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Economic downturn forces school leavers to rethink plans

The impact of the global financial crisis has forced many young Victorians to rethink their plans for work and further education, a major survey of school leavers has found.

A paper presented to the Monash University-ACER Centre for the Economics of Education and Training (CEET) annual conference in Melbourne on 30 October used data from the On Track survey to show that school leavers from the class of 2008 have experienced the most challenging labour market for many years.

"Although aggregate unemployment has not risen as fast as many feared, teenage unemployment rates have risen quite sharply since mid 2008," said co-presenter of the paper, Dr Phil McKenzie, Research Director of the Transitions and Post-School Education and Training program with ACER.

"In Victoria, for example, although the total unemployment rate has risen by one-third from 4.4 per cent in September 2008 to 5.9 per cent in September 2009, unemployment among 15-19 year-olds has risen at double that rate: from 11.9 per cent to 19.7 per cent."

The paper by Dr McKenzie and Dr Trish Corrie, On Track Project Manager for the Victorian Department of Education and Early Childhood Development (DEECD), examined the impact of the economic downturn on young Victorians who left school either during 2008 or at the end of the school year through an analysis of changes reported from 2008 to 2009. On Track is a large-scale annual survey of school leavers commissioned by the Victorian Government.

As well as education and employment destination data, On Track collects information on leavers’ attitudes and views.

The 2009 survey was conducted in April-May by the Social Research Centre (SRC) in collaboration with ACER. This year, for the first time, survey respondents were asked ‘Has the current economic situation influenced your decisions about what to do after leaving school?’ If they answered ‘yes’ respondents were then asked ‘In what ways did it have an influence?’

In all, 22.4 per cent of the Year 12 or equivalent completers indicated that the current economic situation had influenced their decisions. The most frequently cited influence (‘jobs/ hours have become more important, 17%) indicates the greater financial pressure school leavers now face while ‘can’t find a job’ (15%) shows that some experienced difficulties in securing work.
Around 13-14 per cent indicated that they had either ‘chosen a different career path’ or were ‘considering a different career path.’ One in ten cited an influence in terms of ‘encouraged me to consider study’ which is broadly consistent with a recorded rise in university participation.

Overall, the main changes evident for Year 12 or equivalent completers from 2008 to 2009 are:

- an increase in the proportion of completers enrolled in university at the time of the survey (up by 1.8 percentage points) although no change in the proportion enrolled in VET courses;
- a decline in the proportions engaged in employment-based training through apprenticeships or traineeships (down by 1.9 percentage points in total);
- a decline in the proportion working full-time (down by 2.5 percentage points) which is only partially offset by an increase in the proportion working part-time (up by 1.2 percentage points); and
- an increase in the proportion of those unemployed and looking for work (up by 1.3 percentage points).

In broad terms, early school leavers have experienced similar changes in their labour market outcomes between 2008 and 2009. These include: increased proportions in education (VET in this instance rather than university); decreased proportions in employment-based training; a decline in full-time work; and an increase in the proportion looking for work. However, if anything, the changes look to be more marked for early leavers. Dr McKenzie noted this is cause for concern.

“One of the main findings from research on youth transitions is that the young people who struggle most are those who do not get a job or further training shortly after leaving school,” he said.

“Unfortunately, it is this group of early leavers who are likely to fare even worse in any economic downturn. It becomes even more important therefore that young people at risk in the transition process are identified as quickly as possible and offered appropriate support.”


For further information about On Track and its publications visit http://www.education.vic.gov.au/
Concern for VET recurrent funding

Speakers at an education conference in Melbourne last month expressed concern about the outlook for the recurrent funding of Australia’s VET sector.

In a presentation to the Centre for the Economics of Education and Training (CEET) annual national conference Peter Noonan an Associate of CEET and Gerald Burke, a former director, provided an update to a 2005 CEET paper on VET funding that had noted a relative decline in recurrent VET funding compared to schools and higher education.

According to Noonan and Burke the relative decline appears to be a continuing one.

The speakers cautioned that analysis of funding involves complex and different sets of data, which makes it difficult to make comparisons across the sectors.

