study found that 15% of Australian higher education graduates are underutilised three years after completing their course. Underutilisation rates can vary considerably between courses and tend to be highest in the creative arts and sciences and lowest in the health and engineering fields.
- Only one-third of all public VET graduates in 2012 were employed in the same occupation as their training course, although a further third who were not employed in the same occupation as their training still found the training to be relevant.

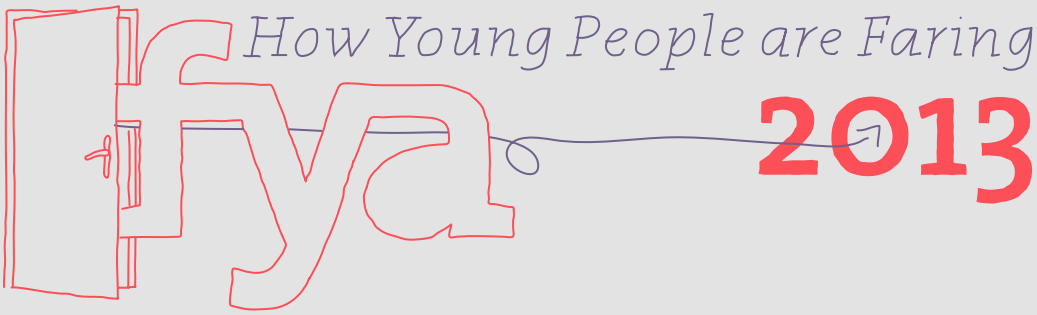
The set of skills which young people need to be successful in the workplace is changing.

- Technical and specialised skills are still important.
- There is a growing emphasis on broader, more general skills such as interpersonal and communication skills, critical reasoning and analytical skills, and personal drive and commitment.

Our education and training systems will play a crucial role in building the relevant capabilities that young Australians need to capitalise on the opportunities from the 'Asian Century'.

- The rapid rise of Asia presents significant opportunities for Australian society and its economy.
- The Australian Government's Asian Century White Paper suggests young people need to develop broad capabilities relevant to Asia and more specialised skills to engage with the growing Asian economies.
- According to the White Paper, the broad capabilities required include general literacy and numeracy skills, and Asia-literacy, which involves knowledge of Asian cultures and proficiency in Asian languages.
- Young people will need specialised skills for new types of jobs which will be created, as well as for existing traditional jobs.

Introduction



This is the fifteenth edition of the annual series *How Young People Are Faring*. The series provides important information on how our education and training system is working to meet the needs of young Australians as they make the transition from school to further study and work. The report draws on the most current information available about the participation of young Australians in education, training and employment. For the first time, it includes information which examines the nature of young people's occupations and the broader social context for young people, including trends in independence, marriage, fertility, home ownership and life satisfaction.

To support this report, the summary *At a Glance* and supporting tables provide more detailed information on the various indicators. Both can be found on the Foundation for Young Australians website — www.fya.org.au

STRUCTURE OF THE REPORT

The report comprises four chapters. The first chapter examines trends in young people's participation and attainment in education. In addition to overall trends, the chapter charts participation across three educational sectors: schools, vocational education and training (VET) and higher education. The chapter also considers the participation and attainment in education of three important sub-groups of young people: Indigenous young people, young people from remote/very remote locations, and young people whose language at home is not English.

The second chapter considers young people's employment, in particular full-time employment but also casual and underemployment. Additionally, this chapter looks at transitions into employment and includes four vignettes. The first vignette examines young people not fully engaged in education, employment and training. This group is of ongoing interest because a component may be at risk of marginalisation from the labour market. The second vignette chronicles how Australia fares against Organisation for Economic Cooperation and Development (OECD) indicators. This helps to provide some perspective to the education and employment trends for young Australians. The final two vignettes are more future-focused and consider the types of skills young people will need in the 'Asian Century', and more generally.

The third chapter takes a narrower focus and investigates young people's jobs and how they have changed from an occupational perspective using data from the 1996 and 2011 Censuses. Finally, the fourth chapter examines the broader context of how young people are faring, by looking at trends in independence, home ownership, marriage, fertility and life satisfaction. The report closes with concluding thoughts on education and jobs.

Young people's education

Given the primacy of education in indicators of how young people are faring, this first section of the report examines trends in participation and achievement in education. The section looks at overall trends and trends by education sector, namely primary and secondary schooling, VET and Higher Education. The section concludes with a vignette on the educational participation and achievement of three subgroups of young people.

YOUNG PEOPLE'S PARTICIPATION IN EDUCATION AND TRAINING

Figure 1 shows the overall trends in full-time educational participation for 15–24 year-olds.

Participation for both 15–19 year-olds and 20–24 year-olds has been on the increase since 2002. For 15–19 year-olds, overall participation has increased from 71% in 2002 to 74.7% in 2012, and for 20–24 year-olds participation increased from 24.7% in 2002 to 31.5% in 2012. As will be discussed, part of this increase in full-time education participation is offset by decreases in full-time employment levels over the period.

FIGURE 1

Overall participation in full-time education 15–19 and 20–24 year-olds, Australia, 2002–2012 (%)

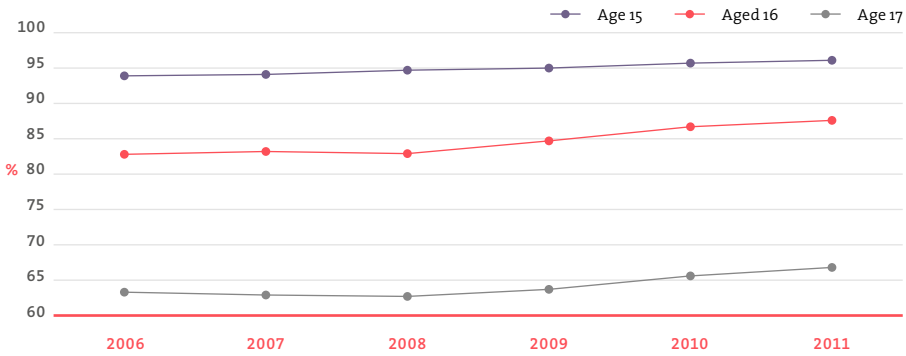
SOURCE: ABS Labour force Australia cat. no. 6291.0.55.001, detailed, electronic delivery April 2013, cube LM3, August figures

FIGURE 2

School participation rates 2006–2011[a], 15–17 year-olds, Australia (%)

SOURCE: ABS National Schools Collection 4221.0, 2011

(a) Data only available for 2006–2011. Unable to calculate data for 2012 from the Schools data made available by ABS.



For both age groups, there are more females participating than males. In 2012, female participation was 6.9 percentage points higher than males aged 15–19 years and 6.4 percentage points higher for 20–24 year-olds. Further information on full-time educational participation is contained in Table 1 of the supporting tables document.

Participation by sector

The increase in participation in education is reflected across all three education sectors, namely school, VET, and Higher Education. Figure 2 (previous page) corroborates that school participation rates have increased for 15–17 year-olds from 2006–2011. For 15 year-olds, school participation rose 2.2 percentage points, for 16 year-olds the increase was 4.8 percentage points and for 17 year-olds the increase was 3.5 percentage points with the notable gains visible after 2008. Part of the increase would be due to a higher school leaving age across all states and territories under the National Youth Participation Requirement agreed to by the Council of Australian Governments (COAG) in 2009. Under this requirement, young people are required to, as of January 2010, complete Year 10 and to participate in full-time education, training or employment, or a combination thereof, until the age of 17 (COAG, 2009).

Figure 3 shows that Year 12 school retention rates have increased considerably since 2008, from 74.6% in 2008 to 79.9% in 2012. The retention rate is substantially more for females, 84.3% in 2012 by comparison to 75.8% for males (see Table 3 in the supporting document).

FIGURE 3

Apparent school retention rates, year 7/8–year 12, Australia, 2002–2012

SOURCE: ABS Schools Australia, cat. no. 4220, 2012.

FIGURE 4

Participation rates in Vocational Education and Training courses, 15–19 and 20–24 year-olds, Australia, 2002–2012

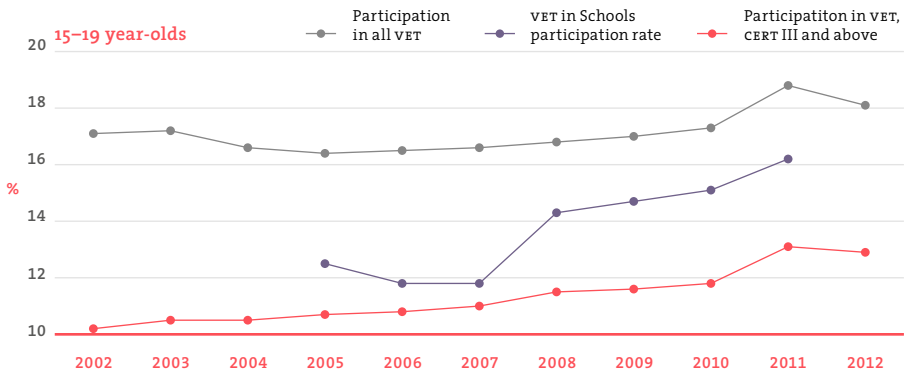
SOURCE: NCVER's National VET in Schools collections 2005–2011

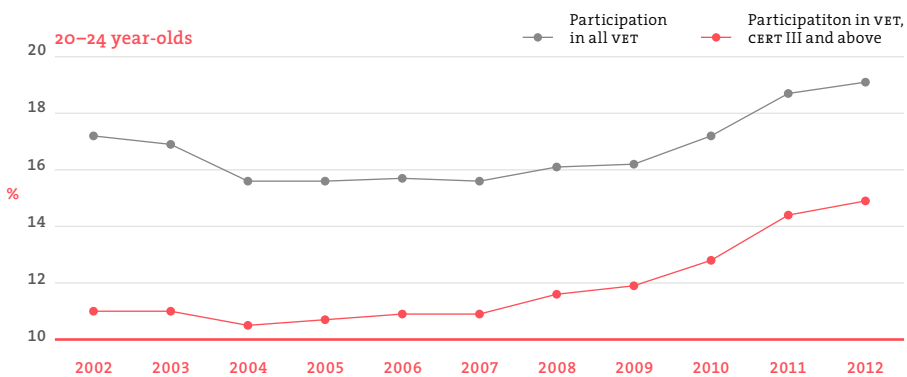
NCVER's National VET collection 2002–2012

ABS Australian Demographic Statistics September 2012, cat. no.

