B Education preface

Education is a lifelong activity, delivered both informally (for example, by family, through the community or at work) and formally through the three sectors that comprise Australia's education and training system (the school education, vocational education and training [VET] and higher education sectors).

Australia's formal system of education and training has a range of objectives, some of which are common across all sectors of education (for example, to increase knowledge) while others are more specific to a particular sector. The objectives of:

- the school education sector, as reflected in the national goals for schooling (box 3.1), include a focus on developing the capacities and talents of all young people so they have the necessary knowledge, understanding, skills and values for a productive and rewarding life
- the VET sector, as reflected in the National Strategy for VET 1998–2003 (box 4.3), include a focus on equipping Australians for the world of work, enhancing labour mobility and achieving equitable outcomes within VET. The objectives of the VET sector, as reflected in the current National Strategy for VET 2004–10 (box 4.3), include a focus on giving industry a highly skilled workforce to support strong performance in the global economy and giving Indigenous Australians skills for viable jobs and to ensure their learning culture will be shared
- the higher education sector, as reflected in the *Higher Education Report for the 2003–2005 Triennium*, include advancing and applying knowledge and understanding to benefit the Australian economy and society.

Australian, State and Territory governments provide funding to government and non-government providers to deliver formal education and training services within each of the three education and training sectors. Government providers include government schools (preschool, primary and secondary), technical and further education (TAFE) institutes and universities. Non-government providers include privately operated schools and preschools, and private registered training organisations (RTOs) in the VET sector.

Chapters 3 and 4 cover the performance of the school education and VET sectors. Preschool programs, which provide a variety of educational and developmental

experiences for children before full time schooling, are covered in chapter 14. Comparisons between the government and non-government school systems are included.

Areas of government involvement in education that are not covered in this Report include:

- universities (although some information is included in this preface)
- the transportation of students
- income support payments for students
- adult community education (except VET programs).

Services provided by other government agencies (such as health, housing and community services) influence education outcomes but are not formally part of Australia's education and training system. These services are not covered in the school education and VET chapters, but are discussed in other chapters of the Report.

Indigenous status, language and cultural background, disability status, socioeconomic status, gender and geographic location are also factors that potentially influence educational outcomes. It is a priority of the Review to improve the reporting of data to better assess the influence of these factors on the educational outputs and outcomes reported.

The remainder of this preface provides an overview of Australia's education and training system and its broad outcomes.

Profile of the education and training system

Roles and responsibilities

Different levels of government and non-government authorities and stakeholders carry out the roles and responsibilities of administering, funding and determining the objectives of the school education sector. The Australian Government's roles and responsibilities in delivering education and training services include:

- providing funding to non-government schools and to State and Territory governments for government schools, to support agreed priorities and strategies
- providing funding via the Australian National Training Authority (ANTA) to states and territories for the delivery of VET programs and services, and support for VET infrastructure

- being the primary funding source for, and developer of policy related to, the higher education sector
- providing financial assistance for students.

State and Territory governments' roles and responsibilities in providing education and training services include:

- having constitutional responsibility for the provision of schooling to all children of school age
- having the major financial responsibility for government school education, and contributing funds to non-government schools
- regulating both government and non-government school activities and policies
- determining school curricula, course accreditation, student assessment and student awards for both government and non-government schools
- administering and delivering VET and school education in government schools
- administering and funding TAFE institutes for the delivery of VET programs and services
- funding other RTOs for the delivery of VET programs and services, including community education providers and private providers
- regulating the delivery of VET services, including conducting quality audits, coordinating the registration of training organisations and managing the accreditation of nationally recognised education and training programs
- being responsible for legislation relating to the establishment of universities and the accreditation of higher education courses.

More detailed descriptions of the roles and responsibilities of governments in the school and VET sectors can be found in the respective chapters.

The Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) coordinates strategic policy at the national level, develops national agreements on shared objectives and interests, and negotiates the scope and format of national reporting on the performance of government and non-government schools. Membership of MCEETYA comprises Australian, State and Territory ministers and the New Zealand Minister with responsibility for education, employment, training and youth affairs.

The ANTA Ministerial Council (ANTA MINCO) comprises the Australian, State and Territory ministers with responsibility for VET. The ANTA MINCO determines strategic policy and sets national objectives and priorities for the VET sector. It is also responsible for approving funding for State and Territory training

systems based on the performance of the jurisdictions in meeting specific service delivery targets negotiated under the ANTA agreement. From July 2005, the ANTA will be abolished and its responsibilities will be taken into the Australian Government Department of Education, Science and Training (DEST). A Ministerial Council on Vocational Education will be established to ensure continued harmonisation of a national system of standards, assessment and accreditation with goals agreed in a Commonwealth–State funding agreement.

Table B.1 **Australian, State and Territory (including local) government real expenditure on education (2002-03 dollars)[a]**

	2000-01[b]	*2001-02*[b]	*2002-03*	*Average annual real growth*
	$m	$m	$m	%
Transfers to other levels of government[c]	(10 393)	(10 938)	(10 989)	2.9
Australian Government operating expenses	11 436	12 023	12 109	2.9
Australian Government expenses less transfers	1 043	1 085	1 120	3.6
Transfers to other levels of government[c]	(103)	(114)	(112)	4.5
State and Territory (including local) operating expenses	26 378	27 791	29 095	5.0
State and Territory (including local) expenses less transfers	26 275	27 677	28 983	5.0
Transfers to other levels of government[c]	(252)	(264)	(292)	7.6
Multi-jurisdictional (university) operating expenses	9 798	10 350	11 194	6.9
Multi-jurisdictional (university) expenses less transfers	9 546	10 086	10 902	6.9
Total intra-sector transfers	(10 749)	(11 316)	(11 393)	3.0
Total Australia operating expenses	47 612	50 164	52 398	4.9
Total operating expenses net of transfers	**36 863**	**38 848**	**41 004**	**5.5**

[a] Based on accrual operating expenses for education. [b] The Australian Bureau of Statistics (ABS) provided nominal figures. Real expenditure was calculated from these figures based on the ABS GDP price deflator (2002-03 = 100) (table A.26). [c] Payments between levels of government within the public sector.

Source: ABS (2004a); ABS Public Finance Statistics (unpublished).

