

EDUCATION A NATIONAL PRIORITY : A BUSINESS PERSPECTIVE ON EFFECTIVE EDUCATION AND TRAINING

**Speech for the Launch of Dusseldorp Skills Forum Report
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H G Wells once observed “Human history becomes more and more a race between education and catastrophe.”

He would have even more reason to say so in our current climate.

The Business Council of Australia, my organisation, has an aspiration for Australia to be the best place in the world to live, to learn, to work and to do business.

Our members are the chief executives of the top 100 companies, and last year they agreed that education is our single most important short, medium and long-term priority.

This focus and urgency reflects our belief that sustainable advantage for Australia can only be achieved through the skills, ingenuity and know how of our people.

Australia’s economic and social future depends on a well-educated and well-trained community.

Australia’s education system is therefore the single greatest determinant of our success. As H G Wells said it’s education or catastrophe.

Business has a deep and enduring interest in maintaining and building a healthy and vibrant education system from schools through to university including vocational education and training.

In particular, the Business Council of Australia is concerned to see all young Australians have the opportunity to complete year 12 at school or an equivalent vocational training.

Far too many of our young people do not complete year 12 or TAFE and are not in full time employment.

Recent research completed for the Business Council of Australia and the Dusseldorp Skills Forum, estimated that we have between 40,000 and 50,000 young people aged under 20 who have left school early and are not in education or training. They are more likely to be unemployed or, if they are lucky, employed in part-time casual work.

This picture paints serious long-term problems for the economy on issues such as labour force participation.

It also means serious trouble ahead for the individuals in terms of their employment prospects and wages, and all the associated problems that arise for people who can't attain an acceptable lifestyle.

However all these factors improve significantly with the length of time in school or vocational education.

Unemployment data indicates that seven years after leaving school only 7% of all year 12 leavers are unemployed.

For young men who have left school in year 9, 21% are unemployed after the same period. For women it is even worse at 59%.

And even for those that are lucky enough to have a job it will probably be low skilled and casual.

So those young people leaving school early and not doing further training face a bleak social and financial future.

Many will become the unemployed unskilled adults of the future.

The cost to society and the nation also will be high. Unacceptably high.

Australia has an ageing population with large numbers exiting the workforce. Couple this with growth industries that rely on higher technology and we have an increasing need for skilled and talented young people to play a key role in Australia's economic growth.

Instead, this trend of young people not completing year 12 threatens to deliver us lower employment rates, increased welfare payments, lower productivity and lower taxes.

We must urgently implement a range of measures that support these at risk young people into alternative learning and employment pathways.

The causes of early school leaving are multiple and complex. They can be the desire to do an apprenticeship or get a job, but for many it is a response to:

- poor literacy and numeracy skills;
- lower socio economic background of the student;
- poorly educated parents; or
- regional and rural locations puts young people more at risk.

Many of Australia's young indigenous people are affected by all these issues and are potentially more at risk.

Addressing these issues will not be easy, but neither is it optional.

Both Federal and State Governments have identified the need to improve education and training retention and participation rates.

The challenge is how do we deliver this commitment?

For example, addressing poor literacy levels early in school life will be one area that will require targeted programs to ensure success.

Later this month we will release the research jointly commissioned by the BCA and the Dusseldorp Skills Forum. The work looks at these early school leavers. We will take the opportunity to seek comment and advice on possible solutions, including success stories that have worked with different groups of young people across Australia.

Today the Dusseldorp Skills Forum is releasing its report "*Realising Australia's Commitment to Young People*".

This report provides one model on how we might address the needs of Australia's young people. I hope it raises lively and ongoing debate.

More importantly, I hope it inspires us all to contribute to solutions that ensure we avoid creating a class of unskilled and socially marginalised young people who grow up unable to effectively participate in society.