NOTE: VET in Schools data only available from 2005 onwards (with the latest available data being for 2011)

Participation in all VET and participation in VET, certificate III and above, exclude those still attending school and school status not known





For the VET sector, Figure 4 shows increases in participation in VET courses over time. For 15–19 year-olds undertaking all VET and Certificate III and above, most of the increase occurred between 2010 and 2011, with a slight decrease in 2012. For VET in Schools, there has been a large increase in the rate of participation from 2007–2011, an increase of 4.4 percentage points. Looking at 20–24 year-olds, the increases in rates of participation have mainly been from 2009 onwards for both VET courses and for Certificate III and above programs.

Apprenticeship commencement rate data do not illustrate a consistent trend, with movements up and down in commencements rates over time (figure 5). Particularly, the drop in the commencement rate after the 2008 GFC, especially so for 15–19 year-old trade apprenticeship commencers where the number of commencements dropped from 3.7% in 2008 to 3% in 2009, is notable. For this group, the commencements rapidly increased in 2010 but since then have declined. After the GFC, the Australian Government introduced the Australian Kickstart Bonus worth a total of $3,350 to employers who take on young apprentices. This incentive undoubtedly increased commencements in the short term.[1] The prevailing economic conditions, however, would have had an effect on enrolment of apprentices, and this may have particularly affected the 15–19 year-old apprenticeships in the trades.

Rates of participation in higher education courses have also been on the increase, particularly since 2010 (Figure 6). For 15–19 year-olds, rates of participation rose from 13.3% in 2010 to 15.1% in 2012. Conversely, rates of participation for 20–24 year-olds increased from 25.1% in 2010 to 28.6% in 2012.

ATTAINMENT

Reflecting increases in participation, the rate of attainment of qualifications by young people has been increasing. Attainment trends shown in Figure 7 (overleaf) represent 20–24 and 25–29 year-olds rather than 15–19 year-olds, as a substantial proportion of these remain in education.

Year 12 attainment increased for 20–24 year-olds by marginally over 7 percentage points in the period 2002–2010, but has subsequently declined for no obvious reason. Certificate III and above level qualification attainment has recorded an upward trend for both

FIGURE 5

Proportion of apprenticeship commencements, 15–19 and 20–24 year-olds, Australia, 2002–2012

SOURCE: NCVER's National Apprenticeship Collection December quarter 2012

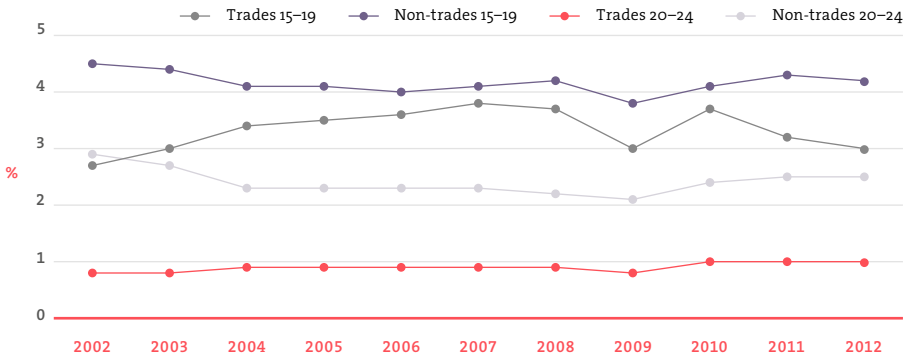
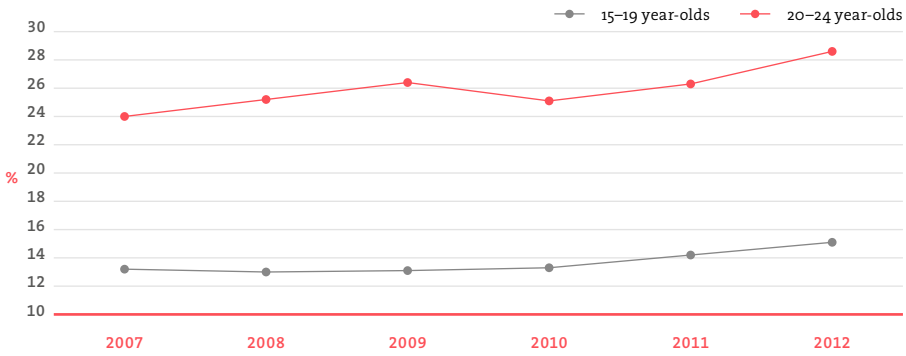


FIGURE 6

Higher education participation rates 15–19 and 20–24 year-olds Australia, 2007–2012

SOURCE: ABS Survey of Education and Work, cat. no. 6227.0.55.003 May 2012.

NOTE: Although most 15–17 year-olds do not attend higher education, the Survey of Education and Work web tables use 15–19 in their age splits



[1] The Kickstart Bonus recommenced end 2012/beginning 2013 in areas of skill shortages in the construction industry and the engineering trades, see http://www.australianapprenticeships.gov.au/program/apprentice-kickstart-initiative

FIGURE 7

Educational attainment for 20–24 and 25–29 year-olds 2002–2012

SOURCE: ABS Survey of Education and Work, cat. no. 6227.0.55.003 May 2012

20–24 and 25–29 year-olds. Bachelor degree or higher achievement has increased over the 10-year period for 25–29 year-olds but has plateaued at approximately 35% since 2009. Across these education levels, educational attainment has been higher for females than for males (see Tables 9–11 in the supporting document).

Vignette: How are particular subgroups faring in terms of educational attainment?

In this vignette, 2006 and 2011 Census data were used to reveal how three subgroups of young people are faring in terms of participation and attainment in education. The three subgroups of young people examined were people whose language at home is not English[2], Indigenous people and people living in remote/very remote areas[3]. Tables 1–3 present selected participation and attainment data, but more detailed data are contained in the supporting document, Tables 12–14.

Table 1 demonstrates that school participation rates have increased for 15–19 year-old Indigenous and remote/very remote young people across the two Censuses, with Indigenous participation increasing at a considerably higher rate than for all Australia.

TABLE 1

School participation rates[(a)] for subgroups of 15–19 year-olds 2006 and 2011 (%)

SOURCE: 2006 and 2012 census data, table builder basic

	INDIGENOUS	REMOTE/VERY REMOTE	NON-ENGLISH	ALL AUSTRALIA
2006	35.9	34.3	**	48.6
2011	41.1	37.7	55.0	50.7

** This information was not available from table builder basic (a) Stated participation rates

TABLE 2

Non-School education participation rates[(a)] for subgroups of 20–24 year-olds 2006 and 2011 (%)

SOURCE: 2006 and 2012 census data, table builder basic

	INDIGENOUS		REMOTE/VERY REMOTE		NON-ENGLISH		ALL AUSTRALIA	
	2006	2011	2006	2011	2006	2011	2006	2011
VET	5.2	5.9	3.6	3.8	**	8.9	7.3	7.4
Higher education	4.9	6.3	2.9	3.0	**	43.1	21.8	25.8

** This information was not available from table builder basic. (a) Stated participation rates

[2] Only 2011 Census data are available for this analysis [3] Note, however, that many young people from remote/very remote areas are Indigenous

TABLE 3

Educational achievement rates[a] for subgroups of 20–24 year-olds 2006 and 2011 (%)

SOURCE: 2006 and 2012 census data, table builder basic.

NOTE: Certificate III or higher VET accords to Certificate III, IV, diplomas and advanced diploma and Bachelor degree or higher accords to Bachelor degree level, graduate certificate, graduate diploma, and postgraduate degree level in the supporting tables document.

	INDIGENOUS		REMOTE/VERY REMOTE		NON-ENGLISH		ALL AUSTRALIA	
	2006	2011	2006	2011	2006	2011	2006	2011
Year 12	32.2	37.1	41.4	43.3	**	84.8	67.2	69.8
Certificate III or higher	13.2	17.3	18.0	21.3	**	18.8	20.7	23.0
Bachelor degree or higher	1.9	2.1	7.1	6.7	**	21.7	13.6	14.1

** This information was not available from table builder basic. (a) Stated achievement rates

There has been an increase in educational participation for 20–24 year-old Indigenous people (Table 2). For 20–24 year-olds from remote/very remote areas, however, the participation rates remained similar from 2006 to 2011. Table 2 shows that participation in higher education for 20–24 year-olds whose language at home is not English is far higher than for the all Australia proportion.

Turning to educational achievement for 20–24 year-olds, Table 3 illustrates that there has been a substantial increase in the proportion of Indigenous young people with Year 12 qualifications and Certificate III level and above VET qualifications (a greater increase than for Australia as a whole). There has also been some increase in Year 12 and Certificate III and above VET achievement for 20–24 year-olds from remote/very remote areas. The rate of achievement of Year 12 qualifications and higher education qualifications for 20–24 year-olds from non-English speaking backgrounds is far higher than for Australia as a whole.

The tables show that, overall, there have been increases in participation and achievement in education for Indigenous young people. Part of the increases in school participation could be attributed to the increase in school leaving age under the Youth Participation requirement. There are numerous other programs, however, which aim to improve the educational outcomes of Indigenous young people. The improvements in educational participation for young people in remote/very remote areas have been, unfortunately, more modest. Participation and achievement in education for these two subgroups of young people is still considerably lower than for Australia overall.