Funding

Education and training is a major area of expenditure and activity for Australian, State and Territory governments. Total government operating expenses (net of transfers) for all governments for school education, VET and higher education was $41.0 billion (table B.1) in 2002-03, which was equivalent to 5.4 per cent of gross

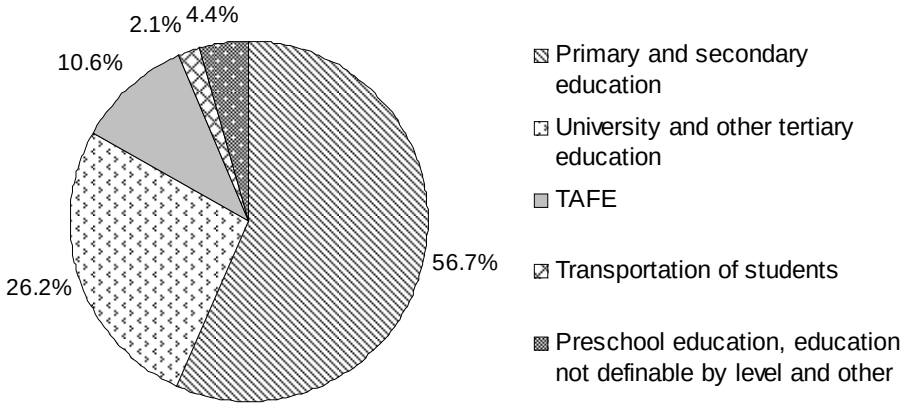
domestic product (GDP). Private household final consumption expenditure on education in 2002-03 was $10.8 billion, or 1.4 per cent of GDP (ABS 2004a).

Australian Government operating expenses for the three education and training sectors in 2002-03 were $12.1 billion, of which $11.0 billion (90.8 per cent) comprised grants to other levels of government. State, Territory and local government operating expenditure was $29.1 billion for the same year. Multi-jurisdictional (university) operating expenses were $11.2 billion. The intra-sector transfers, such as grants, were $11.4 billion (table B.1).

Between 2000-01 and 2002-03, the average annual real growth rate of total government expenditure on education was 4.9 per cent. With the introduction of accrual accounting, the education expenditure data for 1999-2000 and earlier years included in previous reports are not comparable.

Schools accounted for the highest proportion of the $41.0 billion government expenditure on education and training (56.7 per cent) in 2002-03, followed by universities (26.2 per cent) and TAFE institutes (10.6 per cent) (table B.1, figure B.1).

Figure B.1 **Total government expenditure on education, 2002-03[a, b]**



a Totals may not add to 100 as a result of rounding. **b** Based on accrual operating expenses for education.
Source: ABS (2004a).

Non-government schools received the highest proportion of Australian Government direct recurrent funding, accounting for 66.8 per cent of total recurrent Australian Government specific purpose payments to schools (table 3A.6). State and Territory governments provided 91.4 per cent of recurrent funding for government schools (table 3A.9). The Australian Government spent an average of $3649 per student in

non-government schools and an average of $939 per student in government schools in 2002-03 (table 3A.6).

The breakdown of State and Territory government expenditure across the education and training system varied across jurisdictions in 2002-03. The proportion of State, Territory and local government expenditure allocated to total school education (including primary, secondary, preschool, education not definable by level, and other) ranged from 89.2 per cent in Queensland to 77.7 per cent in the NT. The highest proportion of expenditure on TAFE was in Victoria (18.0 per cent) and the lowest proportion was in Queensland (10.8 per cent). There was little difference across jurisdictions in the proportion of expenditure on university education — the ACT had the highest proportion (2.9 per cent) and NSW and the NT had no expenditure (table B.2).

Size and scope

There were 3.3 million full time school students attending 9607 schools in Australia, including 6930 government schools, in 2003 (ABS 2004b). Over 1.7 million people undertook VET programs in Australia in 2003. Of these, 1.2 million students were government-funded (NCVER 2004). These programs were delivered in 1250 TAFE and other government provider locations and 7080 community education and other registered provider training locations (table 4A.3).

There were almost 930 000 students attending higher education providers who received funding from the Australian Government in 2003, an increase of 3.7 per cent on the number in 2002. These students undertook a variety of courses ranging from diplomas to doctorates across almost 50 providers. The most common course was the bachelor degree, which accounted for almost two thirds of all students. Students undertook their course mainly on campus on a full-time basis in the management and commerce, and the society and culture fields. Students in these fields undertook, for example, courses in accounting, tourism, marketing, political science, law, economics and criminology. In addition to the providers in receipt of Australian Government funds, around 120 other higher education providers were accredited by State and Territory educational authorities (DEST unpublished).

Table B.2 **State and Territory (including local) government expenditure, 2002-03**

	Unit	*NSW*[a]	*Vic*[b]	*Qld*	*WA*[c]	*SA*	*Tas*[d]	*ACT*	*NT*	*Total*
School education										
Preschool, not definable by level, and other[e]	%	5.9	4.5	12.0	6.0	9.6	6.5	4.8	10.8	7.1
Primary and secondary	%	80.5	77.3	77.1	79.9	75.4	81.1	77.8	66.8	78.4
Total[f]	%	86.4	81.8	89.2	86.0	85.1	87.6	82.6	77.7	85.5
TAFE	%	13.6	18.0	10.8	13.5	13.8	12.2	14.5	15.5	14.1
University	%	–	0.2	0.1	0.5	1.1	0.1	2.9	–	0.3
Other tertiary	%	–	–	–	–	–	–	–	6.9	0.1
Total	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	**$m**	**9 777**	**6 839**	**5 343**	**3 156**	**2 261**	**752**	**518**	**452**	**29 095**

[a] Most expenditure for preschools in NSW is contained in other budget areas and not included in this table. NSW 'primary and secondary' expenditure includes: some special education expenditure for preschool students; all special education expenditure for school students; and higher education expenditure. [b] Expenditure for preschools in Victoria is contained in other budget areas and is not included in this table. [c] Special education expenditure for WA is included under 'primary and secondary'. [d] Expenditure for preschools and special education in Tasmania is included under 'primary and secondary'. [e] Except where footnotes indicate otherwise, includes expenditure for preschools, special education and other education not definable by level (including transportation of students and education not elsewhere classified). The latter is defined as: adult education courses that are essentially nonvocational, other than those offered by TAFE institutes; migrant education programs; and other educational programs not definable by level. [f] Totals may not add due to rounding. – Nil or rounded to zero.

Source: ABS (2004a).

Learning pathways

The Australian education and training system, comprises the compulsory years of schooling (until 16 years of age in Tasmania and 15 years of age in all other jurisdictions), and the range of pathways and the options available to students in post-compulsory education and training (box B.1). The Australian Qualifications Framework (AQF) was developed to provide a comprehensive, nationally consistent framework for all qualifications in post-compulsory education and training. It was introduced in 1995 and fully implemented by the end of 1999. The AQF encourages flexible learning pathways. Modules from VET certificates, for example, can be integrated with senior secondary certificates, and both VET diplomas and higher education diplomas can gain credit towards a bachelor degree. Similarly, the VET sector recognises some higher education qualifications.

Under the AQF, VET certificates (mainly certificates I and II) may be achieved in schools and may contribute towards the Senior Secondary Certificate of Education, resulting in a dual qualification.

