It is a great pleasure to be here today at such an important moment in the debate about the future of work and opportunities to participate in education.

A great deal of policy re-thinking related to education and training is currently taking place in a number of states and at the Commonwealth level as well. In recent times the Victorian Government has embarked on sweeping reviews designed to establish its roadmaps and blueprints for the future: Schofield on training; Connors on public education; Kirby on post-compulsory education. In this state, the Government has embarked on an ambitious ‘Breaking the Cycle’ jobs program, and is committed, through Queensland State Education 2010, to re-invigorating the schools and TAFE sectors to ensure Queensland becomes known as ‘the smart state’. At the same time the Commonwealth is examining its social policy mix through the McClure report and the long running Taskforce on Youth Pathways Action Plans, chaired by the Salvation Army’s David Eldridge, which is due to report in a few weeks time. McClure in fact has much to say

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about the potential of education and training as the key lever to engineer broader social participation.²

These reviews are occurring at an opportune time: the Australian economy is experiencing strong and sustained growth, steady employment growth is continuing and governments, both state and Commonwealth, are budgeting for unprecedented surpluses. In many ways this appears to be a boom time, and no-one can deny the optimism and confidence that abounds following the Sydney Olympics. Why, then, is there also a readily detectable level of disquiet and disease at our current affluence? Why do we sense that these economic good times are very fragile and that substantial numbers of Australians are being left behind?

Two months ago the Government released its report on welfare reform, and in doing so asked us to consider important practical and symbolic issues in the weeks and months in the lead up to the next federal election. The underlying message of the McClure report – beneath its policy prescriptions and benefit restructuring proposals - is surely the sense that despite substantial falls in unemployment and a robust national economy, the benefits of eight years of economic growth have not been shared evenly.

How Australians respond to the deep economic divisions that have opened up in recent years and the erosion of opportunities in certain regions will help to define what sort of nation we have become.

In August for example the ABS reported that the incomes of those at the bottom of the income scale had fallen by 10 per cent since 1985 measured against those in the middle of the scale. Meanwhile those at the top end increased their incomes by 6 per cent.³

Last year the CEOs of the top 100 companies in Australia were awarded share options with an average gross value of $6.15 million on top of salary packages that averaged $1.4 million. An extreme example of the accumulation of wealth

and assets by those at the top end of the scale are the bonuses of $6.9 million each being paid to the joint managing directors of the One.Tel phone company for “achieving specified performance objectives” despite the group incurring a $291 million loss during the year.¹

To be fair, the rapid acceleration in inequality in earnings and access to basic services is a worldwide trend. In July this year the United Nations human development report documented the growing wealth of the super-rich nations, including Australia, at the expense of areas such as sub-Saharan Africa and Latin America. The combined wealth of the world’s 200 richest billionaires is now almost equivalent to the total income of the 582 million people living in the developing countries.⁵

In Australia the very rich have steadily increased their wealth, gains made earlier by women in catching up with male earnings have been reversed, and the slide in economic opportunities in rural and provincial communities has become quite dramatic.⁶

Do we still believe in the ‘fair go’ or are we consumed by downward envy, insisting on humbling those dependent on welfare payments for their subsistence?

Although unemployment has declined steadily since 1996, the monthly ABS figures can underestimate the extent of the job insecurity and nervousness facing Australians. Last year ACIRRT at the University of Sydney, in a report for DSF, re-analysed ABS unemployment figures by looking at labour market flows over the course of a year. They concluded that almost one in four people of working age are looking for work during the course of a year.⁷

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¹ The Age, 23.9.00.
³ ABS, Cat. No. 4102.0, op.cit.
⁴ Australian Centre for Industrial Relations Research & Training (ACIRRT) & Dusseldorp Skills Forum (DSF), Beyond the Fragments. The Experiences of a Community-based Labour Hire Firm in Achieving Flexibility with Fairness for Low Paid Casual Workers, Sydney, 1999, p 17.
The rate of acknowledged long-term unemployment (ie. those that have been unemployed for a year or more) is actually higher than it was during the recessions of the early 1980s and the early 1990s. While the ABS estimates about 180,000 Australians are long-term unemployed, the actual magnitude of the problem is probably much greater. There are about 360,000 people that have been on Centrelink ‘temporary’ unemployment-related benefits for more than 12 months.\(^8\)

A failed school-to-work transition is now recognised as an important risk factor in terms of propensity to long-term unemployment. A recent report by the Business Council of Australia estimated that one in five of Australia’s long-term unemployed is connected to a failed school-to-work transition.\(^9\) Young people are in the frontline of the employment, education and training consequences resulting from the economic transformation involved in the development of ‘the new economy’.

