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 2004–10 (box 4.3), include a focus on giving industry a highly skilled workforce to support strong performance in the global economy; making employers and students the centre of VET; strengthening communities and regions economically and socially through learning and employment; 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 in the VET sector.

Chapters 3 covers the performance of school education. Some comparison between the government and non-government school systems is included. Chapter 4 covers the performance of VET sector. Preschool programs, which provide a variety of

educational and developmental experiences for children before full time schooling, are covered in chapter 14.

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)
- VET activity delivered on a fee-for-service basis by private and community education providers.

Services provided by other government agencies (such as health, housing and community services) influence educational 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 through the Department of Education Science and Training (DEST) 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 registered training organisations 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.

In 2004, the Australian, State and Territory governments' funding of the VET system is through the Australian National Training Authority (ANTA) agreement. The Agreement establishes government funding and accountability arrangements for VET and provided the basis for releasing more than $3.92 billion of government funding in 2004 (DEST 2005).

In October 2004, the Prime Minister announced that the ANTA would be abolished from July 2005 and its responsibilities taken into the DEST. The Prime Minister also announced that a Ministerial Council on Vocational Education would be established to ensure continued harmonisation of a national system of standards, assessment and accreditations, with goals agreed in the Commonwealth-State Agreement for Skilling Australia's Workforce (DEST 2005).

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 $43.6 billion (table B.1) in 2003-04, which was equivalent to 5.4 per cent of gross domestic product (GDP). Private household final consumption expenditure on education in 2003-04 was $11.5 billion, or 1.4 per cent of GDP (ABS 2005a).

Australian Government operating expenses for the three education and training sectors in 2003-04 were $13.4 billion, of which $12.2 billion (90.9 per cent) comprised grants to other levels of government. State, Territory and local government operating expenditure was $31.3 billion for the same year. Multi-jurisdictional (university) operating expenses were $11.7 billion. The intra-sector transfers (which are transfers or transactions that occur between different levels of government for the purposes of education), such as grants, were $12.8 billion. Between 2002-03 and 2003-04, the average annual real growth rate of total operating expenditure net of transfers on education was 4.2 per cent (table B.1).

Table B.1 **Australian, State and Territory (including local) government real expenditure on education (2003-04 dollars)[a]**

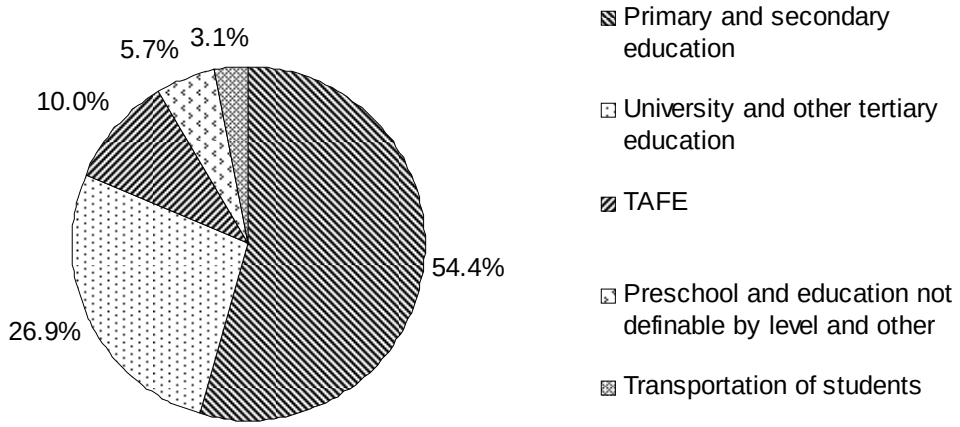
	2001-02[b]	*2002-03*[b]	*2003-04*	*Average annual real growth*
	$m	$m	$m	
Transfers to other levels of government[c]	(11 298)	(11 305)	(12 179)	3.9
Australian Government operating expenses	12 480	12 457	13 398	3.7
Australian Government expenses less transfers	1 182	1152	1219	1.6
Transfers to other levels of government[c]	(208)	(225)	(222)	3.5
State and Territory (including local) operating expenses	28 922	30 377	31 251	4.0
State and Territory (including local) expenses less transfers	28 714	30 151	31 029	4.0
Transfers to other levels of government[c]	(328)	(365)	(355)	4.3
Multi-jurisdictional (university) operating expenses	10 597	11 444	11 718	5.2
Multi-jurisdictional (university) expenses less transfers	10 269	11 079	11 363	5.2
Total intra-sector transfers	(11 834)	(11 895)	(12 756)	3.9
Total Australia operating expenses	51 998	54 278	56 367	4.1
Total operating expenses net of transfers	**40 164**	**42 383**	**43 611**	**4.2**

[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 (2003-04 = 100) (table A.26). [c] Payments between levels of government within the public sector.