- There were 202 900 students enrolled in VET in schools programs in 2003, an increase of approximately 9.7 per cent on the number in 2002. The proportion of senior secondary students undertaking VET within their senior secondary certificate rose from approximately 16 per cent in 1996 to 44 per cent in 2002.
- These VET programs were offered by 1996 schools in 2002, or 95.2 per cent of all schools offering senior secondary programs.
- Enrolments were highest in management and commerce programs, which accounted for 23.9 per cent of all enrolments by major field of education in 2003 (NCVER 2004).
- In 2002, 60.6 per cent of students participating in VET in schools programs undertook workplace learning.
- By the end of 2002, nearly 7639 students were involved in a school-based New Apprenticeship, an increase of approximately 32 per cent on the number in 2001.

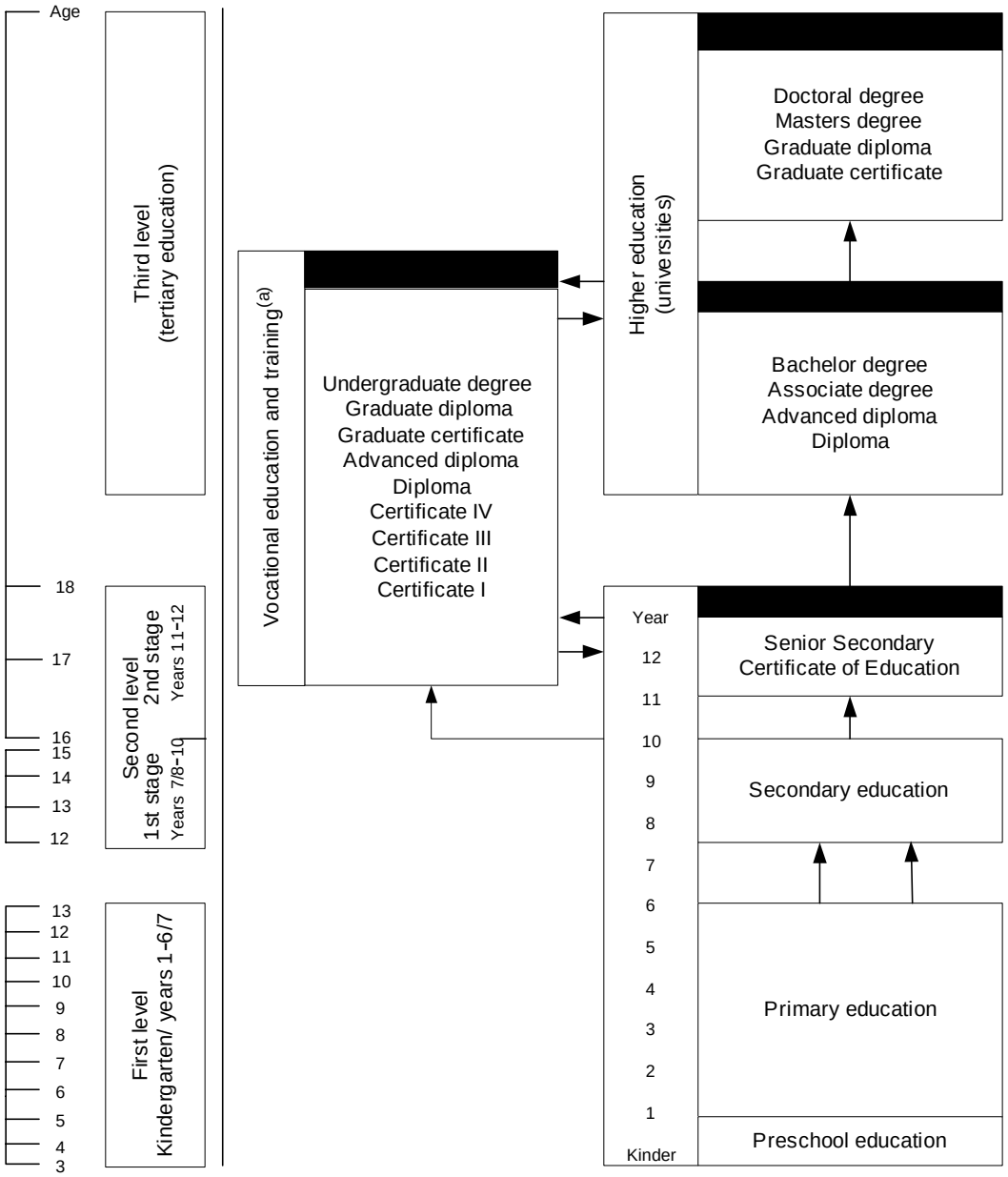
Care needs to be taken in interpreting these data, because data definitions across states and territories are not yet consistent.

Role and purpose of VET

The main focus of the VET system is to provide individuals with skills that are needed for employment. The emphasis is on the development of work-related competencies through training (delivered in classrooms, workplaces and online) that lead to nationally recognised skills and qualifications. These skills prepare individuals for employment at the technical, trade and professional levels, in addition to providing access to general education and literacy programs.

The Australian VET system includes both publicly and privately funded training, delivered by a wide range of institutions and enterprises that can be formally registered and periodically audited against established quality standards. Cooperative arrangements among governments, industry partners, community groups and training providers are fostered and promoted.

Box B.1 Outline of the Australian education and training system[a, b]



a Undergraduate degrees, graduate diplomas and graduate certificates are not offered within the VET system in all jurisdictions. **b** Providers deliver qualifications in more than one sector. Schools, for example, are delivering certificates I–II, universities are delivering certificates II–IV, and VET providers are delivering graduate certificates and graduate diplomas (higher education qualifications in some jurisdictions, but in others also VET), all subject to meeting the relevant quality assurance requirements.

Source: Based on National Office of Overseas Skills Recognition (2000).

Measuring the performance of the education and training system

Measuring the effectiveness and efficiency of the Australian education and training system is a complex task. Individual performance indicator frameworks for the school education and VET sectors have been developed for the Review of Government Service Provision, but there is significant interaction between the two sectors, and between these sectors and the university sector. Socioeconomic factors, geographic location, age, Indigenous status, language background and the performance of other government agencies (particularly health, housing and community services) also influence educational outcomes.

Effectiveness

Data on participation (in education, training and work), school leaver destinations, education enrolment experience and educational attainment are presented in this section.

Participation in education and training

Successive Australian governments have viewed education as a key means to improving economic and social outcomes, as well as improving the equity of outcomes in society. They have sought, therefore, to increase estimated rates of participation in education and training. Estimated participation rates are hereafter referred to as 'participation rates'.

