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# B Early childhood, education and training preface

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### **Attachment tables**

Attachment tables are identified in references throughout this preface by a 'BA' suffix (for example, table BA.3). A full list of attachment tables is provided at the end of this preface, and the attachment tables are available on the CD-ROM enclosed with the Report or from the Review website at <[www.pc.gov.au/qsp](http://www.pc.gov.au/qsp)>.

Education is a life-long activity, beginning with learning and development in the home through to more formal settings — including child care, preschool and the three sectors that comprise Australia's education and training system (the school education, vocational education and training (VET) and higher education sectors).

The following chapters of this Report cover child care (including outside school hours care) and preschools (chapter 3), school education (chapter 4), and VET (chapter 5). References are made to associated information contained in other parts of this Report, such as chapters and related attachment tables.

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Areas of government involvement in early childhood, education and training (ECET) that are not covered in this Report include:

- universities (although some information is included in this Preface where necessary to provide a complete picture)
- 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.

Australia's ECET sector has a range of objectives, some of which are common across all sector components (for example, to increase knowledge and equip students with the skills for life-long learning) while others are more specific to a particular sector.

- The objectives of children's services are to meet the care and education needs of all children in developmentally appropriate ways, in a safe and nurturing environment, to provide support for families in caring for their children, and to provide these services across a range of settings in an equitable and efficient manner (box 3.3). Children's services have both education and care objectives and the Children's services chapter presents both of these.
- The objectives of school education services, as reflected in the national goals for schooling (box 4.1) (and consistent with the *National Education Agreement*) focus on improving educational outcomes for all young Australians which is central to the nation's social and economic prosperity, and positioning young people to live fulfilling, productive and responsible lives.
- The objectives of VET services, as reflected in the *National Agreement for Skills and Workforce Development* (box 5.3) are to ensure all working age Australians have the opportunity to develop the skills and qualifications needed, including through a responsive training system, to enable them to be effective participants in and contributors to the modern labour market. VET services also aim to assist individuals to overcome barriers to education, training and employment, and to be motivated to acquire and utilise new skills, to ensure Australian industry and businesses develop, harness and utilise the skills and abilities of the workforce, and to provide opportunities for Indigenous Australians to acquire skills to access viable employment.
- The objectives of higher education services, as reflected in the *Commonwealth Higher Education Support Act 2003*, include contributing to the development of cultural and intellectual life in Australia, and appropriately meeting Australia's social and economic needs for a highly educated and skilled population.

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Australian governments view early childhood development, education and training as key means to improve economic and social outcomes, as well as to improve the equity of outcomes in society. The link between early childhood development and achievement at school is well established, as is the link between education and skills and workforce participation and productivity. Research indicates that early childhood, education, skills and workforce development policies could increase workforce participation by 0.7 percentage points, and productivity by up to 1.2 per cent by 2030 (PC 2006).

## Profile of the sector

### Roles and responsibilities

Different levels of government fulfil different roles with regard to ECET services. The roles and responsibilities of the Australian Government and State and Territory governments for 2008 are outlined in boxes B.1 and B.2 respectively. The Children's services, School education and VET chapters contain more detailed information on the roles and responsibilities of Australian, State and Territory governments with respect to each service area.

#### **Box B.1 Australian Government's roles and responsibilities**

Australian Government's roles and responsibilities include:

- paying Child Care Benefit (CCB) and Child Care Rebate (CCR) to eligible families using approved child care services
- providing funding to State and Territory governments to support the achievement of universal access to early childhood education
- funding the National Childcare Accreditation Council (NCAC) to administer quality assurance systems for child care services
- funding organisations to provide information, support and training to service providers
- providing operational and capital funding to some providers
- providing supplementary funding for government and non-government schools, and other payments directly to school communities, students, and other organisations to support schooling

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**Box B.1** (continued)

- providing funding contributions to states and territories to support their training systems and also providing specific incentives, interventions and assistance for national priority areas
- being the primary funding source for, and developer of policy related to, the higher education sector
- providing financial assistance for students.

**Box B.2 State and Territory governments' roles and responsibilities**

State and Territory governments' roles and responsibilities include:

- general responsibility for preschool services
- setting standards, licensing and monitoring children's services providers, including complaints management and dispute resolution
- monitoring and resourcing licensed and/or funded children's services providers
- providing operational and capital funding to non-government providers of children's services
- delivering some children's services directly (especially preschool services)
- providing information, support, advice and/or training to providers of children's services, staff and parents
- planning to ensure the appropriate mix of children's services is available to meet the needs of the community
- constitutional responsibility for the provision of schooling to all children of school age
- 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
- allocating funding for VET services and to support the maintenance of public training infrastructure

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**Box B.2 (continued)**

- overseeing the delivery of publicly funded training and facilitating the development and training of the public VET workforce
- ensuring the effective operation of the training market
- legislation relating to the establishment of universities and the accreditation of higher education courses.

## **Expenditure**

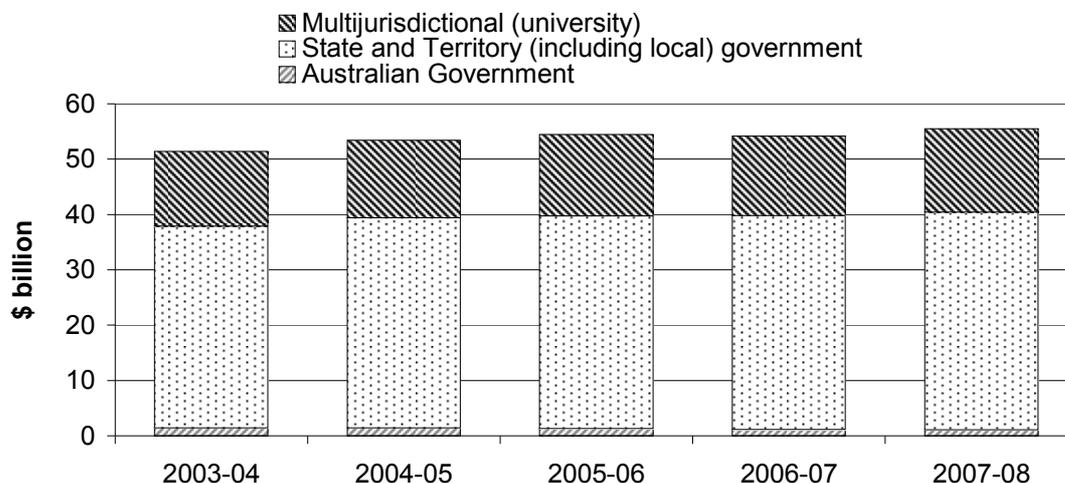
The Australian, State and Territory governments fund government and non-government providers to deliver child care, preschool, school education and VET services. Government providers include preschools, government schools (primary and secondary), Technical and Further Education (TAFE) institutes, and universities. Non-government providers include child care services, privately operated preschools and schools, private registered training organisations in the VET sector and private higher education institutions.

Government Finance Statistics (GFS) data from the Australian Bureau of Statistics (ABS) are used in this section for all ECET services with the exception of child care services (GFS data are not separately available for child care). Child care expenditure data are sourced from the Children's services chapter in this Report, and are not directly comparable with GFS data.

In 2007-08, total government operating expenses net of transfers (transfers or transactions between different levels of government) for preschool, school education, VET and higher education was \$55.5 billion for all governments (figure B.1) and total recurrent expenditure for child care services was \$2.7 billion (table BA.1).

In 2007-08, operating expenses (net of transfers) for preschool, school education, VET and higher education was \$1.1 billion for the Australian Government, \$39.3 billion for State, Territory and local government and \$15.1 billion for multijurisdictional (university) (figure B.1).

**Figure B.1 Australian, State and Territory (including local) government real operating expenses, net of transfers for education and training (2007-08 dollars)<sup>a, b, c</sup>**

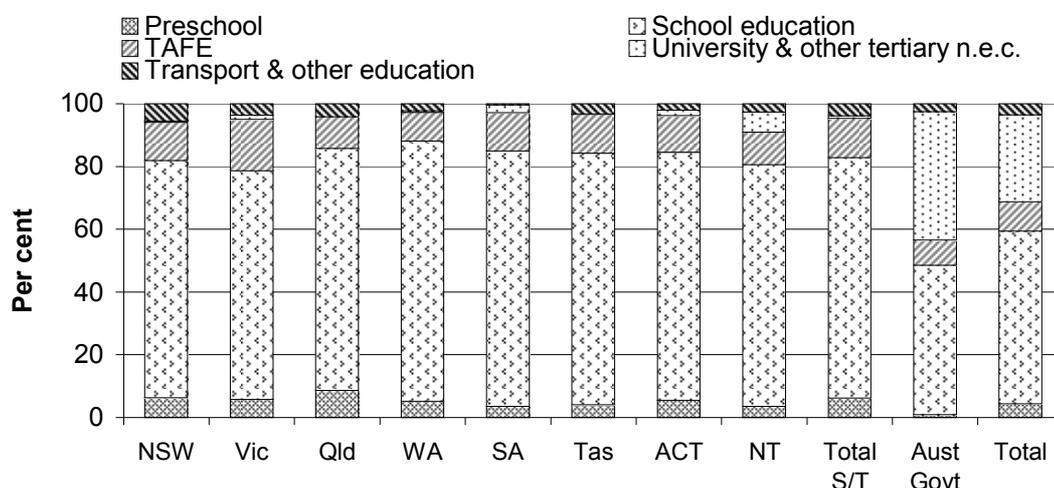


<sup>a</sup> Based on accrual operating expenses for education. <sup>b</sup> The ABS provided nominal figures. Real expenditure was calculated from these figures based on the ABS GDP price deflator (2007-08 = 100) (table AA.26). <sup>c</sup> Excludes expenditure on child care services.

Source: ABS (2009 and unpublished) *Government Finance Statistics, Education, 2007-08*, Cat. no. 5518.0.55.001, Canberra; table BA.2.

Of the combined \$55.5 billion total government expenditure on ECET in 2007-08 (excluding child care), schools accounted for the highest proportion (55.1 per cent), followed by universities (27.5 per cent), TAFE institutes (9.3 per cent) and preschool services (4.4 per cent) (figure B.2). School education (primary and secondary) received the largest proportion of State and Territory government expenditure (76.7 per cent), TAFE received 12.5 per cent, preschool services (including education not definable by level) received 6.2 per cent, and transportation of students and other education received 3.8 per cent (figure B.2).

Figure B.2 **Government expenditure on education and training, 2007-08<sup>a, b, c</sup>**



n.e.c. Not elsewhere classified. <sup>a</sup> Expenditure for TAFE from the ABS Government Finance Statistics excludes outlays on vocational training programs not provided by TAFE institutions (such as outlays on administration of apprenticeship schemes designed to facilitate workplace entry of people currently not employed or in need of retraining). <sup>b</sup> Preschool includes education not definable by level. <sup>c</sup> Transport and other education includes education not elsewhere classified.

Source: ABS 2009, *Government Finance Statistics, Education, 2007-08*. Cat. no. 5518.0.55.001; tables BA.3 and BA.4.

From 1 January 2009, reporting on expenditure may change due to the implementation of the Intergovernmental Agreement on Federal Financial Relations. The most recent expenditure data in this preface are for 2007-08, so they are not affected by these changes.

## Size and scope

### *ECET services*

There is a distinction between the number of places provided in children's services, and the number of children who attend these services. Due to the sessional or episodic nature of some services, it is possible for one place to accommodate more than one child, and for one child to occupy more than one place over time (see chapter 3 for more information on children attending services).

In 2009, approximately 828 381 children aged 12 years or younger attended Australian Government approved child care services. An additional 112 506 children attended State and Territory funded and/or provided child care services,

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and 208 183 children were enrolled in State and Territory funded and/or provided preschool services (tables 3A.9 and 3A.11).

In 2008, there were 3.4 million full time school students and 22 758 part time students attending 9562 schools in Australia, including 2.3 million students (full time and part time) attending 6833 government schools (tables 4A.1 and 4A.3).

Of the 1.7 million people who undertook VET programs in 2008, 1.2 million students (70.6 per cent) participated in government recurrent funded programs (DEEWR 2009a). Government funded students completed over 314.1 million annual hours at 12 899 locations across Australia (that is, TAFE, government funded locations and the locations of all other registered training providers [including private providers] that receive government recurrent funding for VET delivery). Of these locations, 1191 were TAFE provider locations (tables 5A.3-4).