Source: ABS (2005a); ABS Public Finance Statistics (unpublished).

Schools accounted for the highest proportion of the $43.6 billion government expenditure on education and training (54.4 per cent) in 2003-04, followed by universities (26.9 per cent) and TAFE institutes (10.0 per cent) (table B.1, figure B.1).

Figure B.1 **Total government expenditure on education, 2003-04[a, b]**



a Totals may not add to 100 as a result of rounding. **b** Based on accrual operating expenses for education.
Source: ABS (2005a).

Non-government schools received the highest proportion of Australian Government direct recurrent funding, accounting for 68.3 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 $4130 per student in non-government schools and an average of $1001 per student in government schools in 2003-04 (table 3A.6). State and Territory governments spend an average of $1557 per student in non-government schools, and an average of $10 003 per student in government schools.

The largest proportion of State and Territory government expenditure went to primary and secondary schools (75.8 per cent) in 2004. TAFE received 13.3 per cent and preschools, special education and other education not definable by level received 10.3 per cent of the total expenditure (table B.2).

Table B.2 **State and Territory (including local) government expenditure, 2003–04**

	Unit	*NSW*[a]	*Vic*[b]	*Qld*	*WA*[c]	*SA*	*Tas*[d]	*ACT*	*NT*	*Total*
School education										
Preschool, not definable by level, and other[e]	%	11.4	7.1	12.2	12.7	9.4	6.6	4.3	10.7	10.3
Primary and secondary	%	75.8	75.0	77.5	74.2	75.0	82.7	78.0	70.0	75.8
Total[f]	%	87.2	82.2	89.8	86.8	84.4	89.2	82.3	80.6	86.1
TAFE	%	12.8	17.0	10.1	12.1	14.5	10.6	12.5	13.6	13.3
University	%	–	0.6	0.1	0.2	0.3	0.1	0.3	–	1.4
Other tertiary	%	–	–	–	0.6	–	–	–	5.8	0.2
Total	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	**$m**	**10 249**	**7 398**	**5 619**	**3 671**	**2 438**	**790**	**577**	**516**	**31 251**

[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 non-vocational, 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 (2005a).

Size and scope

There were 3.3 million full time school students attending 9615 schools in Australia, including 6938 government schools, in 2004 (ABS 2005b). Over 1.6 million people undertook VET programs in Australia in 2004. Of these, 1.1 million students were government-funded (DEST 2005). These programs were delivered in 933 TAFE and other government provider locations and 7659 community education and other registered provider training locations (table 4A.3).

There were approximately 945 000 students attending higher education providers who received funding from the Australian Government in 2004, an increase of 1.6 per cent on the number in 2003. 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 around two thirds of all students. The majority of students undertook their course on campus on a full time basis. The most popular fields of study were management and commerce, and society and culture. 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).

Learning pathways

The Australian education and training system comprises the compulsory years of schooling (up to 16 years of age in SA and Tasmania and 15 years of age in all other jurisdictions) and the range of pathways and options available to students in post-compulsory education and training (box B.1). To encourage flexible learning pathways, Australian governments have implemented the Australian Qualifications Framework (AQF). The AQF provides a comprehensive, nationally consistent framework for all qualifications in post-compulsory education and training. Under this framework, modules from VET certificates can be, for example, 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.