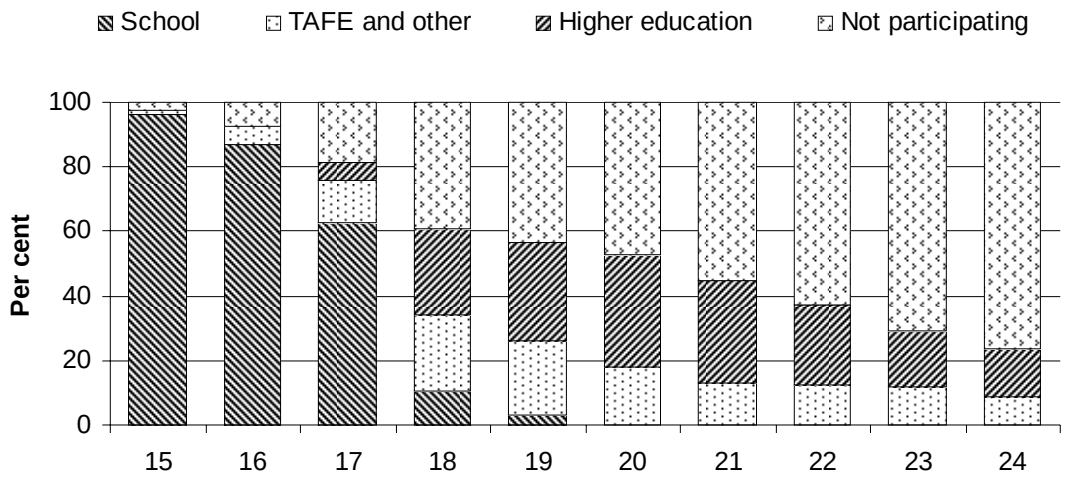
The education and training participation rates quoted in this section are estimates of the proportion of the population in a given age group who are enrolled in any course of study, on either a full or a part time basis, at an educational institution in May each year. These estimates are derived from unpublished data from the annual Australian Bureau of Statistics (ABS) survey of Education and Work. Estimates referring to small subgroups of the Australian population are susceptible to high sampling error, so jurisdictional comparisons need to be made with care.

To assist with making comparisons across jurisdictions, 95 per cent confidence intervals are presented below the estimates in each participation rate table. Confidence intervals are a standard way of expressing the degree of sampling error associated with the survey estimates. An estimate of 80 with a confidence interval of ± 2, for example, means that if the total population had been surveyed rather than a sample, or had another sample been drawn, there is a 95 per cent chance that the result would lie between 78–82.

The participation rate for a jurisdiction, therefore, can be thought of in terms of a range. If one jurisdiction's rate ranges from 78–82 and another's from 77–81, then it is not possible to say with confidence that one differs from the other. Where ranges do not overlap, there is a high likelihood that there is a statistically significant difference. To say that there is a statistically significant difference means there is a high probability that there is an actual difference; it does not imply that the difference is necessarily large or important.

Beyond the age of compulsory school education (16 years in Tasmania and 15 years in all other jurisdictions), the percentage of people participating in education and training declines. Nationally, the participation rate was 97.5 for 15 year olds, 81.4 per cent for 17 year olds, 56.8 per cent for 19 year olds and 23.4 per cent for 24 year olds, in 2003 (figure B.2).

Figure B.2 **Participation in education and training by people aged 15–24 years, by sector, 2003[a, b]**



a 'Other' includes all education or training participation at institutions other than schools, higher education institutions and TAFE institutes. **b** Student participation is likely to be underestimated because data are for May, not for the whole year.

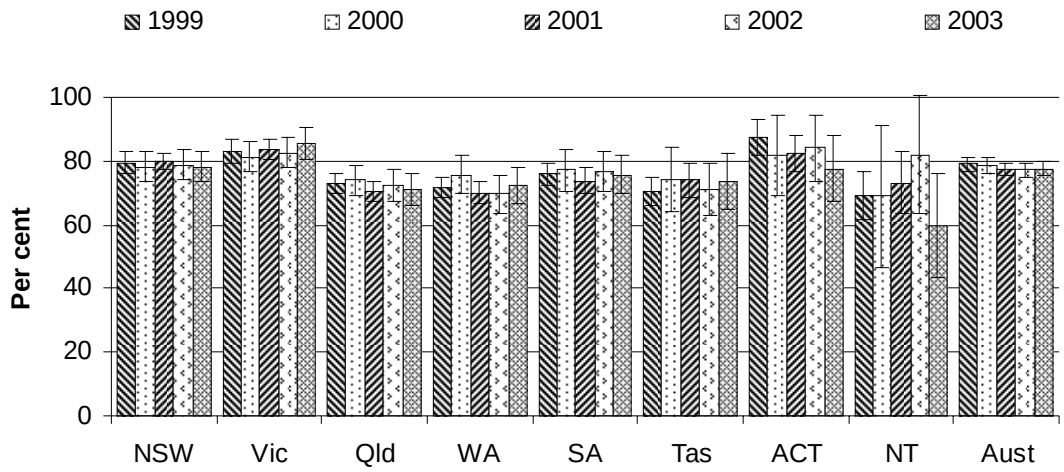
Source: ABS survey of Education and Work (unpublished).

The level of participation in education and training varies across jurisdictions for many reasons. These include different age/grade structures, starting age at school, minimum leaving age, the number of compulsory years of schooling and the level of service provision. Other influences on participation include labour market changes, population movements, urbanisation, socioeconomic status and Indigenous status.

The rate of participation in education and training for 15–19 year old people was highest in Victoria (85.3 per cent) and lowest in the NT (59.7 per cent) in 2003. The participation rate for 15–19 year old people fluctuated most over time in the NT

(figure B.3). The apparent volatility may be due to the reliability of the estimates obtained from a small sample, rather than a result of volatility in the actual participation rates. Participation rates for school education are reported in chapter 3.

Figure B.3 **Participation in education and training by people aged 15–19 years[a]**



