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## B Early childhood, education and training preface

Education is a lifelong activity, beginning with early childhood education and care (ECEC). Education occurs in a variety of 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). This Report covers children’s services (including child care and preschools), school education and VET.

From the 2008 Report onwards, the ‘Early childhood, education and training’ section of the Report (previously ‘Education’) will include the Children’s services chapter. The Children’s services chapter has been moved into this section in recognition of the importance of children’s services in providing early cognitive and social development, and the links between this development and educational outcomes. Governments have more recently focused on ECEC as part of a continuum with school education — a seamless process of learning and development from 0 to 18 years.

Australia’s system of education 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 children’s services are to meet the care, education and development needs of children in a safe and nurturing environment, and provide support for families in caring for their children (box 3.1). Children’s services have both education and care objectives and the Children’s services chapter continues to present both of these.
- The objectives of the school education sector, as reflected in the national goals for schooling (box 4.1), 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 objectives of the VET sector, as reflected in the national strategy for VET 2004–10 (box 5.3), include a focus on giving industry a highly skilled workforce to support strong performance in the global economy; making employers and students the centre of VET; strengthening communities and regions

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economically and socially through learning and employment; and giving Indigenous Australians skills for viable jobs and ensure their learning culture will be shared.

- The objectives of the higher education sector, as reflected in the *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.

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

Chapter 3 covers the performance of children's services, including child care and preschool programs, which provide a variety of educational and developmental experiences for children before full time schooling. Chapter 4 covers the performance of school education. Some comparisons between the government and non-government school systems are included. Chapter 5 covers the performance of the VET sector.

Areas of government involvement in children's services and education that are not covered in this Report include:

- provision of Child Care Benefit (CCB) directly to families
- 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.

Other 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 Children's services, School education and VET chapters, but are discussed in other chapters of this Report.

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

For this Report, the preface is disaggregated into ‘children’s services’ and ‘education and training’. Development work will continue for future Reports to highlight the linkages between children’s services, school education and vocational education and training.

## **Profile of children’s services**

### **Roles and responsibilities**

A significant aspect of children’s services is the diverse and varied policy approaches to, and delivery of, services throughout Australia. The range of services available reflects the diverse needs of children and their families. The Australian Government and the State and Territory governments have different, but complementary, roles in supporting children’s services.

The Australian Government’s roles and responsibilities for child care include:

- paying CCB to families using approved child care services or registered carers
- paying Child Care Tax Rebate to eligible families using approved child care services
- funding the National Childcare Accreditation Council (NCAC) to administer quality assurance systems for child care services
- funding some providers and other organisations to provide information, support and training to service providers.

State and Territory governments’ roles and responsibilities vary across jurisdictions. Generally, State and Territory governments are responsible for preschool services. Other roles and responsibilities may include:

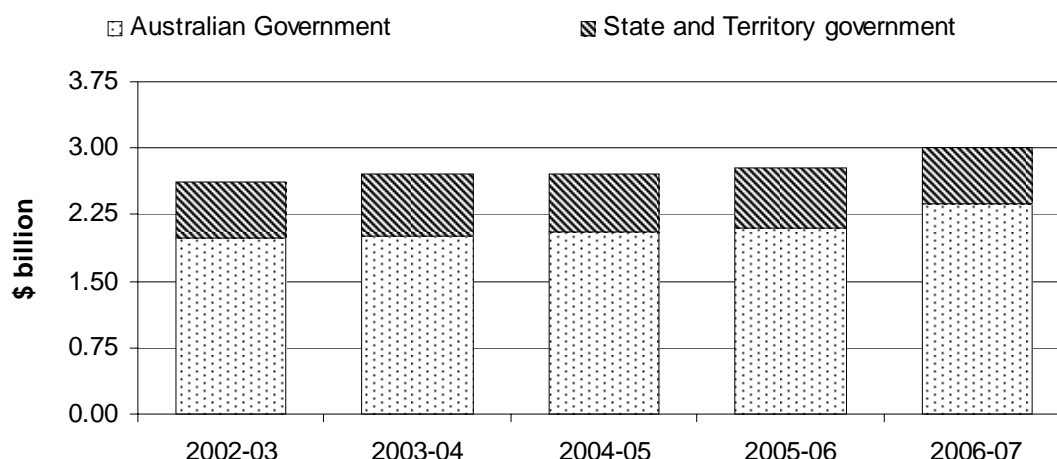
- standard setting, and licensing and monitoring children’s services providers, including complaints management
- providing operational and capital funding to non-government service providers
- delivering some services directly (especially preschool services)

- providing information, support, advice and/or training to service providers, staff and parents
- planning to ensure the appropriate mix of services is available to meet the needs of the community.

## Funding

Total government recurrent funding for children’s services was approximately \$3.0 billion in 2006-07, an increase of 14.2 per cent in real terms since 2002-03 (figure B.1).

Figure B.1 **Australian, State and Territory government real recurrent expenditure on children’s services (2006-07 dollars)<sup>a, b</sup>**



<sup>a</sup> Real expenditure was calculated from nominal figures based on the Australian Bureau of Statistics (ABS) gross domestic product (GDP) price deflator (2006-07 = 100) (table AA.26). <sup>b</sup> Refer to source tables for detailed footnotes.

Source: Australian, State and Territory governments (unpublished); table BA.1.

## Size and scope

Children’s services are provided using a variety of service delivery models that can be grouped into the following six broad categories:

- centre-based long day care
- family day care
- occasional care
- preschool

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- outside school hours care
  - other services to support children with additional needs or in particular situations (see chapter 3 for more information about the categories of services).

There can be overlaps within each service category, for example, preschool can be provided in centre-based long day care.

### *Child care services*

Child care refers to arrangements (other than care by resident parents) made for the care of children. The main models of service are centre-based long day care, family day care, outside school hours care (vacation, before/after school hours and ‘pupil free days’ care), occasional care and other care.

The Australian Government supported 616 129 child care places in 2006 — an increase of 4.6 per cent from 588 866 places in 2005 (table 3A.8). In 2006-07, State and Territory governments supported approximately 64 330 places in child care for children aged 12 years or younger (section 3.1 of chapter 3).

### *Preschool services*

Preschools provide a range of educational and developmental programs to children in the year immediately before they commence full time schooling and also, in some jurisdictions, to younger children. Participation at preschools is not compulsory. In 2006-07, State and Territory governments supported at least 211 011 preschool places (section 3.1 of chapter 3).

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

## **Measuring the performance of children’s services**

Current reporting on the performance of children’s services is largely limited to measures of outputs (for example, enrolment and participation rates). A performance indicator framework for children’s services has been developed for the Review (figure 3.2). Work is ongoing to improve reporting on outcomes (currently limited to indicators of demand for additional care and out-of-pocket costs).

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## 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 education sector. The Australian Government's roles and responsibilities in delivering education and training services include:

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

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

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

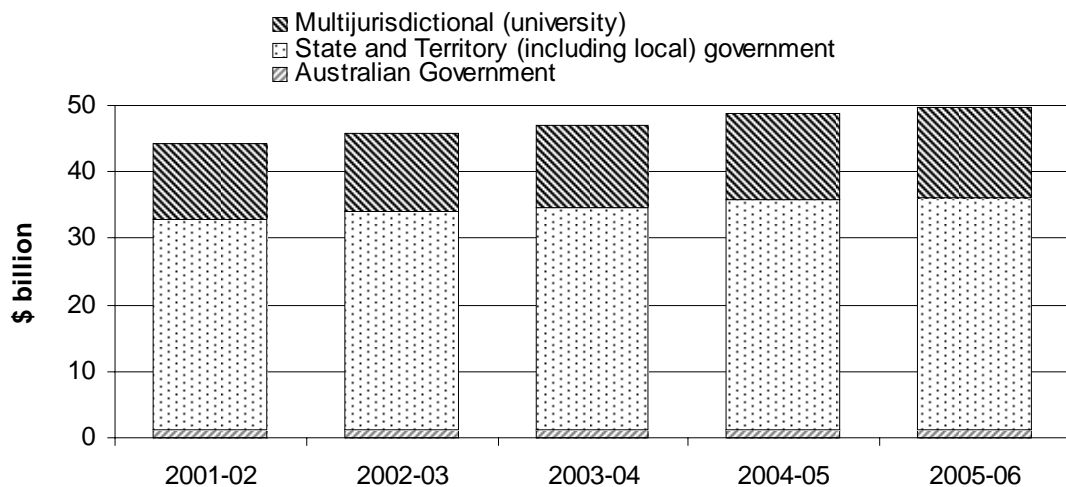
More detailed descriptions of the roles and responsibilities of governments in the school and VET sectors can be found in chapters 4 and 5 respectively.