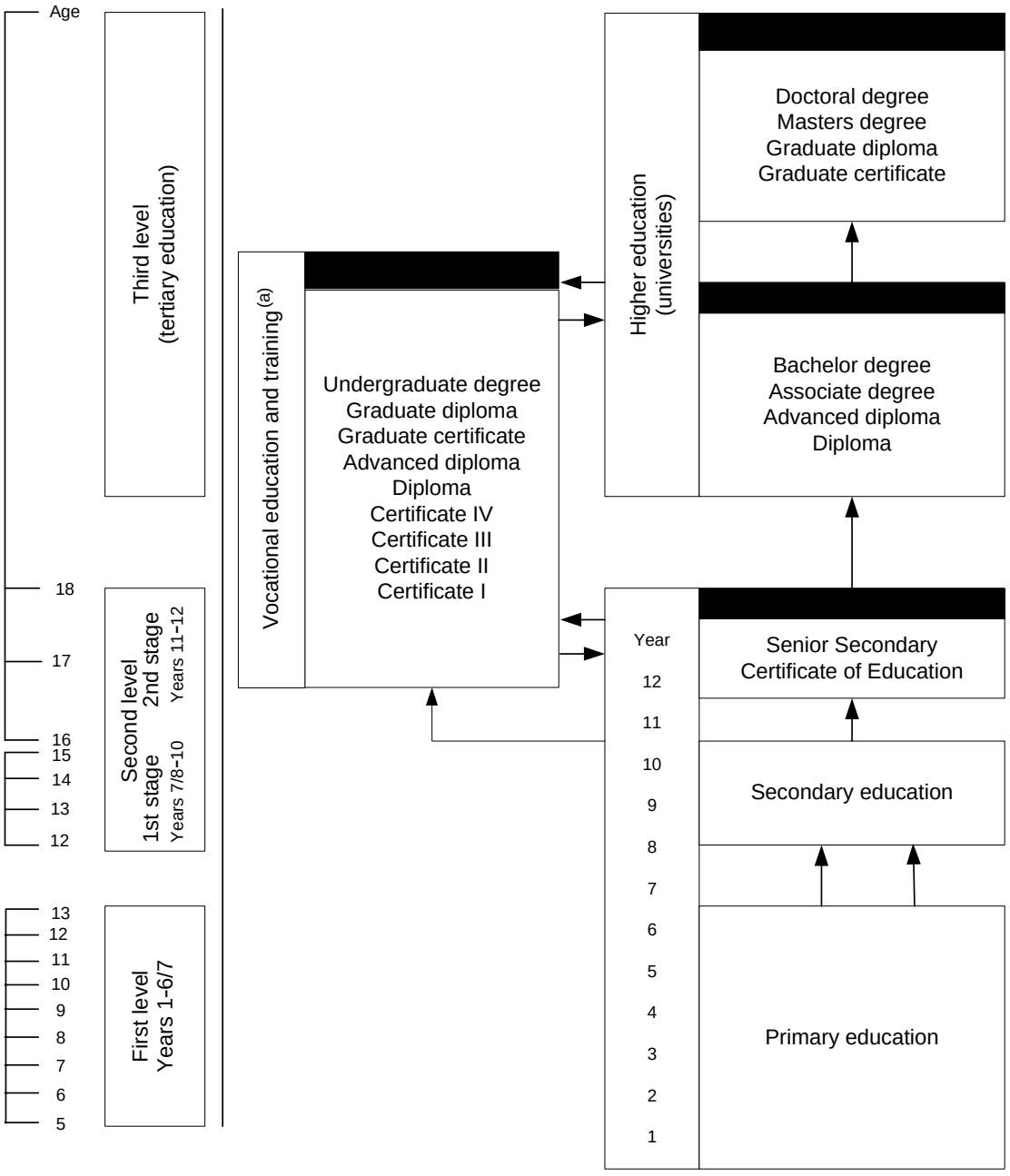
Under the AQF, VET certificates (mainly certificates I and II) may be achieved in schools and may contribute towards the Senior Secondary Certificate of Education, resulting in a dual qualification. There were 211 900 students enrolled in VET in schools programs in 2004, an increase of approximately 4.4 per cent on the number in 2003. Enrolments were highest in management and commerce programs, which accounted for 21.3 per cent of all enrolments by major field of education in 2004 (NCVER 2005).

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]**



a 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 undergraduate degrees, 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: Adapted from National Office of Overseas Skills Recognition (2000).

Measuring the performance of the education and training system

Measuring the equity, 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. There is significant interaction between the two sectors, and between these sectors and the university sector. This preface examines the equity, effectiveness and efficiency of the education and training system as a whole. 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.

Equity and 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 rates of participation in education and training. Estimated participation rates are hereafter referred to as 'participation rates'.

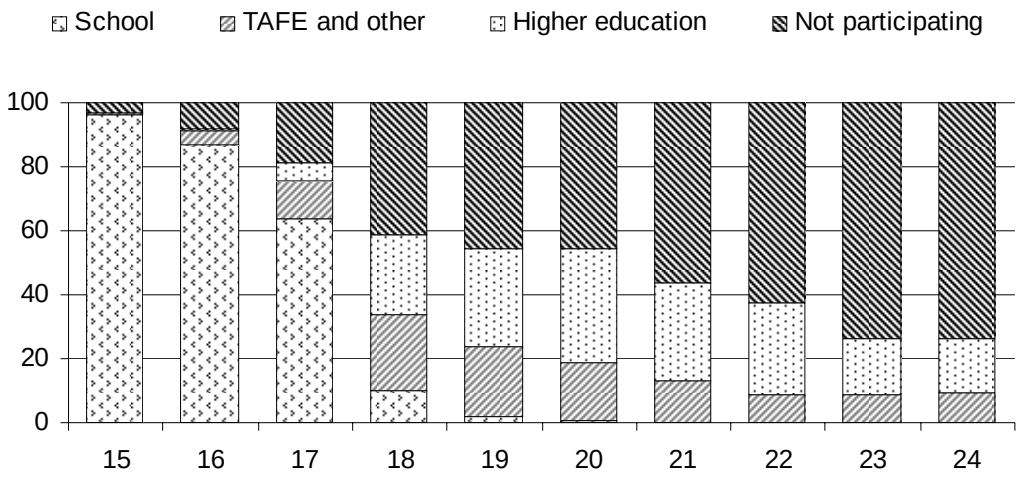
The education and training participation rates quoted in this section are estimates of the proportion of the population in a given age group who are enrolled in any course of study, on either a full or a part time basis, at an educational institution in May each year. These estimates are derived from unpublished data from the annual 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 (up to 16 years in SA and Tasmania and 15 years in all other jurisdictions), the percentage of people participating in education and training declines. Nationally, the participation rate was 96.7 per cent for 15 year olds, 81.0 per cent for 17 year olds, 54.2 per cent for 19 year olds and 26.1 per cent for 24 year olds, in 2004 (figure B.2).

