# **B** Education Preface

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

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

- the school education sector, as reflected in the national goals for schooling (box 3.1), include a focus on developing the capacities and talents of all young people so they have the necessary knowledge, understanding, skills and values for a productive and rewarding life
- the VET sector, as reflected in the national strategy for VET 2004–10 (box 4.1), include a focus on giving industry a highly skilled workforce to support strong performance in the global economy; making employers and students the centre of VET; strengthening communities and regions economically and socially through learning and employment; and giving Indigenous Australians skills for viable jobs and to ensure their learning culture will be shared
- the higher education sector, as reflected in the *Higher Education Report for the* 2003–2005 *Triennium*, include advancing and applying knowledge and understanding to benefit the Australian economy and society.

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

Chapter 3 covers the performance of school education. Some comparison between the government and non-government school systems is included. Chapter 4 covers the performance of the VET sector. Preschool programs, which provide a variety of educational and developmental experiences for children before full time schooling, are covered in chapter 14.

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

- universities (although some information is included in this preface)
- the transportation of students
- income support payments for students
- adult community education (except VET programs)
- VET activity delivered on a fee-for-service basis by private and community education providers.

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

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

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

# Profile of the education and training system

## Roles and responsibilities

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

• providing funding to non-government schools and to State and Territory governments for government schools, to support agreed priorities and strategies

- providing funding through the Department of Education, Science and Training (DEST) to states and territories for the delivery of VET programs and services, and support for VET infrastructure
- being the primary funding source for, and developer of policy related to, the higher education sector
- providing financial assistance for students.

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

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

More detailed descriptions of the roles and responsibilities of governments in the school and VET sectors can be found in chapters 3 and 4 respectively.

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

The Australian National Training Authority (ANTA) was abolished from July 2005 and its responsibilities taken into DEST. A Ministerial Council on Vocational and Technical Education (MCVTE) was established in the second half of 2005 to ensure continued harmonisation of a national system of standards, assessment and accreditation, with goals agreed in a Commonwealth-State Funding Agreement (DEST unpublished).

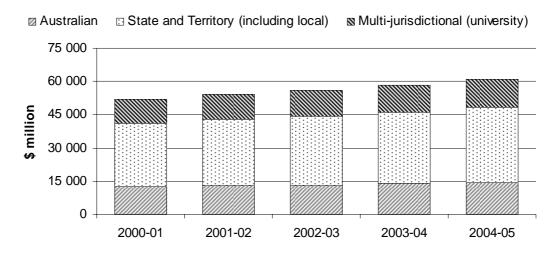
The Commonwealth-State Agreement for Skilling Australia's Workforce was established in 2005 to operate from 1 July 2005 to 31 December 2008. Australian, State and Territory government ministers through MCVTE will provide direction on national policy, strategy, priorities, goals and objectives, in partnership with industry, private and public training providers. Industry advice is provided to the MCVTE through the National Industry Skills Committee (DEST unpublished).

### **Funding**

Education and training is a major area of expenditure and activity for Australian, State and Territory governments. In 2004-05, total government operating expenses for school education, VET and higher education was \$61.1 billion (figure B.1) and \$47.2 billion (net of transfers) for all governments (table BA.1). Expenses net of transfers was equivalent to 5.3 per cent of gross domestic product (GDP). Private household final consumption expenditure on education in 2004-05 was \$18.3 billion, or 2.0 per cent of GDP (ABS 2006a).

Australian Government operating expenses for the three education and training sectors in 2004-05 were \$14.4 billion (figure B.1), of which \$13.1 billion (91.4 per cent) comprised grants to other levels of government (table BA.1). State, Territory and local government operating expenditure was \$34.1 billion for the same year. Multi-jurisdictional (university) operating expenses were \$12.7 billion (figure B.1). The intra-sector transfers (which are transfers or transactions that occur between different levels of government for the purposes of education) such as grants were \$13.9 billion. Between 2000-01 and 2004-05, the average annual real growth rate of total operating expenditure net of transfers on education was 4.2 per cent (table BA.1).

