

State of Education in NSW

Inaugural biennial report – 2014

Centre for Education Statistics and Evaluation



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Contents

List of Figures	iii
List of Tables	iv
Minister's foreword	v
Letter from Advisory Council	vi
Executive summary	1
Chapter 1: Introduction	3
Chapter 2: Early childhood education and care	12
Snapshot of performance	
Performance in detail	
Chapter 3: School education	23
Snapshot of performance	
Performance in detail	
Chapter 4: Vocational education and training	46
Snapshot of performance	
Performance in detail	
Chapter 5: Higher education	56
Snapshot of performance	
Performance in detail	
Chapter 6: Factors related to performance	62
Appendix A: NSW education system	73
Appendix B: Assessments, curriculum and credentials	74
Appendix C: NSW 2021 – goals and indicators	79
Appendix D: Early childhood education – context, policy and governance	81
Appendix E: School education – context, policy and governance	88
Appendix F: VET – context, policy and governance	96
Appendix G: Higher education – context, policy and governance	101
Acronyms	107

List of figures

Figure 1.1:	Labour force participation rate, NSW 2005-06 to 2030-31	5
Figure 1.2:	Proportion of NSW workforce engaged by industry sector, 2011	6
Figure 1.3:	Predicted changes to industry sectors, 1990-2020	7
Figure 2.1:	Proportion of children accessing a preschool program in their year prior to school, 2011-13.....	14
Figure 2.2:	Average weekly hours of attendance of children in the year before full-time school in NSW government-operated and NSW government-funded preschools, 2011-13	14
Figure 2.3:	Comparison of average daily fees in government-funded preschools for all children and children in equity groups, (2013 dollars), 2008-13	15
Figure 2.4:	Median weekly cost of centre-based, long day care, NSW and other jurisdictions, 2013 (2012/13 dollars, \$/week).....	15
Figure 2.5:	Out-of-pocket expenses (after subsidies) for families with children in full-time, centre-based, long day care, as a proportion of gross annual disposable income, NSW and Australia, March quarter 2013	16
Figure 2.6:	Number of Aboriginal and Torres Strait Islander children aged 4 and 5 accessing a preschool program in their year prior to school, 2011-13	17
Figure 2.7:	Number of disadvantaged children aged 4 and 5 accessing a preschool program in government-funded preschools and long day care centres in their year before full-time school, 2011-13.....	17
Figure 2.8:	Proportion of children vulnerable on one or more AEDI domains in NSW and Australia, 2009 and 2012.....	18
Figure 2.9:	Proportion of children developmentally vulnerable by AEDI domain in NSW and Australia, 2012	19
Figure 2.10:	Proportion of approved services with a quality rating, by quality rating, NSW and Australia, as at December 2013	20
Figure 2.11:	Number of NSW approved services achieving quality ratings, by quality area, as at 31 December 2013	21
Figure 3.1:	Average performance in PISA 2012 Mathematical Literacy, NSW, Australia and selected participating countries, 2012	28
Figure 3.2:	Average performance in PISA 2012 Science Literacy, NSW, Australia and selected participating countries	28
Figure 3.3:	Average performance in PISA 2012 Reading Literacy, NSW, Australia and selected participating countries	29
Figure 3.4:	Trends in PISA Mathematical Literacy, NSW, Australia and OECD average, 2003-12.....	29
Figure 3.5:	Trends in PISA Reading Literacy, NSW, Australia and OECD average, 2003-12	30
Figure 3.6:	Mean score trends in PISA Science Literacy, NSW and OECD average, 2006-12	31
Figure 3.7:	Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 3, NSW, 2008-13	32
Figure 3.8:	Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 5, NSW, 2008-13	32
Figure 3.9:	Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 7, NSW, 2008-13.....	33
Figure 3.10:	Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 9, NSW, 2008-13	33
Figure 3.11:	Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 3, NSW and Australia, 2008-13.....	34
Figure 3.12:	Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 5, NSW and Australia, 2008-13.....	34
Figure 3.13:	Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 7, NSW and Australia, 2008-13.....	35
Figure 3.14:	Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 9, NSW and Australia, 2008-13.....	35
Figure 3.15:	Rate of participation in NAPLAN Reading, by year group, NSW and Australia, 2013	36
Figure 3.16:	Rate of participation in NAPLAN Numeracy, by year group, NSW and Australia, 2013	36
Figure 3.17:	Full-time apparent retention rates, Years 7/8-12 Australia and Years 7-12 NSW, 2004-13.....	37
Figure 3.18:	Number of students attaining HSC award, NSW, 2006-13.....	37
Figure 3.19:	Number of students awarded an HSC Record of Achievement (but not a HSC), NSW, 2006-13	38
Figure 3.20:	Proportion of 20-24 year olds with Year 12 or a qualification at AQF Certificate II or above, NSW, 2001-13	38
Figure 3.21:	Proportion of 20-24 year olds with Year 12 or a qualification at AQF Certificate III or above, NSW, 2001-13.....	39
Figure 3.22:	Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 3, NSW, 2008-13	40
Figure 3.23:	Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 5, NSW, 2008-13	41
Figure 3.24:	Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 7, NSW, 2008-13.....	41
Figure 3.25:	Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 9, NSW, 2008-13	42
Figure 3.26:	Number of Aboriginal and Torres Strait Islander students awarded the HSC, NSW, 2008-12	42
Figure 3.27:	Proportion of Aboriginal or Torres Strait Islander 20-24 year olds who have completed Year 12 or gained a qualification at HAQF II Certificate or above, NSW, 2006-12 (actual), to 2020 (target).....	43
Figure 3.28:	Estimated Year 12 completion rates for students from low SES backgrounds, NSW and Australia, 2002-12	43

Figure 3.29: Proportion of 20-24 year olds who have completed Year 12 or gained a qualification at AQF Certificate II or above, regional and rural areas, NSW, 2006-12.....	44
Figure 3.30: Number of teachers seeking and gaining accreditation at the Professional Accomplishment level, government and non-government schools, NSW, 2009-13.....	45
Figure 3.31: Number of teachers seeking and gaining accreditation at the Professional Leadership level, government and non-government schools, NSW, 2009-13.....	45
Figure 4.1: Proportion of 20-64 year olds without a qualification at AQF Certificate III level or above, NSW and Australia, 2009-12.....	47
Figure 4.2: Proportion of 20-64 year olds with a qualification at AQF Certificate III level or above.....	48
Figure 4.3: Number of AQF Diploma and Advanced Diploma completions, Australia and NSW, 2002-11.....	48
Figure 4.4: Qualifications at AQF Diploma level and above, NSW, 2005-11.....	49
Figure 4.5: Proportion of 20-64 year olds across PIAAC Literacy skill levels, Australia and NSW, 2011-12.....	50
Figure 4.6: Proportion of 20-64 year olds across PIAAC Numeracy skill levels, Australia and NSW, 2011-12.....	50
Figure 4.7: Qualification completions at AQF Certificate III and above, female students, NSW, 2005-11.....	51
Figure 4.8: Number of qualification completions at AQF Certificate III and above, NSW rural and regional students, 2005-11.....	51
Figure 4.9: Qualification completions at AQF Certificate III and above, Aboriginal and Torres Strait Islander students, 2005-11.....	52
Figure 4.10: Proportion of 15-19-year-old school leavers fully participating in education, training and/or employment, NSW, 2003-13.....	52
Figure 4.11: Proportion of 17-24 year olds fully engaged in work or study, Australia and NSW, 2008 and 2013.....	53
Figure 4.12: Proportion of 17-24 year olds fully engaged in work or study, NSW, 2003-13.....	53
Figure 4.13: Apprenticeship and traineeship completions in the 12 months to 30 September each year, NSW, all students and students in regional/rural areas, 2006-13.....	54
Figure 4.14: Completion rates for apprentices and trainees commencing 2006-08, NSW and Australia.....	54
Figure 4.15: Apprentice and trainee commencements in each quarter (seasonally adjusted), NSW, 2002-13.....	55
Figure 4.16: Numbers of apprentices and trainees in training, NSW, 2004-12.....	55
Figure 5.1: Proportion of 25-34 year olds with a qualification at Bachelor level or above, NSW, 2006-13.....	57
Figure 5.2: Award course completions in NSW public universities and other providers, 2008-12.....	57
Figure 5.3: All students award course completions by citizenship, NSW public universities, 2010-12.....	58
Figure 5.4: Proportion of domestic undergraduate students from low SES areas, NSW, 2008-12.....	59
Figure 5.5: Award course completions among Aboriginal and Torres Strait Islander students in NSW, 2008-12.....	59
Figure 5.6: Award course completions for Aboriginal and Torres Strait Islander students by gender, Australia 2001-12.....	60
Figure 6.1: Relationship between equity and performance in Mathematical Literacy among students undertaking the PISA assessment in 2012.....	62
Figure 6.2: Proportion of children developmentally vulnerable on two or more AEDI domains, by SES, NSW, 2009.....	63
Figure 6.3: Average NAPLAN Reading scores (2010-12) by ICSEA averages (2010-12), NSW schools.....	64
Figure 6.4: Proportion of VET students, by SES (SEIFA quintile), NSW, 2012.....	65
Figure 6.5: Proportion of VET students by course level: all students and the most disadvantaged students (SEIFA Quintile 1), NSW, 2012.....	65
Figure 6.6: Expected courses of study of NSW Year 12 students, by SES, 2010.....	66
Figure 6.7: Proportion of NSW children developmentally vulnerable on AEDI domains, by location, 2012.....	66
Figure 6.8: Proportion of all HSC course awards attained in metropolitan, provincial or remote schools, in the top two bands, 2008-12.....	67
Figure 6.9: Proportion of VET students in rural and remote areas and major cities, by course level, NSW, 2012.....	68
Figure 6.10: Proportion of NSW 15 year olds who expect to go to university, by PISA Reading levels, 2009.....	68
Figure 6.11: Proportion of NSW children developmentally vulnerable on two or more AEDI domains, by domain, 2012.....	69
Figure 6.12: Participation in NAPLAN Reading assessments, NSW and Australia, 2013.....	70
Figure 6.13: Proportion of enrolments of Aboriginal and Torres Strait Islander VET students and all VET students by course level, Australia and NSW 2012.....	71
Figure 6.14: Proportions of Aboriginal and Torres Strait Islander VET students undertaking courses at various AQF levels, NSW, 2008-12.....	71
Figure 6.15: Student progress rates, Aboriginal or Torres Strait Islander and other students, NSW and Australia, 2001-09.....	72
Figure A.1: Structure of the NSW education system.....	73
Figure D.1: Framework of early childhood education and care policies.....	84
Figure D.2: Quality areas and rating scale.....	86

List of Tables

Table 3.1: Average performance of NSW students on TIMSS, PISA and PIRLS assessments.....	25
Table B.1: Summary of assessment areas in PISA.....	75

Minister's foreword

This inaugural edition of the biennial *State of Education in NSW* report brings together a wealth of data, information and commentary about the full spectrum of education in this State. It reports on activities and outcomes in early childhood education, school education, vocational education and training and higher education. It acknowledges and reports on the complex mix of government and non-government educational service providers in all four of these sectors.

NSW is committed, with all Australian governments, to the goals described in the Melbourne Declaration. Improving educational outcomes for all young Australians is central to the nation's social and economic prosperity and will position young people to live fulfilling, productive and responsible lives.

As a key to enhancing equity across our population, education has been found to be a major contributor to inter-generational income mobility – that is, the difference between a person's income and that of his or her parents. At a population level, higher wage, educational and occupational outcomes are more likely for those who come from well-off, well-educated families. There is a large body of evidence that links an individual's level of education to their earnings.

Education is not just about earning higher wages. NSW's growing importance as a player in the global economy means a heightened need for citizens who appreciate social and cultural diversity, and who have the knowledge and skills required to allow full participation in both the demands and rewards that our changing society offers.

Young children deserve the opportunity to develop and grow in a healthy, nurturing and stimulating environment. The importance of a high-quality preschool education is now recognised as a fundamental building block for future achievement.

Goals for schooling include the promotion of equity and excellence, with all students becoming successful learners, confident and creative individuals and active and informed citizens.

The complex environmental, social and economic pressures of the 21st century demand that people have the skills to work together in new and creative ways, equipped with high levels of literacy, technological awareness and knowledge of scientific concepts and principles.

The jobs available to young people are rapidly changing, and will continue to do so at an unprecedented rate. In order to maximise their opportunities for healthy, productive and rewarding futures, and to ensure our economy is well placed to anticipate and address new economic opportunities, young people must be encouraged to continue their education beyond that of schooling.

Vocational education and training, as well as opportunities to pursue further education through the growing number of higher-education providers, offer individuals a lifelong opportunity to build cross-disciplinary skills, knowledge and flexibility to respond creatively to new challenges.



Adrian Piccoli MP
Minister for Education

Letter from Advisory Council

Dear Minister

This report represents work undertaken by the Centre for Education Statistics and Evaluation in response to your request for a comprehensive report on the *State of Education in NSW*.

The Centre is uniquely placed to gather and report data on the wide range of educational activities occurring in NSW in the government and non-government sectors. While other specialist centres focus on a particular sector of education, the Centre for Education Statistics and Evaluation was created to conduct analysis across the broad spectrum of early childhood education, school education, vocational education and training and higher education.

Using this broad lens, the Centre has gathered together in one publication an overarching view of all aspects of education in NSW. While most of the data in this report is publicly available in other forms, the report brings the data and analysis together in one document, with a wide audience of policymakers, education practitioners and the general public in mind.

The Centre for Education Statistics and Evaluation Advisory Council thanks the key stakeholders in education in NSW for their generous contributions to this project – particularly representatives of the Department of Education and Communities, the Catholic Education Commission of NSW, the NSW Association of Independent Schools and the NSW Board of Studies, Teaching and Educational Standards. These organisations have worked together with members of the Advisory Council to facilitate access to data and to ensure transparency and rigour in its reporting.

The Centre is committed to sharing the data and evidence base about the effectiveness of educational policies and activities. Many of the Centre's projects are strategic evaluations which assist policymakers to assess the value of specific programs and initiatives.

This report, however, is not intended as a stand-alone evaluation or assessment of the effectiveness of education policy or programs. Rather, the project has been one of gathering descriptive data about the context of early learning, students, schools, education and training and higher education providers as well as reporting on outcomes against agreed national and international measures.

With its detailed current data on performance, trends and comparisons with other education jurisdictions, this report provides a strong basis on which further work may be undertaken to more fully explore underlying causal factors of differences in performance and to make recommendations for future directions in education policy.

I commend the staff of the Centre for Education Statistics and Evaluation for producing this inaugural edition of the *State of Education in NSW*.



John Ainley
Chair
Centre for Education Statistics and Evaluation
Advisory Council

June 2014

Executive summary

This report provides a high-level account of the state of the NSW education system. It sets out the key goals and targets established by state and national governments and reports on progress against those goals. These indicators will provide a baseline against which future performance can be compared. They also set the scene for more detailed research and evaluation to identify what works in improving educational outcomes for NSW students.

The reported indicators are not the only measures of change or progress in education. Factors such as the levels of engagement of students, their social development, increasing the pedagogical skills of teachers and trainers, and the commitment of educational leaders to partner with their communities to address local challenges are equally important. These factors should be part of the discussion about progress in education. However, by necessity, a report on progress must deal with the indicators for which state-wide, cross-sectoral data are available.

The following summary does not outline progress against each of the indicators assessed in the report. Rather, it draws out a high-level overview of the more notable findings from each of the sectors. Readers are encouraged to read individual chapters for a comprehensive analysis of progress against indicators within each sector.

Early childhood education and care

More children are attending preschool

The increase in participation of children in the year before full-time schooling is undoubtedly the most notable trend in the early childhood education sector in recent years. Growth has been particularly strong among children from low socio-economic areas and among Aboriginal and Torres Strait Islander children. For example, the number of Aboriginal and Torres Strait Islander children enrolled in the year before full-time school increased by 15.5 per cent between 2011 and 2013 (from 3,606 in 2011 to 4,164 in 2013). Participation among children from low income families increased by 46.8 per cent (from 17,691 to 25,976) over the same time period. The increases corresponded with significant funding policy changes for state-based early childhood services.

Long day care costs remain high and improving quality remains a challenge

While participation rates are increasing, the sector still faces a number of significant challenges. The out-of-pocket cost associated with Commonwealth-funded long day care is higher in NSW than in most other states and territories. NSW families with one or more children in long day care spend 10.0 per cent of their gross annual income on long day care. This compares with 9.1 per cent nationally. The sector also faces challenges in terms of quality. Half of the 1,783 services assessed under the National Quality Framework to date have been found to be 'working towards' the National Quality Standard.

School education

Raising the school leaving age has led to a dramatic increase in school retention in NSW

In 2008, around seven in ten students who were enrolled in Year 7 were still in school in Year 12. By 2013, this had increased to 77 per cent. This has led to a significant increase in the number of students attaining a Higher School Certificate award, including a 39 per cent increase among Aboriginal and Torres Strait Islander children between 2008 and 2012.

Performance of NSW students on international assessments has declined.

The recent decline in performance on international assessments should be viewed with concern. If NSW were a country, in 2000 NSW 15 year-olds would have ranked 3rd in Maths, 1st in Science and 2nd in Reading on the Program for International Student Assessment (PISA). By 2012, these rankings would have fallen to 18th, equal 9th and 13th, respectively. While some of the decline in rankings can be attributed to the entry of new high performing education systems engaging in PISA, actual performance of NSW students has also declined over this time period.

Mean scores of NSW students on national literacy and numeracy assessments have been relatively stable since NAPLAN testing was first introduced in 2008. However, many of the targets set under *NSW 2021* (for proportions of students at or above the National Minimum Standards) may not be met, with outcomes for NAPLAN Numeracy particularly worrying.

Vocational education and training (VET)

More people are gaining higher level qualifications

As with the early childhood sector, there have been large increases in participation and course completions in the VET sector over the last 10 years. The increase in qualification at the AQF Diploma level and above has been particularly pronounced (increasing from 16,022 completions in 2009 to 25,683 in 2011). While increases in completions have been observed among Aboriginal and Torres Strait Islander students and people living in regional areas, these equity groups are still over-represented among lower level VET qualifications. It is also concerning that approximately one in four young people were not engaged in work or study in 2013.

Higher education

More students who are Aboriginal or Torres Strait Islander, or who come from low SES backgrounds are enrolling at university

The most notable trends in the higher education sector are the growth in numbers of young people with AQF Bachelor level qualifications or higher, and the increases in participation by students from disadvantaged backgrounds. The proportion of 25-34 year olds with a Bachelor degree or higher increased by about five percentage points (to 38.1 per cent) between 2006 and 2013. This is on track to meet longer term targets under *NSW 2021*. There have also been increases in university participation among students from low SES areas and among Aboriginal and Torres Strait Islander students. The proportion of students from low SES areas increased from 16.8 per cent in 2009 to 17.6 per cent in 2012. The number of course completions among Aboriginal and Torres Strait Islander students increased from 516 in 2008 to 557 in 2012.

1: Introduction

Education provides the foundation for long-term social and economic success, both for individuals and for the community.

As a signatory to the 2008 Melbourne Declaration,¹ NSW is committed to two key goals for education:

- Australian schooling promotes equity and excellence
- All young Australians become:
 - successful learners
 - confident and creative individuals
 - active and informed citizens.

While these goals focus on positive outcomes for individual learners, education exists within a changing economic context. An appreciation of the challenges we face from here into the future can assist in assessing the extent to which education is providing the knowledge, skills and resilience needed to address those individual, social and economic challenges.

This chapter provides an overview of the context of education, describing the NSW population; its growing size and changing age distributions, and levels of participation in the workforce. The report notes the main features of the NSW economy - the industries in which most people work and the main drivers of change that are shaping the economy - with a brief outline of the likely future for employment in key occupations and industries.

Against this background, which highlights the need for a knowledgeable, adaptable and highly skilled workforce, the chapter briefly outlines the challenges and major policy responses for education in NSW. It then provides an overview of the four main sectors - early childhood, school education, vocational education and training (VET), and higher education - noting the broad goals in each of those sectors.

Indicators of progress toward these goals are set out in detail in Chapters Two to Five. Chapter Six then focuses on three selected factors that are related to outcomes for selected groups of students - those from low socio-economic areas, in rural and remote locations and Aboriginal and Torres Strait Islander students. Appendices A to G provide additional detail on the Australian Qualifications Framework, assessments and credentials of the NSW education system, NSW 2021 State Plan goals, and policy and governance features of early childhood education, school education, VET and higher education.

Throughout this report, the measures used to track progress over time rely primarily on quantitative data which directly relate to agreed goals and targets. These are not the only measures of change or progress in education. A broader view would incorporate many other aspects, such as the social development of students, the increasing pedagogical skills of teachers and trainers and the commitment of educational leaders to partner with their communities to reflect values and address local challenges.

The authors acknowledge these as key drivers of change in education, but have framed this report around those issues for which state-wide data are available. These reported outcomes may then provide a baseline for use in future research and evaluation and for other more comprehensive reviews of the wider range of activities in education in NSW.

Education and economic growth

Ken Henry (2002) proposed a '3P' framework of three key factors to explain sustained economic growth: population, participation and productivity.² Education is a key input to these drivers, in providing access for the NSW population to the foundation skills, expert knowledge and research and technical skills required to increase participation in the workforce and to drive improved productivity. As noted in a recent paper by Karmel (2014)³ for the National Centre for Vocational Education Research (NCVER), the impact of education on participation in the workforce is that those who are better educated find it easier to get jobs, and remain in better/higher-paid jobs, particularly in times of global economic stress. They also tend to be more productive and to work longer hours.

1 On 5 December 2008, State, Territory and Commonwealth Ministers of Education meeting as the Ministerial Council on Education, Employment, Training and Youth Affairs, released the *Melbourne Declaration on Educational Goals for Young Australians* which sets the direction for Australian schooling for the next 10 years. The goals were developed by education ministers in collaboration with the Catholic and independent school sectors.

2 Henry, K 2002, *On the Economy and Fiscal Policy*, Address to Australian Business Economists, Sydney, 21 May

3 Karmel T 2014, *The contribution of education to economic growth in Australia, 1997-2009*, NCVER, Adelaide

Education in NSW takes into account these drivers of economic growth, by:

- working towards increasing participation in all levels of education from preschool to higher education
- ensuring NSW students, starting from their earliest years of education, achieve world-class outcomes that will allow them to fully engage in lifelong education, training and the world of work
- addressing the challenges of equity and the particular education and training needs arising from the diverse ethnic, social, cultural and language backgrounds and age groups of the population
- ensuring the working-age population has the increasingly high-level skills and up-to-date qualifications for highly productive, sustainable work
- equipping workers, both new entrants and those already in the workforce, with 21st century skills to research, innovate, collaborate and adapt to change, to embrace more efficient new technologies and work practices and to compete effectively in the global economy.

The people of NSW

A growing and ageing population

In a report for Infrastructure NSW, Deloitte Access Economics (2012) noted that the growth in the number of persons employed and growth in productivity will ultimately determine the rate at which the NSW economy will grow in the future. The NSW population is expected to grow at an average annual rate of 1.1 per cent (similar to the past 30 years), rising from 7.2 million people in 2010-11 to 9.2 million people in 2031-2032.⁴

Currently, NSW is home to almost one-third of the total national population, with an estimated 7.3 million residents in March 2013. Sydney is Australia's largest city, with 4.6 million people in 2011, representing 63 per cent of the NSW population. Together with Greater Sydney, the cities of Newcastle and Wollongong account for almost three-quarters of the NSW population. Around one-quarter live in regional areas and less than one per cent live in remote or very remote areas.⁵

Overall, NSW's population grew by 7.1 per cent between 2006 and 2011. The western and inner-city suburbs of Sydney, as well as regional centres, have been the major contributors to growth in recent years.⁶ The Deloitte study reported that population growth rates for NSW's regions suggest an average population growth rate of around 1.1 per cent a year for NSW and 1.3 per cent for Sydney from 2011-12 to 2031-32. This brings the expected population to 9.2 million in NSW and 6.1 million in Sydney, with annual increases of around 88,000 in NSW and 68,000 in Sydney.⁷

The NSW population is not only growing, but is ageing. In 2012, 15 per cent of the population were aged 65 or older.⁸ The ratio of people aged 65 and over to those between 15 and 64 is expected to increase from 20.9 per cent in 2010-11 to 34.2 per cent in 2031-32.⁹

While an ageing population brings challenges to the economy (for example through the "age dependency ratio" where there are fewer taxpayers of working age), these may be partially offset by increases in the workforce participation of older Australians, driven by a combination of a healthier aged population and their need for greater financial assets to fund a longer retirement.¹⁰ The growing number of older Australians also implies the increasing importance of education and training opportunities specifically for that sector of the community. Additional education services will be needed to service their general well-being as well as their vocational re-training needs as people re-enter or stay in the workforce for longer periods.

The number of persons actually employed in the NSW economy will be determined not only by the size of the future potential working-age population, but also by expected decreases in participation rates. While the State's population is expected to be around 9.2 million by 2031-32, the number of employed workers in NSW is expected to increase from 3.6 million in 2010-11 to only around 4.4 million in 2031-32. This significant fall in participation rates, as shown in Figure 1.1, may be compensated, at least in part, by an increase in productivity to support continuing economic growth.

4 Deloitte Access Economics 2012, *The NSW economy in 2031-32: The role of infrastructure, driving forces and forecasts*, prepared for Infrastructure NSW

5 Australian Bureau of Statistics (ABS) 2013. *Australian demographic statistics*. Cat. No. 3101.0

6 *Ibid.*

7 Deloitte Access Economics (Op. cit.)

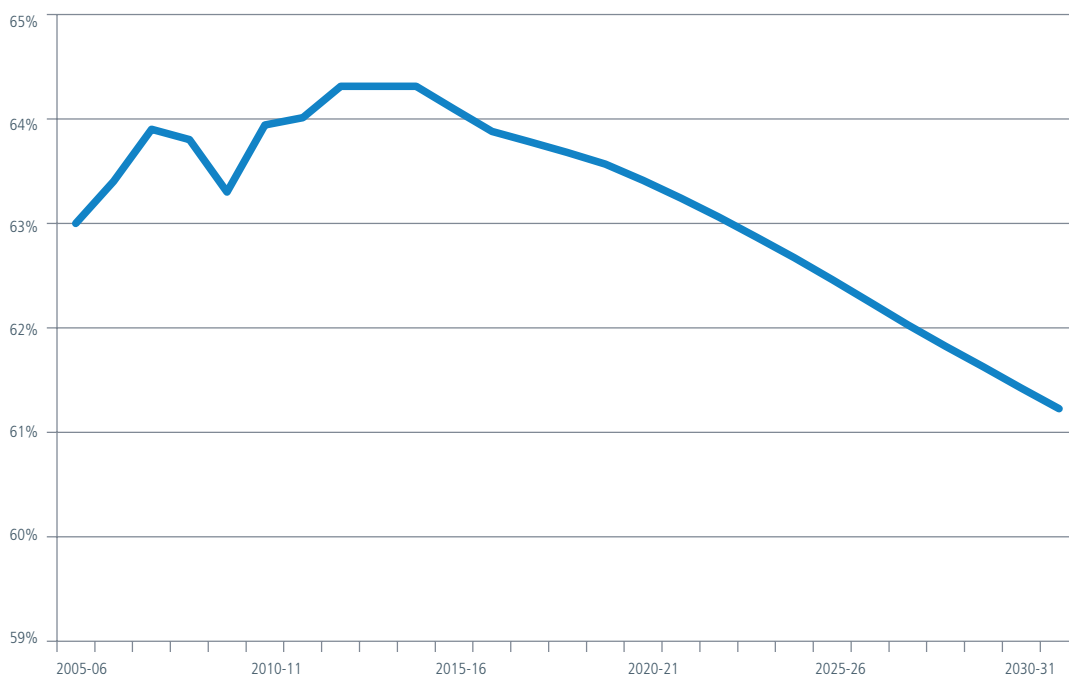
8 ABS (Op. cit.)

9 Deloitte Access Economics (Op. cit.)

10 *Ibid.*

Figure 1.1:**Labour force participation rate, NSW 2005-06 to 2030-31**

Source: Deloitte Access Economics 2012, *The NSW economy in 2031-32: The role of infrastructure, driving forces and forecasts*, prepared for Infrastructure NSW (CESE 32)



Ethnic diversity

A challenge for education is to ensure equitable and excellent educational outcomes, particularly for Aboriginal and Torres Strait Islander people and those whose English language ability or refugees status may be a barrier to attaining successful outcomes.

The population of Aboriginal and Torres Strait Islander people in NSW was 172,625 in 2011.¹¹ While this represented only 2.5 per cent of the resident NSW population at that time, it represented 31.1 per cent of the total Aboriginal and Torres Strait Islander population of Australia.

A large proportion of the Aboriginal and Torres Strait Islander population is young - the median age for the Aboriginal and Torres Strait Islander population is 21 years. This compares with the overall Australian median age of 37. More than one in three Aboriginal and Torres Strait Islander people in the state were under 15 years of age at the 2011 Census.

Almost one-third of the NSW population was born overseas. The United Kingdom made up the largest number of overseas-born residents in NSW with a 13 per cent share. China (more than 7 per cent), New Zealand (more than 5 per cent) and India (more than 4 per cent) accounted for the next-largest shares.

At the most recent Census, almost two million people, or 28 per cent of NSW residents, reported speaking a language other than English at home, with more than 90 per cent of these people located in Sydney. Besides English, the most commonly spoken languages in the state are Chinese (Cantonese, Mandarin and other dialects), Arabic, Italian, Greek and Vietnamese. Many of these foreign-language speakers are also highly qualified, with a significant number having attained tertiary qualifications.

The NSW economy – now and in the future

Snapshot of the current economy

The NSW economy is the largest in Australia. As indicated in Figure 1.2, those industries with the greatest shares of total employment in NSW are retail, professional scientific and technical services, accommodation and food services, administrative and support services and health care and social assistance.¹²

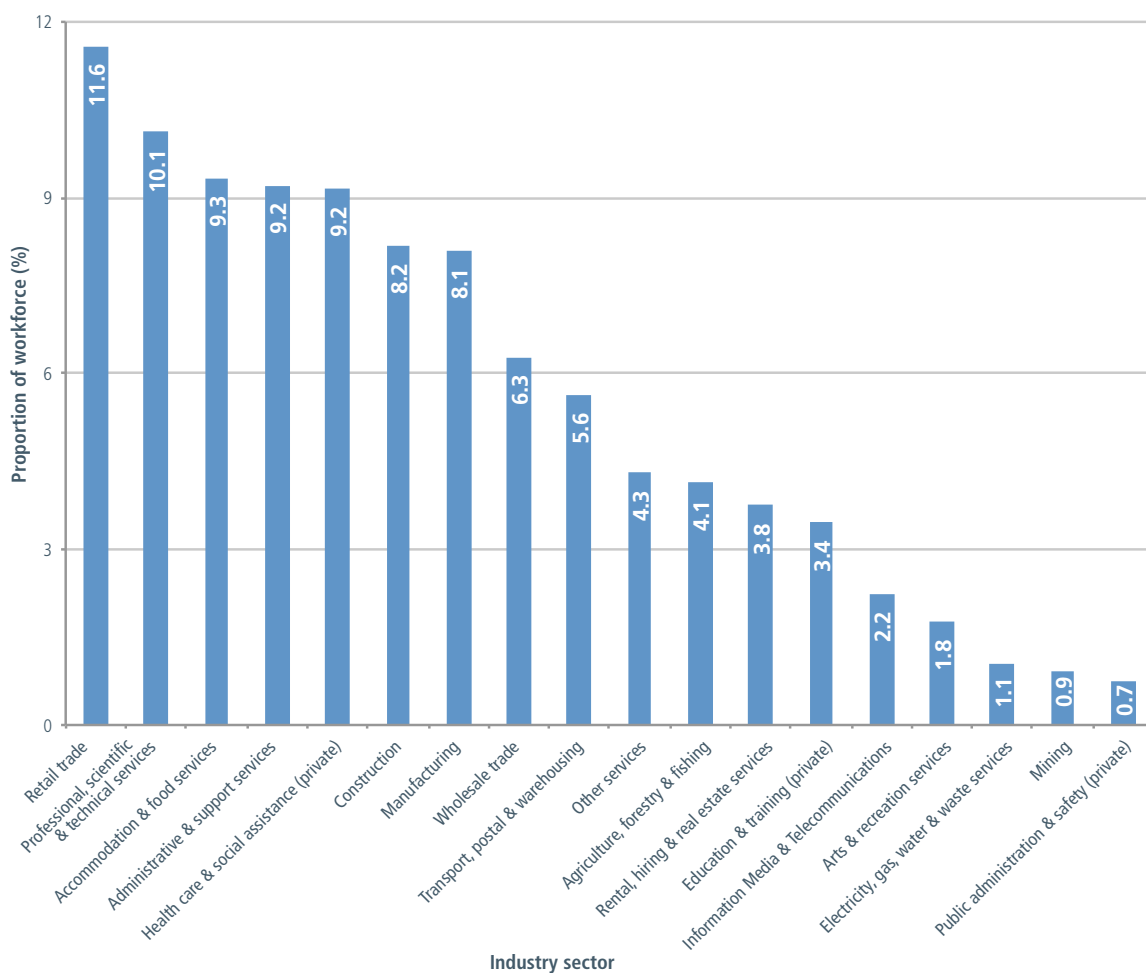
¹¹ Population data in this section derived from Australian Bureau of Statistics *Quickstats*, NSW

¹² ABS *Australian Industry*, Cat. No. 8155.0 (May 2013)

Figure 1.2:

Proportion of NSW workforce engaged by industry sector, 2011

Source: ABS *Australian Industry*, Cat. No. 8155.0 (May 2013) (CESE 32f)



The most commonly recorded occupations in NSW in 2011 included professionals (22.7 per cent), clerical and administrative workers (15.1 per cent), managers (13.3 per cent), technicians and trades workers (13.2 per cent), and community and personal service workers (9.5 per cent). Reflecting the dominance of service industries, NSW has the largest number and concentration of knowledge workers in Australia, including managers, professionals and technicians.¹³

The NSW workforce will be affected by changes in skill demands

Major drivers of economic change in NSW include the effects of economic development in China and other emerging economies, policies around climate change and carbon pricing and the digital economy. These all have implications for the education and training needs of the NSW population – the workforce will need higher levels of qualification, flexibility to respond to changes in production processes and changing demands for goods and services, and the ability to add value and productivity through excellence and innovation.

Research undertaken by Access Economics¹⁴ confirmed NSW is already experiencing significant shifts in demand for skills and will continue to experience those changes in the near future. As indicated in Figure 1.3, manufacturing will continue to decline in size and in economic importance, while financial and insurance services will grow in economic importance, but without a corresponding increase in employment. Those sectors set to grow the most in terms of employment include professional, scientific and technical services, health care and social assistance and construction.¹⁵

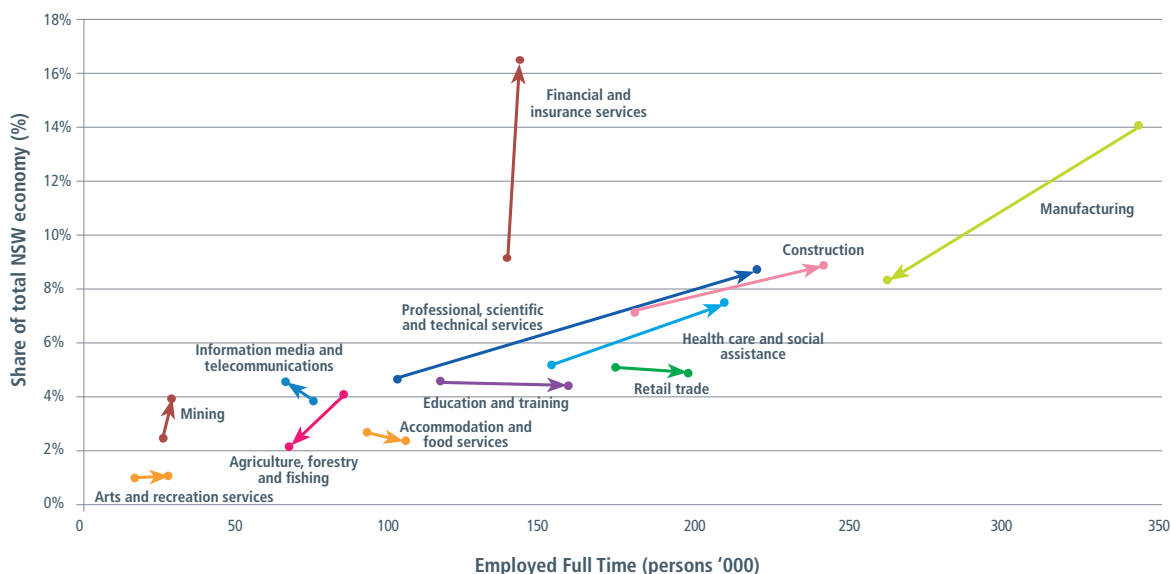
¹³ ABS, *National Regional Profile: New South Wales, Economy*, released 27/05/2013. Knowledge workers are those whose jobs entail non-routine, problem-solving work and whose main capital is knowledge. This category includes doctors, lawyers, architects and other professionals, as well as managers and those in technical, non-routine positions.

¹⁴ Access Economics 2009, *Economic modelling of skills demand*, report for Skills Australia

¹⁵ *Ibid.*; ABS 2010, *Labour Force, Australia, Detailed, Quarterly*, Cat. No. 6291.0.55.003; ABS 2009, *Australian National Accounts: State Accounts*, Cat. No. 5220.0

Figure 1.3:**Predicted changes to industry sectors, 1990-2020**

Source: Access Economics 2009, *Economic modelling of skills demand*, report for Skills Australia; ABS 2010, *Labour Force, Australia, Detailed, Quarterly*, Cat. No. 6291.0.55.003; ABS 2009, *Australian National Accounts: State Accounts*, Cat. No. 5220.0 (CESE 32g)



Education – the key to the future

Challenges for education in NSW

Education is the key to addressing many of the demands imposed by economic change and international competition. By any measure, the NSW education system is large, meeting the learning needs of millions of citizens each year. Census data from 2011 indicate 31 per cent of people in NSW were attending an educational institution.¹⁶ Of these, 26 per cent were in primary school, 21 per cent in secondary school and 22 per cent in a tertiary institution.

In comparison with all other Australian states and territories, NSW has the highest proportion (57.2 per cent) of people over 15 years with a post-school qualification. This proportion rose by 2.7 percentage points since the 2006 Census. Around 1.3 million working-age people in NSW held a Bachelor or higher degree as of May 2012.¹⁷

However, NSW (in common with many other Australian states and territories) still faces some challenges in education:

- Not all children are attending preschool programs in their year before school, particularly children from the most disadvantaged areas and backgrounds.
- Data from national and international tests indicate our performances on assessments of basic skills such as literacy and numeracy are slipping, with outcomes often highly correlated with factors of socio-economic disadvantage, location in remote areas, refugee status, Aboriginal and Torres Strait Islander background and English language ability.
- Not all low performance is associated with factors of disadvantage; NSW needs to raise the performance bar for all its students.
- Not all students in NSW finish high school or its vocational equivalent, even though attaining this level of education is known to be associated with higher wage premiums, which continue to increase with further post-school qualifications.¹⁸
- Many young people are not fully engaged in education, training or work, with numbers of commencements and rates of completion of apprenticeships and traineeships in decline.
- The levels of literacy and numeracy in the adult population need to be increased if the NSW workforce is to be able to increase productivity through innovation and changed work practices.
- While levels of post-school higher qualifications in the community are increasing, this may not be sufficient to meet demand in our workforce coming from local and international pressures. Those with degree qualifications are known to be relatively insulated from economic downturns,¹⁹ but the distribution of degrees within the community, while growing, is still clustered around metropolitan areas and within areas of relative social advantage.

¹⁶ ABS *Census of Population and Housing 2011 - Basic Community Profile NSW*, Cat. No. 2001.0

¹⁷ ABS *National Regional Profile, New South Wales*, released 27/05/13 Cat. No. 1379.0.55.001 and *National Regional Profile, New South Wales, 2005-2009*, 1379.0.55.001 released 22/11/10

¹⁸ ABS 2010, *Measuring economic returns to post-school education in Australia*, Cat. No. 1351.0.55.032

¹⁹ ABS 2004, *Measuring the stock of human capital for Australia, Working papers in economics and applied statistics* No. 2004/1, Cat. No. 1351.0.55.001

Policies to address challenges in education

NSW government policies have been implemented to address these challenges in all education sectors, from preschool to vocational education and training. Initiatives focus on:

Quality teaching and learning:

- Increased funding for community preschools, providing 95 per cent of preschools with an increase in their base funding rate for 4 and 5 year olds - the minimum base rate increasing by 44 per cent and the maximum base rate increasing by 75 per cent.
- *Great Teaching, Inspired Learning*, which aims to improve the quality of teaching and learning in the state's schools. The blueprint for action has four main themes:
 - supporting initial teacher education
 - enhancing entry to the profession
 - developing and maintaining professional practice
 - recognising and sharing outstanding practice.

Improved literacy and numeracy:

- *NSW Literacy and Numeracy Action Plan* focuses on personalised learning, diagnostic assessment and teacher professional development in the classroom under the direction of an instructional leader.
- *Early Action for Success* is a strategy for implementing the Literacy and Numeracy Action Plan in the early years (K-2) of government schools.

School autonomy and responsiveness to student needs:

- *Local Schools, Local Decisions* for government schools, with key areas including:
 - schools managing over 70 per cent of the total state public school education budget and having the flexibility to allocate resources and staff according to locally determined priorities;
 - lifting capability through new standards-based frameworks for teacher salary progression, professional development and performance management;
 - working locally, with the parent community actively contributing to the development of a school's strategic direction and priorities;
 - reducing red tape through fewer and simpler policies; and
 - making decisions locally, with centrally determined policies and guidelines.
- *Resource Allocation Model* recognises the different needs of each government school, so students and schools with greater needs will get more resources.

Support for rural and remote communities:

- *Rural and remote education blueprint* includes key actions designed to improve student learning in rural and remote government schools across NSW including:
 - strengthening early childhood education in rural and remote communities;
 - giving students access to a broad range of curriculum opportunities, particularly for gifted and talented students;
 - providing new incentives to attract and retain quality teachers and school leaders; and
 - establishing 15 specialist centres to offer coordinated inter-agency health and wellbeing services.

Improving outcomes for Aboriginal and Torres Strait Islander students:

- *Connected Communities* schools work in partnership with Aboriginal and Torres Strait Islander leaders in the local community to operate as community hubs delivering a range of services.

Support for students with special needs:

- *Every Student, Every School* provides better learning and support for students with a disability, learning difficulties or behaviour support needs in government schools.

Reform of the VET system:

- *Smart and Skilled* will provide entitlements to government-subsidised VET training from January 2015. Initiatives include:
 - an entitlement for entry-level training up to and including Certificate III
 - targeted support for higher-level qualifications
 - informed choice with improved quality measures
 - recognition of the role and function of TAFE NSW as the public provider
 - greater support for regions and equity groups
 - better information for consumers.

Goals for education in NSW

The policies noted above are designed to support progress towards the achievement of NSW and national goals and targets, outlined for each of the four main NSW education sectors in Chapters Two to Five of this report. The following section summarises the features and broad goals arising from COAG agreements and the *NSW State Plan NSW 2021: A Plan to Make NSW Number One* in each of these four sectors.²⁰

Early childhood education

Preschool programs are offered in a range of settings, including government, community and private preschools and long day care centres.

Summary of goals for early childhood education:

- The goal of ensuring access to quality early childhood education for all children recognises the importance of quality, early learning experiences in setting up children to succeed in later learning and in life.

School education

Children's attendance at school becomes compulsory at six years of age, although most children commence full-time schooling in the year preceding Year 1 (called Kindergarten in NSW). Formal primary schooling in NSW proceeds from Kindergarten to Year 6. Following primary school, students attend up to six years of secondary school.

Credentials available to school students include the Record of School Achievement (RoSA) - a credential for students leaving school prior to achieving their Higher School Certificate (HSC). The HSC is the highest educational award in NSW schools and is awarded to students who have satisfactorily completed Years 11 and 12, who have met Preliminary and HSC course requirements including requisite state-wide HSC examinations.

A small number of non-government schools offer the International Baccalaureate as an alternative to the HSC, but this qualification lies outside the Australian Qualifications Framework (AQF).

Summary of goals for school education:

- Increasing the quality of teaching is at the forefront of education planning in NSW, with specific goals to improve initial teacher education and to increase the number of highly qualified teachers throughout the state. Increasing teacher quality also implies the assumption of high expectations for all learners and the use of data and evidence to guide teaching practice.
- School education goals also focus on ensuring that literacy and numeracy skills are constantly improving, with the aim of being among the top five performing countries in the world by 2020.
- NSW has high expectations for all students including those from low socio-economic areas, Aboriginal and Torres Strait Islander students, those in rural and regional locations and students with a disability.
- More students should finish high school (or equivalent) – the basic starting point for further education and training and full participation in a competitive workforce.

²⁰ An outline of the structure of the NSW education system and the Australian Qualifications Framework is at Appendix A, with details of assessments and credentials in Appendix B. Details of the *NSW 2021 State Plan* goals are set out in Appendix C.

Vocational Education and Training (VET)

Post-secondary qualifications in NSW follow the 10 levels of the AQF outlined in Appendix A. While lower level qualifications are offered primarily by VET providers, a number of higher qualifications (e.g. from an AQF Diploma to Graduate Diploma) are available to students attending either VET or higher education providers. School students can complete VET courses and can commence apprenticeships or traineeships while in secondary school.

The VET system delivers employment-related skills across a wide range of vocations, providing students with the skills to enter or re-enter the labour force, retrain for a new job or upgrade skills for an existing job. The VET system includes government and privately funded VET, delivered through a number of methods by a wide range of training institutions and enterprises. These registered training organisations (RTOs) include 10 TAFE NSW Institutes and Open Training Education Network (OTEN), the NSW school sectors, other government and community institutions, industry bodies and both government-funded and commercial fee-for-service private RTOs, including branches of some universities.

VET covers diverse subject areas including health, management, commerce, food, hospitality, agriculture, engineering and building. Most government-funded VET consists of accredited qualifications that form part of an industry-developed, nationally accredited training package, and include apprenticeships and traineeships.

Summary of goals for VET:

- VET provides skills that are directly relevant to the current and future workforce of NSW. Goals for that sector focus on the need to engage more young people in education and training, to increase the number of apprenticeship and traineeship completions, and to ensure that more people gain higher-level qualifications in the range of occupations which will continue to be increasingly sought by employers.
- The need to maximise participation in the NSW workforce means groups of students in all education sectors who may experience disadvantage – particularly those from low SES areas, in rural and remote communities and with Aboriginal or Torres Strait Islander background – should achieve outcomes on par with all other students with their outcomes not reflective of their social or economic circumstance.

Higher education

The NSW higher education sector is made up of 10 public universities, other universities operating (but not established) in NSW, and numerous private higher education providers, some of which are approved to offer Commonwealth assistance.²¹ A small number of VET providers are also registered as higher education providers.

Higher education courses are usually undertaken to achieve an AQF Bachelor degree or higher qualifications such as AQF Graduate Certificates and Diplomas, Honours, Masters and Doctoral degrees. However, it should be noted that higher education providers may also offer courses below AQF Bachelor level, such as AQF Diploma and bridging courses.

NSW is committed to ensuring higher education in this state is of world-class standard and that it provides opportunities to attain higher levels of knowledge and skills required to contribute leadership in specific disciplines, high-quality research and the innovation that will be required to successfully compete in the global economy.

Summary of goals for higher education:

- Equity is of great importance for higher education in NSW. *NSW 2021* sets out goals for increasing the proportion of the NSW population with Bachelor degrees or higher, as well as aiming to ensure more students attaining Bachelor degrees are from lower socio-economic communities.

²¹ This report acknowledges but does not report in detail on the delivery of higher education in NSW through universities that are established in other states and territories, nor does it report on higher education provided through other providers that operate branches or have auspice arrangements in NSW.

Community education

In NSW there is a considerable amount of learning occurring outside the formal structure of education described above, particularly through Adult and Community Education (ACE). This sector delivers accredited VET as well as a range of other learning opportunities, including non-accredited training, lifestyle and lifelong and cultural learning courses. Many programs are offered in a non-formal setting, often with no prerequisites for enrolment, and are available through not-for-profit community organisations such as community colleges.

Learning options offered through community colleges may include Aboriginal community development, education and training for persons with a disability, 'second-learning' opportunities for migrants, health and well-being, continuing education and 'lifelong learning', community safety and child protection as well as courses for juvenile and corrective services participants.

Note on data limitations

There is a substantial amount of education data available, but a number of limitations to the data must be noted. Limitations and quality issues arise because of differing data protocols, definitions and measures, within and between education sectors and providers. The currency of data can also be problematic – some statistical collections are every five years through the Census, others are biennial, and even those which are annual may have significant time lags before data becomes publicly available. This report draws upon the most recent available data for each chapter, and attempts to present outcomes and trends that are common to each of the participating stakeholders.

In the Early Childhood Education and Care sector, fragmented data have historically resulted in difficulties in establishing comparable data sets and determining trends. Separate data sets and definitions have pertained to collections made for the Australian Bureau of Statistics National Early Childhood Education and Care Collection and for reporting in annual reports under the relevant National Partnerships. Some of the key difficulties include funding, definition and reporting of participation in preschool programs within long day care settings (where most preschool programs are delivered in NSW) and discrepancies between reported enrolments (per child or per episode of attendance). Workforce data, previously available from different collections for each sector, is expected to improve in quality after the 2013 Workforce Census. Further details about data issues for Early Childhood Education and Care are outlined in Chapter Two.

For School Education, the major stakeholders are government, Catholic and independent schools. There are instances where data are not available for all of the sectors together, due for example to differences in definitions and collection periods. In Chapter Three, where there is no agreed common measure or where data are not available from all providers, data from government schools have been used to illustrate a point (and is so noted in the text).

Data are not available for the full range of activity in the vocational education and training sector. For example, data on fee-for-service training through private providers are not publicly reported. In this report, data are provided for the greatest range of VET activity (government- and non-government-funded) for which data are available on a national level. Both the Australian Bureau of Statistics and the National Centre for Vocational Education Research are important data sources, but each collection has different collection periods and release dates, with data often not strictly comparable.

The majority of data relating to the higher education sector are collected directly from universities by Commonwealth agencies, with data not always available for detailed public analysis at state and territory level. Most detailed data relate only to public universities and private higher education providers eligible to offer Commonwealth assistance.