Figure B.2 **Participation in education and training by people aged 15–24 years, by sector, 2004[a, b]**

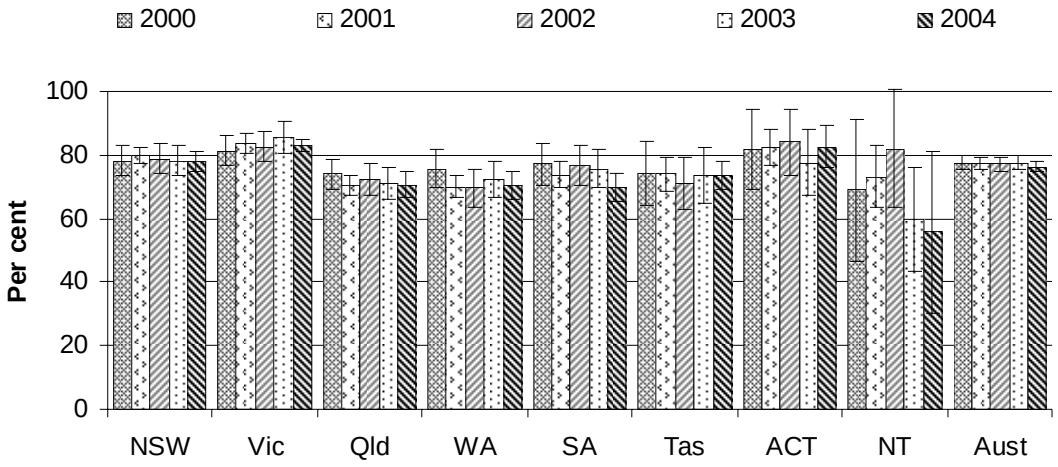


a TAFE and other includes all education or training participation at institutions other than schools and higher education institutions. **b** Student participation is likely to be underestimated because data are for May, not for the whole year.

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. In addition there are other influences that State and Territory governments have less control over, such as labour market changes, population movements, urbanisation, socioeconomic status and Indigenous status.

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

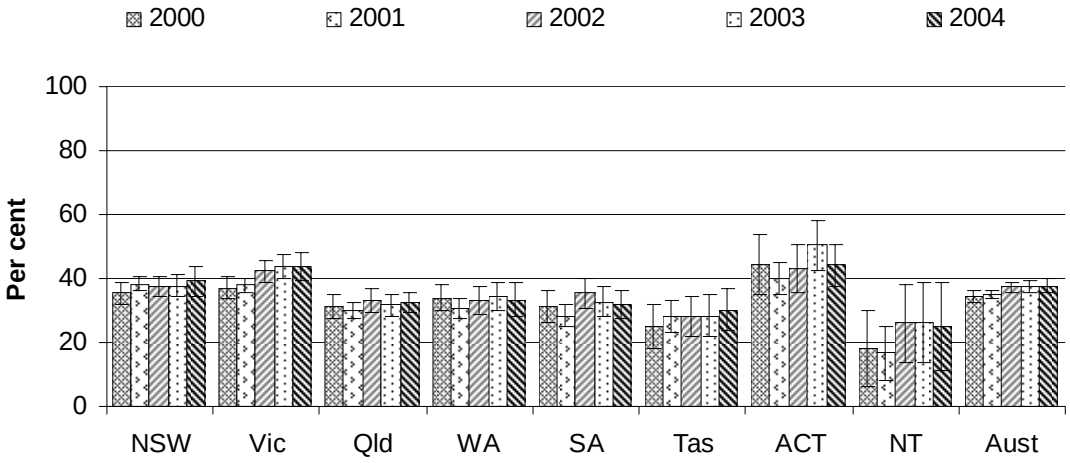


	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
2000	78.1	81.3	74.0	75.5	77.1	74.2	81.6	69.1	77.6
	±4.7	±4.6	±4.9	±6.0	±6.8	±9.8	±12.6	±22.4	±2.4
2001	80.1	83.5	70.4	70.0	73.7	73.9	82.4	73.2	77.4
	±2.6	±3.0	±3.2	±3.6	±4.1	±5.5	±5.7	±9.7	±1.8
2002	78.9	82.6	72.5	69.5	76.7	71.1	84.1	82.0	77.3
	±4.5	±4.6	±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
2004	78.0	83.0	70.7	70.3	69.7	73.4	82.6	55.8	76.2
	±2.9	±2.0	±3.9	±4.3	±4.4	±4.5	±6.5	±25.5	±1.5