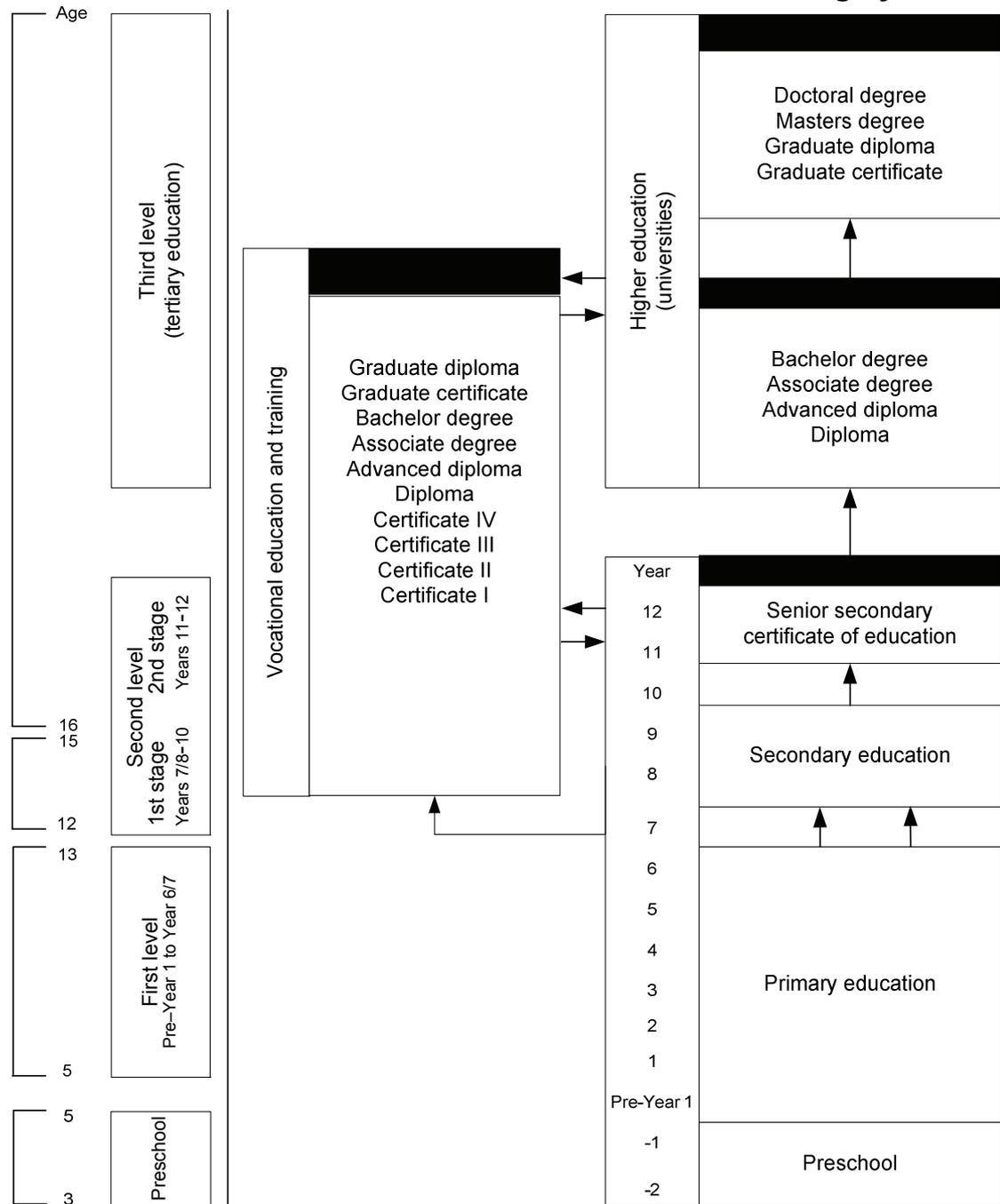
There were approximately 1.1 million students attending higher education institutions that received funding on behalf of the Australian Government in 2008, an increase of 3.5 per cent from 2007 (DEEWR 2009b). These students undertook a variety of courses, ranging from diplomas to doctorates across a range of public and private providers. The most common course was a 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 (DEEWR 2009b).

### *Learning pathways*

Preschools provide a range of educational and developmental programs (generally on a sessional basis) to children in the year immediately before they commence full time schooling and also, in some jurisdictions, to younger children. Depending on the State or Territory, the compulsory years of formal schooling in Australia in 2008 varied from 5 or 6 years of age, up to 15 or 16 years of age (see section 4.1 for more details). Box B.3 illustrates the learning pathways from preschool through the years of compulsory schooling and beyond.

To encourage flexible learning pathways, Australian governments 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. Similarly, the VET sector recognises some higher education qualifications as credit toward VET qualifications, and some VET certificates can be achieved in schools and can contribute towards the senior secondary certificate of education.

### Box B.3 Outline of the Australian education and training system<sup>a, b</sup>



<sup>a</sup> There are different starting ages for preschool (see table 3A.1) and school education (see section 4.1) across jurisdictions. The name of the first year of primary education (Pre-Year 1) also varies across jurisdictions. <sup>b</sup> Providers deliver qualifications in more than one sector. Schools, for example, are delivering certificates I–II and in some cases certificate III, 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: Australian, State and Territory governments (unpublished).

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## Workforce

Nationally in 2009, there were 96 170 primary contact staff employed in Australian Government approved child care services (table 3A.29).<sup>1</sup> There were 17 069 primary contact staff employed in State and Territory government funded preschool services in 2008-09 (tables 3A.48, 3A.55, 3A.62, 3A.69, 3A.76, 3A.83, 3A.90, 3A.97).

Nationally, government primary schools employed 122 260 teaching staff in 2008, and government secondary schools employed 96 127 teaching staff (table 4A.1).

A national estimate of 42 290 TAFE teachers for 2002 indicated that there is 'no single accepted measure of employment levels' for the VET workforce (NCVER 2004, p 6). There were an estimated 32 500 teachers working in all TAFE and other VET institutions nationally in 2006-07, with 69 per cent employed full time (ABS 2008a).

There were 29 957 teaching and research staff employed at Australian universities in 2008 (DEEWR 2009c).

## Measuring the performance of the sector

COAG has agreed six National Agreements to enhance accountability to the public for the outcomes achieved or outputs delivered by a range of government services, (see chapter 1 for more detail on reforms to federal financial relations). The *National Education Agreement* (NEA) and *National Agreement for Skills and Workforce Development* (NASWD) cover the area of ECET, and education and training indicators in the *National Indigenous Reform Agreement* (NIRA) establish specific outcomes for reducing the level of disadvantage experienced by Indigenous Australians. The agreements include sets of performance indicators, for which the Steering Committee collates annual performance information for analysis by the COAG Reform Council (CRC). The performance indicator results reported in this preface have been revised to align with the performance indicators in the National Agreements. The Future directions section of this preface identifies possible future reporting on performance indicators from COAG National Partnership agreements.

Individual performance indicator frameworks for the children's services, school education and VET sectors have been developed for the Report (figures 3.2, 4.4 and

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<sup>1</sup> Data are not available for the majority of jurisdictions for primary contact staff employed by State and Territory government funded and/or managed child care. Available data are provided in the attachment tables to the Children's services chapter (chapter 3).

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5.4 in the respective chapters). There is significant interaction between children's services (particularly preschool) and school education, between school education and VET, and between schools/VET and the university sector. Outcomes are also related to socioeconomic factors, geographic location, age, Indigenous status, language background and the performance of other government agencies (particularly in the areas of health, housing and community services).

Selected education and training participation rates in this section are estimates derived from the annual ABS survey of Education and Work (box B.4). Survey data are subject to sampling error, so to assist with interpreting data confidence intervals are reported (see appendix A of this Report for further details on interpreting confidence intervals).

#### **Box B.4 Survey of Education and Work data**

The ABS survey of Education and Work is conducted in all areas in all states and territories, except for very remote areas. Nationally, 0.8 per cent of the population reside in very remote areas but this varies across jurisdictions (table AA.6). The exclusion of these people had only a minor impact on estimates that are produced for individual states and territories, except for the NT where people in very remote areas account for around 23 per cent of the population.

### **Indigenous Australians and ECET**

The particular needs of Indigenous Australians for services in the ECET sector was reflected in the endorsement of Indigenous-specific targets by COAG in 2008 (COAG 2008) and in the NIRA. COAG targets include increasing access to quality early childhood education for 4 year olds in remote communities, reducing the gap in literacy skills for school-age children, and increasing year 12 (or equivalent) attainment. A range of indicators in this Preface report on the performance of education and training services in relation to Indigenous people.

### **Selected equity and effectiveness indicators**

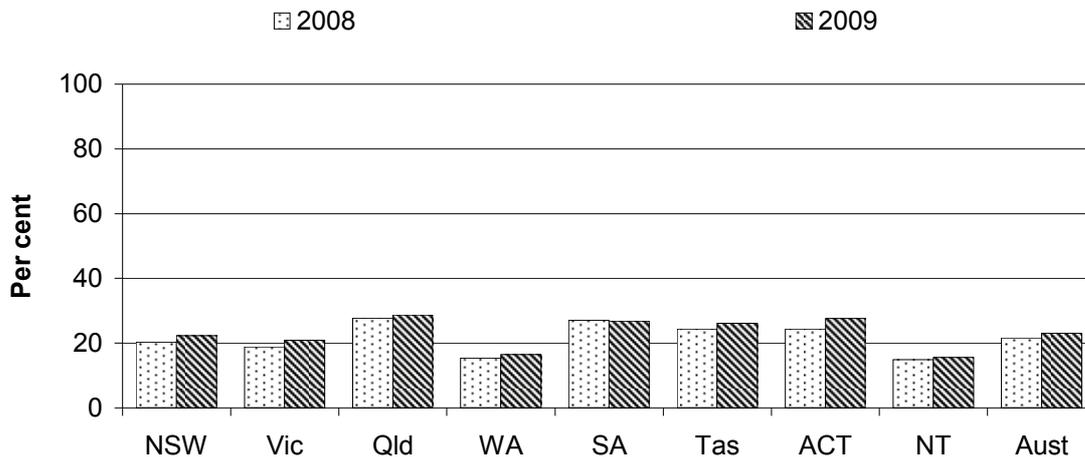
#### *Participation rates in child care, preschool, school and VET*

##### *Participation in child care*

Nationally in 2009, 23.1 per cent of children aged 0–12 years attended Australian Government approved child care (figure B.3). The majority of children attending

Australian Government approved child care in the March Quarter 2009 were aged 0–5 years (567 388, or 68.5 per cent) (table 3A.9).

**Figure B.3 Proportion of children aged 0–12 years using Australian Government approved child care<sup>a, b, c, d</sup>**



<sup>a</sup> Data prior to 2008 (presented in table 3A.9) are not directly comparable to data from 2008 due to a change in data source. Refer to box 3.1, box 3.5 and table 3A.9 for more information. <sup>b</sup> Each child attending child care is counted once, even if they attend more than one type of care. <sup>c</sup> Attendance is counted as the number of children attending approved care in all services except Vacation Care during the week 23–29 March 2009. The week in which vacation care attendance was measured varied due to different vacation care periods across Australia. <sup>d</sup> Population measure is the estimated resident population as at 31 December.

Source: DEEWR (unpublished); ABS (unpublished) *Australian Demographic Statistics*, Cat. no. 3101.0; tables 3A.2 and 3A.9.

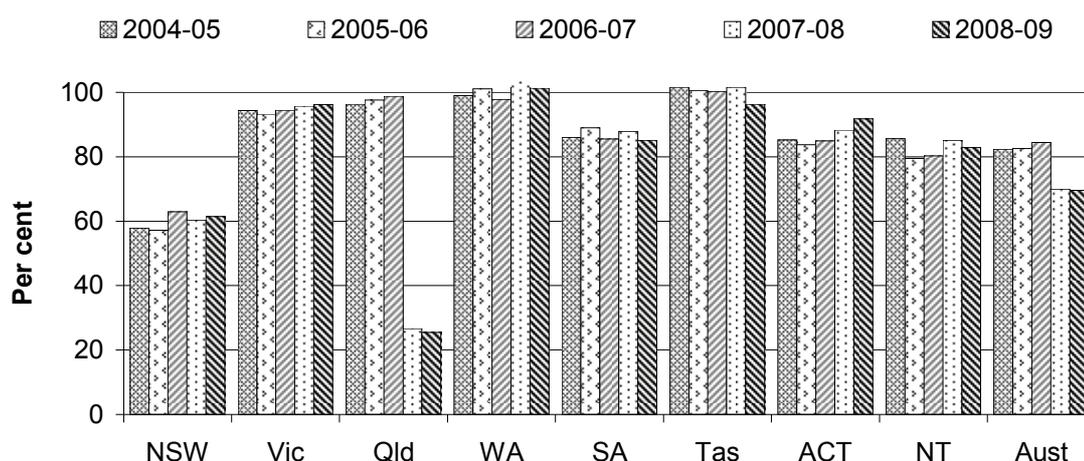
Indigenous children’s participation in Australian Government approved child care services is presented in tables 3A.14 and 3A.15. Nationally in 2009, 2.2 per cent of Indigenous children aged 0–5 years and 2.8 per cent of Indigenous children aged 6–12 years participated in Australian Government approved child care services (table 3A.14).

### *Participation in preschool*

Nationally in 2008-09, an estimated 69.5 per cent of children in the year before commencement of full time schooling were enrolled in State and Territory government funded and/or provided preschools (figure B.4). There are differences in the compulsory school starting age across jurisdictions, and most children enrolled in preschool in 2008-09 were 4 years old, however this varies across jurisdictions (table 3A.13). Some totals exceed 100 per cent due to double counting preschool enrolments and issues with synchronisation of data.

The national totals for preschool enrolments in 2007-08 and 2008-09 are not directly comparable to previous years due to the cessation of Queensland government provided preschool and the introduction of a preparatory year in Queensland from 2007.