## Funding

Education and training is a major area of expenditure and activity for Australian, State and Territory governments. In 2005-06, total government operating expenses net of transfers (transfers or transactions that occur between different levels of general government for the purposes of education) for school education, VET and higher education was \$49.7 billion for all governments (figure B.2). This was equivalent to 5.1 per cent of gross domestic product (GDP). Private household final consumption expenditure on education in 2005-06 was \$18.6 billion, or 1.9 per cent of GDP (ABS 2007a).

Between 2001-02 and 2005-06, the average annual real growth of total operating expenditure net of transfers on education was 3.0 per cent. In 2005-06, Australian Government operating expenses for the three education and training (school education, VET and higher education) sectors were \$15.8 billion, of which \$14.6 billion (92.3 per cent) comprised grants to other levels of government (table BA.2). Operating expenditure (net of transfers) was \$1.2 billion for the Australian Government, \$35.1 billion for State, Territory and local government and \$13.5 billion for multijurisdictional (university) (figure B.2).

**Figure B.2 Australian, State and Territory (including local) government real operating expenses, net of transfers for education (2005-06 dollars)<sup>a, b</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 (2005-06 = 100) (table AA.26).

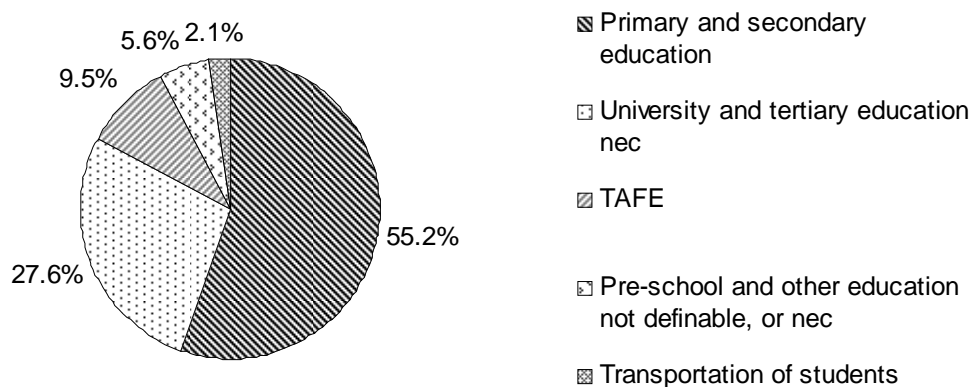
Source: ABS (2007a); ABS (unpublished) Government Finance Statistics; table BA.2.

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Of the \$49.7 billion government expenditure on education and training in 2005-06, schools accounted for the highest proportion (55.2 per cent), followed by universities and tertiary education (27.6 per cent) and TAFE institutes (9.5 per cent) (figure B.3).

**Figure B.3 Total government expenditure on education, 2005-06<sup>a</sup>**

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<sup>a</sup> Based on accrual operating expenses for education.

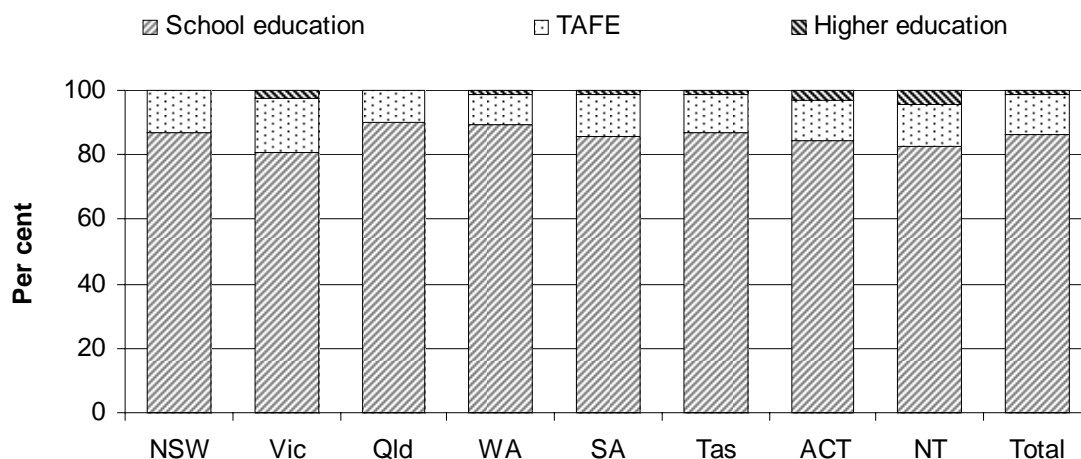
**nec** Not elsewhere classified.

Source: ABS (2007a); table BA.3.

In 2005-06, school education (and some preschool expenditure which cannot be disaggregated) received the largest proportion of State and Territory government expenditure (86.2 per cent), TAFE received 12.8 per cent (figure B.4).



Figure B.4 **State and Territory (including local) government expenditure on education, 2005-06<sup>a, b, c</sup>**



<sup>a</sup> 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. <sup>b</sup> Most expenditure for preschool education in NSW is contained in other budget areas and 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 not included.

Source: ABS (2007a); table BA.4.

## Size and scope

In 2006, there were 3.4 million full time school students attending 9612 schools in Australia, including 6902 government schools (ABS 2007b). Of the 1.7 million people who undertook VET programs in 2006, 1.2 million students participated in government recurrent funded programs. Government funded students completed over 294.4 million annual hours at 10 975 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, 2501 were TAFE and other government provider locations (tables 5A.3-4).

There were approximately 984 000 students attending higher education institutions that received funding on behalf of students from the Australian Government in 2006, an increase of 2.8 per cent from 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

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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 education 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 (DEST 2007).