Attention is being given to improving the quality and accessibility of data at both national and state levels, notably through the work of COAG and its various Standing Councils and Committees.

2. Early childhood education and care

Snapshot of performance

Theme	What is going well	Needs improvement
Universal access	<p>Significant increase in proportion of children enrolled in a preschool program in the year before full-time schooling, exceeding target in 2013.</p> <p>Increase in number of hours children enrolled in government and community preschool programs in the year before school.</p> <p>ECEC services operated and/or funded by NSW Government generally charge low fees.</p>	<p>Out-of-pocket expenses for Commonwealth subsidised long day care for families relatively high compared with other parts of Australia.²²</p>
Equity groups	<p>Costs for all children, particularly from low SES areas have fallen significantly</p> <p>Increase in participation of children from low-income families.</p> <p>Significant increase in enrolments of Aboriginal and Torres Strait Islander children.</p>	<p>While enrolments have increased and the overall target met, participation by children from disadvantaged backgrounds remains lower than average in some areas.</p> <p>Early development indices show challenges for equity groups – low SES, rural and remote locations, Aboriginal and Torres Strait Islander children.</p>
Workforce profile	<p><i>(No consistent, rigorous data available for reporting)</i></p>	<p>Workforce data are of poor quality and currently based on data from different collections (awaiting more accurate final data from 2013 Workforce Census).</p>
Quality of services	<p>A relatively high number of services have been assessed against the National Quality Standards.</p> <p>By March 2014, two early childhood education and care services had applied for and achieved an “excellent” rating</p> <p>Good performance in the quality areas of ‘staffing’, ‘relationships with children’, ‘collaborative partnerships with families and communities’ and ‘leadership and service management’.</p>	<p>NSW is below the national average in proportion of assessed services meeting or exceeding the National Quality Standard.²³</p> <p>In line with national trends, assessed services could improve in the quality areas of ‘educational program and practice’, ‘children’s health and safety’ and ‘physical environment’.</p>

²² Note that fees are set by providers, not by government.

²³ The Department of Education and Communities strategically targeted apparently weaker services, prioritising their assessment and rating. This could give the appearance of lower overall quality relative to outcomes at the national level, but the true picture will only be known when all services have been rated.

Diversity of services in the early childhood education and care sector

Early childhood education and care services are provided through a diverse range of service delivery types and business models including centre-based services, family day care services, home-based carers and mobile services.

Centre-based services include:

- long day care (LDC) that typically provides all-day services for at least 8 hours per day for children aged 0-5 years
- preschools that typically open for around 6 hours per day for children aged 3-5 years
- occasional care that provides an hourly or short session of care for children aged 0-5 years
- out-of-school-hours care that provides before and after school care and vacation care to school-aged children (aged 5-12 years).

Family day care services and home-based care services typically provide small-group services for children aged 0-12 years in a home environment with a registered carer. Family day carers are administered and supported by central coordination units and are sometimes known as family day care schemes. Mobile services may include early education and care services which are usually centre-based, such as preschool, long day care, and occasional care, delivered at mobile venues.

While most government funding for early childhood education and care is provided by the Commonwealth, the NSW Government provides funding to support nearly 800 not-for-profit preschools, and to a smaller number of not-for-profit long day care services. In addition, the NSW Government is a provider of early childhood education through the operation of 100 public preschools on primary school grounds.

Note that additional contextual and funding details related to the early childhood education and care sector are provided in Appendix D, together with details of early childhood education and care policy and governance. Background details related to the Australian Qualifications Framework are provided in Appendix A.

Performance in detail

In recognition of the importance of early childhood education and care, NSW and the Commonwealth have recently focused policies around four major themes:

- improving access to early childhood education and care (ECEC) services
- improving outcomes for equity groups
- increasing the quality of the workforce
- improving the quality of all ECEC services.

Improving access to early childhood education

NSW exceeded the Commonwealth-agreed participation target in 2013

By the end of 2013, NSW had exceeded its target of a 95.0 per cent participation rate in preschool programs for children in the 12 months before full-time schooling, with 92,315 children aged 4-5 years enrolled (Figure 2.1).²⁴

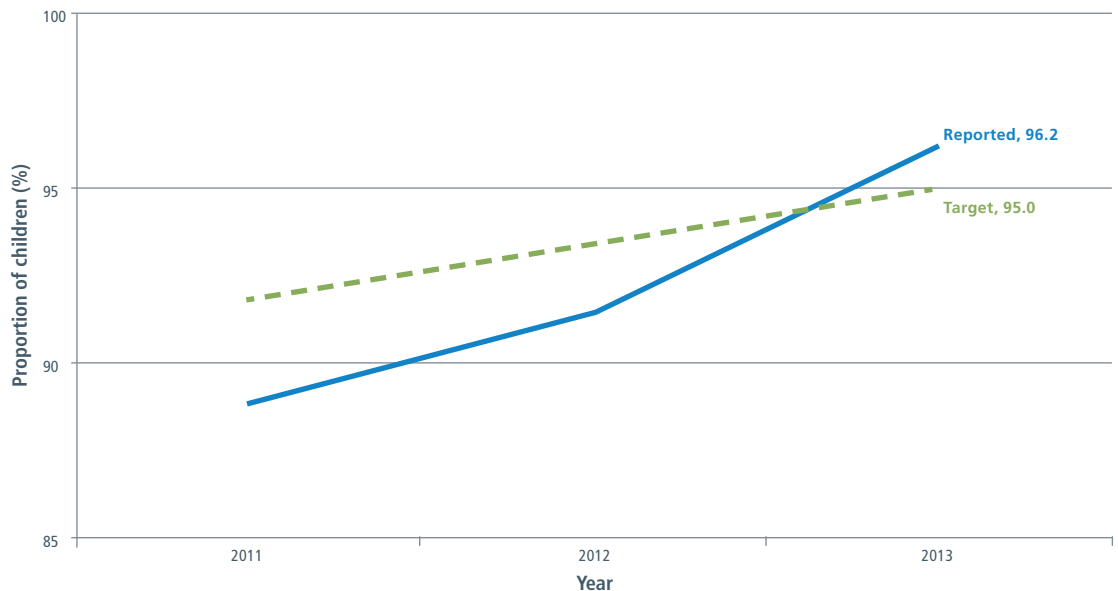
²⁴ Due to changes in methodology and resulting breaks in the series, data from 2011 onwards are not comparable to earlier time series. In June 2011, the Commonwealth and NSW governments agreed to amend the participation rate targets for 2011 and 2012. Due to improved data collection, changes included the exclusion of (previously included) 3 year old children enrolled at government and community preschools and improved methods for estimating preschool participation of children in long day care.

In 2013, the proportion was calculated as a percentage of the NSW estimated resident population of 4 year olds (95,936 children) based on Australian Demographic Statistics, June 2013 (Cat. No. 3101.0). Note that under the nationally agreed definitions the proportion over-estimates participation because the numerator is a unique count of 4-5 year old children as a proxy for children in the year before full-time schooling (YBFS) cohort whereas the denominator is the NSW estimated resident population of 4 year olds in 2012.

Figure 2.1:

Proportion of children accessing a preschool program in their year prior to school, 2011-13

Source: NSW Department of Education and Communities, *NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education* (forthcoming) (CESE 26a)



Hours of attendance at preschool have increased

Significant increases have been observed for children attending preschools operated and/or funded by the NSW Government (through the Department of Education and Communities). As shown in Figure 2.2, children in department-operated and department-funded preschools attended for an average of 14.11 hours or 2.34 days per week in the year before full-time schooling (YBFS) in 2013. Around 55 per cent of the YBFS cohort in these services was enrolled for 15 hours per week, which is a marked increase compared with 49 per cent in 2011.²⁵

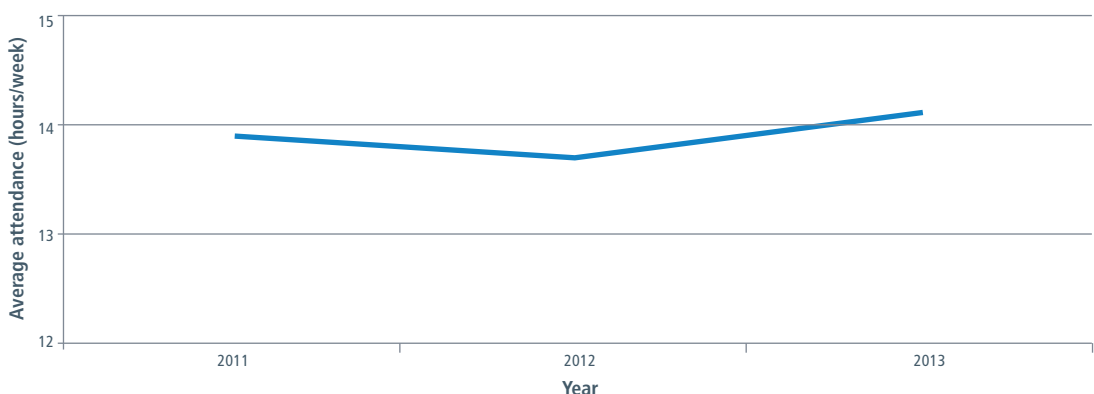
Although NSW has made significant progress since 2008, challenges remain in facilitating universal access to preschool programs available for at least 600 hours per year (replacing the previous goal of access to 15 hours per week). Many providers operate on a traditional preschool model of six hours per day, which does not easily translate to a total of 15 hours per week. This structure of service offerings often reflects both the preferred business models of service operators and parental choice.²⁶

There are also measurement issues in assessing progress against the goal of universal access. The majority of children in NSW attend preschool programs in Commonwealth-funded LDC centres but until 2013 Commonwealth data did not differentiate between preschool and non-preschool hours of care. This distinction remains problematic.²⁷

Figure 2.2:

Average weekly hours of attendance of children in the year before full-time school in NSW government-operated and NSW government-funded preschools, 2011-13²⁸

Source: NSW Department of Education and Communities, *2012 Annual report on achieving universal access to early childhood education in NSW* (forthcoming) and Department of Education and Communities data (CESE 26b)



²⁵ NSW Department of Education and Communities, *NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education* (forthcoming). It should be noted these results do not include long day care enrolment data because the Commonwealth Child Care Management System (CCMS) did not differentiate between preschool and non-preschool hours of care until 2013. Children attending long day care attend for much longer hours than government and community preschools. Including long day care in these estimates would be likely to significantly increase the reported average hours of attendance.

²⁶ Brennan D 2012, *Review of NSW Government Funding for Early Childhood Education*, p. 37

²⁷ Further details are provided in the note on measuring performance in ECEC, at the end of this chapter.

²⁸ In the Bilateral Agreement under the now-expired National Partnership on Early Childhood Education (NP ECE), attendance targets were expressed in six-hour days. The baseline was 2.11 (six-hour) days in 2008 up to 2.50 (six-hour) days in 2013. Using 'hours' as the measure of performance towards the '15 hours' target commenced in 2010. Due to improved data collection, major modifications to calculation methods were agreed from 2011 resulting in breaks in the series for this performance indicator. These changes included the exclusion of (previously included) 3-year-old children enrolled at government and community preschools and better estimates of preschool participation in long day care. These results do not include long day care enrolment data because the Commonwealth Child Care Management System (CCMS) does not differentiate accurately between preschool and non-preschool hours of care.

ECE fees have remained low in NSW government-funded preschools, particularly for equity groups

The average daily fees for all children in community preschools have decreased in real terms (adjusted for inflation) since 2008, as indicated in Figure 2.3. In 2013, the average daily fee for all children was \$24.61 compared with \$31.73 in 2008 (expressed in 2013 dollars). A significant driver for the decrease in fees in 2013 was the Government's fee reduction initiative of May 2013, which distributed \$20 million in government funding to community preschools to lower fees for children in the year before full-time school, with the highest amounts directed towards disadvantaged and Aboriginal children.

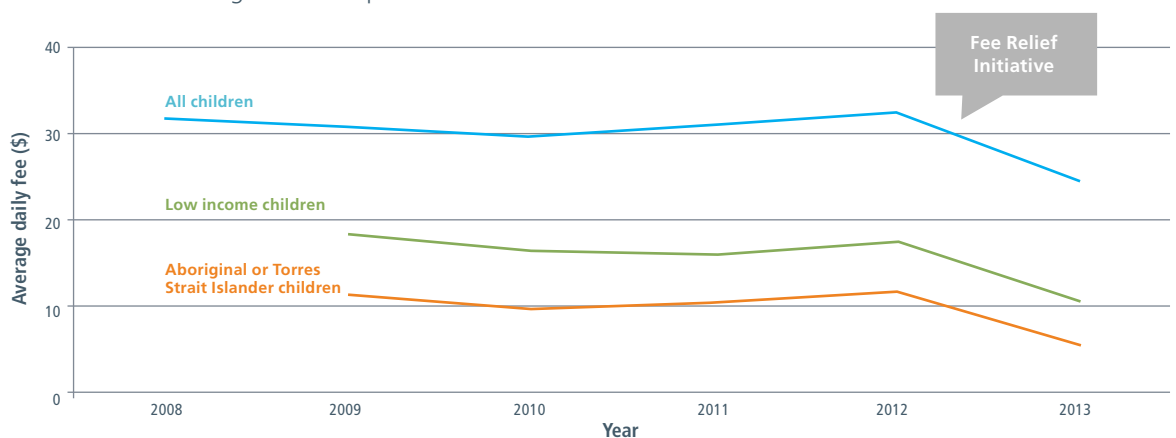
The average daily fees paid in real terms are significantly lower for disadvantaged children from low-income families and Aboriginal and Torres Strait Islander children. Average daily fees paid by Aboriginal families were reduced in real terms from \$11.50 in 2009 to \$5.73 in 2013 (a decrease of 50 per cent). The average daily fees for children from low-income families were reduced in real terms from \$18.38 to \$10.60 (a decrease of 42 per cent).²⁹

It must be noted that while government-funded preschools are required to keep their fees to a minimum, under the new Preschool Funding Model, the Government does not set or directly control fees in the non-government preschool sector. Fee information for the long day care sector is not currently available. Fee information for government preschools is available on the DEC website.

Figure 2.3:

Comparison of average daily fees in government-funded preschools for all children and children in equity groups, (2013 dollars), 2008-13

Source: NSW Department of Education and Communities (unpublished), 2012 Annual report on achieving universal access to early childhood education in NSW and Department of Education and Communities data and ABS 6401.1, Consumer Price Index, Australia (CESE 28b)



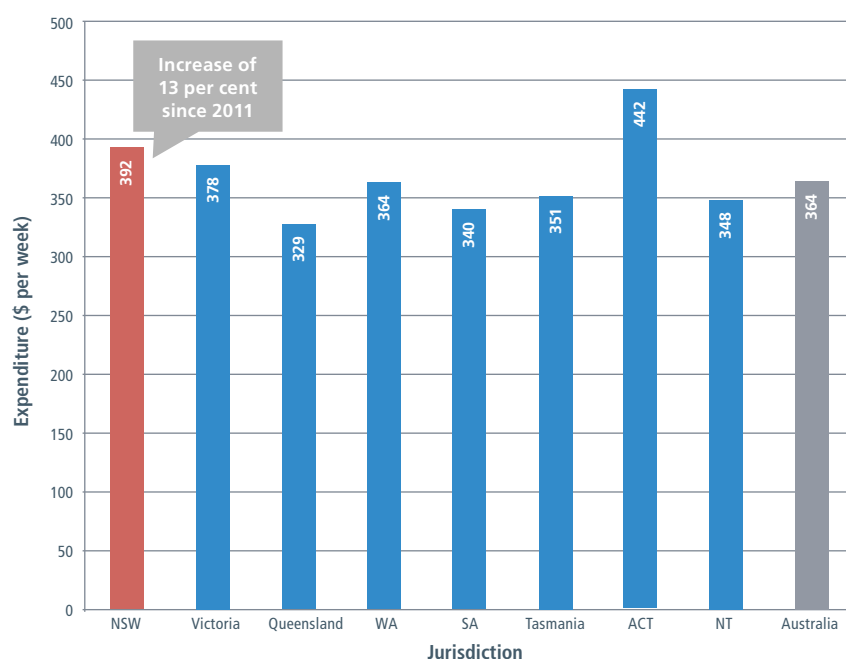
NSW fees for long day care services are significantly higher than other states

Subsidies for LDC are provided by the Commonwealth. The median weekly fee for 50 hours of centre-based LDC was \$392 in NSW in 2012-13. As shown in Figure 2.4, these costs are the second-highest nationally, behind the ACT (\$442).³⁰ The median weekly cost of LDC in 2012-13 dollars increased from \$347 in 2011, an increase of 13 per cent.

Figure 2.4:

Median weekly cost of centre-based long day care, NSW and other jurisdictions (\$/week), 2013

Source: Steering Committee for the Review of Government Service provision (SCRGSP) 2014, Report on Government Services 2014, vol. B Childcare, education and training, Productivity Commission, Canberra, Table 3A.30 (CESE 20y)



²⁹ NSW Department of Education and Communities, 2012 annual report on achieving universal access to early childhood education in NSW (forthcoming) and Department of Education and Communities unpublished data. No baseline data were available for children from low-income families and Aboriginal children in 2008.
³⁰ SCRGSP (Op.cit.), Table 3A.30

Out-of-pocket costs are higher in NSW than national average

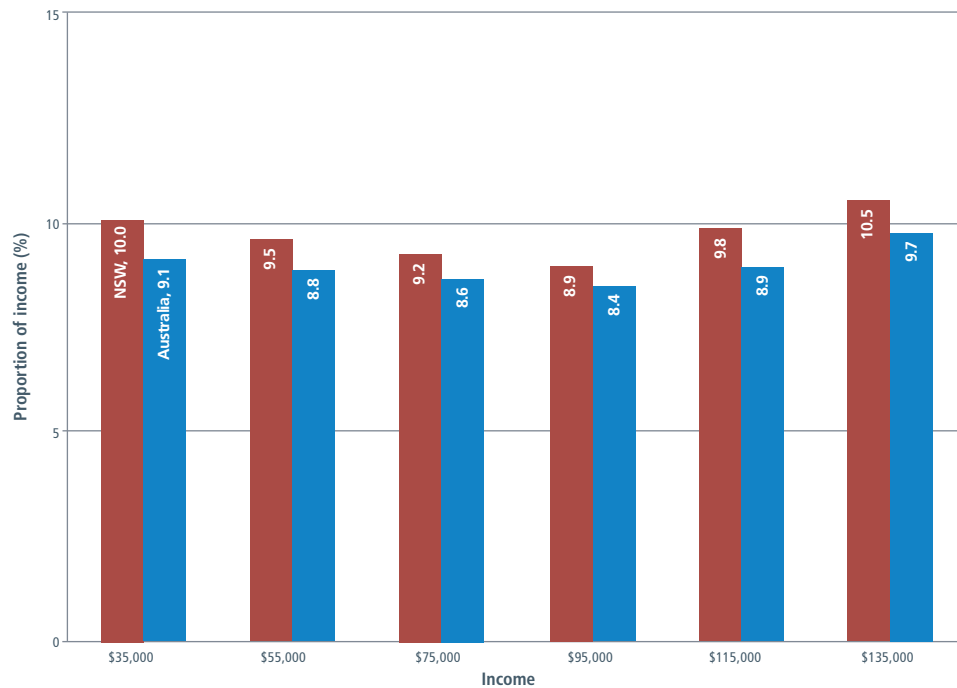
After Commonwealth subsidies, the out-of-pocket costs of child care to NSW parents with either one or two children in care are above the national averages for all family income groups, as indicated in Figure 2.5.³¹

Out-of-pocket costs for centre-based, long day care have traditionally been higher in NSW than in most jurisdictions. However, between 2011 and 2013 increases in NSW were less than in most other jurisdictions, closing the relative cost gap. Non-government service providers set their own fees based on a number of factors. While the NSW Government supports the community preschool sector, the Commonwealth has primary responsibility for supporting families' access to long day care, via the Child Care Benefit and Child Care Tax Rebate.

Figure 2.5:

Out-of-pocket expenses (after subsidies) for families with one child in full-time, centre-based, long day care, as a proportion of gross annual disposable income, NSW and Australia, March quarter 2013

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.57 (CESE 20z)



Improved outcomes for all students, including equity groups

More Aboriginal children are enrolling in ECE programs

NSW has made substantial progress in its commitment to increasing access to ECE for Aboriginal and Torres Strait Islander children in the year before full-time schooling. The number of Aboriginal and Torres Strait Islander children in the YBFS cohort enrolled in ECE programs increased from 3,606 in 2011 to 4,164 in 2013 (Figure 2.6).³² This rate of increase (15.5 per cent) is much higher than the 5.6 per cent increase in the estimated 4-year-old Aboriginal and Torres Strait Islander population of NSW between 2011 and 2013.³³

³¹ SCRGSP (*Op.cit.*) Table 3A.57

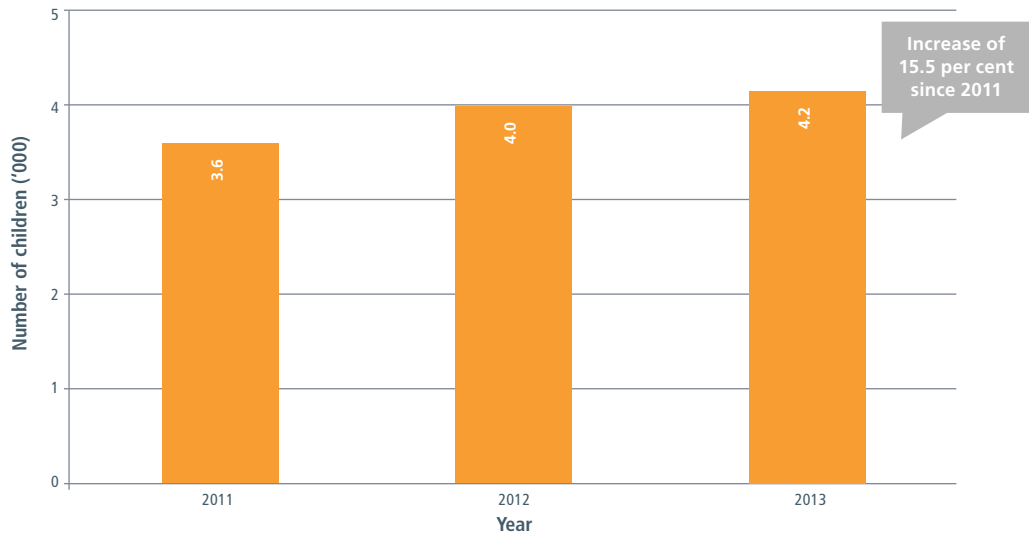
³² NSW Department of Education and Communities, NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education (forthcoming)

³³ Proportions based on ABS projections by state and age based on the 2006 Census. They are not directly comparable with published 30 June 2013 ERP figures which are based on the 2011 Census.

Figure 2.6:

Number of Aboriginal and Torres Strait Islander children aged 4 and 5 accessing a preschool program in their year prior to school, 2011-13

Source: NSW Department of Education and Communities, *NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education* (forthcoming) (CESE 26j)



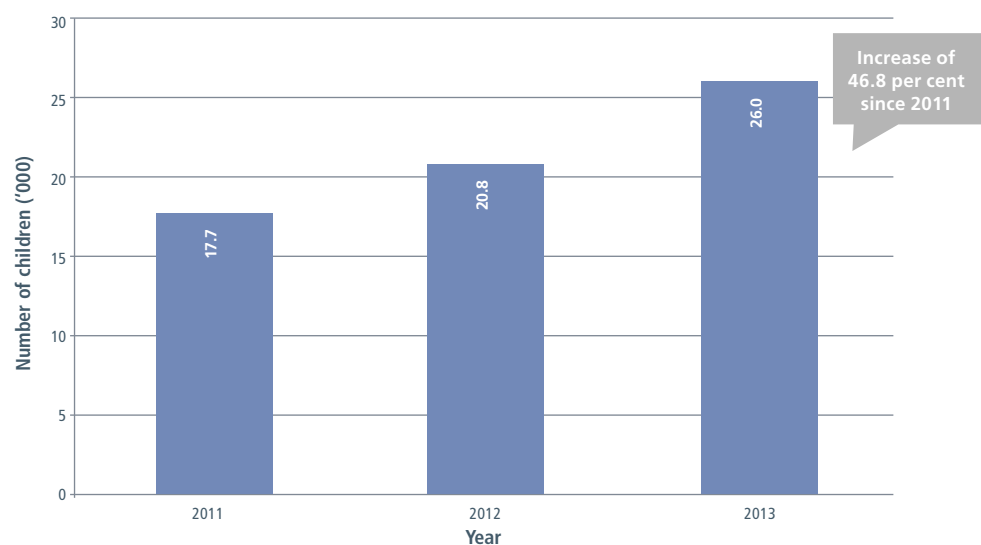
More children from low socio-economic backgrounds are enrolling in ECE programs

NSW continues to make progress in increasing the ECE participation of children from low-income families³⁴ who are four and five years old in their year before full-time schooling. As shown in Figure 2.7, the number of enrolments from low-income families has increased from 17,691 to 25,894 between 2011 and 2013.

Figure 2.7:

Number of disadvantaged children aged 4 and 5 accessing a preschool program in government-funded preschools and long day care centres in their year before full-time school, 2011-13

Source: NSW Department of Education and Communities, *NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education* (forthcoming) (CESE 26k)



³⁴ Two proxies of low income are used: For government-funded preschools, low-income families are defined as those in receipt of a Health Care Card. For long day care, the proxy is receipt of the maximum Child Care Rebate.

Early development indicators suggest children are increasingly developmentally ready for school

The nationally agreed indicator of early childhood development is the Australian Early Childhood Development Index (AEDI). AEDI is a population measure of children's development that is based on a checklist completed by the teachers of children in their first year of full-time school/kindergarten in 2009 and 2012. The AEDI checklist measures five developmental areas or domains on entry to school: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge.

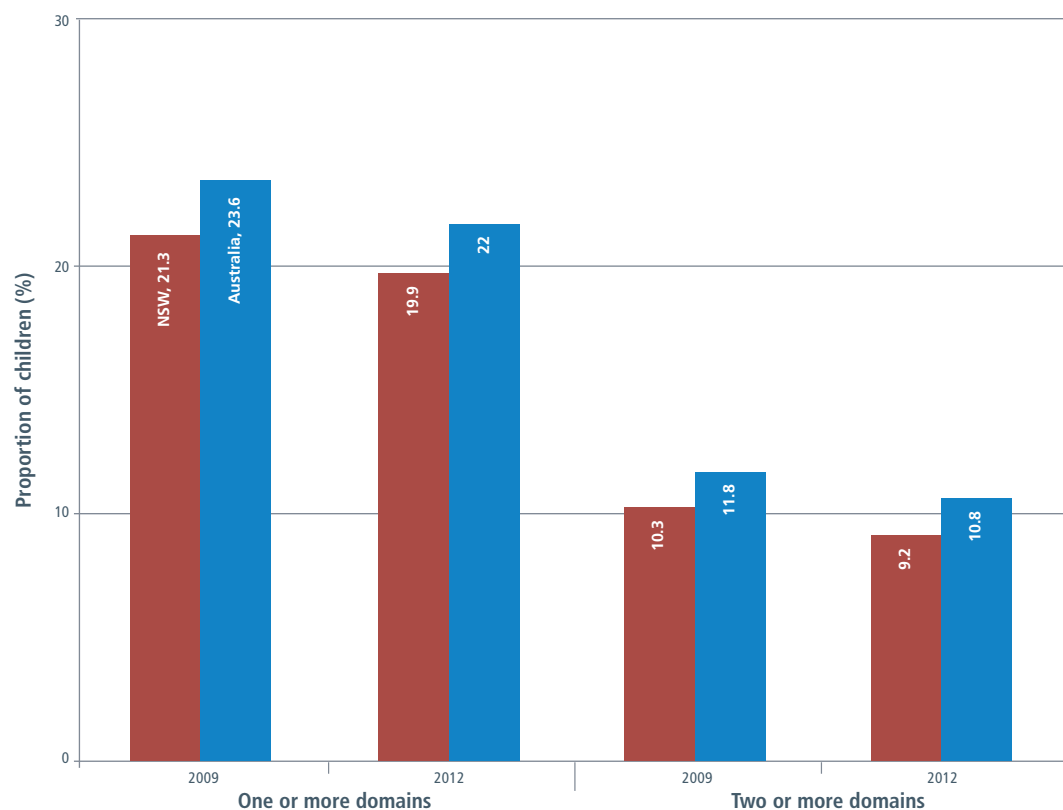
In 2012, 88,921 children in NSW were assessed on entry to Kindergarten as part of a national collection involving 272,282 children. NSW performed well in comparison with other jurisdictions on this measure. In 2012, 80 per cent of NSW children were doing well on each of the five AEDI developmental domains.³⁵ NSW had the lowest proportion of children who were developmentally vulnerable on two or more domains and the second-lowest proportion of children who were developmentally vulnerable on one or more domains.³⁶

In 2012, approximately one in five NSW children (19.9 per cent) was developmentally vulnerable on one or more domains – a statistically significant improvement compared with 21.3 per cent in 2009.³⁷ Fewer than one in 10 NSW children (9.2 per cent) were developmentally vulnerable on two or more domains in 2012 – also a significant improvement compared with 10.3 per cent in 2009. Figure 2.8 shows the significant decreases in the proportion of children in NSW and nationally who were developmentally vulnerable on one or more domains between 2009 and 2012.

NSW was one of only three jurisdictions (with Tasmania and the Northern Territory) to report a reduction in the proportion of developmentally vulnerable children across all five domains from 2009 to 2012.³⁸ Figure 2.9 shows that in 2012, the proportion of children who were developmentally vulnerable was lower than the national average across all domains. NSW had the lowest proportion of children who were developmentally vulnerable in the domain of emotional maturity and the second-lowest proportion of children vulnerable in the two domains of physical health and wellbeing and language and cognitive skills. NSW ranked in the middle of all states and territories on communication and general knowledge and social competence.³⁹

Figure 2.8:
Proportion of children vulnerable on one or more AEDI domains in NSW and Australia, 2009 and 2012

Source: Australian Government 2010 and 2013, *Snapshot of Early Childhood Development in Australia 2012* and *Snapshot of Early Childhood Development in Australia 2009*—AEDI National Report, Australian Government, Canberra, Table 2.6 (CESE 26g)



³⁵ Australian Government 2013. *A Snapshot of Early Childhood Development in Australia 2012* — AEDI National Report, Australian Government, Canberra

³⁶ *Ibid.*, p.24.

³⁷ In 2009, 82,710 children were assessed in NSW as part of the national study involving 246,421 children.

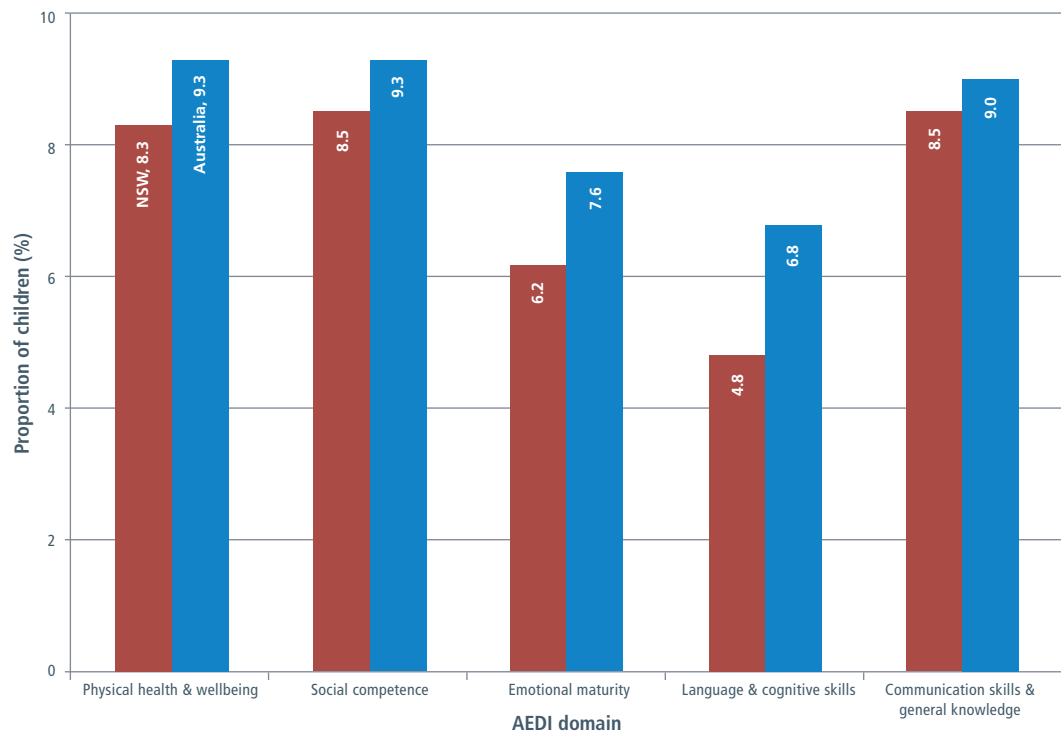
³⁸ *Ibid.*, p. 26

³⁹ *Ibid.*, Table 3.1

Figure 2.9:

Proportion of children developmentally vulnerable by AEDI domain in NSW and Australia, 2012

Source: Australian Government 2013, *Snapshot of Early Childhood Development in Australia 2012*, Australian Government, Canberra, Table 3.1 (CESE 26h)



Aboriginal and Torres Strait Islander children are more likely to be developmentally vulnerable

Although the majority of Aboriginal and Torres Strait Islander children were developmentally on track on each of the AEDI domains in 2009 and 2012, those children were more than twice as likely to be developmentally vulnerable than other children. In 2012, 21 per cent of Aboriginal and Torres Strait Islander children were assessed as developmentally vulnerable on two or more AEDI domains compared with 9 per cent of other children.⁴⁰ Significantly, 37 per cent of Aboriginal and Torres Strait Islander children were assessed as developmentally vulnerable on one or more AEDI domains compared with just fewer than 20 per cent of other children.

Children in remote NSW are more developmentally vulnerable than metropolitan children

In 2012, children in very remote areas of NSW were twice as likely to be developmentally vulnerable than children in major cities. In 2012, 13.2 per cent of children in remote areas and 21.9 per cent of children in very remote areas were assessed as developmentally vulnerable on two or more AEDI domains compared with 9.2 per cent of children in major NSW cities.⁴¹ Compared with the 2009 cohort, children in rural and remote areas showed less improvement over time when compared with children in regional and metropolitan areas.

A more qualified workforce

The quality of the ECEC workforce is a key factor in achieving positive outcomes for children's participation in early childhood education and care. Under the national reform agenda, workforce initiatives have been introduced to improve the quality and supply of the ECEC workforce. The Council of Australian Governments (COAG) has set a requirement that the majority of workers in approved ECEC services must either hold or be working towards a qualification in Children's Services at AQF Certificate III level or above by January 2014.

This focus on quality is also reflected in the requirements under the National Quality Framework to have a minimum number of degree-qualified early childhood teachers delivering early learning programs, depending on the number of children cared for at a service.

⁴⁰ CESE analysis of NSW data from DEEWR AEDI report 2012 (unpublished)

⁴¹ *Ibid.*

Workforce data estimates are based on different data collections for each sector. Staff data collections from community and government preschool providers have improved since 2010 and include the reporting of a teacher's highest level and field of ECEC qualifications. The number of teachers delivering preschool programs in long day care services in NSW is based historically on a 2006 national Census of child care services. Data collected in 2011 from around 1,400 long day care services that applied for the NSW Government's Early Childhood Teacher Costs Contribution Scheme indicates higher numbers of degree-qualified teachers in this sector compared with the 2006 Census data. More accurate reporting on staff qualifications is expected in 2014 from the 2013 National Workforce Census.⁴²

Quality of services

Around one-third of ECEC services have been assessed under the National Quality Framework

In 2012, the National Quality Agenda Information Technology System (NQA ITS) was introduced to collect consistent data on service providers across all jurisdictions. On 31 December 2013, there were 4,785 approved ECEC services in NSW, comprising 4,574 centre-based care services and 211 family day care services.⁴³

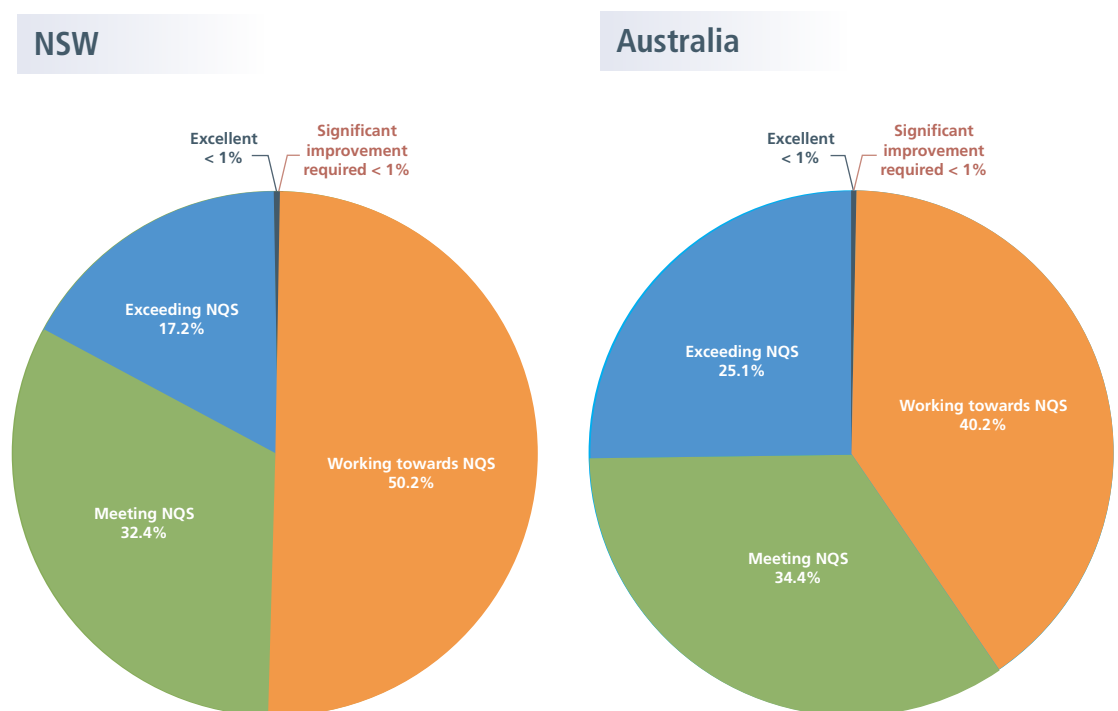
By 31 December 2013, 1,783 services comprising 37 per cent of all approved services had been assessed with a quality rating. NSW has the greatest number of approved services in Australia and was the state with the highest proportion of completed assessments ahead of Victoria (with 35 per cent) and Tasmania (with 32 per cent).

At the start of the first assessment and rating cycle of the National Quality Standard (NQS), the Department of Education and Communities strategically targeted potentially weaker services in NSW for priority assessment and rating. A true national comparison can therefore only be made once all services have been assessed. As shown in Figure 2.10, of those services targeted for assessment by 31 December 2013, 884 services in NSW (or 49.6 per cent) had an overall quality rating of meeting or exceeding the NQS, below the national average of 59.4 per cent.⁴⁴ One service provider applied for and attained a rating of "Excellent", with one more attaining the rating in the first quarter of 2014.⁴⁵

Figure 2.10:

Proportion of approved services with a quality rating, by quality rating, NSW and Australia, as at December 2013

Source: Australian Children's Education and Care Quality Authority (ACECQA) 2014, *National Quality Framework (NQF) Snapshot Q4 2013*, Table 7 (CESE 20o / 20r)



⁴² While some workforce data is provided in Appendix D, the tables present a current snapshot only, and cannot usefully be used to present trends over time because of different collection methods.

⁴³ Australian Children's Education and Care Quality Authority 2014, *NQF Snapshot Q4 2013*

⁴⁴ *Ibid.*

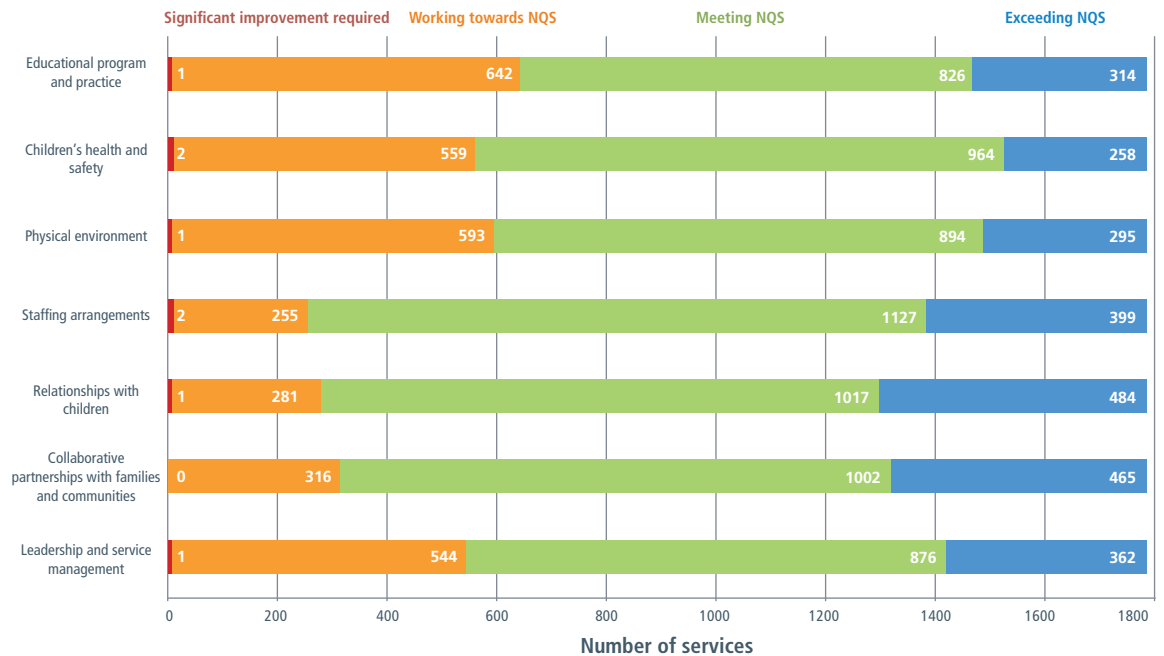
⁴⁵ Note that the "Excellent" rating is by separate application to ACECQA and is not part of the standard rating system.

Figure 2.11 shows the ratings achieved by NSW services assessed across seven quality areas, with the lowest rating being “Significant improvement required” and the highest “Exceeding the NQS”. Quality areas rated most highly (meeting or exceeding the NQS) were: ‘staffing arrangements’; ‘relationships with children’; ‘collaborative partnerships with families and communities’ and ‘leadership and service management’. The quality areas where NSW services achieved lower ratings were: ‘educational program and practice’; ‘children’s health and safety’ and ‘physical environment’. At the national level, these same areas were also more likely to be rated as ‘Working towards the NQS’ or ‘Significant improvement required’.⁴⁶

Figure 2.11:

Number of NSW approved services with a quality rating, by quality area, as at 31 December 2013

Source: Australian Children’s Education and Care Quality Authority (ACECQA) 2014, *NQF Snapshot Q4 2013*, Table 26 (CESE 20p)



⁴⁶ Australian Children’s Education and Care Quality Authority (ACECQA) 2014, *NQF Snapshot Q4 2013*, p. 16

Challenges in measuring performance in early childhood education and care

Data sources in the early childhood education and care sector are fragmented and underdeveloped. Data collection methodologies have been limited in their capacity to identify children attending multiple early childhood education and care (ECEC) programs. Under the National Information Agreement on Early Childhood Education and Care 2009-2013, NSW has been collaborating with the Commonwealth and other state governments to develop the nationally agreed 'Concepts, Sources and Methods' and this continues as a work in progress.

The Early Childhood Education and Care Collection (ECECC) is a national collection coordinated by the ABS for the Commonwealth Department of Education. The NSW Department of Education and Communities has collected unit record-level data on preschool enrolments and attendance and teacher data for government preschools and government-funded community preschools each year in an August census collection since 2010. The ABS aggregates this NSW data with the Commonwealth Department of Education data from long day care centres to determine enrolment numbers for the State in various aggregations.

Since the ABS preschool education publication in 2012, the Commonwealth Department of Education and the NSW Department of Education and Communities have reached agreement on a methodology for determining an accurate picture of preschool participation of 4- and 5-year-old children in the year before full-time school in NSW. This methodology recognises the NSW school starting age and more accurately measures preschool participation in long day care services.

For the long day care sector, the ECECC relies largely on preschool participation data from the Australian Government's Child Care Management System (CCMS). As it is not mandatory for the services captured in CCMS to indicate whether they offer a preschool program, CCMS data alone tends to understate the delivery of preschool programs in long day care services. Therefore, a different approach for calculation of performance under the National Partnership Agreement on Universal Access to Early Childhood Education (NP UAECE), and in particular for the long day care sector, has been agreed between NSW and the Commonwealth.

From 2012, the methodology for calculating preschool participation in LDC has been further refined using licensing information from the National Quality Agenda IT System. Under current agreements, the estimate is that 83 per cent of 4- and 5-year-old children enrolled at NSW long day care services were receiving a preschool program in 2013.

The ECECC describes participation in the ECEC sector as enrolments of children and/or enrolments of children by 'episode' because children may attend more than one service – e.g. long day care plus a preschool. In order to adjust for the fact some children may be counted twice, it has been agreed from 2012 that for reporting purposes under the previous National Partnership on Early Childhood Education (NP ECE) and the current NP UAECE an adjustment of 4 per cent of episode enrolments (based on ABS advice) be made for all three types of services (i.e. long day care, community preschools and government preschools). In 2011, this adjustment was only applied to long day care services.

3. School education

Snapshot of performance

Theme	What is going well	Needs improvement
Improving outcomes in literacy, numeracy and science	<p>Highest levels of participation of any state or territory since NAPLAN began.</p> <p>Consistently among the top three states and territories across nearly every test and year level since NAPLAN testing began in 2008.</p> <p>On track for targets for National Minimum Standards for Year 3 and Year 5 Reading.</p> <p>Proportions in top two bands increased for Years 3 and 5 Reading and Years 5 and 9 Numeracy.</p> <p>NSW 15 year olds consistently rank above the OECD average in PISA.</p> <p>NSW Year 8 students rank among the top 10 participating countries in Maths and Science on the 2011 international TIMSS test.</p>	<p>The proportions of students achieving in the highest bands on NAPLAN.</p> <p>Proportions of students at or above NAPLAN National Minimum Standards not on track to meet long-term targets for Year 3 and Year 5 Numeracy, nor for Reading and Numeracy for Years 7 and 9.</p> <p>The performance of Year 4 students on the international PIRLS (Reading Literacy) test.</p> <p>Middle ranking of NSW Year 4 students on the TIMSS Maths and Science tests.</p> <p>Mean scores and rankings of NSW 15 year olds on PISA Maths, Science and Reading have declined.</p>
Students finishing secondary school or equivalent	<p>Number of HSC awards rising consistently.</p> <p>On track to meet target for 90 per cent of 20–24 year olds to have attained a Year 12 or AQF Certificate II or above by 2015.</p> <p>On track to meet target for 90 per cent of 20–24 year olds to have attained a Year 12 or AQF Certificate III or above by 2020.</p>	<p>NSW still has low retention rates relative to other jurisdictions.</p> <p>Small decrease in number of VETiS students.</p>
High expectations, improving equity	<p>Gap in NAPLAN Reading performance between Aboriginal and non-Aboriginal students is closing (Year 3, Year 5) and on track to exceed Year 5 Numeracy target.</p> <p>39 per cent increase in the number of Aboriginal and Torres Strait Islander students being awarded the HSC between 2008 and 2012.</p> <p>On track to halve the gap in Year 12 or equivalent attainment for Aboriginal 20–24 year olds by 2020.</p> <p>Year 12 completion rates have significantly improved for students from low SES schools.</p>	<p>Participation rates in NAPLAN assessments lower for Aboriginal and Torres Strait Islander students.</p> <p>Unlikely to meet goal to halve the gap in NAPLAN performance for Aboriginal and Torres Strait Islander students by 2018 on Reading (Year 7, Year 9) and Numeracy (Year 3, Year 7, Year 9).</p> <p>Unlikely to meet target of 90 per cent of 20-24 year olds in rural and regional NSW completing Year 12 or equivalent.</p>
Improving quality of teaching	<p>Small increases in the number of teachers submitting to gain accreditation at the Professional Accomplishment and Professional Leadership levels.</p>	<p>Annual number of voluntary teacher accreditations at the Professional Accomplishment and Professional Leadership levels is still relatively low.</p>

Performance in detail

A variety of measures of performance and progress in school education are used in NSW, including international and national assessments, assessments for local credentials and a range of survey tools.

Through the Council of Australian Governments, all states and territories have agreed to a set of targets measuring progress in school education. In NSW, these targets also inform the education goals and targets of the State Plan, *NSW 2021: A Plan to Make NSW Number One*.⁴⁷

Targets for school education are arranged thematically, in *NSW 2021*, around five main areas:

- improve student achievement in literacy and numeracy
- more students finish high school or equivalent
- schools have high expectations for all their students
- improve the quality of all teaching
- public schools have more options for local decision-making.

This report will not present data on the last of these themes, which only concerns government schools.

Note background details related to the structure of school education and the Australian Qualifications Framework (AQF) are provided in Appendix A. Appendix E provides details of the context of school education, policy and governance.

Improve student achievement in literacy, numeracy and science

International measures

Australia participates in the OECD's Programme for International Student Assessment (PISA) which tests a sample of 15 year olds every three years in reading, mathematical and scientific literacy. In addition, Australia participates in the Trends in International Mathematics and Science Study (TIMSS, for students in Years 4 and 8) and Progress in International Reading Literacy Study (PIRLS, for students in Year 4) which are also cyclic sample tests. Further details about these assessments are provided in Appendix B, with a summary of outcomes shown in Table 3.1.

⁴⁷ See Appendix B for further detail on NSW 2021 indicators.