**Figure B.4 Proportion of children in year before commencement of full time schooling enrolled in State and Territory government funded preschool<sup>a, b, c, d, e, f, g, h</sup>**



<sup>a</sup> The preschool starting age varies across jurisdictions (table 3.1). Differences in school starting age and years of schooling across jurisdictions can affect the proportion of children in preschool services. <sup>b</sup> Four year old children enrolled in preschool is a proxy for children in preschool in the year before full time school. Some children of other ages are included. <sup>c</sup> To calculate the proportions in this figure, enrolment data (from State and Territory governments) are divided by the number of 4 year olds in each jurisdiction (using ABS estimated resident population at 31 December). The enrolment data and population data are estimated at different times of the year. <sup>d</sup> There is some double counting of children in NSW, Queensland (from 2007-08) and WA because some children moved in and out of the preschool system throughout the year and some children accessed more than one sessional program. As a result, the number of children reported in preschool exceeds the number of children in the target population. <sup>e</sup> NSW data include children aged 4 years to 5 years, 11 months enrolled in and attending licensed state funded preschool programs. Children attending unfunded preschools and preschool programs in other licensed children's services in NSW cannot be discretely counted and are excluded. Children in the non-government school sector are also excluded. Data from 2006-07 include preschools managed by the NSW Department of Education and Training. <sup>f</sup> Victorian data for 2008-09 includes 9741 eligible 4 year old children attending funded kindergarten program conducted in centre based long day care services. <sup>g</sup> Queensland data from 2007-08 include Indigenous Community Pre-Preparatory and C&K community kindergarten services. Data for C&K community kindergarten services in 2008-09 are not comparable to data for previous years. Refer to table 3A.13 for more information. <sup>h</sup> NT preschool data from 2006-07 include Catholic Remote Indigenous schools.

Source: State and Territory governments (unpublished); ABS (unpublished) *Australian Demographic Statistics*, Cat. no. 3101.0; tables 3A.2 and 3A.13.

Indigenous children's participation in preschool is presented in table 3A.16. Nationally, the representation of Indigenous children in preschools was a similar proportion (4.9 per cent) to their representation in the community (4.4 per cent) (table 3A.16).

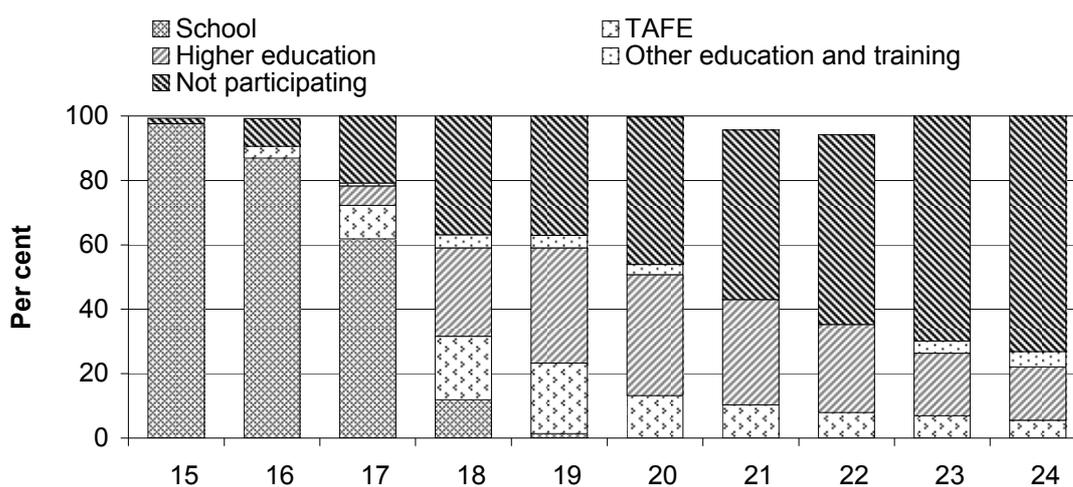
The *National Report to Parliament on Indigenous Education and Training, 2006* reported that nationally, the proportion of Indigenous students in government preschools who were assessed as being literacy ready to start school was similar in 2002 (64.9 per cent) and 2006 (65.3 per cent in 2006), and the proportion assessed as numeracy ready increased from 64.4 per cent in 2002 to 67.7 per cent in 2006 (DEEWR 2008). However, the disparity in academic performance between Indigenous students and non-Indigenous students increases as students progress through school (SCRGSP 2009, p. 4.46). Research has shown that achievement in years 5 and 7 literacy and numeracy is a key determinant of whether students continue to year 12 and enter into higher education (ACER 2004).

### *Participation in school education and VET*

Generally, young people from the ages of 5-6 years to 15-16 years were required to attend school in 2008. However, 1.2 per cent of 14 year olds are not participating in school (table 4A.83).

Beyond the age of compulsory school education, the proportion of people participating in education and training declines. Nationally in 2008, the participation rate was 98.3 per cent for 15 year olds, decreasing with each year of age to 26.9 per cent for 24 year olds (figure B.5).

**Figure B.5 Participation in education and training of people aged 15–24 years, by sector, 2008<sup>a, b, c</sup>**



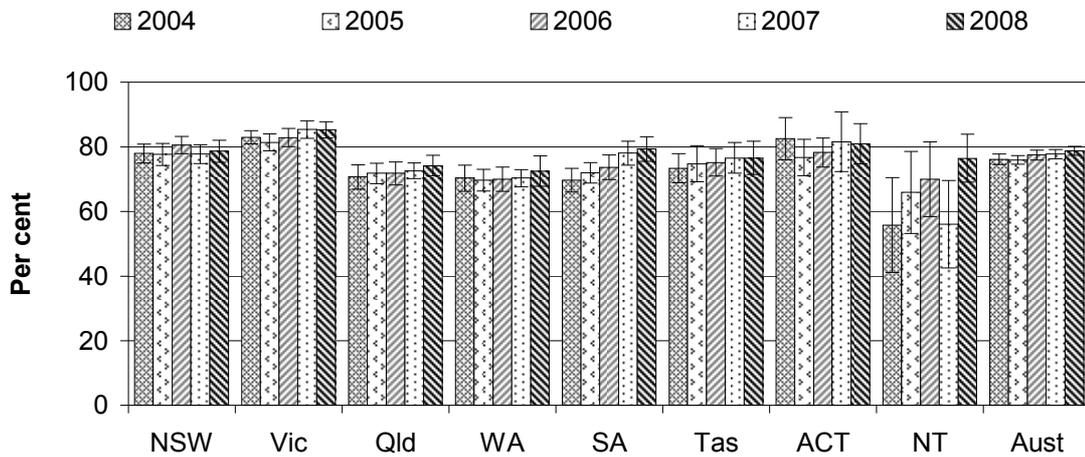
<sup>a</sup> Data are for participation in education and training during May. Student participation may be underestimated because data are not for the whole year. <sup>b</sup> Totals for some age groups may not add to 100 per cent due to data that are not published. <sup>c</sup> Refer to box B.4 for information on the geographic coverage of the survey of Education and Work.

Source: ABS (unpublished) *Education and Work*, Cat. no. 6227.0; table BA.5.

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 influences beyond the direct control of State and Territory governments, such as labour market changes, population movements, urbanisation, and socioeconomic status.

Nationally, the participation rate increased slightly between 2004 and 2008 for people aged 15–19 years (from 76.2 per cent to 78.8 per cent) and 20–24 years (from 37.7 per cent to 39.8 per cent) (figures B.6 and B.7 respectively). Further information on 25–29 and 15–64 year olds is available in attachment table BA.6.

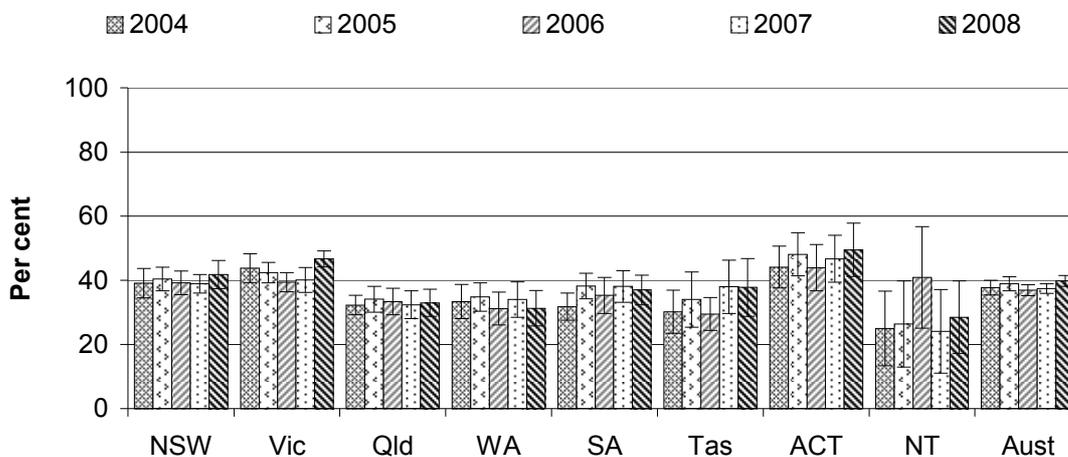
**Figure B.6 Participation in education and training (15–19 year olds)<sup>a, b</sup>**



<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> Refer to box B.4 table BA.6 for more information on the geographic coverage of the survey of Education and Work.

Source: ABS 2008, *Education and Work*, 2008, Cat. no. 6227.0; table BA.6.

Figure B.7 Participation in education and training (20–24 year olds)<sup>a, b, c</sup>



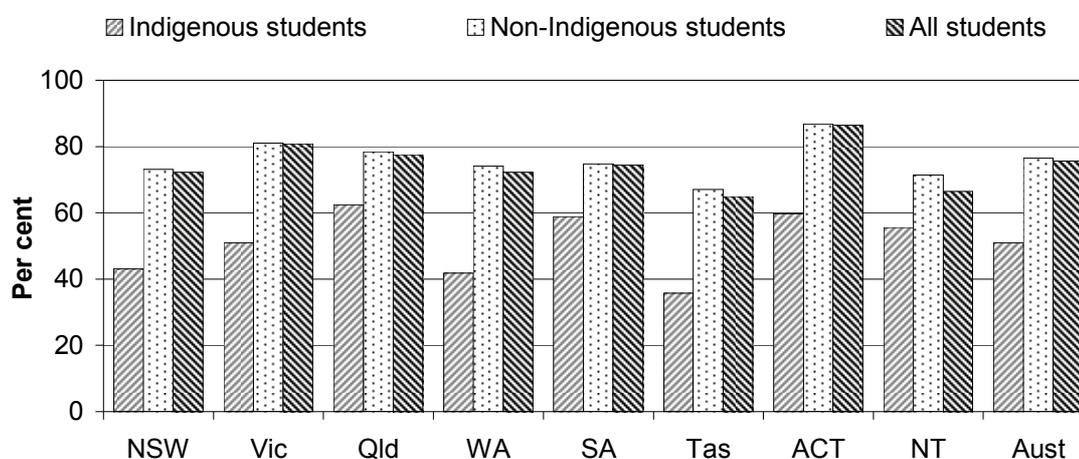
<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> The proportion of people participating in education and training in the NT in 2005 and 2007 each have a relative standard error between 25 per cent and 50 per cent and should be interpreted with care. <sup>c</sup> Refer to Box B.4 for information on the geographic coverage of the survey of Education and Work.

Source: ABS 2008, *Education and Work, 2008*, Cat. no. 6227.0; table BA.6.

### *Indigenous Australians' school education*

Nationally, the apparent retention rate of full time Indigenous students from year 10 to year 12 was 51.0 per cent in 2008, compared with 75.6 per cent for full time all students (figure B.8). Indigenous students who leave school before year 10 are not included in the base year for retention from year 10 to year 12. Nationally, 10.8 per cent of Indigenous students left school before year 10 — compared to 0.7 per cent of all students — so are not included in the base year for retention from year 10 to year 12 (table 4A.87).

Figure B.8 **Apparent retention rates from year 10 to year 12, full time secondary students, 2008<sup>a, b, c, d</sup>**



<sup>a</sup> Apparent retention rates are affected by factors that vary across jurisdictions. For this reason, variations in apparent retention rates over time within jurisdictions may be more useful than comparisons across jurisdictions. <sup>b</sup> The exclusion of part time students from standard apparent retention rate calculations has implications for the interpretation of results for all jurisdictions, but particularly for SA, Tasmania and the NT where there are high proportions of part time students in government schools (table 4.4 in chapter 4). <sup>c</sup> Ungraded students are not included in the calculation of apparent retention rates. <sup>d</sup> Some students' Indigenous status is not stated. Students for whom Indigenous status is not stated are not included in the data for 'Non-Indigenous students', but are included in the data for 'All students'. Consequently, the number of Indigenous students counted in the Indigenous rates may be under-represented in some jurisdictions.

Source: ABS 2009, *Schools Australia 2008*, Cat. No. 4221.0; table 4A.87.

In 2006, 32 per cent of the year 12 Indigenous student cohort undertook a senior secondary certificate course aimed at gaining university entrance, compared to 78 per cent of the non-Indigenous student cohort. Of these Indigenous students, 11 per cent attained a score that would gain them university entrance, compared to 47 per cent of non-Indigenous students (DEEWR 2008).

Nationally in 2007, Indigenous students comprised 3.2 per cent of students participating in VET in Schools (NCVER 2009). Indigenous students made up a higher proportion of VET students than their proportion in the population (table 5A.15).