Figure B.1 Australian, State and Territory (including local) government real operating expenses for education (2004-05 dollars)<sup>a, b, c</sup>

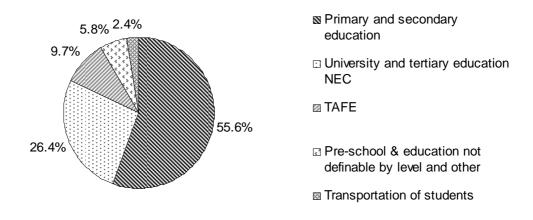


<sup>&</sup>lt;sup>a</sup> Based on accrual operating expenses for education. <sup>b</sup> Includes payments between levels of government within the public sector. <sup>c</sup> The ABS provided nominal figures. Real expenditure was calculated from these figures based on the ABS GDP price deflator (2004-05 = 100) (table AA.26).

Source: ABS (2006a); ABS Public Finance Statistics (unpublished); table BA.1.

Schools accounted for the highest proportion of the \$47.2 billion (table BA.2) government expenditure on education and training (55.6 per cent) in 2004-05, followed by universities and tertiary education (26.4 per cent) and TAFE institutes (9.7 per cent) (figure B.2).

Figure B.2 Total government expenditure on education, 2004-05a, b



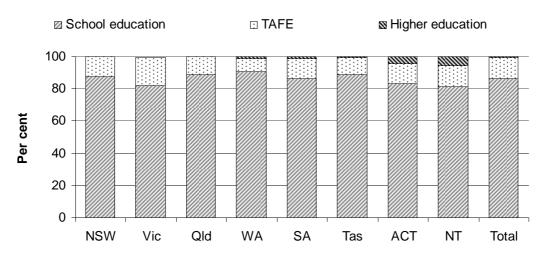
a Based on accrual operating expenses for education.
 b Totals may not add to 100 as a result of rounding.
 NEC = not elsewhere classified.

Source: ABS (2006a); table BA.2.

Non-government schools received the highest proportion of Australian Government direct recurrent funding, accounting for 69.4 per cent of total recurrent Australian Government specific purpose payments to schools (table 3A.6). State and Territory governments provided 91.3 per cent of recurrent funding for government schools (table 3A.9). The Australian Government spent an average of \$4515 per student in non-government schools and an average of \$1051 per student in government schools in 2004-05 (table 3A.6). State and Territory governments spend an average \$1636 per student in non-government schools, and average of \$9778 per student in government schools (table 3A.9).

In 2004-05, school education received the largest proportion of State and Territory government expenditure (86.5 per cent), TAFE received 12.9 per cent (figure B.3).

Figure B.3 State and Territory (including local) government expenditure, 2004-05a, b, c, d



a Except where footnotes indicate otherwise, 'school education' includes expenditure for primary and secondary, preschool, special education and other education not definable by level (including transportation of students and education not elsewhere classified). The latter is defined as: adult education courses that are essentially non-vocational, other than those offered by TAFE institutes; migrant education programs; and other educational programs not definable by level. **b** Most expenditure for preschool education in NSW is contained in other budget areas and is therefore not included. NSW 'primary and secondary' expenditure includes: some special education expenditure for preschool students; all special education expenditure for school students; and higher education expenditure. <sup>c</sup> Expenditure for preschool education in Victoria is contained in other budget areas and is therefore not included. <sup>d</sup> Totals may not add to 100 as a result of rounding.

Source: ABS (2006a); table BA.3.

#### Size and scope

There were 3.3 million full time school students attending 9623 schools in Australia, including 6929 government schools, in 2005 (ABS 2006b). In 2005, over 1.6 million people undertook VET programs delivered in 9698 locations across Australia (NCVER 2006). Of these 1.6 million students, 1.2 million students undertook government recurrent funded programs delivered at 8842 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, 1129 were TAFE and other government provider locations (tables 4A.3-4).