They remain at the back of the hiring queue. Since May 1995 the broad age group that has benefited the most from the growth in full-time jobs has been older workers (those aged 45 and over), with the 45 to 54 year olds showing a 14 per cent increase. At the same time the number of full-time jobs for non-student teenagers, while improving slightly over the last four years, have declined by 3 per cent. The full-time jobs that are held by young people are low paid compared with other age groups (median weekly full-time earnings for 15 to 19 year olds and 20 to 24 year olds in August 1999 were $313 dollars and $519 compared with $690 for 25 to 34 year olds). Many young people work in low skilled jobs with few or any benefits such as superannuation. Part-time work for many young people is a second best option. A third of all persons who work part-time and who want to work more hours are under 25 years of age. For part-time workers aged 20 to 24 years, the average number of extra hours wanted was 16 hours.\(^10\) What this points to is the need for special steps to improve the employment

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\(^9\) Ibid.

outlook for young people over and above the growth that is occurring in the general jobs market.

I don’t know if anyone here watched Chequerboard Revisited a few weeks ago, which chartered the journeys of two Sydney boys since 1974. One had left school early, and faced great disappointment in not getting a technical job with the then Overseas Telecommunications Commission. But he managed to combine an apprenticeship while completing Year 11 (Leaving Certificate) through ‘tech’ and got a huge break when a kindly employer picked him up following the screening of the original Chequerboard program. As a result he has spent the last 25 years with the Honeywell Corporation and is now a successful middle manger. The other boy studiously completed Year 12 with 5 As and went on to University to fulfil his ambition to become a teacher. Intellectually and perhaps emotionally unprepared, he soon dropped out, travelled, found God and a wife, and now teaches at a small Christian primary school in southern Sydney.

This story is important because it highlights the fact that the ‘new economy’ of the last decade has not been so kind to those without formal qualifications. We now place great value on personal and intellectual skills gained through academic study and training. The technical, trade and post-school employment options that were available to a previous generation of early school-leavers have radically diminished. As Peter Lewis in his recent Tales from the New Shop Floor says, “for school leavers … imagination is just as important as formal qualifications … it is the ability to think clearly, solve problems, come up with new ideas and skills and be prepared to change that will lead them through a satisfying working life … education and training must become an ongoing process, pursued through both formal and informal channels, focussed on creating confident all-rounders who can change with their environment.”

The growth of part-time and casual work in entry-level jobs in the service industries, while making it easier for many young people to pursue study and to gain valuable workplace skills, has also eroded the stock of available full-time jobs. Increasingly young people are required to stay in education for extended periods in order to gain a toehold in those jobs that do offer a sustainable future.

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and career path. The transition to economic independence is taking longer, and with it young people are being forced to rely on their parents for longer periods as well. What this means is that the opportunities and life chances of young people are increasingly being determined by the socio-economic status of their parents. For young people not linked to the trajectory of school and study or school and work, or unable to construct an alternative pathway, the prospect of rotating through precarious employment or entering long-term unemployment is real.

The attainment of generic skills through a variety of experiences, and in structured, meaningful ways is becoming increasingly important. The BCA analysis of services for young people in transition highlighted some major problems in service conceptualisation, planning and delivery within our education, employment and training systems. The capacity of central agencies under current arrangements to determine successful youth transitions is questionable. In particular the BCA pointed to:

- Unclear accountabilities of education providers such as schools and TAFE, and employment service agencies in the Job Network, reflecting broader confusion and turf warfare between the Commonwealth and States in the whole area of youth transitions.
- Inadequate measures of outcomes, so that local communities are unaware of or have great difficulty in ascertaining the participation levels and activities of their young people.
- Lack of knowledgeable buyers of employment, education and community services to assist young people. Program fragmentation, short-term funding, competitive pressures and lack of clear local accountabilities mean that collective knowledge is often not drawn upon, successes and failures are not documented and no-one locally has the power or authority to re-direct or re-prioritise resources.12

