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# EDUCATION PREFACE

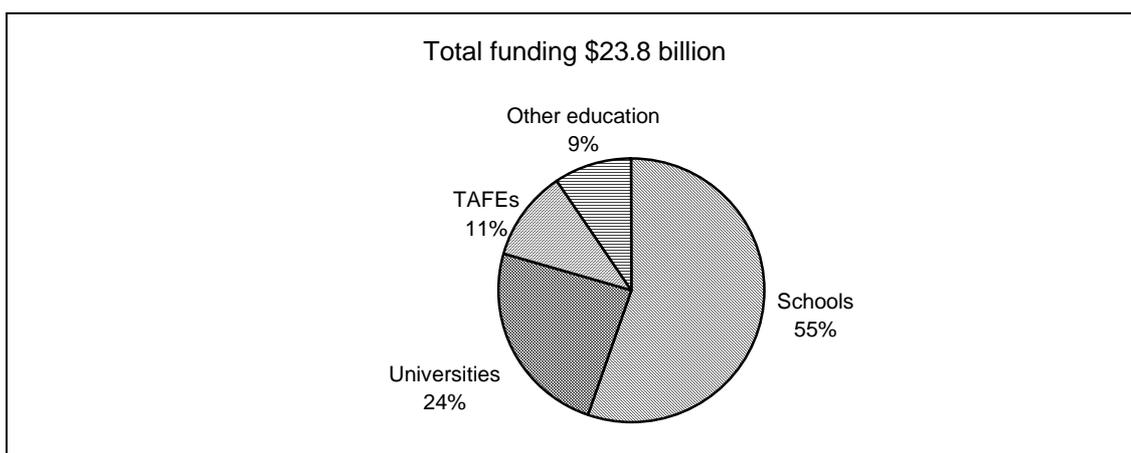
## Introduction

The education sector aims to aid the ability of its students to participate in society, further education and the workforce. This sector delivers education services through both government and non-government agencies. Government education agencies include primary and secondary government schools, Technical and Further Education (TAFE) institutes and universities. Governments also fund services delivered by non-government providers in the school and Vocational Education and Training (VET) sectors. Performance indicators for all of these education services, except universities, are included in this Report. Preschool programs, which provide a variety of educational and developmental experiences for children in the year or two years before full-time schooling, are included within children's services (Chapter 11).

## Scope of the sector

About 29 per cent of Australians (or 5.1 million persons) were engaged in some form of full-time or part-time education in 1996. The bulk of these students were at school (61 per cent) but significant numbers were undertaking VET programs (26 per cent) or studying at universities (13 per cent).

## Total government expenditure on education, 1995–96



Source: ABS 1997

Total expenditure (current and capital) on the education sector by the Commonwealth, State and Territory and Local Governments was about \$24 billion in 1995–96, or about 4.9 per cent of gross domestic product. Schools made up the largest expenditure area (55 per cent), followed by universities (24 per cent), TAFE (11 per cent) and other education (9 per cent).<sup>1</sup> Expenditure included government financial support for non-government schools and financial assistance paid directly to students through Austudy, but did not include expenditure on preschools and special schools.

State and Territory Governments provided most of the funding for government schools, but Commonwealth provided the majority of public funding for non-government schools, universities and financial assistance to students

### Government expenditure on education, 1995–96 (\$ million)

	Own source expenditure <sup>a</sup>		Specific purpose payments
	Commonwealth Government	State, Territory and Local Govt	
Primary and secondary education	3 913	9 263	3 209
University education	5 372	357	3 588
Technical and further education	1 036	1 604	788
Tertiary education n.e.c.	63	23	0
Preschool and other special education	143	1 074	59
Transportation of students	0	743	0
Education not elsewhere classified	153	52	0
<b>TOTAL</b>	<b>10 680</b>	<b>13 116</b>	<b>7 645</b>

a Own source expenditure excludes specific purpose payments. These payments are transfers from the Commonwealth Government to State and Territory Governments, and are included in Commonwealth Government expenditure, but not in State and Territory Government expenditure.