Young people's employment

After education, the other prime indicator of how young people are faring is their entry to, and participation in, employment. This section looks at young people's employment from a number of perspectives. This includes an examination of rates of full-time employment, unemployment, casual employment and underemployment. Additionally, young people's transitions to work are examined. The section concludes with four vignettes to complement the employment data. These vignettes consider young people not fully engaged in employment, education and training, how Australia compares to the OECD, the impact of the 'Asian Century', and the skills young people need for the future.

The analysis in this section begins with Figure 8, which shows how full-time employment to population rates have changed for young people since 1986. As a comparison, full-time education to population rates are also included. For both age groups, the charts clearly show decreases in full-time employment, which are offset by increases in full-time educational participation.

FIGURE 8

Young people in full-time employment compared to full-time education 1986–2012 (%)

SOURCE: ABS Labour force Australia cat. no. 6291.0.55.001, detailed, electronic delivery April 2013, cube LM3, August figures

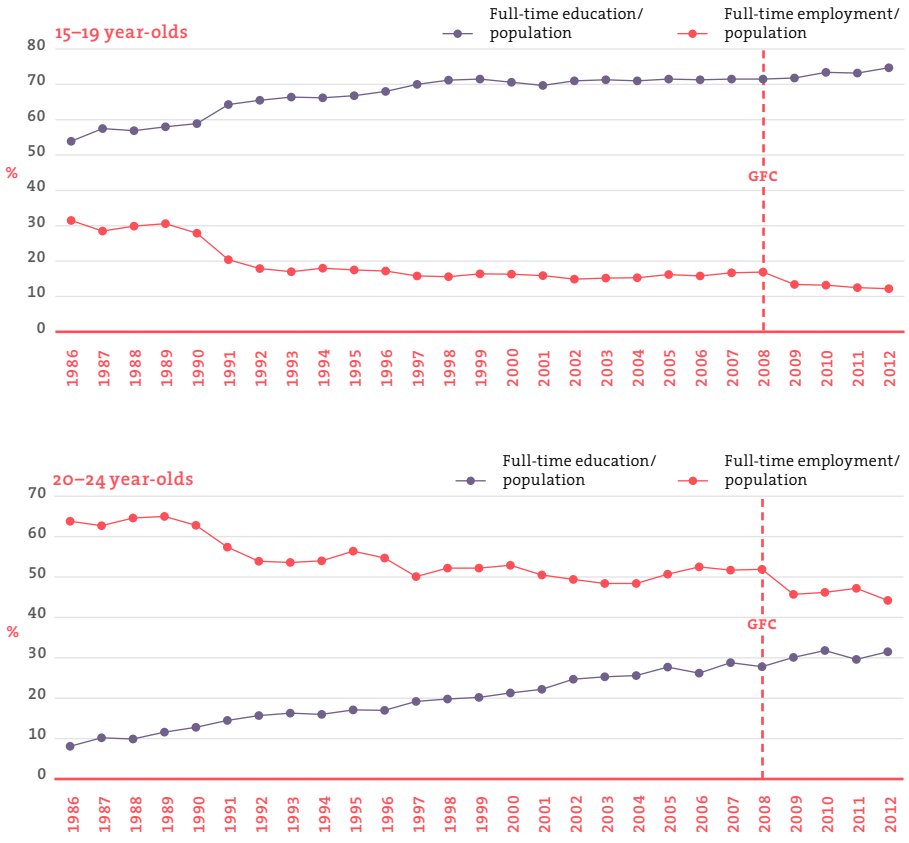
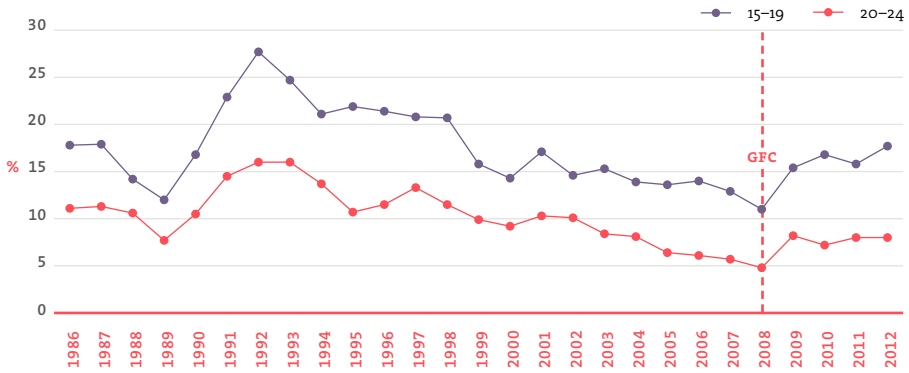


FIGURE 9

Unemployment rates for young people not in full-time education 1986–2012 (%)

SOURCE: ABS Labour force Australia cat. no. 6291.0.55.001, detailed, electronic delivery April 2013, cube LM3, August figures



The charts also indicate sudden drops in full-time employment after the GFC. The drops in full-time employment have persisted since then.

Another important labour market indicator is youth unemployment. While youth unemployment rates had been recording a downward trend since the recession of the early 1990s, Figure 9 shows a sudden spike in unemployment following the GFC. The increase in unemployment has been much more pronounced for 15–19 year-olds than for 20–24 year-olds. As with decreases in levels of full-time employment, increases in the unemployment rates have persisted since 2008. As of 2012, the unemployment rate for 15–19 year-olds not in full-time education was 17.7% while for 20-24 year-olds it was 8%.

Many young people work while in full-time education. Figure 10 shows employment trends for 15–19 and 20–24 year-olds who are in full-time education. For 15–19 year-olds, the all employment figure only is shown, as full-time employment is only approximately 1 per cent of this group, meaning the vast majority are employed part-time. Employment has increased substantially for the 15–19 year-old group in full-time education, peaking at 39% in 2006 and decreasing to just over 35% in 2012. Further information in the data attachment shows that about 40% of females in full-time education were employed by comparison to almost 30% of males.

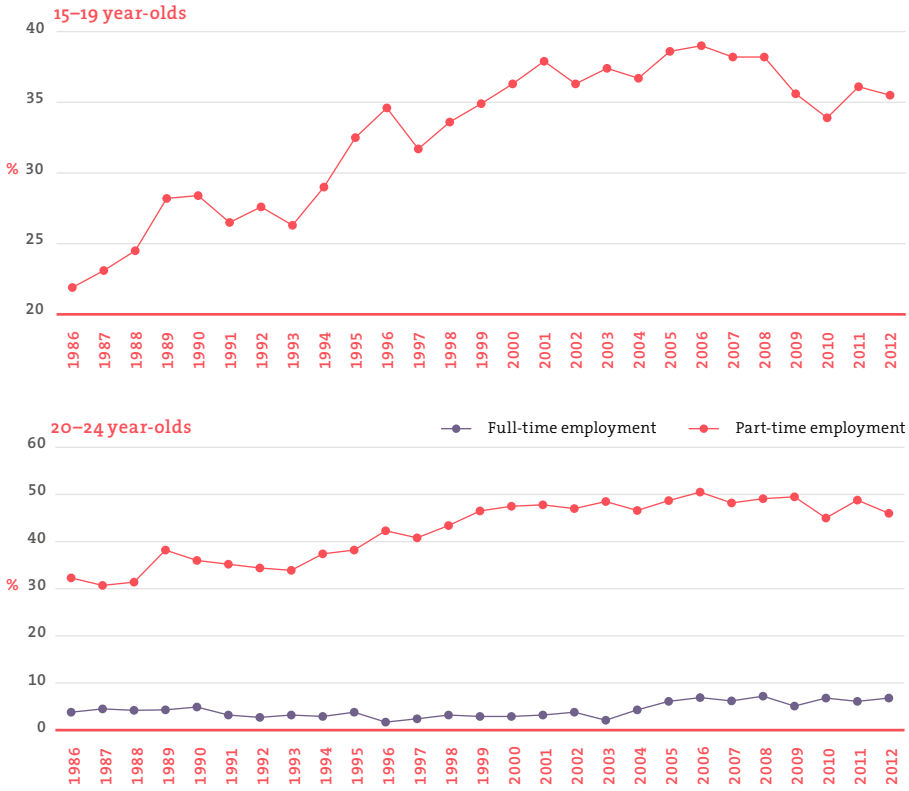
For 20–24 year-olds, the employment rate (both full-time and part-time) has steadily increased over time, but dipped slightly after 2008. In 2012, 6.8% of 20–24 year-olds in full-time education were employed full-time, with a further 46% employed part-time. Males were nearly twice as likely to be employed full-time as females (see Table 17 in the supporting document).

In addition to measures of full-time employment, the proportion of young people in casual employment[4] can be used as an indicator of the stability of the labour market. Data from the Australian Bureau of Statistics (ABS, 2011b) indicate that the proportion of casual workers in the workforce overall has fluctuated slightly over time, with 18% of the workforce being employed on a casual basis in 1998, 21% in 2007 (the peak) and 19% in 2011. The Independent Inquiry into Insecure Work (2012) indicates, however, that casual work is concentrated among young people, with 20% of all casual workers aged 15–19 years.

FIGURE 10

Rates of employment for 15–24 year-olds in full-time education, 1986–2012 (%)

SOURCE: ABS Labour force Australia cat. no. 6291.0.55.001, detailed, electronic delivery April 2013, cube LM3, August figures



[4] As per the ABS definition, casual workers are defined in the Household, Income and Labour Market Dynamics Australia (HILDA) survey as workers without paid holiday leave and without paid sick leave.