The need for better service conceptualisation, planning and delivery within our education, employment and training systems is reinforced by the data produced by DSF and others in recent years. What must be acknowledged, despite the seemingly bleak numbers I am about to present, is that the majority of young

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people are adapting to the new education and work landscape, they are actively making the links and are turning their experiences into avenues of real opportunity. However these successes only reinforce the need, and remind us of our capacity, to ensure that all young people experience the opportunity to realise their potential and their aspirations.

DISCONNECTIONS

- In May 2000 more than 180,000 or 14.4% of teenagers were either:
  - unemployed
  - working part-time and not in education
  - not in the labour force

- 16.9% of Queensland teenagers were not in full-time education or full-time work, the second highest level in the country after Tasmania.

- In May 2000, 26% of 18 year olds and 24% of 19 year olds were not in full-time work or full-time education.

- The proportion of ‘at risk’ teenagers in 2000 is about the same as it was more than a decade ago.

- For every teenager counted as unemployed, there is at least one more not involved in full-time work or full-time study.

- 70% of teenagers in the ‘at risk’ categories are early school leavers.

THE TEENAGE LABOUR MARKET IS STRESSED

- The number of full-time teenage jobs halved between the mid-1980s and the mid-1990s.

14 Based on data reported in M Wooden, ‘The Labour Market for Young Australians’, and A McClelland, H MacDonald & F Macdonald, ‘Young People & Labour Market Disadvantage: The Situation of Young People not in Education or Full-time Work’, ibid., pp 29-50 & pp 103-123.
• The teenage unemployment rate is three times the level of older experienced workers.

• 55% of all teenage jobs are casual.
• 32% of non-student teenage jobs are casual.
• More than 20% of non-student young adult jobs are casual.

• 9% of teenagers are moving in a world of casual employment and unemployment.

THE HOLDING POWER OF SCHOOLS IS DECLINING

• School retention down: 77% in 1992 - 72% in 1999. Indigenous school retention is languishing at about 32%.

• Australia is one of the few OECD countries with declining school retention in the 1990s. Australia ranks 19th out of 28 OECD countries in terms of the percentage of the 25-64 population that has completed upper secondary education, and we will be overtaken by Ireland and Greece in the next fifteen years.

• Retention down to 66% in the government sector (in 1999, 77.5% in the Queensland government sector and 89% in the non-government sector in Queensland).

• 66% of teenage boys stay to complete Year 12 (nationally 60% in the government system and 79.5% in the non-government system)

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EARLY SCHOOL LEAVERS ARE DISADVANTAGED

- By the age of 24 their incidence of unemployment is twice that of school completers.

- Year 12 completers enjoy 4% higher hourly earnings on average, by the age of 24.

- By the age of 24, 66% of young adult women who did not complete Year 12 were not in education or full-time employment or ‘at risk’.

- By the age of 24, 33% of young adult men who did not complete Year 12 were not in education or full-time employment or ‘at risk’.

- Cost to individuals, governments and the rest of society from early school leaving is $2.6 billion every year.

The significantly different outcomes that face students in the school sectors must be faced squarely. In May 1999, six months after leaving school, nationally, both the government and non-government school sectors had the same proportion of their 1998 graduates working full-time and not studying (14%). Strikingly however, 29% of government sector school-leavers were either unemployed; working part-time and not in education; or not in the labour force. This compared with 14% of the school-leavers from non-government schools (ie. Catholic and independent combined). Only 4% of non-government school graduates were unemployed compared to 11% of government school graduates. Importantly, 82% of non-government school graduates were studying at university or TAFE compared to 57% of government school graduates.17


Independent school students are strongly linked to academic pathways, and ultimately to careers in the professions, management and highly skilled sectors of the workforce. By contrast government school graduates are considerably more vulnerable to either being precariously employed through vocational pathways or to becoming disconnected for extended periods from employment, education and training systems. Implicit in this environment are some challenging questions for the independent sector: what are the responsibilities/obligations of independent schools at a time when the social divide among young people is deepening? As Richard Teese recently observed, “the contrast could not be sharper between the academic insecurity of the economically most vulnerable populations and the success enjoyed by the economically most powerful groups.”\textsuperscript{18} How do independent schools assess their role in this landscape, who are they catering for, and how do they measure success? Do they have responsibilities for supporting or ensuring a healthy public education sector?