### *School completion/non-completion and school leaver destinations*

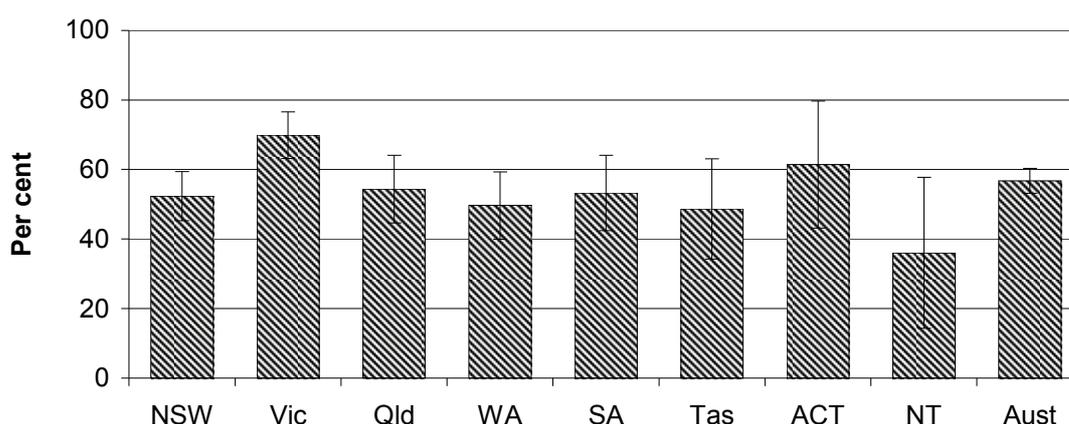
In 2008, 66 per cent of the estimated potential year 12 population completed the requirements of the year 12 certificate (or equivalent). This result varied between socioeconomic status (SES) deciles (from 58 per cent for low socio-economic background students to 77 per cent for high socioeconomic background students) and between geographic regions (from 68 per cent in metropolitan zones to 36 per cent in very remote zones) (figures 4.45 and 4.46).

Approximately 135 200 people aged 15–19 years who attended school in 2007 were not attending an educational institution in May 2008 (43.3 per cent of all school leavers). Of these students, 74 900, or 55.4 per cent, were year 12 leavers, with the remainder early school leavers (44.7 per cent). In 2008, 91 100 school leavers (29.2 per cent of all school leavers) were enrolled in higher education institutions, and 73 400 school leavers (23.5 per cent of all school leavers) were enrolled in TAFE institutions (table BA.11).

### *Participation in further education*

Nationally in 2008, 56.7 per cent of all 15–19 year old school leavers were participating in further education, however this proportion varies across jurisdictions (figure B.9).

**Figure B.9 Proportion of 15–19 year olds participating in post school education or training, 2008<sup>a, b, c, d, e</sup>**



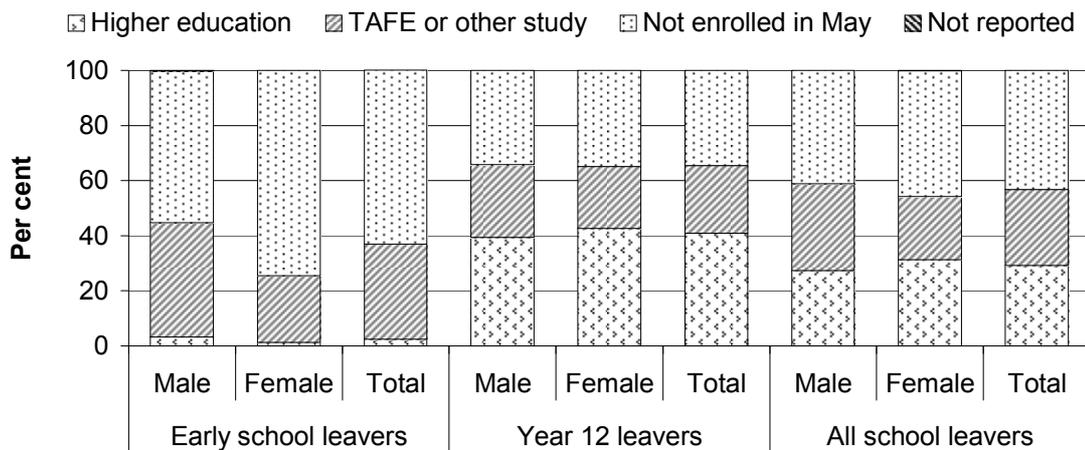
<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> Includes people who left school in the previous year and are participating in non-school education and/or training on either a full time or part time basis (participation in May 2008 for people who left school in 2007). Includes apprenticeships and traineeships. <sup>c</sup> Proportions are determined using the number of students educated in the jurisdiction divided by the estimated resident population for the jurisdiction in the 15–19 years age group. In some cases students are educated in a different jurisdiction to their place of residence. These students are counted in their jurisdiction of education for the numerator (number of students educated in the jurisdiction) and their jurisdiction of residence for the denominator (estimated resident population). <sup>e</sup> Refer to box B.4 for more information on the geographic coverage of the survey of Education and Work.

Source: ABS (unpublished) *Education and Work*, Cat. no. 6227.0; table BA.13.

Nationally in 2008, 29.2 per cent of 15–19 year old school leavers were enrolled in higher education, 27.6 per cent were enrolled in TAFE or other study, and 43.3 per cent were not enrolled in further education (figure B.10). In 2008, males aged 15–19 years were more likely than their female counterparts to go on to further education if they had left school early (44.9 per cent and 25.4 per cent respectively).

A similar proportion of male and female 15–19 year olds who completed year 12 went on to further education in 2008 (65.8 per cent and 65.1 per cent respectively). Year 12 leavers were more likely to go on to further education than early school leavers (65.5 per cent compared to 36.9 per cent respectively) (figure B.10). Similar data for 15–24 year olds are presented in table BA.12.

**Figure B.10 School leaver destination, 15–19 year olds, 2008<sup>a, b, c, d</sup>**



<sup>a</sup> Data for people who attended school in 2007 and were not attending school in May 2008. <sup>b</sup> Early school leavers are those who left school earlier than year 12. <sup>c</sup> 'Other study' includes study undertaken at business colleges, industry skills centres and other educational institutions. <sup>d</sup> Refer to box B.4 for more information on the geographic coverage of the survey of Education and Work.

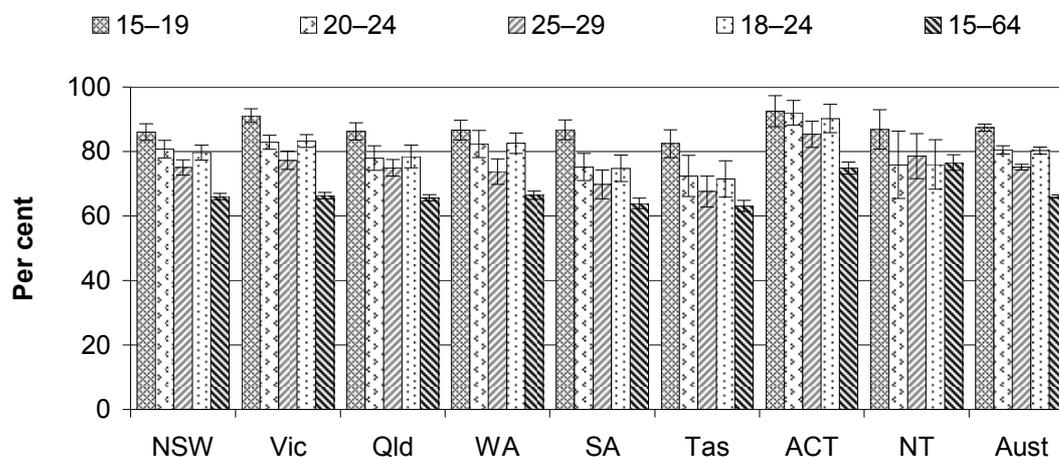
Source: ABS (unpublished) *Education and Work*, Cat. no. 6227.0; table BA.11.

Data on applications to enrol in an educational institution are presented in tables BA.14–BA.16. In 2008, 96.6 per cent of people aged 15–19 years who applied to enrol in an educational institution gained placement and commenced study, 2.6 per cent gained placement but deferred study, and 0.7 per cent applied but could not gain placement (table BA.14). Data for 20–24 year olds and 15–64 year olds are presented in tables BA.15 and BA.16 respectively.

### *Participation in full time employment, education or training*

Full time participation in employment, education or training (including school education, vocational training and higher education) declines as people reach their late-20s (figure B.11). However, rates for 25–29 year olds are generally still higher than rates for the entire working age population (15–64 years).

**Figure B.11 Full time participation in employment, education, or training, 2008 (per cent)<sup>a, b, c, d, e</sup>**



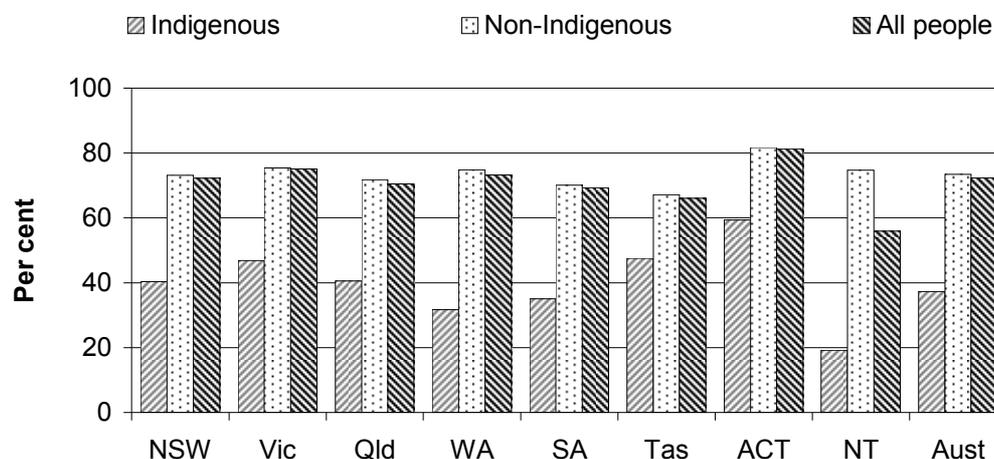
<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> Full time participation is defined as participation in full time education or training or full time work, or a combination of both part time education or training and part time work. <sup>c</sup> Education or training includes school education, vocational training and higher education. <sup>d</sup> Proportions are determined using the number of students educated in the jurisdiction divided by the estimated resident population for the jurisdiction in the 15–19 years age group. In some cases students are educated in a different jurisdiction to their place of residence. These students are counted in their jurisdiction of education for the numerator (number of students educated in the jurisdiction) and their jurisdiction of residence for the denominator (estimated resident population). <sup>e</sup> Refer to box B.4 for more information on the geographic coverage of the survey of Education and Work.

Source: ABS 2008, *Education and Work*, 2008, Cat. no. 6227.0; table BA.7.

Data on full time participation in employment, education or training at or above certificate III for various age groups are presented in tables BA.8–10. Nationally in 2008, 76.3 per cent of 18–24 year olds participated in full time employment, education or training at or above certificate III (table BA.8). Data for other age groups are presented in table BA.8.

Nationally in 2006, non-Indigenous 18–24 year olds were more likely than Indigenous 18–24 year olds to be engaged in full time employment, education or training (73.4 per cent and 37.3 per cent respectively) (figure B.12). Data for other age groups are presented in table BA.9.

Figure B.12 **Proportion of 18–24 year olds engaged in full time employment, education or training, by Indigenous status, 2006**<sup>a, b, c, d, e</sup>



<sup>a</sup> Full time participation is defined as participation in full time employment, full time education or training, or a combination of both part time employment and part time education or training. <sup>b</sup> Australia includes 'Other Territories'. <sup>c</sup> All people aged 18–24 years excludes people whose fully engaged employment or education status was unknown. <sup>d</sup> All people includes those for whom Indigenous status is unknown. <sup>e</sup> Proportions are determined using the number of students educated in the jurisdiction divided by the estimated resident population for the jurisdiction in the 15–19 years age group. In some cases students are educated in a different jurisdiction to their place of residence. These students are counted in their jurisdiction of education for the numerator (number of students educated in the jurisdiction) and their jurisdiction of residence for the denominator (estimated resident population).

Source: ABS (unpublished) 2006 Census of Population and Housing; table BA.9.

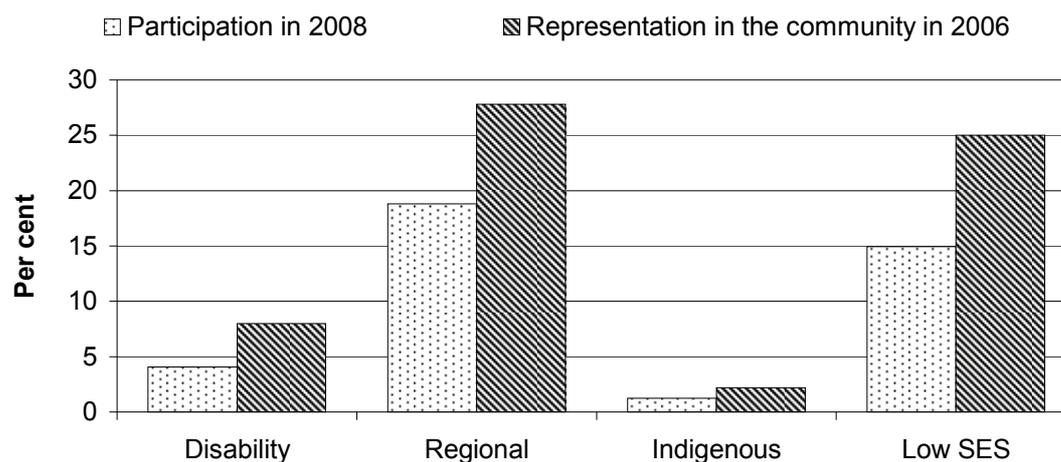
Engagement in full time employment, education or training using the ABS Socio-Economic Indexes for Areas (SEIFA) Index of Relative Socio-economic Disadvantage (IRSD) is presented in attachment BA.10. Nationally and in all jurisdictions, in 2006, 18–24 year olds from the geographic areas of least socioeconomic disadvantage (SEIFA IRSD Quintile 5) were more likely to be fully engaged in employment, education or training than 18–24 year olds from geographic areas of greatest socioeconomic disadvantage (SEIFA IRSD Quintile 1) (table BA.10). Data for other age groups are presented in table BA.10.

