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## EDUCATION PREFACE

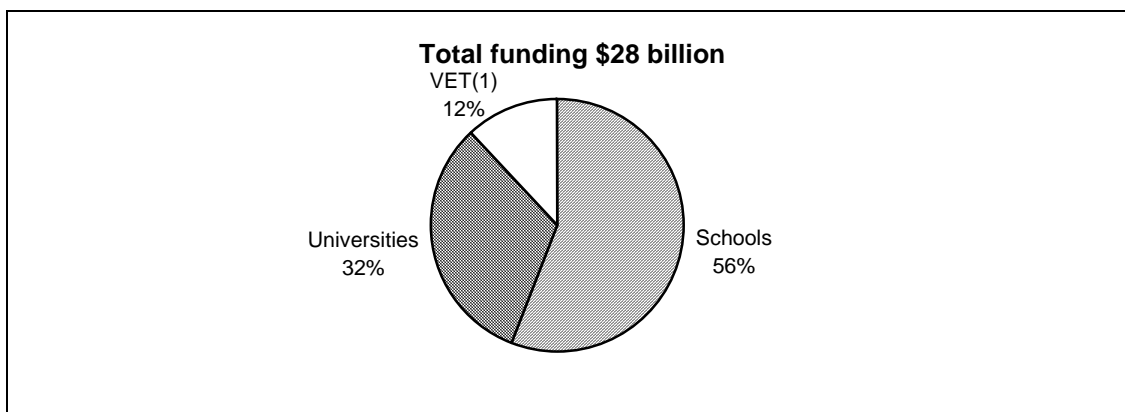
Government provision of education services includes government primary and secondary schools, further education and training (VET) and universities as well as non-government schools. Performance indicators for all of these aspects except universities and non-government schools are included in this Report. Preschool programs, which provide a variety of educational and developmental experiences for children in the year or two before full-time schooling, are reported as part of children's services.

### *Features of the sector*

About 28 per cent of Australians (almost 5 million persons) were engaged in some form of full-time or part-time education. The bulk of these students are at school (62 per cent) but significant numbers were undertaking VET programs (26 per cent) or studying at universities (12 per cent).

Total government expenditure (current and capital) in the education sector was about \$28 billion in 1994–95, or about 6 per cent of gross domestic product. Schools (56 per cent) was the largest expenditure area, followed by universities (32 per cent) and VET (12 per cent). Expenditure included government financial support for non-government schools, financial assistance to students through Austudy, but did not include expenditure on pre-schools and special schools.

### Commonwealth, State and Territory Government expenditure on education, 1994–95



1 VET corresponds to further education and training and includes government expenditure on administration, inspection, support and operation of educational programs in music, fine arts and design; courses designed to meet specific requirements of industry and commerce; and non-vocational courses offered by colleges of technical and further education.

Source: ABS Cat. No. 5512.0

State and Territory Governments provided the majority of funding for government schools and VET, while the Commonwealth provided the majority of public funding for non-government schools, universities and financial assistance to students. Commonwealth Government expenditure was 35 per cent of total government education expenditure in 1994–95.

### Commonwealth, State and Territory Government expenditures on education, 1994–95 (\$ million)

	<i>Primary and secondary education<sup>1</sup></i>	<i>University education</i>	<i>Further education and training</i>
Commonwealth	3 780	5 023	967
States and Territories	11 617	3 898	2 340
<b>Total</b>	<b>15 397</b>	<b>8 921</b>	<b>3 307</b>

1 The ABS figure of \$15.4 billion for school education differs from the NSSC sourced figure of \$11.4 billion in the School Education chapter which excludes Commonwealth Government expenditure and expenditure on non-government schools. The ABS and NSSC also use different counting rules.

Source: ABS Cat. No. 5512.0

### *Broad objectives and interactions of the sector*

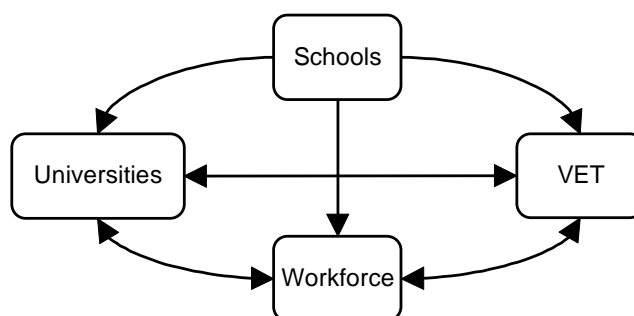
Education has both intermediate objectives, such as preparation for further education, and final objectives, such as contribution to the work force or to society in general.

Fifty four percent of persons completing secondary school in 1995 went on to attend an institution of further education and training or university. Of the remainder, the majority went on to find employment (27 percent of school leavers), while a sizeable minority remained unemployed (19 percent).

Adequate school education is crucial to further learning, whether in a VET setting, at university or on the job. However, the institutional division between school and further learning is at times blurred. For example, both accredited and other VET subjects are increasingly being taught in schools and some school students also study accredited courses at TAFE institutions.

Graduates of post-secondary institutions are more likely to become employed upon entering the work force than are students who do not undertake post secondary education. Many may well return to formal learning later, on either a part-time or full-time basis. In fact, education is increasingly being seen as a lifelong process, especially in times of rapid technological and structural change.

### Flows of students within the education sector and the work force



#### *Indicators*

Indicators of education outcomes are necessarily indirect or partial measures of broad objectives such as preparation for further education, entry to the work force and successful integration into society.

A class of indicators includes student learning outcomes or key competencies at each stage of primary, secondary, VET and university education as well as parent and student satisfaction with the education provided.

Another type of indicator of education success is student destination or outcomes information. This includes whether exiting students go on to:

- undertake further education;
- enter the work force;
- receive a promotion or pay increase; or
- become unemployed.

However, the destinations of students are also affected by factors other than their learning outcomes. For example, the number going on to further education will be influenced by the perceived net benefits of such education, and the number entering the work force by the general state of the economy and the local labour market.

Sources of information about education outcomes are the surveys of employers' perceptions of the skill levels of recent graduates from schools, VET and universities. Chapter 4 reports the results of a survey of employer satisfaction with recent VET graduates.

All of these indicators are used in the discussion of education performance and, taken together, provide an indication of the quality and efficiency of Australia's education and training system.

### *Recent developments*

The main recent developments in the education sector are increased participation in education and the greater range of employment focused education options available in schools, VET and the workplace.

National targets arising from the Finn Report for 2001 are for 95 per cent of 19 year olds to have completed or be participating in formally recognised education and training and for 60 per cent of 22 year olds to have completed or be participating in a level 3 or higher post-school qualification. Schools have diversified curricula to cater for a wider variety of student interests in response to the increasing number of students remaining for the last two years of school.

There is also increasing flexibility in the delivery of training in the workplace, including greater user choice of provider and more funded on-the-job training. This flexibility partly reflects an increasing focus on educational outcomes, including learning outcomes and employer satisfaction.

### *Future directions*

Given the increasing interactions among the elements of the education sector and between the education sector and the work force, the priority in performance measurement will continue to be monitoring the value adding of each stage and type of education. This is likely to increase the focus on employer and student perceptions of the skills that graduates acquire in school, VET and university.

A project has been undertaken to increase the information available on intermediate educational outcomes in primary schools. This is reported in the schools chapter. Preliminary information on employer perceptions of VET graduates and graduate take up rates are reported in the VET chapter.