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

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

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



	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
2000	35.5	37.0	31.2	34.0	31.1	24.9	44.3	18.3	34.4
	±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
2004	39.1	43.8	32.3	33.4	31.8	30.2	44.1	25.0	37.7
	±4.5	±4.5	±3.1	±5.2	±4.2	±6.7	±6.5	±13.5	±2.2

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

ABS survey of Education and Work (unpublished); ABS survey of Transition from Education and 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 non-participation) 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.

Table B.3 **Full time participation in education, training or work, 2004 (per cent)[a, b]**

Age (years)	*NSW*	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
15	96.3	98.9	97.0	96.2	96.7	98.6	97.3	82.8	97.1
	±3.0	±1.2	±3.3	±4.2	±5.0	±2.6	±3.7	±9.4	±1.0
16	93.6	97.0	92.2	91.5	93.4	95.8	98.0	88.3	94.1
	±2.2	±1.9	±1.2	±6.8	±6.3	±4.5	±4.1	±34.2	±2.1
17	91.2	92.1	80.1	83.2	83.2	93.6	86.4	63.6	87.6
	±3.9	±4.2	±5.9	±8.5	±8.2	±5.7	±12.1	±41.8	±2.3
18	70.5	80.1	72.9	80.6	64.3	74.6	77.5	77.6	74.2
	±7.4	±5.7	±9.0	±4.9	±10.9	±12.7	±13.7	±17.9	±4.2
19	80.6	78.8	77.0	76.1	64.4	62.3	77.2	53.5	77.1
	±5.4	±5.5	±6.4	±9.4	±8.2	±16.0	±15.6	±33.6	±2.5
20	82.2	81.2	75.0	76.9	76.9	81.7	83.1	74.1	79.5
	±7.9	±4.9	±5.9	±7.7	±6.0	±10.1	±11.9	±28.6	±2.5
21	81.2	82.2	76.1	70.6	70.0	75.7	77.6	100.0	78.5
	±7.4	±5.7	±7.7	±10.6	±8.1	±13.9	±12.1	..	±3.0
22	75.7	80.8	79.2	78.2	67.4	74.9	85.1	88.4	77.7
	±6.0	±5.4	±5.8	±8.0	±11.0	±14.2	±12.6	±45.7	±3.1
23	76.2	77.7	75.6	79.7	67.7	70.4	93.9	47.3	76.3
	±5.6	±7.1	±7.8	±7.4	±17.1	±14.9	±2.5	±29.2	±3.7
24	75.5	79.3	74.0	75.0	69.8	58.6	75.7	69.3	75.2
	±7.1	±5.2	±8.9	±8.8	±10.6	±35.7	±17.5	±35.1	±3.9
15–19	86.4	89.2	83.6	85.4	80.0	86.2	87.5	70.7	85.9
	±2.4	±2.1	±3.3	±3.0	±3.9	±3.4	±5.8	±28.6	±1.3
20–24	78.2	80.3	76.0	76.1	70.6	72.2	82.9	75.9	77.5
	±2.9	±2.7	±3.4	±4.0	±5.0	±10.1	±7.0	±31.8	±1.5
15–24	82.3	84.6	79.8	80.8	75.3	79.7	85.0	73.5	81.7
	±2.3	±1.8	±2.5	±2.4	±3.4	±5.0	±4.7	±22.3	±1.3

a 95 per cent confidence interval refers to the 95 per cent confidence interval associated with each point estimate. **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 291 600 people aged 15–24 years who attended school in 2003 were not attending school in May 2004. Of these students, 88 300, or 30.3 per cent were early school leavers. Males were more likely to be early school leavers, making up 61.6 per cent of the total. Higher education institutions attracted 81 000 school leavers in 2004, or 27.8 per cent of all school leavers. Institutes of TAFE attracted

67 300 school leavers (23.1 per cent). While 64.1 per cent of year 12 leavers went on to post-school education and training, only 33.4 per cent of early school leavers undertook any further study. Of the early school leavers, 20.1 per cent of females went on to further education compared to 41.5 per cent of males (table B.4).