### *Participation in higher education*

While most young people make successful transitions from school to higher education, some do not. Research shows that students from groups that are less likely to complete year 12 are also those less likely to participate in higher education, and particularly those that show low levels of early school achievement (ACER 2003).

In higher education, there is an under-representation (compared to the proportion of the relative group in the community) among people from regional areas of Australia, people with a disability, those with disadvantaged/low socioeconomic backgrounds and Indigenous Australians (figure B.13).

**Figure B.13 Higher education participation by selected groups, Australia<sup>a, b</sup>**



<sup>a</sup> Students can be included in more than one selected group. <sup>b</sup> Regional includes regional, remote, rural and isolated areas.

Source: DEEWR (2009 and unpublished) *Higher Education Student Statistics, 2008*; table BA.35.

VET provides an alternative post school pathway to further education for students. As with higher education, there is lower participation in VET by those with low levels of school achievement and those from lower socioeconomic backgrounds (ACER 2002). Unlike participation in higher education, VET participation increases for people from ‘outer regional’ and ‘remote and very remote’ areas (figure 5.6).

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 (ACER 2005a, FYA 2008). 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.

## Selected efficiency indicators

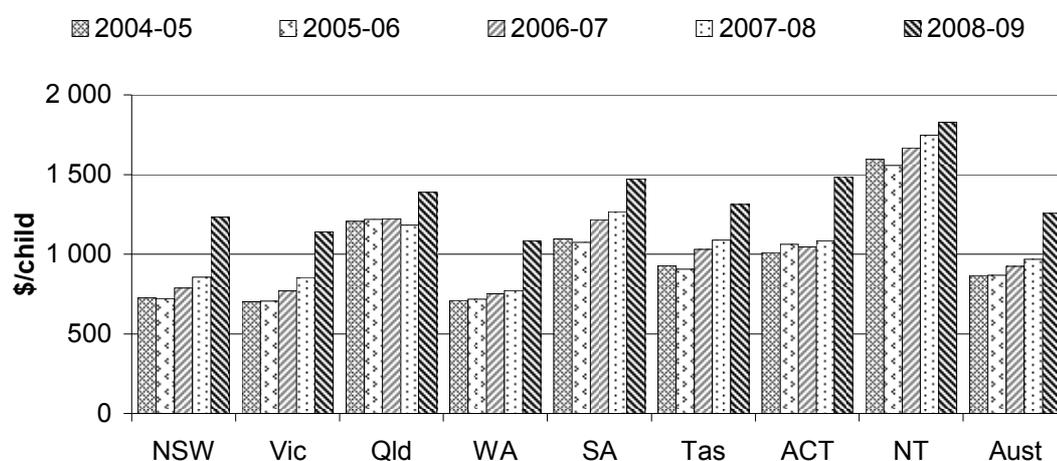
Comparing the unit costs of providing a particular service across jurisdictions can help to identify whether states and territories have scope to improve their efficiency. However, special characteristics within jurisdictions make it unlikely that all jurisdictions could achieve similar outcomes with the same level of unit costs.

Unit costs are not comparable across children's services, school education and VET, due to the differing bases upon which they are calculated, and the differences between the sectors. Data are therefore shown separately for each area.

### *Children's services, School education and VET recurrent unit costs*

Total government (Australian, State and Territory governments) real expenditure on children's services per child at a national level increased by 45.2 per cent between 2004-05 and 2008-09 (figure B.14).

**Figure B.14 Total government real recurrent expenditure on children's services per child aged 0–12 years (2008-09 dollars)<sup>a, b</sup>**



<sup>a</sup> Includes administration expenditure, other expenditure on service provision, financial support to families, and net capital expenditure on child care and preschool services from both Australian Government (for child care services only) and State and Territory governments (for child care services and preschool services).

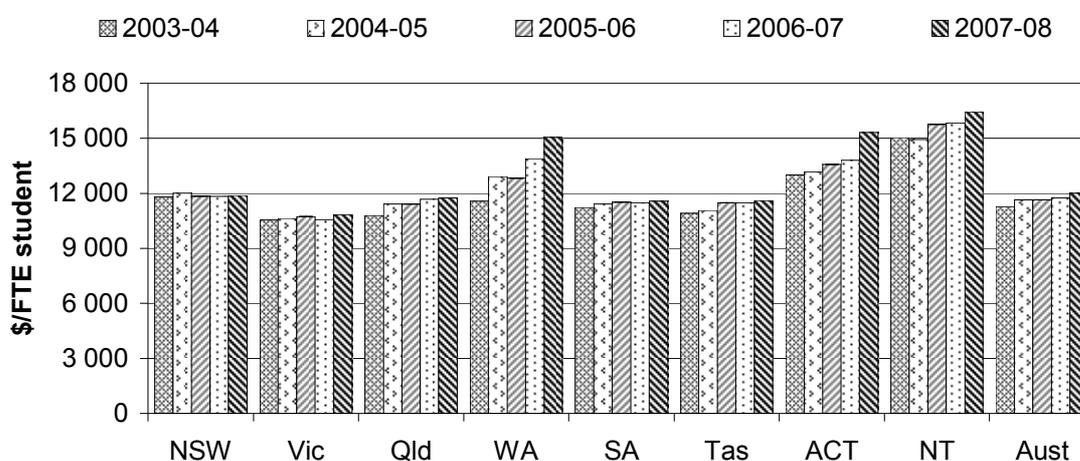
<sup>b</sup> See notes to figure 3.22 for further detail on the Australian Government's and State and Territory governments' expenditure data.

Source: DEEWR (unpublished); State and Territory governments (unpublished); ABS (unpublished) *Australian Demographic Statistics*, Cat. no. 6227.0; tables 3A.35 and 3A.36.

Efficiency data for school education are presented in chapter 4 for all schools. However, it should be noted that this Report includes only government expenditure — non-government schools received 57.0 per cent of their funding from government sources (MCEECDYA 2009).

Nationally in 2007-08, in-school Australian, State and Territory government expenditure on government schools was \$12 017 per full time equivalent (FTE) student (figure B.15).

**Figure B.15 In-school government real recurrent expenditure on government schools per FTE student (2007-08 dollars)<sup>a, b, c, d</sup>**

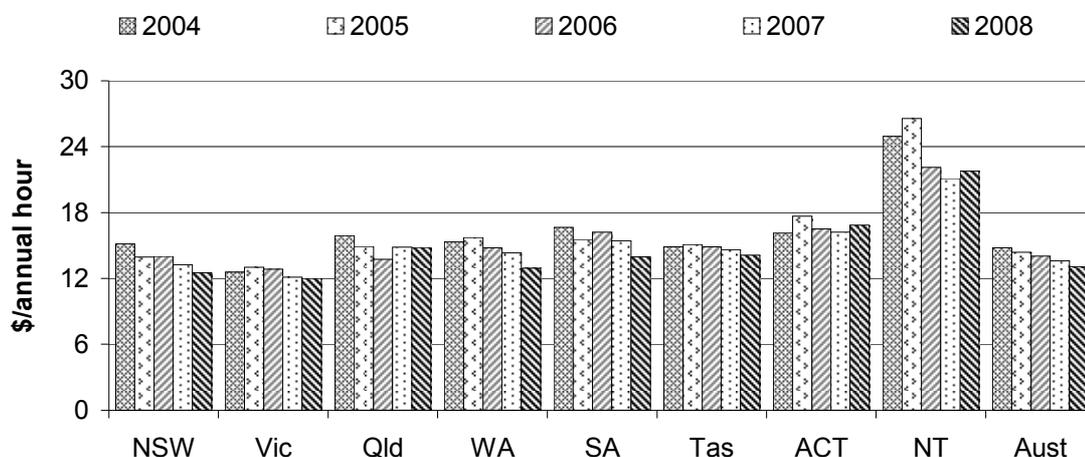


**FTE** = full time equivalent. **a** Data are derived from in-school government expenditure on government primary and secondary schools divided by two year average FTE student population. **b** Based on accrual data. **c** Schools data include payroll tax estimates for WA and the ACT to achieve greater comparability across jurisdictions. **d** Data for previous years have been adjusted to 2007-08 dollars using the ABS GDP price deflator (table AA.26).

Source: tables 4A.8 and BA.28.

Total government recurrent expenditure on VET in 2008 was \$13 per annual hour (figure B.16). Annual hours refer to the total hours of supervised training delivered, based on the standard nominal hour value for each subject undertaken. Refer to chapter 5 for more information.

Figure B.16 **Total government real expenditure on VET per annual hour (2008 dollars)<sup>a, b, c</sup>**



<sup>a</sup> The ACT is the only jurisdiction not to levy payroll tax on its VET employees. A payroll tax estimate based on the ACT payroll tax rate has been included in the expenditure data for the ACT. <sup>b</sup> Data for Australia exclude the ACT payroll tax estimate. <sup>c</sup> Historical data have been adjusted to 2008 dollars using the GDP chain price index (table 5A.92).

Source: tables 5A.92 and BA.29.

## Selected outcome indicators

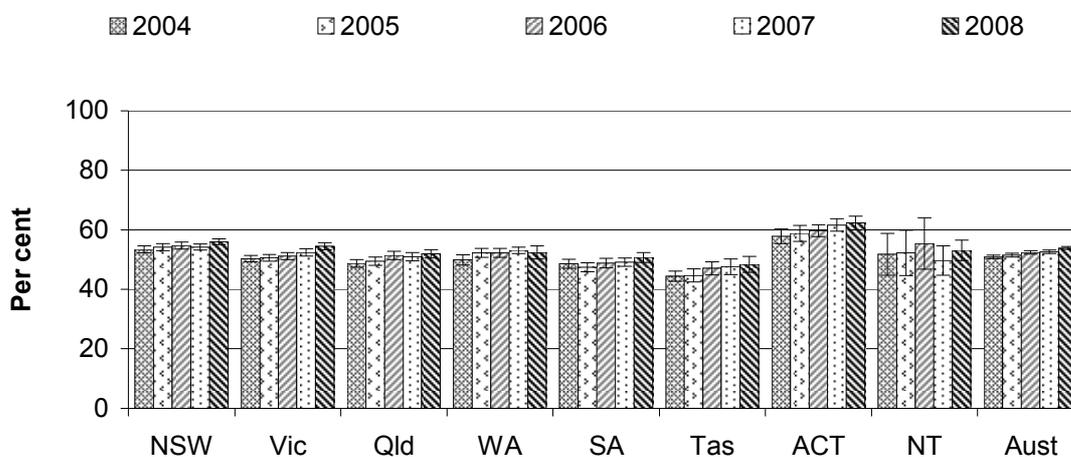
### *Educational attainment*

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

### *Non-school qualifications and employment*

In 2008, 53.9 per cent of people aged 15–64 years had a non-school qualification (7.5 million people) compared with 50.9 per cent (6.7 million people) in 2004 (figure B.17). Of the 7.5 million people with a non-school qualification, 40.6 per cent had a postgraduate degree, graduate diploma/graduate certificate or bachelor degree as their highest non-school qualification (table BA.17). Of the 6.4 million people in the 15–64 year age group without non-school qualifications, 37.8 per cent had completed the highest level of secondary school (table BA.18).

**Figure B.17 Proportion of 15–64 year olds with a non-school qualification as their highest level of qualification<sup>a, b, c</sup>**

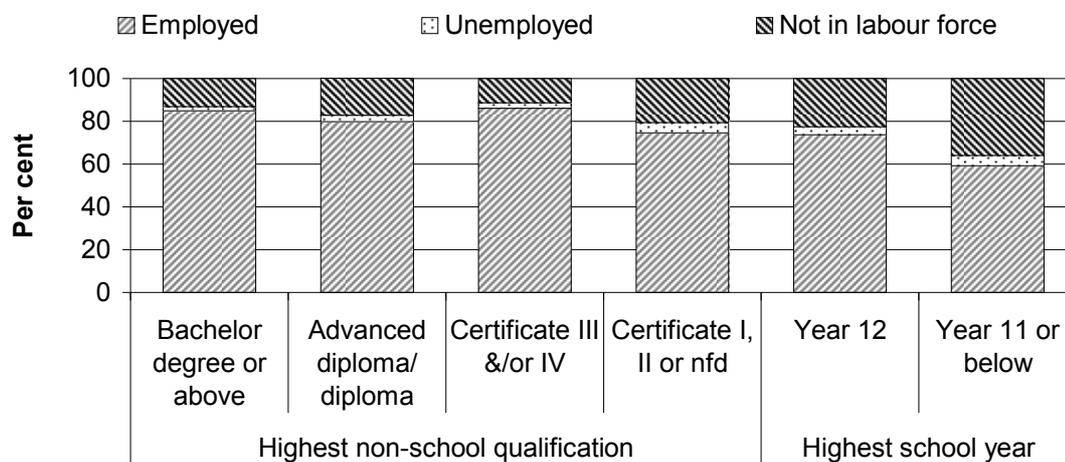


<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> The levels of highest non-school qualifications are not necessarily higher than a school qualification (that is, certificate I, II or not further defined (nfd) are not necessarily higher than year 12). <sup>c</sup> Refer to box B.4 for more information on the geographic coverage of the survey of Education and Work.

