Reference No. 27

Summarising: Biddle (In Press), *Employment and income benefits of VET for Indigenous Australians: Variation by geography*
Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990–2007* and not the original author(s) of the summarised material.

Title of Research:
Employment and income benefits of VET for Indigenous Australians: Variation by geography

Research Publication:
(in press)

Name of Researcher(s):
N. Biddle

Time period:
2001

Geographic location:
The analysis is undertaken at the Major City, Inner regional, Outer Regional, Remote and Very Remote categories for locality used by the ABS. The analysis was also undertaken at (the former) ATSIC regional level.

Methodology:
This is a statistical analysis of the 2001 ABS Census of Population and Housing, using unit record data and constructing variables to estimate lifetime earnings and employment probabilities. Comparative analyses are made according to educational qualifications, locality (see above), sex and whether the person was Indigenous or non-Indigenous.

Aims:
The study had the following aims:

- Estimate the long-term employment and income benefits of Vocational Education and Training (VET);
- Examine differences between the long-term employment and income benefits for Indigenous and non-Indigenous persons; and
- Examine sex differences and regional differences for long-term employment and income benefits.

Selected findings and insights:
Education levels were more strongly associated with increases in employment probabilities for Indigenous compared to non-Indigenous persons and for females compared to males.

- For males and females who did not complete Year 12, a VET qualification was particularly important in increasing employment probabilities;
- For Indigenous persons having a degree or higher, these persons were much more likely to be employed in a high status occupation than those Indigenous persons without such a qualification; and
- The effect of having a VET qualification for Indigenous males who did not complete Year 12 on lifetime earnings was major, and significantly greater than for Indigenous females or for non-Indigenous persons.

The employment probabilities for Indigenous persons according to qualifications did not show a consistent picture across the five ABS locality categories which suggests the importance of local circumstances on employment prospects.
• For Indigenous males, education (especially post-school qualifications) had the greatest effect on a high status job in very remote areas. For Indigenous females this effect was somewhat less; and

• At the more local level of analysis, using ATSIC regions, there were, in general, particular benefits in having a VET qualification for those living in remote areas. This was especially the case for those persons also having completed Year 12. There were however marked differences in the actual benefits of VET for Indigenous persons across regions. This may well be a result of the types of industries within those regions and the required educational qualifications for being employed in those industries.

Educational implications:

There are two significant implications of this paper for those developing pathways from compulsory schooling for young Indigenous Australians:

• The paper confirms the importance of Vocational Educational and Training to the employability of young Indigenous Australians. This raises the importance of maintaining and, where necessary, increasing access to the VET sector and encouraging increased Indigenous student participation. This means that policies to increase school retention to Year 12 should nevertheless maintain the option for Indigenous young people to participate in the VET sector, using the many avenues currently available. [policy] [training]

• The local variation in the extent to which a VET qualification is likely to benefit young Indigenous people is particularly challenging and requires much more research to establish the reasons for such a high degree of variation. However it does emphasise that the development of pathways must be locally-based, taking account of labour market conditions, and include a broad range of stakeholders, including community, education and training providers and employers. It also suggests that, in those localities where VET qualifications do not appear to be of benefit, the need for career information that challenges young Indigenous people to consider options other than those which might be immediately apparent. [policy] [career counselling]

Relevance:

Domain 5: Pathways to training, employment and higher education

Student aspirations and key transition points
Access to post-compulsory schooling, training, employment and higher education
Participation, retention and achievement in post-compulsory schooling, training and higher education

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