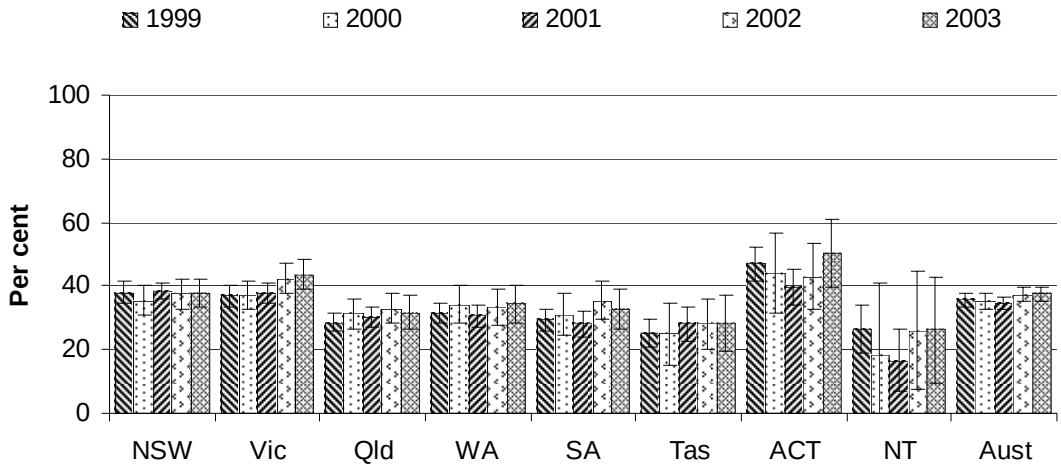
	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
1999	79.5	82.8	73.0	71.9	75.9	70.3	87.4	69.2	79.0
	±3.4	±3.7	±2.9	±3.2	±3.5	±4.3	±5.4	±7.6	±2.1
2000	78.1	81.3	74.0	75.5	77.1	74.2	81.6	69.1	78.5
	±4.7	±4.6	±4.9	±6.0	±6.8	±9.8	±12.6	±22.4	±2.4
2001	80.1	83.5	70.4	70.0	73.7	73.9	82.4	73.2	77.4
	±2.6	±3.0	±3.2	±3.6	±4.1	±5.5	±5.7	±9.7	±1.8
2002	78.9	82.6	72.5	69.5	76.7	71.1	84.1	82.0	77.3
	±4.5	±4.6	±5.0	±5.7	±6.2	±8.0	±10.3	±18.5	±2.2
2003	78.3	85.3	71.1	72.4	75.7	73.3	77.5	59.7	77.5
	±4.5	±5.0	±5.1	±5.9	±6.1	±8.8	±10.5	±16.6	±2.2

a Error bars represent the 95 per cent confidence interval associated with each point estimate. The method by which standard errors are calculated has been revised for the 2005 Report, resulting in higher, more conservative confidence intervals. The corresponding participation rates remain unchanged.

Source: ABS survey of Education and Work and survey of Transition from Education and Work (unpublished).

The participation rate for 20–24 year olds was highest in the ACT (50.4 per cent) and lowest in the NT (26.2 per cent) in 2003. The participation rate for 20–24 year olds over time was variable in the ACT and the NT, and relatively constant within all other jurisdictions between 1999 and 2003 (figure B.4). The apparent volatility may be due to the reliability of the estimates obtained from a small sample, rather than a result of volatility in the actual participation rates.

Figure B.4 **Participation in education and training by people aged 20–24 years[a]**



	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
1999	37.9	36.8	28.6	31.2	29.4	25.2	46.9	26.4	35.7
	±2.6	±2.6	±2.9	±3.2	±3.5	±4.3	±5.4	±7.6	±1.5
2000	35.5	37.0	31.2	34.0	31.1	24.9	44.3	18.3	35.2
	±3.4	±3.4	±3.5	±4.3	±4.9	±6.8	±9.4	±12.0	±1.7
2001	38.2	37.9	30.0	30.6	28.2	28.1	39.8	16.6	34.8
	±2.2	±2.4	±2.6	±3.1	±3.4	±5.1	±4.9	±8.6	±1.3
2002	37.5	42.3	33.0	33.2	35.5	28.0	43.0	26.0	37.2
	±3.3	±3.4	±3.7	±4.2	±4.8	±6.1	±7.5	±12.0	±1.6
2003	37.8	43.7	31.7	34.3	32.8	28.3	50.4	26.2	37.5
	±3.3	±3.6	±3.6	±4.3	±4.5	±6.4	±7.8	±12.6	±1.6

a Error bars represent the 95 per cent confidence interval associated with each point estimate. The method by which standard errors are calculated has been revised for the 2005 Report, resulting in higher, more conservative confidence intervals. The corresponding participation rates remain unchanged.

Source: ABS survey of Education and Work and survey of Transition from Education to Work (unpublished).

Participation in education, training and work

Research undertaken by bodies such as the Dusseldorp Skills Forum and the Australian Council for Educational Research suggests that young people who are not participating full time in education, training, work or some combination of these activities are more likely to have difficulty in making a transition to full time employment by their mid-20s. A full time participation measure has been developed to monitor the proportion of the population that is at risk of marginal participation (or nonparticipation) in the labour market. Young people are counted as participating full time if they are engaged in full time education or training, full time work, or a combination of both part time education or training and part time work.

Table B.3 shows that, in most jurisdictions, full time participation rates decline from age 15 years through to age 18 years and remain stable from age 18 years through to age 24 years. The full time participation rate for 15–24 year olds in 2003 was highest in the ACT (87.4 per cent) and lowest in Queensland (77.4 per cent).

Table B.3 **Full time participation in education, training or work, 2003 (per cent)[a, b]**

Age (years)	*NSW*	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
15	97.6	99.0	95.6	96.4	99.1	100.0	100.0	88.7	97.6
	±2.2	±1.4	±3.2	±3.3	±1.7	..	..	±18.6	±1.0
16	92.7	96.9	95.0	91.5	96.4	98.4	96.4	100.0	94.6
	±3.6	±2.5	±3.4	±5.0	±3.7	±3.2	±5.7	..	±1.5
17	90.3	93.0	79.1	82.4	87.5	80.7	95.4	94.2	87.6
	±4.1	±3.7	±6.1	±6.7	±6.5	±10.4	±6.4	±11.2	±2.2
18	75.9	86.3	75.8	73.5	67.1	73.7	60.2	94.0	77.2
	±5.9	±5.0	±6.3	±7.6	±9.3	±11.7	±14.0	±12.9	±2.8
19	80.8	82.1	70.8	79.1	74.5	57.3	79.2	79.4	78.0
	±5.3	±5.4	±6.8	±7.1	±8.3	±13.8	±11.7	±21.1	±2.8
20	79.6	80.8	73.0	86.2	75.1	80.1	89.7	60.1	79.1
	±5.5	±5.3	±6.6	±6.0	±8.2	±11.0	±8.1	±31.1	±2.7
21	77.4	80.5	71.4	76.2	74.0	78.3	85.9	72.4	76.8
	±5.6	±5.5	±6.7	±7.4	±9.1	±11.1	±9.2	±27.2	±2.8
22	75.4	81.1	67.1	78.9	85.7	65.3	98.1	64.6	76.5
	±5.8	±5.4	±7.1	±7.4	±6.9	±14.1	±3.8	±31.3	±2.8
23	81.1	76.9	73.7	74.4	67.5	69.1	89.9	70.1	76.8
	±5.4	±5.7	±6.8	±7.6	±9.3	±14.0	±8.4	±20.4	±2.8
24	73.6	79.2	75.0	77.6	68.5	70.1	82.4	52.5	75.3
	±6.0	±5.6	±6.8	±7.3	±9.2	±13.4	±10.6	±28.9	±2.9
15–19	**87.2**	**91.5**	**82.9**	**84.4**	**84.9**	**82.6**	**85.3**	**91.3**	**86.8**
	±4.7	**±5.2**	**±5.5**	**±6.3**	**±6.4**	**±9.3**	**±10.9**	**±19.8**	**±2.3**
20–24	**77.4**	**79.7**	**72.0**	**78.6**	**74.2**	**73.0**	**89.2**	**64.8**	**76.9**
	±4.4	**±4.6**	**±5.1**	**±6.1**	**±6.2**	**±9.6**	**±10.1**	**±18.7**	**±2.2**
15–24	**82.2**	**85.3**	**77.4**	**81.5**	**79.6**	**78.1**	**87.4**	**78.9**	**81.8**
	±3.0	**±3.2**	**±3.6**	**±4.2**	**±4.0**	**±6.2**	**±7.1**	**±12.7**	**±1.5**