## **Learning pathways**

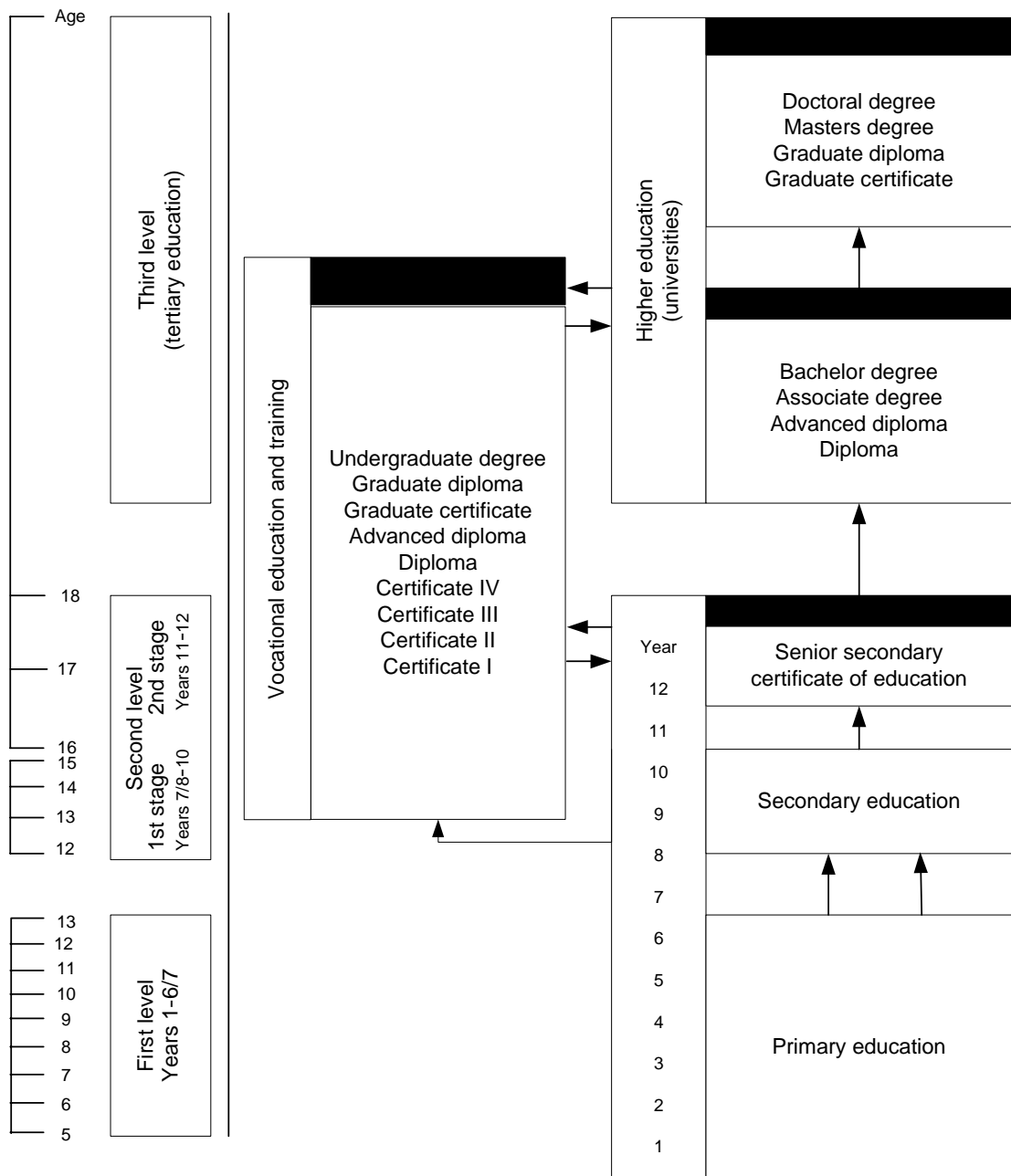
The Australian education and training system comprises the compulsory years of schooling (in 2006, up to 16 years of age in Queensland, WA, SA and Tasmania, and 15 years of age in all other jurisdictions) (see section 4.1 of the School education chapter) and the range of pathways and options available 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. In 2005, there were 182 900 students undertaking VET in schools programs and a total of 274 400 VET in schools course enrolments. (NCVER 2007).

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.

**Box B.1 Outline of the Australian education and training system<sup>a, b</sup>**



<sup>a</sup> In some states and territories, 'primary education' includes an additional year prior to year 1 and is not included in the diagram (see Chapter 4 for more information). <sup>b</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).

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## Measuring the performance of education and training

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 (figures 4.4 and 5.4 respectively). 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 Australia's formal 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*

Australian governments have viewed education and training as a key means to improve economic and social outcomes, as well as to improve the equity of outcomes in society. The link between education and skills and workforce participation and productivity is well established. The Council of Australian Governments have agreed as part of the National Reform Agenda Human Capital reforms to seek outcomes that improve participation and productivity. Vocational education and training has a role to play in outcomes that seek an increase in the proportion of:

- adults who have the skills and qualifications needed to enjoy active and productive working lives
- young people making a smooth transition from school to work or further study.

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 Australian Bureau of Statistics (ABS) *Education and Work* survey. Estimates referring to small subgroups of the Australian population are susceptible to high sampling error, so jurisdictional comparisons need to be made with care.

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Survey data are subject to sampling error, to assist with interpreting data, confidence intervals are reported (box B.2).

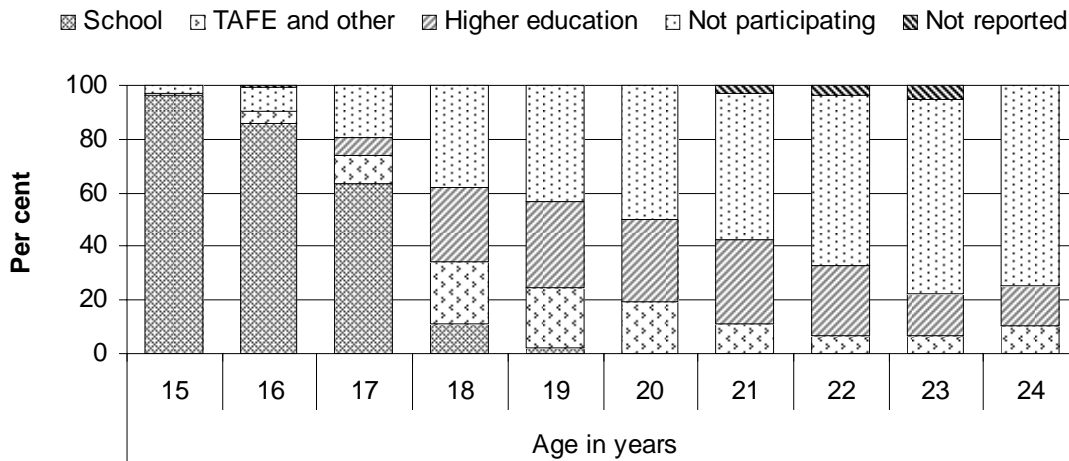
**Box B.2     Interpreting confidence intervals**

Participation rates are derived from survey data, and are subject to sampling error. 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 2006, the proportion of people participating in education and training declines. Nationally, the participation rate was 97.3 per cent for 15 year olds, and decreasing with each year of age to 27.1 per cent for 23 year olds (figure B.5).

**Figure B.5 Participation in education and training of people aged 15 to 24 years, by sector, 2006<sup>a, b, c</sup>**



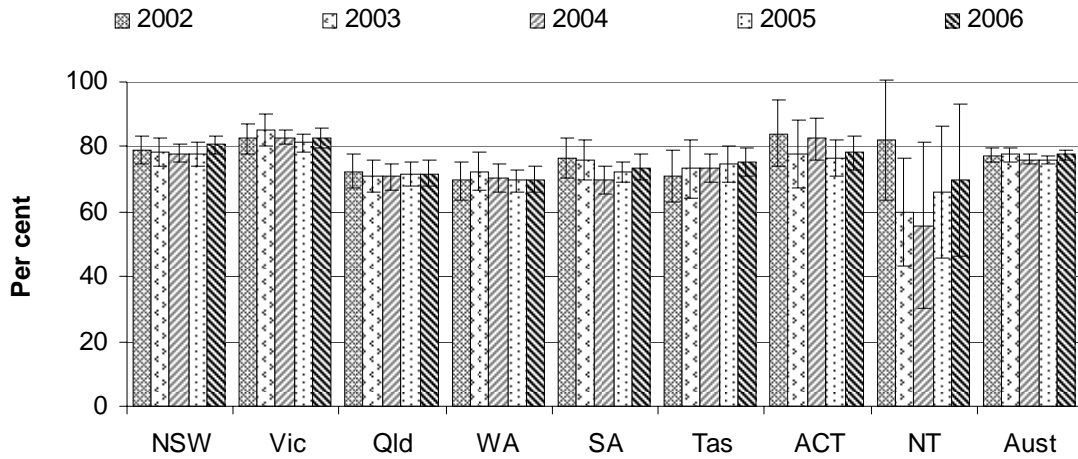
<sup>a</sup> 'TAFE and other' includes all education or training participation at institutions other than schools and higher education institutions. <sup>b</sup> Student participation is likely to be underestimated because data are for May, not for the whole year. <sup>c</sup> Data for 21 to 23 year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

Source: ABS (unpublished) survey of Education and Work; 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 other influences that State and Territory governments have less control over, such as labour market changes, population movements, urbanisation, socioeconomic status and Indigenous status.