The key conclusions that we can draw from all this data are:

- Our key institutions – schools, labour markets, corporations and governments – are failing to meet the challenges posed by changes in work.
- The gap between those with the skills, capabilities and resources to participate in the ‘new economy’ and those that are being effectively locked out is widening.
- Early school leavers are especially disadvantaged in the new labour markets.
- Public education faces significant challenges to preserve the quality of outcomes for its graduates.
- New mechanisms that will build bridges to further skill development, employment opportunities and lifelong learning for young people are urgently needed.

The data in part reflect the fact that the transition from school to work is a turbulent and uncertain period for most young people, even if many of them start on the right track. It may involve several steps forth and back between education and work. It may be interrupted by job search and waiting times, involuntary unemployment or chosen time off for leisure, travel or other activities.

\textsuperscript{18} R. Teese, \textit{Academic Success & Social Power}, Oxford University Press, Melbourne, 2000, p 3
Living through this transition is a stressful time for many young people. Young Australians aged 18-24 years have the highest prevalence of mental health disorder of any age group. Over a quarter of young people (27 per cent) report suffering from some form of mental health disorder such as anxiety (involving feelings of tension, distress or nervousness), affective (mood) or substance abuse disorders.\(^\text{19}\)

The need to respond to the labour market’s relentless desire for flexibility and adaptability, the steady growth in casual employment, and the dramatic shrinkage in full-time work for teenagers all place incessant pressure on constantly reinventing one’s skills and personality in order to maintain a toehold in the world of work.

The result is that substantial numbers of young people are engaged in a desperate ‘struggle for subjectivity’ as Kevin McDonald describes it in his important study of young people in western Melbourne. Many young people are experiencing a fragmenting of identity, which can bring new forms of personal expression and freedoms, but which also carries social and economic polarisation and conflict.\(^\text{20}\)

Just ‘scraping by’ has become the norm for substantial numbers of young people who are in precarious casual and low skilled jobs, moving between periods of tenuous employment and unemployment, and in other cases between patches of training and study and ‘time out’ coping with personal and family upheaval.

It is increasingly apparent that the disadvantages flowing from place are now quite profound. In the 70s and 80s it seemed that issues of gender, ethnicity and disability took prominence in debates about opportunity and inequality. But in the late 1990s it is the consequences of a flight of public and private capital (both financial, infrastructure and skills) from local economies to the global economy that is drawing concern.

A review of the recent literature and research on regional inequalities in Australia commissioned by DSF found that young people in rural and remote locations are not faring as well as their counterparts living in metropolitan areas. The educational and employment attainment of young people is less influenced by system-wide issues than factors deeply related to economic and social inequalities in regions. The implication is that policies and resources must be targeted towards regions that are most disadvantaged.\textsuperscript{21}

This need has been reinforced by the recent Kirby Report on Post-compulsory Education and Training Pathways in Victoria. Kirby found early school-leaving is related to parental socio-economic status and to student achievement (as measured in English and Maths results). The reasons young people give for leaving are the desire to work and to follow a vocational pathway and a disinterest in school work (especially inappropriate learning objectives and modes). Education and training re-entry opportunities are much better for young boys than young girls, presumably because of the persistent bias in the apprenticeship system to young men over young women.\textsuperscript{22}

Common to the policy re-thinking I mentioned earlier are attempts to deal with the themes of skills development, lifelong learning and the development of strong foundation skills. There are seven key themes that are likely to emerge in the near future:

• **Renewed emphasis on completing Year 12; new steps to promote learning equivalent to Year 12; improving the holding power of public schools through greater student choice.**

Defining ‘equivalence to Year 12’ is a key task that has emerged from the Kirby report in Victoria, and is likely to feature as well in the Eldridge review of ‘youth pathways’. Underlying these developments is a nervousness about ENTER as a predictor of successful outcomes for young people, especially for those in public education. It is likely that work based learning environments will increasingly be recognised, and ways will be found to further accredit structured workplace learning with the development of both generic and academic skills.