FIGURE 11

Proportion of young people not in full-time education in casual employment 2001 and 2011

SOURCE: Derived from HILDA release 11 data, 2012

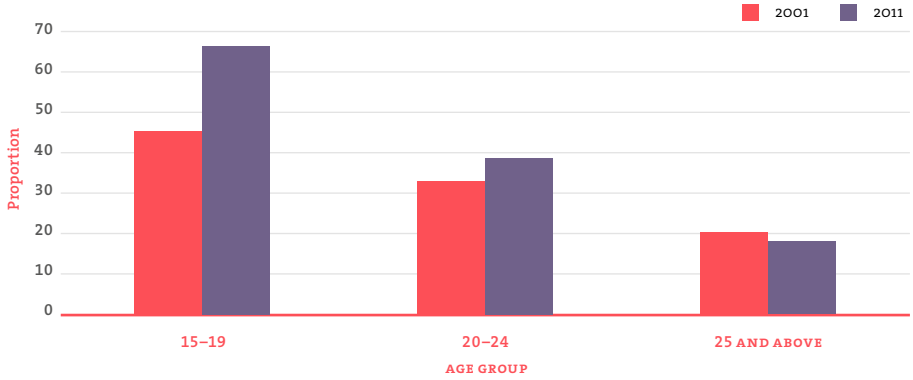


FIGURE 12

Underemployment and labour force underutilisation rates 15–24 year-olds, 2002–2012

SOURCE: ABS Labour force Australia 6202.0, table 22, August figures, original data.

Figure 11 uses Household, Income and Labour Market Dynamics Australia (HILDA) survey data to show the proportions of young people not in full-time education and employed in casual work across two time periods: 2001 and 2011. Clearly, young people are much more likely to be employed in casual work than those aged 25 and above. The incidence of casual work had also increased considerably for 15–19 year-olds and to some extent for 20–24 year-olds in the period 2001 to 2011, whereas this was not the case for those aged 25 and above.

Table 18 in the supporting tables document indicates that 15–19 year-old females were much more likely to be in casual employment than their male counterparts. 20–24 year-old males were more likely to be in casual employment.

The proportions of young people in casual employment may indicate underemployment, defined by the ABS as part-time workers who are available to do more work. The ABS also derives a labour underutilisation rate which is the addition of the underemployment rate and the unemployment rate. These rates are shown in Figure 12.

Figure 12 shows a marked increase in the underemployment and labour force underutilisation rate after the GFC and a subsequent return to pre-2008 levels has not been recorded. The data on underemployment are consistent with the decline in full-time employment and the increases in unemployment after the GFC, which also have not been significantly reversed since. Underemployment and labour force underutilisation rates for 15–24 year-olds are considerably higher than for the whole labour force population. In 2012, the underemployment rate for the whole population was 6.9% whereas it was 12.6% for 15–24 year-olds. Similarly, the underutilisation rate for the entire labour force population was 11.9%, compared to 23.7% for 15–24 year-olds in the same year.

Table 19, in the supporting document, indicates the underemployment rate is higher for 15–24 year-old females than for males (14.4% vs. 11% in 2012), although the labour force underutilisation rate is only marginally higher (24.2% as compared to 23.3% for males).

TRANSITIONS TO WORK

This section examines young people's transition from education to work. Firstly, the extent to which young higher education graduates are absorbed into the labour market is examined. Using data from the Australian Graduate Destination Survey[5], Figure 13 shows the

[5] The Graduate Destination Survey (GDS) collects a variety of information on employment related outcomes, further study and various respondent characteristics of recent higher education graduates (see http://www.graduatecareers.com.au/research/start/agsoverview/ctags/gdso/)

FIGURE 13

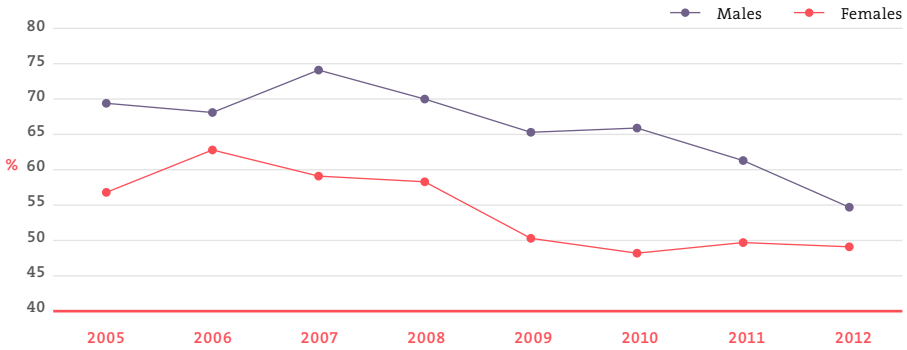
Higher education graduates employed full-time as a proportion of graduates available for full-time employment, 19–24 year-olds, Australia 2002–2012

SOURCE: Graduate Careers Australia, Australian Graduate Survey, unpublished data 2002–2012

FIGURE 14

VET graduates employed after training and not employed before training, certificate III level and above, by sex 20–24 year-olds 2005–2012 (%)[6]

SOURCE: NCVER's Student Outcomes Survey, 2005–2012



percentage of graduates who are employed full-time as a proportion of graduates who are available for full-time employment.

The figure shows that, after full-time employment grew from 2003 to 2008, there was a rapid decline after the GFC which has persisted (a trough of about 10 percentage points from 2008–2012). As the figure shows, the pattern was similar for males and females.

Data from the Graduate Destination Survey (see Table 20 in the supporting tables document) show that the proportion of graduates aged under 24 years available for full-time employment has declined by over 5 percentage points in the period 2008 to 2012 (66.6% to 61.3%). This decline is due to increases in the proportion of graduates enrolling in further full-time study, or who are in casual/part-time work but not seeking full-time employment. The proportion of Bachelor degree graduates under the age of 24 going on to further full-time study decreased from 2002–2009 (28.8% to 21.9%) but has since increased to 24.8% in 2012 (see Table 21 in the supporting tables document).

Secondly, Figure 14 shows proportions of 20–24 year-old VET graduates (at Certificate III level and above) employed after training who were not employed before training.

The figure shows a clear downward trend for both males and females from 2008 onwards. Overall, the proportion employed after training for this group dropped from 66.7% in 2007 to 52.0% in 2012. The decrease in proportions employed is reflective of the prevailing economic conditions. Other data from NCVER's Student Outcomes Survey indicate that enrolment in further study for this group did not significantly increase until 2012 (see Table 23 in the supporting tables document).

Finally, the overall period of transition from full-time education to full-time work is shown in Figure 15. Figure 15 represents the first age at which half of the group of people under consideration are not attending full-time education and are employed full-time. The calculations are based on OECD methodology which calculates durations from education to work for young people in OECD countries. Further information on the first age at which half of the group of people under consideration is not attending full-time education, or employed and not in full-time education, is provided in Table 24 of the supporting tables document.

The figure shows that the age at which young people enter full-time work has increased considerably since 1986 for both males and females. Some of this has to do with the later age at which young people leave full-time education, which is partly accounted for by increases in the school

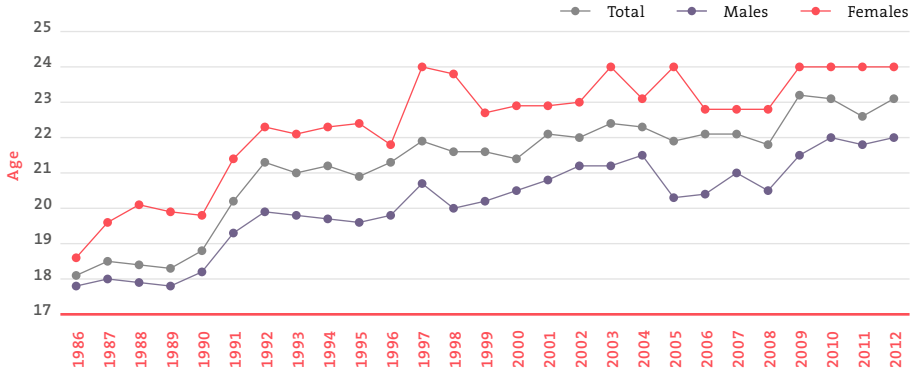
[6] These data were not readily available prior to 2005.

FIGURE 15

Transition to full-time work for 15–24 year-olds, Australia, 1986–2012 (August figures)

SOURCE: ABS Labour force Australia cat. no. 6291.0.55.001, detailed, electronic delivery April 2013, cube LM3, August figures

NOTE: The data for females levels out at age 24 as the ABS data in the data cube for full-time education finishes at age 24. However, the actual age for females transitioning to full-time employment in the latter years in the graph is unlikely to much more than 24.



leaving age in states and territories to the age of 17. It is noticable that there was a sharp increase in the transition age after the GFC where it became more difficult to obtain full-time employment. This is consistent with all our other employment data.

Vignette: Young people not fully engaged in employment, education or training

This vignette views the composition of those not fully engaged in employment, education and training[7], and the further restricted group who are not engaged in employment, education or training (NEET). These groups are examined by size, activities and job search behaviour. Longitudinal Survey of Australian Youth (LSAY) data were used for this vignette as it provides information on activities for those not in the labour force and not studying, and also job seeking activities for those unemployed or employed part-time exclusively. LSAY data pertain to a specific age and not an age group. Consequently, the proportions differ from the OECD figure for NEET of 11.4% for 15/16–25 year-olds in 2011 (OECD, 2012). Some data need to be treated with caution as there are errors associated with them[8], particularly the activities for those not in the labour force. This vignette focuses on 23 year-olds in 2011. More detailed data about the composition of these groups are contained in Tables 25–29 of the supporting tables document.

Table 4 substantiates that a higher proportion of females than males are in the NEET group. The not fully engaged group is substantially larger than the not engaged group, with over a quarter of females aged 23 belonging to this group. Table 5 and Figure 16 unpack these proportions in terms of activities undertaken (for those not in the labour force)[9] and job seeking activities (for the others).

Table 5 indicates that a large proportion of females in the NEET group who are not in the labour force are undertaking home duties and/or looking after children. In addition, a significant amount of males in this group are undertaking travel. For those unemployed, most males are looking for full-time work whereas about 30% of females want part-time work.