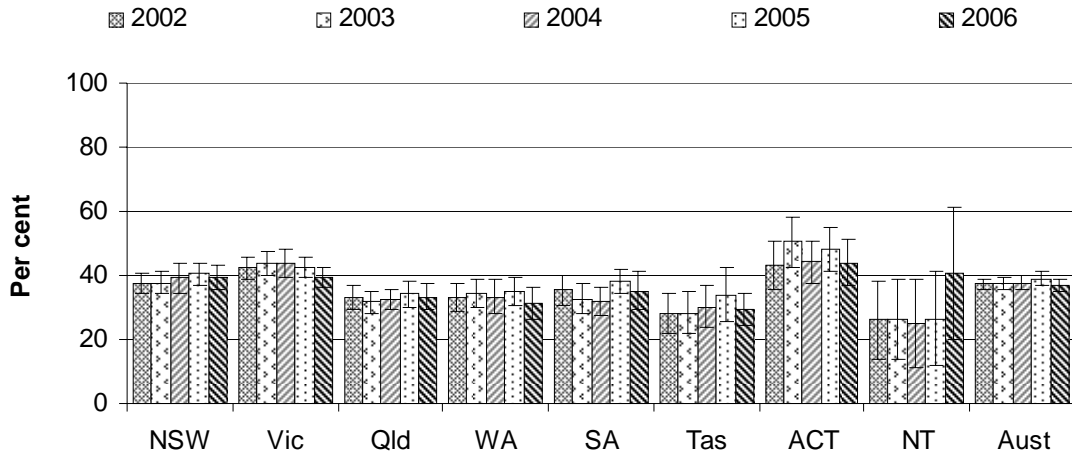
Nationally, the participation rate for people aged 15–19 years in 2006 was 77.5 per cent (figure B.6), 36.9 per cent for those aged 20–24 years (figure B.7) and 17.0 per cent for 15–64 year olds (figure B.8). Further information on 25–29 year olds are available in the attachment (table BA.6).

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



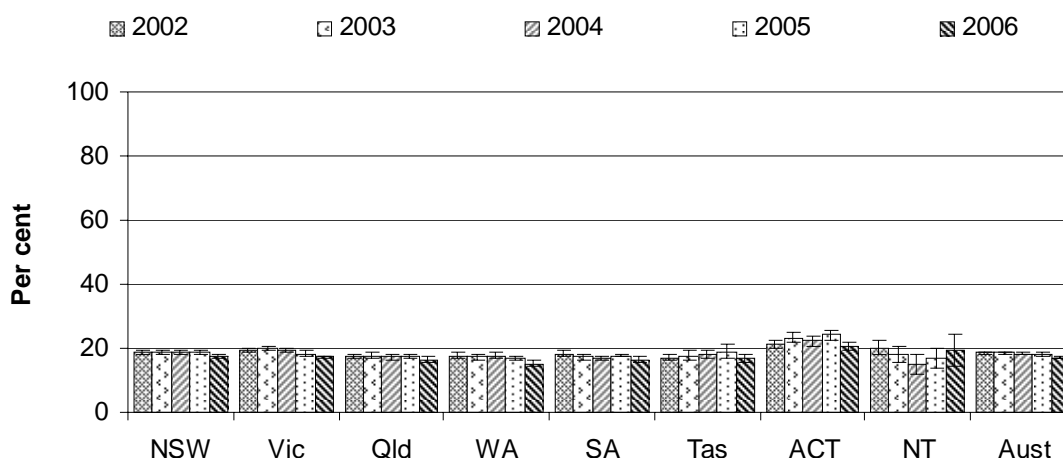
<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate.  
 Source: ABS (2002, 2003, 2004, 2005, 2006); ABS (unpublished) survey of Education and Work; table BA.6.

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



<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate.  
 Source: ABS (2002, 2003, 2004, 2005, 2006); ABS (unpublished) survey of Education and Work; table BA.6.

**Figure B.8 Participation in education and training (15–64 year olds)<sup>a</sup>**



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

Source: ABS (2002, 2003, 2004, 2005, 2006); ABS (unpublished) survey of Education and Work; table BA.6.

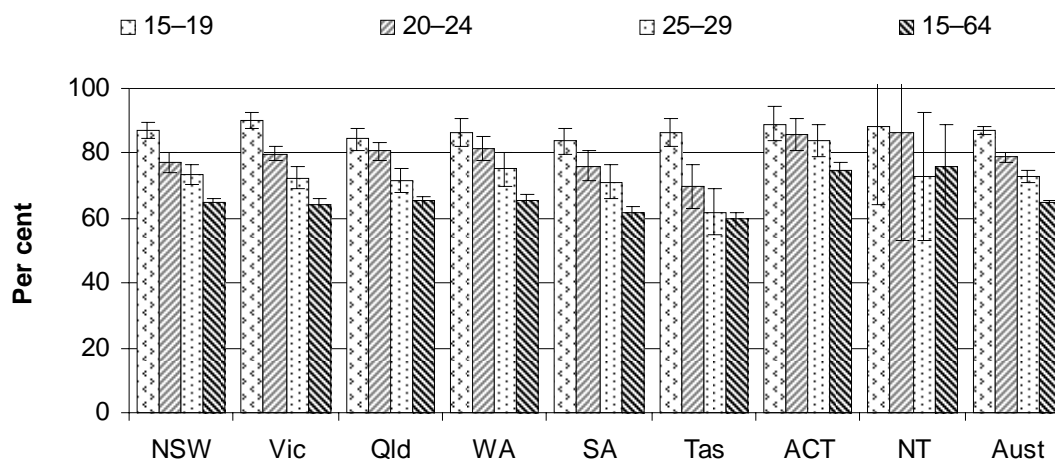
### *Participation in education, training and work*

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.9). However, rates for 25–29 year olds are generally still higher than rates for the whole working age cohort (15–64 years).



Figure B.9 Full time participation in education, training or work, 2006 (per cent)<sup>a, b</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.

Source: ABS (2006); ABS survey of Education and Work (unpublished); table BA.7.

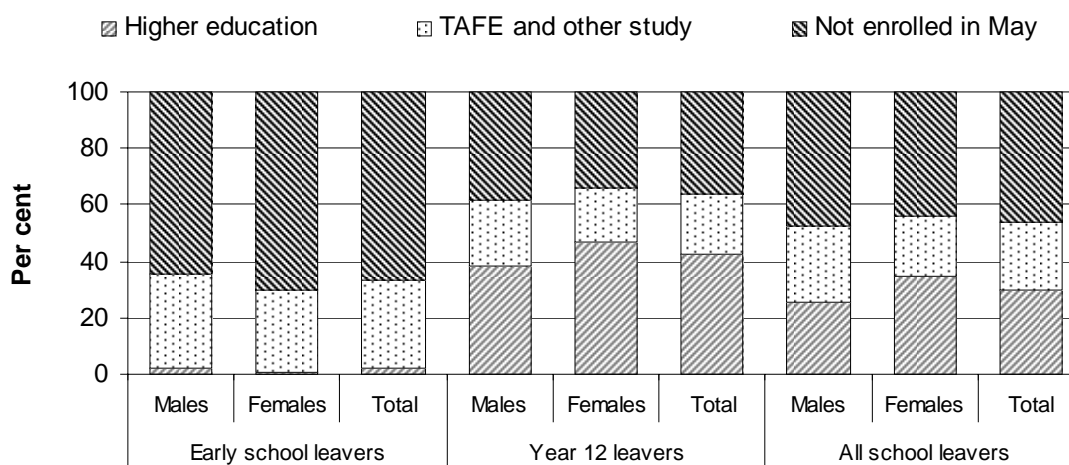
### School leaver destinations

Approximately 302 100 people aged 15–24 years who attended school in 2005 were not attending school in May 2006. Of these students, 96 000, or 31.8 per cent, were early school leavers, with the remainder being Year 12 leavers (68.2 per cent). Higher education institutions attracted 90 000 school leavers in 2006, or 29.8 per cent of all school leavers (an increase of 3.5 percentage points from 2005). Institutes of TAFE attracted 61 200 school leavers (20.3 per cent of all school leavers) (table BA.8).

Of all early school leavers, 59.8 per cent were males and 40.2 per cent were females (table BA.8). Of all male early school leavers, 35.7 per cent went on to further education compared to 29.5 per cent of all female early school leavers (figure B.10).