Source: ABS 2008, *Education and Work*, 2008, Cat. no. 6227.0; table BA.17.

There were 6.2 million employed people who had a non-school qualification in 2008, representing 60.2 per cent of employed people aged 15–64 years (table BA.18). People whose highest non-school qualification was a certificate III or IV were most likely to be employed (86.1 per cent), while people who did not complete secondary school were the least likely to be employed (59.2 per cent) (figure B.18).

Figure B.18 **Level of highest non-school qualification, or school year completed for those without a non-school qualification, by labour force status, (15–64 year olds), May 2008<sup>a, b, c</sup>**

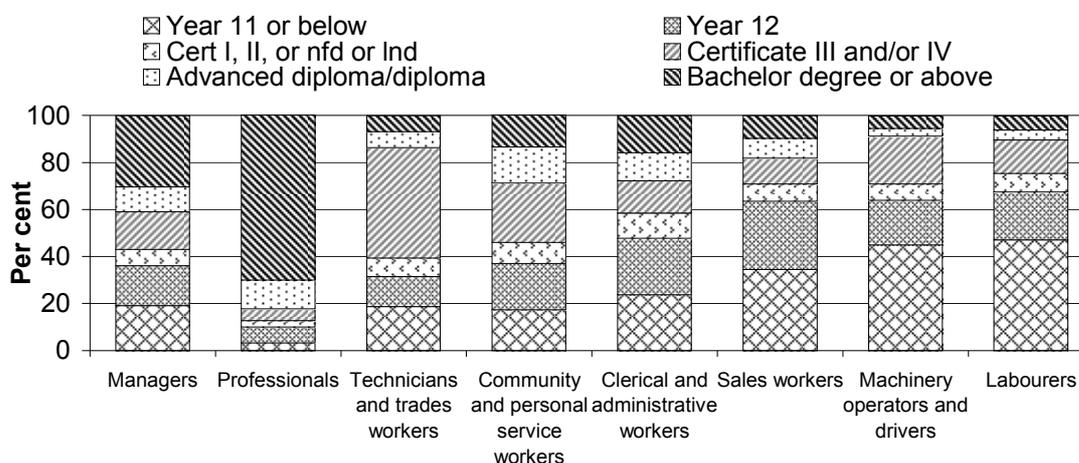


**nfd** = Not further defined. <sup>a</sup> The levels of qualifications are not necessarily listed in order from highest to lowest (that is, certificate I, II or nfd are not necessarily higher than year 12). <sup>b</sup> The denominator for proportion of people with a non-school qualification is level of education attained, and the denominator for people without a non-school qualification is the highest year of schooling completed. <sup>c</sup> Refer to box B.4 for information on the geographic coverage of the survey of Education and Work.

Source: ABS 2008, *Education and Work*, 2008, Cat. no. 6227.0; table BA.18.

People employed as professionals were most likely to have completed a bachelor or higher degree as their level of highest non-school qualification (70.2 per cent in 2008), while the level of highest non-school qualification for the majority of technicians and trades workers was a certificate III or IV (47.0 per cent) (table BA.19). People employed as sales workers, machinery operators and drivers, and labourers were most likely to be without a non-school qualification (greater than 60 per cent) (figure B.19).

**Figure B.19 Occupation of employed people, by level of highest non-school qualification or school year completed for those without a non-school qualification, (15–64 year olds), May 2008<sup>a, b</sup>**



nfd = Not further defined. Ind = Level not defined. <sup>a</sup> The levels of qualifications are not necessarily listed in order from highest to lowest (that is, certificate I, II or nfd are not necessarily higher than year 12). <sup>b</sup> Refer to box B.4 for information on the geographic coverage of the survey of Education and Work.

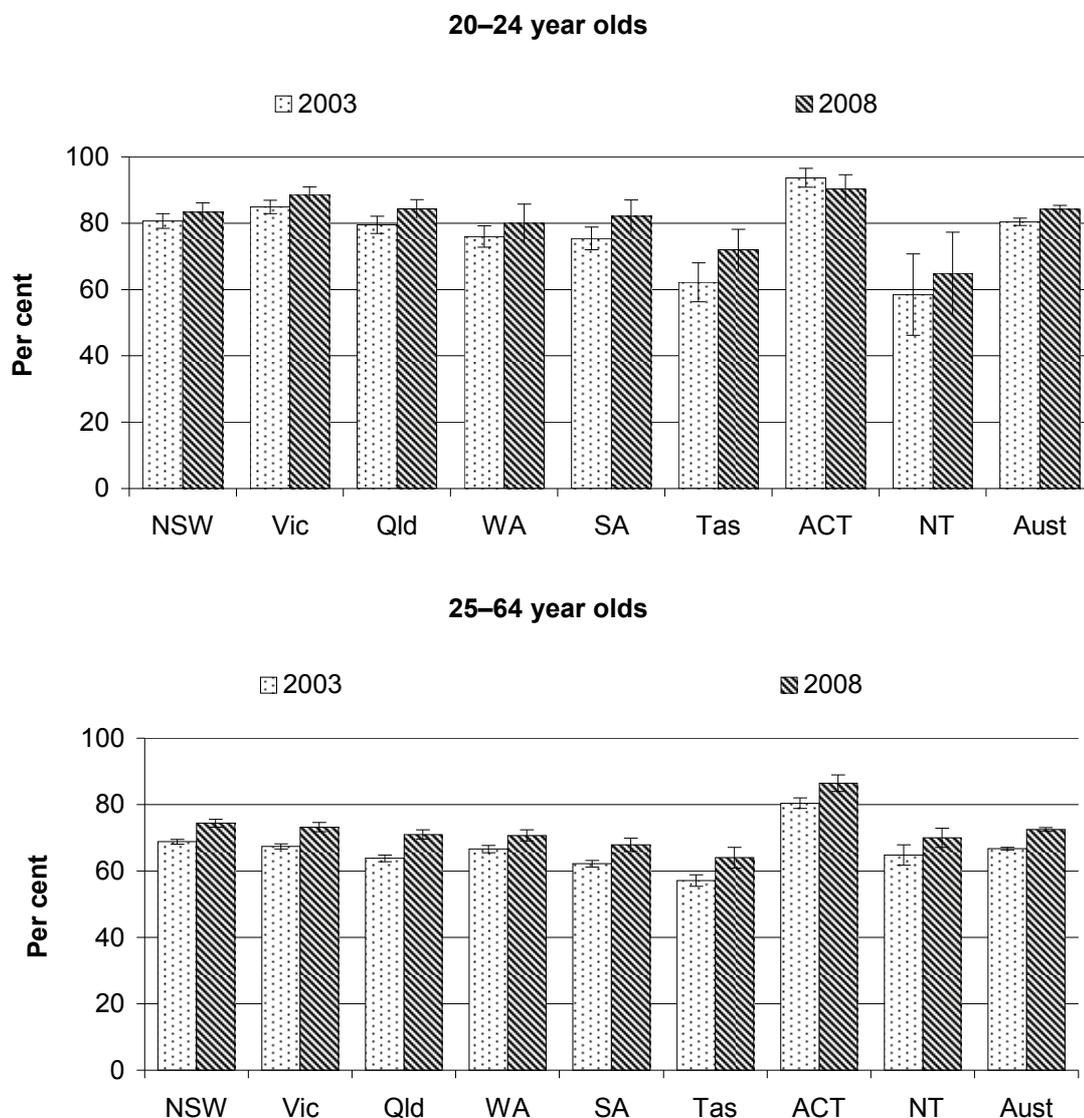
Source: ABS 2008, *Education and Work*, 2008, Cat. no. 6227.0; table BA.19.

Achieving year 12 (or equivalent) improves employment and earning outcomes for young people (ACER 2000). However, Australia is in the bottom half of OECD countries for the proportion of the population of post compulsory school age attaining year 12 or equivalent — the proportion of 25–34 year olds that attained this level or similar in 2006 (80.0 per cent) ranked 18 out of 29 OECD countries (OECD 2008).

#### *Minimum attainment — Year 12 or equivalent, or Certificate II*

Nationally, the proportion of 20–24 year olds in 2008 who had completed year 12 or equivalent or gained a qualification at certificate level II or above was 84.2 per cent in 2008, increasing from 80.4 per cent in 2003. The proportion of 25–64 year olds who had completed year 12 or equivalent or gained a qualification at certificate level II or above was 72.5 per cent in 2008, increasing from 66.7 per cent in 2003. The overall proportions for 20–24 year olds and 25–64 year olds varied across jurisdictions (figure B.20). Data for 19 year olds are presented in table BA.20.

Figure B.20 Proportion of 20–24 and 25–64 year olds who completed year 12 or equivalent, or gained a qualification at certificate level II or above<sup>a, b, c</sup>



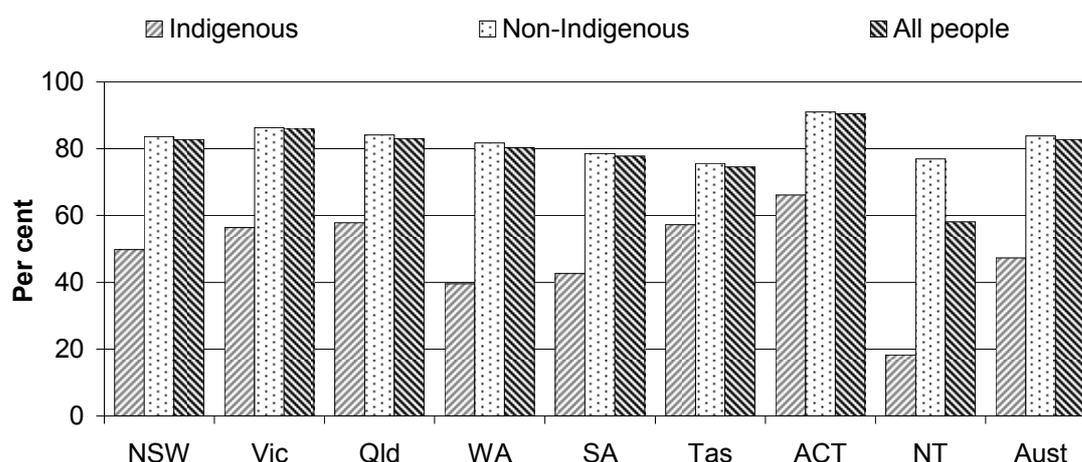
<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> Proportions are determined using the number of students educated in the jurisdiction divided by the estimated resident population for the jurisdiction in the 15–19 years age group. In some cases students are educated in a different jurisdiction to their place of residence. These students are counted in their jurisdiction of education for the numerator (number of students educated in the jurisdiction) and their jurisdiction of residence for the denominator (estimated resident population). <sup>c</sup> Refer to box B.4 for information on the geographic coverage of the survey of Education and Work.

Source: ABS 2008, *Education and Work*, 2008, Cat. No. 6227.0; table BA.20.

Nationally in 2006, non-Indigenous 20–24 year olds were more likely than Indigenous 20–24 year olds to have completed year 12 or equivalent, or gained a qualification at certificate II or above (83.8 per cent and 47.4 per cent respectively)

(figure B.21). Data for 19 year olds and 25–64 year olds are presented in table BA.21.

**Figure B.21 Proportion of 20–24 year olds who completed year 12 or equivalent, or gained a qualification at certificate level II or above, by Indigenous status, 2006<sup>a, b, c, d</sup>**



<sup>a</sup> Australia includes 'Other Territories'. <sup>b</sup> People aged 20–24 years who have completed year 12 or certificate II or above includes certificate I or II nfd but excludes people with a certificate nfd and people whose level of non-school qualification could not be determined. <sup>c</sup> All people include those for whom Indigenous status is unknown and consequently the proportion of Indigenous students may be under-represented in some jurisdictions. <sup>d</sup> Proportions are determined using the number of students educated in the jurisdiction divided by the estimated resident population for the jurisdiction in the 15–19 years age group. In some cases students are educated in a different jurisdiction to their place of residence. These students are counted in their jurisdiction of education for the numerator (number of students educated in the jurisdiction) and their jurisdiction of residence for the denominator (estimated resident population).

Source: ABS (unpublished) 2006 Census of Population and Housing; table BA.21.

The proportion of 20–24 year olds who have completed year 12 or equivalent, or gained a qualification at certificate level II or above, using the ABS SEIFA IRSD, an index of socioeconomic disadvantage, is presented in table BA.22. Nationally and in all jurisdictions, in 2006, 20–24 year olds from the geographic areas of least socioeconomic disadvantage (SEIFA IRSD Quintile 5) were more likely to have completed year 12 or equivalent, or gained a qualification at certificate II or above than 20–24 year olds from geographic areas of greatest socioeconomic disadvantage (SEIFA IRSD Quintile 1) (table BA.22). Similar data for 19 year olds and 25–64 year olds are presented in table BA.22.