LSAY also contains information on the job search activities of the not fully engaged group (excluding those not in the labour force[11]). Figure 16 shows that approximately half of

TABLE 4

Not engaged and not fully engaged in employment, education or training, 23 year-olds, 2011 (%)

	MALE	FEMALE	ALL
Not engaged	6.6	9.4	8.0
Not fully engaged	17.1	27.6	22.4

SOURCE: LSAY Y03 data
NOTE: Data is weighted. Overall sample size in LSAY that the above calculations are based on = 4429 (2209 males and 2220 females)

TABLE 5

Activities of those Not Engaged in Employment, Education or Training, 23 year-olds 2011 (%)

SOURCE: LSAY Y03 data

NOTE: Percentages by gender do not sum exactly to 100 due to rounding

Data is weighted

*Estimate has a relative standard error of greater than 25% **Estimate obtained using less than five responses

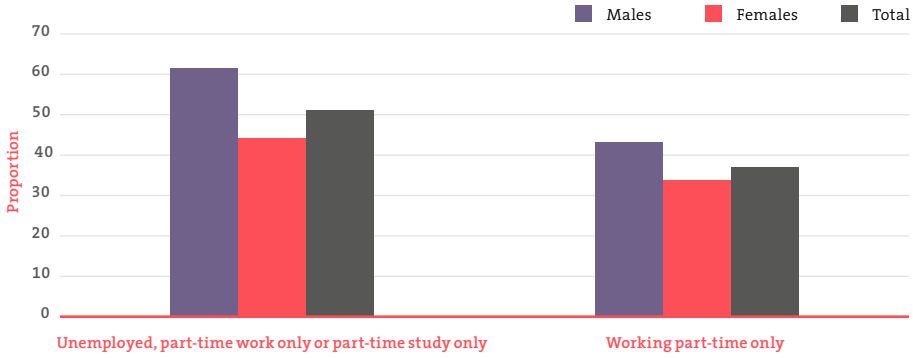
	MAIN ACTIVITY OF THOSE NILF					JOB SEARCH ACTIVITY OF THOSE UNEMPLOYED	
	Studying/ training[10]	Home duties/ looking after children	Travel or holidays	Ill/unable to work	Other	Looking for full-time work	Looking for part-time work
Male	7.7*	10.7*	24.1*	4.7**	52.8*	88.2	11.8*
Female	5.0**	71.1	4.5*	10.9*	8.5*	69.7	30.3
Total	5.7*	55.5	9.6*	9.3*	20.0*	80.1	19.9

[7] The not fully engaged group is defined as those who are unemployed, in part-time work only, in part-time study only, or not in the labour force. [8] Due to relatively small sample numbers. [9] LSAY only asks about main activity for those not in the labour force. [10] This refers to informal study only as the NEET group by definition is not engaged in formal education. [11] By definition, those not in the labour force are not looking for work.

FIGURE 16

Proportion looking for work for the not fully engaged group, 23 year-olds 2011 (%)

SOURCE: LSAY Y03 data



this group were seeking employment, males more so than females. The working part-time only component of this group were even less likely to report looking for work (only a third of females did so) which indicates that they are working part-time for lifestyle reasons.

While a proportion of 23 year-olds in the above analysis may be considered truly NEET or not fully engaged, the analysis also indicates that there are some in these groups who are undertaking other activities or are working part-time by choice, females more so than males.

Vignette: How does Australia compare to overseas nations on education and employment indicators?

Australia fares relatively well by comparison to other OECD countries on education and employment indicators.[12] In terms of educational attainment, 85% of Australian 25 to 34 year-olds attained at least upper secondary education (compared to the OECD average of 82%) and 44% attained at least tertiary education (compared to the OECD average of 38%) in 2010 (OECD, 2012).

In 2010, a higher percentage of young Australians , in education and not in education, were employed as compared to the OECD average, (46.8% of 15–19 year-olds and 74.2% of 20–24 year-olds in Australia had some employment by comparison to the OECD average of 19.1% for 15–19 year-olds and 50.7% for 20–24 year-olds). The unemployment rate for 15–24 year-olds in Australia in 2011 was 11.3% compared to the OECD weighted average of 16.2%.[13]

A further international indicator which is becoming increasingly important following the GFC is the number of young people in neither employment nor in education or training (NEET). While the Australian economy fared relatively well following the GFC, we are in the middle of the pack in terms of NEET for 15/16–24 year-olds (16 out of 32). The Australian NEET rate of 11.4% for 2011, however, is better than the OECD average of 18.6%. Some young people not fully engaged in employment, education or training are undertaking other pursuits, such as home duties, looking after children or travelling.

Vignette: The impact of the 'Asian Century'

Asian economies are the world's largest and fastest growing, with growth expected to continue for many years. There is currently a shift in the global economic balance towards Asia. The University of Melbourne (2010) estimates that Asia's real GDP will more than double from US$26t in 2011 to US$67t by 2030. This is more than the projected GDP of the Americas and Europe combined.

This economic shift is causing a higher proportion of people in these economies to move into income segments where consumption of goods and services is higher (Dobbs et al., 2012). In particular, Kharas (2010) discusses the emergence of the Asian middle class [14] which he predicts will account for 85% of the growth in the world's middle class. This represents notable growth in purchasing power in the Asia and Pacific regions. Figure 17 shows the predicted growth in the share of the Asian middle class.

As Asian economies continue to develop and mature, opportunities will become present on which Australia, particularly businesses, should capitalise. As a current testament to this, Australia conducts more trade with Asia than the rest of the world combined (University of Melbourne, 2012).

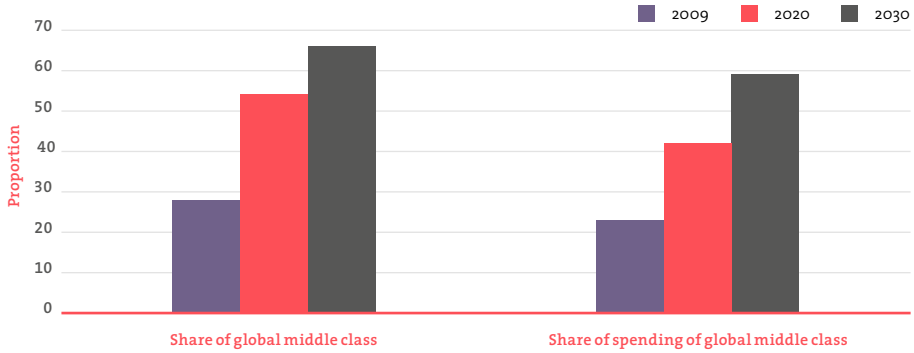
The Australian Government discussed the importance of creating and maintaining links with Asia by releasing a Asian Century White Paper (Department of Prime Minister & Cabinet, 2012), which had a focus on young Australians. The document outlined actions to ensure Australia is well placed to mutually benefit from the increasing Asian market. The White Paper recommended learning an

[12] The data for the international indicators are contained in the supporting tables document in Tables 30 to 33. [13] Note, however, that the OECD average is influenced by the high unemployment rates in countries that have had financial difficulties such as Greece, Ireland and Spain. [14] Kharas (2010) defines the global middle class as people living in households with daily per capita incomes of between USD 10 and USD 100 in Purchasing Power Parity (PPP) terms.

FIGURE 17

Growth in share of the Asia Pacific middle class (%)

SOURCE: Based on Table 2 and Table 3 in Kharas (2010)



Asian language, having knowledge of Asian markets and environments, and understanding Asian cultures in order to build Australia's links with Asia (Department of Prime Minister & Cabinet, 2012; University of Melbourne, 2012).

There are few statistics available on school enrolments in Asian languages until 2008, suggesting that school enrolment in Asian languages is not large overall. A report by Asia Education Foundation (2010) indicated that, while there was an increase in Year 12 students enrolled in Chinese, Japanese, Indonesian or Korean from 2000–2008, much of the increase was due to native speakers in these languages. Second language speakers were estimated to account for about 3 to 4 per cent of the Year 12 cohort.

Vignette: Skills young people need for the future

Over time, the skills and values required to be successful in the workplace change. This is unsurprising, as the world in which we live also changes and adapts. Five factors which are currently influencing the nature of work, according to Gratton (2010) include: technological developments, globalisation, demographic changes, societal trends and low-carbon developments. In some instances, employers are placing greater emphasis on broader, more general skills than they have previously when recruiting young people. While technical skills are seen as important, there is an increased focus on employability skills such as interpersonal and communication skills, critical reasoning and analytical skills, and personal drive and commitment (Arnott & Carroll, 2013). Some employers, however, have cited dissatisfaction with young people's business and customer awareness, self-management skills and problem solving abilities, as well as their literacy and numeracy skills (Chamber of Commerce and Industry Queensland, 2011). Furthermore, a survey by Mission Australia (2013) found that employers rated poor reliability, immaturity and a lack of long-term commitment as their top reasons for negative experiences with young workers.

Being able to demonstrate desired key skills is becoming increasingly important in order to gain relevant employment for young people entering the workforce. Young Australians have been disproportionately affected by the GFC compared to older Australians and, as such, it is increasingly difficult to find stable employment, with many employed in part-time and casual jobs (Kahn et al., 2012). This, consequently, results in the misalignment of skills as young people are accepting jobs for which they are overqualified (International Labour Office, 2013). Carroll and Tani (2011), for example, find that 26% of Australian higher education graduates are underutilised (overeducated) immediately after course completion and 15% are still underutilised three years later.

Mavromaras et al. (2012) found that overskilling is persistent and, significantly, being overskilled in the past increases the probability of being overskilled in the future. Persistence of overskilling was found to be lowest among university graduates, although it has a greater effect on income. In another study, Karmel, Lu and Oliver (forthcoming) found that wage penalties persist for young people who start out in low-skill occupations. The implication is that young people should focus their job search in areas commensurate with their level of qualification.