Of all year 12 leavers, 48.5 per cent were males and 51.4 per cent were females (table BA.8). Of all male year 12 leavers, 61.6 per cent went on to non-school education and training, compared to 66.0 per cent of female year 12 leavers (figure B.10).

Figure B.10 School leaver destination (15–24 year olds), 2006<sup>a, b, c</sup>



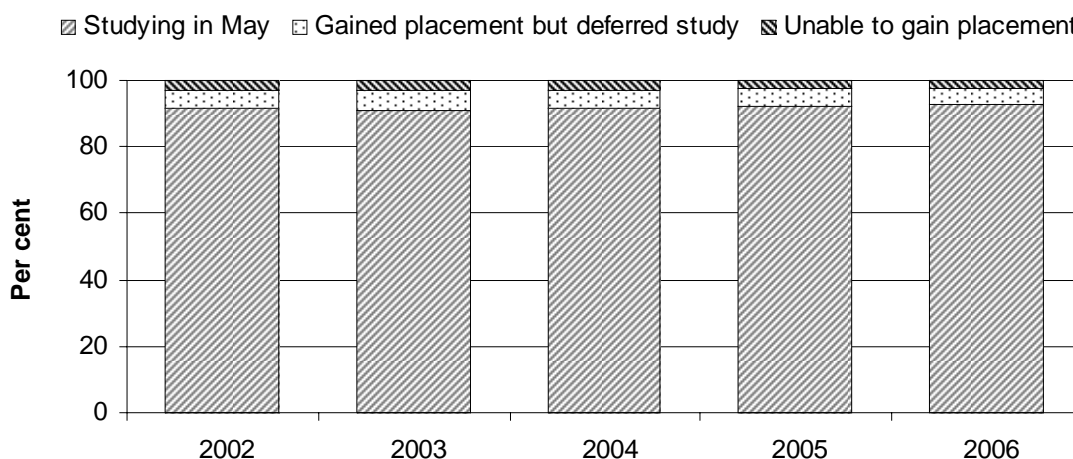
<sup>a</sup> Data for people who attended school in 2005 and were not attending school in May 2006. <sup>b</sup> Early school leavers are those who left school earlier than year 12. <sup>c</sup> 'Other study' includes business colleges, industry skills centres and other educational institutions.

Source: ABS (2006); ABS survey of Education and Work (unpublished); table BA.8.

### Education enrolment experience

Nationally, 2.6 million people aged 15–64 years applied to enrol in an educational institution in 2006 (table BA.9). Of those who applied to enrol, 92.6 per cent were studying in 2006, while 5.2 per cent deferred study and 2.2 per cent were unable to gain placement (figure B.11). Of the 2.6 million who applied to enrol, 1.1 million were 15–19 year olds and 562 000 were 20–24 year olds (tables BA.10-11).

Figure B.11 Applications to enrol in an educational institution, by placement (15–64 year olds)<sup>a</sup>



<sup>a</sup> 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.

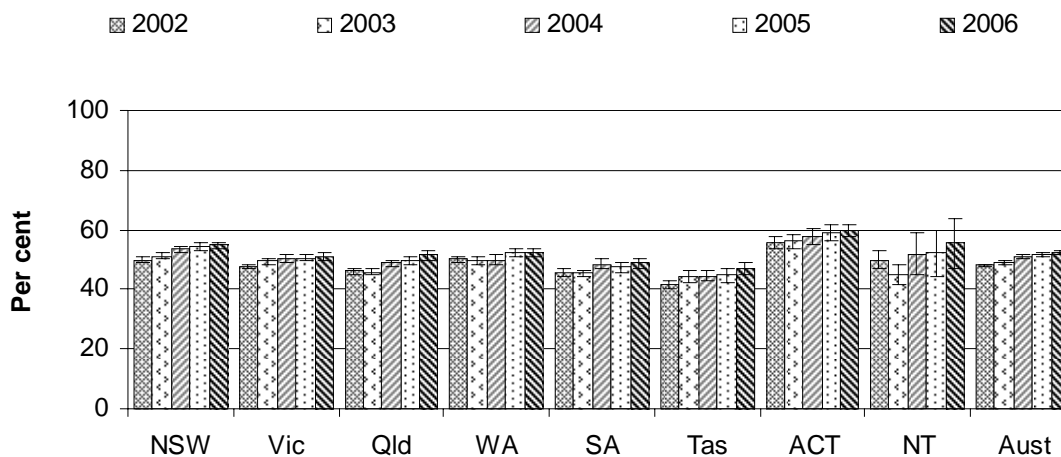
Source: ABS (2002, 2003, 2004, 2005, 2006); ABS (unpublished) survey of Education and Work; table BA.9.

### *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. 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.

In 2006, 52.4 per cent of people aged 15–64 years had a non-school qualification (7.0 million people) compared to 48.2 per cent (6.2 million people) in 2002 (figure B.12). Of the 7.0 million people with a non-school qualification, 39.2 per cent had a postgraduate degree, graduate diploma/graduate certificate or bachelor degree as their highest non-school qualification (table BA.12). Of the 6.4 million people in this age group without non-school qualifications, 36.5 per cent had completed the highest level of secondary school (table BA.13).

**Figure B.12 Proportion of 15–64 year olds with a non-school qualification as their highest level of qualification<sup>a</sup>**



<sup>a</sup> The levels of highest non-school qualifications are not necessarily higher than a school qualification (that is, Certificate I, II or NFD are not necessarily higher than Year 12).

Source: ABS (2006); table BA.12.

Nationally between 2000 and 2005, 2.2 million people (13.8 per cent of people aged 15 years or older) completed one or more non-school qualifications. These data can be disaggregated by people's highest level of educational attainment in 2000 and by the number of qualifications completed over the period:

- People who had year 11 or below as their highest level of attainment in 2000 accounted for 50.6 per cent (1.1 million people) of people who achieved one or more qualifications over the period.
- People who had year 12 as their highest level of attainment in 2000 were most likely to complete at least one non-school qualification post 2000 (59.3 per cent or 297 100 people).
- People with a certificate III or IV as their highest level of attainment in 2000 were the least likely to complete a non-school qualification post 2000 (7.6 per cent or 167 200 people).
- People with a certificate I or II in 2000 and who completed further non-school qualifications by 2005 were most likely to complete two further non-school qualifications (34 800 people or 27.4 per cent), more than double the proportion of people who had an advanced diploma/diploma in 2000 who completed two further non-school qualifications by 2005 (18 700 or 13.1 per cent) (table B.1).

Table B.1 **Level of highest educational attainment in 2000, by number of non-school qualifications completed by 2005 (15 years or older in 2005)<sup>a</sup>**

	<i>Number of non-school qualifications completed between 2000 and 2005</i>				<i>Subtotal (of additional qualifications)</i>	<i>Proportion of total</i>	<i>Total</i>
	<i>0</i>	<i>1</i>	<i>2</i>	<i>3+</i>			
<i>Level of highest education attainment in 2000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>%</i>	<i>'000</i>
Year 11 or below <sup>b</sup>	7 462.2	830.5	213.3	66.0	1 109.8 50.6%	12.9	<b>8 572.1</b>
Year 12	204.1	230.6	55.8	10.7	297.1 13.5%	59.3	<b>501.2</b>
Certificate I, II or nfd	1 077.9	92.2	34.8	–	127.0 5.8%	10.5	<b>1 204.9</b>
Certificate III or IV	1 918.8	131.0	36.2	–	167.2 7.6%	8.0	<b>2 086.0</b>
Advanced diploma/diploma	973.4	124.2	18.7	–	142.9 6.5%	12.8	<b>1 116.2</b>
Bachelor degree or higher	2 055.7	287.2	63.9	–	351.1 16.0%	14.6	<b>2 406.8</b>
<b>Total</b>	<b>13 692.1</b>	<b>1 695.7</b>	<b>422.8</b>	<b>76.7</b>	<b>2 195.2</b>	<b>13.8</b>	<b>15 887.3</b>

<sup>a</sup> Completions between 2000 and 2005 are likely to be underestimated because data are for May–August 2005, not for the whole year. <sup>b</sup> People who had completed Year 11 or below as their level of highest educational attainment in 2000 may still be undertaking non-school qualifications and may not have completed within the reported timeframe. – nil or rounded to zero.