a 95 per cent confidence interval refers to the 95 per cent confidence interval associated with each point estimate. The method by which standard errors are calculated has been revised for the 2005 Report, resulting in higher, more conservative confidence intervals. The corresponding participation rates remain unchanged. **b** Full time participation is defined as participation in full time education or training or full time work, or a combination of both part time education or training and part time work. .. Not applicable.

Source: ABS survey of Education and Work (unpublished).

School leaver destinations

Approximately 295 100 people aged 15–24 years who attended school in 2002 were not attending school in May 2003. Of these students, 89 900, or 30.5 per cent were early school leavers. Males were more likely to be early school leavers, making up

56.7 per cent of the total. Higher education institutions attracted 85 100 school leavers in 2003, or 28.8 per cent of all school leavers. Institutes of TAFE attracted 74 700 school leavers (25.3 per cent). While 67.7 per cent of year 12 leavers went on to post-school education and training, only 38.5 per cent of early school leavers undertook any further study (table B.4).

Table B.4 **School leaver destination (15–24 year olds), 2003[a, b]**

Type of institution attended in May 2003	*Unit*	*Year 12 leavers*			*Early school leavers[c]*			*All school leavers*		
		Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
Enrolled										
Higher education[d]	%	39.9	41.9	41.0	np	np	np	26.6	31.1	28.8
TAFE institutes	%	23.7	20.6	22.0	37.5	26.7	32.8	28.4	22.2	25.3
Other study[e, f]	%	2.9	6.2	4.7	3.3	6.2	4.6	3.0	6.2	4.6
Total enrolled	%	66.5	68.8	67.7	42.0	33.6	38.5	58.1	59.5	58.8
Not enrolled	%	33.5	31.3	32.3	58.0	66.2	61.6	41.9	40.5	41.2
Total	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Enrolled										
Higher education[d]	'000	38.7	45.3	84.1	np	np	np	39.4	45.7	85.1
TAFE institutes	'000	23.0	22.2	45.2	19.1	10.4	29.5	42.1	32.6	74.7
Other study[e, f]	'000	2.8	6.7	9.6	1.7	2.4	4.1	4.5	9.1	13.6
Total enrolled	'000	64.6	74.3	138.9	21.4	13.1	34.6	86.0	87.4	173.4
Not enrolled	'000	32.5	33.8	66.3	29.6	25.8	55.4	62.0	59.6	121.6
Total ('000)	**'000**	**97.1**	**108.0**	**205.1**	**51.0**	**39.0**	**89.9**	**148.1**	**147.0**	**295.1**

a Data for people who attended school in 2002 and were not attending school in May 2003. **b** Totals may not add as a result of rounding. **c** Those who left school earlier than year 12. **d** The estimates for male and female early school leavers have a relative standard error of greater than 50 per cent and are considered too unreliable for general use. **e** Includes business colleges, industry skills centres and other educational institutions. **f** The estimates of male year 12 leavers, and male, female and total early school leavers have relative standard errors of 25–50 per cent and need to be used with caution. **np** Not published.

Source: ABS (2004c); ABS survey of Education and Work (unpublished).

Education enrolment experience

Nationally, approximately 2.7 million people aged 15–64 years applied to enrol in an educational institution in 2003. Of the people who applied to enrol, 2.4 million (91.1 per cent) were studying in 2003, while 5.9 per cent deferred study and 3.1 per cent were unable to gain placement (table B.5).

Table B.5 **Applications to enrol in an educational institution, by people aged 15–64 years**

	Unit	*1999*	*2000*	*2001*	*2002*	*2003*
Applied to enrol						
Studying in May	%	89.0	89.3	90.5	91.8	91.1
Gained placement but deferred study	%	7.4	7.3	6.4	5.1	5.9
Unable to gain placement[a]	%					
TAFE	%	2.1	1.9	1.6	1.7	1.7
Other[b]	%	0.7	0.7	0.6	0.4	0.4
Higher education	%	0.8	0.8	0.9	0.9	1.0
Total unable to gain placement		3.6	3.4	3.1	3.0	3.1
Total	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Total applied to enrol	'000	2 537.5	2 527.8	2 552.9	2 603.2	2 674.1
Did not apply to enrol	'000	9 945.1	10 124.9	10 235.4	10 323.6	10 401.0
Total[c]	**'000**	**12 482.6**	**12 652.7**	**12 788.3**	**12 926.8**	**13 075.1**

a Reasons included: the course was full; the course was cancelled; the applicant was not eligible/entry score was too low; the applicant applied too late; or other reasons. **b** Includes other educational institutions not separately listed. **c** Totals may not add as a result of rounding.

Source: ABS (2000, 2001, 2002, 2003, 2004c); ABS survey of Education and Work (unpublished).

Educational attainment in Australia

An important objective of the education system is to improve the skill base of the population, with the benefit of improving worker productivity and facilitating economic growth and employment. Educational attainment of the labour force is used as a proxy indicator for the stock of skills. It understates the skill base, however, because it does not capture skills acquired through partially completed courses, courses not leading to a formal qualification, or training and experience learned at work.

There were 6.4 million people aged 15–64 years who had a non-school qualification in 2003. Of this group, 36.8 per cent had a postgraduate degree, graduate diploma/graduate certificate or bachelor degree as their highest non-school qualification. Of the 6.7 million people in this age group without non-school qualifications, 33.6 per cent had completed the highest level of secondary school (ABS 2004c).

There were 5.2 million employed people who had a non-school qualification in 2003, representing 56.1 per cent of employed people aged 15–64 years (ABS 2004c). Those persons whose level of highest educational attainment is a bachelor degree or above were more likely to be employed (84.3 per cent), while people who did not complete secondary school were the least likely (57.0 per cent) (table B.6).