Young people should be conscious that the qualifications they study may not necessarily result in employment in the intended field of specialisation. For example, in the public VET sector, approximately one-third of all graduates[15] in 2012 were employed in the same occupation as their training course (NCVER, 2012). A further third of graduates, however, were not employed in their intended occupation but still found the training relevant. Most likely to be employed in their intended occupation were technicians and trades workers (approximately 55%) and least likely to be employed in their intended occupation were managers (approximately 10%) and clerical and administrative workers (approximately 17%). In addition, 77% of apprentices or trainees in trades occupation courses were employed in their intended occupation.

[15] This includes graduates not employed after training (about 20% of all graduates in 2011)

The nature of young people's jobs

We have seen that over a long period of time, the proportion of people studying full-time has been increasing, and the proportion of people working full-time has been decreasing. These trends are associated but it is difficult to identify the extent to which they are causally related. Is the increased time spent in education occurring because the labour market is becomingly increasingly unfriendly to young people? Or is the decrease in the proportion of young people in full-time employment a direct result of the increasing numbers of young people in full-time education?

In this section, we attempt to look at the jobs that young people have and how the distribution of jobs has changed for them, with a view to better understanding the implications of increasing levels of education. This analysis cannot be taken to be definitive, but should give some understanding of what is present, noting that it focuses on the jobs rather than the difficulty of obtaining one. Young people are in a period of transition and, as such, we need to focus on a range of age groups to capture this period. Those aged 15–24 years are a challenging cohort because this includes some who are still at school, some who have left school and are undertaking further study, and some who have left full-time education. By contrast, the group aged 25–29 years has few individuals who have not completed initial education. The jobs that this last group has can be taken as representing the labour market facing young people once they have made their transition from youth to adulthood.

In Table 6 we see that in both the mid-1990s and 2011 that the concentration of jobs varies for each of the age groups (because of data availability we have used the 25–34 year age group).

For the younger age group, the three most important occupations are the trades, intermediate clerical, sales and service workers and elementary clerical, sales and service workers. For the 25–34 year-old post-transition age group, however, the most important occupation is professional. There are also considerable differences between 1996 and 2011, with the largest difference being the expansion in professional occupations.

Table 7 shows occupational employment growth has been inconsistent.

TABLE 6

Relative shares of occupations (ASCO) by age, 1996 and 2011 (%)

SOURCE: 1996 and 2011 census data

	1996			2011		
	15–24 years	25–34 years	15–64 years	15–24 years	25–34 years	15–64 years
Managers and Administrators	2.3	7.2	9.2	1.6	6.7	8.6
Professionals	9.0	19.6	17.6	9.3	26.8	21.2
Associate Professionals	7.1	12.3	11.6	7.7	13.7	12.6
Tradespersons and Related Workers	17.1	14.8	13.5	16.4	12.8	12.0
Advanced Clerical and Service Workers	3.3	4.9	4.4	1.5	2.5	2.7
Intermediate Clerical, Sales and Service Workers	20.3	17.5	16.6	22.4	17.6	18.1
Intermediate Production and Transport Workers	7.8	9.2	9.0	6.2	7.2	7.9
Elementary Clerical, Sales and Service Workers	20.9	6.7	9.1	24.0	6.5	9.3
Labourers and Related Workers	12.2	7.9	9.0	10.9	6.1	7.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 7

Growth in number of employed persons by occupation (ASCO), for selected age groups, 1996 to 2011 (%)

SOURCE: 1996 and 2011 census data

	EMPLOYMENT GROWTH		
	15–24 years	25–34 years	15–64 years
Managers and Administrators	–22.1	5.5	21.5
Professionals	17.7	55.3	57.3
Associate Professionals	23.5	26.8	41.6
Tradespersons and Related Workers	8.6	–2.2	16.4
Advanced Clerical and Service Workers	–49.7	–41.0	–20.1
Intermediate Clerical, Sales and Service Workers	24.8	14.1	42.1
Intermediate Production and Transport Workers	–10.1	–11.1	15.7
Elementary Clerical, Sales and Service Workers	29.7	10.8	32.6
Labourers and Related Workers	0.6	–11.7	8.9
TOTAL	13.1	13.5	30.4

The growth in employment of 15–24 year-olds and 25–34 year-olds has been much less than at the aggregate. This reflects both demographics and changes in labour force participation, which is related to changes in educational participation for at least the younger age group. What we are interested in, however, is whether young people are concentrated in high growth or low growth occupations. We examine this by deriving an overall growth rate based on the occupational distribution of people in a particular age group, and comparing this derived figure with the overall employment growth.[16] When we do this for the 15–24 year group we derive a growth rate of 28.4%, a little lower than the overall rate of 30.4%. This indicates that the 15–24 year-old group are concentrated, to some degree, in occupations that are growing at less than the overall rate. A similar derivation for the 25–34 year-old group offers a derived growth rate of 31%, a little higher than the overall rate, and indicating that this age group is concentrated in the faster growing occupations. The small difference between the two derived rates and the overall rate, however, suggests that occupational concentration is not a concern for these age groups.

An alternative way of looking at the jobs of young people is through an occupational index. By ordering occupations from 'good' to 'bad', we can illustrate how the distribution of jobs for particular age groups compares to the overall distribution of jobs, and how it has changed over time. Karmel and Stanwick (forthcoming) construct three possible occupational indexes that are suitable for this type of analysis: a skills index (based on qualification levels within occupations), an income index (based on average income for full-time workers) and a status index derived by sociologists at the Australian National University (McMillan, Beavis & Jones, 2009). [17]

We first look at the distribution of jobs as of 2011. A complication here is that the occupational classification changed from ASCO to ANZSCO. [18] The income and skills indexes are based on ASCO, and this makes it difficult to apply them to the 2011 Census data. [19] For this reason, our presentation of the 2011 occupational distribution uses the AUSEI06 index. [20] We present the distributions for those aged 15–19 years, 20–24 years and 25–29 years, and for males and females separately. The focus is on full-time jobs and not part-time jobs, which are mainly associated with those in full-time education.

The Lorenz curves map the cumulative employment of the groups of interest (i.e. full-time employment for 15–19 year-olds in the first figure) on the Y axis against the cumulative total employment (all ages) on the X axis. The origin signifies the 'best' job. Thus we see, for example, that around 8% of young men in full-time employment are in jobs that equate to the 40% overall jobs with the highest status. The corresponding proportion for young women is 10%.

There is a distinctive pattern of younger people being concentrated in the poorer jobs (relative to the overall job distribution), but once past the 'youth transition' period there is a concentration in the better jobs. This reflects the jobs that young people obtain following their initial post-school education. It is clear that, on the whole, the job market is friendly towards young people, provided that they obtain post-school qualifications. The corollary is that early school leavers in particular are likely to be trapped in low income jobs.

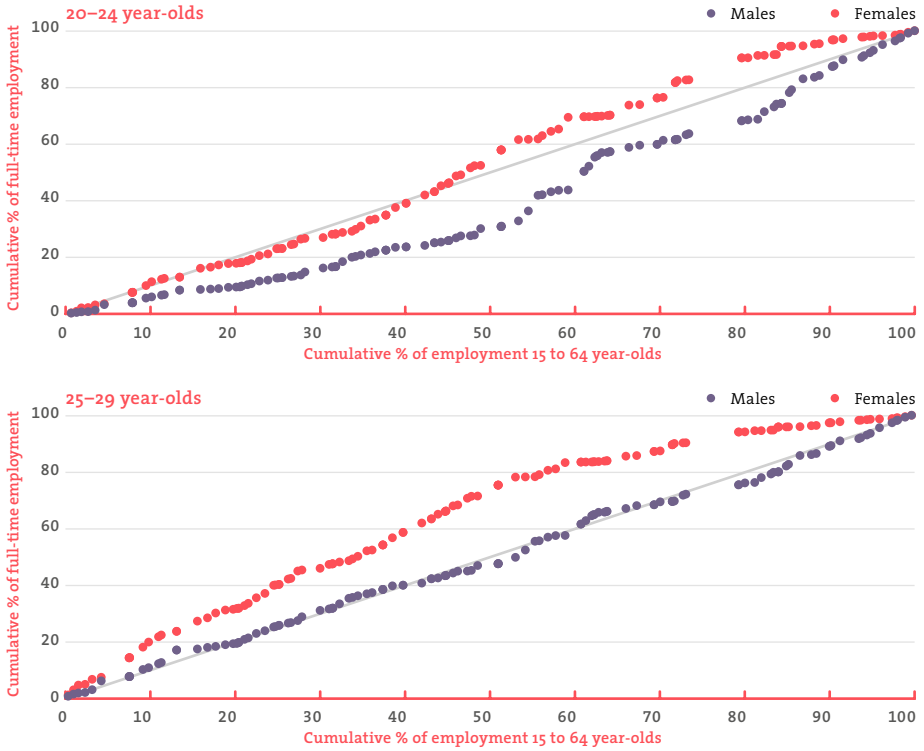
The other point of interest is the difference between males and females. In each age group, women in full-

FIGURE 18

Lorenz curves based on the occupational status index, full-time employed, selected age groups, 2011

SOURCE: 2011 census data

[16] The overall growth rate can be expressed as a weighted sum of the growth rate of individual occupations, with the weights reflecting the importance of each occupation. The derived figures substitute age specific weights for the overall weights. [17] Karmel and Stanwick (forthcoming) show that that the three indexes are highly correlated, with the lowest correlation between the three being 0.72. The status and skills index have a correlation of 0.92. [18] ASCO is the Australian Standard Classification of Occupations and is the predecessor of the ANZSCO which is the Australian and New Zealand Standard Classification of Occupations. ANZSCO replaced ASCO in 2006 (see e.g., ABS, 2005). [19] We do however have ASCO data for 2011 at a more aggregate level (broader age groups and not by gender) will which be used in analysis later in this chapter. [20] AUSEI06 is the Australian Socioeconomic Index 2006 and is the latest in the Australian National Universities occupational status scales (see McMillan, Beavis & Jones, 2009).



time jobs are, on average, in higher status occupations than men, with this pattern being particularly marked for the 25–29 year age group. Interestingly, the distribution of full-time jobs for men aged 25–29 years is very similar to the overall distribution of jobs. By contrast, women are concentrated in the jobs with higher status. For example, around 50% of women employed full-time aged 25–29 years are in jobs that equate to the top 40% of jobs overall.