Table B.4 **School leaver destination (15–24 year olds), 2004[a, b]**

Type of institution attended in May 2004	*Unit*	*Early school leavers[c]*			*Year 12 leavers*			*All school leavers*		
		Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
Enrolled										
Higher education[d]	%	np	np	np	35.0	42.5	38.9	22.9	33.1	27.8
TAFE institutes	%	35.1	8.3	24.9	23.3	21.3	22.3	27.5	18.2	23.1
Other study[e, f]	%	5.1	8.0	6.2	2.6	3.3	3.0	3.4	4.5	3.9
Total enrolled	%	41.5	20.1	33.4	60.7	67.2	64.1	53.9	55.7	54.8
Not enrolled	%	58.5	79.9	66.6	39.3	32.8	35.9	46.1	44.3	45.2
Total	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Enrolled										
Higher education[d]	'000	np	np	np	34.2	44.8	79.0	34.9	46.1	81.0
TAFE institutes	'000	19.1	2.8	22.0	22.8	22.5	45.3	41.9	25.3	67.3
Other study[e, f]	'000	2.8	2.7	5.5	2.5	3.5	6.0	5.2	6.2	11.4
Total enrolled	'000	22.6	6.8	29.5	59.4	70.8	130.2	82.1	77.6	159.7
Not enrolled	'000	31.8	27.0	58.8	38.4	34.6	73.0	70.3	61.6	131.9
Total ('000)	**'000**	**54.4**	**33.8**	**88.3**	**97.8**	**105.4**	**203.2**	**152.4**	**139.2**	**291.6**

a Data for people who attended school in 2003 and were not attending school in May 2004. **b** Totals may not add as a result of rounding. **c** Those who left school earlier than year 12. **d** The estimates for male, female and total early school leavers have relative standard errors of greater than 25 per cent and are considered to be too unreliable for general use. **e** Includes business colleges, industry skills centres and other educational institutions. **f** All estimates in this row (apart from all male and total all school leavers) have relative standard errors of 25–50 per cent and need to be used with caution. **np** Not published.

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

Education enrolment experience

Nationally, 2.6 million people aged 15–64 years applied to enrol in an educational institution in 2004. Of the people who applied to enrol, 2.4 million (91.8 per cent) were studying in 2004, while 5.4 per cent deferred study and 2.8 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	*2000*	*2001*	*2002*	*2003*	*2004*
Applied to enrol						
Studying in May	%	89.3	90.5	91.8	91.1	91.8
Gained placement but deferred study	%	7.3	6.4	5.1	5.9	5.4
Unable to gain placement[a]	%					
TAFE	%	1.9	1.6	1.7	1.7	1.3
Other[b]	%	0.7	0.6	0.4	0.4	0.4
Higher education	%	0.8	0.9	0.9	1.0	1.0
Total unable to gain placement		3.4	3.1	3.0	3.1	2.8
Total	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Total applied to enrol	'000	2 527.8	2 552.9	2 603.2	2 674.1	2 642.8
Did not apply to enrol	'000	10 124.9	10 235.4	10 323.6	10 401.0	10 530.2
Total[c]	**'000**	**12 652.7**	**12 788.3**	**12 926.8**	**13 075.1**	**13 173.0**

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, 2002a, 2002b, 2003, 2004); ABS survey of Education and Work (unpublished).

Educational attainment

An important objective of the education system is to add to the skill base of the population, with the benefits 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 6.7 million people aged 15–64 years who had a non-school qualification in 2004. Of this group, 37.1 per cent had a postgraduate degree, graduate diploma/graduate certificate or bachelor degree as their highest non-school qualification. Of the 6.5 million people in this age group without non-school qualifications, 34.2 per cent had completed the highest level of secondary school (ABS 2004).

There were 5.5 million employed people who had a non-school qualification in 2004, representing 58.1 per cent of employed people aged 15–64 years (ABS 2004a). Those people whose level of highest educational attainment is a bachelor degree or above were more likely to be employed (84.5 per cent), while people who did not complete secondary school were the least likely (57.1 per cent) (table B.6).