Table 3.1:

Average performance of NSW students on TIMSS, PISA and PIRLS assessments

Source: Centre for Education Statistics and Evaluation analysis of PISA, PIRLS and TIMSS data

Domain	Test	Year	NSW		Australia		Top country/economy		
			Mean	Rank	Mean	Rank	Mean	Rank 1st	
Maths	TIMSS Yr 4	1995	496	11	495	11	561	Korea	
		2007	534	10	516	14	607	Hong Kong	
		2011	525	18	516	=18	606	Singapore	
	TIMSS Yr 8	1995	512	16	509	16	601	Singapore	
		2007	500	13	496	14	598	Chinese Taipei	
		2011	518	7	505	=11	613	Korea	
	Science	PISA 15 yr olds	2000	540	3	533	5	557	Japan
			2003	526	11	524	11	550	Hong Kong
			2012	509	18	504	19	613	Shanghai
TIMSS Yr 4		1995	522	5	521	5	553	Korea	
		2007	538	9	527	13	587	Singapore	
		2011	522	=19	516	=22	587	Korea	
TIMSS Yr 8	1995	517	12	514	12	545	Singapore		
	2007	521	11	515	13	567	Singapore		
	2011	532	10	519	12	590	Singapore		
Reading	PISA 15 yr olds	2000	553	1	528	7	552	Korea	
		2006	535	3	527	8	563	Finland	
		2012	526	=9	521	=16	580	Shanghai	
	PIRLS Yr 4	2011	535	21	527	27	571	Hong Kong	
		PISA 15 yr olds	2000	539	2	528	4	546	Finland
			2009	516	9	515	9	556	Shanghai
	2012		513	13	512	=13	570	Shanghai	

Performance in TIMSS

TIMSS is an international assessment of Maths and Science ability, administered every four years to Year 4 and Year 8 students in participating countries. The TIMSS assessments measure students' knowledge and understanding of relevant content, and the processes and behaviours expected to engage with this content (knowing, applying and reasoning).

In 2011, Australia was one of 50 countries participating in the TIMSS assessment of Year 4 students. A stratified random sample of 280 Australian primary schools was selected to take part in the Year 4 assessment, including 44 schools in NSW (1,077 students).⁴⁸

Australia was one of 45 countries participating in the TIMSS assessment of Year 8 students in 2011. A stratified random sample of 275 Australian secondary schools was selected to take part, including 42 schools in NSW (1,134 students).⁴⁹

Year 4 students ranked near the middle in TIMSS Maths

Year 4 students in NSW and Australia were ranked 18th - towards the middle of countries participating in TIMSS Maths in 2011 - with mean scores of 525 and 516 respectively (the international mean was 500). The rankings for NSW Year 4 students declined, despite a significant improvement in Maths mean scores between 1995 and 2011.⁵⁰

The mean score for Australian students was not significantly different from five countries (Serbia, Hungary, Slovenia, Czech Republic and Austria), significantly higher than 27 countries, and significantly lower than 17 countries (including most of the Asian countries, England and the United States).

48 The basic sample design for TIMSS is a two-stage stratified cluster sample design. The first stage involves selecting a sample of schools and the second stage consists of a single class of Year 4 maths students selected at random from each of the selected schools. Weights are then applied to the student sample to ensure it is representative of all Year 4 students.

49 The basic sample design for Year 8 students follows a procedure similar to that for Year 4.

50 Note that rankings may be problematic as a measure of change over time due to countries entering or withdrawing from assessments between testing cycles.

The average maths score for NSW Year 4 students was statistically similar to that for Victoria and Tasmania, significantly lower than the ACT and significantly higher than for the remaining jurisdictions.

Australia's average Year 4 maths score of 516 in TIMSS 2011 was the same as that achieved in 2007, but was a significant 21 points higher than in TIMSS 1995. In NSW, the average performance of Year 4 students in Maths improved by 29 points, from 496 in 1995 to 525 in 2011.

Year 4 students ranked near the middle in TIMSS Science

Year 4 students in NSW and Australia were ranked equal 19th - towards the middle of countries participating in TIMSS Science in 2011 - with mean scores of 522 and 516 respectively (the international mean was 500). The mean score for Australian students was not significantly different from eight countries (Portugal, Slovenia, Northern Ireland, Serbia, Ireland, Croatia, Lithuania and Romania); significantly higher than 23 countries; and significantly lower than 18 countries (including most of the Asian countries, England and the United States).

The average science score for NSW Year 4 students was statistically similar to that for Victoria and Tasmania, significantly lower than the ACT and significantly higher than that for the remaining jurisdictions.

Australia's average Year 4 science score of 516 in TIMSS 2011 was significantly lower than that achieved in 2007 (527), but not significantly different from the score of 521 achieved in TIMSS 1995. In NSW, the average performance of Year 4 students in Science has remained unchanged when compared with 1995 (522), but was significantly lower than in 2007 (by 16 points).

Year 8 students ranked towards the top in TIMSS Maths

Year 8 students in Australia were ranked within the top 12 economies participating in the TIMSS Maths assessment in 2011, while NSW (if it were a country) would have ranked 7th. While NSW Year 8 students improved in the international rankings, the increases in mean scores are not statistically significant.⁵¹

Mean scores were 518 for NSW and 505 for Australia (the international mean was 500). The mean score for Australian students was not significantly different from eight countries (including Israel, Finland, United States, England, Hungary, Slovenia, Lithuania and Italy), and significantly higher than 27 others (including New Zealand). Only six countries (including Korea, Singapore, Chinese Taipei, Hong Kong, Japan and the Russian Federation) achieved an average result significantly higher than Australia and NSW.

The average maths score for NSW Year 8 students was statistically similar to that for students in the ACT, Victoria, Queensland and WA and significantly higher than students in SA, Tasmania and the NT.

The average NSW Year 8 maths score of 518 in TIMSS 2011 was higher, but not significantly different from the score of 500 achieved in 2007 and 512 in 1995. The average score of 505 for Australian Year 8 students in 2011 was also higher, but not statistically different from the score of 496 achieved in 2007. Australia's performance in 2011 was lower than, but not statistically different from, the 2011 result.

Year 8 students ranked towards the top in TIMSS Science

Year 8 students in NSW and Australia were ranked among the top 12 participating countries in TIMSS Science in 2011, with mean scores of 532 and 519 respectively (the international mean was 500). NSW Year 8 students would have ranked 10th in Science out of 45 countries.

The average score for Australian students was not significantly different from six countries (United States, Hungary, Israel, Lithuania, New Zealand and Sweden), and significantly higher than 26 other countries. Only nine countries (Singapore, Chinese Taipei, Korea, Japan, Finland, Slovenia, Russian Federation, Hong Kong and England) performed significantly higher than Australia.

The average science score for NSW Year 8 students was not statistically different from that for the ACT, Queensland, WA, and Victoria, and significantly higher than the remaining jurisdictions.

Australia's average Year 8 science score of 519 in TIMSS 2011 was higher, but not statistically different from that achieved in 2007 (515) or 1995 (514). Similarly, the average performance of NSW Year 8 students in Science in 2011 (532) was higher, but not statistically different from the average performance in 2007 (521) or 1995 (517).

⁵¹ While, at face value, the mean scores changed (for example from 517 to 532 for TIMSS Year 8 Science) between 1995 and 2011, this change was not statistically significant. In other words, we cannot rule out that it occurred by chance. Only when changes over time are statistically significant, can we be confident that the change represents a real change in performance.

Performance in PIRLS

PIRLS⁵² is an international assessment of reading ability, administered every five years to Year 4⁵³ students in participating countries. Australia participated in PIRLS for the first time in 2011. Three aspects of literacy (purposes for reading, processes of comprehension and reading behaviours, and attitudes) are measured through a combination of reading literacy tasks, and supplementary student and home questionnaires.⁵⁴

Australia was one of 48 countries to participate in 2011. A stratified random sample of 280 primary schools across Australia was selected to participate, including 44 schools from NSW (1,067 students).⁵⁵

Australian and NSW Year 4 students were ranked 27th and 21st respectively out of 45 countries participating in PIRLS in 2011. The average score for Australian students (527) was above the international mean of 500 and not significantly different from six countries (Bulgaria, New Zealand, Slovenia, Austria, Lithuania and Poland), significantly higher than 17 other countries and significantly lower than 21 other countries (including Hong Kong, Russian Federation, Finland, Singapore, Northern Ireland, United States, England and Canada). The average score of 535 for NSW students was slightly higher, but unlikely to be significantly different, statistically, from the Australian average.

The average reading score for NSW Year 4 students was not statistically different from that for the ACT and both scored significantly higher than students in the remaining jurisdictions.

Performance in PISA

PISA is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students. It is administered the Organisation for Economic Cooperation and Development (OECD) in member and non-member nations. PISA was first administered in 2000. Three subject domains are tested in PISA: Reading, Mathematics and Science, with a focus on one domain rotated each cycle.

PISA 2012 was conducted in 65 countries, including 34 OECD countries and 31 partner countries or economies. In Australia, a total of 14,481 students in 775 schools participated. In NSW, 3,447 students from 184 schools participated (113 government, 43 Catholic and 28 independent schools).

NSW students performed above the OECD average

As indicated in Figure 3.1, Figure 3.2 and Figure 3.3, if NSW was a country, it would have ranked:

- 18th for Mathematics (mean 509); OECD mean was 494.
- equal 9th for Science (mean 526); OECD mean was 501.
- 13th for Reading (mean 513); OECD mean was 496.

Since PISA began in 2000, the average performance of NSW students has been above, but not statistically different from, the average performance for Australia as a whole in each of the domains tested. The mean scores of Australian and NSW students on PISA have declined and NSW rankings relative to other participating countries have also slipped. These declines are consistent with the overall declines in Australia's performance relative to other countries.

52 PIRLS is directed by the International Association for the Evaluation of Educational Achievement (IEA). In Australia, PIRLS is implemented by the Australian Council for Educational Research (ACER)

53 The stage at which students typically transition from learning to read to reading to learn.

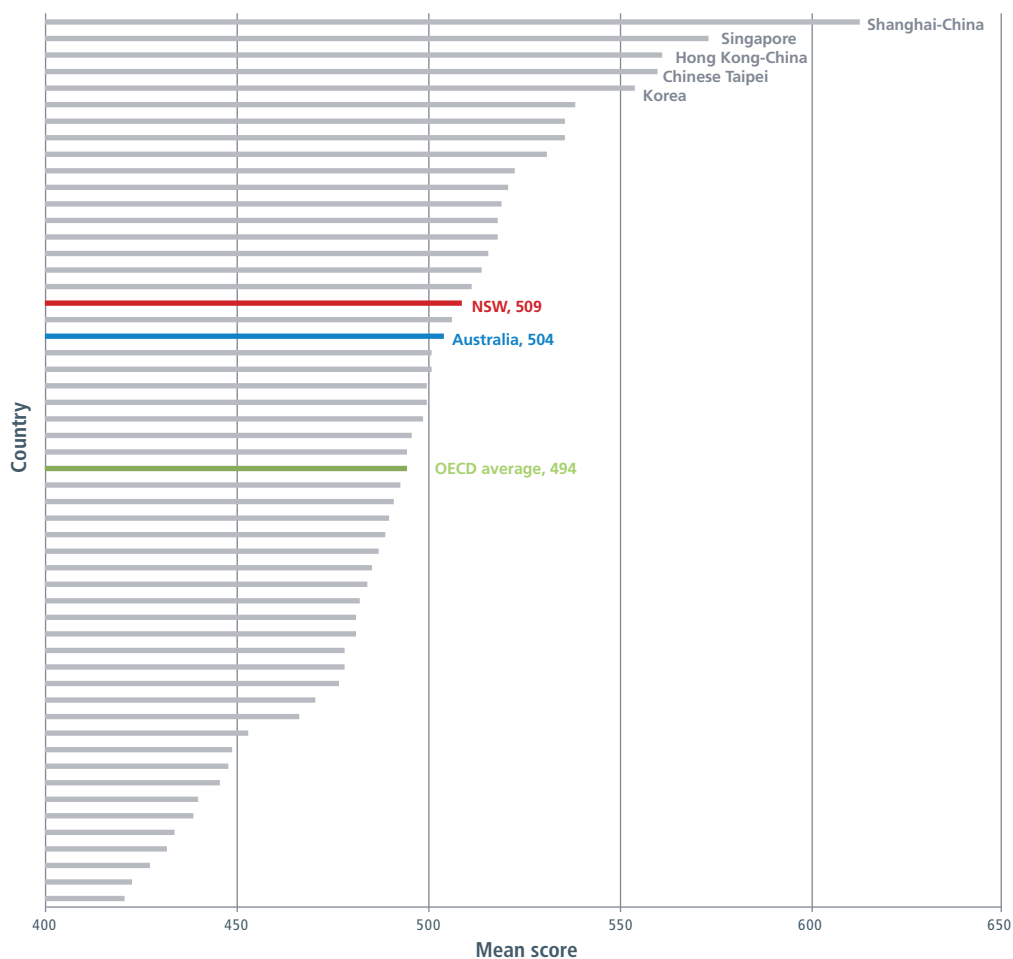
54 The Student Questionnaire asks students about their family background, and contexts of learning/instruction at school, while the Home Questionnaire asks parents/guardians about their child's early at-home learning experiences and their own attitudes towards reading.

55 The basic sample design for PIRLS is a two-stage stratified cluster sample design. The first stage involves selecting a sample of schools and the second stage consists of a single class of Year 4 students selected at random from each of the selected schools. Weights are then applied to the student sample to ensure it is representative of all Year 4 students.

Figure 3.1:

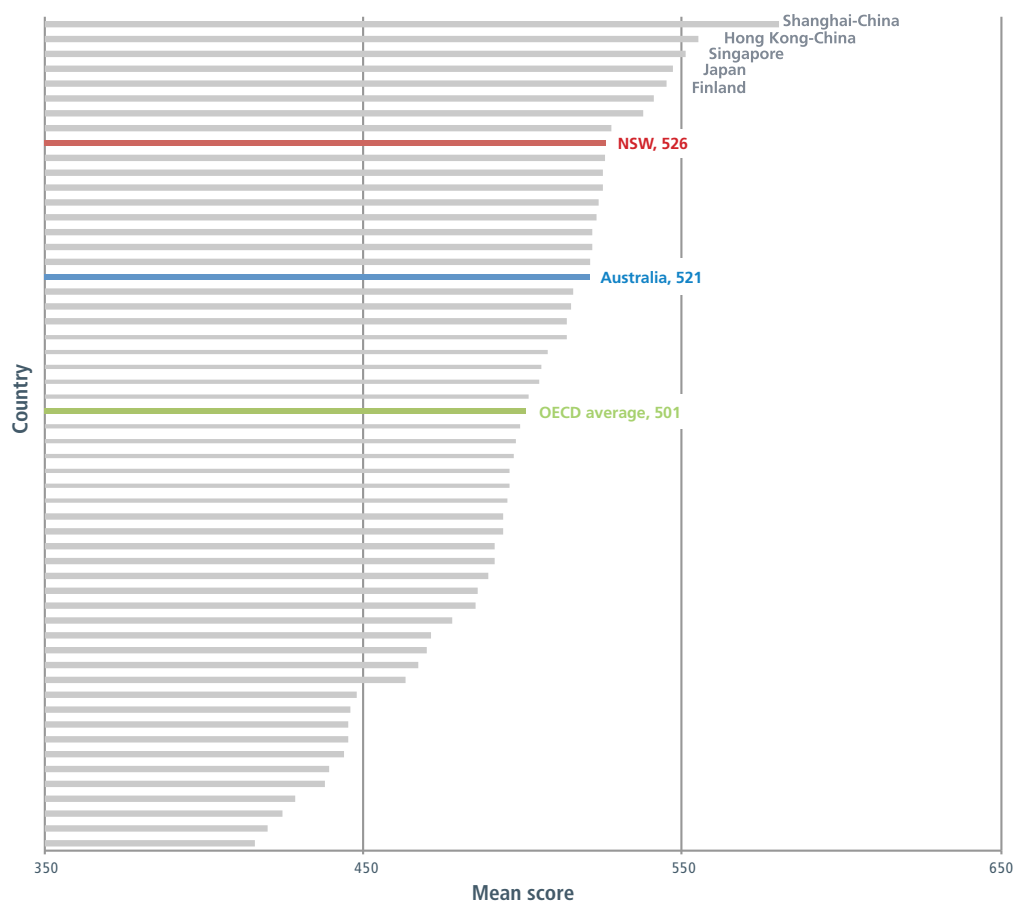
Average performance in PISA 2012 Mathematical Literacy, NSW, Australia and selected participating countries⁵⁶

Source: Thomson, S, De Bortoli, L & Buckley, S 2013, *The PISA 2012 assessment of students' mathematical, scientific and reading literacy*, Australian Council for Education Research, Victoria (CESE 27g)

**Figure 3.2:**

Average performance in PISA 2012 Science Literacy, NSW, Australia and selected participating countries

Source: Thomson, S, De Bortoli, L & Buckley, S 2013, *The PISA 2012 assessment of students' mathematical, scientific and reading literacy*, Australian Council for Education Research, Victoria (CESE 27h)

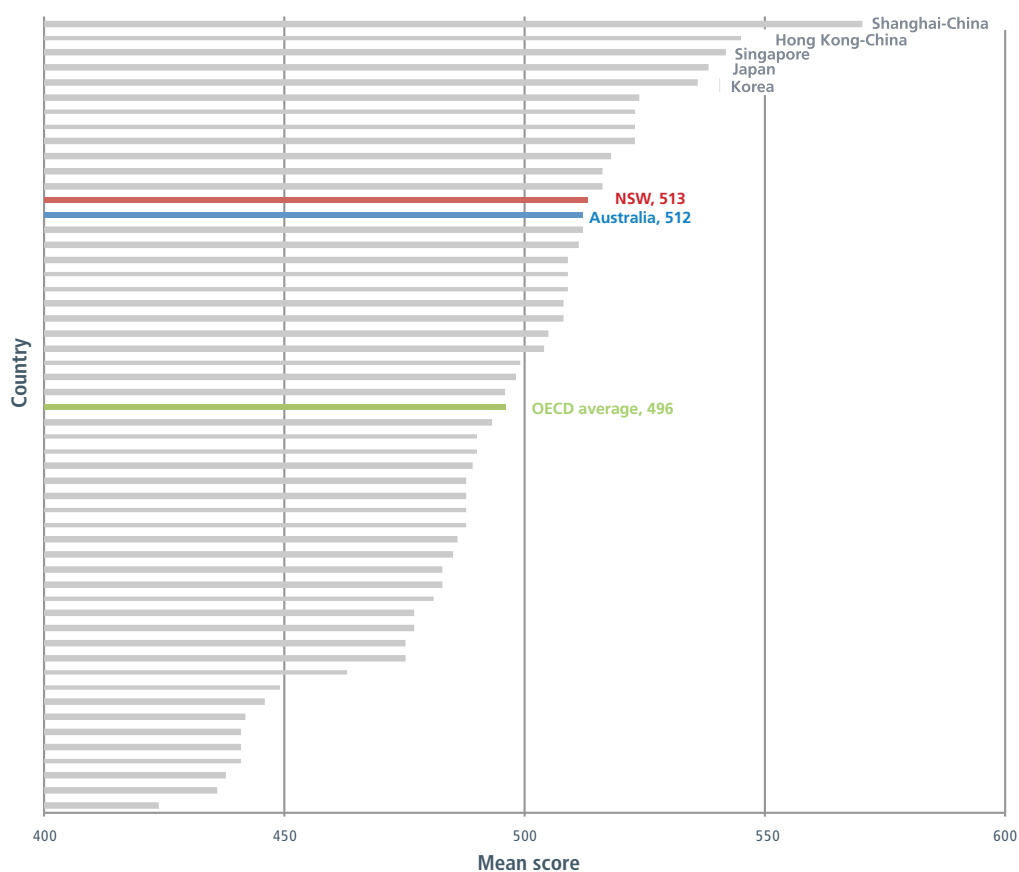


56 Australia's ranking of 19th is in relation to other participating countries and does not take into account a separate position for NSW.

Figure 3.3:

Average performance in PISA 2012 Reading Literacy, NSW, Australia and selected participating countries

Source: Thomson, S, De Bortoli, L & Buckley, S 2013, *The PISA 2012 assessment of students' mathematical, scientific and reading literacy*, Australian Council for Education Research, Victoria (CESE 271)



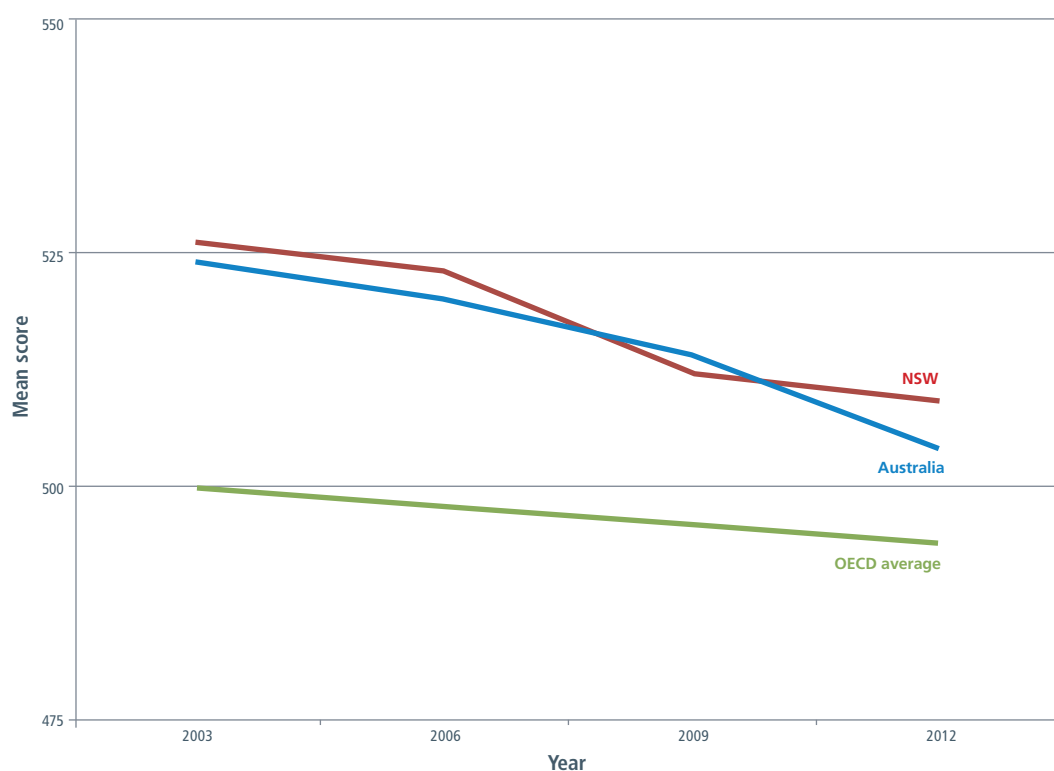
Average performance in PISA Maths and Reading has declined

As shown in Figure 3.4, between 2003 and 2012, there was a significant decline of some 17 score points in the average performance of NSW students on PISA Maths (from 526 in 2003 to 509 in 2012).⁵⁷ The Australian mean declined by a similar amount (from 524 in 2003 to 504 in 2012), whereas the OECD mean declined by only four score points (from 500 to 496).

Figure 3.4:

Trends in PISA Mathematical Literacy, NSW, Australia and OECD average, 2003-12

Source: Thomson, S, De Bortoli, L & Buckley, S 2013, *The PISA 2012 assessment of students' mathematical, scientific and reading literacy*, Australian Council for Education Research, Victoria (CESE 27a)



⁵⁷ 2003 was the first time that Mathematics was the focus of PISA. Reliable comparisons can therefore only be made between 2003 and subsequent years.

The decline in maths performance is mainly driven by increases in the proportion of students at the low end of the distribution. In PISA 2003, 14 per cent of NSW students achieved below the international minimum standard (Level 2) for Maths. In PISA 2012, this had increased to 20 per cent.

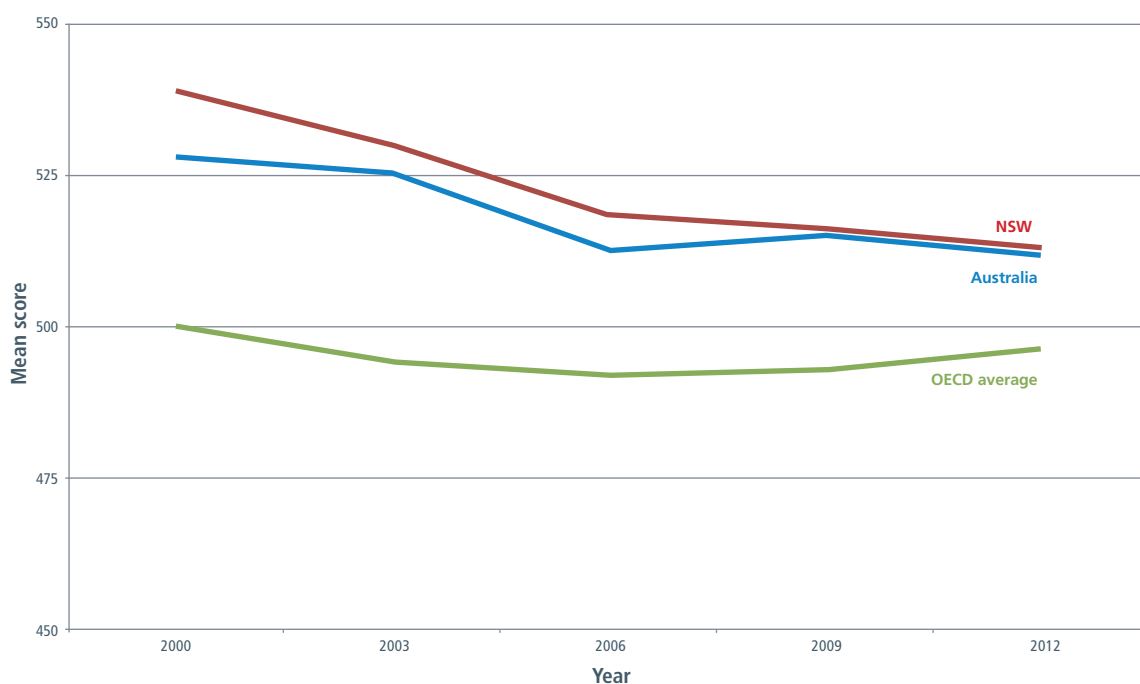
As indicated in Figure 3.5, the story is much the same for Reading, with the NSW mean score declining by a statistically significant 26 score points between 2000 and 2012 (from 539 to 513) and the mean score for Australia declining by a significant 16 points.⁵⁸ In comparison, the OECD mean score declined by only four score points (from 500 to 496) over the same period.

In contrast to the decline in Maths, the decline in reading performance is driven by changes at both ends of the distribution. In 2000, 18.0 per cent of NSW students achieved at Level 5 and above in PISA Reading compared with 13 per cent in 2012. Similarly, 10 per cent of NSW students achieved in the two bottom bands in 2000 compared with 15 per cent in 2012.

Figure 3.5:

Trends in PISA Reading Literacy, NSW, Australia and OECD average, 2000-12

Source: Thomson, S, De Bortoli, L & Buckley, S 2013, *The PISA 2012 assessment of students' mathematical, scientific and reading literacy*, Australian Council for Education Research, Victoria (CESE 27c)



Average performance in Science has also declined

As shown in Figure 3.6, the NSW mean score for Science declined by 9 score points, from 535 in 2006 to 526 in 2012).⁵⁹ The rate of decline was similar to that for Australia as a whole. Between 2006 and 2012, the OECD mean score improved one score point (from 500 to 501).

As is the case for Maths, the decline in science performance is mainly driven by increases in the proportion of students at the low end of the distribution. In PISA 2006, 11 per cent of NSW students achieved at below minimum standard (Level 2). In PISA 2012, this proportion had increased to 14 per cent.

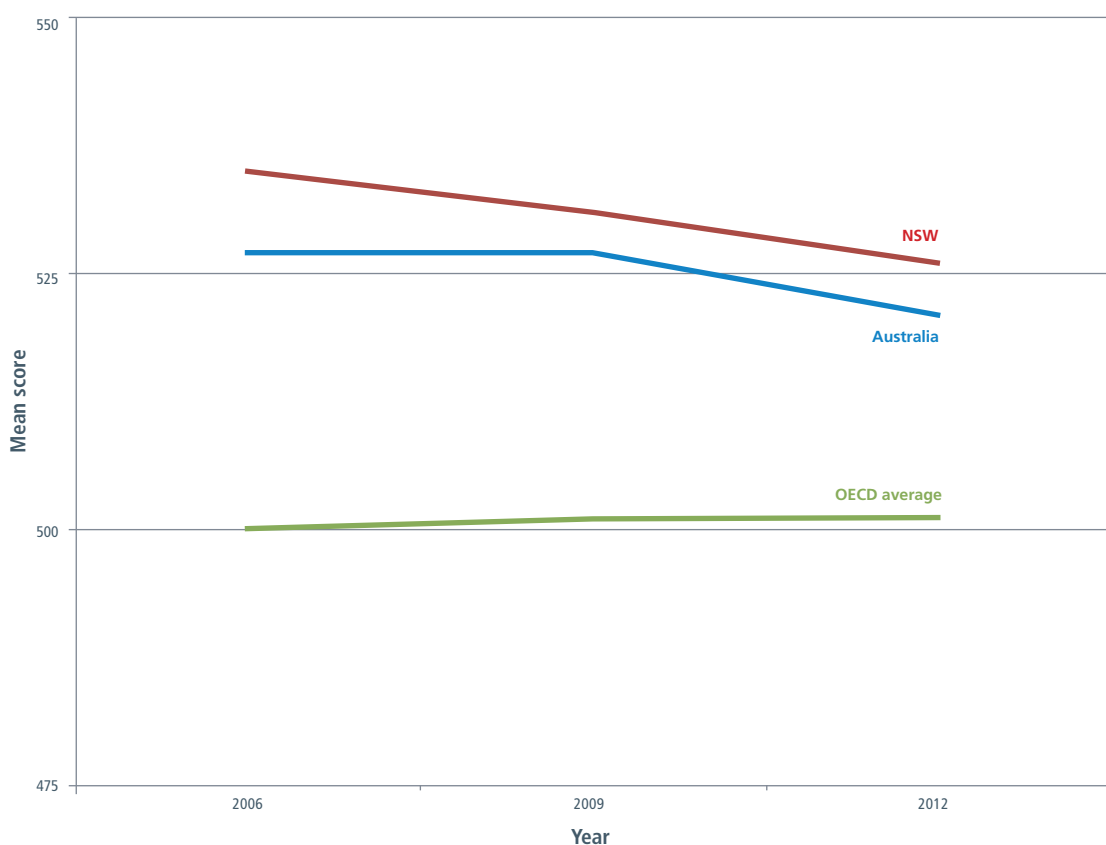
⁵⁸ 2000 was the first time Reading was the focus of PISA. Reliable comparisons can therefore be made with all subsequent years.

⁵⁹ 2006 was the first time Science was the focus of PISA. Reliable comparisons can therefore only be made between 2006 and subsequent years.

Figure 3.6:

Mean score trends in PISA Science Literacy, NSW and OECD average, 2006-12

Source: Thomson, S, De Bortoli, L & Buckley, S 2013, *The PISA 2012 assessment of students' mathematical, scientific and reading literacy*, Australian Council for Education Research, Victoria (CESE 27b)



National Assessment Program – Literacy and Numeracy

Since 2008, NSW students in Years 3, 5, 7 and 9 have undertaken annual assessments in the National Assessment Program – Literacy and Numeracy (NAPLAN). The assessment consists of a series of tests across four 'domains' of Reading, Writing, Language Conventions (spelling, grammar and punctuation) and Numeracy.

Reading and numeracy performance are assessed in this report using three indicators:

- the proportion of NSW students at or above the National Minimum Standard (NMS) (with a target of a 2 per cent increase from the 2008 baseline year by 2016)⁶⁰
- the proportion of NSW students in the top two performance bands
- participation in NAPLAN tests.

The average performance of NSW students has placed NSW among the top three states and territories across nearly every test and year level since NAPLAN testing began in 2008.

The average performance (in terms of mean scores) of NSW students on the NAPLAN reading and numeracy tests has remained relatively stable over the past six years, with no statistically significant changes between 2008 and 2013 or 2012 and 2013.

⁶⁰ ACARA advise it is only when there is a meaningful change in results from one year to the next, or when there is a consistent trend over several years, that statements about improvement or decline in level of achievement can be confidently made. Some caution is required when interpreting changes in performance across years (see Australian Curriculum, Assessment and Reporting Authority 2012, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2012*, ACARA, Sydney at p iv)

Year 3 student progress for NMS indicator is on track for Reading but not for Numeracy

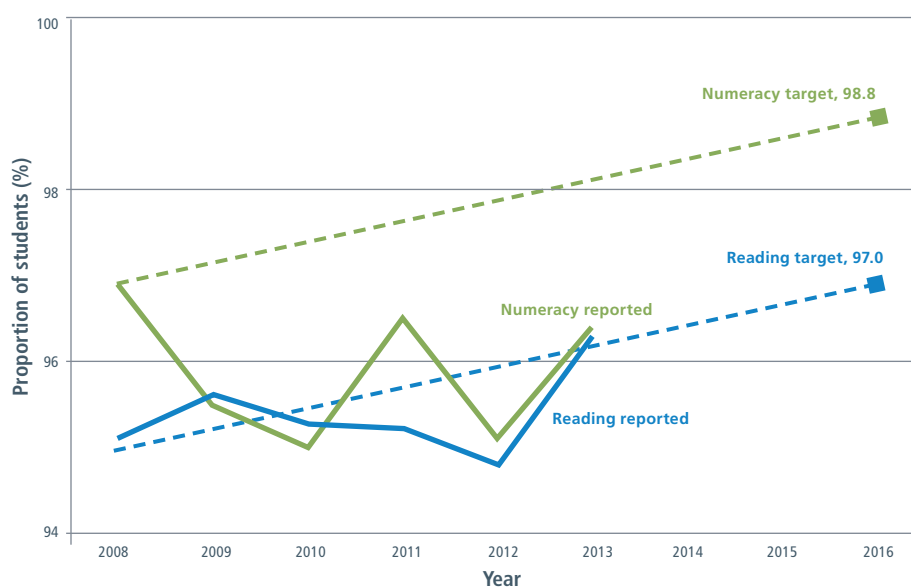
In the baseline year of 2008, 95.1 per cent of Year 3 students in NSW achieved at or above the NMS for Reading (Figure 3.7). In 2013, this had increased, albeit not significantly, to 96.3 per cent. NSW is on track to meet the stated target of 97.0 per cent by 2016.

For Numeracy, there was no statistically significant change in performance, with 96.4 per cent of NSW Year 3 students achieving at or above the NMS in 2013, compared with 96.9 per cent in 2008. This is well below the projection for 2013 and, on current trend, it is unlikely the 2016 target of 98.8 per cent will be met.

Figure 3.7:

Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 3, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney (CESE 22a)



Year 5 students are on track to meet NMS targets for Reading but not for Numeracy

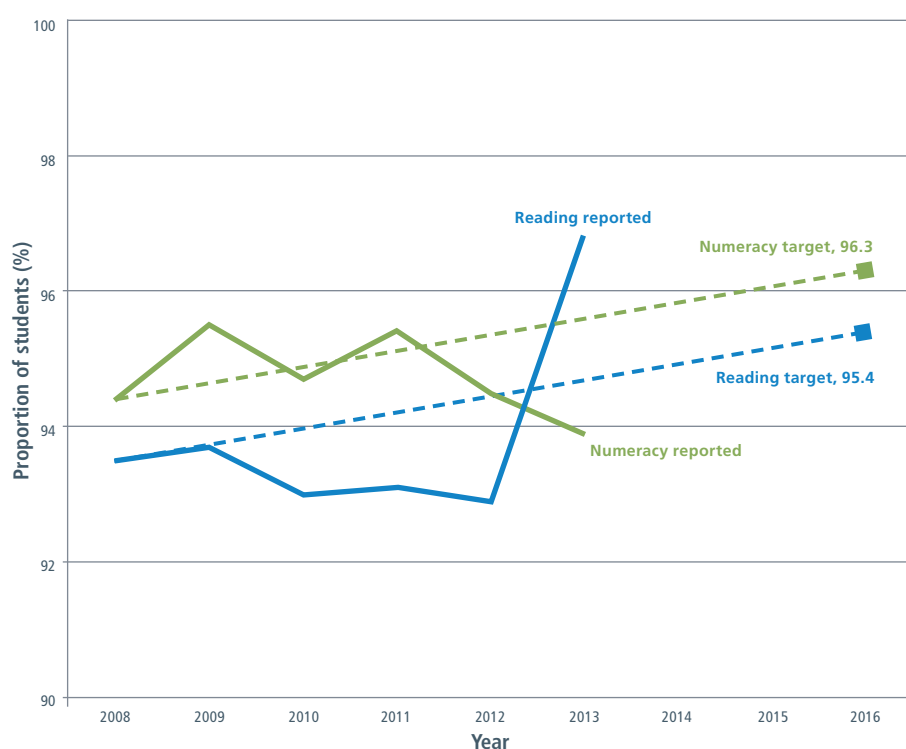
In the baseline year of 2008, 93.5 per cent of Year 5 students in NSW achieved at or above the NMS for Reading (Figure 3.8). In 2013, this had significantly increased to 96.8 per cent. This is well ahead of the targeted 95.4 per cent by 2016.

In the baseline year of 2008, 94.4 per cent of Year 5 students in NSW achieved at or above the NMS for Numeracy. In 2013, this had fallen slightly to 93.9 per cent. This decline was not statistically significant. However, on current trend, it is unlikely the 2016 target of 96.3 per cent will be met.

Figure 3.8:

Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 5, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney (CESE 22b)



NSW Year 7 students are not on track to meet NMS targets

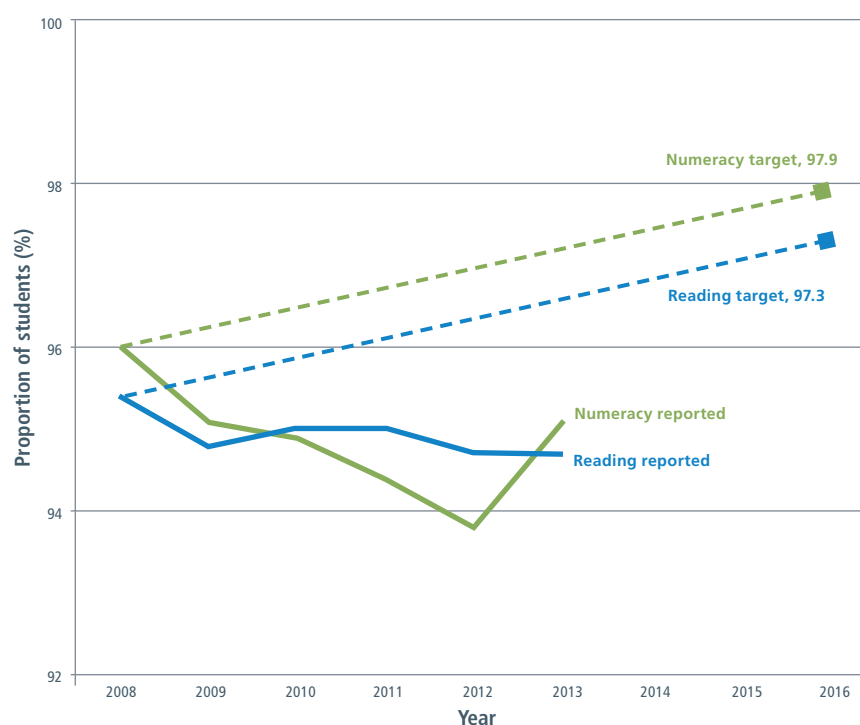
In the baseline year of 2008, 95.4 per cent of Year 7 students in NSW achieved at or above the NMS for Reading (Figure 3.9). In 2013, this had fallen slightly to 94.7 per cent. While this decline was not statistically significant, on current trend it is unlikely that the 2016 target of 97.3 per cent will be met.

In the baseline year of 2008, 96.0 per cent of Year 7 students in NSW achieved at or above the NMS for Numeracy. In 2013, this had fallen slightly, but not significantly, to 95.1 per cent. It is unlikely that the 2016 target of 97.9 per cent will be met on current trend.

Figure 3.9:

Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 7, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney (CESE 22c)



NSW Year 9 students are not on track to meet NMS targets

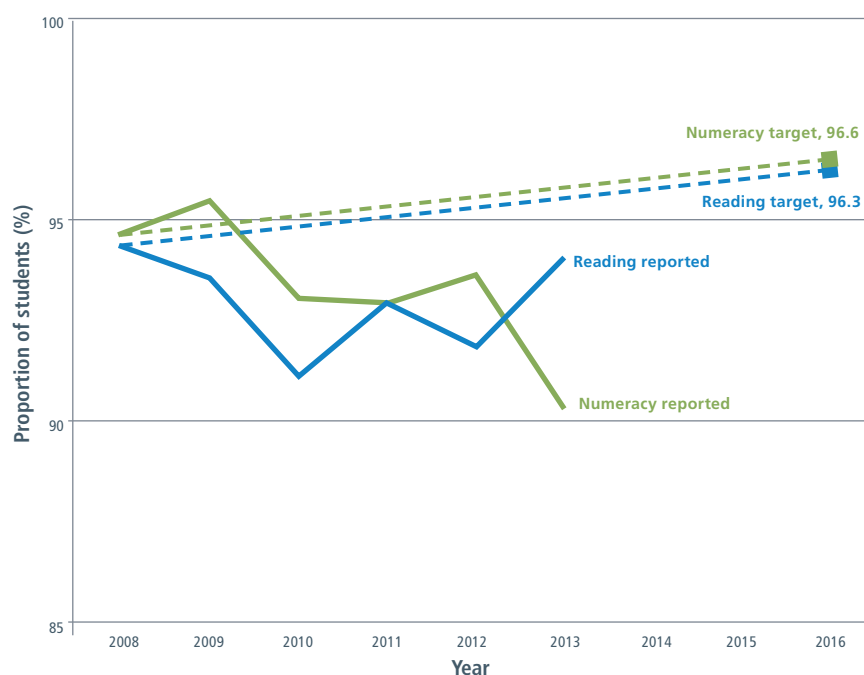
In the baseline year of 2008, 94.4 per cent of Year 9 students in NSW achieved at or above the NMS for Reading (Figure 3.10). In 2013, this had fallen slightly, but not significantly, to 94.1 per cent. It is unlikely that the 2016 target of 96.3 per cent will be met on current trend.

In the baseline year of 2008, 94.7 per cent of Year 9 students in NSW achieved at or above the NMS for Numeracy. In 2013, this had fallen significantly to 90.4 per cent. It is unlikely that the 2016 target of 96.6 per cent will be met on current trend.

Figure 3.10:

Proportion of students at or above the NMS for NAPLAN Reading and Numeracy, Year 9, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney (CESE 22d)



Proportion of Year 3 students in the top two bands has increased for Reading but not for Numeracy in 2013

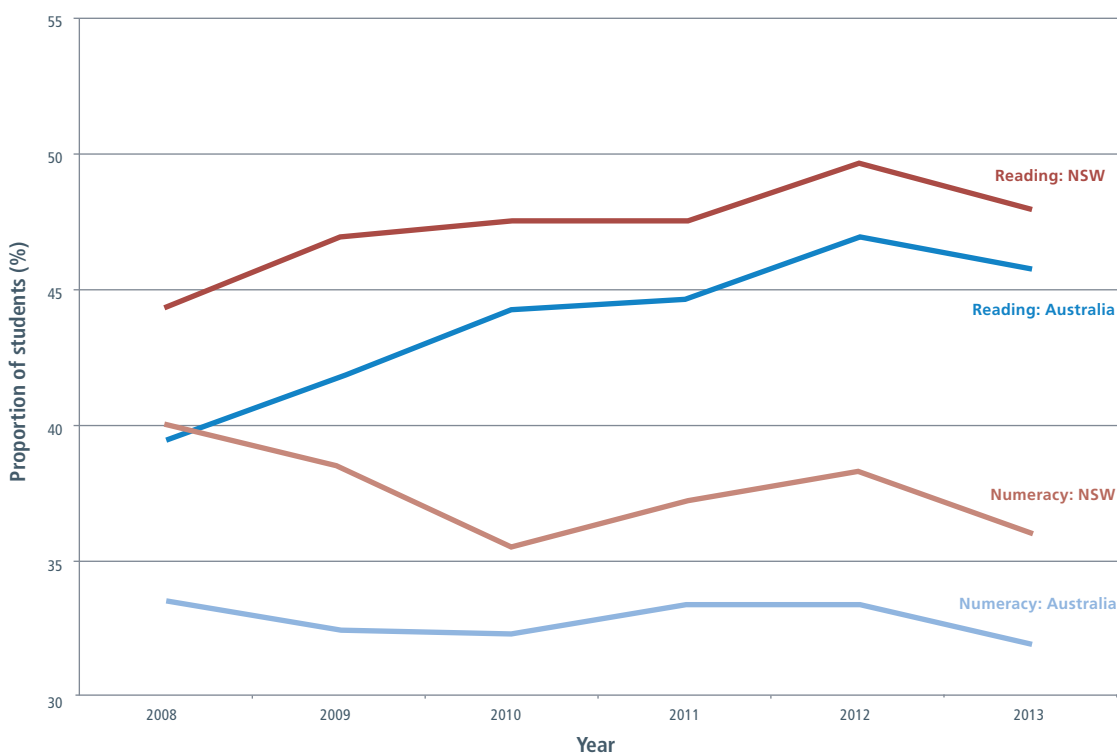
Figure 3.11 shows in the baseline year of 2008, 44.3 per cent of Year 3 students in NSW achieved in the top two performance bands for Reading (Australian average was 39.5 per cent). In 2013, this had increased to 48.0 per cent (Australian average was 45.8 per cent).

In the baseline year of 2008, 40.0 per cent of Year 3 students in NSW achieved in the top two performance bands for Numeracy (Australian average was 33.5 per cent). In 2013, this had fallen to 36.0 per cent (Australian average was 31.9 per cent).

Figure 3.11:

Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 3, NSW and Australia, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Tables 3.R1. and 3.N1 (CESE 22e)



Proportion of Year 5 students in the top two bands has increased for Reading and Numeracy

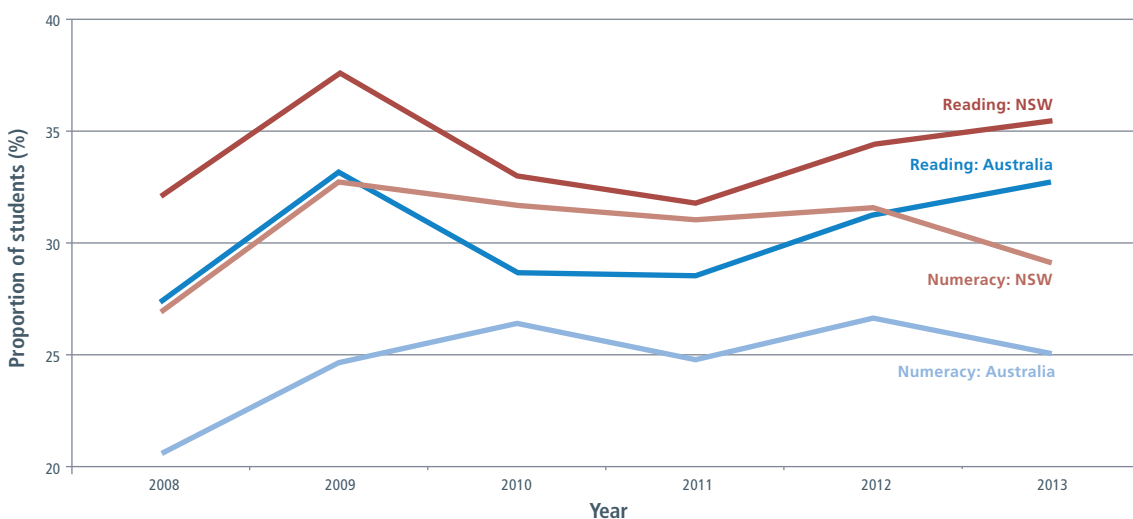
In the baseline year of 2008, 32.1 per cent of Year 5 students in NSW achieved in the top two performance bands for Reading (Australian average was 27.4 per cent). In 2013, this had increased to 35.4 per cent (Australian average was 32.8 per cent).

In the baseline year of 2008, 27.0 per cent of Year 5 students in NSW achieved in the top two performance bands for Numeracy (Australian average was 20.6 per cent). In 2013, this had increased to 29.1 per cent (Australian average was 25.1 per cent).

Figure 3.12:

Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 5, NSW and Australia, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Tables 5.R1, 5.N1 (CESE 22f)



Proportion of Year 7 students in the top two bands has increased for Reading but not for Numeracy in 2013

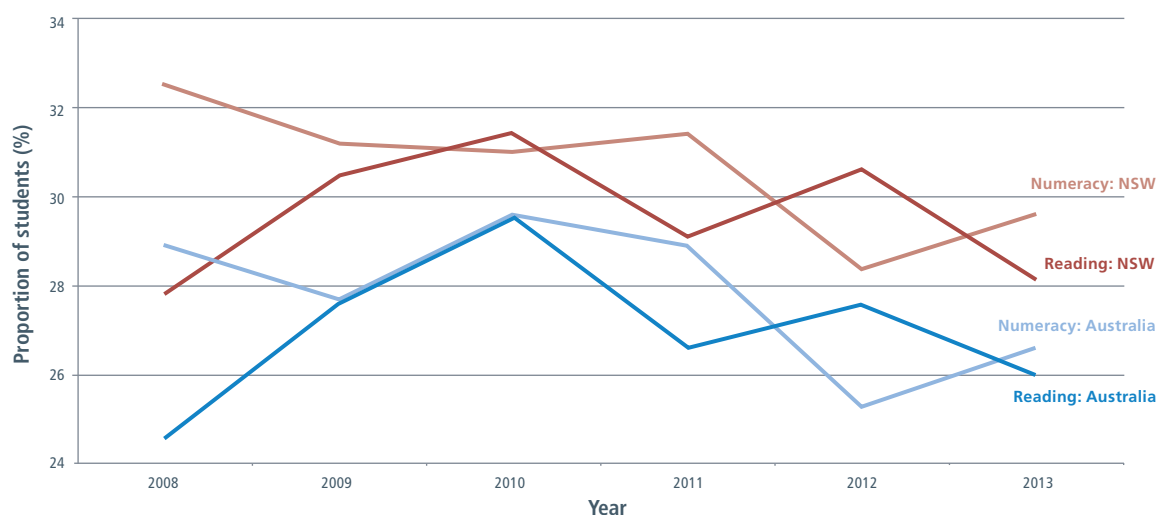
Figure 3.13 shows in the baseline year of 2008, 27.8 per cent of Year 7 students in NSW achieved in the top two performance bands for Reading (Australian average was 24.6 per cent). In 2013, the outcome for NSW increased slightly to 28.1 per cent (Australian average was 26.0 per cent).

