NSW GOVERNMENT

SECOND BIENNIAL REPORT

State of Education in NSW - 2016

Centre for Education Statistics and Evaluation

Publication and contact details

State of Education in NSW - 2016
Second biennial report
Centre for Education Statistics and Evaluation, December 2016, Sydney, NSW

ISSN: (print) 2203-6768
ISSN: (online) 2203-6776

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Table of Contents

List of figures and tables

Acronyms

ABS	Australian Bureau of Statistics
ACECQA	Australian Children's Education and Care Quality Authority
AEDC	Australian Early Development Census
AIHW	Australian Institute of Health and Welfare
AQF	Australian Quality Framework
BOSTES	Board of Studies Teaching and Education Standards NSW
COAG	Council of Australian Governments
ECE	Early childhood education
LDC	Long Day Care
IRSD	Index of Relative Socio-Economic Disadvantage
NAPLAN	National Assessment Program – Literacy and Numeracy
NSW	New South Wales
NIRA	National Indigenous Reform Agreement (Closing the Gap)
NP	National Partnership
NP ECE	National Partnership Agreement on Early childhood education
NP UAECE	National Partnership Agreement on Universal Access to Early Childhood Education
NQF	National Quality Framework
NQS	National Quality Standard
ROGS	Report on Government Services (Productivity Commission)
SEIFA	Socio-Economic Index for Areas
SES	Socio-Economic Status
VET	Vocational Education and Training
YBFS	Year Before Full-Time Schooling

Minister's Foreword

Education is central to the nation's social and economic prosperity and a crucial foundation for young people to live fulfilling, productive and responsible lives. It is important that we know how well our children and young people are tracking so that we ensure we are making the changes that are needed to continue to improve their education outcomes.

That is why, when I established the Centre for Education Statistics and Evaluation in 2012, I asked for a report every two years on the State of Education in NSW. As with the first report, this second biennial State of Education in NSW report covers outcomes in early childhood education, school education, vocational education and training and higher education both in government and non-government service providers. While State Training Services and TAFE NSW have since moved out of the education cluster, this report still captures NSW outcomes across the whole education spectrum.

Since 2011, the NSW Government has embarked on a series of ambitious reforms aimed at improving education outcomes in NSW. The reforms seek to ensure universal access to quality early childhood education across the state so that children are ready to learn when they come to school, increase equity in school funding and flexibility for principals to direct that funding to meet local student needs, and improve the quality of teaching and leadership in schools. The reforms also focus on improving learning for rural and remote students and taking new approaches to addressing the education and social aspirations of Aboriginal children and young people.

This report provides a snapshot of our current performance, and identifies trends and comparisons across the years and with other education jurisdictions. It shows areas where we have improved and areas where we still have work to do.

I commend this report as an important reminder of the significant work we are doing in NSW to ensure that all of our students receive an excellent education and as a gauge of where we have come from and where we need to go.

Adrian Piccoli MP
Minister for Education

Letter from Advisory Council

Dear Minister

This biennial report represents work undertaken by the Centre for Education Statistics and Evaluation in response to your request for continued and comprehensive reporting on the State of Education in NSW. The inaugural State of Education in NSW report was released in 2014.

The Centre 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 for Education Statistics and Evaluation has gathered together in one publication an overarching view of many aspects of education in NSW. While most of the data in this report is publicly available, the report brings these data and analyses 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 and insights to this project. Particular thanks are extended to representatives of the NSW Department of Education, the Catholic Education Commission of NSW, the NSW Association of Independent Schools, the NSW Board of Studies, Teaching and Educational Standards and the NSW Department of Industry. 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 report brings together descriptive data about the context of early learning, school education, vocational education and training and higher education as well as reporting on outcomes against agreed national and state measures.

With its detailed current data on performance and trends, this report provides a strong basis on which further work may be undertaken to explore more fully the underlying causal factors of variable performance to inform future directions in education policy.

I commend the staff of the Centre for Education Statistics and Evaluation for producing this second biennial edition of the State of Education in NSW - 2016.

John Ainley
Chair
Centre for Education Statistics and Evaluation
Advisory Council

Executive Summaries

Early childhood education

Focus Areas	Results
Ensuring all children have access to quality early childhood education (ECE) programs in the year before school	The results show 96,184 children in NSW are enrolled in a preschool program in 2015, including 4,400 Aboriginal children and 19,814 children from low socio-economic status (SES) background. This indicator has been difficult to measure accurately. Historically, national data has under-represented children participating in early childhood education through long day care centres. Over the past 18 months, NSW has been involved in a national collaborative approach to improve data reliability, resulting in an almost 80 per cent capture of long day care data.
Healthy development of young children so that they are ready for school	The Australian Early Development Census (AEDC) showed that in 2015, more than three quarters of children in NSW were developmentally on track across a range of skills when they entered school. Compared to other states and territories, NSW has some of the lowest proportions of children considered developmentally vulnerable across most domains.
Upskilling early childhood teachers	After a change in legislation in 2012, more early childhood staff have formal qualifications. In 2014, 28.8 per cent of workers delivering preschool programs in NSW were at least three years university trained while 15.3 per cent were at least four years university trained in early childhood education.
Assessing and rating early childhood services against the National Quality Standard (NQS)	As at December 2015, 73.0 per cent of ECE services have been assessed and rated against the NQS. Of those, 60.3 per cent were meeting or exceeding the Standard. The Standard was introduced in 2012, with the assessment of all services expected to take some time. Of note, higher-risk ECE services in NSW are being assessed ahead of other services, possibly lowering the percentage of services meeting or exceeding the Standard.
Affordable early childhood services	Attendance at preschool is typically measured by the cost per hour. In NSW, the median cost after subsidies was $3.60 per hour in 2014. This is higher than the Australian figure, which was $2.20 per hour in 2014.