Table B.6 **Level of highest educational attainment of people aged 15–64 years, by labour force status, 2003[a, b]**

Labour force status	*Unit*	*Bachelor degree or higher*	*Advanced diploma/ diploma*	*Certificate III or IV*	*Certificate I, II or NFD*	*Year 12*	*Year 11 or below*	*Total[c]*
Employed	%	84.3	79.1	83.7	63.6	72.5	57.0	71.0
Unemployed	%	2.7	3.5	3.5	7.9	5.1	6.1	4.7
Not in labour force	%	13.0	17.4	12.8	28.5	22.3	36.9	24.3
Total[d]	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
All people	'000	2 360.6	965.1	1 993.0	137.1	2 627.0	4 863.9	13 075.1

NFD = not further defined. **a** At May. **b** School year level estimates include some people with certificate I and II qualifications. **c** Includes people who never attended school and people whose level of highest educational attainment could not be determined. **d** Totals may not add as a result of rounding.

Source: ABS (2004c); ABS survey of Education and Work (unpublished).

People employed as professionals were most likely to have completed a bachelor or higher degree as their level of highest educational attainment in 2003 (69.1 per cent), while the level of highest educational attainment for the majority of tradespeople and related workers was a certificate III or IV (57.0 per cent). People employed as clerical sales and service workers, intermediate production and transport workers, elementary clerical sales and service workers, and labourers and related workers were most likely to have year 12 or below as their highest level of educational attainment (table B.7).

Table B.7 **Level of highest educational attainment of employed people aged 15–64 years, by occupation (per cent) 2003[a, b]**

Occupation in current job	*Bachelor degree or higher*	*Advanced diploma/ diploma*	*Certificate III or IV*	*Certificate I, II or NFD*	*Year 12*	*Year 11 or below*	*Total[c]*	*Total*
	%	%	%	%	%	%	%	**'000**
Managers and administrators	33.1	8.7	16.5	0.7	14.9	24.8	100.0	**629.5**
Professionals	69.1	12.9	4.7	0.2	7.8	4.5	100.0	**1 709.7**
Associate professionals	20.9	13.1	17.9	0.8	22.5	23.4	100.0	**1 156.7**
Tradespeople and related workers	2.7	3.9	57.0	0.7	12.5	22.4	100.0	**1 208.1**
Advanced clerical, sales and service workers	11.3	10.5	10.0	1.7	29.7	35.8	100.0	**375.4**
Intermediate clerical, sales and service workers	10.0	9.3	14.2	1.2	31.4	33.2	100.0	**1 613.4**
Intermediate production and transport workers	4.1	3.2	19.2	1.3	18.7	52.1	100.0	**807.5**
Elementary clerical, sales and service workers	6.0	4.8	7.3	1.3	33.9	45.7	100.0	**959.8**
Labourers and related workers	3.9	3.4	11.8	1.6	20.9	57.2	100.0	**821.0**
All occupations	21.4	8.2	18.0	0.9	20.5	29.9	100.0	**9 281.2**

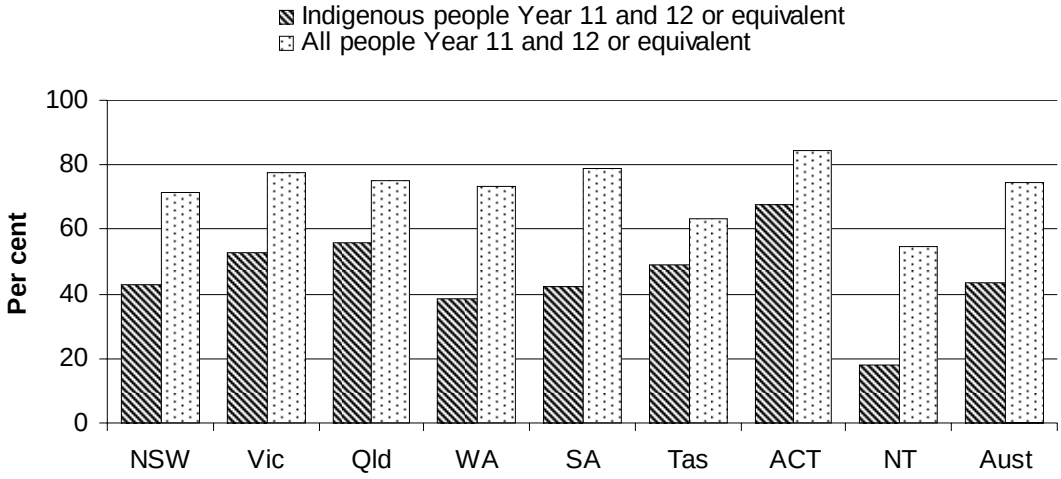
NFD = not further defined. **a** At May. **b** School year level estimates include some people with Certificate I and II qualifications. **c** Includes people who never attended school and people whose level of highest educational attainment could not be determined, therefore, the sum of the row percentages will not add to 100.

Source: ABS (2004c); ABS survey of Education and Work (unpublished).

Additional attainment data for Indigenous and all students are provided from the 2001 Census. These data provide information on the differences between Indigenous and all students on the highest level of school completed. The greatest difference between Indigenous and all students was the proportion of students who completed senior years of schooling.

The proportion of all students who completed year 11 or equivalent and/or year 12 or equivalent was higher for all students than for Indigenous students for all jurisdictions for 20–24 year olds. Nationally, 43.4 per cent of Indigenous students and 74.2 per cent of all students completed year 11 or equivalent and/or year 12 or equivalent in 2001 (figure B.5).

Figure B.5 **Highest level of schooling completed by people aged 20–24 years, by Indigenous status**



	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
Indigenous people									
Years 11 and 12 or equivalent	43.0	53.0	56.2	38.6	41.9	49.1	67.6	18.0	43.4
Years 9 and 10 or equivalent	43.3	34.7	33.5	43.8	37.8	43.0	24.4	36.8	38.7
Year 8 or below	5.4	5.1	4.3	9.4	12.0	1.6	5.7	32.8	9.9
Other[a]	8.3	7.1	5.9	8.2	8.3	6.2	2.3	12.4	8.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
All people									
Years 11 and 12 or equivalent	71.2	77.8	75.1	73.0	78.8	63.1	84.7	54.7	74.2
Years 9 and 10 or equivalent	20.2	12.8	18.1	19.4	14.9	29.7	9.1	23.3	17.5
Year 8 or below	1.1	1.2	1.1	1.0	1.1	0.8	0.5	10.8	1.2
Other[a]	7.5	8.2	5.7	6.5	5.3	6.5	5.8	11.2	7.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

a 'Other' includes people who did not go to school, are still at school and those not stated.