In the baseline year of 2008, 32.5 per cent of Year 7 students in NSW achieved in the top two performance bands for Numeracy (Australian average was 28.9 per cent). In 2013, the outcome for NSW decreased to 29.6 per cent (Australian average was 26.6 per cent).

Figure 3.13:

Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 7, NSW and Australia, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Tables 7.R1, 7.N1 (CESE 22g)



Proportion of Year 9 students in the top two bands increased for Numeracy but not for Reading in 2013

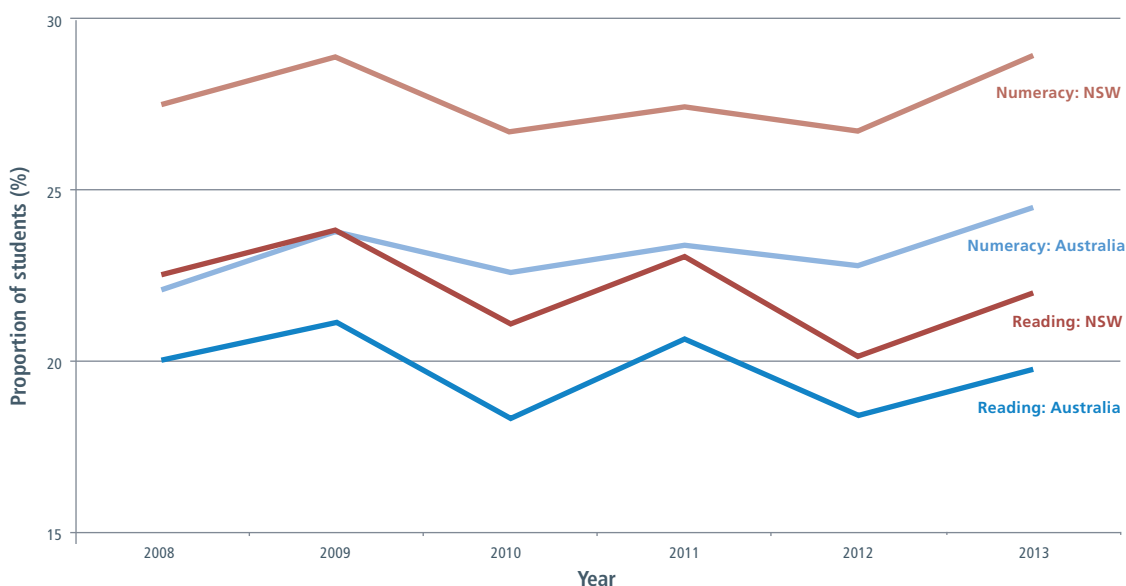
Figure 3.14 shows in the baseline year of 2008, 22.5 per cent of Year 9 students in NSW achieved in the top two performance bands for Reading (Australian average was 20.0 per cent). In 2013, the outcome for NSW decreased slightly to 22.0 (Australian average was 19.8 per cent).

In the baseline year of 2008, 27.5 per cent of Year 9 students in NSW achieved in the top two performance bands for Numeracy (Australian average was 22.1 per cent). In 2013, the outcome for NSW increased slightly to 28.9 per cent (Australian average was 24.5 per cent).

Figure 3.14:

Proportion of students in the top two performance bands for NAPLAN Reading and Numeracy, Year 9, NSW and Australia, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Tables 9.R1, 9.N1 (CESE 22h)



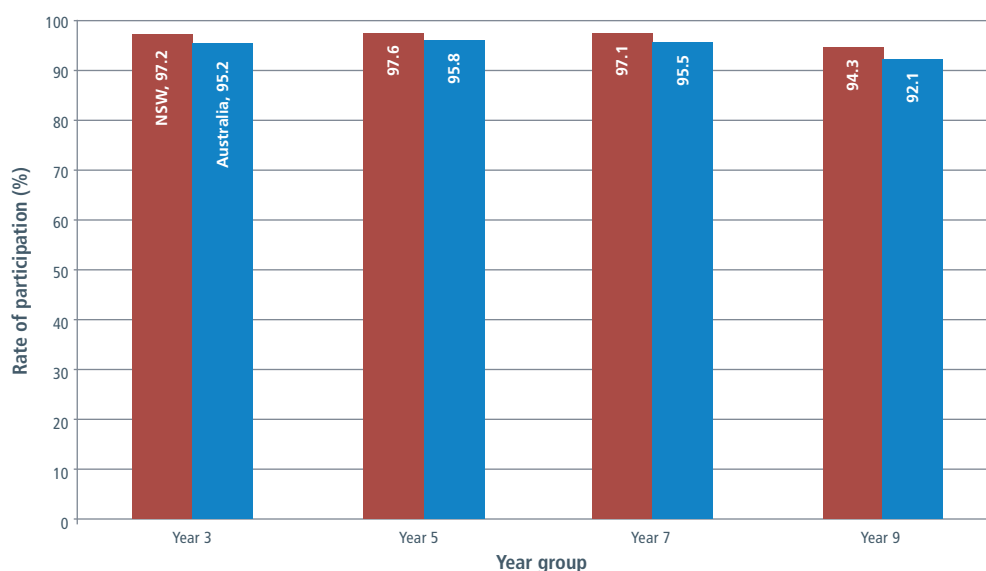
Participation is high in NAPLAN Reading and Numeracy assessments

Across all year groups, NSW participation rates in 2013 were higher than the Australian average in NAPLAN Reading (Figure 3.15) and Numeracy (Figure 3.16). NSW students have consistently achieved the highest levels of participation of any state or territory since NAPLAN began in 2008.

Figure 3.15:

Rate of participation in NAPLAN Reading, by year group, NSW and Australia, 2013

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Table 3.P1 (CESE 25b)

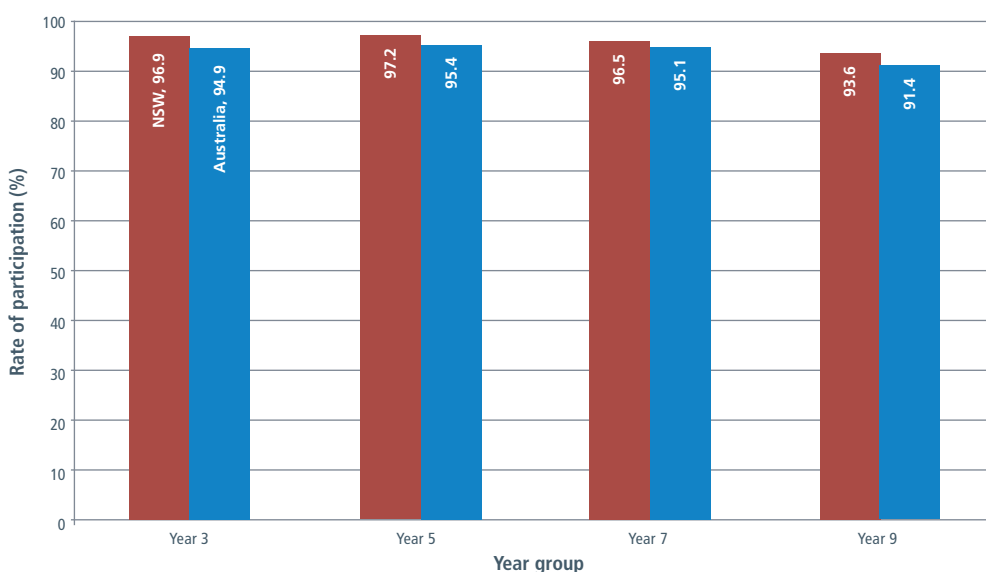


Notably, the NSW participation rate for Year 9 Numeracy is 2.2 percentage points higher than the Australian average (Figure 3.16).

Figure 3.16:

Rate of participation in NAPLAN Numeracy, by year group, NSW and Australia, 2013

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Table 3.P1 (CESE 25c)



Students finishing high school or equivalent

School retention rates are increasing but are lower than the national average

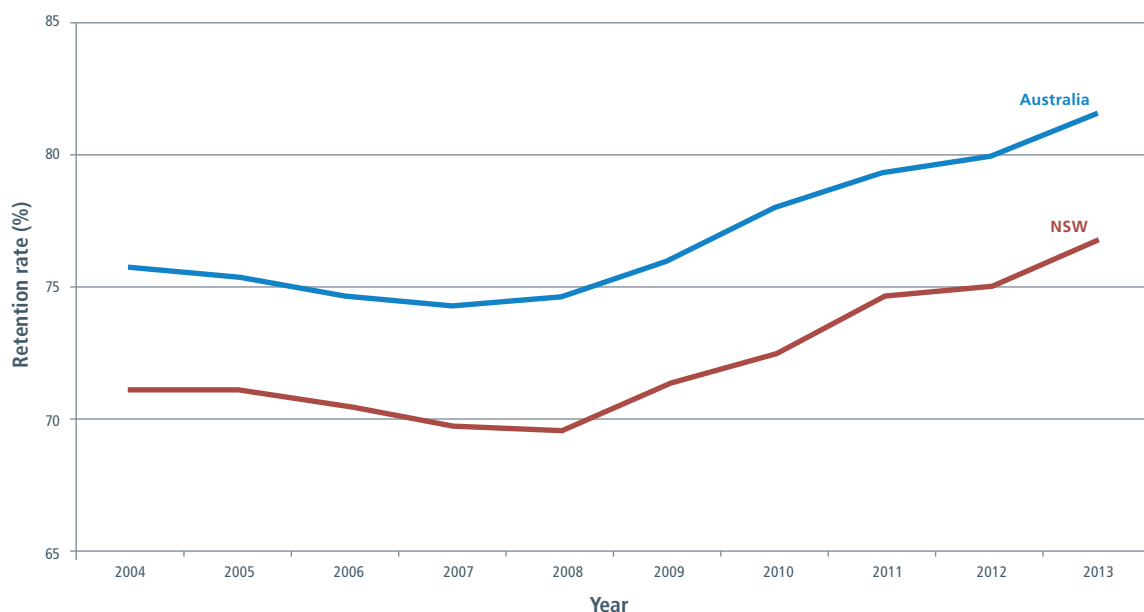
Apparent retention rates are commonly used as proxy measures of school engagement and completion. The Year 7 to Year 12 rate reported here is an estimate of the percentage of full-time students in Year 7 in the base year who have remained at school to Year 12 five years later (in the reporting year).

As shown in Figure 3.17, while there has been a significant increase in retention rates, the full-time apparent retention rate from Year 7 to Year 12 was lower in NSW than the national average in 2013, at 76.7 per cent. The only jurisdictions with lower rates of retention than NSW in 2013 were the Northern Territory (55.8 per cent) and Tasmania (68.7 per cent).

Figure 3.17:

Full-time apparent retention rates, Year 7/8-12, Australia and Years 7-12 NSW, 2004-13

Source: ABS, *Schools Australia* 2013, Cat. No. 4221.0, Table 64a (CESE 30I)



Higher School Certificate (HSC) awards are increasing

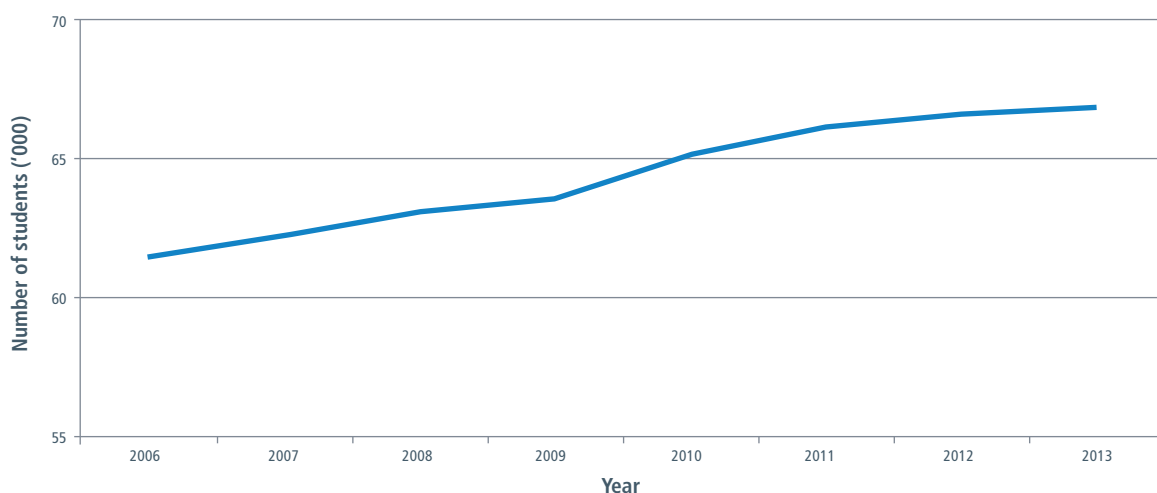
The Higher School Certificate (HSC) is awarded to students who have satisfactorily completed Years 11 and 12 and have met Preliminary and HSC course requirements, including requisite state-wide HSC examinations. Some schools offer the International Baccalaureate as an alternative to the HSC, but this qualification lies outside the Australian Qualifications Framework and is not reported here. As indicated in Figure 3.18, the number of HSC awards issued in NSW rose to 66,841 in 2013.

Further details about the HSC credential are in Appendix B.

Figure 3.18:

Number of students attaining HSC award, NSW, 2006-13

Source: NSW Board of Studies (now BOSTES), *NSW Statistics Archive* (CESE 32i)

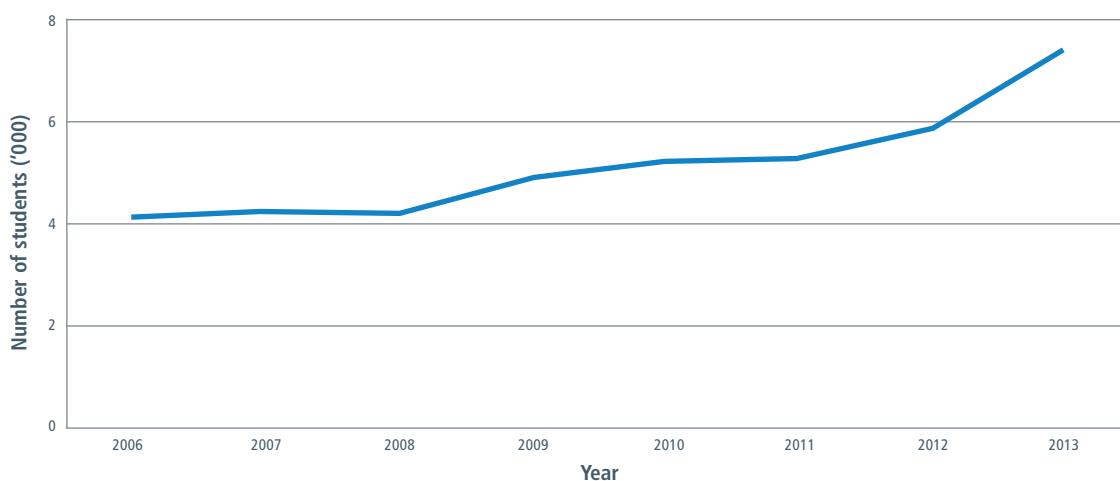


An HSC Record of Achievement is issued to all students who successfully complete one or more HSC courses. Once all pattern of study requirements are met, the student is awarded the HSC. The increasing number of students, shown in Figure 3.19, receiving a Record of Achievement (and not a full HSC), suggests schools are making flexible delivery options available, allowing students to complete HSC requirements over 5 years, and that more students are choosing these options. These options include acceleration, early commencement of VET, part-time study, and compressed course delivery.

Figure 3.19:

Number of students awarded an HSC Record of Achievement (but not a HSC), NSW, 2006-13

Source: NSW Board of Studies (now BOSTES), *NSW Statistics Archive* (CESE 32i)



In recognition that Year 12 is not the pathway for all students, NSW also has targets to improve the proportion of students with a vocational equivalent of Year 12.⁶¹ There are two relevant *NSW 2021* targets:

- 90.0 per cent of 20-24 year olds have completed Year 12 or attained a VET qualification at AQF Certificate II or above by 2015
- 90.0 per cent of 20-24 year olds have completed Year 12 or attained a VET qualification at AQF Certificate III or above by 2020.

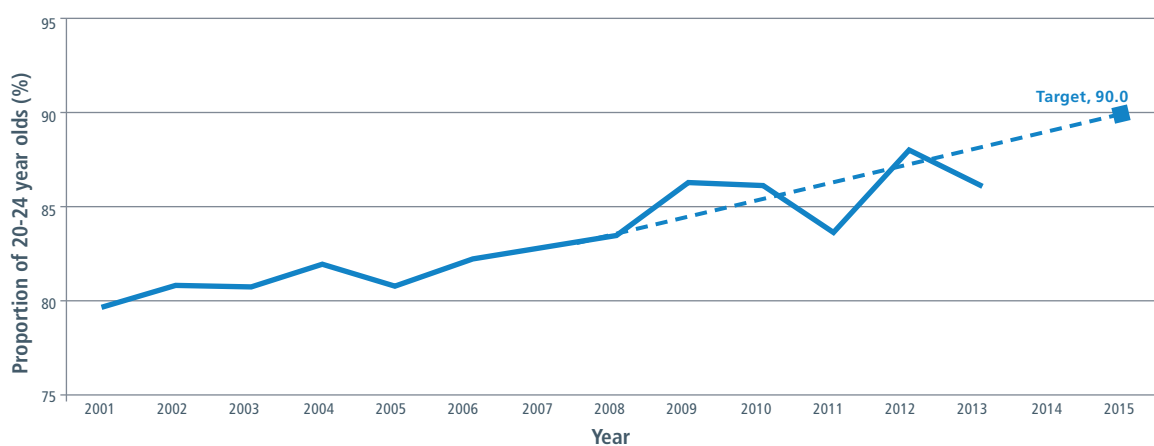
On track to meet the attainment target for Year 12, or above AQF Certificate II

The COAG performance target identified in the National Education Reform Agreement (NERA) is to lift the attainment rate of Year 12 or equivalent (or AQF Certificate II or above) to 90.0 per cent by 2015. *NSW 2021* also reflects this target. In the baseline year of 2007, the rate was 82.7 per cent. By 2013 this had increased to 86.1 per cent (Figure 3.20). Noting that the confidence intervals for the most recent six-year data set have ranged from 2.4 to 2.8, the recent decrease from the 2012 outcome appears slight and non-significant, with NSW still on track to meet the target.

Figure 3.20:

Proportion of 20-24 year olds with Year 12 or a qualification at AQF Certificate II or above, NSW, 2001-13

Source: ABS *Education and Work*, Cat. No 6227.0, reported in *NSW 2021 Performance Report 2012-2013* (CESE 16m2)



⁶¹ There are many issues regarding equivalence which are discussed in Lim P, and Karmel T, 2011. *The vocational equivalent to Year 12*, Executive Summary, Longitudinal Study of Australian Youth, <http://www.lsay.edu.au/publications/2416.html>

NSW is on track to meet the Year 12 or at least AQF Certificate III attainment target

A second COAG performance target identified in the NERA is to lift the Year 12 or equivalent or AFQ Certificate III or above attainment rate to 90.0 per cent by 2020. *NSW 2021* also reflects this target. In the baseline year of 2008, the rate was 82.2 per cent (Figure 3.21). Since then, the rate has fluctuated. Taking into account confidence intervals for the most recent six-year data set range from 2.4 to 2.8, the 2013 rate of 85.5 per cent appears to be still on track to meet the 90.0 per cent target by 2020.

Figure 3.21:

Proportion of 20-24 year olds with Year 12 or a qualification at AQF Certificate III or above, NSW, 2001-13

Source: ABS *Education and Work*, Cat. No. 6227.0, reported in *NSW 2021 Performance Report 2012-2013* (CESE 16z)



VET in Schools – a vocational option for senior school students

VET in Schools (VETiS) allows school students to combine vocational education and training with other senior school studies. VETiS courses in NSW are industry-specific VET courses, around 4 per cent of which are school-based apprenticeships and traineeships that involve a formal arrangement with an employer, with around 96 per cent in other VETiS courses.

VETiS is one of the strategies relevant to the *NSW 2021* goal of ensuring more students finish high school or its equivalent. It has had a particularly important role to play since January 2010, when the school leaving age was raised from 15 years. A forthcoming report by Polesal et al for the former NSW Board of Vocational Education and Training notes nearly half of all VETiS students surveyed reported the opportunity to undertake a VET course was an important reason for their staying on at school.⁶²

Courses are available to senior secondary students, usually in Years 11-12, where they form part of the Higher School Certificate (HSC) and may also lead to an AQF qualification. Since 2009, VETiS has been available to some students in Years 9 and 10, for whom outcomes are noted in the Record of School Achievement (RoSA).

Over a third of NSW Year 11 and 12 students enrol in VETiS

BOSTES reports that in 2012, 35.4 per cent of NSW students undertaking HSC studies were enrolled in VETiS courses.⁶³ There were 60,900 15-19 year old students enrolled in VETiS courses, representing around 25 per cent of that cohort.⁶⁴

The great majority of VETiS students (around 44,900) were in government schools, but students undertook VETiS courses in schools from all sectors.

In 2012, students undertaking school-based apprenticeship and traineeship courses were most likely to be in regional areas of NSW (48.5 per cent). The majority of students who undertake non-apprenticeship or traineeship VETiS courses were more likely to be in major cities (56 per cent).

As students are counted as undertaking VETiS if they are enrolled in at least one module or unit of competency, the numbers of completed qualifications are well below the total number of participants. For example in 2011, around 900 VET qualifications were completed by school-based apprentices and trainees, with around 18,300 completed by other VETiS students.

A wide variety of fields of education are offered through VETiS courses in NSW.⁶⁵ Most (96.7 per cent) VETiS courses are based upon industry training packages, which are a set of nationally endorsed standards, guidelines and qualifications for training and for recognising and assessing skills.⁶⁶

62 Polesal, J, Leahy, M, Gillis, S, Dulhunty, M, Calvitto, L, (forthcoming publication commissioned by the NSW Board of Vocational Education and Training) *Expectations and Destinations of NSW Senior Secondary Students: Research Report*, Melbourne Graduate School of Education.

63 BOSTES data provided to DEC in July each year.

64 VETiS data in this section derived from NCVET 2013, *Young people in education and training*, Tables 2 and 4 and NCVET 2013, *Australian vocational education and training statistics: VET in schools data tables*, Tables 1,3,5,7 and 8.

65 NCVET 2013, *Australian vocational education and training statistics: VET in Schools 2012 data tables*, Tables 6, 7,

66 NCVET 2013, *VET in Schools 2012: Terms and definitions*. Training packages are developed by industry with the aim of meeting the needs of an industry or group of industries. Data from Table 6.

For school-based apprentices and trainees in NSW in 2012, the most popular training package was Retail (15.8 per cent), followed by Construction, Plumbing and Services (11.8 per cent) and Tourism, Hospitality and Events (10.7 per cent).

For the majority of VETiS students (not engaged as school-based apprentices or trainees), the most popular training packages were Tourism, Hospitality and Events (30.9 per cent) and Construction, Plumbing and Services (12.4 per cent).

Proportions undertaking higher-level qualifications through VETiS are increasing

Most completed qualifications were at Certificate I or II level (88.9 per cent of qualification completions by school-based apprentices and trainees and 89.6 per cent of qualification completions by other VETiS students). The great majority for both groups were at Certificate II level (77.8 per cent and 63.9 per cent respectively).

However, the numbers of students undertaking school-based apprenticeship and traineeship courses (not yet completed) at AQF level III and above increased from 37.4 per cent in 2011 to 39.8 per cent in 2012. For other VETiS courses, the proportion increased from 14.9 per cent to 17.1 per cent.⁶⁷

High expectations for all students, improving equity

To encourage and build high expectations for all students, significant effort and resources are allocated to improving the education experience and attainment of students from disadvantaged groups. This includes students with disability, from non-English speaking backgrounds, from rural and remote communities, Aboriginal and Torres Strait Islander students and others.

NSW 2021 includes a number of targets focused on improving education outcomes for students from disadvantaged groups.

Year 3 students are on track to halve the gap for Reading but not for Numeracy

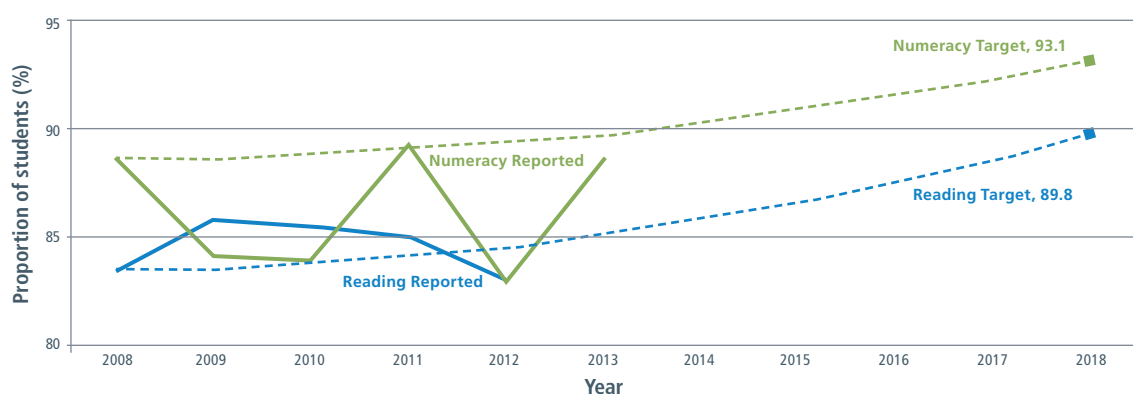
In 2013, 88.6 per cent of Aboriginal and Torres Strait Islander students in Year 3 achieved at or above the NMS for Reading (a statistically significant increase from 83.5 per cent in 2008). If this trend continues, NSW is on track to meet the 2018 target of 89.8 per cent.

In relation to Year 3 Numeracy, there was no statistically significant change in the proportion of Aboriginal or Torres Strait Islander students in Year 3 achieving at or above the NMS between 2008 (86.6 per cent) and 2013 (88.5 per cent). Improvements will have to be made for the target (93.1 per cent) to be met in 2018.

Figure 3.22:

Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 3, NSW, 2008-13⁶⁸

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. Tables 3.R3, 3.N3 (CESE 22q)



⁶⁷ NCVER 2013 and 2012, *Australian vocational education and training statistics: VET in Schools 2012* and 2011 data tables, Tables 6 and 8.

⁶⁸ Projected lines reflect national agreements of all jurisdictions, through COAG, on required performance to reach the targets, recognising that greater rates of increase in performance are more likely to occur in later years.

Year 5 students are on track to halve the gap for Reading and Numeracy

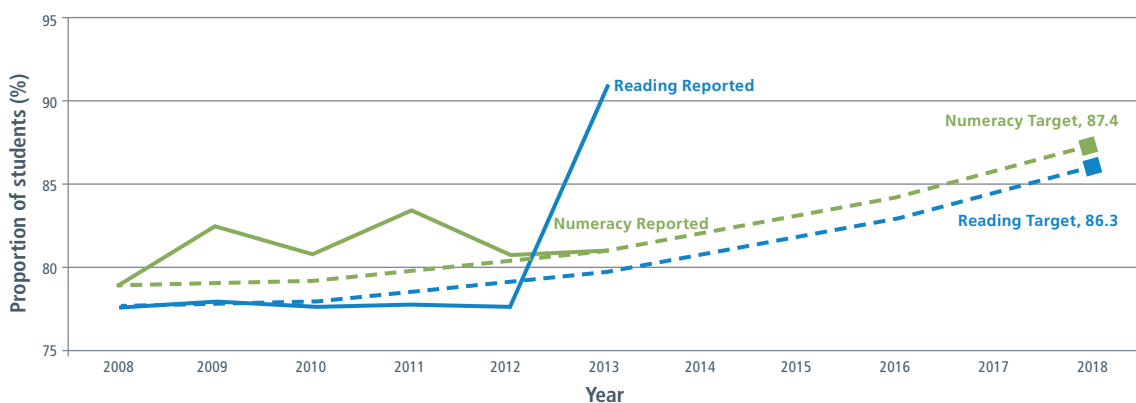
In 2013, 91.0 per cent of Aboriginal and Torres Strait Islander students in Year 5 achieved at or above the NMS for Reading (Figure 3.23), a statistically significant increase from 77.6 per cent in 2008. If this level of performance is maintained, NSW will exceed the 2018 target of 86.3.

In 2008, 78.9 per cent of Aboriginal and Torres Strait Islander Year 5 students achieved at or above the NMS for Numeracy. By 2013, this had increased to 81.0 per cent. Although the increase between 2008 and 2013 was not statistically significant, NSW remains on track to meet the 2018 target of 87.4 per cent.

Figure 3.23:

Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 5, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney, Tables 5.R3, 5.N3 (CESE 22r)



Year 7 students are not on track to meet the NAPLAN targets for halving the gap

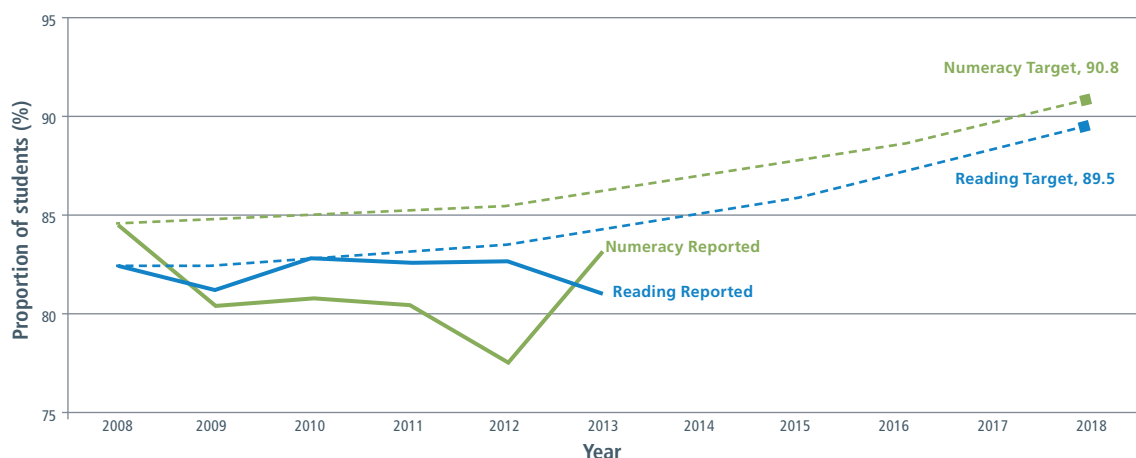
In 2008, 82.4 per cent of Aboriginal and Torres Strait Islander Year 7 students achieved at or above the NMS for Reading (Figure 3.24). By 2013, this had decreased to 81.0 per cent. While this decline was not statistically significant, substantial improvements will be required if the target of 89.5 per cent is to be met by 2018.

In 2008, 84.5 per cent of Aboriginal and Torres Strait Islander Year 7 students achieved at or above the NMS for Numeracy. By 2013, this had decreased to 83.2 per cent. While this decline was also not statistically significant, improvements will have to be made for the target of 90.8 per cent to be met in 2018.

Figure 3.24:

Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 7, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney, Tables 7.R3, 7.N3 (CESE 22s)



Year 9 students are unlikely to meet the NAPLAN targets for halving the gap

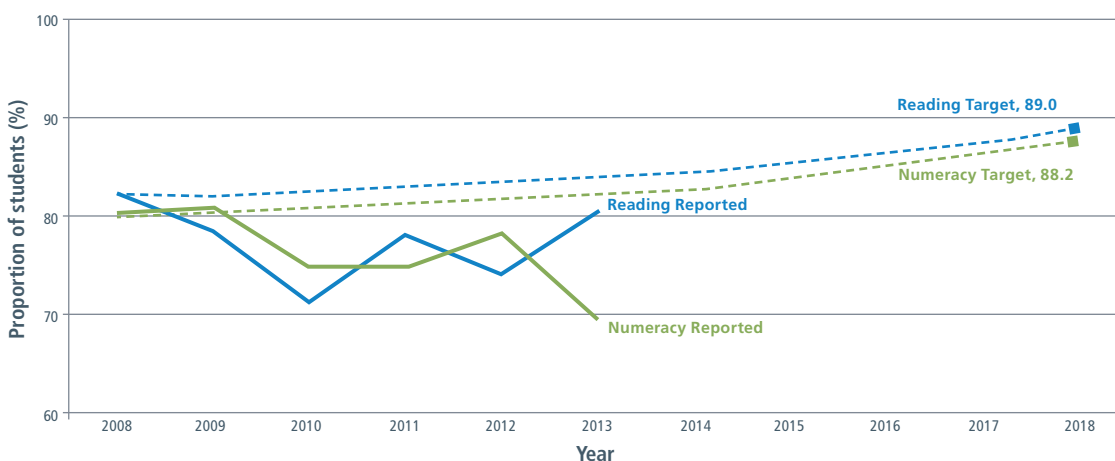
In 2008, 82.3 per cent of Aboriginal and Torres Strait Islander students in Year 9 achieved at or above the NMS for Reading (Figure 3.25). By 2013, this had decreased to 80.4 per cent. While this decline was not statistically significant, it is unlikely the target of 89.0 per cent will be reached by 2018, on current trend.

In 2008, 80.3 per cent of Aboriginal and Torres Strait Islander Year 9 students achieved at or above the NMS for Numeracy. By 2013, this had significantly decreased to 69.5 per cent. NSW is unlikely to meet the target of 88.2 per cent by 2018, on current trend.

Figure 3.25:

Proportion of Aboriginal and Torres Strait Islander students at or above the NMS for NAPLAN Reading and Numeracy, Year 9, NSW, 2008-13

Source: Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney, Tables 9.R3, 9.N3 (CESE 22t)



More Aboriginal and Torres Strait Islander students are being awarded the HSC

As shown in Figure 3.26, there has been a steady increase in the numbers of Aboriginal and Torres Strait Islander students awarded the HSC – from 962 in 2008 to 1,338 in 2012. This represents an increase of more than 39 per cent. Females attained around 57 per cent of these HSC awards in recent years.

Figure 3.26:

Number of Aboriginal and Torres Strait Islander students awarded HSC, NSW, 2008-12

Source: Board of Studies, Teaching and Educational Standards (BOSTES) (CESE 30a)



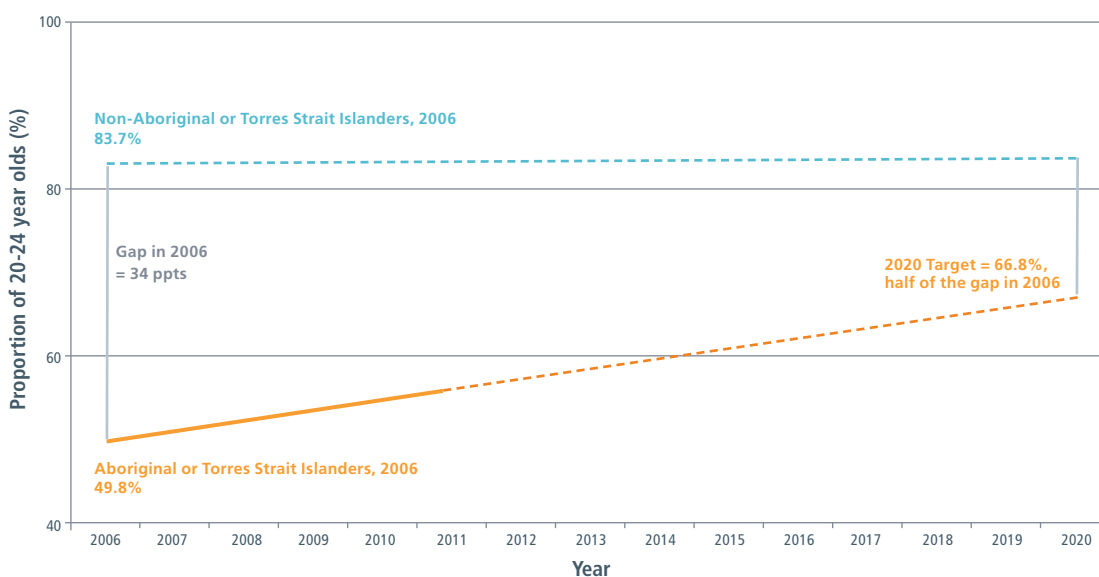
NSW is on track to halve the gap in Year 12 or equivalent attainment

In the baseline year of 2006, 49.8 per cent of NSW Aboriginal and Torres Strait Islander people aged 20-24 years had completed Year 12 or gained a VET qualification at AQF II or above. This represented a gap between Aboriginal and non-Aboriginal people of 34 percentage points. As shown in Figure 3.27, the 2011 outcome (55.9 per cent) appears to be on track to meet the 'halving the gap' target of 66.8 per cent by 2020.

Figure 3.27:

Proportion of Aboriginal and Torres Strait Islander 20-24 year olds who have completed Year 12 or gained a qualification at AQF II Certificate or above, NSW, 2006-12 (actual), to 2020 (target)

Source: ABS *Census of Population and Housing* and *ABS Education and Work*, reported in NSW Department of Premier and Cabinet 2012, *NSW 2021 Performance Report 2012-13* (CESE 16t)



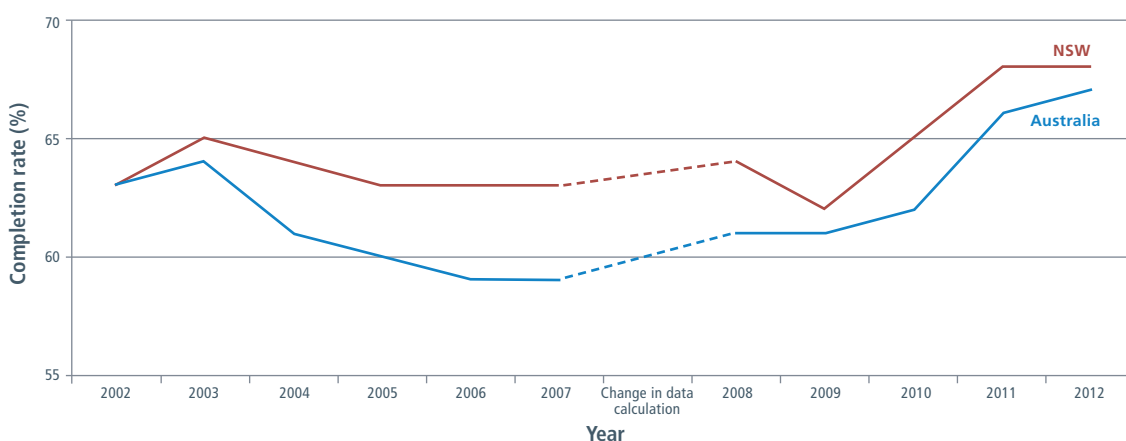
Year 12 completion rates are improving for students from low SES backgrounds

As shown in Figure 3.28, the proportion of students from low SES areas who were eligible to receive an HSC increased from 62 per cent in 2009 (the baseline year) to 68 per cent in 2012.⁶⁹

Figure 3.28:

Estimated Year 12 completion rates for students from low SES backgrounds, NSW and Australia, 2002-12

Source: SCRGSP 2014, *Report on Government Services 2014*, vol. B *Childcare, education and training*, Productivity Commission, Canberra, Table 4A.126 (CESE 15h)



⁶⁹ For this measure, socio-economic status is derived from the ABS Postal Area Index of Relative Socio-economic Disadvantage, with low socio-economic status defined as the average of the three lowest deciles. Completion rates (the number of students who meet the requirements of a Year 12 certificate or equivalent expressed as a percentage of the potential Year 12 population) have increased over time. However, it should be noted the data series is not continuous, due to a revision for 2008-10 of *Estimated Resident Population* (ERP) data by the ABS following the 2011 *Census of Population and Housing*

Year 12 or equivalent attainment in rural and regional NSW needs to improve

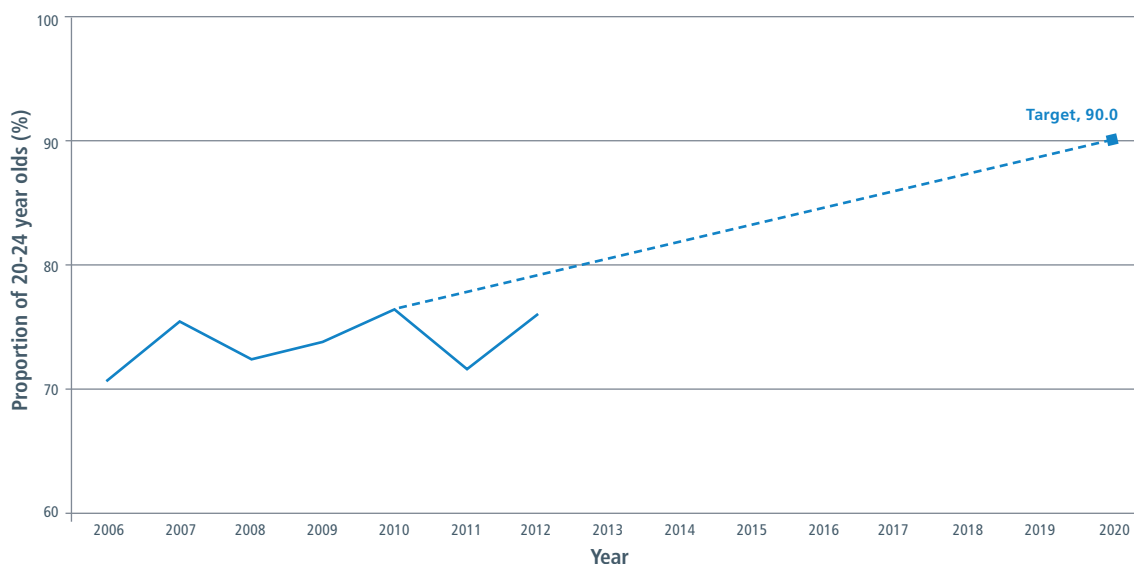
People who live in rural, regional and remote areas of NSW experience educational disadvantage.

The baseline was established in 2010 with 76.6 per cent of 20-24 year olds in rural and regional NSW having attained a Year 12 or VET qualification at AQF III or above (Figure 3.29). Since that time, there has been no significant change in the attainment rate for 20-24 year olds in rural and regional NSW (76 per cent in 2012), taking into account the confidence intervals which have ranged from 8.8 to 6.9 in the past three years. Substantial improvements will be required if the target of 90.0 per cent by 2020 is to be reached.

Figure 3.29:

Proportion of 20-24 year olds who have completed Year 12 or gained a qualification at AQF Certificate II or above, regional and rural areas, NSW, 2006-12

Source: ABS *Education and Work, Australia*, Cat. No. 6277.0 (CESE16v)



Improving the quality of all teaching

Research consistently shows the single greatest in-school influence on student achievement and engagement is the teacher.⁷⁰ Improving teaching quality is therefore central to improving educational outcomes and attainment of all students in NSW.

Professional Teaching Standards provide the foundation for teacher accreditation.⁷¹ The Australian Professional Standards for Teachers is a framework that provides a common national reference point to articulate and support the professional development of all teachers. The teaching standards describe the knowledge, skills and understandings expected of effective teachers at four levels.

Since 2005 in NSW, all new teachers, and teachers returning to teaching in a NSW school after an absence of five or more years, are required to be accredited. Accreditation is undertaken by Teacher Accreditation Authorities (TAA) and overseen in NSW by the Board of Studies, Teaching and Education Standards (BOSTES).⁷²

The number of teachers seeking and gaining voluntary accreditation at higher levels was variable between 2009 and 2013

As shown in Figure 3.30 the number of NSW teachers making preliminary applications and gaining accreditation at the Professional Accomplishment level has varied between January 2009 and June 2013, with the number of preliminary applications peaking in 2010. Twelve teachers were accredited at Professional Accomplishment in 2012 (six government school teachers and six non-government school teachers) and six were accredited by June 2013 (government school teachers). (Data for the second half of 2013 was unavailable at the time of writing.) There is, however, an increasing trend in the number of submissions commencing over time, with 13 submissions commenced in 2009 and 67 to June 2013.

⁷⁰ See for example Hattie, J 2009, *Visible Learning*, Routledge, Oxon

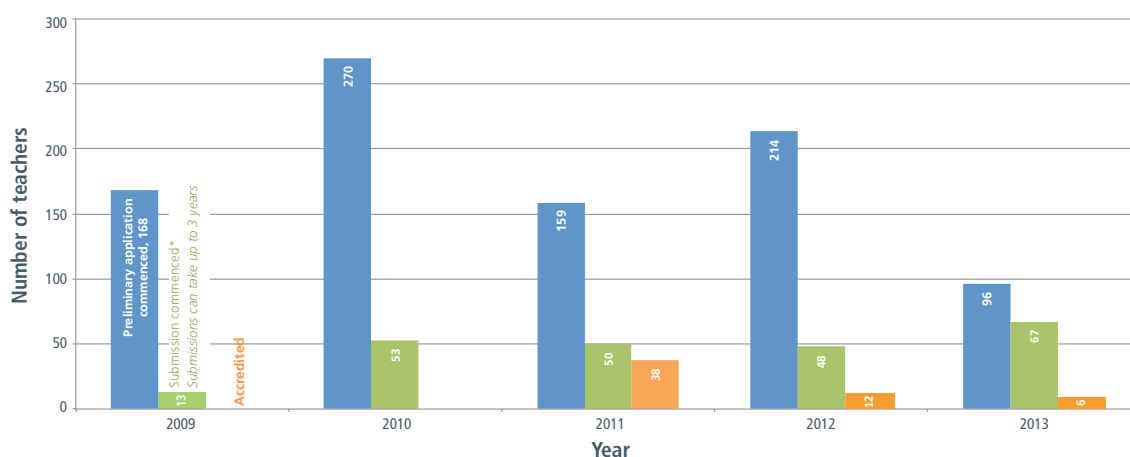
⁷¹ Initially accreditation in NSW was undertaken based on the *NSW Professional Teaching Standards*. When the Australian Institute of Teaching and School Leadership (AITSL) was established, education ministers agreed to use a nationally consistent framework. The development of the AITSL *National Professional Standards for Teachers* was informed by the NSW Standards. In 2012, the NSW Institute of Teachers began an alignment of accreditation processes with the *Australian Professional Standards for Teachers* which will be complete by 2014.

⁷² Prior to 1 January 2014, teacher accreditation was undertaken by the NSW Institute of Teachers. This organisation has ceased to exist with functions now undertaken by the Board of Studies, Teaching and Educational Standards (BOSTES).

Figure 3.30:

Number of teachers seeking and gaining accreditation at the Professional Accomplishment level, government and non-government schools, NSW, 2009-13⁷³

Source: NSW Board of Studies, Teaching and Educational Standards (CESE 30j)

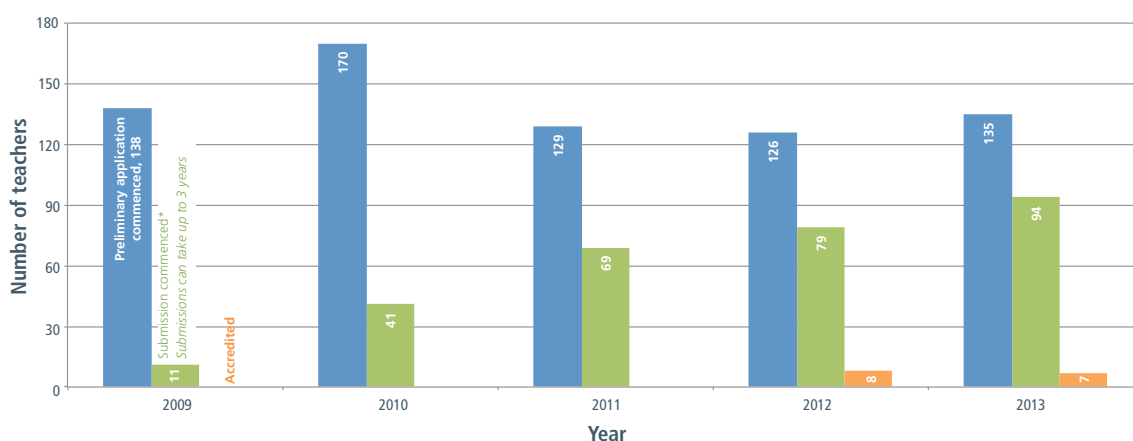


A similar pattern was observed in the number of NSW teachers seeking and gaining voluntary accreditation at Professional Leadership level (Figure 3.31). The number of preliminary applications peaked in 2010 and since that time there has been a steady increase in submissions commenced. Only a small number of teachers were accredited at this level between 2009 and 2013.

Figure 3.31:

Number of teachers seeking and gaining accreditation at the Professional Leadership level, government and non-government schools, NSW, 2009-13

Source: NSW Board of Studies, Teaching and Educational Standards (CESE 30k)



73 In 2011, 38 teachers were accredited at Professional Accomplishment. These determinations were made in 2007-08 and only recognised in 2011.

4. Vocational education and training

Snapshot of performance

Theme	What is going well	Needs improvement
Increasing qualification levels	<p>Significant increases in the number of AQF Diploma and Advanced Diploma completions between 2002 and 2011.</p> <p>Very large increases in the number of completions of AQF Diploma level and above in recent years.</p>	<p>Improvements will need to be made if NSW is to halve the proportion of 20-64 year olds without qualifications at AQF Certificate III or above by 2020.</p>
Improved foundation skills	<p>NSW compares favourably on international measures of adult literacy.</p>	<p>NSW is below the OECD average in adult numeracy skills.</p>
Improved outcomes for equity groups	<p>Significant increases in the number of completions in higher-level VET qualifications among women between 2005 and 2011.</p> <p>Significant increases in the number of completions in higher-level VET qualifications among students in regional and rural NSW between 2005 and 2011.</p> <p>Significant increases in the number of completions in higher-level VET qualifications among Aboriginal and Torres Strait Islander students between 2005 and 2011.</p> <p>Increases in apprenticeship and traineeship completions among students residing in regional and rural NSW.</p>	<p>Despite the over-representation in participation of students from disadvantaged backgrounds, gaps remain between the relative performances of those in equity groups compared with the general VET population.</p>
Improved outcomes for young people, apprentices and trainees	<p>Consistent increases in numbers of apprenticeship and traineeship completions since 2006.</p>	<p>More than one in four young people in NSW are not fully engaged in education, training or work.</p> <p>NSW is unlikely to meet its target to have 90 per cent of young school leavers participating in further education, training or employment by 2020.</p> <p>Number of apprenticeship and traineeship commencements decreased.</p> <p>The number of apprentices and trainees in training has declined since 2011.</p> <p>Completion rates for apprentices and trainees remain low.</p>

Performance in detail

Vocational education and training (VET) provides skills to the workforce and general community of NSW. VET addresses the need for NSW to have an educated and skilled workforce in order to drive our growing economy and to ensure NSW retains its competitive edge within Australia and internationally.