There were approximately 957 000 students attending higher education providers that received funding on behalf of students from the Australian Government in 2005. 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 the bachelor degree, which accounted for around two thirds of all students. The majority of students undertook their course on campus on a full time basis. The most popular fields of study were management and commerce, and society and culture. Students in these fields undertook, for example, courses in accounting, tourism, marketing, political science, law, economics and criminology. In 2005, in addition to 30 non-self accrediting (often referred to as private) providers in receipt of Australian Government FEE-HELP funds, around 95 other higher education providers were accredited by State and Territory educational authorities (DEST 2006a, DEST unpublished).

#### Learning pathways

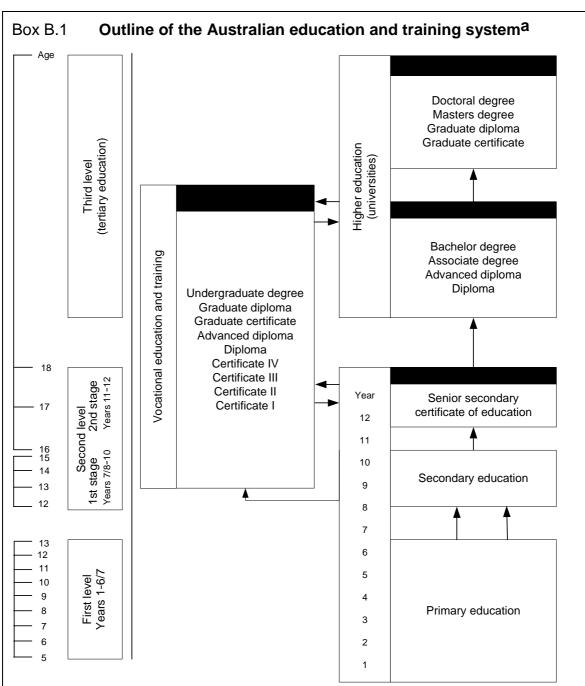
The Australian education and training system comprises the compulsory years of schooling in 2005 (up to 16 years of age in SA and Tasmania and 15 years of age in all other jurisdictions) and the range of pathways and options available to students in post-compulsory education and training (box B.1). To encourage flexible learning pathways, Australian governments have implemented the Australian Qualifications Framework (AQF). The AQF provides a comprehensive, nationally consistent framework for all qualifications in post-compulsory education and training. Under this framework, modules from VET certificates can be, for example, integrated with senior secondary certificates, and both VET diplomas and higher education diplomas can be credited towards a bachelor degree. Similarly, the VET sector recognises some higher education qualifications as credit toward VET qualifications.

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

#### Role and purpose of VET

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

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



<sup>&</sup>lt;sup>a</sup> Providers deliver qualifications in more than one sector. Schools, for example, are delivering certificates I–II, universities are delivering certificates II–IV, and VET providers are delivering undergraduate degrees, graduate certificates and graduate diplomas (higher education qualifications in some jurisdictions, but in others also VET), all subject to meeting the relevant quality assurance requirements.

Source: Adapted from National Office of Overseas Skills Recognition (2000).

# Measuring the performance of the education and training system

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

#### **Equity and effectiveness**

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

#### Participation in education and training

Successive Australian governments have viewed education as a key means to improve economic and social outcomes, as well as improve the equity of outcomes in society. They have sought, therefore, to increase rates of participation in education and training.

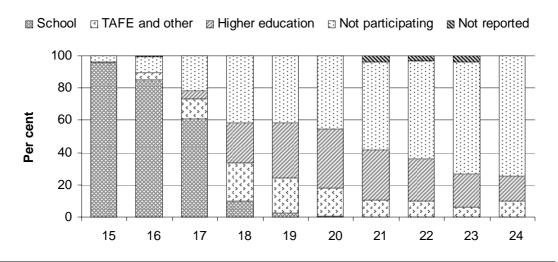
The education and training participation rates quoted in this section are estimates of the proportion of the population in a given age group who are enrolled in any course of study, on either a full or a part time basis, at an educational institution, in May each year. These estimates are derived from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

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

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

Beyond the age of compulsory school education in 2005 (up to 16 years in SA and Tasmania and 15 years in all other jurisdictions), the proportion of people participating in education and training declines. Nationally, the participation rate was 96.3 per cent for 15 year olds, 78.3 per cent for 17 year olds, 58.3 per cent for 19 year olds and 25.5 per cent for 24 year olds, in 2005 (figure B.4).