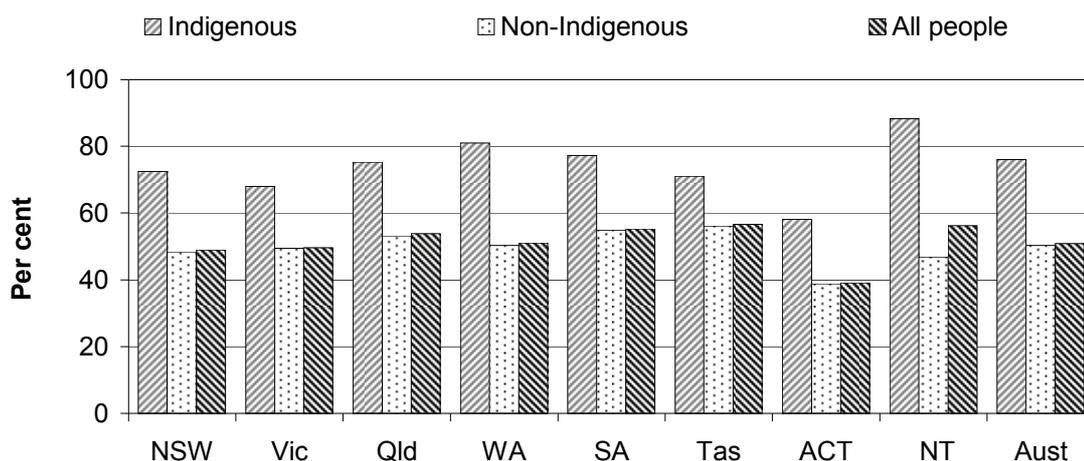
Chapter 5 presents additional data on participation in government funded VET programs at the certificate III level or higher by selected age groups, including data for 20–24 year olds and 25–64 year olds.

*People with limited or no qualifications*

Data on 20–64 year olds who do not have qualifications at or above a certificate III are presented in tables BA.23–BA.25. This includes people without a qualification, and people who have completed year 12 or equivalent, a certificate I, or a certificate II. Nationally in 2006, 50.8 per cent of 20–64 year olds did not have qualifications at or above a certificate III (figure B.22).

Indigenous 20–64 year olds were more likely to be without qualifications at or above a certificate III than non-Indigenous 20–64 year olds (76.0 per cent and 50.3 per cent respectively) (figure B.22). Alternative data on 20–64 year olds who do not have qualifications at or above a certificate III (in 2008) from the ABS *Survey of Education and Work* are presented in table BA.23.

**Figure B.22 Proportion of 20–64 year olds without qualifications at or above certificate III, by Indigenous status, 2006<sup>a, b, c</sup>**



<sup>a</sup> Certificate III or above includes certificate III, IV, diploma, advanced diploma, bachelor degree and above. Based on ABS decision tree for determination of level of highest education attainment. <sup>b</sup> All people excludes people whose level of education was not stated. <sup>c</sup> All people include those for whom Indigenous status is unknown and consequently the proportion of Indigenous students may be under-represented in some jurisdictions.

Source: ABS (unpublished) 2006 Census of Population and Housing; table BA.24.

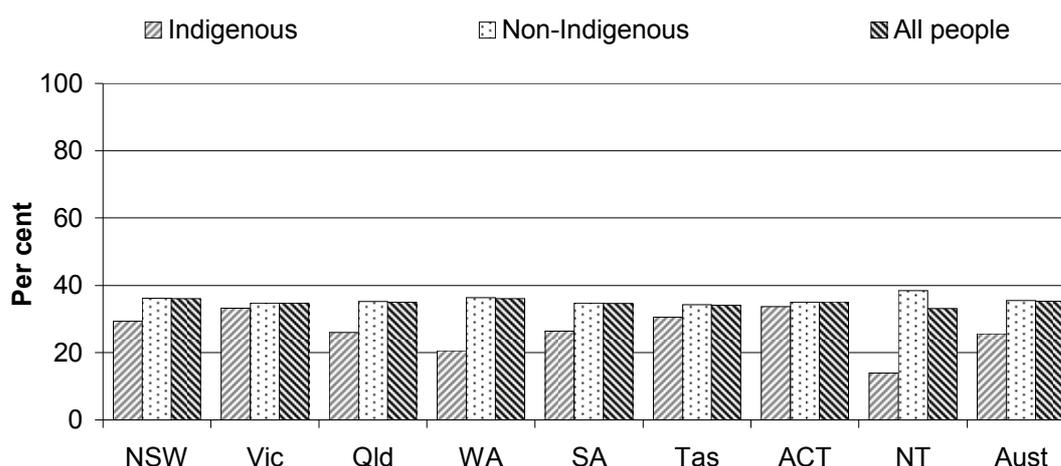
The proportions of 20–64 year olds without qualifications at or above certificate III using the ABS SEIFA IRSD, an index of relative socioeconomic disadvantage, are presented in table BA.25. Nationally and in all jurisdictions, in 2006, 20–64 year olds from the geographic areas of most socioeconomic disadvantage (SEIFA IRSD Quintile 1) were more likely to be without qualifications at or above a certificate III than 20–64 year olds from geographic areas of least socioeconomic disadvantage (SEIFA IRSD Quintile 5) (BA.25).

Data on the proportion of 25–29 year olds who have gained a post-secondary qualification at certificate III or above are shown at table BA.26.

*People with or working towards selected VET qualifications*

Nationally in 2006, 35.3 per cent of 20–64 year olds had, or were working towards, a post school qualification at a certificate III, IV, diploma or advanced diploma level. Non-Indigenous 20–64 year olds were more likely than Indigenous 20–64 year olds to have, or be working towards, a certificate III, IV, diploma or advanced diploma (35.5 per cent and 25.6 per cent respectively) (figure B.23).

**Figure B.23 Proportion of 20–64 year old population with or working towards post school qualification in certificate III, IV, diploma and advanced diploma, by Indigenous status, 2006<sup>a, b, c, d</sup>**



<sup>a</sup> Australia includes Other Territories. <sup>b</sup> Includes people who have indicated that they have attained one of these qualifications, or are working towards a post school qualification. The Census does not enable disaggregation by qualification type, therefore this figure is an overcount of the required population. <sup>c</sup> All people excludes people whose level of education or attendance status was not stated. <sup>d</sup> All people include those for whom Indigenous status is unknown and consequently the proportion of Indigenous students may be under-represented in some jurisdictions.

Source: ABS (unpublished) 2006 Census of Population and Housing; table BA.27.

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### *Adult literacy and numeracy skills*

This section presents data indicating the skill level of the working age population in 2006. Data are sourced from the *Adult Literacy and Life Skills (ALLS) Survey* (ABS 2008b), and include information on:

- *prose literacy* — the ability to understand and use information from various kinds of texts, including newspapers, magazines and brochures
- *document literacy* — the knowledge and skills required to locate and use information contained in various formats including job applications, payroll forms, transportation schedules, maps, tables and charts
- *numeracy* — the knowledge and skills required to effectively manage and respond to the mathematical demands of diverse situations.

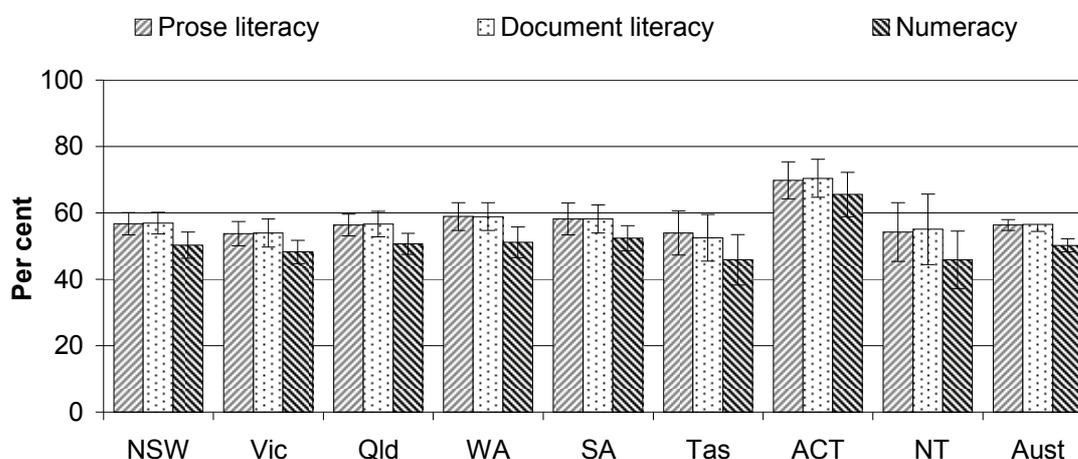
Skills were ranked on a scale from level 1 (lowest skill) to level 5 (highest skill), with level 3 considered ‘the minimum level required for individuals to meet the demands of everyday life and work in the emerging knowledge-based economy’ (ABS 2008b). Individuals with skills at level 1 or level 2 may be unable to effectively participate in education, the labour market, and/or the broader community.

Nationally in 2006, the proportions of people aged 15–64 years that scored level 3 or above were:

- 56.4 per cent for prose literacy (compared with 55.7 per cent in 1996) (table BA.31)
- 56.5 per cent for document literacy (compared with 55.1 per cent in 1996) (table BA.31)
- 50.2 per cent for numeracy skills (comparative data are not available for numeracy skills for 1996) (table BA.30).

The proportions of people aged 15–64 years who achieved at or above level 3 by State and Territory in 2006 are presented in figure B.24.

**Figure B.24 Proportion of 15–64 year olds who achieved at skill level 3 or above, 2006<sup>a, b</sup>**



<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate. <sup>b</sup> The ALLS sample does not include people from very remote areas, and is not designed to be representative of the Indigenous population. Consequently, data for the NT should be treated with caution as the proportion of the population in very remote areas of the NT is greater than in other states and territories.

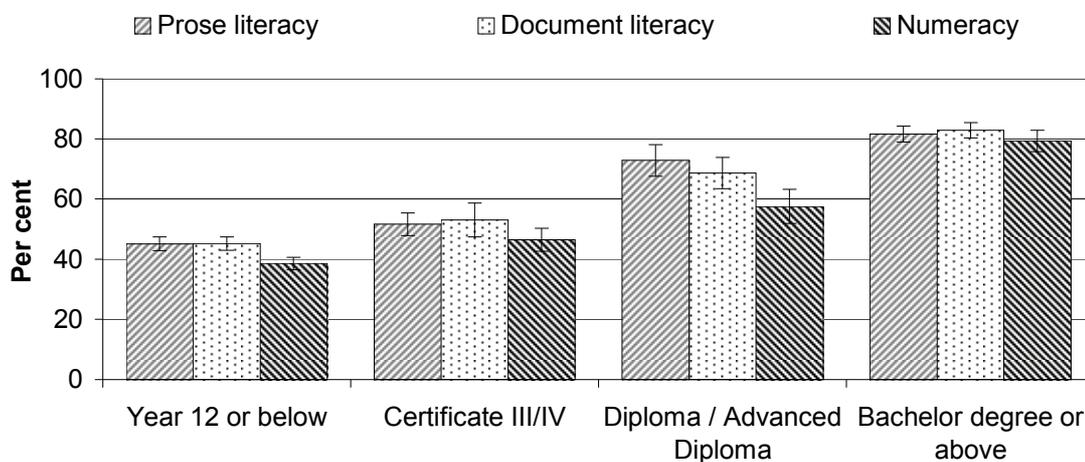
Source: ABS (2008 and unpublished) *Adult Literacy and Life Skills Survey 2006*, Cat. no. 4228.0; table BA.30.

The ALLS survey identified a number of factors that are related to literacy skills, including educational attainment, whether English is a person’s first language, and age. In 2006, people who either did not complete schooling to year 12 (or equivalent) or spoke English as a second language comprised 83 per cent of those who did not have the minimum level of prose literacy skills to adequately meet the demands of everyday life (ABS 2008b).

In 2006, the ALLS survey found that people (excluding those still at school) who had not completed education or training beyond year 12 (or equivalent) were more likely to have prose literacy skills below level 3 than those who had completed schooling to year 12. The ALLS survey found that ‘on average, literacy skills increase with each additional year of school completed’ (ABS 2008c, p.100).

The proportion of the working age population (15–64 year olds) at literacy levels 3 and above, by level of educational attainment is presented in figure B.26. Level of educational attainment may be considered an indication of socioeconomic status, where lower levels of educational attainment (for example ‘Year 12 and below’) represent lower socioeconomic status. Data on socioeconomic status using the ABS SEIFA ISRD are presented in table BA.33. Nationally in 2006, people with a higher level of educational attainment were less likely to have literacy and numeracy levels skills at levels 1, 2 and 3 than people with a lower level of educational attainment (figure B.25).

**Figure B.25 Proportion of the 15–64 year old at literacy level 3 and above, by highest level of educational attainment, Australia, 2006<sup>a, b</sup>**

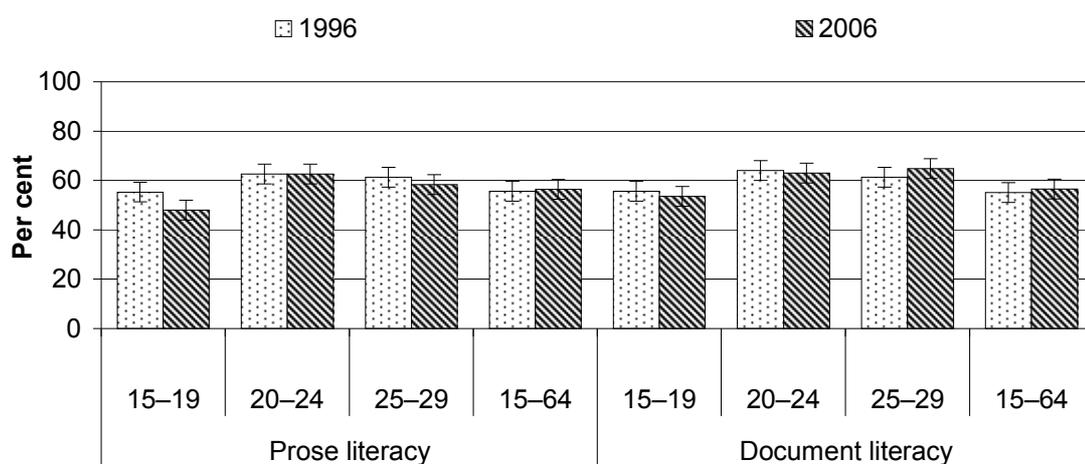


<sup>a</sup> Year 12 or below includes certificate I, II, I or II, and certificate nfd. <sup>b</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate.