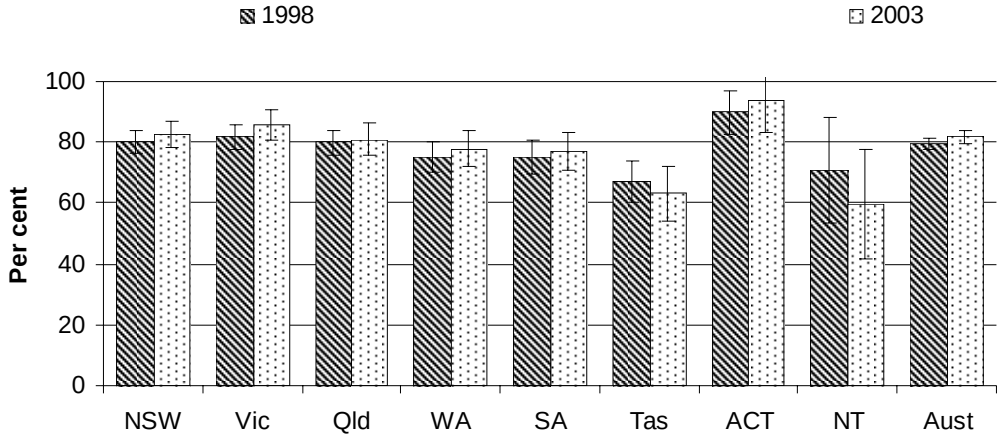
Source: ABS 2001 Census of Population and Housing (unpublished).

Supplementary attainment data for students are provided for this Report from the ABS survey of Education and Work. These data provide information on:

- the proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level 2 or above
- the proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level 3 or above.

The proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level 2 or above was relatively stable both nationally and in all jurisdictions over the five year period (figure B.6).

Figure B.6 **Proportion of 20–24 year olds who completed year 12 or equivalent or gained a qualification at AQF level 2 or above[a]**



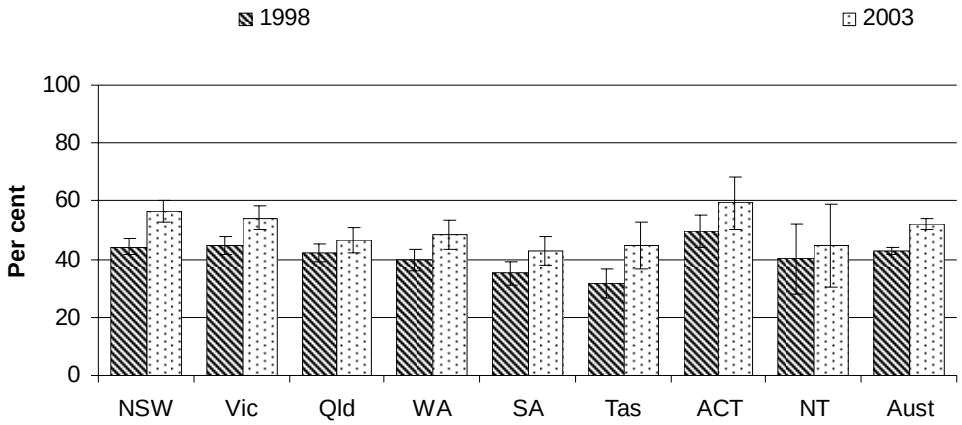
	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
1998	79.9	81.9	79.9	74.9	75.3	67.1	89.8	70.9	79.4
	±3.7	±4.0	±4.0	±5.0	±5.5	±6.7	±7.0	±17.4	±1.9
2003	82.6	85.8	81.0	78.0	77.1	63.1	93.7	59.8	81.9
	±4.5	±4.8	±5.4	±6.1	±6.3	±9.0	±10.3	±18.1	±2.2

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

Source: ABS survey of Education and Work (unpublished).

The proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level 3 or above either increased or was relatively stable in all jurisdictions. Nationally, the average increase between 1998–2003 was 21.8 per cent over the five year period (figure B.7).

Figure B.7 **Proportion of 25–29 year olds who gained a post-secondary qualification at AQF level 3 or above[a]**



	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
1998	44.3	45.0	42.3	40.0	35.2	31.7	49.6	40.1	42.8
	+2.8	+3.0	+3.0	+3.8	+3.8	+4.9	+5.5	+11.9	+1.4
2003	56.4	54.3	46.7	48.4	42.7	44.8	59.4	44.9	52.1
	+3.8	+4.0	+4.4	+5.1	+5.1	+8.2	+8.9	+14.3	+1.9

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

Source: ABS survey of Education and Work (unpublished).

Efficiency

Data on school education and VET recurrent unit costs are presented in this section.

Comparing unit costs across jurisdictions

Comparing the unit costs of providing a particular service across jurisdictions can help to identify whether states or territories have scope to improve their efficiency. Special characteristics within jurisdictions, however, mean it would be difficult for all jurisdictions to attain the same level of unit costs while achieving similar outcomes. One way of better understanding how special characteristics may affect costs is to compare the variations in the unit costs across jurisdictions for services that aim to achieve similar outcomes, such as government school education (table B.8) and VET (table B.9).

The greater jurisdictional variation in the unit costs of VET compared with those in schools raises questions about the likely causes. Further analysis would be necessary to identify, for example, whether the effects of scale or dispersion are greater for VET than for schools, or whether the quality of the services or the efficiency of service provision differs more. Notwithstanding this, school education

unit costs are not comparable to those of VET, due to the differing bases upon which they are calculated, and the differences between the two education sectors.

Table B.8 **School education recurrent unit costs, 2002-03[a, b, c]**

	Unit	*NSW*	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
Government primary schools										
In-school cost per FTE student[d]	$	8 715	7 347	7 969	8 051	8 302	8 107	8 413	11 510	8 165
Difference from national average	%	6.74	-10.02	-2.39	-1.39	1.68	-0.70	3.04	40.97	–
Government secondary schools										
In-school cost per FTE student[d]	$	11 302	10 014	9 724	10 974	9 643	10 014	11 773	15 634	10 561
Difference from national average	%	7.01	-5.18	-7.93	3.91	-8.70	-5.19	11.47	48.04	–

FTE = full time equivalent. [a] Based on accrual data. [b] A notional user cost of capital based on 8 per cent of total written down value of capital assets as at 30 June 2003 is applied to all jurisdictions. [c] Schools data include payroll tax estimates for WA and the ACT to achieve greater comparability across jurisdictions. [d] Schools data are total government expenditure on government schools divided by average FTE student population in 2002 and 2003. – Nil or rounded to zero.

Source: table 3A.8.

Table B.9 **VET institution recurrent unit costs, 2002-03[a, b, c]**

	Unit	*NSW*	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
VET[d]										
Cost per adjusted annual curriculum hour	$	14.63	11.79	14.13	13.67	15.34	13.34	13.38	22.22	13.76
Difference from national average	%	6.30	-14.34	2.68	-0.69	11.43	-3.08	-2.82	61.44	–

[a] Based on accrual data. [b] A notional user cost of capital based on 8 per cent of total written down value of capital assets as at 30 June 2003 is applied to all jurisdictions. [c] VET data include payroll tax estimates for the ACT to achieve greater comparability across jurisdictions. ACT payroll tax estimates are excluded from the Australian total. [d] VET data are based on the 2003 calendar year. – Nil or rounded to zero.

Source: table 4A.18.

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