Source: ABS 1997

### Broad objectives and interactions of the sector

The education sector has a range of objectives, some are common across all levels of education (for example, to increase knowledge) and others are specific to the level of education (for example, universities provide employable skills). However, the general objectives of the education sector can be classified into three broad categories:

1 'Other education' includes: tertiary education not elsewhere classified; special education; education not definable by level; transportation of students; and education not elsewhere classified.

- student learning objectives — developing students’ knowledge, preparing them for further education and training, and teaching both vocational and non-vocational skills;
- social and other objectives — preparing students for their pathway through life (which includes providing them with employable skills and knowledge), and teaching them about their social responsibility; and
- equity objectives — promoting equality of educational opportunities and providing for groups with special learning requirements.

Reporting on the performance of educational services requires a range of measures which reflect the broad objectives of this service. Measures used in this Report include:

- indicators of learning performance and competence;
- graduate destinations information; and
- satisfaction surveys (of students, parents, subsequent educators and employers).

Measuring the access and performance of special needs groups and the efficiency of delivery are also emphasised for government provided education services given specific government objectives in these areas.

## **Productivity and growth**

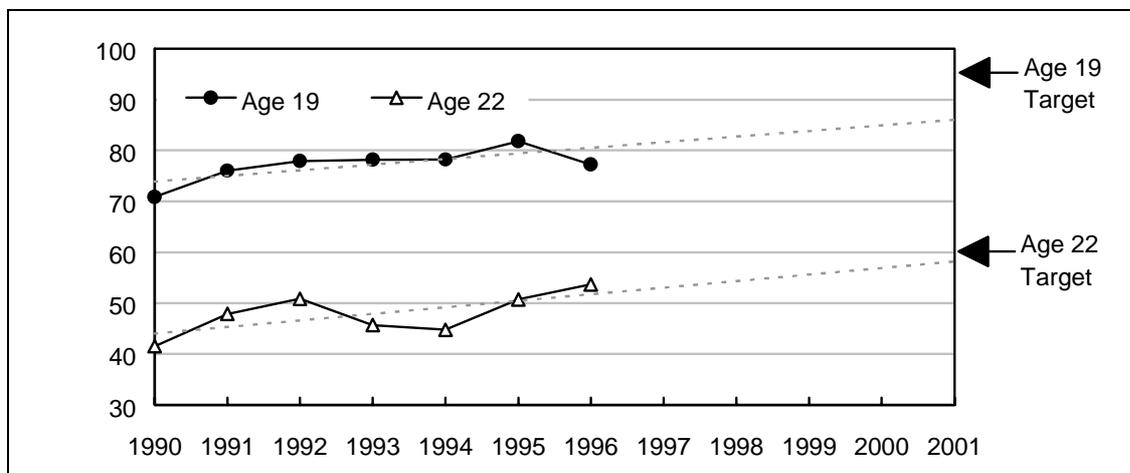
Education and training can facilitate higher productivity growth and improved social outcomes. Thus they have an important role to play in helping Australian businesses compete successfully in the global economy and to contribute to higher living standards. Access and participation in education can also be important in producing improved social outcomes so as to provide greater equality of opportunity across all sections of society.

The Ministerial Council on Vocational Education, Employment and Training and the Australian Education Council agreed in 1995 to use the ‘Finn targets’ to monitor young people’s participation in post-compulsory education and training.<sup>2</sup> These targets relate to national participation and qualification attainment for 19 to 22 year olds in the school, VET and higher education sectors as a way of monitoring overall outcomes for the whole education sector.

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2 The Finn targets were named after Brian Finn AO, chairman of the Australian Education Council Review Committee which produced the report, “Young People’s Participation in Post-Compulsory Education and Training” (Finn 1991).