Data in the Annual National Report on the VET system last year showed that public funding per hour of publicly provided training had fallen 8.5 per cent in real terms in the years 2003 to 2007.

Estimates based on NCVER data showed that between 2004 and 2008 the VET sector has experienced a three per cent rise in real income from the Commonwealth but a two per cent drop in income received from states.

The Commonwealth’s contribution to VET has continued to rise under the Rudd government especially through the Productivity Places Program, through the very large infrastructure funding associated with the economic stimulus, and improvements to student assistance affecting all sectors.

However it is difficult to see that the decline in recurrent funding per hour of training in VET is to be stemmed. Efficiencies can be made in the delivery of training but there is a danger that the quality of staff and delivery will be affected by a continuing decline in real funding per student.

On the other hand, the higher education sector is about to enter a period of increased funding and growth through demand-driven funding arrangements, extra finance for low SES students, performance related funding, and better indexation.

The higher education sector has been operating at lower real funding per student than in the 1990s and the new developments are not likely to restore the earlier levels but it is a much stronger outlook than for the VET sector.

Current Commonwealth/State agreements around VET expenditure do not require specific financial commitments from the states in exchange for additional Commonwealth funding and with most states facing considerable financial constraints due to the economic downturn, they are unlikely to increase funding to the VET sector.

Noonan told conference delegates that he anticipates a difficult outlook for TAFE recurrent funding due to the current fiscal situation of most states, except in Victoria which has announced increases in VET funding under its Skills Reforms.
There has been considerable growth in private revenue to the TAFE sector but it is much smaller than that attracted by higher education institutions.

Burke and Noonan indicated that differences in funding arrangements have several implications for the broader tertiary sector including student choice of institutions, particularly if upfront TAFE fees increase. It is also likely that major differences will emerge between the states.

The funding arrangements could prove relatively advantageous to institutions able to offer both higher education and VET courses. The expanded funds for higher education money are with minor exceptions available to public providers and not to private providers which now include several TAFE institutes.

“This is an anomaly to be explored; that some institutions are able to play in both markets –higher education and VET – while others can only play in one,” Burke said.

Ongoing developments in the broader tertiary sector will be the subject of further CEET research during 2010.

CEET is a joint venture of Monash University (Faculty of Education and Faculty of Business and Economics) and the Australian Council for Educational Research (ACER). CEET is a research centre that focuses on the role of education and training in economic and social change.


This article was first published in Campus Review
ACER UPDATE

Students take aptitude test in bid for university places

Three of Australia’s leading universities will next week administer an aptitude test to identify candidates with the potential to succeed at university who may otherwise have been overlooked.

Flinders University will hold a sitting of uniTEST on 30 November. The Australian National University (ANU) will hold its sitting on 1 December followed by Macquarie University on 7 December to select students for their 2010 intake. Close to 700 candidates will take part.

uniTEST assesses the generic reasoning and thinking skills that are necessary for successful study at university. It has been developed by the Australian Council for Educational Research (ACER) in collaboration with Cambridge Assessment. This latest administration of uniTEST is taking place as part of stage two of the Federal Government’s pilot National Student Aptitude Test for Tertiary Admission (SATTA).

New edition of Research Developments

Research Developments issue 22 is now available online and in print. Issue 22 features a cover story on Second languages and Australian schooling based on Australian Education Review 54. Other articles cover the release of PAT Science, ACER’s work in support of the MindMatters initiative, the launch of the Tender Bridge service and a new report from the Trends in International Mathematics and Science Study (TIMSS) that takes a closer look at how students answered a selection of mathematics items from the 2007 assessment.

Progressive Achievement Tests in Science (PATScience) launched

The Progressive Achievement Tests in Science (PATScience) was officially launched at a function held at Melbourne's Sciencceworks Museum on 23 November. The launch follows more than two years of development and trial testing. PATScience is the latest addition to ACER’s suite of academic tests. It consists of a series of nationally normed tests to assess the level of achievement in scientific understanding for students in Years 3 to 10. The test questions are designed to assess science knowledge, scientific literacy and the understanding and application of scientific principles. For more information please visit www.acer.edu.au/pat.