Participation in education and training by people aged Figure B.4 15 to 24 years, by sector, 2005<sup>a, b, c</sup>



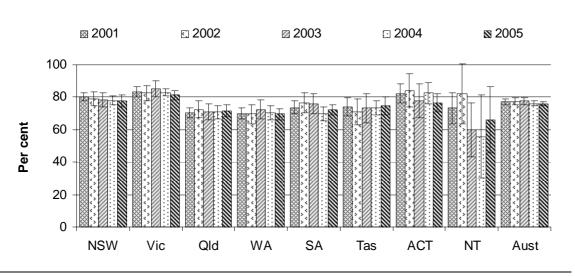
a TAFE and other includes all education or training participation at institutions other than schools and higher education institutions. b Student participation is likely to be underestimated because data are for May, not for the whole year. <sup>c</sup> Data for 21 to 23 year olds for 'school' and 'other' categories are not reported due to three or less responses.

Source: ABS survey of Education and Work (unpublished); table BA.4.

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 in 2005 and the level of service provision. In addition there are other influences that State and Territory governments have less control over, such as labour market changes, population movements, urbanisation, socioeconomic status and Indigenous status.

The participation rate for people aged 15–19 years (figure B.5) and 20–24 years (figure B.6) varies across jurisdictions. Information on other age groups are available in the attachment (table BA.5).

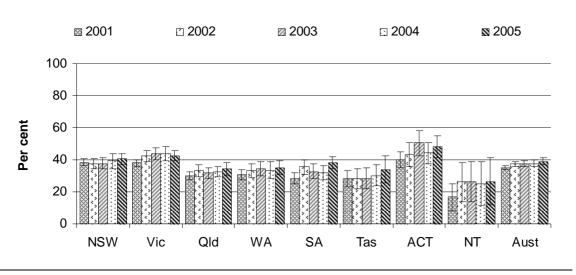
Figure B.5 Participation in education and training by people aged 15–19 years<sup>a</sup>



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

Source: ABS (2002a, 2002b, 2003, 2004, 2005); ABS survey of Education and Work (unpublished); ABS survey of Transition from Education to Work (unpublished); table BA.5.

Figure B.6 Participation in education and training by people aged 20–24 years<sup>a</sup>



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

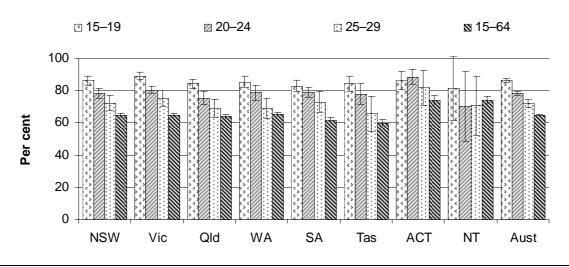
Source: ABS (2002a, 2002b, 2003, 2004, 2005); ABS survey of Education and Work (unpublished); ABS survey of Transition from Education to Work (unpublished); table BA.5.

#### Participation in education, training and work

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

In most jurisdictions, full time participation rates decline as people reach their late 20s (figure B.7). Full time participation rates of people in their early to mid–20s are lower than the full time participation rates of people aged 15–19 and rates are even lower for 25–29 year olds. Rates for 25–29 year olds, however, is still higher than that for the whole working age cohort (15–64 years) (except for the NT).

Figure B.7 Full time participation in education, training or work, 2005 (per cent)<sup>a, b</sup>



<sup>&</sup>lt;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.