Note that background details related to the Australian Qualifications Framework, the NSW education system and its assessments and credentials are provided in Appendices A and B. Appendix F provides contextual VET data as well as details of VET policy and governance.

There are several overarching policies and agreements at both the national and state level which set out agreed priorities and policy directions to ensure VET is provided in a way that is efficient and equitable.⁷⁴ These agreements generally contain targets that are designed to:

- increase numbers and levels of qualifications across the population
- improve foundational skills
- improve outcomes for disadvantaged groups
- improve outcomes for young people.

Increasing qualification levels

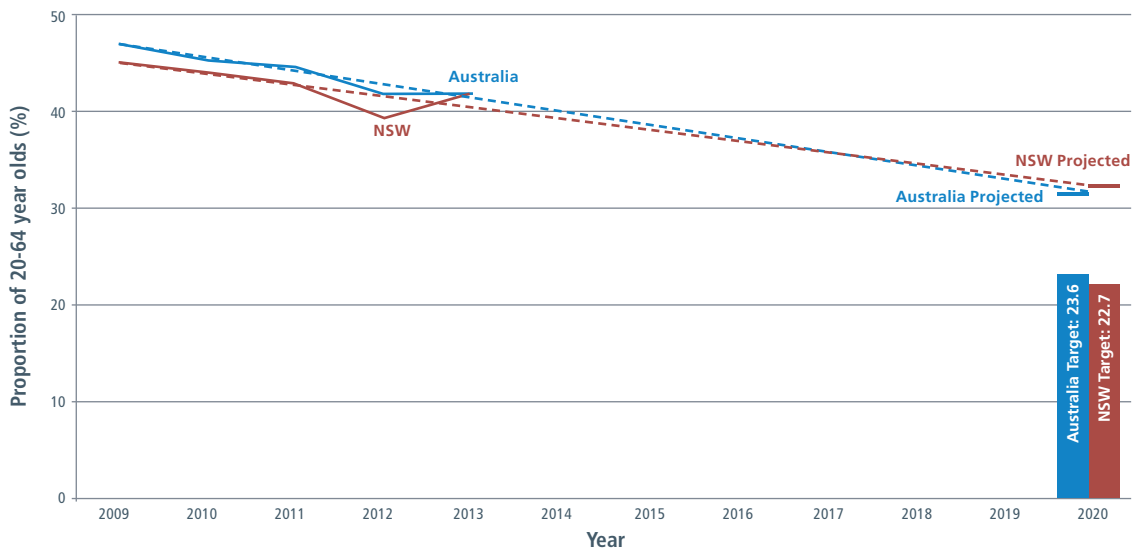
NSW is making slow progress towards halving the proportion of 20-64 year olds without at least AQF Certificate III qualifications

As shown in Figure 4.1, despite a significant fall in the proportion of 20-64 year olds without AQF Certificate III qualifications or above between 2009 and 2013 (3.4 percentage points to 41.9 per cent), on current trend NSW is unlikely to meet the target of 22.7 per cent by 2020.

Figure 4.1:

Proportion of 20-64 year olds without a qualification at AQF Certificate III level or above, NSW and Australia, 2009-12

Source: ABS Education and Work, Australia 2002-2013 (Cat. No. 6227.0) (reported in COAG Reform Council 2013 *National Agreement for Skills and Workforce Development, Skills in Australia 2012: Five years of performance, Statistical Supplement*, Table Additional.18) (CESE 13c)



⁷⁴ More detailed information on these is presented in Appendix F.

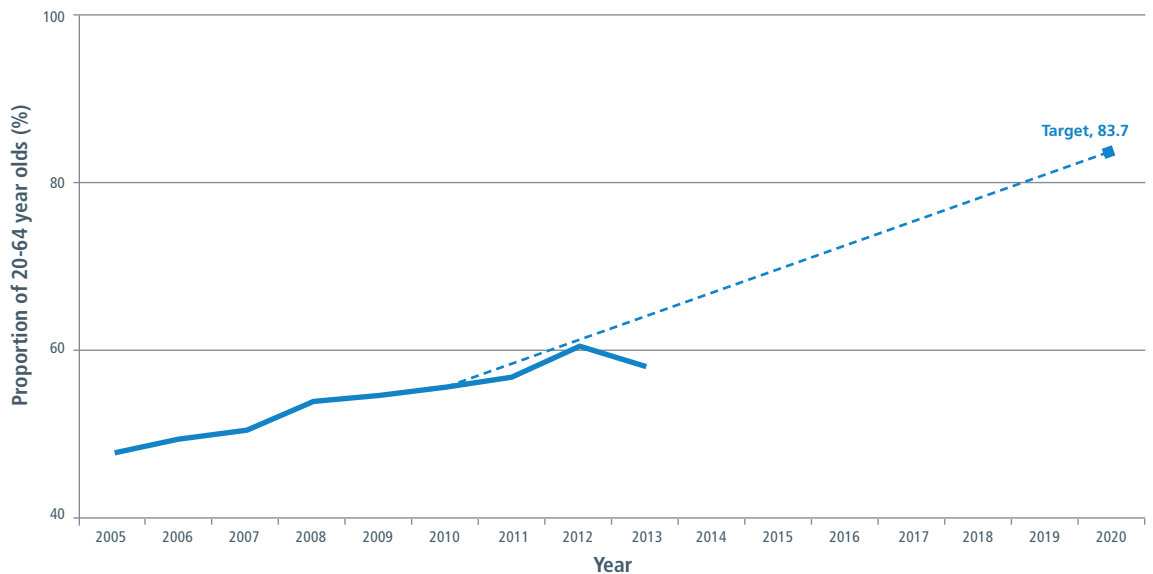
Numbers with higher qualifications are increasing slowly

The NSW target for this measure is expressed in terms of an increase in the proportion of people with qualifications at AQF Certificate III or above. Figure 4.2 shows progress towards the NSW 2021 target on this measure. From a baseline in 2010 of 55.8 per cent, the proportion in 2012 was 60.5 per cent, but declined to 58.1 per cent in 2013. Based on current performance, the target of 83.7 per cent by 2020 is unlikely to be met.

Figure 4.2:

Proportion of 20-64 year olds with a qualification at AQF Certificate III level or above, NSW, 2005-13

Source: Data derived from ABS *Education and Work, Australia* (cat. 6277.0) each year, reported in *NSW 2021 Performance Report 2012-13* (CESE 15a2)



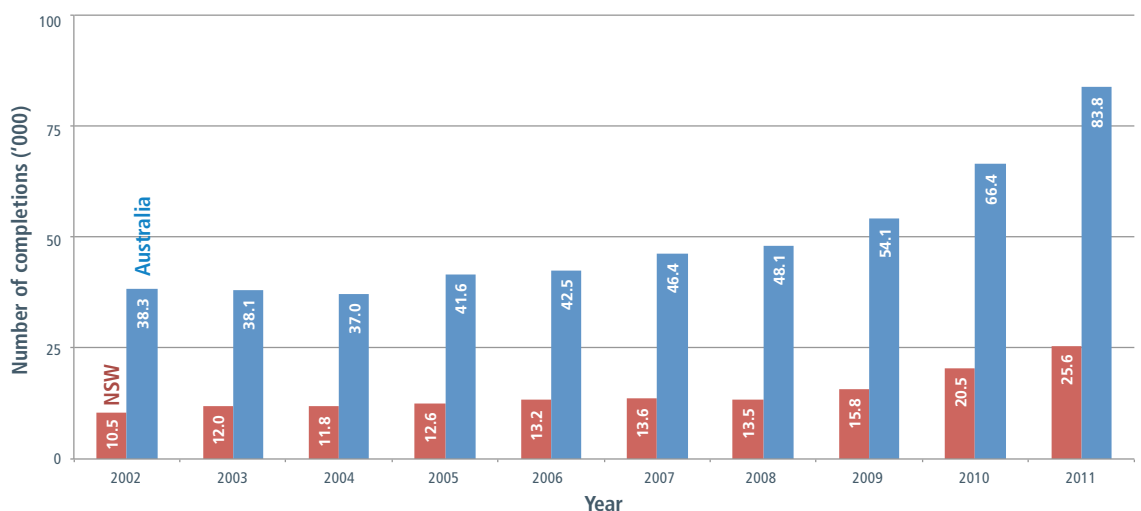
Higher-level AQF Diploma and Advanced Diploma qualifications have significantly increased

As shown in Figure 4.3, the number of AQF Diploma and Advanced Diploma completions increased from 15,841 in 2009 (the baseline year) to 25,561 in 2011.⁷⁵

Figure 4.3:

Number of AQF Diploma and Advanced Diploma completions, Australia and NSW, 2002-11

Source: NCVER, *National VET Provider Collection 2002-11* (CESE 13a)



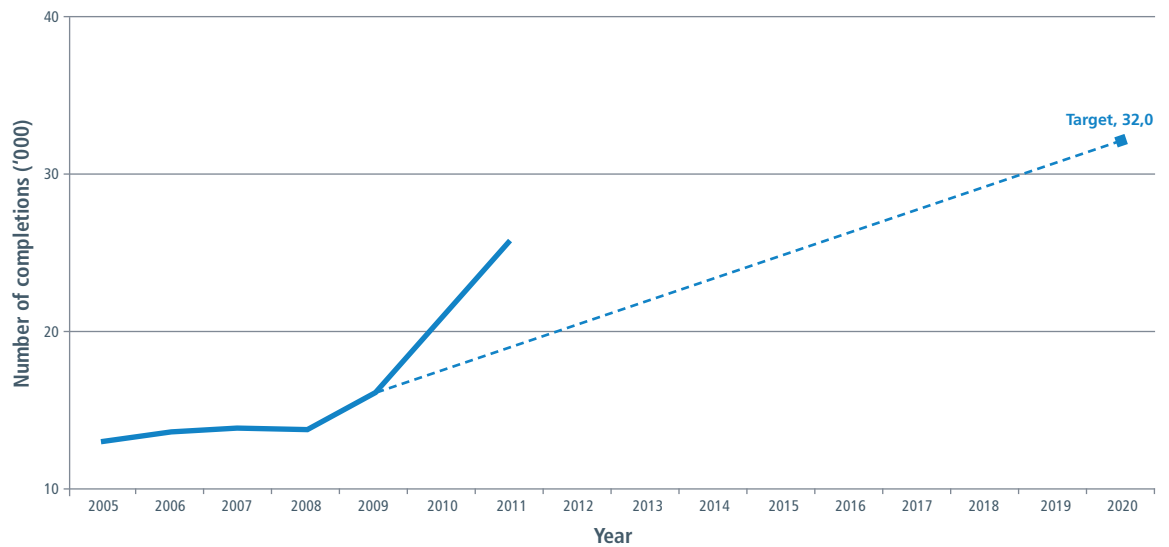
⁷⁵ National Centre for Vocational Education Research (NCVER), *National VET Provider Collection* as reported in COAG Reform Council 2011 and 2013, *National Agreement for Skills and Workforce Development, Skills in Australia 2012: Five years of performance, Statistical Supplement*, Table SWD.B.1

As shown in Figure 4.4, the increases in AQF Diploma level qualifications and above places NSW ahead of interim projections for the *NSW 2021* goal to double the number of people qualified at AQF Diploma level and above by 2020 to 32,044. From the 2009 baseline of 16,022 completions, there were 25,683 completions in 2011.

Figure 4.4:

Number of qualifications at AQF Diploma level and above, NSW, 2005-11

Source: NCVET, *National VET Provider Collection*, Table A.8, reported in NSW Department of Premier and Cabinet 2012, *NSW 2021 Performance Report 2012-13* (CESE 15b)



While actual numbers of qualifications have increased, the proportion of the NSW population with qualifications at AQF Diploma level and above has also increased from 11.7 per cent in 2005 to 18.5 per cent in 2011.

Foundation skills

Adult literacy rates compare favourably in international assessments

NSW residents compare favourably on the Programme for International Assessment of Adult Competencies (PIAAC), coordinated by the OECD.⁷⁶ Participants who complete this survey are rated on a score of one to five, with one being the lowest.⁷⁷ Australian 16-65 year olds are the fifth-most literate in this international comparison (the proportion scoring at Level 3 or above is 56.7 per cent, NSW 57.1 per cent), well above the OECD average of 50 per cent and behind only Japan, Finland, the Netherlands and Sweden.⁷⁸

⁷⁶ *Programme for International Assessment of Adult Competencies*, ABS 4228.0, 2011-2012, SCRGSP op.cit., Table BA.46 and the OECD's Country Note for Australia on the first results of the survey of adult skills, downloaded November 2013.

⁷⁷ At Literacy Level 1, adults can read relatively short digital or print continuous, non-continuous or mixed texts to locate a single piece of information given in the question. Adults performing at this level can complete simple forms, understand basic vocabulary, determine the meaning of sentences and read continuous texts with a degree of fluency.

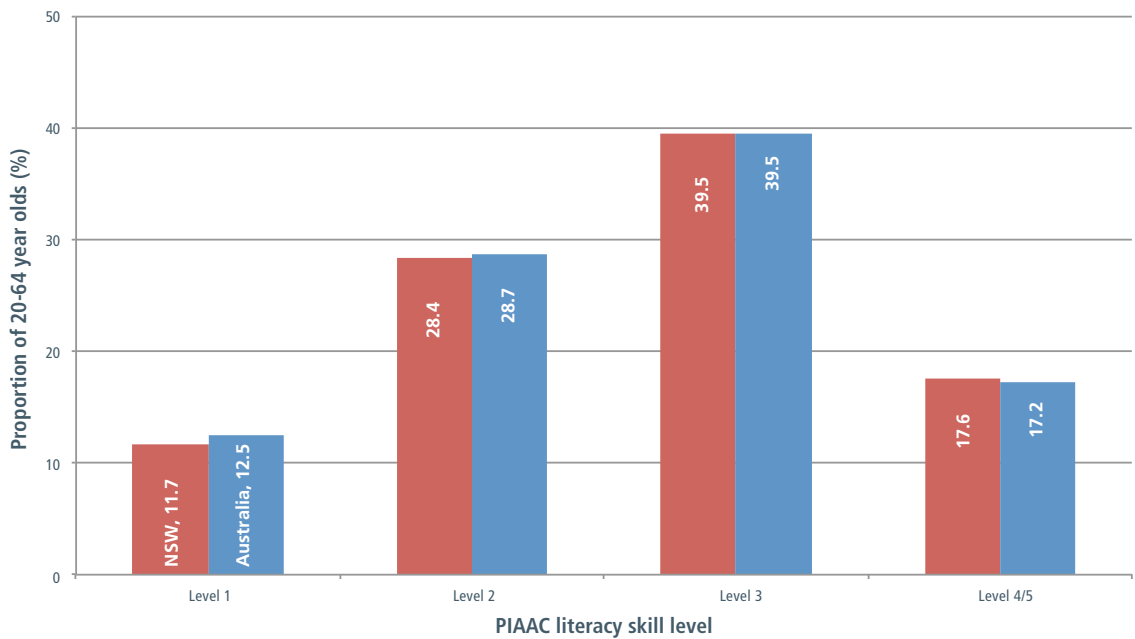
At Numeracy Level 1, adults can complete tasks involving basic mathematical processes in common, concrete contexts. They can perform one-step or simple processes involving counting, sorting, basic arithmetic operations, understanding simple percentages, and locating and identifying elements of simple or common graphical or spatial representations.

⁷⁸ Rankings based on the percentage of adults achieving proficiency Level 3 and above, in the OECD's Country Note for Australia on the first results of the survey of adult skills, downloaded November 2013

The proportion of all Australian working age people (20-64 year olds) with literacy skills at PIAAC Level 1 or below is 12.5 per cent. The corresponding figure for NSW is similar, at 11.7 per cent, with a total of 40.1 per cent below Level 3. Figure 4.5 indicates literacy scores for NSW residents are similar to national scores.

Figure 4.5:
Proportion of 20-64 year olds across PIAAC Literacy skill levels, Australia and NSW, 2011-12

Source: ABS (unpublished) Programme for the International Assessment of Adult Competencies Australia, 2011-12 (reported in SCRGSP 2014, Report on Government Services 2014, Vol. B Childcare, education and training, Productivity Commission, Canberra, Table BA.46) (CESE 10a)

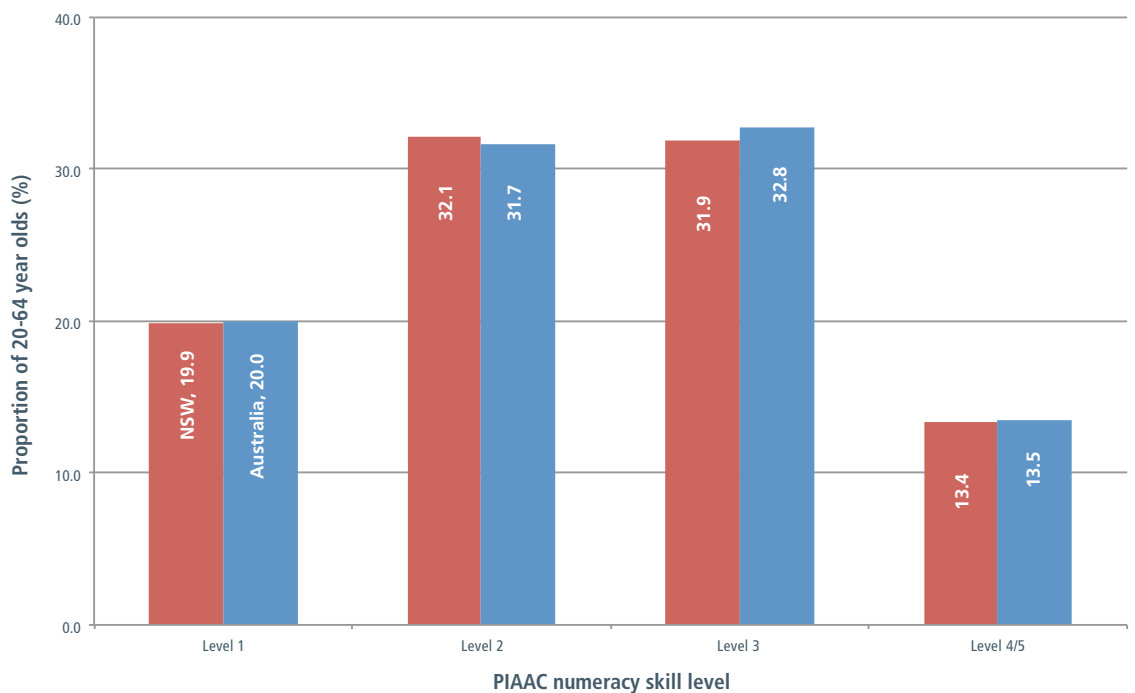


Adult numeracy rates are comparatively low

In the PIAAC Numeracy assessment, Australia ranks 13th, just below the OECD average (with 46.3 per cent attaining at least proficiency Level 3 compared with the international average of 46.9 per cent), though ahead of other English-speaking countries, particularly the USA and Canada. In NSW, 45.3 per cent attained Level 3 or above. The proportion of NSW working-age people (20-64 year olds) with Numeracy skills at PIAAC Level 1 or below is 19.9 per cent, similar to that for Australia at 20.0 per cent. The total in NSW under Level 3 was 52.0 per cent, similar to the international average. Figure 4.6 shows NSW Numeracy scores were similar to those for Australia.

Figure 4.6:
Proportion of 20-64 year olds across PIAAC Numeracy skill levels, Australia and NSW, 2011-12

Source: ABS (unpublished) Programme for the International Assessment of Adult Competencies Australia, 2011-12 (reported in SCRGSP 2014, Report on Government Services 2014, vol. B Childcare, education and training, Productivity Commission, Canberra, Table BA.47) (CESE 10b)



Improved outcomes for students from equity groups

More women are completing qualifications at AQF Certificate III level and above

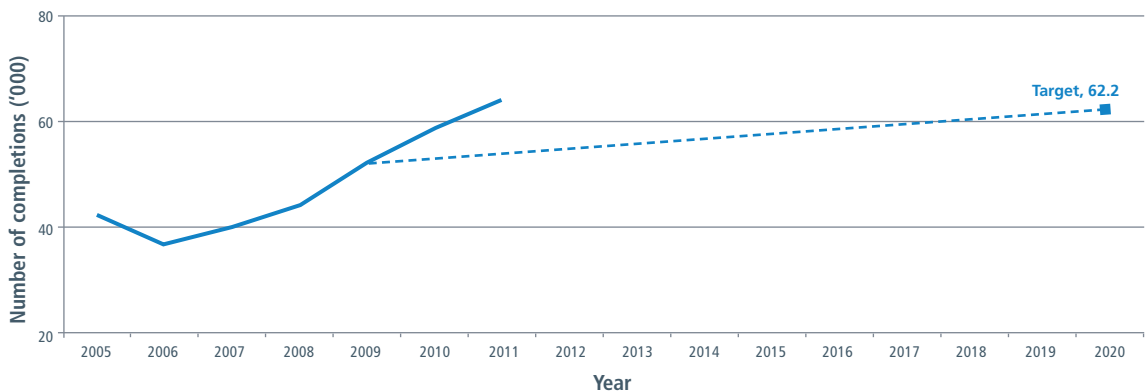
The *NSW 2021* target of a 20.0 per cent increase in the number of women with qualifications at AQF Certificate III and above reflects equity concerns for females in VET, and relates to the performance targets of the National Agreement for Skills and Workforce Development (NASWD) to halve the proportion of Australians nationally aged 20 to 64 years without qualifications at AQF Certificate III level and above between 2009 and 2020.

From a baseline of 51,860 completions in 2009, NSW recorded 63,593 completions by female students at AQF Certificate III and above in 2011.⁷⁹ As indicated in Figure 4.7, NSW is currently exceeding the 2020 target of 62,232.

Figure 4.7:

Qualification completions at AQF Certificate III and above, all ages, female students, NSW, 2005-11

Source: NCVER, *National VET Provider Collection*, reported in NSW Department of Premier and Cabinet 2012, *NSW 2021 Performance Report 2012-13* (CESE 15c)



The number of qualifications at AQF Certificate III level and above by rural and regional students is also increasing

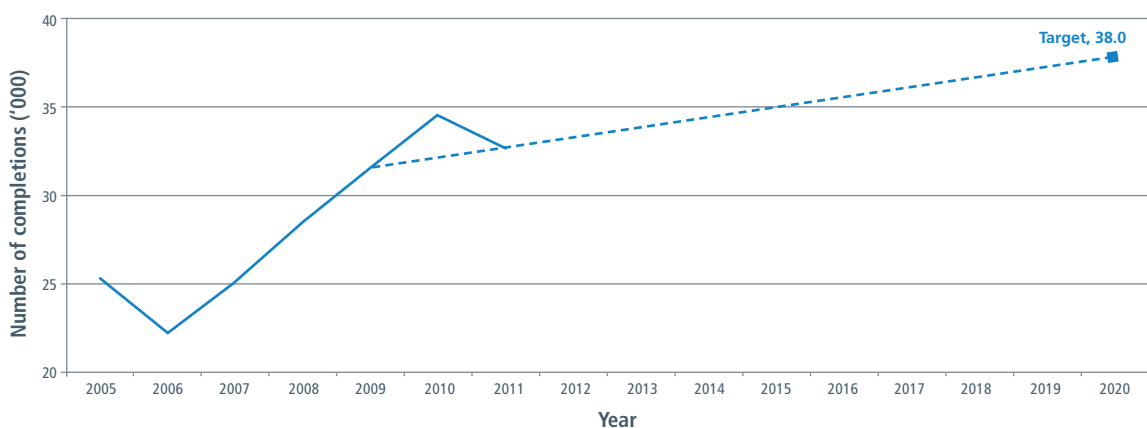
The NASWD target mentioned above is also reflected in the *NSW 2021* target to increase by 20.0 per cent the number of completions at AQF Certificate III and above in regional and remote NSW by 2020.

From the 2009 baseline of 31,606 completions, the 2011 completion figure of 32,673 indicates the 2020 target of 37,927 should be met, as indicated in Figure 4.8.

Figure 4.8:

Number of qualification completions at AQF Certificate III and above, NSW rural and regional students, 2005-11

Source: NCVER, *National VET Provider Collection*, reported in NSW Department of Premier and Cabinet 2012, *NSW 2021 Performance Report 2012-13* (CESE 15d)



The growth in enrolments from regional areas in NSW is in contrast with national trends, where much of the growth has been recorded in major cities.

⁷⁹ As there is a 2.5-year time lag in the release of qualification completions data by NCVER, the most recent NCVER data related to the NSW targets for completions at AQF Certificate III level and above are for 2011.

Aboriginal and Torres Strait Islander students are attaining more qualifications at AQF Certificate III level and above

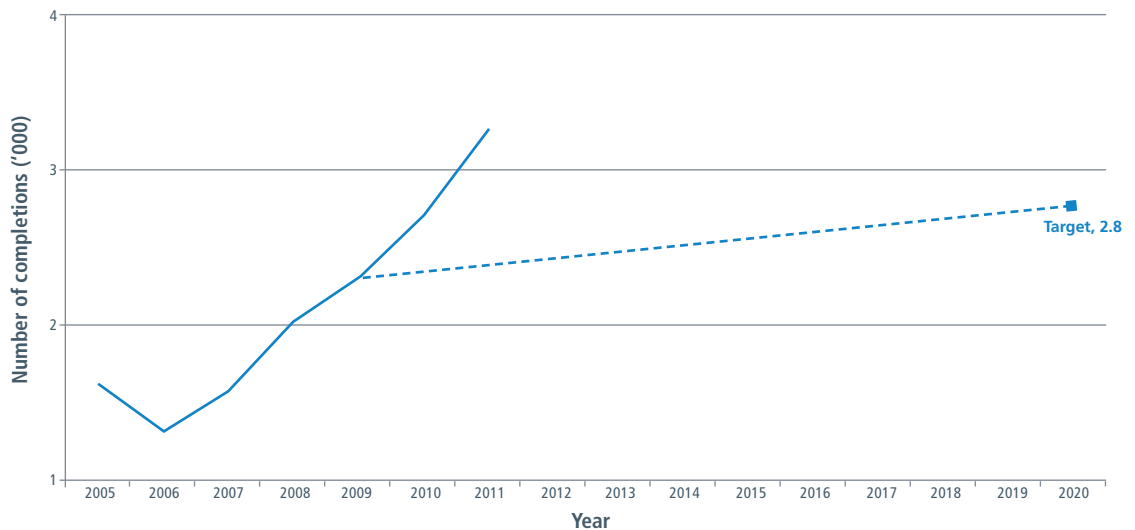
The *NSW 2021* goals also reflect the NASWD targets with equity concerns for participation in higher-level qualifications by Aboriginal and Torres Strait Islander students. The *NSW 2021* target is a 20.0 per cent increase from 2009 in the number of qualifications at AQF Certificate III level and above by Aboriginal and Torres Strait Islander students by 2020.

In 2011, the number of qualifications completed by Aboriginal and Torres Strait Islander students at AQF Certificate III level and above was 3,255, which indicates completions are well above the figures projected to meet the 2020 target of 2,760 (Figure 4.9).

Figure 4.9:

Qualification completions at AQF Certificate III and above, Aboriginal and Torres Strait Islander students, NSW, 2005-11

Source: NCVER, *National VET Provider Collection*, reported in NSW Department of Premier and Cabinet 2012, *NSW 2021 Performance Report 2012-13* (CESE 15e)



More than one in four young people in NSW are not fully engaged in education, training or work

One of the COAG performance indicators identified in the National Education Agreement (NEA) is to lift the proportion of young people (15-19 years) participating in post-school education, training and/or employment six months after school. The related target for *NSW 2021* is for 90.0 per cent of young people who have left school to be participating in further education and training and/or employment by 2020. In 2013 the rate was 73.4 per cent.

The data for the *NSW 2021* target indicate the proportion of young people who are fully engaged tends to move around year on year, but the overall trend is relatively stable (i.e. it is neither increasing nor decreasing, noting the confidence intervals which in the past four years have ranged from 4.7 to 5.6). Figure 4.10 indicates if this trend continues, NSW is unlikely to meet its target of 90.0 per cent by 2020.

Figure 4.10:

Proportion of 15-19-year-old school leavers fully participating in education, training and/or employment, NSW, 2003-13

Source: Data derived from ABS *Education and Work, Australia*, Cat. No. 6227.0, 6227055003D0007_201205, *Additional Data Cubes, May 2013* (Table 1_1 to Table 1_11) (CESE 15f2)

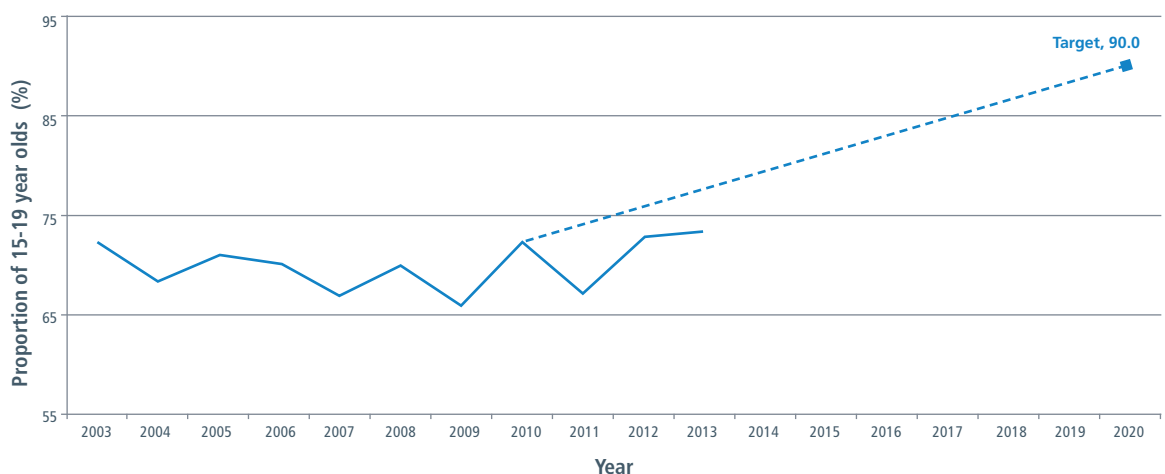
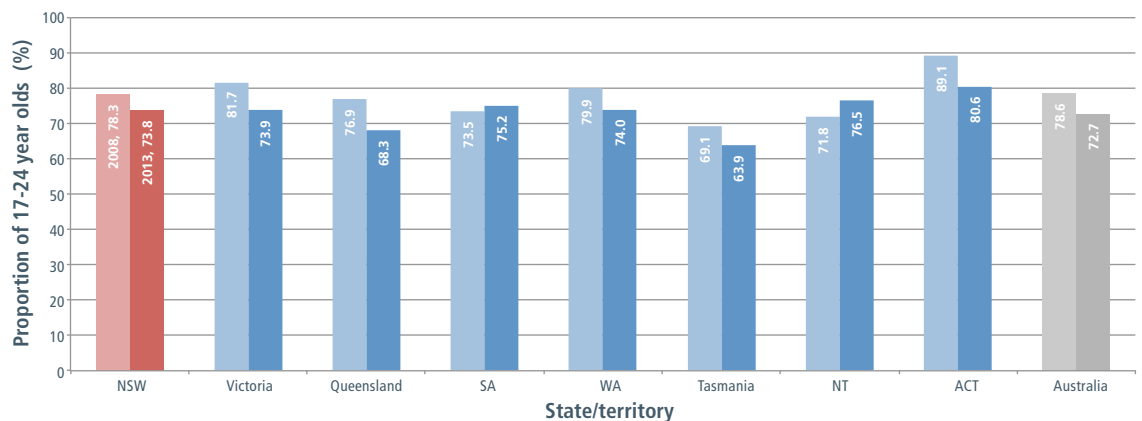


Figure 4.11:

Proportion of 17-24 year olds fully engaged in work or study, Australia and NSW, 2008 and 2013

Source: Data derived from ABS Education and Work, Australia, Cat. No. 6227.0, 6227055003D0007_201205, Additional Data Cubes, May 2013 (Table 1.1 to Table 1.11) (CESE 11i)

The nationally agreed indicator for youth engagement in the NEA was revised in 2012, changing the focus age group from 15-19 year olds to 17-24 year olds, partly to reflect the new school-leaving age of 17. Figure 4.11 indicates performance on this measure relative to other Australian states and territories.

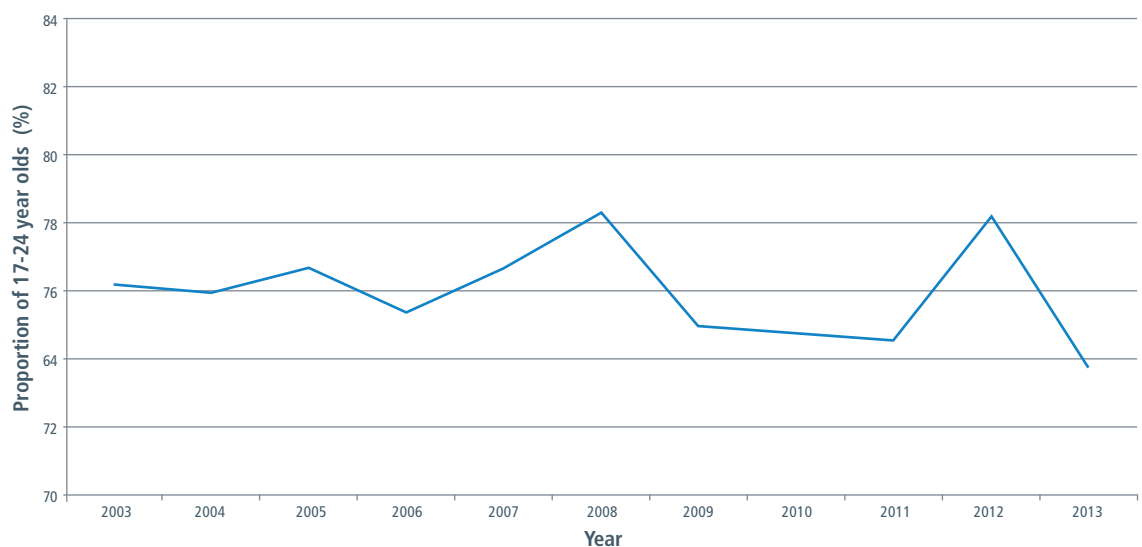


As indicated in Figure 4.12, there was a slight fall of 4.5 percentage points from 78.3 per cent to 73.8 per cent in NSW between 2008 and 2013. However, when sampling error is taken into account (with confidence intervals ranging from 1.9 to 3.3), it is not possible to determine if there was any significant change for that period.

Figure 4.12:

Proportion of 17-24 year olds fully engaged in work or study, NSW, 2003-13

Source: ABS data derived from ABS Education and Work Australia, Cat. No. 6227.0, 6227055003D0007_201205, Additional Data Cubes, May 2013 (Table 1.1 to Table 1.11) (CESE 11j2)



Outcomes for apprenticeships and traineeships

Numbers of apprenticeship and traineeship completions are increasing

NSW 2021 set targets to increase the number of completed apprenticeships and traineeships by 10 per cent by 2016. The 2010 baseline of 50,147 completions increased to 53,522 in 2012 and 60,969⁸⁰ in 2013. Figure 4.13 indicates the steady rise in numbers of apprenticeship and traineeship completions (in the 12 months to September each year) since 2006. NSW exceeded its 2016 target of 55,162 in 2013.

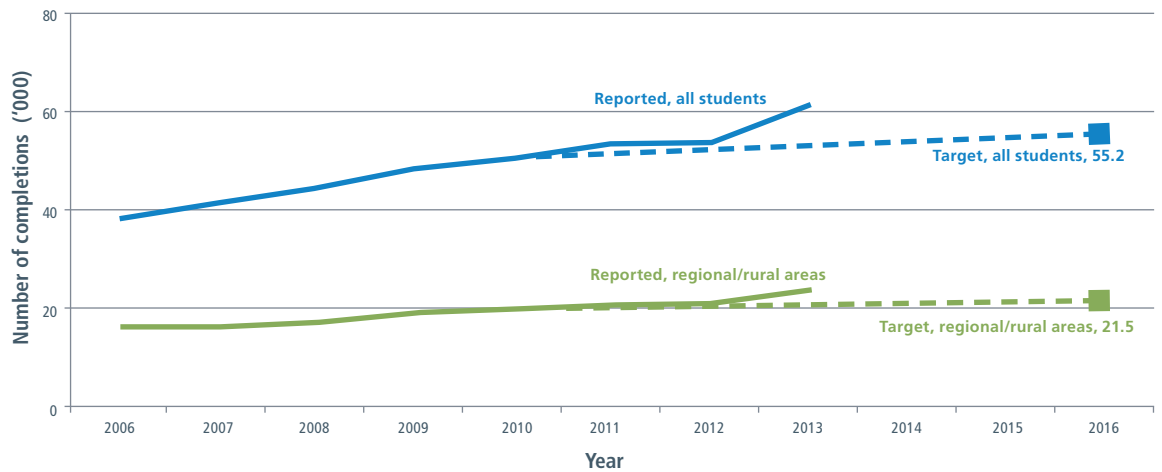
Figure 4.13 indicates there was also good progress towards meeting the 2016 target for students in regional and remote areas. From the 2010 baseline of 19,552 completions, the number increased to 20,819 in 2012 and 23,384 in 2013 ahead of projections towards the 2016 target of 21,507.

⁸⁰ Completion numbers are the seasonally adjusted NCVER estimates for the 12 months to 30 September each year, as sourced from the *Apprentice and Trainee Collection* database on VOCSTATS and published in *Apprentices and trainees – September quarter 2013* and in the September quarter publications from previous years.

Figure 4.13:

Apprenticeship and Traineeship completions in the 12 months to 30 September each year, NSW, all students and students in regional/rural areas, 2006-13

Source: NCVER (March 2014), *Apprentice and Trainee Collection, September quarter 2013* and VOCSTATS (CESE 15g)



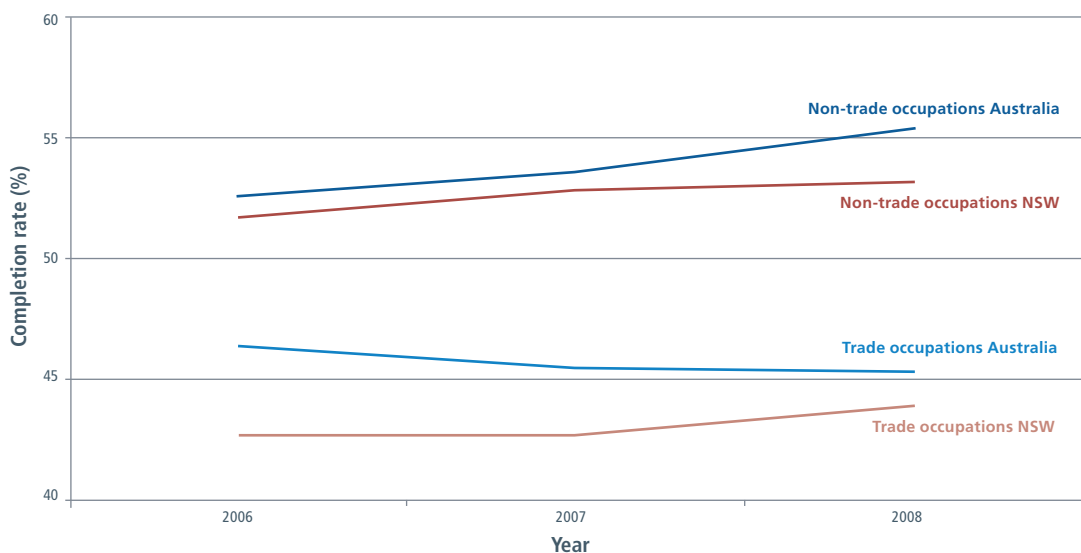
Completion rates for apprenticeships and traineeships remain low

While completion numbers have increased, the proportion of apprentices and trainees who complete their contracts remains low. As indicated in Figure 4.14, completion rates for those commencing contracts in 2008 were 45.4 per cent nationally (44 per cent in NSW) for trade occupations and 55.4 per cent nationally (53.2 per cent in NSW) for non-trade occupations.

Figure 4.14:

Completion rates for apprentices and trainees commencing 2006-08, NSW and Australia

Source: NCVER, *Apprentices and Trainees 2012 annual web tables* (CESE 11d)



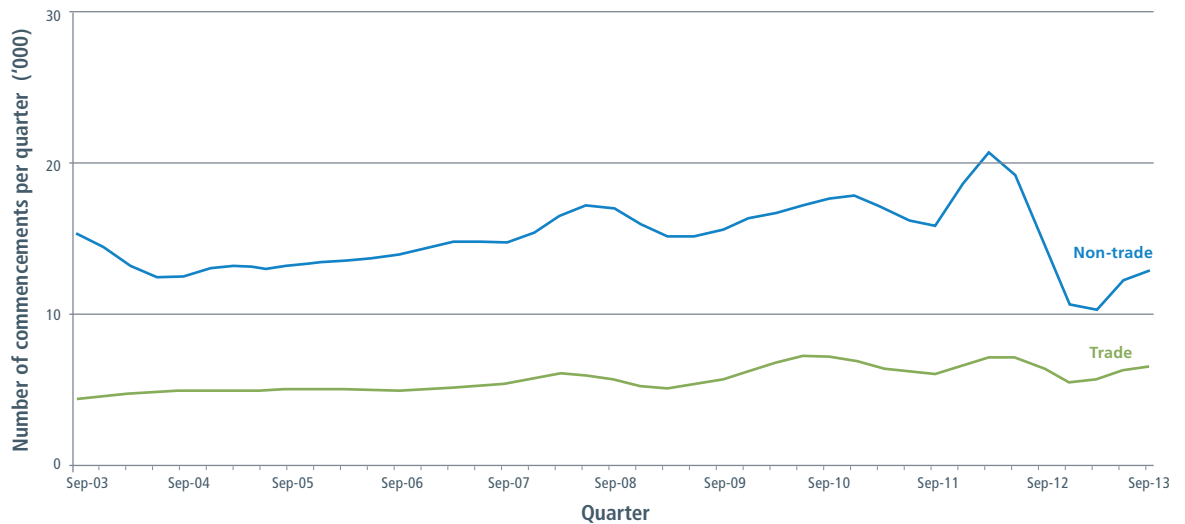
Apprenticeship and traineeship commencements have declined

As shown in Figure 4.15, the number of apprenticeship and traineeship commencements generally trended upwards between June 2004 and March 2012 before falling sharply in June 2013, most notably in the non-trade areas. Overall, commencements have declined by more than 25 per cent (to 73,444) in the 12 months to September 2013 and by around 12 per cent since September 2009. Despite showing growth in the June and September 2013 quarters, the latest early trend estimates for the December 2013 quarter show a further drop in apprentice and trainee commencements nationally which is likely to be mirrored in NSW.⁸¹

Figure 4.15:

Apprentice and trainee commencements in each quarter (seasonally adjusted), NSW, 2003-13

Source: NCVER *Apprentices and Trainees 2012 annual web tables* (CESE 16x)



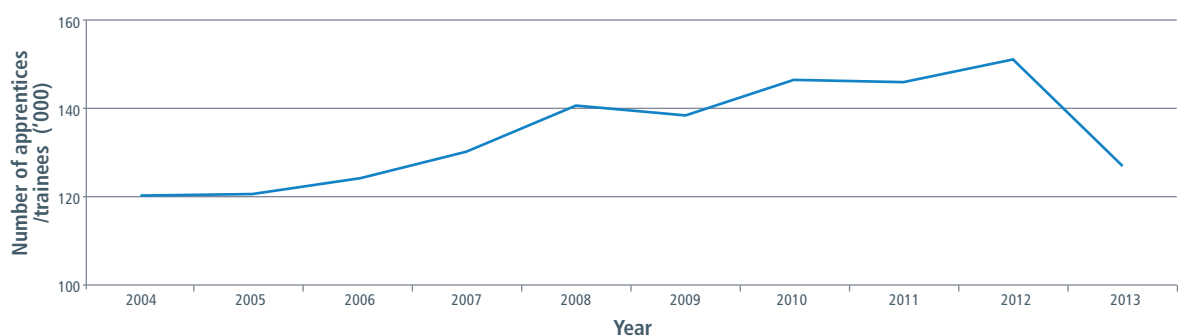
The number of apprentices and trainees in training has recently declined

As indicated in Figure 4.16, the number of apprentices and trainees in training in NSW (in the 12 months to September each year) increased annually between 2004 and 2012. However, between September 2012 and September 2013, the number in training fell by around 15 per cent to 127,000.

Figure 4.16:

Numbers of apprentices and trainees in training, NSW 2004-13

Source: NCVER, (March 2014) *Apprentice and Trainee Collection, September quarter 2013, Table 9 – September estimates* (CESE 11b)



⁸¹ NCVER (February 2014), *Apprentices and trainees 2013—early trend estimates, December quarter* (www.ncver.edu.au/publications/2713.html)

5. Higher Education

Snapshot of performance

Theme	What is going well	Needs improvement
Increasing qualification levels	<p>Increases in the proportion of 25-34 year olds with Bachelor level qualifications between 2006 and 2013 and NSW is on track to achieve the target of 44 per cent by 2025.</p> <p>The number of course completions in public universities increased between 2008 and 2010 and has remained relatively high since that time.</p>	<p>Ensuring graduates experience success in gaining full-time employment immediately after graduation in key workforce areas (e.g. initial teacher education).</p>
Improve equity in higher education	<p>Increase in course completions among Aboriginal and Torres Strait Islander students between 2008 and 2012.</p> <p>Proportion of undergraduates from low SES areas on track to meet 2020 target.</p>	<p>While there have been increases in enrolments of students from low SES areas in recent years, this is from a low base.</p> <p>While enrolments are increasing, Aboriginal and Torres Strait Islander students are still under-represented in university enrolments.</p> <p>Students from regional and remote NSW are under-represented among university enrolments.</p> <p>Aboriginal and Torres Strait Islander students experience lower rates of progress (course completions) than other students.</p>
Research activity	<p>NSW universities perform well on the Australian Research Council's Excellence in Research Assessment (ERA) measures, particularly in science, law and engineering.</p> <p>The Commonwealth provided \$2.8 billion in grants to NSW universities in 2011.</p>	<p>No NSW universities received the highest rating in the field of education on the Australian Research Council's Excellence in Research Assessment (ERA) measures.</p>
Outcomes for graduates	<p>72.4 per cent of Bachelor degree graduates in full-time work four months after completing degree.</p> <p>Fewer than 10 per cent still looking for work four months after completing degree.</p>	<p>Significant variation in employment outcomes, depending on discipline.</p> <p>Full-time employment rate for Initial Teacher Education graduates less than average for other graduates.</p>

Performance in detail

The key areas of focus for higher education in NSW are:

- increased qualification levels for the NSW population
- more equitable outcomes in the higher education sector
- research activity in the higher education sector
- international education.

The NSW Government has included specific targets for higher education in *NSW 2021 State Plan*:

- 44 per cent of 25-34 year olds hold a Bachelor level qualification or above by 2025.
- 20 per cent of undergraduate enrolments are students from low socio-economic status backgrounds by 2020.⁸²

Background details related to the Australian Qualifications Framework (AQF) are provided in Appendix A. Appendix G provides details of the context of higher education, policy and governance.

Increase qualification levels in the NSW population

NSW 2021 sets an ambitious target for 44 per cent of 25–34 year olds to hold an AQF Bachelor level qualification or above by 2025. As shown in Figure 5.1, 38.1 per cent of 25–34 year olds held qualifications at AQF Bachelor level in 2013, higher than the projected target for that year of 37.6 per cent.⁸³ On current trend, NSW is on track to achieve the 2025 target.

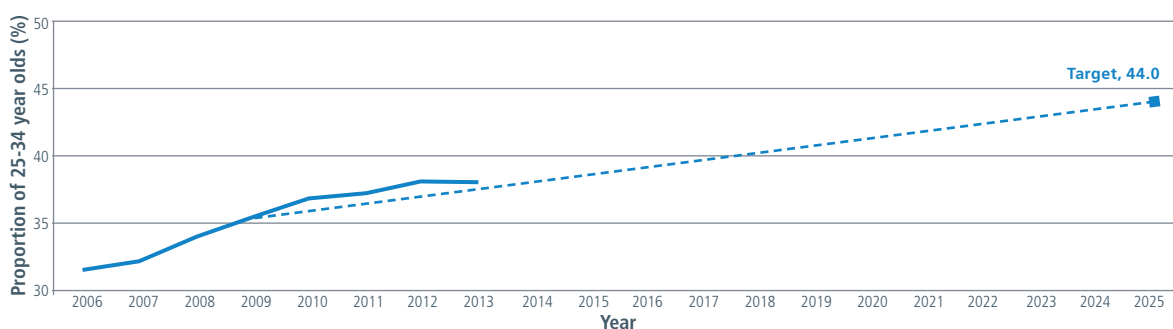


Figure 5.1:

Proportion of 25-34 year olds with a qualification at Bachelor level or above, NSW, 2006-13

Source: Data derived from ABS *Education and Work Australia*, Cat. No. 6227.0.55.003 — Additional data cubes (CESE 18r)

The number of completions at public NSW universities increased from 2009-2010 and has been relatively stable since

Figure 5.2 shows the annual number of award course completions for all students in NSW public universities increased by approximately 7,500 from 2008 to 2010. There were 81,035 completions in 2010 and the number has remained close to this level since that time (79,493 in 2012). As indicated in Figure 5.2, the numbers of students completing courses at private institutions has risen since 2008.