**nfd** Not further defined.

Source: ABS (unpublished) survey of Education and Training, 2005.

Data on the number of non-school qualifications completed between 2000 and 2005 can also be disaggregated by the level of highest qualification people achieved post 2000:

- People with year 12, or a bachelor degree or higher, were most likely to go on to complete a bachelor degree or higher (57.6 per cent and 68.9 per cent respectively).
- People with a certificate I–IV, were most likely to go on to complete a certificate III or IV (46.4 per cent of people with a certificate I or II and 38.1 per cent of people with certificate III or IV).

- People with an advanced diploma/diploma were most likely to go on to complete a bachelor degree or higher (36.2 per cent), closely followed by a certificate III or IV (33.2 per cent) (table B.2).

**Table B.2 People who completed non-school qualifications, by level of highest non-school qualification completed by 2005 (15 years or older)<sup>a, b</sup>**

	<i>Highest non-school qualification in 2005</i>				<b>Total<sup>c</sup></b> <i>(of additional qualifications)</i>
	<i>Certificate I, II or nfd</i>	<i>Certificate III or IV</i>	<i>Advanced diploma/diploma</i>	<i>Bachelor degree or higher</i>	
<i>Level of highest education attainment in 2000</i>	'000	'000	'000	'000	'000
Year 11 or below <sup>d</sup>	270.6	419.2	165.1	255.0	<b>1 109.8</b>
Year 12	23.6	56.7	45.8	171.0	<b>297.1</b>
Certificate I, II or nfd	31.1	59.0	19.3	17.7	<b>127.0</b>
Certificate III or IV	44.7	63.7	32.3	26.5	<b>167.2</b>
Advanced diploma/diploma	21.6	47.4	22.2	51.7	<b>142.9</b>
Bachelor degree or higher	24.0	46.6	38.5	242.1	<b>351.1</b>
<b>Total<sup>c</sup></b>	<b>415.6</b>	<b>692.6</b>	<b>323.0</b>	<b>763.9</b>	<b>2 195.2</b>

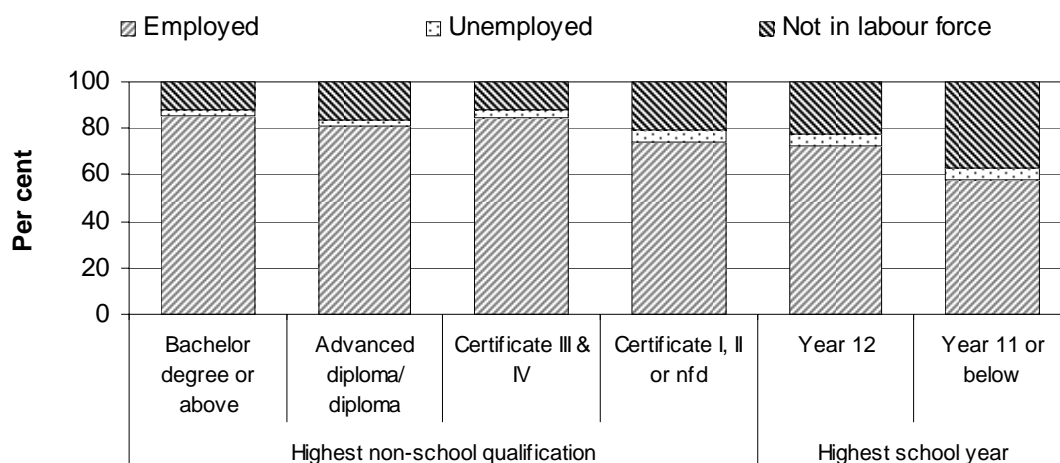
<sup>a</sup> Completions between 2000 and 2005 are likely to be underestimated because data are for May–August 2005, not for the whole year. <sup>b</sup> The levels of qualifications are not necessarily listed in order from highest to lowest (that is, 'Certificate I, II or nfd' are not necessarily higher than year 12). <sup>c</sup> Totals may not add due to rounding. <sup>d</sup> People who had completed Year 11 or below as their level of highest educational attainment in 2000 may still be undertaking non-school qualifications and may not have completed within the reported timeframe.

**nfd** Not further defined.

Source: ABS (unpublished) survey of Education and Training, 2005.

There were 5.8 million employed people who had a non-school qualification in 2006, representing 59.2 per cent of employed people aged 15–64 years (table BA.13). People whose highest non-school qualification was a bachelor degree or above were most likely to be employed (85.5 per cent), while people who did not complete secondary school were the least likely to be employed (57.5 per cent) (figure B.13).

Figure B.13 **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 2006<sup>a</sup>**



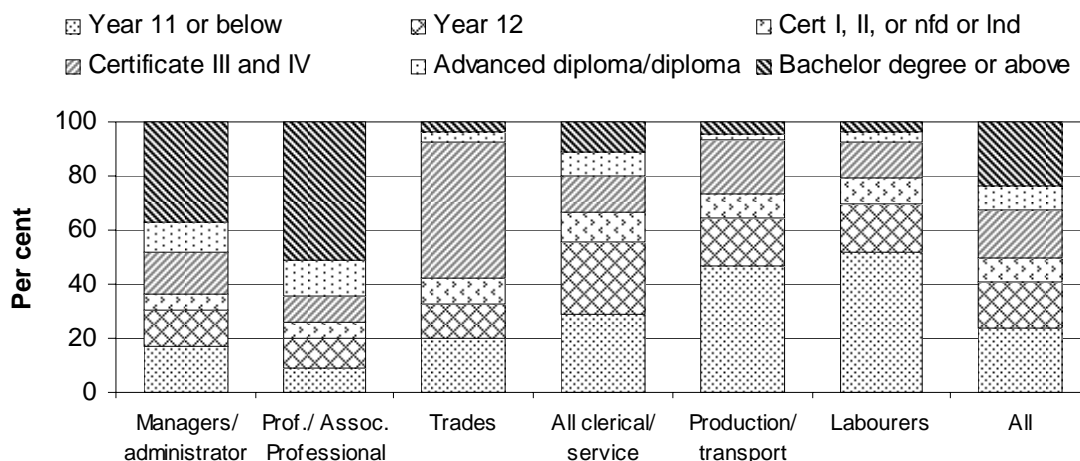
<sup>a</sup> The levels of qualifications are not necessarily listed in order from highest to lowest (that is, 'Certificate I, II or nfd' are not necessarily higher than year 12).

**nfd** Not further defined.

Source: ABS (2006); table BA.13.

People employed as professionals were most likely to have completed a bachelor or higher degree as their level of highest non-school qualification (69.4 per cent in 2006), while the level of highest non-school qualification for the majority of tradespeople and related workers was a certificate III or IV (50.3 per cent) (table BA.14). People employed as 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.14).

**Figure B.14 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 2006<sup>a</sup>**



<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).

**nfd** Not further defined. **Ind** Level not determined.

Source: ABS (2006); ABS (unpublished) survey of Education and Work; table BA.14.