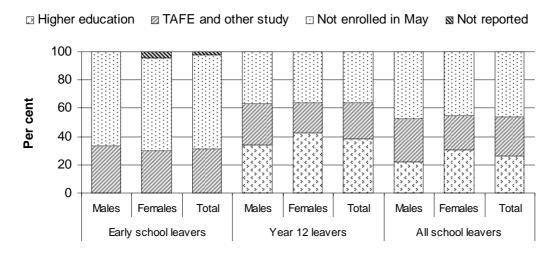
Source: ABS (2005); ABS survey of Education and Work (unpublished); table BA.6.

#### School leaver destinations

Approximately 310 800 people aged 15–24 years who attended school in 2004 were not attending school in May 2005. Of these students, 104 200, or 33.5 per cent were

early school leavers. Higher education institutions attracted 81 600 school leavers in 2005, or 26.3 per cent of all school leavers. Institutes of TAFE attracted 71 400 school leavers (23.0 per cent) (table BA.7). While 63.6 per cent of year 12 leavers went on to post-school education and training, only 33.7 per cent of early school leavers undertook any further study (figure B.8). Of all male school leavers, 35.5 per cent were early school leavers. Of all females, 31.5 per cent left school early (table BA.7). Of early school leavers, 33.4 per cent of males and 34.1 per cent of females went on to further education (figure B.8).

Figure B.8 School leaver destination (15–24 year olds), 2005<sup>a, b, c, d, e</sup>



<sup>&</sup>lt;sup>a</sup> Data for people who attended school in 2004 and were not attending school in May 2005. <sup>b</sup> Early school leavers are those who left school earlier than year 12. <sup>c</sup> The estimates for male, female and total early school leavers in the higher education category have relative standard errors of greater than 25 per cent and are considered to be too unreliable for general use. <sup>d</sup> Other study includes business colleges, industry skills centres and other educational institutions. All estimates for other study (apart from all male and total all school leavers) have relative standard errors of 25–50 per cent and need to be used with caution. <sup>e</sup> Numbers may not add to 100 as a result of rounding.

Source: ABS (2005); ABS survey of Education and Work (unpublished); table BA.7.

#### Education enrolment experience

Nationally, 2.6 million people aged 15–64 years applied to enrol in an educational institution in 2005 (table BA.8). Of those who applied to enrol, 92.2 per cent were studying in 2005, while 5.1 per cent deferred study and 2.6 per cent were unable to gain placement (figure B.9). Of the 2.6 million who applied to enrol, 1.1 million were 15–19 year olds and 588 000 were 20–24 year olds (tables BA.9-10).

Figure B.9 Applications to enrol in an educational institution, by people aged 15-64 years, by placement a

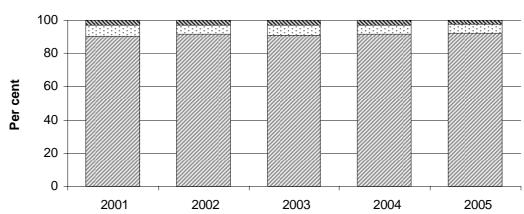


table BA.8.

#### Educational attainment

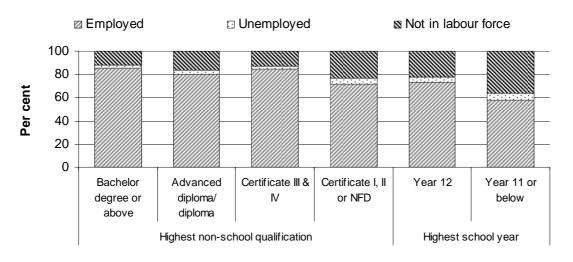
An important objective of the education system is to add to the skill base of the population, with the benefits of improving worker productivity and facilitating economic growth and employment. Educational attainment of the labour force is used as a proxy indicator for the stock of skills. It understates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

There were 6.8 million people aged 15–64 years who had a non-school qualification in 2005. Of this group, 38.1 per cent had a postgraduate degree, graduate diploma/graduate certificate or bachelor degree as their highest non-school qualification. Of the 6.4 million people in this age group without non-school qualifications, 35.7 per cent had completed the highest level of secondary school (table BA.11).