\textsuperscript{21} La Trobe University Centre for Sustainable Regional Communities, ‘Empowering Communities. A Tool Kit for Action’, Draft MSS, June 2000.

\textsuperscript{22} Kirby Report, \textit{op.cit.}, p 48-67.
We are also likely to see an opening up of Year 12 provision for young people by TAFE and ACE providers as well as schools, thereby applying great pressure on public sector schools to retain students or watch as significant numbers drift to the more adult and, for some, more appropriate learning environments of TAFE and ACE.

Public sector schools in metropolitan areas are likely to move away from providing a comprehensive senior curriculum on one or two campus. Instead we will see a more comprehensive range of choices offered through more effective combinations or clusters of public sector schools, perhaps in conjunction with local TAFEs, where schools work co-operatively to improve their specialisations and maximise their curriculum strengths. There will be greater movement of students between schools in these clusters as they take advantage of these new opportunities in quality learning.

In the US, the charter school movement has developed as a hybrid of the public system by offering some parents and students a greater range of choices and greater emphasis on customised learning than found in the traditional comprehensive public school. Howard Gardner describes the charter school movement as “an effort to create new schools that have a looser connection with the state. The new schools are publicly funded and remain accountable to a public jurisdiction. That is, a state or local municipality (or in some cases a university) grants a charter for a certain number of years (usually three to five years) to a community group, to run a school. In exchange for a loosening of control, the new, legally autonomous institution agrees to certain forms of public accountability - eg., curriculums have to be specified and be consistent with guidelines, proceeds and expenses must be reported, statewide tests have to be administered. The school receives funds based on the number of students who attend, with the amount of transferred money equalling the estimated per student cost in the district. All who live in its jurisdiction can apply; and if the number of aspiring students exceeds the number of places, admission is determined by lottery or some other seemingly equitable procedure….”

see whether our state education systems move to embrace variations on traditional models of public education, such as charter schools adapted to the Australian environment and values.

- **Tracking young people in transition.**
  Year 12 students and early school leavers are likely to be tracked and monitored in significantly more detail in order to determine more precisely the effectiveness of their educational and training experiences. Pressure will come on to schools, local communities and central education authorities to be more accountable for the outcomes and pathways taken by students. Over time surveys of this type will give us a better indication of the interventions required to reduce the level of youth disconnectedness from employment, education and training systems.

- **Advice & assistance for potential early school leavers about learning, employment or training options (transition brokerage).**
  Transition brokerage is increasingly perceived as an important vehicle to help young people at risk of disconnection from employment, education and training systems to cope with the complex and fragmented nature of these systems. Transition brokerage is emerging as a dedicated role taken on by either a full-time professional or community mentor based in a school framework who is in touch with and can purchase influence with employment, education and training providers on behalf of young people. Some of the key roles of transition brokers include the provision of school-based vocational and personal support and counselling; school-based referral and support at the time of exiting; post-school follow up and support for the young person; and post school placement in an employment or training program. Essentially this is a brokerage service to enable young people to make informed decisions about their future, and to be supported in their decision-making during the course of their transition from school to post-school life.

Examples of transition brokerage are found in the Jobs Pathways Programme (JPP), the Kirby report in Victoria proposes establishing ‘pathways negotiator’ positions across the state; McClure also suggests the development of similar case management style roles for welfare clients vulnerable to long-term unemployment. Transition brokerage is essentially a new role in the school environment, distinct from the tasks undertaken by welfare and family...
counsellors and careers guidance officers, and is emerging in a way that parallels the rise of structured workplace learning co-ordinators in the 1990s.