Actual and projected participation and qualification attainment by young people in post-compulsory education, 1990 to 2001 (per cent)



Source: ANTA 1997

**Finn targets**

By 2001, 95 per cent of 19 year olds:

- will be participating in, or have completed, year 12; or
- will have completed years 10 or 11 and be participating in, or have completed, some formally recognised education and training.

By 2001, 60 per cent of 22 year olds:

- will be participating in education and training programs which lead to level 3 awards; or
- will have attained level 3 or above qualifications; or
- will be participating in, or have completed, higher education studies such as diplomas and degrees.

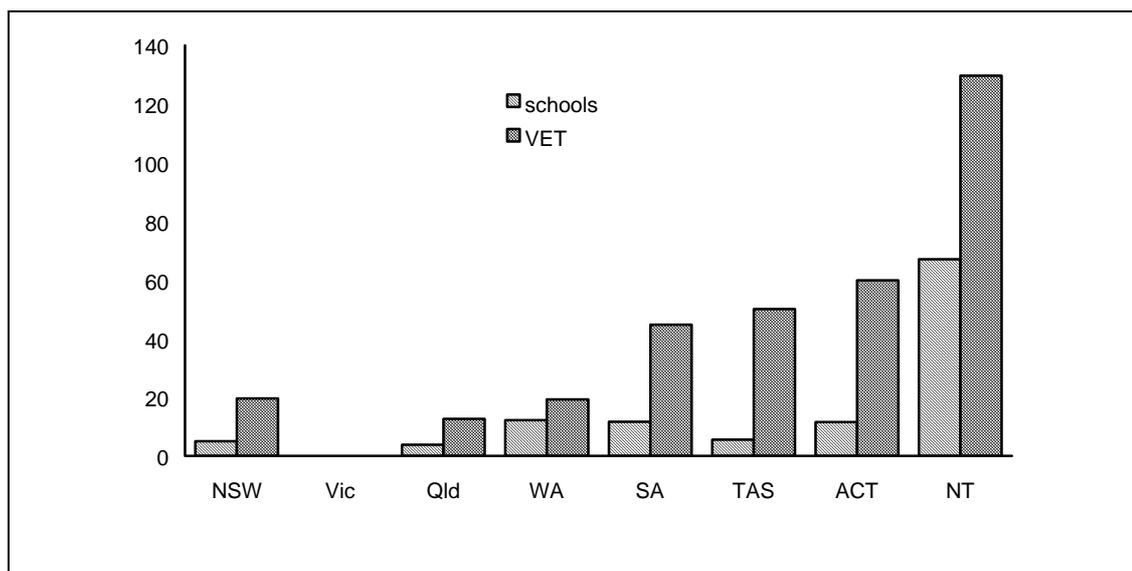
Source: ANTA 1997

**Comparative efficiency across jurisdictions**

Comparing efficiency of a particular service across jurisdictions can help to identify if particular states or territories have scope to improve their performance. However, special characteristics within particular jurisdictions tend to mean that it would be hard for all jurisdictions to attain the same level of efficiency on the measures used.

One way of partially accounting for special circumstances is to compare the variations in comparative efficiency across jurisdictions for similar types of services, such as school education and VET (see graph below). The higher variability in VET unit costs among the six states suggests that there may be some scope for improvements in efficiency in VET in some jurisdictions.

Education institution unit costs per equivalent full-time student, 1996  
(percentage unit costs above lowest cost jurisdiction)<sup>a, b</sup>



a Victoria has the lowest unit cost per student for schools and VET.

b The ACT and the NT has special circumstances applying to the delivery of VET.

Source: ANTA 1997 unpublished

## Future directions

Across the schools and VET areas, the Steering Committee is eager to obtain data that measures the net contribution of education to learning and skill development. This could be achieved by measuring before and after learning outcomes for schooling, or in the case of VET, employability before and after enrolment in VET (subject to the application of appropriate controls). This would require the application of longitudinal testing rather than the cross-sectional testing that is commonly used.

The Steering Committee continues to seek publication of comparable school learning outcomes data across jurisdictions.