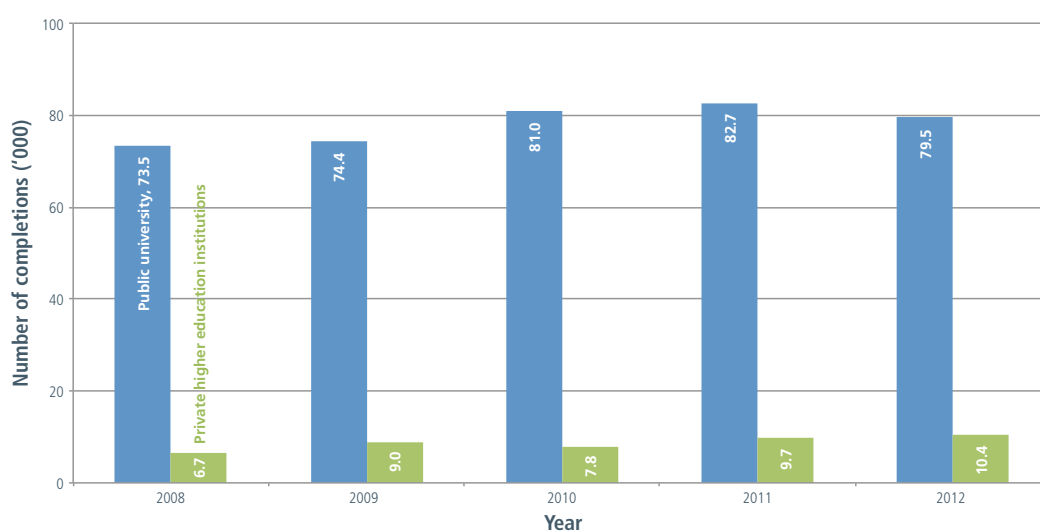


Figure 5.2:

Award course completions in NSW public universities and other providers, 2008-12

Source: Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Selected Higher Education Statistics (2008-2012) – All students, Award Course Completions*, Table 4 (CESE 18v)

⁸² For the purposes of this report, data relating to the higher education sector relates to education undertaken through the 10 public universities operating in the state, as well as the other higher education providers that offered places with Commonwealth assistance and are included in Commonwealth higher education data.

⁸³ Data derived from ABS 2012, *Education and Work*, Cat. No. 6227.0

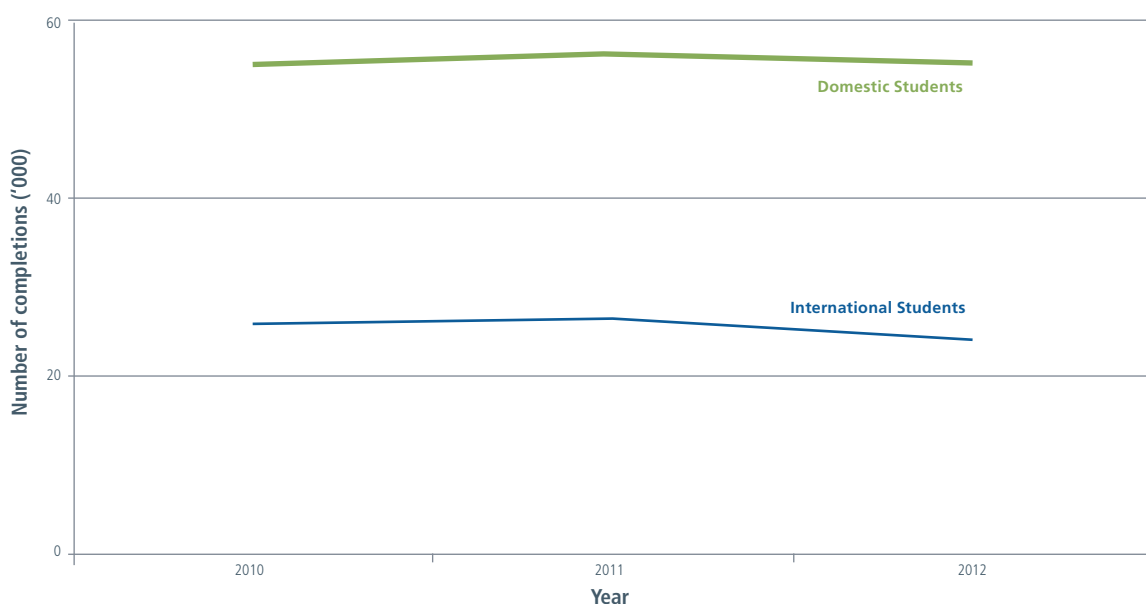
Course completions by domestic students have been stable while completions among international students have declined slightly

Since 2010 the numbers of course completions by NSW domestic public university students has been stable (55,144 in 2010 and 55,455 in 2012). The number of completions by international students in public universities has decreased slightly from 25,891 in 2010 to 24,038 in 2012, as shown in Figure 5.3.

Figure 5.3:

All students award course completions by citizenship, NSW public universities, 2010-2012

Source: Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Selected Higher Education Statistics 2010-2012 –Award Course Completions*, Table 12 (CESE 32c)



International student enrolments as a whole in NSW grew during the past decade, though not all of these were in higher education, which made up 40.3 per cent of the sector in 2011 (with VET, ELICOS⁸⁴ and schools comprising the remainder).⁸⁵

International education is a key export industry for NSW, generating more than \$5.8 billion in export income in 2010-11. Global demand for international higher education is forecast to grow significantly in the next decade.⁸⁶

However, since 2009 international student numbers in higher education have declined and in 2010-11 export income earnings for all international education (including higher education) in NSW fell by more than \$900 million compared with the previous year.⁸⁷ This fall has been attributed to a number of factors: the global economic downturn, a strong Australian dollar, student safety issues in 2009 that affected the reputation of NSW and changes to the arrangements linking education and visas.⁸⁸

There is recent evidence of a slight recovery from this decline. In the enrolment figures for the year to October 2013, higher education enrolments grew by 0.4 per cent on the previous year's figures. The figures for enrolments in ELICOS, a key source of students for higher education, grew by almost 20 per cent on the previous year's figures.⁸⁹

84 English Language Intensive Courses for Overseas Students

85 NSW Government, September 2012, Industry Action Plan: NSW International Education and Research, p.26

86 *Ibid.*, p.3

87 *Ibid.*, p.26

88 *Ibid.*, p.3

89 Australian Education International, *Monthly Summary of International Student Enrolment Data – Australia – YTD October 2013*

Improving equity in the higher education sector

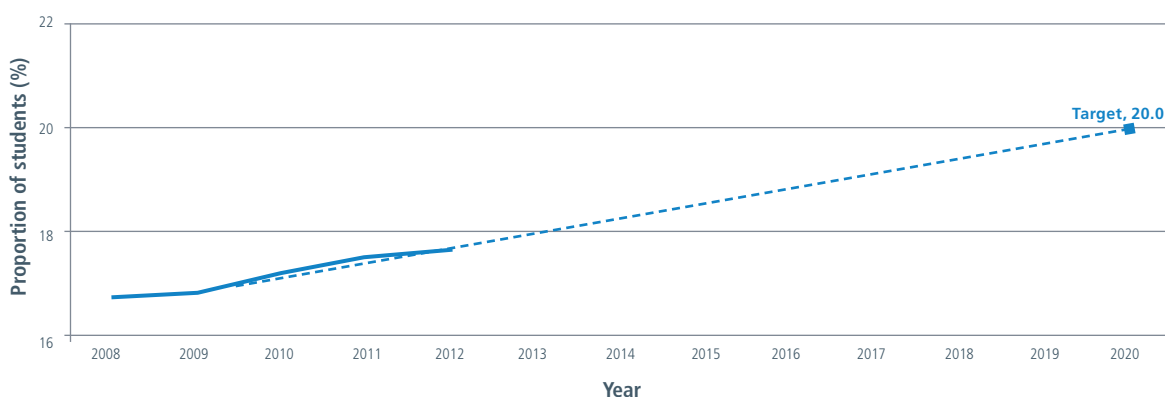
NSW is on track for 20.0 per cent of undergraduates to be from low socio-economic backgrounds by 2020

Figure 5.4 shows trends in the proportion of undergraduate students who are from low SES areas. The NSW 2021 target is to increase this percentage to 20.0 per cent from a baseline of 16.8 per cent in 2009. Since the baseline year, NSW has performed close to the projected rate with 17.6 per cent of undergraduate students coming from low SES areas in 2012. Nationally, in the same year, 17.1 per cent of domestic enrolments were for students from low socio-economic areas.⁹⁰

Figure 5.4:

Proportion of domestic undergraduate students from low SES areas, NSW, 2008-12

Source: Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Selected Higher Education Statistics 2012* – Appendix 2 Table 2.5 (CESE 18s)



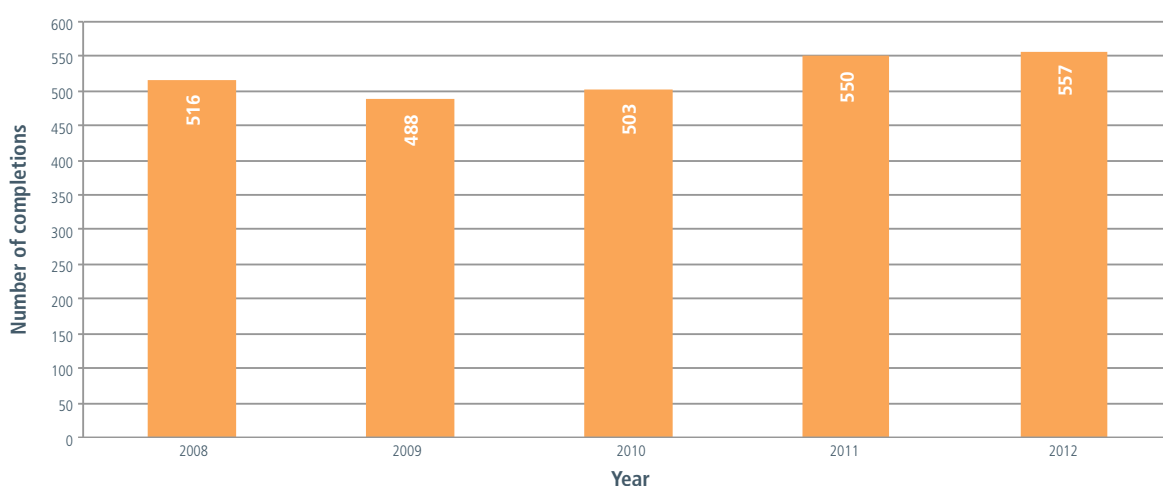
The number of Aboriginal and Torres Strait Islander award course completions has risen in NSW since 2008

In NSW the numbers of Aboriginal and Torres Strait Islander student completions have risen each year since 2009 (Figure 5.5). In 2012 there were 557 award course completions among Aboriginal and Torres Strait Islander students, which is an increase from 516 in 2008, 488 in 2009 and 503 in 2010. There was little change in the number of course completions for Aboriginal and Torres Strait Islander students between 2011 and 2012.⁹¹

Figure 5.5:

Award course completions among Aboriginal and Torres Strait Islander students in NSW, 2008-2012

Source: Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Selected Higher Education Statistics (2008-2012)* – Award Course Completions, Tables 15 and 16⁹² (CESE 17g)



⁹⁰ The measure of socio-economic status is SEIFA 2011, by postcode, for all students.

⁹¹ Data accessed from: <http://www.innovation.gov.au/highereducation/HigherEducationStatistics/StatisticsPublications/Pages/Students.aspx>

There is a significant gender gap in the completion rates at the national level for Aboriginal and Torres Strait Islander students

While the state level data for Aboriginal and Torres Strait Islander enrolments were not available at the time of writing, the national gap between male and female completion rates among Aboriginal and Torres Strait Islanders is of concern.

Nationally in 2012, females accounted for 67.2 per cent of all award course completions by Aboriginal and Torres Strait Islander students. The national completion rates for Aboriginal and Torres Strait Islander students were highest for both genders in 2011 with 551 males and 1,218 females completing an award course (Figure 5.6). The gender gap for Aboriginal and Torres Strait Islander students is substantial and trends since 2001 indicate the gap is remaining.

The gap for Aboriginal and Torres Strait Islander students is higher than the gender gap that exists at the national level for non-Aboriginal and Torres Strait Islander students (59.9 per cent of completions are from female students and 40.1 from male students).

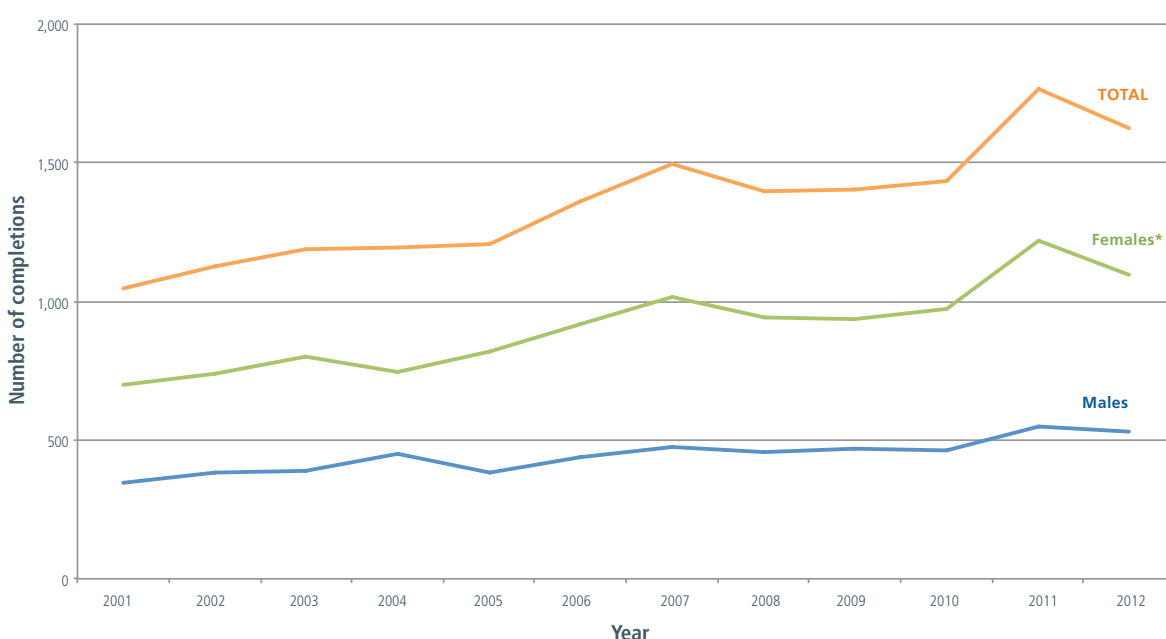
Data for future years (subsequent to 2012) will indicate whether the apparent downturn in completions for males and females between 2011 and 2012 denotes a meaningful trend.

Figure 5.6:

Award course completions for Aboriginal and Torres Strait Islander students by gender, Australia 2001-12

Source: Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, *Selected Higher Education Statistics 2012 – Award Course Completions*, Table 15 (CESE 17e)

Note: Female numbers may include students who have requested their gender to be recorded as neither male nor female



Research activity in the higher education sector

Assessment for Excellence in Research

The Australian Research Council's Excellence in Research Assessment (ERA) measures the quality of research undertaken in Australia's universities against national and international benchmarks. Each university is given a rating for each research field provided at their university that has been submitted for assessment. Ratings range from 1 to 5, with a rating of 1 indicating performance well below world standard and 5 indicating performance well above world standard. The ratings are determined by committees made up of researchers from Australia and overseas.

NSW universities performed well in the ERA ratings. Highlights from the ERA ratings for NSW Universities include:

- high performance in scientific fields with seven NSW universities receiving at least one rating of 5 for a scientific field
- two NSW universities received an overall rating of 5 for the field of law and legal studies⁹²
- strong performance in engineering with four NSW universities receiving a rating of 5 for one or more fields
- five NSW universities scoring a 4 or 5 for one or more arts-based fields.

⁹² Universities are rated out of 5 for each individual subject area within a field. These individual scores then contribute to an overall rating for the broader field to which the subjects belong.

It is of concern that no NSW universities received a 5 for education (e.g. initial teacher education). Of the 10 public universities in NSW, one rated a 4, seven were rated 3, one received a rating of 2 and one received a rating of 1 for the overall field of education.

Research funding

NSW universities receive grants from the Commonwealth Government for their research activities. These grants include programs such as the Commonwealth Grants Scheme, scholarships, Education Investment Fund and one-off capital grants, and Australian Research Council funding.

In 2011 NSW universities received \$2.8 billion in grants from the Commonwealth, more than any other state in Australia.⁹³

Outcomes for graduates

Graduate Careers Australia administers an annual survey of the activities of new graduates around four months after the completion of their qualifications.⁹⁴ Overall, 60 per cent of around 182,170 Australian resident graduates who were surveyed responded to the Australian Graduate Survey.

At the national level there was a slight deterioration in the short-term employment prospects of new graduates in 2013, compared with 2012. Graduate Careers Australia suggests the labour market prospects of new Bachelor degree graduates, which fell in the 2009 survey as a result of the global financial crisis, did not change notably between 2010 and 2012 and national results continue to reflect the caution of recruiters in 2013.⁹⁵

Results in the 2012 survey for NSW graduates indicated on average:

- 74.2 per cent of all Bachelor degree graduates were in full-time work within four months of completing their degree
- 16.4 per cent had secured a part-time or casual position while continuing to seek full-time employment
- 9.4 per cent were not working but still looking for full-time work.⁹⁶

There was a variation in outcomes for NSW graduates, depending on their field of study:

- More than 90 per cent of graduates from mining engineering, surveying, pharmacy, medicine, aeronautical engineering, basic nursing, civil, electrical and mechanical engineering and post-initial nursing education had secured full-time work.
- The full-time employment rate was under 70 per cent for graduates from health (other), social work, languages, initial teacher education, humanities, psychology, architecture, mathematics, social sciences, chemistry, life sciences, visual and performing arts and education (post-initial and other).
- The full-time employment rate for NSW initial teacher education graduates, at 65.9 per cent, was under the NSW average for all graduates (74.2 per cent). However, a further 28.9 per cent were working in part-time or casual positions while seeking full-time work. Around 5.2 per cent were still unemployed.
- For other graduates of education (post-initial teacher education/other), while only 50 per cent were working full-time, a further 16.7 per cent were available for full-time work but working in part-time or casual positions, while 33.3 per cent were unemployed.

⁹³ Department of Industry, Innovation, Science, Research and Tertiary Education 2012, *Finance 2011: Financial Reports of Higher Education Providers*, Table 1

⁹⁴ Further details about the survey are available at www.graduaterecareers.com.au

⁹⁵ Graduate Careers Australia 2013, *GradStats (December 2013)*

⁹⁶ Graduate Careers Australia, *Australian Graduate Survey 2012*, Table F1 (NSW)

6. Factors related to performance

There are many factors that are known to have an association with educational outcomes, including SES, rural or remote location, and Aboriginal and Torres Strait Islander background. While these are the three factors examined in this chapter, other factors include English language proficiency, disability, refugee status, the length of time a student has been in the NSW education system, and gender.⁹⁷ Each of the factors examined in this chapter interact with each other, so it is difficult to specify or draw conclusions about direct causation of poorer outcomes. The relationship between these factors and performance is not significant for all individuals – this report simply points out the strong associations (at a population level) that occur between aspects of disadvantage and poorer outcomes.

Socio-economic status

The relationship between socio-economic status (SES) and educational outcomes in PISA assessments is similar in NSW to the average from all participating economies, as indicated in Figure 6.1.⁹⁸

Figure 6.1:

Relationship between equity and performance in Mathematical Literacy among students undertaking the PISA assessment in 2012

Source: PISA 2012: *How Australia measures up. The PISA 2012 assessment of students' mathematical, scientific and reading literacy* by Thomson S, De Bortoli, L and Buckley, S



Note: Shaded diamonds represent countries in which the strength of the relationship is significantly different to the OECD average.

⁹⁷ There are data quality issues associated with some other factors related to educational disadvantage. Future editions of this report will focus on a broader range of equity concerns as data improves.

⁹⁸ Thomson, S, De Bortoli, L & Buckley, S 2013. The PISA 2012 assessment of students' mathematical, scientific and reading literacy. Australian Council for Education Research, Victoria

The horizontal axis in Figure 6.1 shows the strength of the relationship between SES and mathematical literacy. The vertical axis shows actual maths performance on the PISA test. The white triangle for NSW indicates its equity rating was not statistically different from the OECD averages. The only Australian state with an equity rating above the OECD average was Victoria. The important point to note from Figure 6.1 is countries that do well on the PISA test also tend to have high equity ratings, though Shanghai and Singapore were rated as having average equity.⁹⁹

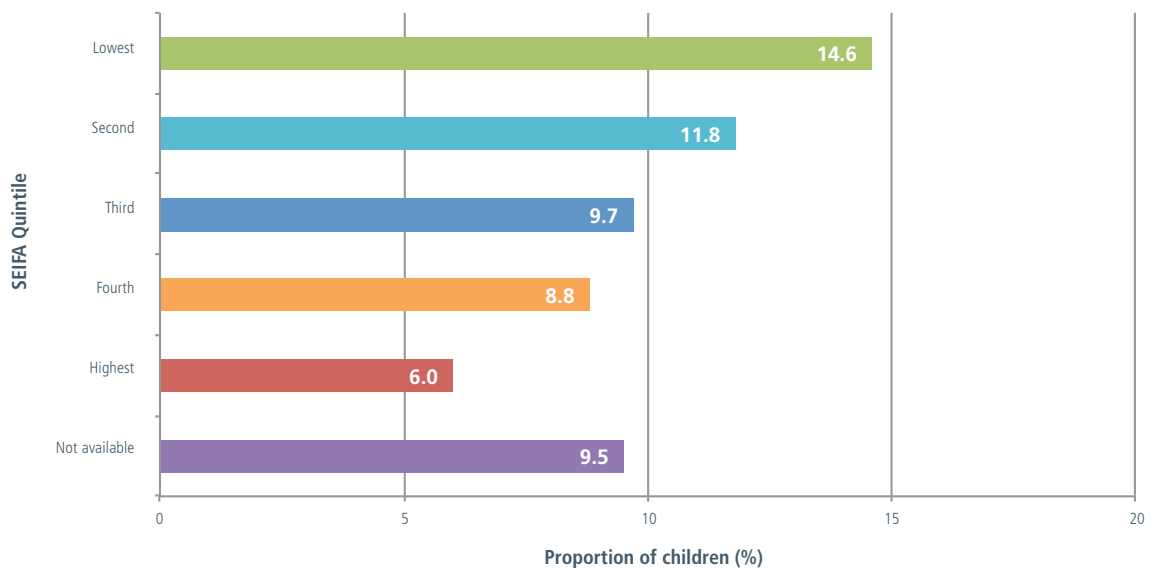
Early childhood education and socio-economic status

Educational disadvantage associated with SES begins early.¹⁰⁰ While the majority of children are doing well (i.e. 'on track') on each of the five AEDI developmental domains,¹⁰¹ some children from low SES communities are more likely to be developmentally vulnerable. Figure 6.2 shows the relationship between early development and SES for NSW children in 2009. Only 6.0 per cent of children living in the wealthiest communities (top 20 per cent, SEIFA quintile 5) were found to be developmentally vulnerable on two or more AEDI domains, compared with 14.6 per cent of children from the lowest, most-disadvantaged SES areas (bottom 20 per cent, SEIFA quintile 1).

Figure 6.2:

Proportion of children developmentally vulnerable on two or more AEDI domains, by SES, NSW, 2009

Source: Centre for Education Statistics and Evaluation analysis of 2009 AEDI data. (CESE 5d)



⁹⁹ The OECD defines equity in education to mean that personal or social circumstances such as gender, ethnic origin or family background, are not obstacles to achieving educational potential (fairness) and that all individuals reach at least a basic minimum level of skills (inclusion). Refer OECD 2012, *Equity and Quality in Education: Supporting Disadvantaged Students and Schools*

¹⁰⁰ The ABS SEIFA Index of Relative Socio-Economic Disadvantage (IRSD) is used in AEDI results, based on Census information that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. Every geographical area in Australia is given a SEIFA score that ranks the 'disadvantage' of an area, compared with other areas in Australia. To enable socio-economic comparisons, the suburb of residence of the child as recorded in the AEDI was matched to the ABS State Suburb Code (SSC) geography. The IRSD scores for the SSC were added to the AEDI dataset. Using SEIFA scores for all SSCs in Australia, quintiles (equal 20 per cent ranges) were calculated for these SSCs. Children's suburb of residence as recorded in the AEDI was categorised according to the SEIFA quintile to allow for comparisons.

¹⁰¹ The AEDI checklist measures five developmental areas or domains on entry to school: physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge.

School education and socio-economic status

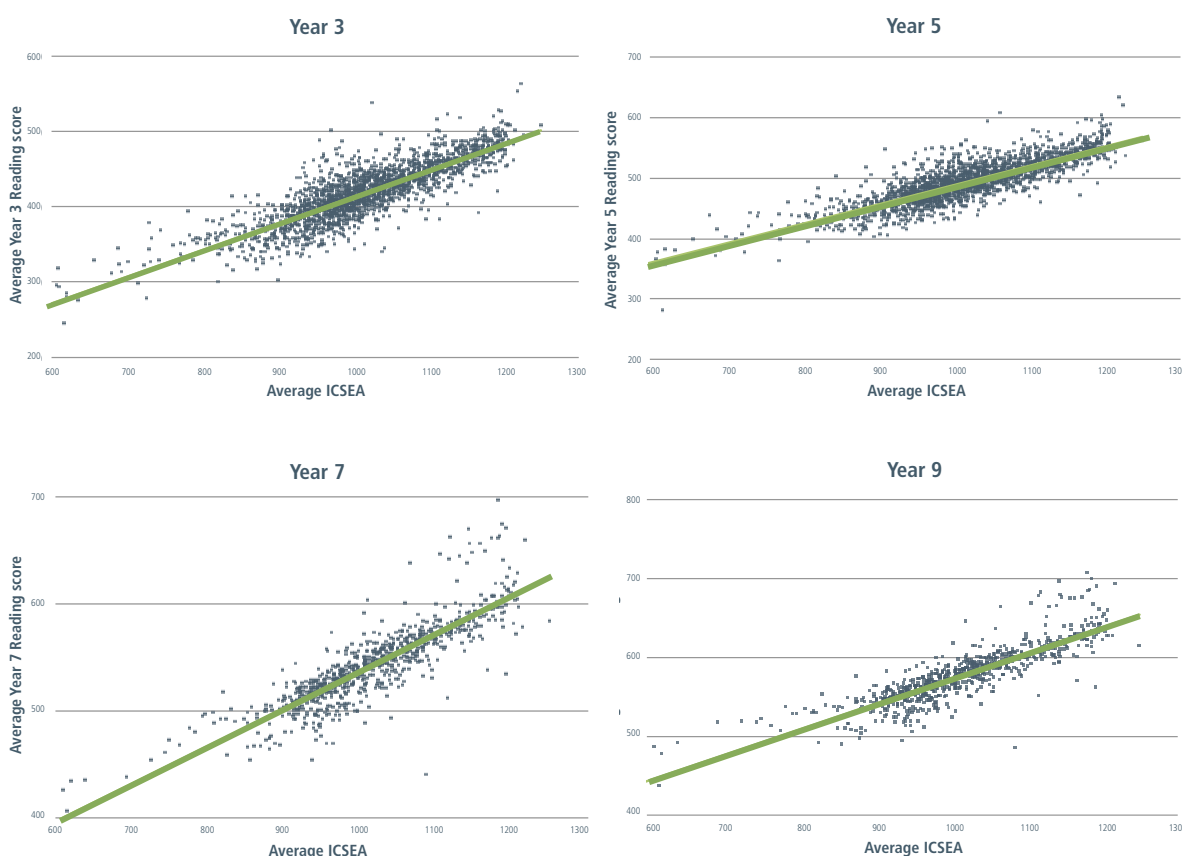
Outcomes from NAPLAN Reading and Numeracy assessments indicate that student mean scores tend to decrease in association with lower levels of parental education and occupation. Students whose parents hold a Bachelor degree or higher have the highest mean scores. This is also true for parents in occupations such as senior managers and professionals.

Schools in NSW vary considerably in the spread and concentrations of students from different SES backgrounds. The high correlation between family background and student outcome is illustrated in Figure 6.3, where average NAPLAN Reading scores for all NSW schools are plotted against school ICSEA (Index of Community Socio-Educational Advantage) values.¹⁰² There is a very strong positive correlation between school ICSEA scores and average NAPLAN Reading scores. Approximately 60-70 per cent of the variation in average school NAPLAN results can be explained by the school ICSEA score. This pattern is repeated across other NAPLAN domains (i.e. Numeracy, Writing, Grammar and Spelling).

Figure 6.3:

Average NAPLAN Reading scores (2010-12) by ICSEA averages (2010-12), NSW schools

Source: Centre for Education Statistics and Evaluation analysis of data from Australian Curriculum, Assessment and Reporting Authority 2013, *MySchool* data set (unpublished) (CESE 16b,c,d,e)



There is also a clear correlation between SES and completion of secondary education (or its vocational equivalent). ABS data¹⁰³ indicate 75 per cent of young people aged 20-24 years from the lowest quintile of SES had completed Year 12 or a VET qualification at AQF Certificate II or above in 2011 compared with 94 per cent of those from the highest SES quintile. In NSW, attainment rates at this level among students in the lowest quintile of disadvantage fell by 1.1 percentage points between 2006 and 2011.

¹⁰² Note there is no commonly agreed measure of socio-economic status that is used across the government, Catholic and independent school sectors in NSW. However, for each school, ACARA publishes a measure of educational advantage, known as the Index of Community Socio-Educational Advantage (ICSEA). ICSEA is a scale that allows a comparison of the levels of educational advantage or disadvantage students bring to school, and allows comparisons of the performance in literacy and numeracy of students in a given school with that of schools serving students with similar backgrounds. ICSEA was developed through the collection of student family background data and a combination of variables that have the strongest association with student performance. ICSEA values range from around 500 (representing extremely disadvantaged backgrounds) to about 1300 (representing schools with students from very advantaged backgrounds)

¹⁰³ ABS (unpublished) *Census of Population and Housing 2006 and 2011*, reported in SCRGSP *Report on Government Services 2014*, Table BA.36 (2011 data) and SCRGSP report to the CRC, *National Agreement performance information 2008*, June 2009, Table NEA.40 (2006 data)

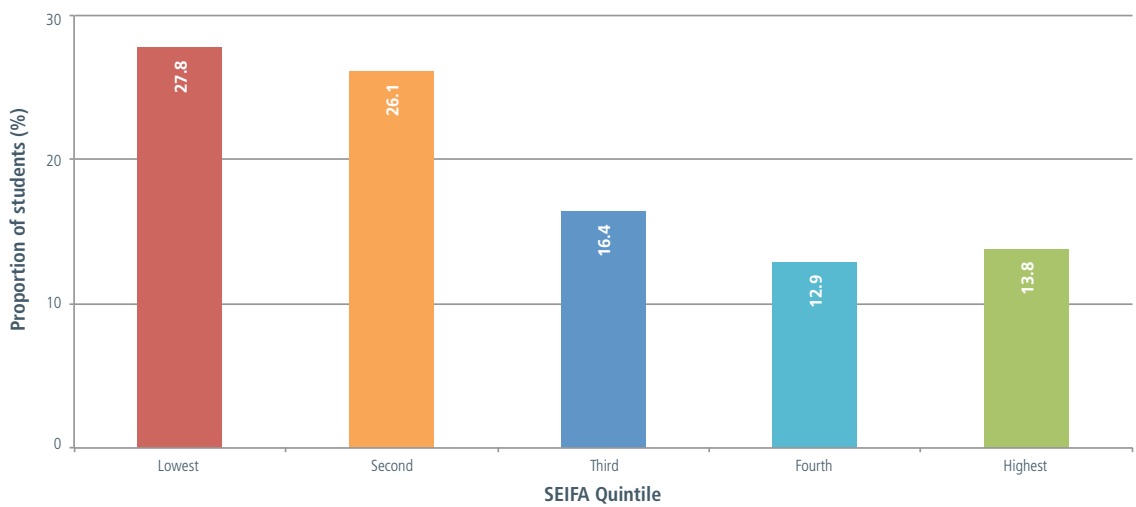
VET and socio-economic status

People from lower SES areas are over-represented in VET courses and under-represented in higher education courses.¹⁰⁴ As shown in Figure 6.4, 27.8 per cent of VET students come from the poorest 20 per cent of areas (as defined by SEIFA), whereas 13.8 per cent come from the wealthiest areas.

Figure 6.4:

Proportion of VET students by SES (SEIFA quintile), NSW, 2012

Source: NCVER Vocational Education and Training Provider Collection, 2008-2012, reported in Australian Government (forthcoming) *Annual National Report of the Australian Vocational Education and Training System 2012*, Canberra, Table NSW B.1 (CESE 9g)

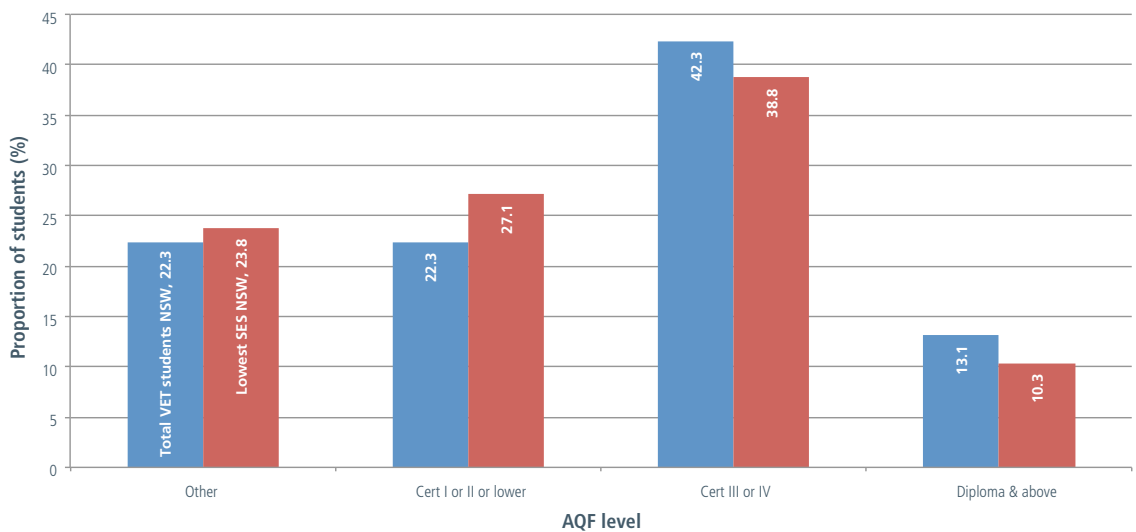


There is also a difference between students from high and low socio-economic backgrounds in terms of the courses they undertake. Figure 6.5 indicates in 2012, students from the lowest SEIFA quintile were more likely to undertake lower-level courses and less likely to undertake higher-level courses than the full cohort of students.

Figure 6.5:

Proportion of VET students by course level: all students and the most disadvantaged students (SEIFA Quintile 1), NSW, 2012

Source: NCVER, *Vocational Education and Training Provider Collection, 2008-2012*, reported in Australian Government (forthcoming) *Annual National Report of the Australian Vocational Education and Training System 2012*, Canberra, Table B3 (CESE 35a)



This figure also indicates that in NSW both the most disadvantaged students and all students were more likely to undertake 'other' (non-AQF) courses than their peers at national level.

¹⁰⁴ Throughout this report, the measures of SES for various indicators depend on the data source(s) and the agreed definitions for those indicators. Figure 6.4 refers to SES as measured by the ABS Socio-Economic Indexes for Areas (SEIFA) with Quintiles 1-5 representing lowest to highest SES. The ABS released a new version of SEIFA 2011 in March 2013. These indexes have been applied for 2011 and 2012 training data. The previous version of SEIFA (2006) is applied for training data between 2008 and 2010. Training data for 2008-2010 was based on postal areas and location mapped with ABS Statistical Local Area (SLA) to SEIFA 2006. Training data for 2011-2012 is based on postal areas and location mapped with ABS Statistical Area 2 (SA2) to SEIFA 2011.

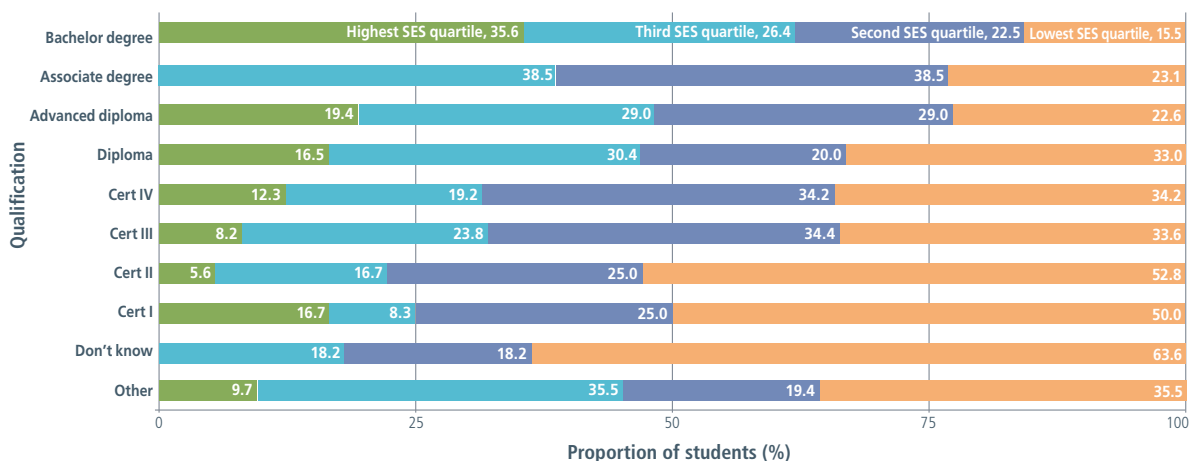
Higher education and socio-economic status

Figure 6.6 shows the expected courses of study among a surveyed sample of NSW school students who completed Year 12 in 2010, by their SES characteristics. If there was no relationship between SES and expectations for further study, responses would be distributed equally across each course of study. However, it can clearly be seen that students living in the wealthiest areas are over-represented among those expecting to study at AQF Bachelor level and under-represented among those expecting to study lower level qualifications.

Figure 6.6:

Expected courses of study of NSW Year 12 students by SES, 2010

Source: NSW Board of Vocational Education and Training (BVET) unpublished data (CESE 32a)



Rural and remote location

The COAG Reform Council notes that students and young people living in rural and remote areas across Australia generally experience educational disadvantage compared with those living in cities and regional centres.¹⁰⁵ This concentration of disadvantage also occurs in NSW, with outcomes evident in all sectors of education – from preschool to university.

Early childhood education and remoteness

The 2012 Brennan Review into Early Childhood Education in NSW¹⁰⁶ noted that only around 2 per cent of NSW children live in remote and very remote locations across 50 per cent of the state's landmass. Providing universal access to quality preschool for these children is a continuing challenge, with factors such as low concentrations of population and uneven utilisation rates conspiring to increase overheads and reduce economies of scale.

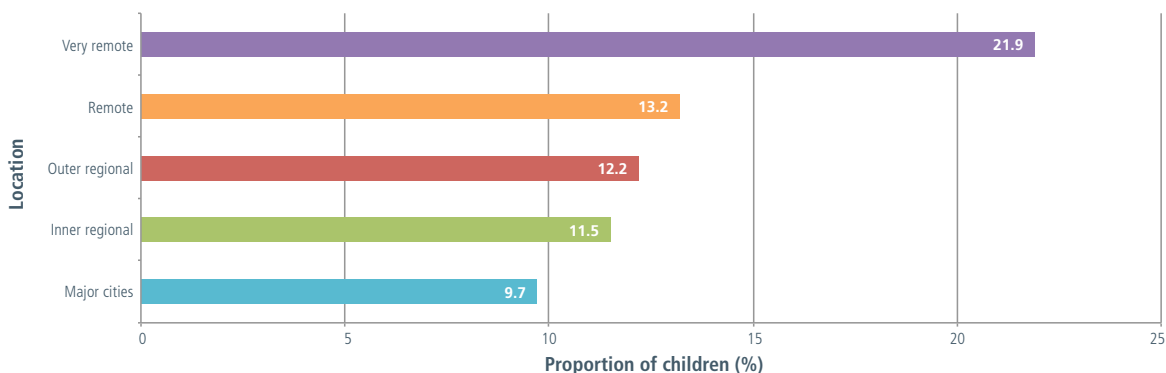
Physical access and transport to distant services may present significant barriers to participation for children in rural and remote locations. As Brennan noted, "access is more than just getting them through the door; it is getting them to the door in the first place".¹⁰⁷

Differences in outcomes for rural and remote children start to appear as early as the first year of school. AEDI data from 2012 reveals the more remote the region,¹⁰⁸ the more likely children are to be developmentally vulnerable on one or more domain/s (and particularly on two or more domains). For example, 9.7 per cent of children living in major cities were developmentally vulnerable on two or more AEDI domains, compared with 21.9 per cent of children living in very remote locations.

Figure 6.7:

Proportion of NSW children developmentally vulnerable on two or more AEDI domains, by location, 2012

Source: Centre for Education Statistics and Evaluation analysis of 2012 AEDI data (CESE 5a)



¹⁰⁵ COAG Reform Council 2013, *Skills in Australia 2012: Five years of performance*

¹⁰⁶ Brennan D 2012 *Review of NSW Government Funding for Early Childhood Education*, NSW Government

¹⁰⁷ *Ibid.*, p. 45

¹⁰⁸ The Australian Standard Geographical Classification (ASGC) Remoteness Areas were developed by the ABS to classify places of remoteness. Geographical areas are given a score based on the road distance to service towns of different sizes. Scores for regions are derived by averaging scores from a one square kilometre grid.

School education and remoteness

Around a quarter of NSW students attend schools outside metropolitan areas, with about 40 per cent of schools located outside metropolitan areas, including 3 per cent in remote and very remote areas.

While there are differences between rural and remote settings, some generalisations are very evident - student outcomes tend to become worse for students the further they are from major centres. There are also lower levels of attendance, engagement, and transition to further study, together with difficulties involved in recruiting, retaining and developing high-quality teachers and school leaders.

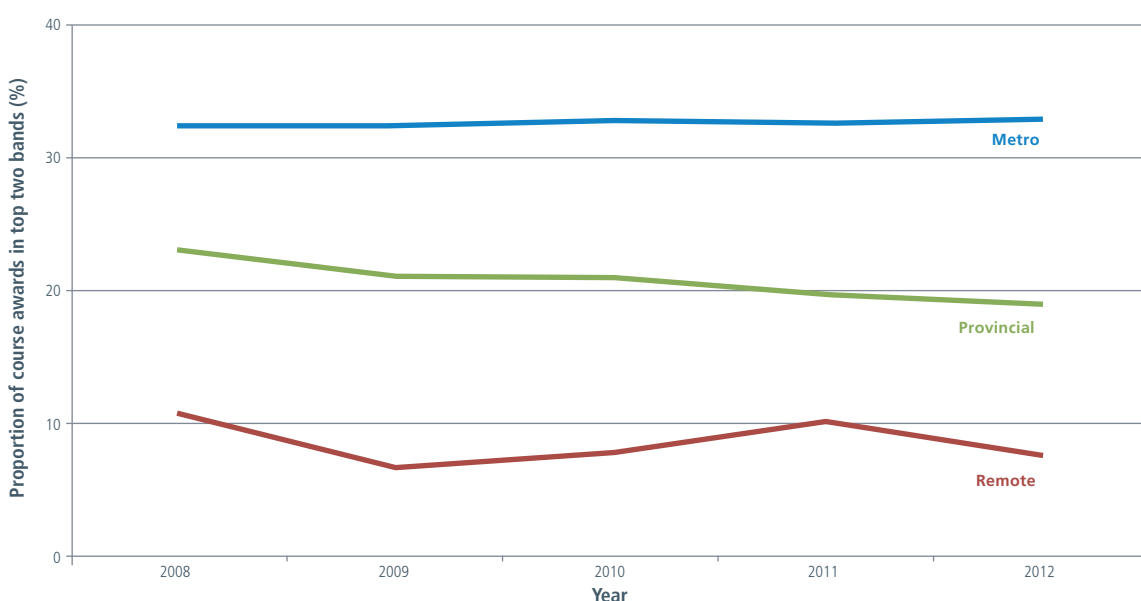
For example, across most cohorts and in all NAPLAN domains, proportions of students at or above the National Minimum Standard were highest for students living in metropolitan areas, followed by provincial and remote areas.¹⁰⁹

Data for government school students eligible for the 2012 HSC showed the performance gap was also influenced by location. Of all course awards attained in government schools in metropolitan areas, almost one-third (32.9 per cent) were in the top two performance bands, with 19.0 per cent of HSC awards in provincial schools at this level. Only 7.7 per cent of HSC awards in remote schools were for attainment in the top two bands (Figure 6.8).

Figure 6.8:

Proportion of all HSC course awards attained in metropolitan, provincial or remote schools, in the top two bands, 2008-12

Source: Centre for Education Statistics and Evaluation 2013, *Rural and remote education: Literature review* (CESE 16n)



Rural and remote students are also much less likely to undertake advanced and extension HSC courses in English and mathematics.¹¹⁰

¹⁰⁹ Centre for Education Statistics and Evaluation analysis of data from Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney. While for some groups in 2013 (e.g. Year 3 Reading) the proportion achieving the minimum standard was higher in very remote areas than in remote areas in 2013, the trend for very remote areas is more volatile due to the small number of students living in these areas and the data should therefore be treated with caution.

¹¹⁰ Centre for Education Statistics and Evaluation 2013, *Rural and remote education: Literature review*

VET and remoteness

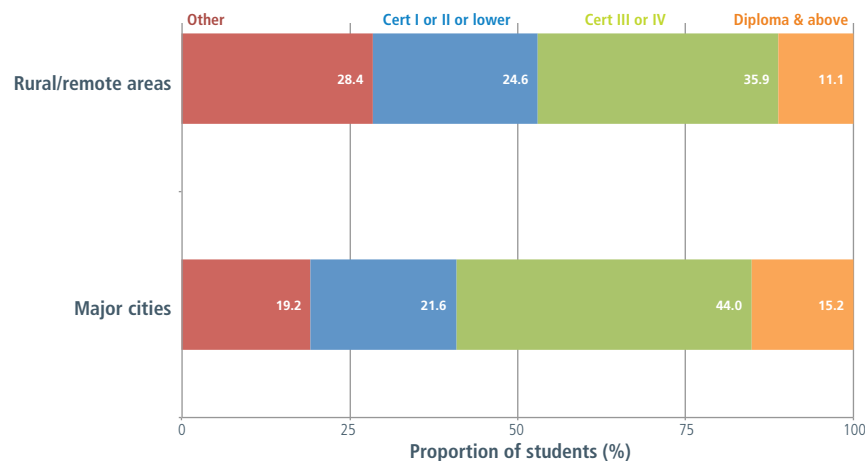
Young people living in non-metropolitan areas have higher rates of participation in VET than those from metropolitan areas. More than 21 per cent of people in remote and very remote areas in NSW (and around 13 per cent nationally) are enrolled in VET, compared with more than 6 per cent of the population in major NSW cities.¹¹¹

The types of courses undertaken by rural and remote students differ from those in metropolitan areas. As indicated in Figure 6.9, a higher proportion of remote and very remote VET students in NSW undertake AQF Certificate I or II and 'other' (non-AQF) courses than students in major cities. The proportion of rural and remote students undertaking courses at AQF Diploma level and above (11.1 per cent) is much lower than the proportion of VET students in major cities undertaking similar courses (15.2 per cent).

Figure 6.9:

Proportion of VET students in rural and remote areas and major cities, by course level, NSW, 2012

Source: NCVER, *Vocational Education and Training Provider Collection, 2008-2012*, reported in Australian Government (forthcoming) *Annual National Report of the Australian Vocational Education and Training System 2012*, Canberra, Table NSW B3 (CESE 16w)



Higher education and remoteness

As is often the case with vocational education and training, the effect of lower aspirations and poorer HSC results of rural and remote students (alongside structural barriers such as access to university campuses) can also be seen in lower enrolments at university. There is a relatively smaller share of university enrolments by students from schools in regional and remote locations – while around 26 per cent of the population live in regional areas, only around 17 per cent of higher education students come from these areas.¹¹²

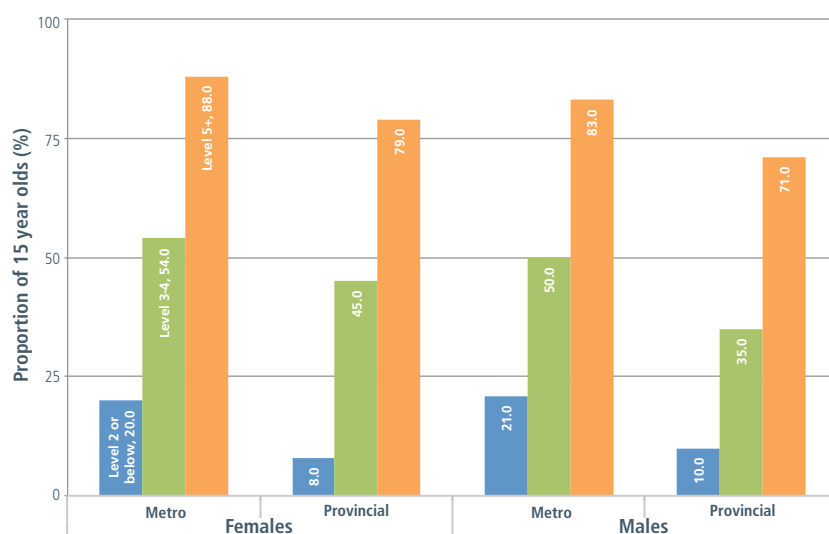
Living in a rural location exacerbates the effect of socio-economic background on tertiary expectations, with low (and middle) SES students in rural locations less likely to expect to attend university than their metropolitan peers. It also magnifies the effect of gender on university aspirations, with males from provincial areas being the least likely to aspire to attend university.

Even for high-performing students (in this example, those with the highest PISA Reading levels), living in a rural location may adversely impact on the aspirations for university, as shown in Figure 6.10.

Figure 6.10:

Proportion of NSW 15 year olds who expect to go to university, by PISA Reading levels, 2009

Source: Centre for Education Statistics and Evaluation analysis of data from PISA 2009 (CESE 16s)



¹¹¹ SCRGSP 2013, *National Agreement Performance Information 2012 - National Agreement for Skills and Workforce Development*, Table 11

¹¹² Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education *Higher Education Statistics 2012* and ABS (2012) *Regional Population Growth in Australia 2010-2011* Cat. No. 3218.0 reported in SCRGSP 2013, *National Agreement performance information 2012: National Agreement for Skills and Workforce Development*, Productivity Commission, Canberra, June 2013, Table AA.11 (using Australian Statistical Geography Standard (ASGS) definitions of 'regional' and 'remote').