a Reasons for being unable to gain placement included: the course was full; the course was cancelled; the applicant was not eligible/entry score was too low; the applicant applied too late; or other reasons. Source: ABS (2002a, 2002b, 2003, 2004, 2005); ABS survey of Education and Work (unpublished);

There were 5.6 million employed people who had a non-school qualification in 2005, representing 58.0 per cent of employed people aged 15–64 years (table BA.11). People whose highest non-school qualification is a bachelor degree or above were most likely to be employed (85.6 per cent), while people who did not complete secondary school were the least likely (57.7 per cent) (figure B.10).

Figure B.10 Level of highest non-school qualification or school year completed for those without a non-school qualification, aged 15–64 years, by labour force status, May 2005<sup>a</sup>

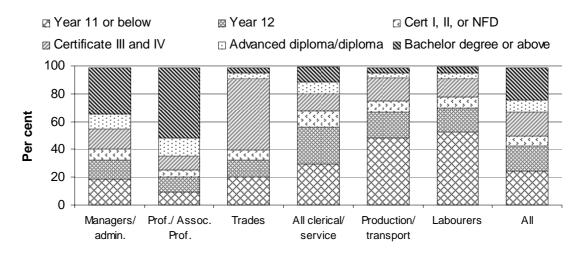


<sup>&</sup>lt;sup>a</sup> The levels of qualifications are not necessarily listed in order from highest to lowest (that is, Certificate I, II or NFD is not necessarily higher than year 12). NFD = not further defined.

Source: ABS (2005); ABS survey of Education and Work (unpublished); table BA.11.

People employed as professionals were most likely to have completed a bachelor or higher degree as their level of highest non-school qualification in 2005 (69.3 per cent), while the level of highest non-school qualification for the majority of tradespeople and related workers was a certificate III or IV (50.7 per cent). People employed as clerical, sales and service workers, intermediate production and transport workers, elementary clerical, sales and service workers, and labourers and related workers were most likely to be without a non-school qualification (figure B.11).

Occupation of employed people, by level of highest non-school qualification or school year completed for those without a non-school qualification, aged 15-64 years, May 2005a, b



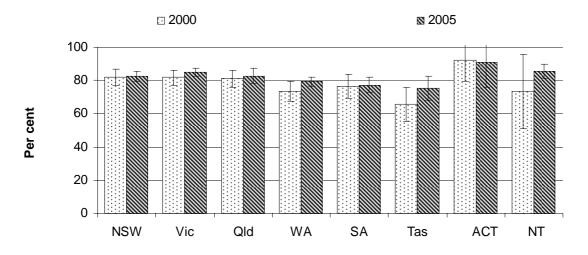
a The levels of qualifications are not necessarily listed in order from highest to lowest (that is, Certificate I, II or NFD is not necessarily higher than year 12). **b** Includes people who never attended school and people whose level of highest qualification could not be determined, therefore, the sum of the percentages will not add to 100. NFD = not further defined.

Source: ABS (2005); ABS survey of Education and Work (unpublished); table BA.12.

Nationally, the proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level 2 or above was 80.3 per cent in 2000 and 82.7 per cent in 2005 (table BA.13). The proportion of males who gained a qualification at AQF level 2 or above was 77.5 per cent in 2000 and 80.1 per cent in 2005, while the corresponding proportion of females was 83.2 per cent in 2000 and 85.4 per cent 2005 (ABS survey of Education and Work unpublished).