We now turn to changes that have been occurring in the distribution of jobs. Here we use Census data from 1996 and 2011, and we make use of the ASCO based skills and income indexes. In these graphs the X axis represents jobs in 1996, so that the changes are relative to the 1996 distribution of jobs. Thus the comparison is between young people's jobs in 2011 and the overall job distribution in 1996. In making comparisons over time it is important to use the first time point as the benchmark so that we allow for structural change in the labour market. We know that over this period, there tended to be faster growth in more skilled jobs. Thus the occupation that signifies, for example, the top 20% of jobs in 1996 will correspond to a greater percentage of employment in 2011.

In making these comparisons we are constrained somewhat by the Census data availability. Hence we focus on total employment, and broader age groups for persons rather than men and women separately.

In Figure 19, we present the Lorenz curves for the 15–24 years group, using both a skills index and an income index.

While the analysis is not as detailed as what we were able to complete for 2011, the outcome is clear. There is very

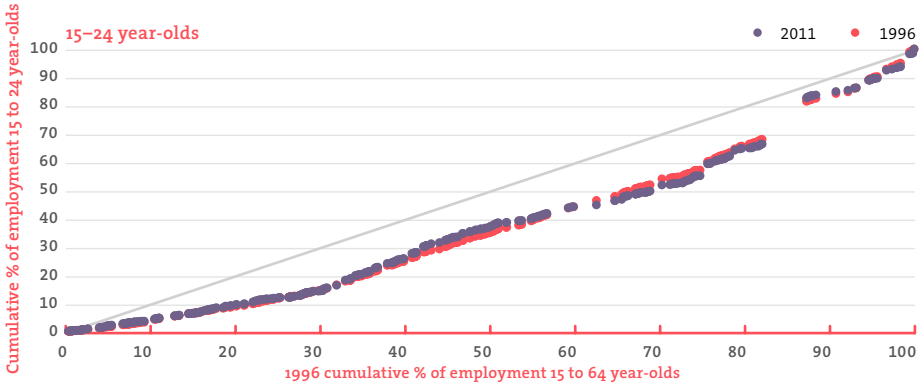


FIGURE 19

Lorenz curve based on the skills index, 15–24 years, 1996 and 2011

SOURCE: 1996 and 2011 census data

little difference between the 1996 and 2011 distributions of jobs in the 15–24 years age group. In conclusion,the labour market has changed very little in terms of its friendliness to young people. We now present analogous graphs for the 25–34 year age group.

We see that the labour market has become considerably 'friendlier' to those aged over the period of youth transition (over 25 years), irrespective of whether we use the income or the skills index. For example, using the skills index, in 1996 around 43% of 25–34 year-olds had a job in the top 40% of jobs, and this increased to over 50% in 2011.

One marked change is the level of education. Overall, the youth cohort has benefitted from the increase in educational attainment, with more young people getting 'good' jobs after the age of 25 years. While this is an optimistic conclusion, we need to express caution. This analysis does not look at the type of job obtained with a particular level of education and Karmel and Stanwick (forthcoming) show that, depending on the type of qualification, it has become more difficult to get a good job at a particular level of education.

To summarise, the occupational structure of the labour market is evolving, but not in a way that is detrimental to young people. Young people can look forward to a more favourable occupational distribution once they are aged over 25 years . Increasing levels of education, however, mean that those with poor education are likely to find the labour market more difficult. Finally, it is becoming increasingly difficult for unqualified people to get a 'good' job.

FIGURE 20

Lorenz curve based on the income index, 15–24 years, 1996 and 2011

SOURCE: 1996 and 2011 census data

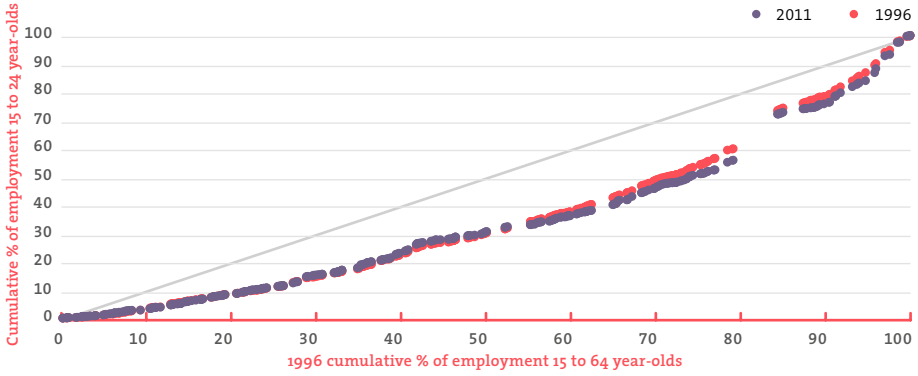


FIGURE 21

Lorenz curve based on the skills index, 25–34 years, 1996 and 2011

SOURCE: 1996 and 2011 census data

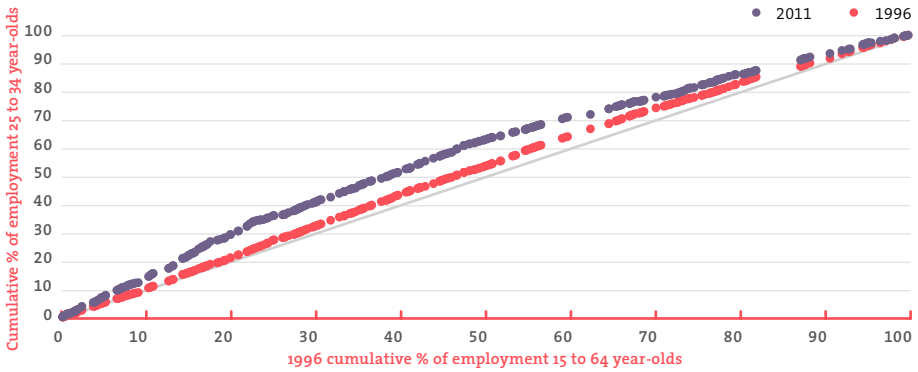
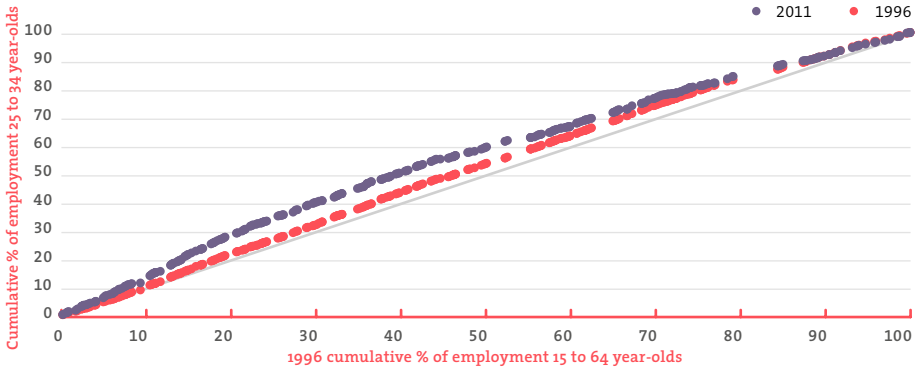


FIGURE 22

Lorenz curve based on the income index, 25–34 years, 1996 and 2011

SOURCE: 1996 and 2011 census data



Life transitions

Cuervo and Wyn (2011) suggest that youth transitions concern more than education and employment and need to consider the young person's broader life circumstances. As such, measures of independence, satisfaction with life and marriage and fertility are included in this chapter.

The next part of the report, using data from LSAY, HILDA and the ABS, examines how young people's life transitions and satisfaction with life have changed over time.

Table 8 examines independence and home ownership. For 23 year-olds[21], the extent of independence and home ownership has decreased from 2007–2011. The GFC occurred during this period, which no doubt had an effect. In terms of sex, females are still more likely than males to be independent and own a home in 2011, but the difference has narrowed over time.

Aged-based fertility has decreased slightly over the period despite a sudden increase after 2006 (see Figure 23). Overall, young women were slightly less likely to give birth in 2011 than in 2001, reflecting the lifestyle change of many women now giving birth later in life. Other data (AIWH et al., 2012; Laws & Sullivan, 2004) indicate that the age of first time mothers in 2010 was 28 years compared to 27.5 in 2001.

Figure 24 shows that marriage rates have also been declining for young people[22]. As with fertility rates, young people are delaying marriage. Part of the reason for this delay could be the increased period to transition into full-time work.

Finally, in this section the life satisfaction of young people is compared across two time periods using data from the HILDA survey. HILDA asks people how satisfied they are with life on a scale from one to ten, with ten being the most satisfied. For the purposes of this analysis, percentages of people who reported eight or higher are presented as very satisfied with life.

Figure 25 shows that, for 15–19 year-olds, the proportion very satisfied with life increased by about 6 percentage points over the 10 years, while for 20–24 year-olds there was about a 5 percentage point increase. The starker contrast, however, is that 15–19 year-olds are more likely to be very satisfied with life than 20–24 year-olds. In 2011, nearly 10 per cent more 15–19 than 20–24 year-olds reported being very satisfied with life. The proportions who were very satisfied with life were similar for males and females (see Table 36 in the supporting tables document).

