

VET Pathways Taken by School Leavers

LSAY Research Report 52

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EXECUTIVE SUMMARY

This report examines the vocational education and training (VET) pathways pursued by young people since leaving school. It investigates the characteristics of those who pursue VET, their persistence in those programs, and the labour force and related outcomes that they experience following their VET participation.

The investigation uses data collected as part of the Longitudinal Surveys of Australian Youth (LSAY) program. It is based on survey data collected annually since 1995 from young people who were in Year 9 at school at that time (the Y95 cohort). Their progress through school, into any post-school education they had undertaken by 2001 (when their modal age was 20 years) and their participation in the workforce to 2004 (when their modal age was 23 years) are analysed.

The three types of VET programs investigated are apprenticeships, traineeships and non-apprenticeship VET courses. In addition, the pathways of two other groups are considered: those who entered university; and those who chose not to undertake any formal education or training after leaving school (the 'no post-school study' pathway). Outcomes that are examined include employment status, unemployment, job satisfaction, weekly hours worked and earnings.

Participation in Post-school Education and Training

About 80% of the cohort had commenced post-school education and training by 2001 (when the vast majority were aged 20). Approximately 42% of the Y95 cohort had commenced at least one VET program by 2001. Of the latter, about half had participated in apprenticeships or traineeships and half in non-apprenticeship VET. The proportion commencing VET was higher for early school leavers (around 58%) than Year 12 completers (38%).

Characteristics Related to VET Participation

Just over 10% of young people commenced an apprenticeship (20% of males, but only 3% of females). Thus, the 'prototypical' apprentice is a male. He is most likely to be an early school leaver who intended to undertake an apprenticeship. He is very unlikely to be from a non-English speaking background. When in Year 9, he demonstrated below average literacy skills but higher numeracy skills than cohort members who do no post-school study or training. The apprenticeship pathway is a particularly important one for young people from regional locations.

Of the 10% of the cohort who commenced traineeships, 59% were taken by young women. Net of other factors, school completion is positively associated with traineeship participation compared with the no post-school study pathway. However, there is no definitive prototypical trainee. Trainees are more likely to be female than male, less likely to be among the top 25% in literacy or numeracy (who are more likely to enter higher education), and less likely to be from a high SES background than others. The traineeship pathway is a particularly important one for Indigenous young people and for those in rural and remote locations.

Almost one-quarter of respondents had commenced a non-apprenticeship VET program by 2001. These programs are offered over a wide range of AQF levels, from Certificate I to Advanced Diploma. Diploma and higher level qualifications made up 42% of these courses, higher certificates 32% and lower certificates 18%. Non-apprenticeship course participants who did not complete Year 12 at school are most likely to enrol in lower certificate programs. Diploma and above level programs are the most common for school completers. Just over 8% of respondents did not know the level of the qualification they were taking.

On most socio-demographic variables, there are relatively weak relationships with the level of qualification attempted. There are, however, substantial differences in the social backgrounds of the young people who do no post-school study, those who pursue VET pathways, and those who go to university. Thus, while there are differences in the sociodemographic backgrounds of young people who follow the major post-school routes, pathways within VET provide socially equitable access to post-school education and training.

There is no typical non-apprenticeship VET course participant. Perhaps these programs could be described as egalitarian in that their distinguishing characteristic is their broadly representative client base.

Completion of VET Programs

The completion rate of apprenticeships and traineeships is approximately 83%, and of non-apprenticeship programs about 73%. Completion rates for non-apprenticeship courses vary by program level, with lower certificate courses having a completion rate of 83% compared with 65% for diploma level programs.

The reasons for discontinuation of programs vary by program type. Apprentices report leaving because of conflict with supervisors and peers, and because they find they do not like the type of work. Trainees who leave do so for health and personal reasons or because they find better work or are dissatisfied with their off-the-job training. Non-apprenticeship VET course participants leave because they want to get jobs or apprenticeships or because they find the courses do not meet their expectations.

Outcomes Subsequent to VET Programs

Young people who participate in apprenticeships and traineeship programs experience better outcomes than those who do no post-school study. Participation in, but non-completion of, non-apprenticeship VET courses, however, is *not* associated with better outcomes than for those with no post-school education.

While *participation* in most types of VET program is associated with more favourable outcomes than those experienced by those who do no post-school study, *completion* of those programs does appear to confer additional labour force advantages.

Completers of VET programs experience on average a 10 percentage point bonus in access to full-time study or work compared with non-completers and a 7 percentage point reduction in being unemployed or out of the labour force. These more favourable outcomes cannot be uniquely attributed to program completion rather than the prior characteristics of those who tend to complete. However, it should be noted that these better outcomes are also evident after controlling for the different characteristics of the individuals who choose these programs, their educational achievements at school, and the fields of study of their programs.

Males who complete apprenticeships experience the best labour market outcomes of VET participants. Full-time employment among former apprentices is high, at more than 90%, and their earnings are higher than those reported by other VET participants and those who do no post-school study. The fields in which apprentices undertake their training and work no doubt account for some of the differences in labour market outcomes. Female apprenticeship completers experience less favourable outcomes than their male counterparts, but this is attributed to the fields of work that they undertake.

The full-time employment rate among former trainees is over 80% with a further 7% in part-time work. This outcome is superior to that experienced by young people who do no post-school study.

The full-time employment rate among young people who complete non-apprenticeship VET courses is 78%, with 9% in part-time work and 5% pursuing further study. These outcomes are also superior to those of cohort members who do no post-school study. Non-apprenticeship VET participants have less labour market experience than the no post-school study group, but they have some advantages. They represent a higher SES profile and they are much more likely to have completed Year 12.

Low Academic Achievers and Outcomes following Lower Level Certificate Programs

Both male and female low academic achievers experience superior full-time employment outcomes compared with those who do no post-school education and training. Females in the lowest quartile of academic achievement who do no post-school study have a full-time employment rate of 49%. Those who undertake lower certificate programs have a full-time employment rate of 73%. The full-time employment rate of males in the lowest achievement quartile who do no post-school study is 72%. For those who do a lower certificate program, the full-time employment rate is 92%, a 20 percentage point advantage. This advantage is largely associated with lower certificate apprenticeships and traineeships; more modest and diverse outcomes are associated with lower certificate non-apprenticeship programs. This suggests that lower certificate programs can provide a good pathway into the labour market for less academically oriented young people. Lower certificate non-apprenticeship courses, as an alternative to Year 12 completion, are advantageous for males, but not so for females.