Table B.6 **Level of highest educational attainment of people aged 15–64 years, by labour force status, May 2004[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	%	84.5	79.9	83.3	59.9	72.3	57.1	71.3
Unemployed	%	2.6	2.8	3.1	8.7	5.0	5.4	4.2
Not in labour force	%	12.9	17.3	13.6	31.4	22.7	37.5	24.5
Total[d]	**%**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
All people	'000	2 487.8	1 027.8	2 038.1	146.4	2 636.9	4 719.7	13 173.0

NFD = not further defined. **a** Due to the way in which Level of highest educational attainment is derived, many certificate I and II qualifications are included indistinguishably under either Year 12 or Year 11 or below. **b** The use of 'highest qualification' attained underestimates the proportion of the population who have achieved a TAFE or VET qualification and should not be confused with measures of the proportion of the population with a VET qualification, either as their most recent qualification, or who have achieved a VET qualification in addition to a school or higher education qualification. **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 (2004); 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 2004 (68.3 per cent), while the level of highest educational attainment for the majority of tradespeople and related workers was a certificate III or IV (54.4 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, May 2004[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	32.0	11.7	16.9	0.5	16.3	21.7	100.0	650.8
Professionals	68.3	12.7	5.2	0.2	8.5	4.5	100.0	1830.1
Associate professionals	20.8	14.0	20.4	0.6	20.4	22.7	100.0	1145.0
Tradespeople and related workers	3.1	4.2	54.4	1.0	12.7	23.6	100.0	1207.1
Advanced clerical, sales and service workers	14.0	10.9	9.9	1.1	28.5	34.7	100.0	377.2
Intermediate clerical, sales and service workers	11.5	9.9	14.8	1.3	31.2	30.5	100.0	1599.6
Intermediate production and transport workers	4.3	3.2	18.0	1.5	18.3	53.4	100.0	783.4
Elementary clerical, sales and service workers	6.8	5.1	8.6	1.1	33.6	44.3	100.0	937.0
Labourers and related workers	3.9	3.6	12.4	1.7	22.3	55.1	100.0	861.5
All occupations	22.4	8.7	18.1	0.9	20.3	28.7	100.0	9391.7

NFD = not further defined. **a** Due to the way in which level of highest educational attainment is derived, many certificate I and II qualifications are included indistinguishably under either year 12 or year 11 or below. **b** The use of 'highest qualification' attained underestimates the proportion of the population who have achieved a TAFE or VET qualification and should not be confused with measures of the proportion of the population with a VET qualification, with a VET qualification as their most recent qualification or who have achieved a VET qualification in addition to a school or higher education qualification. **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 survey of Education and Work (unpublished).

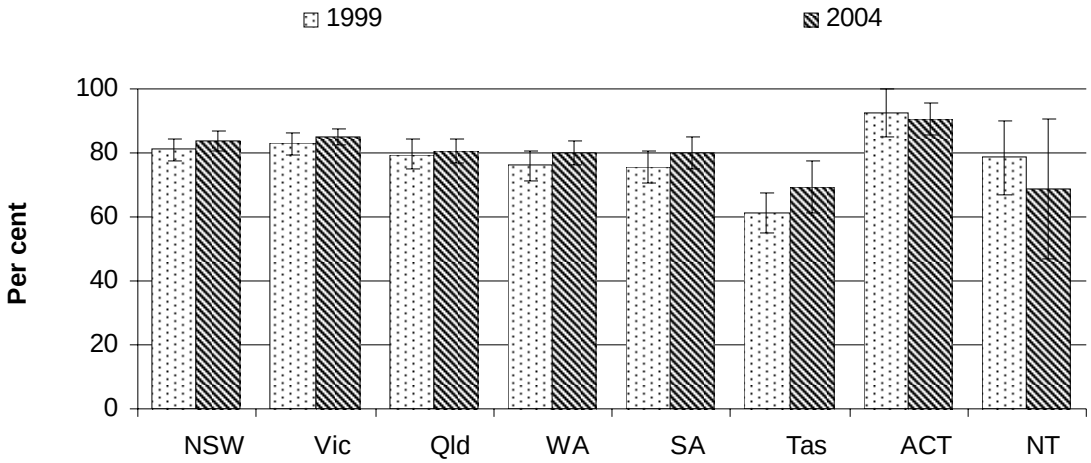
Supplementary attainment data for students are provided for this Report from the ABS survey of Education and Work. These data provide information on:

- 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.

Nationally, the proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level 2 or above increased from 80.1 per cent in 1999 to 82.4 per cent in 2004. Over this period, the proportion of males who gained a qualification at AQF level 2 or above increased by 2.8 percentage points while the proportion of females who gained a qualification at AQF level 2 or above increased by 1.7 percentage points (ABS unpublished).

The proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level 2 or above varied across jurisdictions (figure B.5).