TABLE 8

Independence and home ownership for 23 year-olds 2007 and 2011 (%)

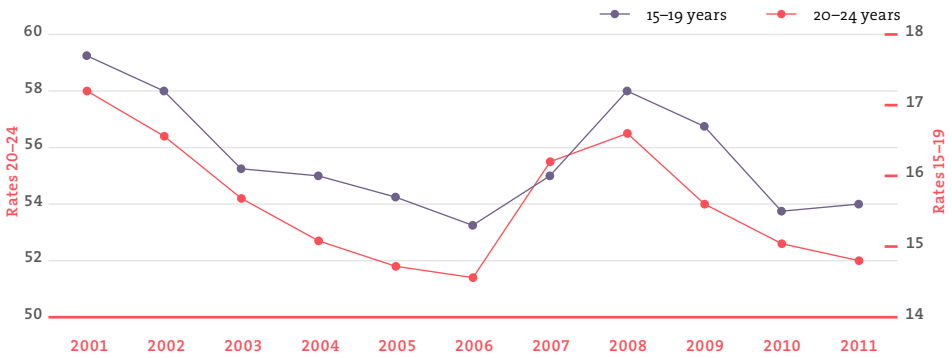
	2007			2011		
	Males	Females	All	Males	Females	All
Independence	50.5	58.3	54.2	47.6	53.2	50.4
Own a home[1]	11.5	16.7	14.0	8.2	11.2	9.7

SOURCE: LSAY Y98, Y03 cohort data
[1] Includes respondents who own a house outright. NOTE: Data is weighted.

FIGURE 23

Age specific fertility rates(a) 2001–2011

SOURCE: ABS Births, Australia 2011, cat. no. 3301.0 (a) Births per 1,000 women



[21] When reporting LSAY data only individual ages are reported and not age ranges as LSAY follows a cohort of young people of about the same age over time. For the analysis, the age 23 was chosen partly so that the latest wave of data available from the Y03 cohort could be used. [22] Only the rates for 20–24 year-olds is shown here as for 15–19 year-olds the rates are very low and have changed little over the past 10 years.

FIGURE 24

Marriage rates(a) for 20–24 year-olds for selected years 2001–2011[23]

SOURCE: ABS Marriages and divorces Australia, 2011, cat.no. 3310.0

(a) Marriages per 1,000 estimated resident population of males or females as at 30 June for each year,

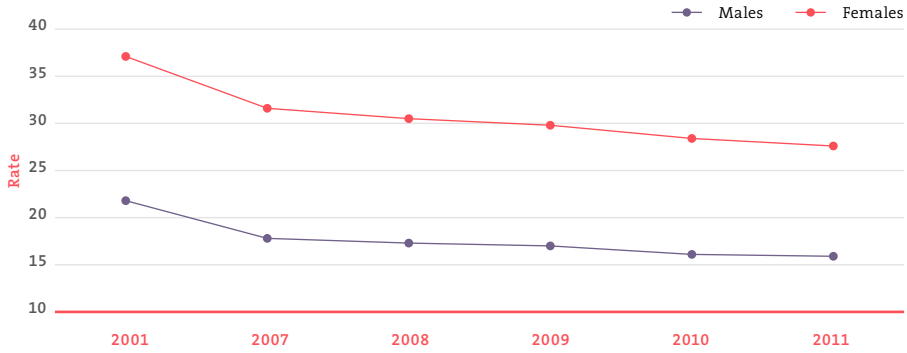
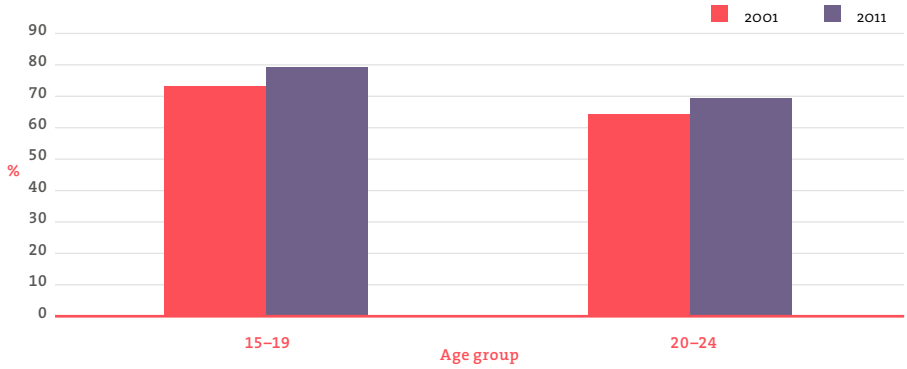


FIGURE 25

Proportion of young people very satisfied with life 2001 and 2011

SOURCE: Derived from HILDA release 11 data, 2012



SUMMARY

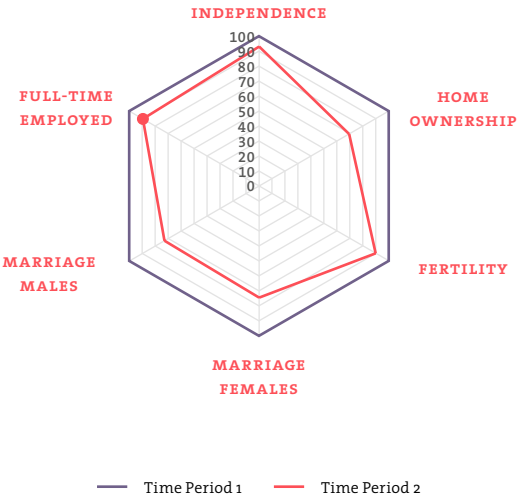
This section is summarised by the use of a radar chart for the 20–24 years age group. Life satisfaction is not included in the summary of this section as it is a conceptually different measure (subjective rather than objective) than the other measures used in this section. Full-time employment, however, is used as a summary measure here as it can be considered a life transition measure as well as a prime employment indicator.

Please note that the two time periods used in the chart accord to the two time end points used for each of the transition measures in the table and charts above.[24] For the purposes of presentation, all the time period 1 points were set to 100 and the time period 2 represented as a percentage of period 1.

The chart clearly shows that all the life transition measures decreased across time. The indicators as a whole point to life transitions becoming longer. This is supported by the data on transitions to full-time work (Figure 14), which showed that the transition to full-time work has increased considerably over time.

FIGURE 26

Summary of life transitions measures for 20–24 year-olds



[23] The ABS only provides marriage rates for males and females separately when broken down by age. [24] However, for full-time employment the two time periods used were 2002 and 2012.

Conclusion

How Young People are Faring

CONCLUSION

There are more young people participating in education now than at any time in the past. The increase in educational participation has occurred across all three education sectors. The increase in participation has also occurred among Indigenous young people, and to some extent young people from remote areas, although they still lag behind the general population. Educational attainment is also on the increase. Year 12 completion rates have been rising, as have the proportions of young people with vocational qualifications and higher education qualifications, with rates of attainment being higher for females than males.

At the same time as full-time educational participation has been increasing, full-time employment has been decreasing, with the GFC having an impact on young people's employment. The decreasing rates of full-time employment have not only affected young people with school only or VET qualifications. Full-time employment rates for recent higher education graduates have also decreased since the GFC, even though this came from a higher starting point. There has also been an increase in the rate of casual employment among young people not in full-time education and an increase in unemployment rates. There also continues to be a significant proportion of young people not fully engaged in employment, education or training, although there are those in this group that are undertaking other activities such as home duties, raising children (mainly females), or on holidays/travelling.

Young people's life transitions have been getting longer, which is consistent with trends in increased full-time education and decreased full-time employment. Young Australians are leaving home and buying a home later, and are less likely to be married and have children than in the past.

It is instructive, therefore, to look at the distribution of jobs for young people aged 25–29 years (after they get through the transition period). That analysis indicated that the labour market is quite 'friendly' to those who have employment, females more so than males. This means that young people are not vulnerable in terms of jobs that they did in the past disappearing. This, however, is in the context of increasing levels of education, meaning that those with lower levels of education may find the labour market more difficult.

The challenge for young people is to make increases in their level of education beneficial in their occupation. Apart from getting a 'good' qualification, an aspect of this challenge is to develop and maintain the skills which employers want. In addition to technical skills for a job, employers want a broader range of what could be termed more 'generic skills', such as interpersonal skills, critical thinking skills and analytical skills. There are also opportunities for young people to engage with business in Asia as these economies continue to expand.

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Appendix 1: A note on data sources

Several sources of data have been used in this report to provide a picture of how young people are faring. Australian Bureau of Statistics data have been used extensively to provide information on some of the main education and employment indicators. In addition to data from the Labour Force Survey, Schools Australia and the Survey of Education and Work, the Census was used to obtain information on the occupations of young people by their highest level of education, and the educational participation and attainment of certain sub-groups of young people (Indigenous, those in remote/very remote areas, and those who speak a language other than English at home).

The Longitudinal Survey of Australian Youth (LSAY) provides information on young people's transition from school to further education and work and transition into adulthood. LSAY is designed to follow cohorts of young people from about age 15, for 10 years, through to approximately age 25. In this report, LSAY was used to obtain data on those not fully engaged in employment, education or training, independence and home ownership. One of the limitations in LSAY as a data source is that the data are for a specific age, not an age group. For example, the activities of 23 year-olds can be looked at in a given wave of data, but not 20–24 year-olds as a group. With surveys of this nature, high standard errors [25] can be problematic.

The Household, Income and Labour Market Dynamics in Australia (HILDA) is a panel survey that has followed people for over 10 years now and asks questions about various aspects of life. Data for this survey is now available from 2001 to 2011. HILDA was used to calculate life satisfaction and rates of casual employment. As with LSAY, high standard errors can be troublesome.

Data from the National Centre for Vocational Education Research's (NCVER) collections of students and courses, apprentices and VET in Schools was used to obtain information on participation in vocational education and training. Data were also collected from Graduate Careers Council of Australia on full-time employment rates of higher education graduates. Finally, data from OECD's Education-at-a-Glance and Employment database was used to obtain country comparative data on education and labour market indicators.

In this report, only main data trends are shown as figures or tables. The accompanying data attachment contains detailed data tables which are extensively referred to throughout this report.

[25] A standard error provides an estimate of how likely the sample value is the true value. The higher the standard error the less likely that the sample value is the true value. Values with a standard error of greater than 25% should be treated with caution.

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