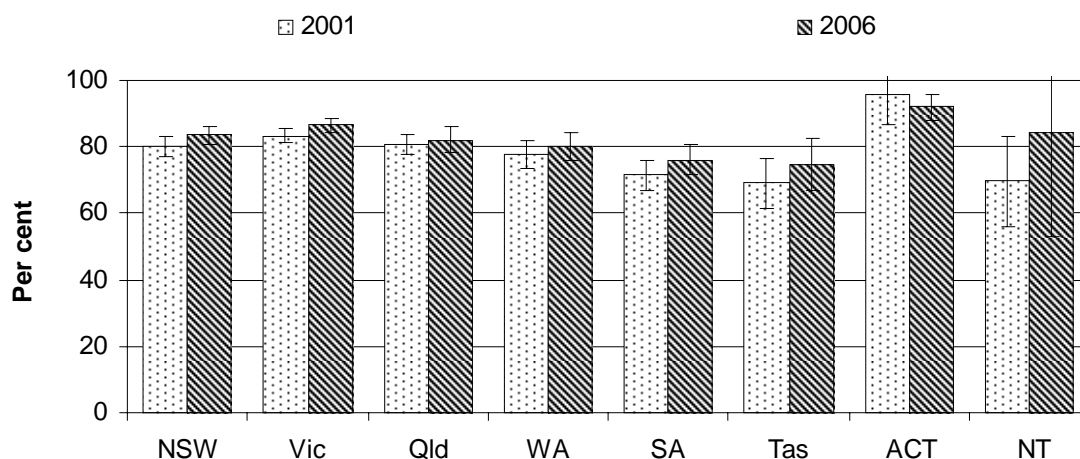
Nationally, the proportion of 20–24 year olds who had completed year 12 or equivalent, or gained a qualification at AQF level II or above, was 80.2 per cent in 2001 and 81.9 per cent in 2006 (table BA.15). The proportion of males who gained a qualification at AQF level II or above was 78.1 per cent in both 2001 and 2006, while the corresponding proportion of females increased from 82.4 per cent in 2001 to 85.9 per cent in 2006 (ABS survey of Education and Work unpublished).

National year 12 and post secondary qualifications data are reported in the text, and are not represented in the figures. Although the State/Territory and Australian estimates are similarly derived, they are not comparable because of differences in the underlying classification basis. From 2001, the Australian Standard Classification of Education (ASCED) replaced the Australian Bureau of Statistics Classification of Qualifications (ABSCQ) for the Australian estimates (State/Territory estimates are still based on ABSCQ).

The proportion of 20–24 year olds who had completed year 12 or equivalent or gained a qualification at AQF level II or above varied across jurisdictions (figure B.15).



**Figure B.15 Proportion of 20–24 year olds who completed year 12 or equivalent, or gained a qualification at AQF level II or above<sup>a</sup>**

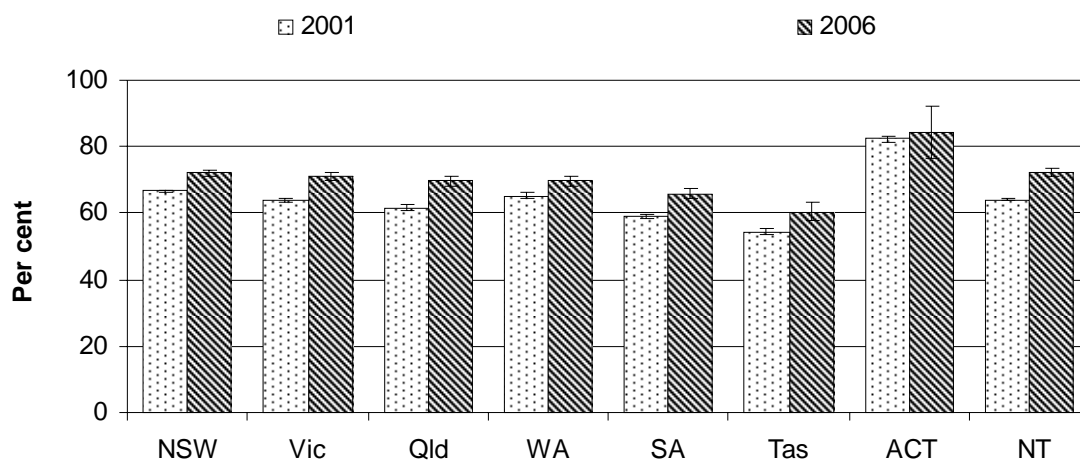


<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate.

Source: ABS (unpublished) survey of Education and Work; table BA.15.

Nationally, the proportion of 25–64 year olds who had completed year 12 or equivalent or gained a qualification at AQF level II or above was 64.2 per cent in 2001 and 70.6 per cent in 2006. The proportion of 25–64 year olds who had completed year 12 or equivalent or gained a qualification at AQF level II or above varied across jurisdictions (figure B.16).

**Figure B.16 Proportion of 25–64 year olds who completed year 12 or equivalent or gained a qualification at AQF level II or above<sup>a</sup>**



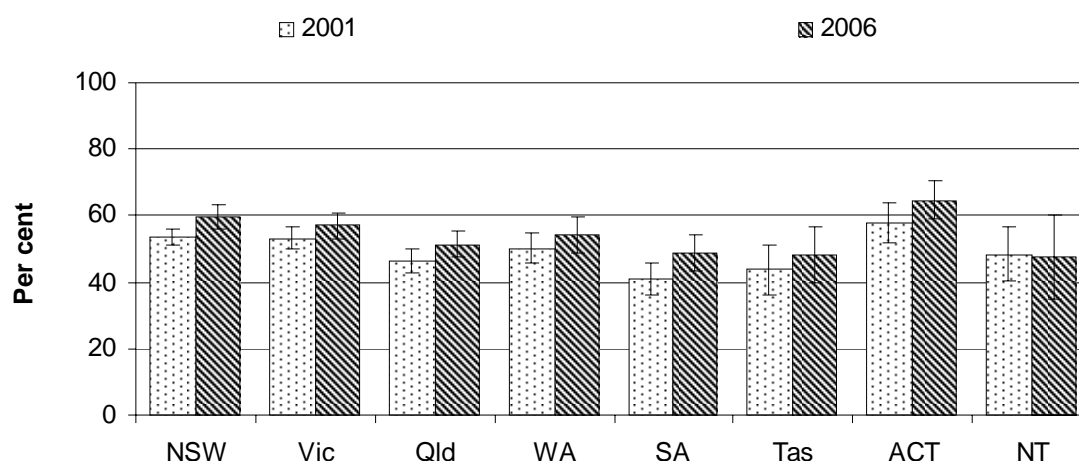
<sup>a</sup> Error bars represent the 95 per cent confidence interval associated with each point estimate.

Source: ABS (unpublished) survey of Education and Work; table BA.16.

Nationally, the proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level III or above was 50.8 per cent in 2001 and 55.7 per cent in 2006 (table BA.17). The proportion of males aged 25–29 who gained a post-secondary qualification at AQF level III or above was 53.4 per cent in 2001 and 56.1 per cent in 2006, while the corresponding proportion of females was 48.3 per cent in 2001 and 55.3 per cent in 2006 (ABS survey of Education and Work unpublished).

The proportion of 25–29 year olds who have gained a post-secondary qualification at AQF level III or above varied across jurisdictions (figure B.17).

**Figure B.17 Proportion of 25–29 year olds who gained a post-secondary qualification at AQF level III or above<sup>a</sup>**



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

Source: ABS (unpublished) survey of Education and Work; table BA.17.

The focus of this Report is on Australian and State/Territory comparisons. However, a recent Organisation for Economic Co-operation and Development Education (OECD) publication reported indicators on how Australia performed against other OECD countries on a range of education outcomes. Data from the OECD publication included:

- proportion of population that has attained at least upper secondary education<sup>1</sup> — in 2005, Australia was ranked 19<sup>th</sup> out of 29 OECD countries (with 79.0 per cent of 25–34 year olds)

<sup>1</sup> The classification of ‘upper secondary’ differs both across and between countries.

- 
- proportion of population that has attained tertiary education — in 2005, Australia was ranked 11<sup>th</sup> out of 30 OECD countries (with 38.0 per cent of 25–34 year olds).

Further data are available in the OECD publication (OECD 2007).