Source: ABS (2008 and unpublished) *Adult Literacy and Life Skills Survey 2006*, Cat. no. 4228.0; table BA.34.

Literacy levels tended to decrease with age, with lower proportions of people in the older age groups attaining level 3 or higher. The exception to this was the 15–19 years age group, which had lower levels of prose and document literacy than the 20–24 years age group in both the 1996 and 2006 surveys (figure B.26).

**Figure B.26 Proportion of 15–64 year olds at level 3 or above for prose and document literacy skills, by age<sup>a</sup>**



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

Source: ABS (2008 and unpublished) *Adult Literacy and Life Skills Survey 2006*, Cat. no. 4228.0; table BA.31.

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### *Literacy, numeracy and employment*

In an environment where globalisation and technological advances are increasing the numeracy demands of employees (NCVER 2007) there are indications that numeracy skills have a greater impact on workplace participation than prose and document literacy skills. NCVER (2005, p.13) cites research that explains that the unemployment consequences of poor numeracy skills are increasingly due to the growth of new low-wage jobs in the service sector (that require computer and numeracy skills) being more rapid than growth in more traditional low-skill (manual) jobs.

In 2006, fewer than half of 15–19 year olds (43.3 per cent) had the necessary numeracy skills to meet the demands of everyday life (table BA.32). For unemployed people aged between 15–64 years, 27.0 per cent had the necessary numeracy skills to meet the demands of everyday life, while for employed people this proportion was 56.0 per cent. The difference between the numeracy skills of the employed and unemployed was greatest amongst 20–24 year olds (table BA.32).

The consequence of low literacy and numeracy skills are particularly severe for adults with skill levels so low that they are unable to embark on (or successfully progress with) vocational training that is necessary for maintaining or entering employment, because of the foundation skills required.

The extent of hard to fill vacancies may provide an indication of the effectiveness of education and training provision. The Department of Education, Employment and Workplace Relations (DEEWR) publishes a monthly Skilled Vacancy Index. In 2008-09, skilled job vacancies declined from July 2008 to June 2009 in all jurisdictions (table BA.36). This may indicate that education and training programs are addressing the market need or that the availability of skilled positions has declined.

## **Cross-cutting issues**

The link between early childhood development and achievement at school is well established, as is the link between education, skills, workforce participation and productivity. Information in the earlier sections of this preface has pointed to some of these relationships.

This section provides a brief discussion of ‘cross-cutting’ issues at a strategic level within the ECET sector.

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## **Workforce participation and the availability of child care services**

In March 2008, COAG committed to provide all Australian children with access to a quality preschool program for 15 hours a week, for 40 weeks in the year before formal schooling (COAG 2008). This was part of the COAG Productivity Agenda measures that address the workforce participation needs of parents with the intended outcome that ‘quality early childhood education and care supports the workforce participation choices of parents with children in the year before formal schooling’.

The Children’s services chapter in this Report includes a measure of ‘meeting family needs’, defined as the proportion children aged 0–12 years in families participating in the labour force for whom formal care, or additional hours of formal care, were required for work-related reasons. This measure addresses the need for families to participate in the labour force without child care being a barrier to this participation (box 3.21).

## **VET in Schools**

Students can undertake vocational education and training as part of their senior secondary school certificate through VET in Schools. The provision of VET subjects in schools gives increased choice for students who stay on to year 12, including students who are at risk of leaving school early.

The VET in Schools arrangement offers two main options. Students can undertake ‘school-based apprenticeships and traineeships’ (SATs), or VET subjects and courses (‘other VET in Schools programs’) (NCVER 2008).

In 2007, there were 174 800 VET in Schools students nationally (70.0 per cent in government schools), or 33.4 per cent of school students undertaking a senior secondary certificate. Approximately 9 per cent were school-based apprentices and trainees, and 91 per cent were enrolled in other accredited VET in Schools programs that lead to a nationally recognised VET qualification (NCVER 2009).

## **Non-linear education and training pathways**

The traditional view that formal learning progresses in a linear fashion from secondary school to either VET or university has shifted over the last decade. This shift reflects the changing needs of individuals and the workplace, and has been facilitated by government funded programs such as VET in Schools. Some examples of other non-linear pathways include:

- VET students progressing to undertake a university course

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- university students progressing to undertake a VET course
  - mature-age students returning to complete senior secondary schooling
  - mature-age students who have not undertaken senior secondary schooling undertaking a VET course
  - unaccredited training in the workplace.

The Longitudinal Surveys of Australian Youth (LSAY) research program examined the paths taken by the year 9 class of 1995 through to age 20. One third of this group (33 per cent) entered university in their first post-school year, and 4 per cent in their second post-school year. Another 21 per cent (both year 12 completers and non-completers) entered non-apprenticeship VET study, and a similar proportion (20 per cent) participated in an apprenticeship or traineeship by age 20. By age 20, 80 per cent had participated in some post school study (ACER 2005b).

The LSAY research shows that even for a relatively short period following secondary school, a small percentage of people (from the year 9 class of 1995) transferred between different forms of post-school study. Specifically:

- of those who completed their non-apprenticeship VET course, 8 per cent of certificate recipients and 18 per cent of diploma or higher recipients went on to higher education
- 3 per cent of those who entered higher education by 2000 (5 years following year 9) had been in the VET sector before commencing their university studies
- 5 per cent of university entrants left to undertake VET study and did not return to university by 2001
- 8 per cent of university participants had participated in VET by 2001 (ACER 2005b).

### **Special needs groups**

The ECET chapters report various data in relation to Indigenous populations as well as other special needs groups such as people with a disability, people living in remote areas, people with a language background other than English, and people from low socioeconomic status (SES) backgrounds (table B.1).

**Table B.1 Some data reported on special needs groups in ECET chapters**

	<i>Children's services (chapter 3)</i>	<i>School education (chapter 4)</i>	<i>VET (chapter 5)</i>
Indigenous people	✓	✓	✓
People with a disability	✓	✓	✓
People in remote areas	✓	✓	✓
People with a language background other than English	✓	✓	✓
People from low SES backgrounds	✓	✓	✓

Special needs groups are not discrete, with some individuals belonging to more than one of these groups. For example, there is a greater incidence of low socioeconomic status and particular types of disability amongst Indigenous people compared with the general population (ABS unpublished, *2006 Census of Population and Housing*). People with a severe disability are often disadvantaged in terms of workforce participation (ABS 2004), which may lead to lower socioeconomic status.

## Future directions

COAG has agreed as part of its reform agenda to the following aspirations for the ECET sector:

- children are born healthy and have access to the support, care and education throughout early childhood that equips them for life and learning, delivered in a way that actively engages parents, and meets the workforce participation needs of parents
- all Australian school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy
- all working aged Australians have the opportunity to develop skills and qualifications needed, included through a responsive training system, to enable them to be effective participants in and contributors to the modern labour market (COAG 2008).

It is anticipated that work undertaken to achieve the COAG aspirations will lead to improvements in performance reporting for the ECET sector. Five important national initiatives currently underway are the *National Partnership on Early Childhood Education*, the *Early Years Learning Framework*, the *National Early Childhood Development Strategy*, the *National Quality Framework for Early*

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*Childhood* and the *National VET Data Strategy*. These projects will improve understanding of the delivery of government services in the ECET sector and resulting information will be included in future Reports where applicable.

Early childhood education and care is often considered separately to school education and training (and data are generally collected separately), thereby making the reporting for the expanded ECET sector difficult. The Steering Committee intends to continue to refine the preface where the opportunity arises from the availability of new data.

## **COAG developments**

### *Report on Government Services alignment with National Agreement reporting*

It is anticipated that further alignment between the ROGS and NA indicators might occur in future reports as a result of developments in NA and National Partnership reporting.

### *Outcomes from review of Report on Government Services*

COAG agreed to Terms of Reference for a Heads of Treasuries/Senior Officials review of the ROGS in November 2008, to report to COAG by end-September 2009. The review examined the ongoing usefulness of the ROGS in the context of new national reporting under the Intergovernmental Agreement on Federal Financial Relations.

No significant changes from this review are reflected in the 2010 Report. Any COAG endorsed recommendations from the review are likely to be implemented for the 2011 Report.

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## Attachment tables

Attachment tables are identified in references throughout this chapter by a ‘BA’ suffix (for example, table BA.3 is table 3). Attachment tables are provided on the CD-ROM enclosed with the Report and on the Review website ([www.pc.gov.au/gsp](http://www.pc.gov.au/gsp)). Users without access to the CD-ROM or the website can contact the Secretariat to obtain the attachment tables (see contact details on the inside front cover of the Report).

<b>Table BA.1</b>	Australian, State and Territory governments real recurrent expenditure on child care services, (2007-08 dollars)
<b>Table BA.2</b>	Australian, State and Territory (including local) government real expenditure on education, (2007-08 dollars)
<b>Table BA.3</b>	Total government real expenditure on education, by purpose (2007-08 dollars) (\$ million)
<b>Table BA.4</b>	State and Territory (including local) government real expenditure (2007-08 dollars)
<b>Table BA.5</b>	Participation in education and training, by age, by sector, 2008
<b>Table BA.6</b>	Participation in education and training (per cent)
<b>Table BA.7</b>	Full time participation in employment, education or training (per cent), 2008
<b>Table BA.8</b>	Full time participation in employment, education or training at or above certificate III (per cent), 2008
<b>Table BA.9</b>	Full time participation in employment, education or training, by Indigenous status (per cent), 2006
<b>Table BA.10</b>	Full time participation in employment, education or training, by SES based on ABS SEIFA IRSD (per cent), 2006
<b>Table BA.11</b>	School leaver destination (15–19 year olds), 2008
<b>Table BA.12</b>	School leaver destination (15–24 year olds)
<b>Table BA.13</b>	Proportion of 15–19 year old school leavers participating in post school education or training 2008
<b>Table BA.14</b>	Applications to enrol in an educational institution, by people aged 15–19 years
<b>Table BA.15</b>	Applications to enrol in an educational institution, by people aged 20–24 years
<b>Table BA.16</b>	Applications to enrol in an educational institution, by people aged 15–64 years
<b>Table BA.17</b>	Level of highest non-school qualification or school year completed for those without a non-school qualification, 15–64 year olds
<b>Table BA.18</b>	Level of highest non-school qualification, or school year completed for those without a non-school qualification, people aged 15–64 years, by labour force status, 2008
<b>Table BA.19</b>	Level of highest non-school qualification or school year completed for those without a non-school qualification, people aged 15–64 years, by occupation, 2008
<b>Table BA.20</b>	People who have completed year 12 or equivalent or gained a qualification at certificate level II or above, by selected age groups (per cent)

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<b>Table BA.21</b>	Proportion of people who have completed year 12 or equivalent or gained a qualification at certificate level II or above, by Indigenous status, 2006
<b>Table BA.22</b>	Proportion of population having attained at least a year 12 or equivalent or certificate II or above, by SES based on SEIFA IRSD, 2006
<b>Table BA.23</b>	Proportion of 20–64 year old population who do not have qualifications at or above certificate III, 2008
<b>Table BA.24</b>	Proportion of 20–64 year old population who do not have qualifications at or above certificate III, by Indigenous status, 2006
<b>Table BA.25</b>	Proportion of 20–64 year old population who do not have qualifications at or above certificate III, 2006 (by SES based on SEIFA IRSD)
<b>Table BA.26</b>	Proportion of 25–29 year olds who have gained a post-secondary qualifications at certificate III or above
<b>Table BA.27</b>	Proportion of 20–64 year old population with or working towards post school qualification in certificate III, IV, diploma and advanced diploma, by Indigenous status, 2006
<b>Table BA.28</b>	School education real recurrent unit costs (2007-08 dollars)
<b>Table BA.29</b>	VET institution real recurrent unit costs (2008 dollars)
<b>Table BA.30</b>	Proportion of 15–64 year olds who achieved at skill level 3 or above, 2006
<b>Table BA.31</b>	Proportion of 15–64 year olds at level 3 or above for prose and document literacy skills, by age
<b>Table BA.32</b>	Proportion of 15–64 year olds at level 3 or above for numeracy, by age and employment status, 2006
<b>Table BA.33</b>	Proportion of the people aged 15–64 years at literacy levels 3 and above by SES, Australia (SES based on SEIFA IRSD)
<b>Table BA.34</b>	Proportion of people aged 15–64 years at literacy level 3 and above, by SES, Australia (SES based on highest level of educational attainment)
<b>Table BA.35</b>	Higher education participation by selected groups
<b>Table BA.36</b>	Skilled Vacancies Index 2008-09

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