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

Figure B.12 Proportion of 20–24 year olds who completed year 12 or equivalent or gained a qualification at AQF level 2 or above<sup>a, b, c</sup>



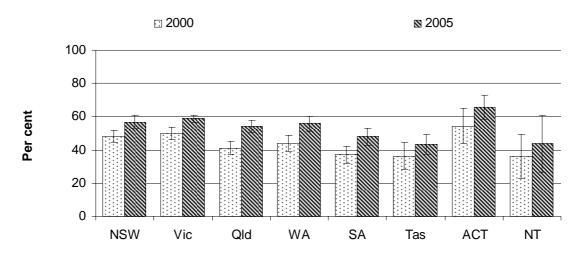
a Error bars represent the 95 per cent confidence interval associated with each point estimate. b National data are reported in the text because 2005 national data are not entirely comparable with 2000 national data or with the State and Territory data in both the years presented above. c The Australian Standard Classification of Education (ASCED) is a national standard classification which includes all sectors of the Australian education system. From 2001, the ASCED replaced a number of classifications used in administrative and statistical systems, including the Australian Bureau of Statistics Classification of Qualifications (ABSCQ). The State/Territory and Australian estimates for 2000 are derived from ABSCQ-based survey data. The State/Territory estimates for 2005 are derived from ABSCQ-based survey data, while the Australian estimates are derived from ASCED-based data. Therefore, although the State/Territory and Australian estimates are similarly derived, they are not comparable because of the underlying classification basis differences, and as a consequence national totals are reported separately in the text.

Source: ABS survey of Education and Work (unpublished); table BA.13.

Nationally, the proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level 3 or above was 45.9 per cent in 2000 and 58.8 per cent in 2005 (table BA.14). The proportion of males aged 25–29 who gained a post-secondary qualification at AQF level 3 or above was 50.1 per cent in 2000 and 58.4 per cent in 2005, while the corresponding proportion of females was 41.7 per cent in 2000 and 59.1 per cent in 2005 (ABS survey of Education and Work unpublished).

The proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level 3 or above varied across jurisdictions (figure B.13).

Proportion of 25–29 year olds who gained a post-secondary Figure B.13 qualification at AQF level 3 or abovea, b, c



a Error bars represent the 95 per cent confidence interval associated with each point estimate. b National data are reported in the text because 2005 national data are not entirely comparable with 2000 national data or with the State and Territory data in both the years presented above. <sup>C</sup> The Australian Standard Classification of Education (ASCED) is a national standard classification which includes all sectors of the Australian education system. From 2001, the ASCED replaced a number of classifications used in administrative and statistical systems, including the Australian Bureau of Statistics Classification of Qualifications (ABSCQ). The State/Territory and Australian estimates for 2000 are derived from ABSCQ-based survey data. The State/Territory estimates for 2005 are derived from ABSCQ-based survey data, while the Australian estimates are derived from ASCED-based data. Therefore, although the State/Territory and Australian estimates are similarly derived, they are not comparable because of the underlying classification basis differences, and as a consequence national totals are reported separately in the text.

Source: ABS survey of Education and Work (unpublished); table BA.14.

## **Efficiency**

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

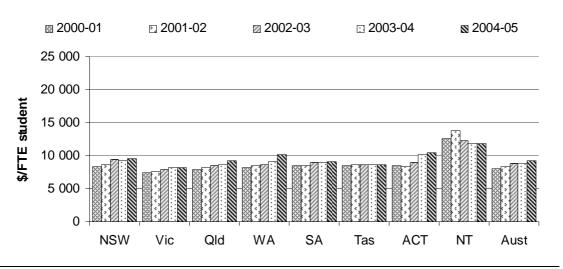
#### Comparing unit costs across jurisdictions

Comparing the unit costs of providing a particular service across jurisdictions can help to identify whether states and territories have scope to improve their efficiency. Special characteristics within jurisdictions, however, mean it would be difficult for all jurisdictions to attain the same level of unit costs while achieving similar outcomes in the government school education or VET areas.

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

Nationally, government expenditure on government primary school education was \$9238 per full time equivalent primary school student (figure B.14) and on government secondary school education was \$11713 per full time equivalent secondary school student (figure B.15). Government expenditure on VET was \$14.34 per adjusted annual curriculum hour (figure B.16).