Aboriginal and Torres Strait Islander students

There are several caveats on reporting progress towards closing the gap for Aboriginal and Torres Strait Islander people. The first concerns self-identification, which can vary over circumstance and time and across data collections. The second is that numbers are often too small to report differences between communities, usually resulting in one reported measure for all Aboriginal and Torres Strait Islander people. This can obscure instances where local communities and many outstanding individuals achieve at very high levels.

A third caveat is that many poorer outcomes are associated with co-existing factors such as health, income, mobility, concentrations in low SES communities, and remoteness. While these factors may all individually account to some extent for Aboriginal and Torres Strait Islander disadvantage, it is their combination and interaction that explains the differences in outcomes that are apparent at a population level.

Early childhood education and Aboriginal and Torres Strait Islander background

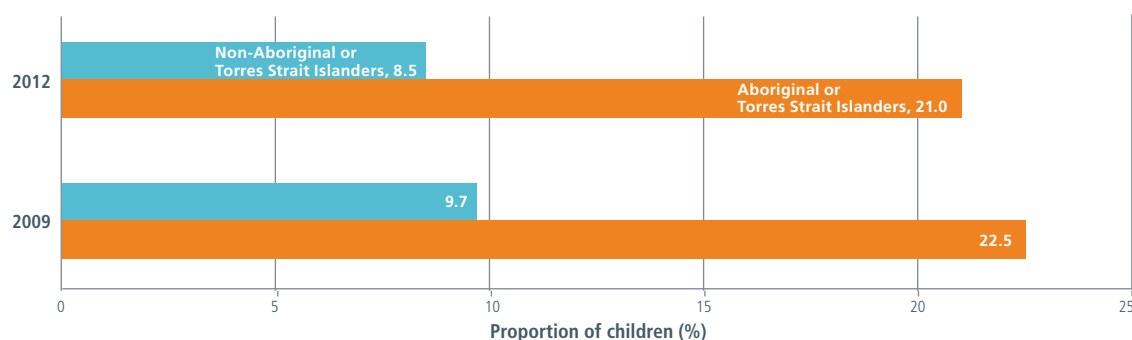
Aboriginal and Torres Strait Islander children attend preschool at much lower rates than others. The 2012 report of the Aboriginal and Torres Strait Islander Education Action Plan, notes that of those Aboriginal and Torres Strait Islander children enrolled, only 94.4 per cent were recorded as attending at some time during the two week data collection period.¹¹³ This compares with 97.9 per cent of all students.

Aboriginal and Torres Strait Islander students were more likely than their non-Aboriginal and Torres Strait Islander peers to be vulnerable in each of the AEDI domains, as indicated in Figure 6.11. The proportion of non-Aboriginal and Torres Strait Islander NSW students who were deemed to be vulnerable on two or more domains was 9.7 per cent in 2009 and 8.5 per cent in 2012. The comparable proportions for Aboriginal and Torres Strait Islander students were 22.5 per cent in 2009 and 21.0 per cent in 2012.

Figure 6.11:

Proportion of NSW children developmentally vulnerable on two or more AEDI domains, 2009 and 2012

Source: Centre for Education Statistics and Evaluation analysis of AEDI data (CESE 5e)



School education and Aboriginal or Torres Strait Islander background

In 2013, approximately 85 per cent of Aboriginal and Torres Strait Islander students were enrolled in government schools and 15 per cent were enrolled in schools in the non-government sector. Aboriginal and Torres Strait Islander students made up 6.5 per cent of students in government schools and 2.2 per cent in non-government schools.¹¹⁴

Although they represented 4.8 per cent of total students, these enrolments were distributed across 2,675 or 80 per cent of all schools, meaning there are very few pockets of concentration of Aboriginal and Torres Strait Islander students across NSW. Around 45 per cent were enrolled in schools in which they comprised fewer than 10 per cent of total student enrolments.

On a state-wide basis, while there is good retention of Aboriginal and Torres Strait Islander students to Year 10, the retention rate to Year 12 is far lower. Fewer than half of Aboriginal and Torres Strait Islander students complete school, compared with three quarters of other students.¹¹⁵

The participation rates for Aboriginal and Torres Strait Islander students in 2013 NAPLAN tests were lower than for non-Aboriginal and Torres Strait Islander students in all NAPLAN Reading and Numeracy assessments in NSW (and most notably in Year 9), although they were above the national average rates for Aboriginal and Torres Strait Islander students.

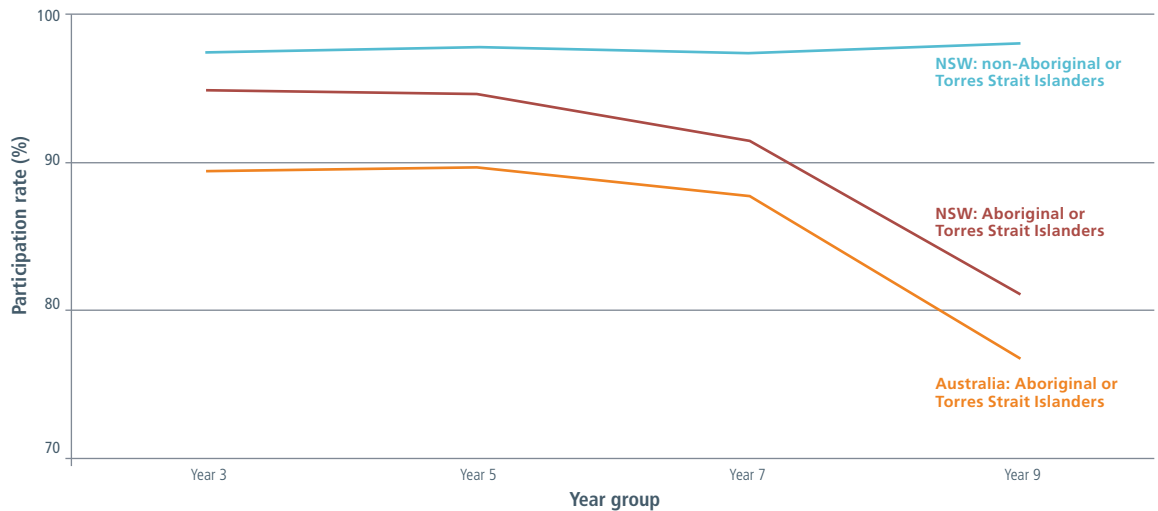
¹¹³ Ministerial Council for Education, Early Childhood and Youth Affairs, *Aboriginal and Torres Strait Islander Education Action Plan 2010-2014*

¹¹⁴ ABS, *Schools Australia*, 2013, Cat. No. 4221.0, Table 43

¹¹⁵ ABS, *Schools Australia*, 2013, Cat. No. 4221.0, Table 64a and based on full-time student enrolments. Note that with these data the apparent retention rates can exceed 100 per cent due to a number of factors including migration of students.

Figure 6.12:**Participation in NAPLAN Reading assessments, NSW and Australia, 2013**

Source: Centre for Education Statistics and Evaluation analysis of data from Australian Curriculum, Assessment and Reporting Authority 2013, *NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2013*, ACARA, Sydney, (Tables 3.CP2, 5.CP2, 7.CP2, 9.CP2) (CESE 3b)



At each year level and in each test domain for NAPLAN in 2013, a lower proportion of Aboriginal and Torres Strait Islander students were at or above the National Minimum Standard than other students in NSW. However, the gap between Aboriginal and Torres Strait Islander students and other students at or above the NMS significantly narrowed for most year levels in 2013.¹¹⁶ In 2013, the gap was smallest for Year 5 Reading (6.2 percentage points compared with 16.1 percentage points in 2012) and largest for Year 9 Numeracy (22.2 percentage points compared with 17.3 percentage points in 2012).

In 2013, NSW achieved encouraging results for Aboriginal and Torres Strait Islander students in Years 3 and 5 for Reading and Numeracy. For example, the proportion of Aboriginal and Torres Strait Islander students at or above the NMS in very remote areas was greater (by 13 percentage points) for Year 3 Reading than for those in remote areas. Similarly, the proportion at or above the NMS in very remote areas was greater (by 5.4 percentage points) for Year 3 Numeracy than for those in remote areas.¹¹⁷

VET and Aboriginal or Torres Strait Islander background

In VET, achievement gaps exist for Aboriginal and Torres Strait Islander students in relation to levels of participation, completion and qualification. On most of these indicators however, the gap is narrowing.

A NSW 2021 target is to increase by 20.0 per cent (to 2,760) the proportion of Aboriginal and Torres Strait Islanders holding AQF Certificate III qualifications and above by 2020.

Between 2006 and 2011 the proportion of Aboriginal and Torres Strait Islander 20-64 year olds with or working towards AQF Certificate III or above rose from 34.7 per cent to 40.5 per cent.¹¹⁸ While overall rates increased for all states and territories, only NSW and the ACT narrowed the gap on this measure (though only marginally) between Aboriginal and Torres Strait Islander people and others.

Aboriginal and Torres Strait Islander students are much more likely to be enrolled in lower-level VET courses and only half as likely to be enrolled in AQF Diploma level courses or above – for example 6.5 per cent of Aboriginal and Torres Strait Islander students are undertaking the higher-level courses compared with 13.1 per cent of all students.

¹¹⁶ Note that data relating to Aboriginal and Torres Strait Islander students is volatile due to small numbers, so changes from year to year must be interpreted with caution.

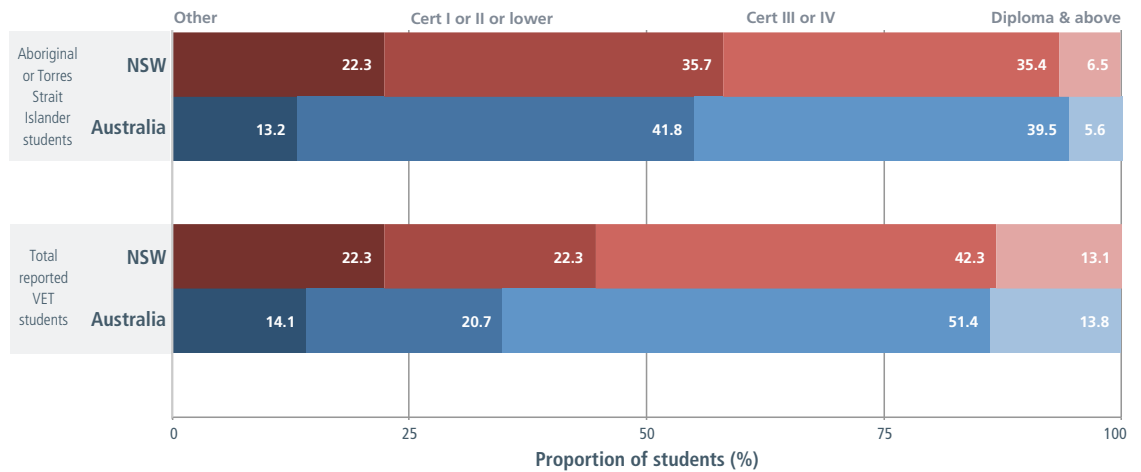
¹¹⁷ As noted previously, data for all students in remote and very remote areas, including Aboriginal and Torres Strait Islander students, are volatile and may change significantly from year to year due to small numbers. Data are not published for Reading and Numeracy for Year 7 and Year 9 Aboriginal and Torres Strait Islander students in very remote locations due to small numbers

¹¹⁸ COAG Reform Council, April 2013, *National Indigenous Reform Agreement - Indigenous Reform 2011-12: Comparing performance across Australia - Statistical supplement*, Tables NIRA.15.1 and NIRA.15.2

Figure 6.13:

Proportion of enrolments of Aboriginal and Torres Strait Islander VET students and all VET students by course level, Australia and NSW 2012

Source: Australian Government (forthcoming) *Annual National Report of the Australian Vocational Education and Training System 2012*, Canberra, Table B3 (CESE 9c)

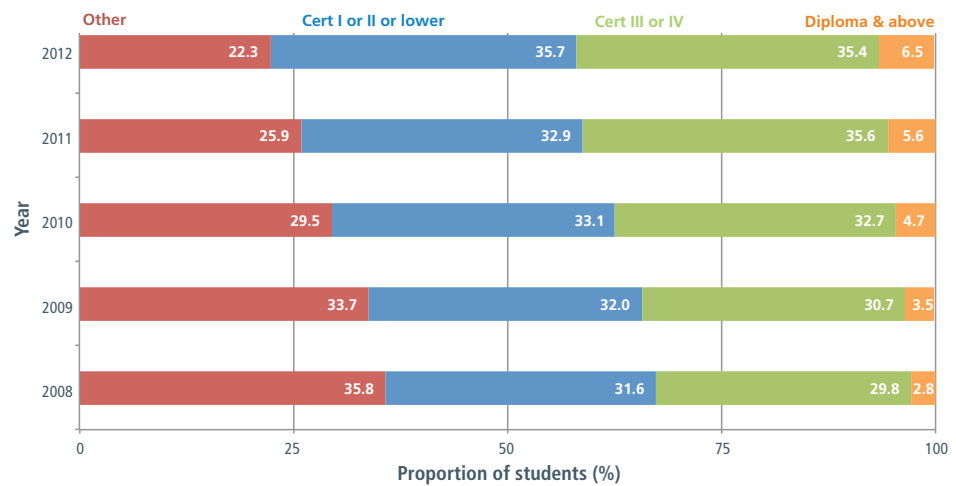


Despite the high numbers of students still undertaking lower-level courses, the proportions of Aboriginal and Torres Strait Islander students, at both NSW and national levels, enrolled in higher-level courses (AQF Certificates III and IV as well as AQF Diploma level) have been increasing since 2008, as shown in Figure 6.14.

Figure 6.14:

Proportions of Aboriginal and Torres Strait Islander VET students undertaking courses at various AQF levels, NSW, 2008-12

Source: Australian Government (forthcoming) *Annual National Report of the Australian Vocational Education and Training System 2012*, Canberra, Table B3 (CESE 9d)



Course completion for Aboriginal and Torres Strait Islander students in NSW is increasing at a greater rate than for their non-Aboriginal and Torres Strait Islander peers (37.6 per cent compared with 14.0 per cent between 2008 and 2011).¹¹⁹

As indicated in the earlier chapter on VET, outcomes for Aboriginal and Torres Strait Islander students were on track to meet the 2020 target for attainment of Year 12 or equivalent AQF Certificate II.¹²⁰

119 Australian Government (forthcoming) *Annual National Report of the Australian Vocational Education and Training System 2012*, Canberra, Table B11

120 ABS, *Census of Population and Housing*, reported in *NSW 2021 Performance Report 2012-2013*

Higher education and Aboriginal or Torres Strait Islander background

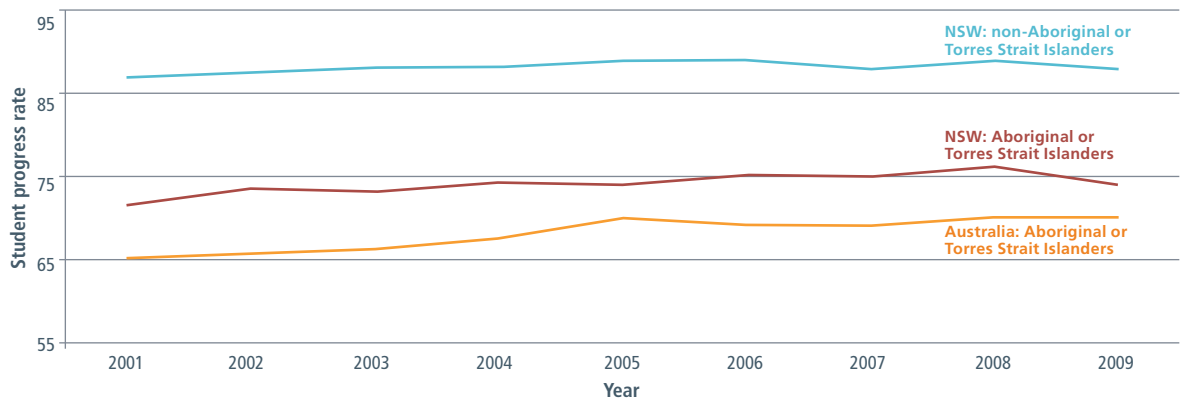
At national and state levels, Aboriginal and Torres Strait Islander people are significantly under-represented in the higher education system. While Aboriginal and Torres Strait Islander people represent around 2.5 per cent of the NSW population, they represented only 1.4 per cent of all higher education students in 2012.¹²¹

Students' progress rates are measured by comparing the proportion of units passed within a year compared with the total number of units enrolled. Aboriginal and Torres Strait Islander students in NSW have lower rates of progress (74.0 per cent) than non-Aboriginal or Torres Strait Islander students (88.0 per cent). However as indicated in Figure 6.15, NSW Aboriginal and Torres Strait Islander students achieve a greater rate of progress than Aboriginal and Torres Strait Islander students at a national level.

Figure 6.15:

Student progress rates, Aboriginal or Torres Strait Islander and other students, NSW and Australia, 2001-09

Source: DEEWR *Higher Education Statistics Collection* (unpublished), Tables 4A.7.19-27 (CESE 7a)



¹²¹ Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE) *Student 2012 Full Year: Selected Higher Education Statistics Publication*

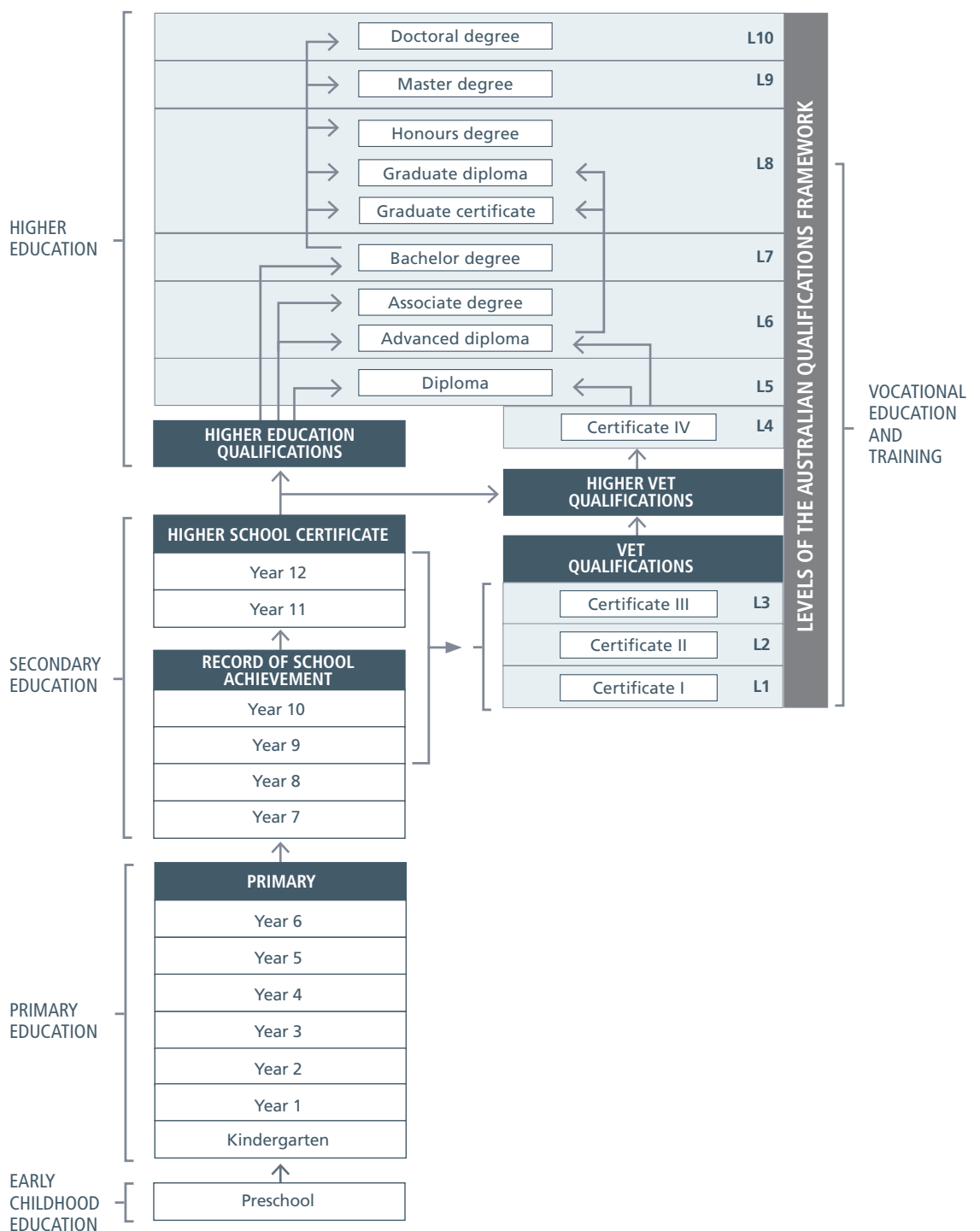
Appendix A: NSW Education system

Figure A.1:

Structure of the NSW education system

Source: Centre for Education Statistics and Evaluation. Note that in some instances, VET providers (in an additional role as higher education provider) may offer Associate Degree and Degree qualifications, however these qualifications are not VET qualifications.

Figure A.1 presents a schematic overview of the NSW education system as a whole. The figure shows how achievement levels relate to the Australian Qualifications Framework (AQF), and how each of early childhood education, school education, vocational education and training and higher education relate to one another. Note also that arrows in Figure A.1 denote possible pathways or progression, not strict equivalence across levels e.g. between the school and VET sectors.



Appendix B: Assessments and credentials

Australian Early Development Index (AEDI)

The AEDI is a measure of how young children are developing in Australian communities.

The AEDI is based on the Canadian Early Development Instrument (EDI) and is a population measure of children's development as they enter their first year of formal school. The assessment is delivered in partnership between the Commonwealth Government and state and territory governments, together with the Royal Children's Hospital Centre for Community Child Health, the Murdoch Children's Research Institute, and the Telethon Institute for Child Health Research, Perth. The Social Research Centre, Melbourne manages the AEDI data collection.¹²²

Teachers complete a checklist for children in their first year of formal full-time school. These five areas, or domains, are closely linked to the predictors of adult health, education and social outcomes:

- physical health and wellbeing
- social competence
- emotional maturity
- language and cognitive skills (school-based)
- communication skills and general knowledge.

The AEDI results allow communities to see how local children are doing relative to, or compared with, other children in their state or territory and across Australia. While the assessment is administered at school, the results are related to children's experiences and learning prior to their formal school years, so are presented in this report in the sections discussing early childhood education.

In 2012 the AEDI was completed nationwide for the second time, after its first administration in 2009. AEDI checklists were completed for 289,973 children (96.5 per cent of the estimated five-year-old population) across Australia. This involved 16,425 teachers from 7,417 government, Catholic and independent schools (95.6 per cent of schools with eligible children).

National Assessment Program (NAP)

The National Assessment Program¹²³ is the measure through which governments, education authorities and schools can determine whether or not young Australians are meeting important educational outcomes.

The National Assessment Program is run at the direction of the COAG Education Council (until 2014 the Standing Council on School Education and Early Childhood, or SCSEEC). It includes:

- the National Assessment Program — Literacy and Numeracy (NAPLAN)
- three-yearly NAP Sample Assessments in Science Literacy, Civics and Citizenship, and Information and Communication Technology (ICT) Literacy (not included in this report)
- international sample assessments.

The reported outcomes of the NAP enable the Australian public to develop a general national perspective on student achievement and, more specifically, an understanding of how their schools are performing.

NAPLAN

NAPLAN is an annual national assessment for all students in Years 3, 5, 7, and 9. All students in these year levels are expected to participate in tests in Reading, Writing, Language Conventions (spelling, grammar and punctuation) and Numeracy in May each year.¹²⁴ The assessments complement the wide range of formal and informal assessments that are already conducted in schools.

¹²² Data and reports available at www.aedi.org.au

¹²³ <http://www.nap.edu.au/>

¹²⁴ <http://www.nap.edu.au/naplan/naplan.html> and <http://www.boardofstudies.nsw.edu.au/naplan/>

NAPLAN tests are conducted at schools and administered by classroom teachers, school deputies or the principal. Each state and territory is responsible for marking the tests in accordance with strict guidelines and processes.

The first NAPLAN tests took place in 2008. The Australian Curriculum, Assessment and Reporting Authority (ACARA)¹²⁵ has responsibility for the central management of the NAPLAN. From the beginning of 2013, the NSW Board of Studies¹²⁶ (now the Board of Studies, Teaching and Educational Standards) became the NSW Test Administration Authority (TAA) and is responsible for the administration of the NAPLAN tests in all NSW schools. All government and non-government education authorities have contributed to the development of NAPLAN materials.

For students in Years 3 and 5, there are four tests covering Numeracy, Reading, Writing and Language Conventions (spelling, punctuation and grammar). For students in Years 7 and 9, there are five tests including two tests in Numeracy – a calculator-allowed test and a non-calculator test.

Results are available through comprehensive national reports released each year by ACARA.¹²⁷ Parents also receive reports for their own child.

International assessments

PISA

The Programme for International Student Assessment (PISA) is a triennial international survey sponsored by the OECD¹²⁸ which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students.

Around 510,000 students in 65 economies took part in PISA 2012. In Australia, 775 schools and 14,481 students participated. A relatively larger sample was taken in Australia as smaller jurisdictions and Aboriginal and Torres Strait Islander students were oversampled to ensure that reliable estimates could be inferred from these populations.

PISA seeks to measure how well students age 15 are prepared to use their knowledge and skills in particular areas to meet real-life challenges – i.e. how well students are able to apply what they learn at school.

Assessment tasks typically contain some text describing a real-life situation and a series of two or more items for students to answer about the text.

Since 2000, PISA has been conducted every three years, assessing reading literacy, mathematical literacy and scientific literacy. In each cycle the assessment areas are rotated so that one literacy domain is the major focus (the major domain), with a large amount of the assessment time being devoted to this domain compared with the other two literacy domains.

Table B.1:

Summary of assessment areas in PISA

PISA 2000	PISA 2003	PISA 2006	PISA 2009	PISA 2012
Reading literacy	Reading literacy	Reading literacy	Reading literacy	Reading literacy
Mathematical literacy	Mathematical literacy	Mathematical literacy	Mathematical literacy	Mathematical literacy
Scientific literacy	Scientific literacy	Scientific literacy	Scientific literacy	Scientific literacy

 Major domain

 Minor domain

¹²⁵ <http://www.acara.edu.au/default.asp>

¹²⁶ From 1 January 2014, a new body – the Board of Studies, Teaching and Educational Standards (BOSTES) brings together the functions previously provided by the Board of Studies NSW and the NSW Institute of Teachers.

¹²⁷ <http://www.nap.edu.au/results-and-reports/national-reports.html>

¹²⁸ <http://www.oecd.org/pisa/>

In PISA 2012:

- mathematical literacy was revisited as a major domain
- changes in mathematical literacy performance from PISA 2003 could be examined
- the assessment methodologies were expanded to include a computer-based assessment of problem solving and an optional computer-based assessment of mathematics
- financial literacy was offered as an optional assessment
- information was collected about students' motivation, beliefs and learning, specifically in relation to mathematics.

TIMSS

The International Association for the Evaluation of Educational Achievement (IEA)¹²⁹ is an independent, international cooperative of national research institutions and governmental research agencies, which conducts large-scale comparative studies of educational achievement and other aspects of education. Assessments include Trends in International Mathematics and Science Study (TIMSS).¹³⁰

The TIMSS assessment has measured trends in mathematics and science achievement in four-yearly cycles in Years 4 and 8 over the past 20 years. Australia has participated in TIMSS since it commenced in 1995 (five cycles), and it is incorporated into the NAP.

Australia was one of 52 countries participating in TIMSS (Year 4) in 2011. A stratified random sample of 280 Australian primary schools was selected to take part in the Year 4 assessment, including 44 schools in NSW (1077 students)¹³¹ – the same cohort of schools participating in PIRLS.¹³²

TIMSS 2011 (the most recent cycle) was the fifth assessment of mathematics and science achievement trends. TIMSS Advanced, which measures trends in advanced mathematics and physics for students in their final year of secondary school, was conducted in 1995 and 2008, and is scheduled for 2015 (with the sixth assessment of TIMSS).

The TIMSS assessments measure students' knowledge and understanding of relevant content, and the processes and behaviours expected to engage with this content (knowing, applying and reasoning). Students are assessed along an international benchmark to gauge their level of ability. There are four benchmark classifications: Advanced, High, Intermediate and Low. The Intermediate benchmark is generally considered the minimum standard for mathematics and science ability.

PIRLS

The Progress in International Reading Literacy Study (PIRLS)¹³³ is an international assessment of reading ability, also conducted by the IEA and administered every five years to Year 4¹³⁴ students in participating countries.

First assessed in 2001, PIRLS has been implemented on a regular five-year cycle since then. Most recently, PIRLS was expanded in 2011 to include prePIRLS, which is a less difficult version of the assessment.

PIRLS is used similarly to TIMSS to explore educational issues, including: monitoring trends, establishing goals and standards, stimulating curriculum reform, and improving teaching and learning.

Australia was one of 48 countries participating in PIRLS in 2011. A stratified random sample of 280 primary schools across Australia was selected to participate, including 44 schools from NSW (1067 students)¹³⁵. This was Australia's first year participating in PIRLS¹³⁶.

Scores on student assessments are classified according to international benchmarks that indicate reading ability. There are four benchmark classifications: Advanced, High, Intermediate and Low.

¹²⁹ <http://timss.bc.edu/#>

¹³⁰ TIMSS is directed by the International Association for the Evaluation of Educational Achievement (IEA) <http://timss.bc.edu/#>. In Australia, TIMSS is implemented by the Australian Council for Educational Research (ACER) <http://www.acer.edu.au/timss/australian-results-timss-pirls-2011>.

¹³¹ A weighted sample of students from each school

¹³² PIRLS and TIMSS administration cycles coincided for the first time in 2011, providing participating countries the opportunity to compare results across subject areas for the same cohort of Year 4 students.

¹³³ PIRLS is directed by the [International Association for the Evaluation of Educational Achievement](http://www.acer.edu.au/timss/australian-results-timss-pirls-2011) (IEA). In Australia, PIRLS is implemented by the [Australian Council for Educational Research](http://www.acer.edu.au/timss/australian-results-timss-pirls-2011) (ACER).

¹³⁴ The stage at which students typically transition from learning to read to reading to learn.

¹³⁵ A weighted sample of students from each school

¹³⁶ PIRLS is directed by the International Association for the Evaluation of Educational Achievement (IEA) <http://timss.bc.edu/#>. In Australia, PIRLS is implemented by the Australian Council for Educational Research (ACER) <http://www.acer.edu.au/timss/australian-results-timss-pirls-2011>.

NSW Credentials

Record of School Achievement (RoSA)

The RoSA¹³⁷ is a credential awarded to eligible students who leave school before completing all of the requirements for the Higher School Certificate. Students need to complete mandatory course requirements for Stage Five (Year 9 - Year 10) to be eligible for a RoSA.

The RoSA is a cumulative credential and includes results for all of the Stage 5, Preliminary and HSC courses a student has completed, as well as acknowledging courses in which the student was participating at the point of leaving school.

The RoSA requires mandatory completion of a number of subjects substantially studied in Years 7-10 – English, Mathematics, Science, Human Society and its Environment, Languages, Technological and Applied Studies, Creative Arts, Personal Development, Health and Physical Education.

Students who leave school prior to completing the Higher School Certificate, who do not meet the mandatory curriculum requirements for the RoSA may be issued with a Transcript of Study.

Higher School Certificate (HSC)

The HSC¹³⁸ is the highest educational award in NSW schools and is a credential that provides a foundation for students wishing to pursue tertiary qualifications, vocational training or employment. It is awarded to students who have satisfactorily completed Years 11 and 12, who have met HSC course requirements and sat for the requisite state-wide HSC examinations. Some schools offer the International Baccalaureate as an alternative to the HSC, but this qualification lies outside of the AQF.

To qualify for the Higher School Certificate students must satisfactorily complete a preliminary pattern of study comprising at least 12 units and an HSC pattern of study comprising at least 10 units. Both patterns must include:

- at least six units from Board-developed courses;
- at least two units of a Board-developed course in English;
- at least three courses of two units value or greater; and
- at least four subjects.

There are two main types of courses available for the Higher School Certificate:

- Board-developed courses are courses developed by the Board of Studies, Teaching and Educational Standards (BOSTES), NSW. They include courses in the areas of English, Mathematics, Science, Technology, Creative Arts, Personal Development, Health and Physical Education, Human Society and its Environment, Languages and Vocational Education and Training (VET) Curriculum Frameworks. Students must complete a formal, school-based assessment program and requisite state-wide HSC examination in these courses for satisfactory completion. The results from these courses may contribute to the calculation of an Australian Tertiary Admission Rank (ATAR).
- Board-endorsed courses include courses that may have been developed by the Board, schools or universities to meet specific needs of students not otherwise catered for in Board-developed courses. A range of VET courses, typically delivered through TAFE, are also endorsed for HSC study. Students must complete the required assessment program, but there are no state-wide examinations. They contribute to the HSC pattern of study requirements but do not contribute to the calculation of the ATAR.

Schools have discretion to offer courses beyond the Board's curriculum. However, if individual schools choose to teach material not developed or endorsed by the Board, this will not be acknowledged on the HSC credentials.

Students complete school-based assessments as part of their HSC Board-developed courses, which together contribute 50 per cent of their final HSC mark for a course (except VET courses). Tasks may include tests, written assignments, practical activities, fieldwork and projects. The HSC assessment mark and HSC examination mark, together form an overall HSC mark for each course studied. The HSC mark also determines the performance band for a course.

HSC marks all contribute to calculating an ATAR if the student has requested an ATAR from the Universities Admissions Centre (UAC).¹³⁹

137 <http://www.boardofstudies.nsw.edu.au/rosa/>

138 http://www.boardofstudies.nsw.edu.au/hsc_assessment_policies/

139 <http://www.uac.edu.au/undergraduate/atar/>

Other credentials

Australian Tertiary Admission Rank (ATAR)

The ATAR is provided by the UAC and is a measure of a student's overall academic achievement in the Higher School Certificate (HSC) in relation to other students. (In contrast, HSC marks provide information about how well a student has performed in each of the courses they have completed.)

The ATAR is calculated for institutions to rank and select school leavers for admission to tertiary courses, though other selection criteria may also be used. It is a number between 0.00 and 99.95 with increments of 0.05. An ATAR of 80.00 indicates that a student is in the top 20 per cent of candidates.

To receive an ATAR, a student must satisfactorily complete at least 10 units of ATAR eligible courses. However, not all HSC courses contribute to ATAR scores – courses must be Board-developed courses for which there are examinations conducted by BOSTES that yield graded assessments. English Studies and Life Skills courses are not ATAR courses. If students wish to have a VET Industry Curriculum Framework course contribute to their ATAR eligibility requirements and calculation, they must enrol in the appropriate additional examination course and complete the examination.

To be eligible for an ATAR, HSC courses must include at least:

- eight units from Category A courses
- two units of English
- three ATAR courses of two units or greater
- four subjects.

In general terms, the cut-off for a university course indicates the minimum ATAR needed by the majority of Year 12 applicants when offers were made in the January main round. Institutions have alternative pathway schemes for admission, which may allow students to receive an offer to a course even with an ATAR below the cut-off.

Bonus points may be awarded for particular subjects or to students from particular locations and may also be awarded to Educational Access Schemes (EAS) applicants. Bonus points do not change a student's ATAR, but change the selection rank for a particular course preference.

International Baccalaureate (IB)

The International Baccalaureate® (IB) was founded in Geneva, Switzerland in 1968 as a non-profit educational foundation.¹⁴⁰ The foundation does not operate its own schools, but offers programs of study for students in primary and secondary years.

Since 1978, the International Baccalaureate (IB) has been delivered in Australia as an alternative curriculum in some non-government schools. The IB Diploma Program (IBDP) is offered in 16 NSW non-government schools as an alternative senior secondary credential.

The IBDP requires candidates to undertake:

- one subject from each of five groups, ensuring breadth of knowledge and understanding in their best language, additional language(s), the social sciences, the experimental sciences and mathematics
- an additional subject in either an arts subject from group 6, or a second subject from groups 1 to 5.

IBDP candidates must also undertake:

- an extended essay: an in-depth study of a question relating to a subject they are studying
- theory of knowledge: a subject that encourages candidates to inquire into the nature of knowing and deepen their understanding of knowledge as a human construction
- creativity, action, service (CAS): candidates undertake experiential learning.

International Baccalaureate (IB) Diploma candidates are not eligible to receive an ATAR. Students who have been awarded the IB Diploma or Bilingual Diploma will receive a UAC rank based on their total IB score.

¹⁴⁰ <http://www.ibo.org/country/AU/>

Appendix C: NSW 2021 – goals and indicators

The NSW State Plan – *NSW 2021: A Plan to Make NSW Number One*, has two sets of goals that relate specifically to education and training. They are grouped in Goal 15 as six indicators related to school education and in Goal 6 as two indicators related to post-school education and training.

Goal 15: Improve education and learning outcomes for all students¹⁴¹

All children have access to quality early childhood education

- All children in NSW have access to a quality early education program in the 12 months prior to formal schooling by 2013.

Improve student achievement in Literacy and Numeracy

- Increase the proportion of NSW students in Years 3, 5, 7 and 9 at and above the National Minimum Standard for Reading and Numeracy.
- Increase the proportion of NSW students in Years 3, 5, 7 and 9 in the top two performance bands for Numeracy and Reading.
- Participation of NSW students in NAPLAN tests consistently exceeds the national average for participation.

More students finish high school or equivalent

- 90 per cent of 20 -24 year olds have attained a Year 12 or AQF qualification at AQF Certificate II or above by 2015.
- 90 per cent of 20 -24 year olds have attained a Year 12 or AQF qualification at AQF Certificate III or above by 2020.

Schools have high expectations for all their students

- Improve Year 12 completion rates for students in low ICSEA¹⁴² schools.
- Halve the gap in Year 12 or equivalent attainment for Aboriginal 20-24 year olds by 2020.
- Halve the gap between NSW Aboriginal and non-Aboriginal students in Reading and Numeracy by 2018.
- 90 per cent of 20-24 year olds in rural and regional NSW have attained a Year 12 or AQF Certificate III qualification or above by 2020.
- 60 per cent of all NSW students with a confirmed disability have a personalised learning and support plan by 2020.

Improve the quality of all teaching

- Increase the number of teachers seeking and gaining accreditation at Accomplishment and Leadership levels.

¹⁴¹ Progress towards several of these targets includes provision through the VET sector of Year 12 equivalents (AQF Certificate II and III qualifications)

¹⁴² Index of Community Socio-Educational Advantage

Goal 6: Strengthen the NSW skill base

More people gain higher-level tertiary qualifications

- 50 per cent increase in the proportion of people between the ages of 20 and 64 with qualifications at AQF Certificate III and above by 2020.
- 100 per cent increase in the number of completions in higher-level qualifications at AQF Diploma level and above by 2020.
- 20 per cent increase in the number of completions in higher-level VET qualifications at AQF Certificate III and above by women in 2020.
- 20 per cent increase in the number of completions in higher-level VET qualifications at AQF Certificate III and above by students in regional and remote NSW by 2020.
- 20 per cent increase in the number of completions in higher-level VET qualifications at AQF Certificate III and above by Aboriginal students by 2020.
- 44 per cent of 25-34 year olds hold a Bachelor level qualification or above by 2025.
- 20 per cent of undergraduate enrolments are students from low socio-economic backgrounds by 2020.

More young people participate in post-school education and training

- 90 per cent of young people who have left school are participating in further education and training or employment by 2020.
- 10 per cent increase in the number of apprenticeship and traineeship completions by 2016, including in rural and regional NSW.

Appendix D: Early childhood education and care - context, policy and governance

Context of early childhood education and care

1. Providers			
Early childhood education and care providers include:	Centre-based services	Long day care Preschool Occasional care	
	Family day care	(with registered carer)	
	Home-based care	(with registered carer)	
	Mobile services	Long day care, preschool and occasional care not delivered through a centre	
Service providers offering a preschool program, NSW, 2013	Long day care	2,136	(71%)
	Community-managed Preschools	751	(25%)
	Preschools in government schools	100	(3%)
	Independent schools	18	(<1%)
	Catholic schools	5	(<1%)
<p>Note: Numbers of non-government providers may represent an under-count as data are derived from self-reported information from services, reported in the ECEC Preschool Census 2013.</p> <p>Source: NSW Department of Education and Communities, <i>ECEC Preschool Census 2013; Schools Mid Year Census 2013; and NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education (forthcoming)</i></p>			

2. Enrolments			
Enrolments of children participating in preschool programs in the year prior to school	Long day care	2011	39,341
		2012	47,985
		2013	57,486
	Community preschools	2011	35,623
		2012	35,675
		2013	33,890
	Government preschools	2011	4,371
		2012	5,086
		2013	4,785
<p>Note: For National Partnership performance reporting purposes, the year prior to school is defined as children aged 4 and 5 as at 31 July of the reporting year.</p> <p>Under the current National Partnership Agreement on Universal Access to Early Childhood Education, stricter definitions for a quality ECE program are used, resulting in slightly lower enrolment figures for community and government preschools in 2013.</p> <p>Source: NSW Department of Education and Communities, <i>NSW 2013 Supplementary Data Report under the National Partnership Agreement on Universal Access to Early Childhood Education (forthcoming)</i></p>			

3. Workforce¹⁴⁴

Total workforce in early childhood education and care, 2013	Primary contact staff (FTE)	31,366
	Administrative staff (FTE)	2,149
	Other staff (FTE)	832
	Family day carers (FTE)	4,660
	Unpaid staff	325

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.35

Proportion of early childhood education and care workforce with qualifications at or above AQF Certificate III, 2013	2010	63.9%
	2013	73.5%

Note: Does not include family day care or in-home care carers, Aboriginal playgroups and enrichment programs and mobile and toy library services.

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.36

Proportions of workers with highest levels of qualification, NSW, 2013	Principal/ director/ coordinator/ teacher-in- charge (n=1535)	Graduate 4 yrs and above	48.1%
		Bachelor degree (3 yrs) or equivalent	45.5%
		Advanced Diploma/Diploma/Certificate	7.9%
		N/A	0.3%
	Group leader/ teacher (n=3858)	Graduate 4 years and above	36.7%
		Bachelor degree (3 yrs) or equivalent	46.8%
		Advanced Diploma/Diploma/Certificate	16.2%
		N/A	0.1%
	Assistant/ aide (n=6694)	Graduate 4 yrs and above	0.7%
		Bachelor degree (3 yrs) or equivalent	0.9%
		Advanced Diploma/Diploma/Certificate	79.6%
		N/A	18.8%
	Other (n=2365)	Graduate 4 yrs and above	1.6%
		Bachelor degree (3 yrs) or equivalent	0.8%
		Advanced Diploma/Diploma/Certificate	86.8%
		N/A	10.7%

Note: Percentages may add up to more than 100% as measure is episodes of workers, not individual workers

Source: ABS *Preschool Education 2013*, Data Tables, Table 32

143 At the time of writing, workforce data from the 2013 *National Early Childhood Education and Care Workforce Census* was preliminary only.

4. Funding

Government expenditure on childcare and preschool services, NSW, 2012-13

Commonwealth	\$1.8 billion (87.4%)
NSW	\$252.8 million (12.6%)
Total	\$2.0 billion

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.4 and 3A.5

NSW Government real expenditure on childcare and preschool services, 2009/10 – 2012-13

2009/10	\$234.5 million
2010/11	\$230.3 million
2011/12	\$244.0 million
2012/13	\$252.8 million

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.5

Commonwealth real recurrent expenditure on childcare services per child in the NSW community (\$ per child)

2009/10	\$1,059
2010/11	\$1,166
2011/12	\$1,300
2012/13	\$1,452

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.50

NSW Government real recurrent expenditure on childcare services per child in the NSW community (\$ per child)

2009/10	\$197
2010/11	\$194
2011/12	\$205
2012/13	\$210

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 3A.51

National and state policy reforms

The early childhood education sector is undergoing extensive policy reform and substantial government investment at state and national levels – summarised in Figure D.1 below.

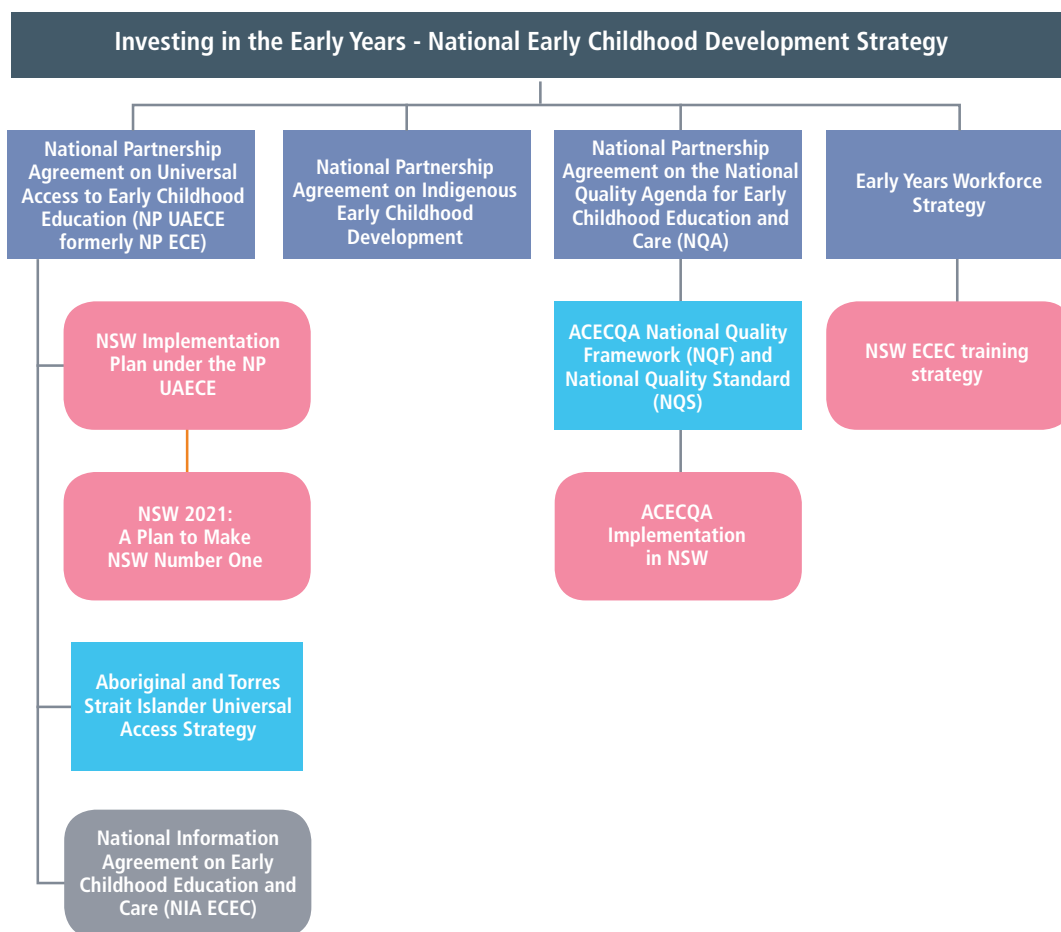
Reform is occurring at national and state levels

The Commonwealth Government's Investing in the Early Years—National Early Childhood Development Strategy – has a goal that by 2020 all children will have the best start in life to create a better future for themselves and for the nation. This strategy focuses on how the early childhood development system can engage with, and respond to, the needs of young children and their parents, families and carers.

Figure D.1:

Framework of early childhood education and care policies

Source: Centre for Education Statistics and Evaluation (CESE 20a)



A key reform is providing universal access to quality early childhood education

In 2008, the Council of Australian Governments initiated the National Partnership Agreement on Early Childhood Education (NP ECE). This agreement introduced major reforms to improve access to quality early childhood education and to strengthen the supply and integration of preschool programs.

Upon expiry of the NP ECE in July 2013, a new National Partnership Agreement on Universal Access to Early Childhood Education (NP UAECE) was signed by all Australian governments, reaffirming their commitment to maintain universal access to a quality early childhood education program:

- for children in the year before full-time school;
- with a focus on improved participation of vulnerable and disadvantaged children;
- in a manner that meets the needs of children, parents and communities and ensures that cost is not a barrier to participation;
- that is available for a minimum of 600 hours per year;
- that is accessible across a diversity of settings; and
- that is delivered by a qualified early childhood teacher.

The National Partnership on Universal Access to Early Childhood Education (NP UAECE) expires on 31 December 2014 and is currently being reviewed.

Aboriginal and Torres Strait Islander families are a particular focus for the sector

The Aboriginal and Torres Strait Islander Universal Access Strategy was initiated in 2011 in recognition of the unique challenges that need to be addressed to ensure universal access and increased participation is achieved for Indigenous children as part of the NP ECE and the National Indigenous Reform Agreement (NIRA) – Closing the Gap.

Four key focus areas were identified to determine how ECE programs can best cater to the needs of Aboriginal children in NSW and how services can work with communities and families to increase attendance and engagement with Aboriginal children:

- access to early childhood education
- positive community awareness and engagement
- quality early childhood programs and activities
- culturally aware and sensitive teachers and support staff.

To address the need to improve services for Aboriginal children, the strategy also includes the National Partnership Agreement on Indigenous Early Childhood Development that aims to establish nine new Children and Family Centres in NSW, offering integrated early learning, childcare and family support programs.

Reforms are focusing on the quality of early childhood education services

The National Early Childhood Development Strategy highlights the importance of communities, non-government organisations and government in shaping children's early childhood education and care through improved access and quality. A major reform is the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (NQA). The NQA agreement covers long day care, family day care, preschools and outside-school-hours care services but does not apply to some other types of services, including occasional care, in-home care, Multifunctional Aboriginal Children's Services and mobile services.

In January 2012, the Australian Government introduced the National Quality Framework (NQF) that aims to raise quality and drive continuous improvement and consistency in early childhood education and care services. A national legislative framework was established to create a jointly governed, uniform, national approach to the regulation and quality assessment of education and care services and replaces existing separate licensing and quality assurance processes.

A new national body, Australian Children's Education and Care Quality Authority (ACECQA) oversees the NQF to ensure the consistent and effective implementation of the new system.

The National Quality Standard (NQS) sets a new national benchmark for the quality of education and care services in seven quality areas:

- Educational program and practice
- Children's health and safety
- Physical environment
- Staffing arrangements
- Relationships with children
- Collaborative partnerships with families and communities
- Leadership and service management.

The Department of Education and Communities is the Regulatory Authority for ACECQA in NSW. Authorised officers from the department assess and rate services using the seven quality areas, 18 standards and 58 elements that make up the NQS.