## **Efficiency**

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

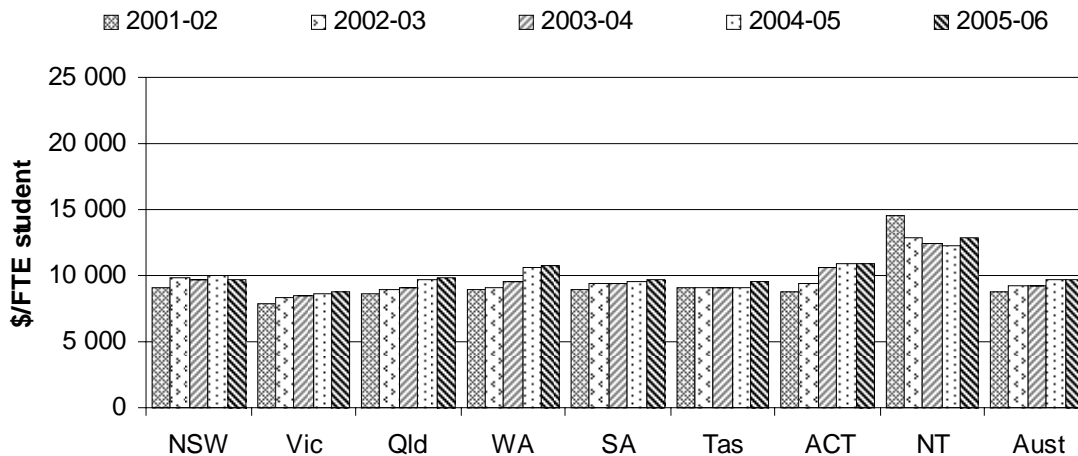
### *Comparing unit costs across jurisdictions*

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. However, special characteristics within jurisdictions 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 in 2005-06, Australian, State and Territory in-school government expenditure on government primary school education was \$9699 per full time equivalent primary school student (figure B.18). Expenditure on government secondary school education was \$12 148 per full time equivalent secondary school student (figure B.19). Government expenditure on VET was \$14.24 per annual hour (figure B.20).

**Figure B.18 Primary school education real recurrent unit costs (2005-06 dollars)<sup>a, b, c, d</sup>**

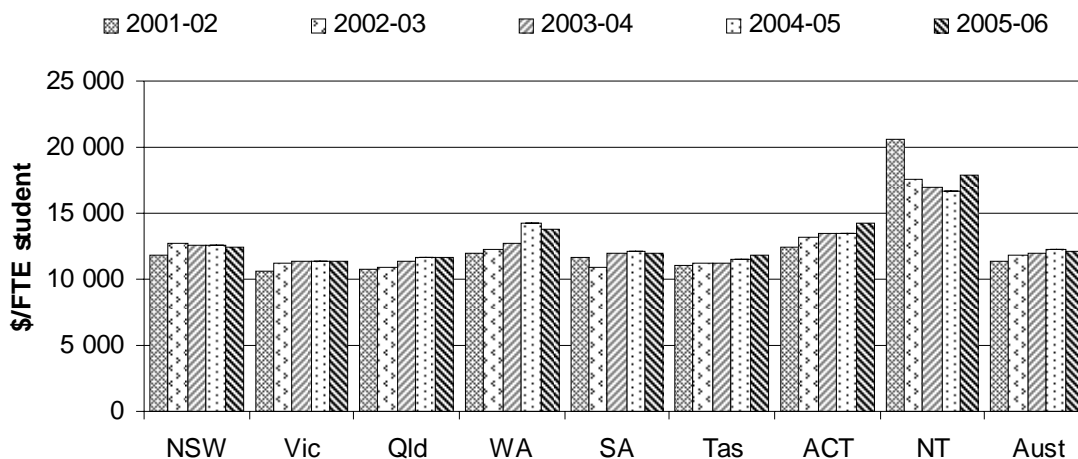


<sup>a</sup> Schools data are total government expenditure on government schools divided by two year average FTE student population. <sup>b</sup> Based on accrual data. <sup>c</sup> Schools data include payroll tax estimates for WA and the ACT to achieve greater comparability across jurisdictions. <sup>d</sup> Data for previous years has been adjusted to 2005-06 dollars using the ABS GDP price deflator (table AA.26).

FTE Full time equivalent.

Source: table BA.18.

**Figure B.19 Secondary school education real recurrent unit costs (2005-06 dollars)<sup>a, b, c, d</sup>**

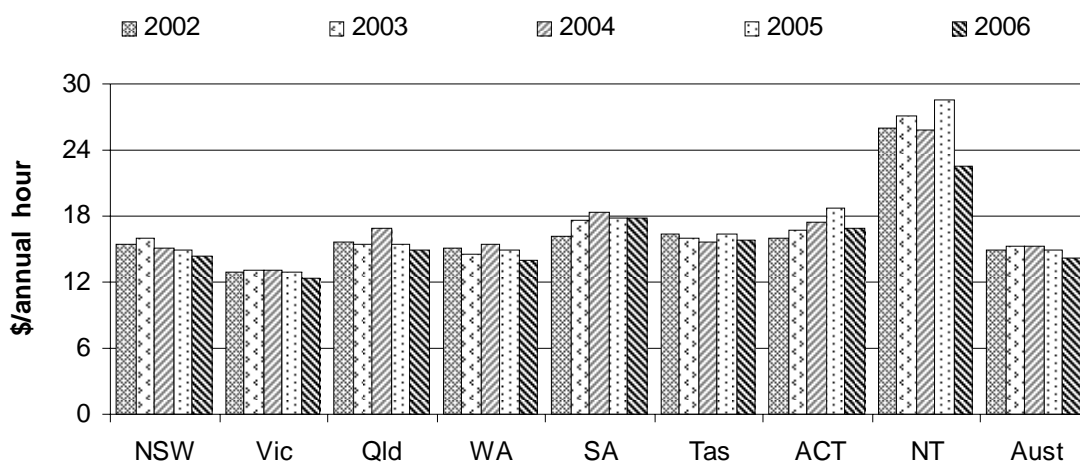


<sup>a</sup> Schools data are total government expenditure on government schools divided by two year average FTE student population. <sup>b</sup> Based on accrual data. <sup>c</sup> Schools data include payroll tax estimates for WA and the ACT to achieve greater comparability across jurisdictions. <sup>d</sup> Data for previous years has been adjusted to 2005-06 dollars using the ABS GDP price deflator (table AA.26).

FTE Full time equivalent.

Source: table BA.18.

Figure B.20 VET institution real recurrent unit costs (2006 dollars)<sup>a, b, c, d, e</sup>



<sup>a</sup> Based on accrual data. <sup>b</sup> 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> Annual hours are the total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy. <sup>e</sup> Data for previous years has been adjusted to 2006 dollars using the ABS GDP chain price deflator (table 5A.72).

Source: table BA.19.

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## Attachment tables

Attachment tables are identified in references throughout this preface by an 'A' suffix (for example, table BA.3 is table 3 in the attachment). 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)). On the CD-ROM, the files containing the attachment tables are provided in Microsoft Excel format as \Publications\Reports\2008\AttachBA.xls and in Adobe PDF format as \Publications\Reports\2008\AttachBA.pdf. 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 government real recurrent expenditure on children's services, (2006-07 dollars)
<b>Table BA.2</b>	Australian, State and Territory (including local) government real expenditure on education, (2005-06 dollars)
<b>Table BA.3</b>	Total government real expenditure on education, by purpose (2005-06 dollars) (\$ million)
<b>Table BA.4</b>	State and Territory (including local) government real expenditure (2005-06 dollars)
<b>Table BA.5</b>	Participation in education and training, by age, by sector, 2006
<b>Table BA.6</b>	Participation in education and training (per cent)
<b>Table BA.7</b>	Full time participation in education, training or work (per cent), 2006
<b>Table BA.8</b>	School leaver destination (15–24 year olds)
<b>Table BA.9</b>	Applications to enrol in an educational institution, by people aged 15–64 years
<b>Table BA.10</b>	Applications to enrol in an educational institution, by people aged 15–19 years
<b>Table BA.11</b>	Applications to enrol in an educational institution, by people aged 20–24 years
<b>Table BA.12</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.13</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, 2006
<b>Table BA.14</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, 2006
<b>Table BA.15</b>	Proportion of 20–24 year olds who have completed year 12 or equivalent or gained a qualification at AQF level II or above
<b>Table BA.16</b>	Proportion of 25–64 year olds who have completed year 12 or equivalent or gained a qualification at AQF level II or above
<b>Table BA.17</b>	Proportion of 25–29 year olds who have gained a post-secondary qualifications at AQF level III or above
<b>Table BA.18</b>	School education real recurrent unit costs (2005-06 dollars)
<b>Table BA.19</b>	VET institution real recurrent unit costs (2006 dollars)

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