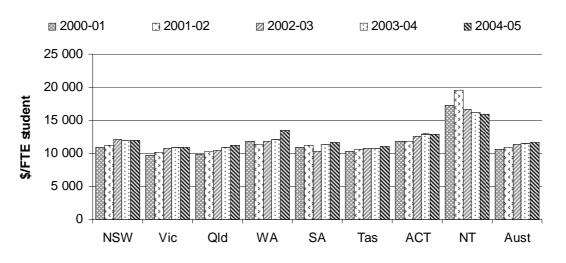
Figure B.14 Primary school education real recurrent unit costs (2004-05 dollars)<sup>a, b, c, d, e</sup>



<sup>&</sup>lt;sup>a</sup> Based on accrual data. <sup>b</sup> A notional user cost of capital based on 8 per cent of total written down value of capital assets is applied to all jurisdictions. <sup>c</sup> Schools data include payroll tax estimates for WA and the ACT to achieve greater comparability across jurisdictions. <sup>d</sup> Schools data are total recurrent government expenditure on government schools divided by average FTE student population in each year and the previous year. <sup>e</sup> Data for previous years has been adjusted to 2004-05 dollars using the ABS GDP price deflator (table AA.26). FTE = full time equivalent.

Source: table BA.15.

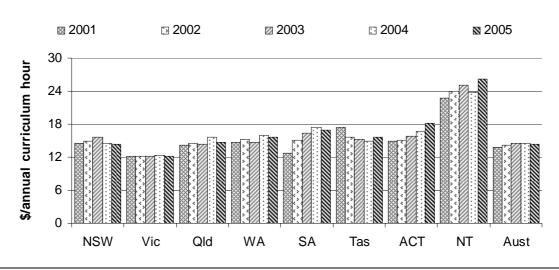
Figure B.15 Secondary school education real recurrent unit costs (2004-05 dollars)a, b, c, d, e



a Based on accrual data. b A notional user cost of capital based on 8 per cent of total written down value of capital assets is applied to all jurisdictions. <sup>c</sup> Schools data include payroll tax estimates for WA and the ACT to achieve greater comparability across jurisdictions. d Schools data are total recurrent government expenditure on government schools divided by average FTE student population in each year and the previous year. <sup>e</sup> Data for previous years has been adjusted to 2004-05 dollars using the ABS GDP price deflator (table AA.26). FTE = full time equivalent.

Source: table BA.15.

Figure B.16 VET institution real recurrent unit costs (2005 dollars)a, b, c, d



a Based on accrual data. b VET data include payroll tax estimates for the ACT to achieve greater comparability across jurisdictions. ACT payroll tax estimates are excluded from the Australian total. <sup>c</sup> VET data are based on the calendar year. <sup>d</sup> Data for previous years has been adjusted to 2005 dollars using the ABS GDP chain price deflator.

Source: table BA.16.

# **Supporting tables**

The files containing the supporting tables can be found on the Review web page (www.pc.gov.au/gsp). Users without access to the CD-ROM or Internet can contact the Secretariat to obtain the supporting tables (see contact details on the inside front cover of the Report).

| Table BA.1  | Australian, State and Territory (including local) government real expenditure on education   |
|-------------|--|
| Table BA.2  | Total government real expenditure on education, by purpose (\$ million) (2004-05 dollars)  |
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| Table BA.7  | School leaver destination (15–24 year olds)  |
| Table BA.8  | Applications to enrol in an educational institution, by people aged 15-64 years  |
| Table BA.9  | Applications to enrol in an educational institution, by people aged 15–19 years  |
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| Table BA.11 | 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, 2005 |
| Table BA.12 | Level of highest non-school qualification or school year completed for those without a non-school qualification, people aged 15–64 years, by occupation, 2005          |
| Table BA.13 | Proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level 2 or above   |
| Table BA.14 | Proportion of 25–29 year olds who have gained a post-secondary qualifications at AQF level 3 or above  |
| Table BA.15 | School education real recurrent unit costs (2004-05 dollars)   |
| Table BA.16 | VET institution real recurrent unit costs (2005 dollars)   |

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