- **Comprehensive careers counselling.**
The provision of careers counselling for those students seeking to pursue a vocational stream is haphazard, and ad hoc. The career and decision-making support that is available is in sharp contrast to the information and assistance available to those aiming for the professions and the sciences. DSF’s recent review of the JPP program, for example, made this point: “The availability of information and guidance varies [in schools], but is generally inadequate and sometimes non-existent. Careers guidance … could be described as a marginal activity in many schools. The school-based careers service is reported to often predominantly focus on the higher education pathway, or be swamped by making arrangements for work placements. Students should be entitled to access a comprehensive careers service, particularly as the links between pathways, training and employment become more complex.”

- **Stronger integration of existing services**
Evidence is mounting of the impact of system fragmentation and the wide dispersal of services as significant problems for potential service users. The persistent tendency to:

  - introduce new services without reference to initiatives being undertaken by other spheres of government or the non-government sector
  - run short-term competitive tenders,
  - start-stop program funding
  - with a resulting lack of co-ordination

(along with tight budgets) are leading practitioners on the ground to see how better use can be made of what is existing. Many of the elements of good practice in providing employment, education and training services for young people in transition are currently available through a variety of programs and agencies but they are not provided as part of a co-ordinated strategy;

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increasingly, the critical skill will be in how local communities are able to link these elements up into pathways of opportunity for young people.

- **Development of community partnerships**

  Whether they are styled community partnerships, social coalitions, or local planning networks, governments are going to be putting renewed emphasis on developing local instruments or partnerships to both design and deliver local employment, education and training services. This policy push stems from a number of sources:

  - a realisation of the limits to government, and the value that can be gained from harnessing a broad range of endeavours, not just those of government;
  - the convenience and positive social capital that stems from encouraging local units to be accountable for the destinations of young people; and
  - the observation that it is probably easier for local communities to construct bridges between programs and agencies than for other spheres of government.

  We are likely to see efforts to encourage pooled program funding and the devolution of these resources to local community partnerships. Community partnerships are likely to emerge that will become umbrellas under which schools, TAFE and other learning providers will attempt to meet the learning and skills needs of all young people in local communities, especially those ‘at risk’ of becoming disconnected from mainstream education, employment and training systems. These partnerships will embrace a range of stakeholders including local schools and TAFEs, local governments, training providers, Job Network brokers and others. Local partnerships are also likely to attempt to overcome bottlenecks and gaps inherent in the system design and phasing of the Youth Allowance, Centrelink and the Job Network. It is apparent that a number of young people currently face substantial difficulties in accessing mainstream Centrelink and Job Network services, and intensive assistance services in particular.25

- **The mutuality of obligations**

It is likely that the concept of mutual obligation will be extended beyond the responsibilities of the individual to the state to encompass the broader social responsibilities of corporate and institutional stakeholders – the private sector, non-government organisations, schools and others – to customers, to the environment, and to the socially and economically excluded sections of society. Until now the focus in Australian social policy has been on the obligations of those disadvantaged through long-term unemployment and other forms of welfare dependency, but it is clear that a sharp eye will also be cast in the future on the responsibilities of those who have been enormously advantaged by the relative economic boom of the past decade.

Interesting examples of how some stakeholders have responded to this challenge are reflected in developments such as the European Business Network for Social Cohesion (EBNSC) and the American based Businesses for Social Responsibility. Both these organisations represent efforts to find new socially ethical ways of doing business. The EBNSC, for example, “is a business-driven membership network whose mission is to encourage and help companies to prosper in ways that stimulate job growth, increase employability and prevent social exclusion; thereby contributing to a sustainable economy and a more just society.”26 If leading multi-national businesses headquartered in Europe can construct a broader social outlook, the challenge is there for others who are relatively advantaged to act in ways that are more inclusive.

As the Business Council (BCA) recently noted, the economic and social costs to individuals, the fabric of society and the political culture that flow from the current levels of exclusion in Australia are huge. The BCA suggests that with a healthy economy, strong foundations for future growth and substantial fiscal surpluses, we have a unique opportunity to do much better in tackling long term unemployment and youth disconnectedness.27 There are now opportunities for the development of richer, more inclusive and emancipatory forms of social assistance. The test for all of us will be in how the Australian tradition of the ‘fair go’ is re-interpreted in the emerging era of ‘mutual obligation’.

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26 See http://www.ebnsc.org/default.htm
27 Boston Consulting Group, op. cit.