Figure B.5 **Proportion of 20–24 year olds who completed year 12 or equivalent or gained a qualification at AQF level 2 or above[a, b]**



	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*
1999	81.1	82.9	79.6	76.0	75.7	61.2	92.4	78.5
	±3.5	±3.6	±4.5	±4.5	±5.0	±6.0	±7.3	±11.7
2004	83.6	85.2	80.5	80.0	80.0	69.6	90.6	68.9
	±3.0	±2.6	±3.6	±4.0	±4.8	±8.1	±4.9	±22.0

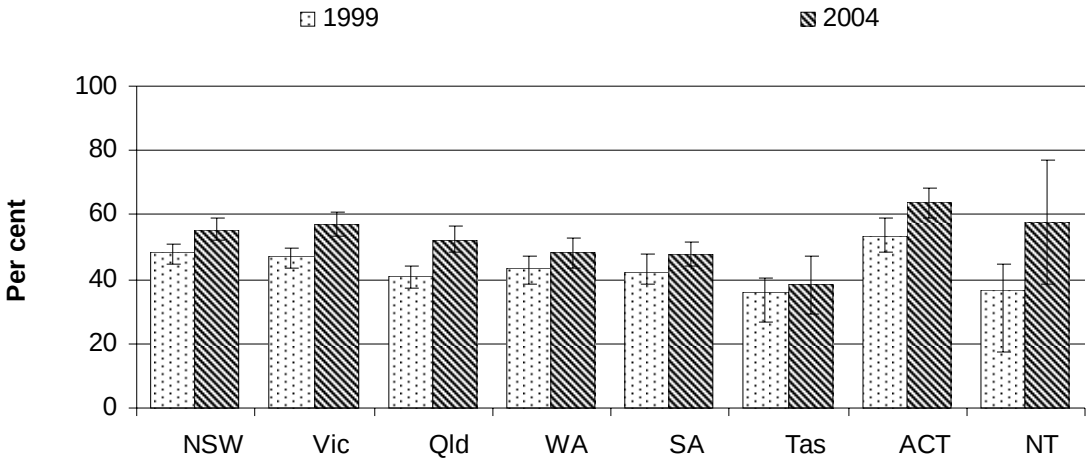
a Error bars represent the 95 per cent confidence interval associated with each point estimate. **b** National data are reported in the text because they are not entirely comparable with the State and Territory data in both the years presented above.

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

Nationally, the proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level 3 or above increased from 45.5 per cent in 1999 to 55.5 per cent in 2004. The proportion of males aged 25–29 who gained a post-secondary qualification at AQF level 3 or above increased by 4.2 percentage points (from 51.3 per cent to 55.5 per cent), while the corresponding proportion of females increased by 15.7 percentage points (from 39.7 per cent to 55.4 per cent) over the 5 year period (ABS unpublished).

The proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level 3 or above varied across jurisdictions (figure B.6).

Figure B.6 **Proportion of 25–29 year olds who gained a post-secondary qualification at AQF level 3 or above[a, b]**



	NSW	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*
1999	48.4	46.9	41.1	43.6	42.2	35.8	53.2	36.7
	±2.7	±2.8	±3.3	±3.5	±5.7	±4.7	±5.8	±8.3
2004	55.5	56.9	52.3	48.3	47.9	38.2	63.9	57.6
	±3.5	±3.7	±4.0	±4.8	±3.6	±9.1	±4.7	±19.4

a Error bars represent the 95 per cent confidence interval associated with each point estimate. **b** National data are reported in the text because they are not entirely comparable with the State and Territory data in both the years presented above.

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 in the government school education or VET areas, respectively.

Nationally, government expenditure on government primary school education was $8515 per full time equivalent primary school student and on government secondary school education was $11 053 per full time equivalent secondary school student

(table B.8). Government expenditure on VET was $14.09 per adjusted annual curriculum hour (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, 2003-04[a, b, c, d]**

	Unit	*NSW*	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
Government primary schools										
In-school cost per FTE student	$	8 860	7 809	8 350	8 713	8 630	8 338	9 758	11 372	8 515
Difference from national average	%	4.1	-8.3	-1.9	2.3	1.4	-2.1	14.6	33.6	–
Government secondary schools										
In-school cost per FTE student	$	11 518	10 442	10 441	11 692	10 972	10 365	12 458	15 628	11 053
Difference from national average	%	4.2	-5.5	-5.5	5.8	-0.7	-6.2	12.7	41.4	–

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 2004 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 recurrent government expenditure on government schools divided by average FTE student population in 2003 and 2004. – Nil or rounded to zero.

Source: table 3A.8.

Table B.9 **VET institution recurrent unit costs, 2004[a, b, c]**

	Unit	*NSW*	*Vic*	*Qld*	*WA*	*SA*	*Tas*	*ACT*	*NT*	*Aust*
VET										
Cost per adjusted annual curriculum hour	$	14.03	12.14	15.25	15.68	15.59	13.15	15.91	22.70	14.09
Difference from national average	%	-0.44	-13.82	8.23	11.29	10.63	-6.66	12.95	61.15	–

a Based on accrual data. **b** 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. **c** VET data are based on the 2004 calendar year. – Nil or rounded to zero.

Source: table 4A.13.

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