To determine a service's rating, firstly all 58 elements are assessed as being 'met' or 'not met'. The 18 standards are then rated. If all elements in a standard are met, the standard will be rated as 'meeting NQS' or 'exceeding NQS'. If one or more elements in the standard are not met, then the standard will be rated as 'working towards NQS'. Each quality area is then rated by calculating the rating of all of the standards within the quality area – as shown in Figure D2.

Figure D.2:**QF Quality areas and rating scale**

Source: Australian Children's Education and Care Quality Authority (ACECQA) National Quality Framework (CESE 26f)

		SIGNIFICANT IMPROVEMENT REQUIRED	WORKING TOWARDS NQS	MEETING NQS	EXCEEDING NQS	EXCELLENT
1 Educational program & practice						
2 Children's health & safety						
3 Physical environment						
4 Staffing arrangements						
5 Relationships with children						
6 Partnerships with families & communities						
7 Leadership & service management						

NSW 2021 highlights the need to improve access for all children

Improving access for all children to quality early childhood education in the 12 months prior to formal schooling is a major priority in *NSW 2021: A Plan to Make NSW Number One*. The target in the early childhood education sector is for all children in NSW to have access to a quality early childhood education program in the 12 months prior to formal schooling by 2013.

The plan identifies three priorities:

- To conduct a review of funding of early childhood education in NSW
- To ensure priority access to early childhood education for Aboriginal children and children from disadvantaged backgrounds
- To implement the national quality agenda to improve the quality of early childhood education by improving educator-to-child ratios and increasing the number of qualified early childhood educators.

Quality early childhood education requires a skilled workforce

A well-qualified workforce is critical to increasing the supply of early childhood education and care. The Standing Council on School Education and Early Childhood (SCSEEC, now the Education Council) initiated the Early Years Workforce Strategy 2012-2016 to attract and retain a diverse ECEC workforce, to improve the level of qualifications and professionalism of the workforce.

Staffing requirements of the NQF such as qualifications and educator-to-child ratios will be phased in between 2012 and 2020. Significant policy reforms have also been initiated to address labour shortages through the provision of financial support for education and upgrading of qualifications.

The NSW Government's ECEC training strategy, *New skills: Quality care*, offers subsidised education, training and assessment to help ECEC workers meet new NQF requirements. A key NQF requirement is the majority of workers in licensed children's services providers must either hold or be working towards a qualification at AQF Certificate III level or above in Children's Services by January 2014. State Training Services has estimated about 5,800 workers in NSW will need to be up-skilled to the AQF Certificate III level.¹⁴⁴

Initiatives developed in partnership with the Australian Government include: traineeships and scholarships in the early childhood sector; removing TAFE course fees for vocational education and training qualifications in early childhood; creating more university places for early childhood education and reducing university HECS-HELP debt for early childhood education teachers working in areas of high need, such as regional and remote areas and in Aboriginal and Torres Strait Islander communities.

144 NSW Department of Education and Communities 2013

NSW funding reforms

The Brennan Review identified key reform strategies

The NSW Government initiated the Brennan review¹⁴⁵ of funding for early childhood education in 2011. The aim of the review was to recommend funding strategies to increase access to high-quality early childhood education for all children in the year before formal schooling. The review also sought to identify strategies to improve the quality of early childhood education services and promote more equitable access for Aboriginal children and children from disadvantaged backgrounds.

To address issues of affordability of early childhood education, the NSW Government distributed \$20 million to reduce fees for families with a 4- or 5-year-old child in a community-based preschool in 2013. The focus on 4 to 5 year olds is a condition of Commonwealth funding under NP ECE and is in line with the NSW Government's commitment to boost preschool participation in the year before school. The money went to preschool services as a one-off funding boost to be passed on to eligible families as fee reductions (or as a rebate if fees have been prepaid). A \$5 million capital works program is under way to support the creation of new preschool places in not-for-profit, community-based preschools wishing to expand their services in selected regional or remote areas.

New funding model announced for community preschools in 2014

In October 2013, the Minister for Education announced a new funding model¹⁴⁶ which will make \$150 million available for community preschools.

Under the new Preschool Funding Model:

- 95 per cent of preschools will see an increase in their base funding rate
- The highest base funding rate will increase from \$2,950 to \$5,270
- The minimum base rate will increase from \$1,250 to \$1,805
- Loadings for Aboriginal children aged 3 years or older will increase from \$3,300 to \$5,270
- Preschools in remote areas will have a 45 per cent increase in service loadings
- No service will receive less funding in the first two years.

The model is designed to direct the highest increases to children from disadvantaged families and will provide an additional year of access to three-year-old Aboriginal or Torres Strait Islander children.

Governance

National reforms in the early childhood education and care sector are overseen by the COAG Education Council (formerly the Standing Council on School Education and Early Childhood, or SCSEEC and supported at the senior official level by an Early Childhood Policy Group. The Australian Children's Education and Care Quality Authority (ACECQA) is the national authority responsible for guiding the implementation of the National Quality Framework for Early Childhood Education and Care. The Department of Education and Communities is responsible for regulating the operation of early childhood education and care services in NSW.

In mid-2011, responsibility for early childhood education and care was transferred from the former Department of Family and Community Services to the Department of Education and Communities. The change realised an important milestone in the NSW Government's reform agenda for early childhood education and care, locating early learning in the context of an educational continuum that spans from preschool to tertiary-level study and promoting the role played by early childhood education in preparing children for success at school and beyond.

¹⁴⁵ Brennan, D et al (2012), Review of NSW Government Funding for Early Childhood Education

¹⁴⁶ The Hon. Adrian Piccoli, Media release, 23 October 2013, <http://www.dec.nsw.gov.au/about-us/news-at-det/media-releases1/more-funding-and-a-new-funding-model-for-preschools>

Appendix E:

School education - context, policy and governance

Context of school education

1. Students		Government	Catholic	Independent	Total
Total student enrolments (FTE) 2013	Primary	448,759 (69.3%)	128,763 (19.9%)	69,634 (10.8%)	647,156 (100%)
Source: ABS <i>Schools Australia, 2013</i> ; Table 43a	Secondary	306,587 (60.5%)	122,607 (24.2%)	77,809 (15.3%)	507,003 (100%)
Primary enrolments by location	Metropolitan	340,259		154,012	494,271 (76.4%)
Note: All Catholic schools, whether systemic or independent, are reported as Catholic.	Provincial	105,908		43,283	149,191 (23.1%)
Source: Unpublished data from <i>National Schools Statistics Collection (NSSC) 2013</i>	Remote & very remote	2,592		1,103	3,695 (0.6%)
Secondary enrolments by location	Metropolitan	225,892		161,604	387,496 (76.4%)
Source: Unpublished data from <i>National Schools Statistic Collection (NSSC) 2013</i>	Provincial	78,989		38,803	117,791 (23.2%)
	Remote & very remote	1,706		9	1,715 (0.3%)
Aboriginal and Torres Strait Islander students (2013)	Primary	29,412 (6.6% of students)	3,707 (2.9% of students)	1,027 (1.5% of students)	34,146
Source: Unpublished data from <i>National Schools Statistics Collection (NSSC) 2013</i>	Secondary	19,896 (6.5% of students)	2,691 (2.2% of students)	1,188 (1.5% of students)	23,775
Students with language background other than English (2013)	Primary	134,186 (30.1%)	Data not available	Data not available	
	Most common languages	Arabic (13.8%) Mandarin (7.6%) Cantonese (5.8%)	Data not available	Data not available	
Source: Centre for Education Statistics and Evaluation, <i>Language Background other than English (LBOTE) Collection 2013</i>	Secondary	99,608 (32.1%)	Data not available	Data not available	
	Most common languages	Arabic (12.3%) Mandarin (10.1%) Cantonese (9.9%)	Data not available	Data not available	

2. Schools		Government	Catholic	Independent	Total
Number of schools providing primary or secondary education (2013)	Primary	1,684	448	279	2,411
	Secondary	436	160	223	818
Source: ABS <i>Schools Australia, 2013</i> ; Table 35a					
Sizes of schools providing primary education (2013)	Enrolments less than 100	31.7%		24.1%	
	Enrolments above 600	9.3%		4.7%	
Source: Unpublished data from <i>National Schools Statistic Collection (NSSC) 2013</i>					
Sizes of schools providing secondary education (2013)	Enrolments less than 100	8.6%		21.4%	
	Enrolments above 800	36.7%		22.6%	
	(above 600)	57.9%		34.0%	
	(above 1000)	18.8%		9.6%	
Source: Unpublished data from <i>National Schools Statistic Collection (NSSC) 2013</i>					

3. Workforce		Government	Catholic	Independent	Total
Total primary teachers					41,093
Total secondary teachers					41,870
Total workforce (2013)					110,229
Source for this table: ABS <i>Schools Australia, 2013</i> ; Table 51a					
Primary	Teaching staff	29,024 (70.6%)	7,179 (17.5%)	4,890 (11.9%)	41,093 (100%)
	Specialist support	591	112	221	924
	Additional non-teaching	Administration/clerical			11,564
		Building ops/general maintenance/other			1,386
	Proportion males	17%	15%	22%	17%
Secondary	Teaching staff	24,883 59.4%	9,431 22.5%	7,556 18.0%	41,870 100%
	Specialist support	736	249	458	1,443
	Additional non-teaching	Administration/clerical			10,095
		Building ops/general maintenance/other			1,607
	Proportion males	41%	41%	44%	41%

4. Funding	Government	Catholic	Independent	Total
NSW Government funding (2011-12)				\$11.1 billion (74%)
Commonwealth funding (2011-12)				\$3.9 billion (26%)
Source: SCRGSP 2014, <i>Report on Government Services 2014</i> , vol. B <i>Childcare, education and training</i> , Productivity Commission, Canberra, Table 4A.7				
Share of total government funds allocated to sector				
	2002-03	81%	19%	100%
	2011-12	78.1%	21.9%	100%
Source: SCRGSP 2014, <i>Report on Government Services 2014</i> , vol. B <i>Childcare, education and training</i> , Productivity Commission, Canberra, Table 4A.7				
Total government real recurrent expenditure per average FTE student				(Av. all schools)
	2002-03	\$14,023	\$6,992	\$11,772
	2011-12	\$15,718	\$8,473	\$13,255
	Change 2002-3 to 2011-12	+12.1%	+21.2%	
	Annual rate of change	+1.3%	+2.2%	
	Change 2007-08 to 2011-12	+12.6%	+10.1%	
	Annual rate of change	+3.0%	+2.4%	
Source: SCRGSP 2014, <i>Report on Government Services 2014</i> , vol. B <i>Childcare, education and training</i> , Productivity Commission, Canberra, Tables 4A.14, 15, 17				
Proportional real recurrent government expenditure on government schools				
	NSW Government 2002-03	91.9%		
	Commonwealth 2002-03	8.1%		
	NSW Government 2011-12	87.1%		
	Commonwealth 2011-12	12.9%		
Source: SCRGSP 2014, <i>Report on Government Services 2014</i> , vol. B <i>Childcare, education and training</i> , Productivity Commission, Canberra, Tables 4A.7				
Proportional real recurrent government expenditure on non-government schools				
	NSW Government 2002-03	30.8%		
	Commonwealth 2002-03	69.2%		
	NSW Government 2011-12	27.4%		
	Commonwealth 2011-12	72.6%		
Source: SCRGSP 2014, <i>Report on Government Services 2014</i> , vol. B <i>Childcare, education and training</i> , Productivity Commission, Canberra, Tables 4A.7				

Policies

United Nations Convention on the Rights of the Child

The United Nations Convention on the Rights of the Child (CRC)¹⁴⁷ enshrines civil, cultural, economic, political and social rights and is underpinned by the best interests principle.

There are two articles in the convention that establish rights in relation to education:

- *Article 28* (Right to education): Includes principles that all children have the right to a free primary education, discipline in schools should respect children's dignity and be without violence, and young people should be encouraged to reach the highest level of education of which they are capable.
- *Article 29* (Goals of education): Children's education should develop each child's personality, talents and abilities to the fullest, encouraging children to respect others human rights and their own and other cultures. It should also help them learn to live peacefully, protect the environment and respect other people. Education should aim to develop respect for the values and culture of their parents.

Melbourne Declaration on Educational Goals for Young Australians

Agreed by all education ministers in December 2008, the Melbourne Declaration establishes the direction for Australian schooling for the next 10 years. The declaration has two key goals:

- Australian schooling promotes equity and excellence
- all young Australians become:
 - successful learners
 - confident and creative individuals
 - active and informed citizens.

In the Melbourne Declaration's Commitment to Action¹⁴⁸ the jurisdictions agreed to collaboration on eight key areas of education:

- developing stronger partnerships
- supporting quality teaching and school leadership
- strengthening early childhood education
- enhancing middle years development
- supporting senior years of schooling and youth transitions
- promoting world-class curriculum and assessment
- improving educational outcomes for Indigenous youth and disadvantaged young Australians, especially those from low socioeconomic backgrounds
- strengthening accountability and transparency.

A four-year plan was developed, which outlined the key strategies and initiatives Australian governments would undertake in the eight areas to support the achievement of the educational goals for young Australians.

The plan is aligned with relevant work of COAG and key COAG and other national agreements have formed the basis of the plan, including:

- the National Education Agreement (superseded by the National Education Reform Agreement in 2012)
- the Schools Assistance Act 2008, which confirms the Commonwealth Government's financial support for the non-government school sector (superseded by the Schools Assistance Amendment Regulation 2012)
- National Partnerships agreed during the term of the Melbourne Declaration.

¹⁴⁷ United Nations Convention on the Rights of the Child <http://www.unicef.org/crc/>

¹⁴⁸ Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) four-year plan 2009 – 2012. A companion document for the Melbourne Declaration on Educational Goals for Young Australians [http://www.mceecdy.edu.au/verve/_resources/MCEETYA_Four_Year_Plan_\(2009-2012\).pdf](http://www.mceecdy.edu.au/verve/_resources/MCEETYA_Four_Year_Plan_(2009-2012).pdf)

National Education Reform Agreement

On 23 April 2013 NSW became a signatory to the National Education Reform Agreement (NERA).¹⁴⁹ The agreement incorporated new needs-based funding arrangements to apply to NSW schools from 2014-2019.

In addition to the NERA, the NSW and Commonwealth governments subsequently signed a Bilateral Agreement which includes specific measures regarding school education reform in NSW.

Together, the NERA and NSW Bilateral supersede the 2008 National Education Agreement (NEA)¹⁵⁰ and attendant Bilateral.

The NERA restates the four education goals of the 2008 NEA:

- lift the Year 12 or equivalent or AQF Certificate II attainment rate to 90 per cent by 2015
- lift the Year 12 or equivalent or AQF Certificate III attainment rate to 90 per cent by 2020
- halve the gap for Indigenous students in Reading, Writing and Numeracy by 2018
- at least halve the gap for Indigenous students in Year 12 or equivalent attainment rates by 2020.

It also includes two new ambitious national targets with respect to Australia's international performance. The new goals were initially announced in the Australia in the Asian Century White Paper, and are:

- Australia placed in the top five countries internationally in Reading, Mathematics and Science by 2025
- Australia considered to be a high-quality and high-equity schooling system by international standards by 2025.

National Indigenous Reform Agreement

The National Indigenous Reform Agreement (NIRA)¹⁵¹ is tasked with closing the gap in Indigenous disadvantage across all areas. There are six COAG targets under the NIRA, two of which directly relate to school education:

- halving the gap for Indigenous students in Reading, Writing and Numeracy within a decade
- halving the gap for Indigenous people aged 20-24 in Year 12 attainment or equivalent attainment rates by 2020.

Australia in the Asian Century White Paper

Released on 28 October 2012, the Commonwealth Government White Paper¹⁵² outlines a roadmap for Australia to increase its engagement in the region and become more prosperous and resilient in the future.

National objectives include:

- by 2025, Australia will be ranked as a top five country in the world for the performance of students in Reading, Science and Mathematics Literacy and for providing our children with a high-quality and high-equity education system.
- by 2015, 90 per cent of young Australians aged 20 to 24 years will have a Year 12 or equivalent qualification (up from 86 per cent in 2010).
- every Australian student will have significant exposure to studies of Asia across the curriculum to increase their cultural knowledge and skills and enable them to be active in the region.
- all schools will engage with at least one school in Asia to support the teaching of a priority Asian language, including through increased use of the National Broadband Network.
- all Australian students will have the opportunity and be encouraged to undertake a continuous course of study in an Asian language throughout their years of schooling.
- all students will have access to at least one priority Asian language - Chinese (Mandarin), Hindi, Indonesian and Japanese.

149 [National Education Reform Agreement](http://www.federalfinancialrelations.gov.au/content/other_related_agreements/current/National_Education_Reform_Agreement_2013.pdf) http://www.federalfinancialrelations.gov.au/content/other_related_agreements/current/National_Education_Reform_Agreement_2013.pdf

150 [National Education Agreement](http://www.federalfinancialrelations.gov.au/content/npa/education/national-agreement.pdf) <http://www.federalfinancialrelations.gov.au/content/npa/education/national-agreement.pdf>

151 [National Indigenous Reform Agreement](http://www.federalfinancialrelations.gov.au/content/npa/health_indigenous/indigenous-reform/national-agreement_sept_12.pdf) http://www.federalfinancialrelations.gov.au/content/npa/health_indigenous/indigenous-reform/national-agreement_sept_12.pdf

152 Australian Government. 2012. [Australia in the Asian Century White Paper](#). Chapter 6.2: The capability of Australia's people and institutions -The role of schools.

Governance

National governance

COAG Education Council

The Education Council is the current COAG Ministerial Council for school education (transitioning from the previous Standing Council on School Education and Early Childhood – SCSEEC – in 2014). It has a rotating chair and is comprised of the Prime Minister and all Premiers/First Ministers of Australian jurisdictions.

The Education Council provides a forum through which strategic policy on school education and early childhood development is coordinated at the national level, and through which, information is shared and resources used collaboratively towards the achievement of agreed objectives and priorities.

Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC)

AEEYSOC is the officials group responsible for the execution of Education Council decisions. It has a rotating chair and carries out functions including:

- providing policy advice to council members;
- supervising and coordinating the council's work across its advisory bodies and working groups;
- resolving operational and policy issues before progressing matters raised by ministerial authorities and companies to the council; and
- managing and coordinating jurisdictions' funding contributions for nationally agreed projects and initiatives, through the council's secretariat.

Australian Curriculum Assessment and Reporting Authority (ACARA)

ACARA is an independent authority responsible for:

- developing Australian curriculum content from Kindergarten to Year 12 in specified learning areas.
- a national assessment program aligned to the Australian curriculum content (National Assessment Program)
- a national data collection and reporting program (My School) that supports:
 - analysis, evaluation, research and resource allocation; and
 - accountability and reporting on schools and broader national achievement.

NSW representatives on the ACARA governing board include the President, Board of Studies, Teaching and Educational Standards and the Executive Director, Catholic Education Commission, NSW.

Australian Institute for Teaching and School Leadership (AITSL)

AITSL provides national leadership for all jurisdictions and governments in the promotion of excellence in the professions of teaching and school leadership. AITSL operates with the following underpinning principles:

- adopting a national perspective
- engaging with stakeholders, including teachers and school leaders
- catalysing action
- focusing on quality teaching and school leadership
- collaborating and communicating
- building and using an evidence base.

Education Services Australia (ESA)

ESA is a national, not-for-profit company owned by all Australian education ministers. The company was established to support delivery of national priorities and initiatives in the schools, training and higher education sectors, in particular to advance key nationally agreed education initiatives, programs and projects by providing services such as:

- researching, testing and developing effective and innovative technologies and communication systems for use in education
- devising, developing and delivering curriculum and assessment, professional development, career and information support services
- facilitating the pooling, sharing and distribution of knowledge, resources and services to support and promote e-learning
- supporting national infrastructure to ensure access to quality assured systems and content and interoperability between individuals, entities and systems
- creating, publishing, disseminating and marketing curriculum and assessment materials, ICT-based solutions, products and services to support learning, teaching, leadership and administration
- acting as required as the legal company for the Education Council.

NSW governance

Schools Advisory Council

The purpose of the State Ministerial Schools Advisory Council is to provide a forum for ministerial and cross-sectoral collaboration on all aspects of school education. It includes senior representatives from the NSW Catholic Education Commission, the Department of Education and Communities, the Board of Studies, Teaching and Educational Standards and the Association of Independent Schools of NSW Ltd.

Department of Education and Communities (DEC)

The Department of Education and Communities provides services to the citizens of NSW from early childhood through to adulthood, providing (in the school education sector, among other services) public primary and secondary education.

Board of Studies, Teaching and Educational Standards NSW (BOSTES)

On 1 January 2014 the functions of the Board of Studies and the NSW Institute of Teachers were combined into one organisation to be known as the Board of Studies, Teaching and Educational Standards (BOSTES).

The main functions of BOSTES include:

- registration and accreditation of all teachers at all levels
- the approval of initial teacher education courses
- the endorsement of teachers' professional learning
- establishing professional teaching standards
- setting the core curriculum by developing syllabuses for Kindergarten to Year 12 and providing support materials for teachers and parents
- examinations, including the HSC
- the registration of non-government schools and home schooling
- the regulation of school providers of courses to overseas students
- administration of NAPLAN and NAP sample assessments testing
- promoting the provision of quality education by developing, communicating and implementing educational policies and practices
- providing advice on grading and assessment policy and procedures.

Catholic Education Commission, NSW (CEC)

The Catholic Education Commission NSW is responsible for funding, contract management, advocacy and representation of Catholic education at a state level. The commission is governed by a charter which is approved by the NSW Bishops.

The commission provides leadership in Catholic education, through service to dioceses, religious institutes and parents. It functions through consultation with diocesan directors, religious institutes, principal and parent associations. The commission has no authority to become involved in the administration of diocesan system schools or congregational schools, except in relation to funding contract management.

Association of Independent Schools NSW (AIS)

The AIS is a non-profit body whose members are not-for-profit independent schools located in NSW. More than 340 schools are members of the AIS. Membership includes schools of many different types, sizes, religious affiliations and educational philosophies. A major focus of the association's activities is to offer quality support to its member schools in the areas of governance, employment relations, compliance, professional development and professional educational consultancy services.

As the peak body for independent schools in NSW, the AIS manages a range of government-funded programs for both the NSW and Commonwealth governments. These programs are available to all independent schools in NSW.

Appendix F: VET - context, policy and governance

Context of VET

1. Students and courses		
Total student enrolments, 2012	Government funded	466,815
	Total	598,482
	Change since 2008	+8.6%
	Change since 2011	+2.0%
Source: NCVET VET Provider Collection, 2008-2012, reported in Australian Government (forthcoming) <i>Annual National Report of the Australian VET System 2012</i> , Canberra, Table NSW A.1		
Proportion of NSW population living in remote and very remote areas who are enrolled in VET, 2012		21.4%
Source: SCRGSP 2013, <i>National Agreement Performance Information 2012 – National Agreement for Skills and Workforce Development</i> , Table 11		
Proportion of VET students by age group	15-19 years	27.8%
	20-24 years	15.7%
	25-39 years	28.3%
	40-64 years	28.2%
NCVER VET Provider Collection, 2008-2012, reported in Australian Government (forthcoming) <i>Annual National Report of the Australian VET System 2012</i> , Canberra, Table NSW A.2		
Proportion of students from each SES (SEIFA) quintile	Lowest quintile	27.8%
	Second quintile	26.1%
	Third quintile	16.4%
	Fourth quintile	12.9%
	Highest quintile	13.8%
NCVER VET Provider Collection, 2008-2012, reported in Australian Government (forthcoming) <i>Annual National Report of the Australian VET System 2012</i> , Canberra, Table NSW B1		
Aboriginal and Torres Strait Islander students, 2012	Number	32,700
	Proportion of all students	5.5%
Students with a disability	Number	42,200
	Proportion of all students	7.1%
Students with language background other than English	Number	105,700
	Proportion of all students	17.7%
Source: NCVET VET Provider Collection, 2008-2012, reported in Australian Government (forthcoming) <i>Annual National Report of the Australian VET System 2012</i> , Canberra, Table NSW B1		

2. Providers

Registered training providers, 2012

Note: Includes TAFE NSW Institutes and the Open Training Education Network (OTEN), agricultural colleges; adult community education (ACE) providers; secondary schools and colleges, as well as universities; industry and community bodies with a registered training organisation (RTO) arm; and businesses, organisations and government agencies that have RTO status to train their own staff.

Source: SCRGSP *National Agreement Performance Information 2012*, June 2013, Table SWD.C.3,

Government funded	628
Operating locations (govt. funded)	3,923
Total training providers	2,780

3. Courses

Numbers of students in five most popular fields of education, 2012

Females		
	Management and commerce	31,900
	Society and culture	27,600
	Mixed field programs	16,800
	Food, hospitality and personal services	8,700
	Health	7,500
Males		
	Engineering and related	28,000
	Management and commerce	14,500
	Architecture and building	12,700
	Mixed field programs	9,500
	Information technology	7,500
All students		
	Management and commerce	46,400
	Society and culture	34,100
	Engineering and related	30,200
	Mixed field programs	26,300
	Architecture and building	13,700

Source: NCVET 2013, *Australian vocational education and training statistics: Students and courses 2012*, Table 4

Proportion of total reported VET students by course level, 2012

Non-AQF course	22,300
Certificate I or II or lower	22,300
Certificate III or IV	42,300
Diploma and above	13,100

Source: NCVET *VET Provider Collection, 2008-2012*, reported in Australian Government (forthcoming) *Annual National Report of the Australian VET System 2012*, Canberra, Table NSW A.2

4. Workforce

Estimated VET workforce in Australia, 2010

Note: Robust current estimates of the overall VET workforce in Australia or NSW — which includes trainers and assessors, other VET professionals and general staff — are not available

Source: Productivity Commission 2011, *Vocational Education and Training Workforce, Research Report*, Canberra

TAFE	73,000
Non-TAFE incl. private RTOs	150,000

5. Funding

Allocation of total government real recurrent funds for VET in NSW, 2012

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 5A.8

NSW Government	\$1.165 billion
Commonwealth recurrent funding	\$450.1 million
Commonwealth-administered programs	\$94.3 million
Total government funds	\$1.709 billion

Hours per student of government-funded VET, 2012

290.0

Total government real recurrent expenditure per annual student hour, (2012 dollars)

Source: SCRGSP 2014, *Report on Government Services 2014, vol. B Childcare, education and training*, Productivity Commission, Canberra, Table 5A.19

2003	\$16.31
2012	\$12.65

National and state policies and agreements

National Agreement for Skills and Workforce Development

The objective of the National Agreement for Skills and Workforce Development (NASWD) is “a VET system that delivers a productive and highly skilled workforce and that enables all working-age Australians to develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia’s economic future; and supports the achievement of increased rates of workforce participation”.¹⁵³

The reforms needed to achieve the objectives and outcomes of this agreement include reforming training to achieve a more demand-driven and client-focused system, and to support innovation and productivity.

The NASWD also seeks to address issues of social inclusion to ensure individuals experiencing disadvantage or disengagement (including for example, young people, those from low socio-economic backgrounds, Aboriginal and Torres Strait Islander people), receive the required support they may need in order to gain skills that lead to employment or other meaningful engagement in society.

The desired outcomes of the NASWD are ambitious, with targets that are long term (to 2020), national and aspirational. Along with a set of indicators of progress, there are two targets set by the NASWD:

- halve the proportion of Australians nationally aged 20-64 without qualifications at AQF Certificate III level and above between 2009 and 2020
- double the number of higher-level qualification completions (AQF Diploma and Advanced Diploma) nationally between 2009 and 2020.

¹⁵³ National Agreement on Skills and Workforce Development, Clause 18

National Indigenous Reform Agreement

The National Indigenous Reform Agreement (NIRA) sets out the objectives, outcomes and outputs needed to close the gap in disadvantage experienced by Aboriginal and Torres Strait Islander people.

The target most relevant to VET is to halve the gap for Aboriginal and Torres Strait Islander students aged 20 to 24 years old in Year 12 or equivalent attainment rates by 2020.

National Education Agreement

The National Education Agreement (NEA) affirms the objective that all Australian school students acquire the knowledge and skills to participate effectively in employment and society.

While strongly focused on the school sector, this agreement is relevant to VET in that targets for attainment of Year 12 equivalents include attainment of AQF Certificate II and/or Certificate III, delivered by Registered Training Organisations (RTOs) which may include schools, TAFE or private VET providers. The agreement also focuses on student enrolments, including those in vocational courses undertaken by school students (VET in Schools courses).

National Partnerships

National Partnerships are mechanisms by which funding is transferred to states to meet the objectives of various national agreements. There are two National Partnerships between the Commonwealth and the states which are particularly relevant to VET in NSW. In general terms, they support the delivery of agreed outputs or projects, and facilitate and 'reward' the implementation of the agreed reforms.

National Partnership on Skills Reform

This National Partnership focuses on structural reforms and reform of VET outcomes. The outcomes sought by this agreement are:

- a more accessible and equitable training system that meets the needs of working-age Australians
- a more transparent VET sector
- a higher-quality VET sector, which delivers learning experiences and qualifications that are relevant to individuals, employers and industry.

One of the features of the National Partnership on Skills Reform relates to changes in the model of entitlement to vocational education and training (see Smart and Skilled section below).

National Partnership on Youth Attainment and Transitions

This National Partnership addresses the goals of the NEA and the NASWD and was established to improve outcomes in educational attainment and engagement of young people aged 15-24 years. Its focus is on three high-level outcomes:

- increased participation of young people in education and training
- successful transition of young people from school to further education and training or full-time employment
- increased attainment of young people aged 15-24 years, including Aboriginal and Torres Strait Islander people.

National Partnership on TAFE Fee Waivers for Childcare Qualifications

This is a workforce development initiative with the aim of increasing the numbers and skills of the early childhood education and care workforce. Through this National Partnership the Commonwealth reimburses the State Government for all regulated fees foregone for eligible childcare training places in TAFE NSW until December 2014.

National Partnership on Training Places for Single and Teenage Parents

The objective is improved job readiness of single and teenage parents in receipt of parenting payment through participating in training with a view to increasing their workforce participation. The Commonwealth and the NSW Government provide matched funding to ensure training guarantees are provided to eligible parents without displacing other equity groups. TAFE NSW is currently the approved provider of training in NSW.

Smart and Skilled

In NSW, the national skills reforms will be implemented under the policy of Smart and Skilled, under a staged implementation schedule. Following the release of the NSW Skills List and Quality Framework, advice on prices and fees for 2015 is to be released in 2014. In mid-2014 training providers will be invited to apply to deliver under Smart and Skilled. Full implementation will commence in 2015.

Smart and Skilled will introduce changes related to the funding mechanisms for VET. Under a policy where funding will 'follow the student', there will be an entitlement for entry-level training up to, and including, AQF Certificate III; targeted support for higher-level qualifications; improved quality measures; improved information for consumers and greater support for regions and equity groups.

Governance

COAG announced on 13 December 2013, the 22 COAG councils would be replaced with eight new councils. Prior to this, the Standing Council on Tertiary Education, Skills and Employment (SCOTESE) had been established in September 2011 by COAG comprising state, territory and Commonwealth ministers responsible for tertiary education, skills and employment. The council was responsible for strategic policy directions for the national vocational education and training system with a view to ensuring Australia's current and future workforce needs are met through increased participation, educational attainment, skills development and skills use to achieve greater productivity.

Following the December 2013 announcement, SCOTESE will be replaced by a new Industry and Skills Council with scope, priorities and governance arrangements to be determined in consultation with the Commonwealth, states and territories.

A number of bodies previously reported to SCOTESE, with any changes to terms of reference and governance arrangements still to be released at the time of writing. The bodies reporting to SCOTESE included:

- National Skills Standards Council (NSSC), advising on national standards for regulation of vocational education and training.
- National VET Equity Advisory Council (NVEAC) provides advice on improving outcomes for equity groups in VET.
- Australian Qualifications Framework Council (AQFC) is responsible for developing and maintaining the Australian Qualifications Framework (AQF) - the national framework for regulated qualifications in Australian education and training.
- National Centre for Vocational Education Research (NCVER) is Australia's clearing house for VET data and research.
- Flexible Learning Advisory Group (FLAG) is an advisory committee on national directions and priorities for information and communication technologies in VET, and in Adult and Community Education.
- National Advisory for Tertiary Education, Skills and Employment (NATESE) provides policy and secretariat support.
- Australian Skills Quality Authority (ASQA) is the national regulator for the VET sector, regulating courses and training providers to ensure nationally approved, quality standards, set by the NSSC, are met.

At the national level, the most significant legislative act is the National Vocational Education and Training Regulator Act 2011 (NVETR Act), which provides national consistency in the regulation of VET using a standards-based quality and risk-assessment framework. This Act established ASQA.

Appendix G:

Higher education - context, policy and governance

Context of higher education

1. Students		
Student enrolments, 2012	In public universities	355,900
Note: Data relate to public universities and higher education providers established in NSW and which are approved to offer Commonwealth assistance Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Table 2.5	In other providers	35,002
	Total	390,902
Number of Aboriginal and Torres Strait Islander student enrolments, 2012		3251
	Proportion of domestic students	1.5%
		85,168
Number of international students, 2012	Proportion of public uni students	21.4%
Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Tables 2.5, 2.6, 2.10 and <i>Appendix 2</i> , Tables 2.5 and 2.6	Proportion of all students	21.8%
	Proportion of student population from metropolitan areas, 2010	
Source: G N Marks et al 2011, <i>Career moves: expectations and destinations of NSW senior secondary students</i> , NSW Board of Vocational Education and Training, Sydney, Table 2.9		

2. Providers	
Public universities established in NSW, 2012	10
Note: Data do not include universities established in other states (such as Australian Catholic University and University of Notre Dame) which may operate campuses in NSW) Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Table 2.5	
Number of private providers eligible to offer Commonwealth assistance, 2012	35
Note: Data are not available for providers operating in NSW not eligible to offer Commonwealth assistance (or Commonwealth-supported places) Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Table 2.5	

3. Courses

Most common fields of study, NSW, 2012	Management and commerce	26.4%
	Society and culture	26.1%
	Health	11.3%
	Education	9.2%
	Creative arts	7.4%
	Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Table 2.8	
Enrolments by level of study, NSW, 2012	Bachelor degree (public uni only)	235,203
	Total Bachelor degree	255,316
	Other undergraduate (Associate degree and other) – public uni only	5,056
	Total Other undergraduate (Associate degree and other)	13,067
	Master degree (by research and by coursework) – public uni only	68,738
	Total Master degree (by research and by coursework)	70,579
	Doctorate (by research and by coursework) – public uni only	15,693
	Total Doctorate (by research and by coursework)	15,730
	Other postgraduate – public uni only	18,393
	Total other postgraduate	23,070
	Enabling/non-award courses – public uni only	12,552
	Total enabling/non-award courses	12,857
Note: Total figures include the 35 “non-Table A/B” providers able to offer Commonwealth assistance		
Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Tables 2.5		
Proportion of students studying part-time, 2012		33.6%
Source: DIICCSRTE, <i>Selected Higher Education Statistics 2012 – All students</i> , Table 2.7		

3. Funding

Proportion of total operating revenue of all Australian higher education providers (for higher education activities) from the Commonwealth, 2011	Commonwealth grants	43.3%
	HECS-HELP – Commonwealth payments	11.9%
	FEE-HELP Commonwealth payments	2.3%
	Total from Commonwealth	57.5%
Source: DIICCSRTE 2012, <i>Financial Reports of Higher Education Providers</i> , Section 2		
Total national operating revenue for all Australian higher education providers, 2011		\$23.1 billion
Share of national total operating revenue for 10 public universities in NSW, 2011	29.4% of national total	\$6.8 billion
Source: DIICCSRTE 2012, <i>Financial Reports of Higher Education Providers</i> , 2011, Table 1		

National policies, agreements and reviews

The Commonwealth has a major role in the higher education sector through funding and legislation. States and territories engage with the Commonwealth on education policy development through COAG, and Commonwealth-State Ministerial Councils and senior officials meetings.

Expanding the higher education market

The higher education market has been opened to different types of providers, expanding the sector from traditional universities and increasing choice for students. For example, TAFE NSW Higher Education now offers higher education qualifications. However, while more than 170 institutions nationally are registered as providers with the Tertiary Education Quality and Standards Agency TEQSA (as at February 2014), only some are approved to offer Commonwealth assistance in the form of HELP loans or Commonwealth-supported places.

Demand-driven funding of student places

In 2012, a student enrolment demand-driven funding system was introduced for public universities. Previous caps on undergraduate university places were abolished, with the intention of producing more graduates to meet Australia's future economic needs.

Under this system, the Commonwealth Government funds Commonwealth-supported places for all domestic undergraduate students accepted into a Bachelor degree course (excluding medicine) at a public university and in some private higher education providers, with the number of Commonwealth-supported places increasing nationally from around 469,000 in 2009 to an estimated 577,000 in 2013.

For designated courses of study, funding is provided for an agreed number of Commonwealth-supported places in a given year. Designated courses include non-research postgraduate courses, medicine, enabling courses and courses of study leading to a diploma, advanced diploma or associate degree. Other higher education providers (besides universities) may also be allocated funding for Commonwealth-supported places.

A new review¹⁵⁴ is now under way which will examine the effectiveness of the demand-driven system. The focus will be on implementation of the policy; on the evidence of the extent to which it is increasing participation, improving access for students from low SES backgrounds and rural and regional communities, and meeting the skill needs in the economy; the extent to which the reforms have encouraged innovation, competition and diversity; whether there is evidence of any potential adverse impacts on the quality of teaching and of future graduates; the measures being taken by universities to ensure quality teaching; and whether less academically prepared students are receiving the support they need to complete the course of study to which they have been admitted.

The Bradley Review¹⁵⁵

The Review of Australian Higher Education (the 2008 'Bradley Review') examined mechanisms for quality assurance in higher education, finding (at that time) they were complex, fragmented and inefficient. As a result of the review, there was a new framework for higher education accreditation, quality assurance and regulation, including the establishment of the national regulatory authority (TEQSA).

Behrendt Review¹⁵⁶

This review focused on the barriers preventing Aboriginal and Torres Strait Islander people from achieving their full potential in higher education. It built on the Bradley Review, the Indigenous Economic Development Strategy 2011–2018¹⁵⁷, the National Aboriginal and Torres Strait Islander Education Policy and the Aboriginal and Torres Strait Islander Education Action Plan 2010–2014.¹⁵⁸

154 <http://education.gov.au/review-demand-driven-funding-system>

155 D Bradley et al 2008, Review of Australian Higher Education - Final Report, Commonwealth of Australia

156 L Behrendt et al 2012, Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People: Final Report.

157 <http://www.indigenous.gov.au/economic-participation/policy-programs/ieds/>

158 <http://www.scseec.edu.au/Publications.aspx>

Other reviews

Other key reviews of higher education in recent years include the following:

- *Baird Review*¹⁵⁹, which in 2009 examined the ESOS Act, resulting in amendments to the Act including a regulatory risk framework
- *Knight Review*¹⁶⁰ in 2011, which proposed changes to the student visa and migration program and to reporting requirements for providers
- *Review of Reporting Requirements for Providers*¹⁶¹, conducted by PhillipsKPA Pty Ltd in 2012, focused on the cost and time burdens involved in mandatory reporting requirements in the sector, and resulting in the establishment of the National Advisory Group for Higher Education Data and Information (NAGHEDI) to improve the usefulness of data in examining relationships between programs, systems and agencies
- *Review of Higher Education Regulation*,¹⁶² which focused in 2013 on Australia's higher education regulatory framework, recommending reforms to broaden and strengthen TEQSA.

NASWD

One of the performance targets identified in the National Agreement for Skills and Workforce Development (NASWD) is to halve the proportion of Australians aged 20 to 64 years without qualifications at AQF Certificate III level and above between 2009 and 2020. While this is primarily directed towards vocational education and training, the higher education sector also provides qualifications at this level. This target was re-stated by the Commonwealth Government in 2012 as part of the Asian Century initiative, which set a target of more than three-quarters of working-age Australians with an entry-level qualification at the AQF Certificate III level or above by 2020. The *NSW 2021* target reflects this target.

A further target from the NASWD relevant to higher education, and reflected in the *NSW 2021* targets, is to double the number of higher qualification completions (AQF Diploma and Advanced Diploma) between 2009 and 2020.

Closing the Gap

COAG has identified post-secondary education participation and attainment as the progress measure for its 'Closing the Gap' target of halving the gap in employment outcomes between Indigenous and non-Indigenous Australians by 2020. Post-secondary education includes vocational education and training and higher education at universities, with the measure (as for the NASWD target) focusing on the proportion of 20-64 year olds with a qualification of AQF Certificate III or above.

NSW policies

NSW Review of Tertiary Pathways

The NSW Minister for Education commissioned the review in October 2011 to support the goals of *NSW 2021* to increase the skills of the NSW workforce – particularly numbers in the NSW workforce holding higher qualifications at Bachelor level (and above). The final report highlighted the importance of creating pathways between school and tertiary institutions as well as between VET and higher education providers, and had a particular focus on pathways for Aboriginal and Torres Strait Islander students, students from low socio-economic backgrounds and students from rural and remote areas.

The NSW Review of Tertiary Pathways noted there are already many arrangements in place covering VET to higher education pathways including credit transfer and articulation arrangements, joint VET and higher education delivery, franchise or auspice arrangements and VET-delivered higher education. However, these arrangements have largely been ad hoc with success dependent on individual relationships between relevant staff of the various tertiary institutions.

159 B Baird 2010, Stronger, Simpler, Smarter ESOS: Supporting International Students, Commonwealth of Australia

160 M Knight 2011, Strategic Review of the Student Visa Program 2011, Commonwealth of Australia

161 Phillips KPA 2012, Review of reporting requirement for providers, PhillipsKPA Pty Ltd

162 Kwong Lee Dow and Braithwaite, V 2013, Review of Higher Education Regulation - Report

BVET Integrated Tertiary Pathway Degree projects

In 2011-12, the NSW Board of Vocational Education and Training (BVET – replaced by the NSW Skills Board) funded three tertiary education consortia to develop new degree qualifications that provide an integrated pathway and incorporate the practical, job-ready strengths of vocational training with conceptual and higher-level skills associated with higher education programs. The projects are:

- *Tertiary Pathway in Applied Engineering (Renewable Energy Technologies)*: This Associate degree pathway has been developed by TAFE NSW Higher Education, TAFE NSW - Hunter, Sydney and Western Sydney institutes in collaboration with the University of Newcastle and Engineers Australia. Students will enrol through TAFE NSW Higher Education in the TAFE NSW Associate degree in Applied Engineering and, on graduation, transfer into the Bachelor in Applied Engineering (Renewable Energy Technologies) at the University of Newcastle.
- *Tertiary Pathway in Accounting*: TAFE NSW collaborated with CPA Australia, the Institute of Chartered Accountants in Australia (ICAA), the Institute of Public Accountants (IPA) and Innovation and Business Skills Australia (IBSA), the Australian Catholic University, Charles Sturt University, Macquarie University and the University of New England, to develop this pathway. The first enrolments into the course occurred in Semester 2, 2012, and subsequently demand for the program has rapidly increased. Students enrol through TAFE NSW Higher Education into a two-year Associate degree. On completion, graduates may progress to the third year of a relevant accounting degree.
- *Tertiary Pathway in Early Childhood*: This was jointly developed by TAFE NSW Western Institute and Charles Sturt University Faculty of Education in response to Commonwealth and states' agreement to increasing the level of qualifications required of Early Childhood Education and Care professionals by January 2014.

Governance

The Standing Council on Tertiary Education and, Skills and Employment (SCOTESE) was described in Appendix F as the key national body (until December 2013) setting strategic policy and priorities for the tertiary education sector (both VET and higher education) on behalf of the Council of Australian Governments (COAG). From 2014, COAG has replaced the previous 22 councils with eight new bodies with governance and reporting arrangements not finalised at the time of writing.

A number of bodies reported to SCOTESE (and/or the Commonwealth Minister) on higher education matters, including:

- Australian Qualifications Framework Council (AQFC) which is responsible for developing and maintaining the Australian Qualifications Framework (AQF) - the national framework for regulated qualifications in Australian education and training in schools, VET and higher education.
- Tertiary Education Quality and Standards Agency (TEQSA) which registers and regulates higher education providers and assesses performance against the Higher Education Standards Framework (HESF).
- Higher Education Standards Panel (HESP), which advises ministers and TEQSA on matters relating to the Standards Framework.
- National Advisory Group on Higher Education Data and Information (NAGHEDI) which is improving data collection and dissemination and advises on data issues for the sector.

There are also a number of other regulatory and/or peak bodies with important influence in the sector, such as Universities Australia, the Australian Council for Private Education and Training (ACPET) and professional bodies such as the Institute of Engineers.

Commonwealth Acts

A number of Commonwealth legislative Acts govern the sector. The most important are:

Higher Education Support Act 2003 (HESA)

This is primarily relevant to funding, regulating Commonwealth funding and accountability through programs such as the Commonwealth Grant Scheme (for Commonwealth-supported places), Commonwealth Scholarships, equity programs and research funding. It also establishes students' eligibility for Commonwealth-funded university places and the Higher Education Loan Program (HELP) schemes including FEE-HELP, HECS-HELP.

Tertiary Education Quality and Standards Agency Act 2011 (TEQSA Act)

This Act established TEQSA to provide national consistency in the regulation of higher education using a standards-based quality framework.

The Education Services for Overseas Students Act 2000 (ESOS)

ESOS sets out the legal framework for the delivery of education and training services to overseas students studying in Australia on a student visa. It also sets out requirements for registration on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

Universities Governing Bodies Act 2011

The *Universities Governing Bodies Act 2011* facilitates the streamlining of university governance arrangements. The Act provides standard governing-body provisions which give universities a degree of flexibility in their adoption of the provisions. The standard provisions only become activated on a two-thirds majority of the relevant university's governing body passing a resolution adopting them. Six of the 10 New South Wales universities have so far passed the necessary resolution.

NSW Acts

NSW Acts establish the 10 public universities in NSW:

- *Charles Sturt University Act 1989*
- *Macquarie University Act 1989*
- *Southern Cross University Act 1993*
- *University of New England Act 1993*
- *University of New South Wales Act 1989*
- *University of Newcastle Act 1989*
- *University of Sydney Act 1989*
- *University of Technology, Sydney, Act 1989*
- *University of Western Sydney Act 1997*
- *University of Wollongong Act 1989*

The *Australian Catholic University Act 1990* provides legislative recognition for this private multi-state university operating in NSW.

Acronyms

ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACE	Adult Community Education
ACECQA	Australian Children's Education and Care Quality Authority
ACER	Australian Centre for Educational Research
ACPET	Australian Council for Private Education and Training
ACT	Australian Capital Territory
AEDI	Australian Early Development Index
AEEYSOC	Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee
AIS	Association of Independent Schools
AITSL	Australian Institute of Teaching and School Leadership
AQF	Australian Qualifications Framework
AQFC	Australian Qualifications Framework Council
ARIA	Access/Remoteness Index of Australia
ASGC	Australian Standard Geographical Classification
ASGS	Australian Statistical Geography Standard
ASQA	Australian Skills Quality Authority
ATAR	Australian Tertiary Admission Rank
BOSTES	Board of Studies, Teaching and Educational Standards
BVET	Board of Vocational Education and Training
CAS	Creativity, Action, Service
CCMS	Childcare Management System
CEC	Catholic Education Commission
CESE	Centre for Education Statistics and Evaluation
COAG	Council of Australian Governments
CPA	Chartered Practising Accountant
CRC	COAG Reform Council
CRC	Convention on Rights of the Child
DEC	Department of Education and Communities
DEEWR	Department of Education, Employment and Workplace Relations
DIICSRTE	Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education
EAS	Educational Access Schemes
ECE	Early Childhood Education
ECEC	Early Childhood Education and Care
ECECC	Early Childhood Education and Care Collection
EDI	Early Development Instrument
ELICOS	English Language Intensive Courses for Overseas Students
ERA	Excellence in Research Assessment
ERP	Estimated Resident Population
ESA	Education Services Australia
ESOS	Education Services for Overseas Students
FLAG	Flexible Learning Advisory Group
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
HESA	Higher Education Support Act
HESF	Higher Education Standards Framework
HESP	Higher Education Standards Panel
HSC	Higher School Certificate
IB	International Baccalaureate
IBDP	International Baccalaureate Diploma Program
IBSA	Innovation and Business Skills Australia
ICAA	Institute of Chartered Accountants in Australia

ICSEA	Index of Community Socio-Educational Advantage
ICT	Information and Communication Technology
IEA	International Association for the Evaluation of Educational Achievement
IPA	Institute of Public Accountants
IRSD	Index of Relative Socio-Economic Disadvantage
LBOTE	Language Background other than English
LDC	Long day care
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
NAGHEDI	National Advisory Group for Higher Education Data and Information
NAP	National Assessment Program
NAPLAN	National Assessment Program – Literacy and Numeracy
NASWD	National Agreement for Skills and Workforce Development
NATESE	National Advisory for Tertiary Education, Skills and Employment
NCVER	National Centre for Vocational Education Research
NEA	National Education Agreement
NERA	National Education Reform Agreement
NIA ECEC	National Information Agreement on Early Childhood Education and Care
NIRA	National Indigenous Reform Agreement
NMS	National Minimum Standards
NP ECE	National Partnership on Early Childhood Education
NP UAECE	National Partnership on Universal Access to Early Childhood Education
NQA	National Quality Agenda
NQA ITS	National Quality Agenda Information Technology System
NQF	National Quality Framework
NQS	National Quality Standard
NSSC	National Schools Statistics Collection
NSSC	National Skills Standards Council
NSW	New South Wales
NVEAC	National VET Equity Advisory Council
NVETR	National Vocational Education and Training Regulator
OECD	Organisation for Economic Cooperation and Development
OTEN	Open Training Education Network
PIAAC	Programme for International Assessment of Adult Competencies
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
RoSA	Record of Student Achievement
RTO	Registered Training Organisation
SA2	Statistical Area 2
SCOTese	Standing Council on Tertiary Education, Skills and Employment
SCRGSP	Steering Committee for the Review of Government Service Provision
SCSEEC	Standing Council on School Education and Early Childhood
SEIFA	Socio-Economic Indexes for Areas
SES	Socio-economic status
SSC	State Suburb Code
TAA	Teacher Accreditation Authority
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality and Standards Agency
TIMSS	Trends in International Mathematics and Science Study
UAC	Universities Admissions Centre
VET	Vocational education and training
VETIS	Vocational education and training in schools
YBFS	Year before school

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