School education

Focus Areas	Results
Increase and maintain school attendance rates	Given the complex nature of measuring attendance rates accurately across sectors, only two years of data are available for this report, limiting the ability to discern any trend. School attendance rates are consistently higher in primary school compared to secondary school. In 2015, attendance was 94.0 per cent in primary school and 91.2 per cent in high school for all students. Attendance is lower for Aboriginal students (90.3 per cent in primary school, 81.9 per cent in secondary school in 2015) and declines as remoteness increases.

Focus Areas	Results
Improved literacy and numeracy achievement	Compared to 2009, fewer NSW students are achieving in the top two bands for reading and numeracy across all grade levels. This trend will need to be reversed if the Premier's Priority target of an eight per cent increase the proportion of students in the top two bands by 2019 is to be achieved. This decline was most evident for low SES students. For example, the proportion of Year 3 low SES students achieving in the top two bands for numeracy fell by 3.5 percentage points between 2010 and 2015. Aboriginal students remain underrepresented in the top two NAPLAN bands for reading and numeracy across all year levels. One of the NSW State Priorities is to increase the proportion of Aboriginal students in the top two bands by 30 per cent by 2019. With the exception of Aboriginal primary students, the proportion of students achieving at or above the National Minimum Standard (NMS) has decreased across all primary students from 2009 to 2015. Whereas, over the same period of time, the proportion of secondary school students achieving at or above the NMS, including Aboriginal and low SES, has increased.
Increase the number of students achieving at least Year 12 or the equivalent Australian Quality Framework qualification	A higher percentage of students are completing Year 12, with the retention rate in NSW schools improving from 70.5 per cent in 2006 to 78.2 per cent in 2015. Retention rates remain lower among Aboriginal students, but continue to improve – increasing from 30.6 per cent in 2006 to 52.1 per cent in 2015. More students are being awarded the Higher School Certificate (HSC), up from 63,564 in 2009 to 68,062 in 2015. The numbers of Aboriginal, regional/remote and low SES students awarded the HSC have also increased. There has been an increase in the proportion of 20-24 year old students attaining a Year 12 certificate or a Certificate II equivalent (rising from 82.0 per cent in 2006 to 88.8 per cent in 2015). The proportion of students completing Year 12 or a Certificate III equivalent in regional and remote areas has also increased (from 75.5 per cent in 2007 to 77.3 per cent in 2015). Of note, the proportion of students from low SES backgrounds and/or regional and remote areas completing Year 12 (or equivalent) continue to remain below all students in NSW.
Promoting and ensuring quality teaching	The number of teachers completing the requirements for accreditation as a proficient teacher has increased each year – from 4,696 in 2011 to 5,325 in 2015. The number of teachers gaining accreditation at higher levels has fluctuated since 2011. By 2015, a cumulative total of 88 teachers had been accredited at the Highly Accomplished level, and 56 had been accredited at the Lead Teacher level in NSW.

Vocational education and training

Focus Areas	Results
Increase the proportion of individuals with a Certificate III and above	Certificate III is the cornerstone of vocational qualifications, providing graduates with increased chances of finding work and earning a substantial income. Over the last decade, the proportion of 20-64 year olds with a Certificate III or above has increased from 47.9 per cent in 2005, to 60.2 per cent in 2015. Importantly, this trend is also reflected through increased numbers of disadvantaged students completing this level of qualification in recent years. This includes Aboriginal students, those from regional and remote areas, and from low SES backgrounds.
Encouraging people to undertake higher level vocational education and training (VET) qualifications	Diplomas provide a flexible pathway to higher education, which is important for people who have not completed the HSC. The number of adults completing Diplomas and Advanced Diplomas has increased since 2004, with 18,959 individuals in NSW completing one of these qualifications in 2013.

Focus Areas	Results
Boosting the number of apprenticeships and traineeships	Boosting apprenticeships and traineeships is one of the NSW State Priorities[1], with the NSW Government aiming to create a highly-skilled workforce by giving young people the opportunity to learn key new skills. The number of students commencing trade apprenticeships/traineeships (such as plumbing or carpentry) has remained steady over the last decade. Trade completions however have increased. The trend for non-trade apprenticeships/traineeships (such as retail or food), however, has varied. Prior to 2012, there was steady growth in non-trade commencements, before numbers decreased by 53.1 per cent between 2012 and 2014. This fall is in part due to the removal of Commonwealth incentive payments from some courses in 2009. The number of completions for non-trade training has increased over the last decade. However, the recent reduction in commencements has led to a 27.4 per cent fall in completions between 2013 and 2014 – a trend consistent with the fact that training in non-trade related areas usually takes between one and two years to complete.
Increase the proportion of young adults engaged in education, training or work	School leavers who do not engage in the workforce or in further training are at risk of experiencing long-term unemployment and related social disadvantages. Since 2012, there has been a decline in the percentage of young adults fully engaged in education, training or work – falling from 78.2 per cent to 72.9 per cent in 2015.

Higher education

Focus Areas	Results
Maintain the higher-level employment skills necessary to facilitate innovation and meet the changing needs of the future	The proportion of young adults with a Bachelor degree has risen over the last 10 years, increasing from 31.7 per cent in 2006 to 40.5 per cent in 2015. More people are starting degrees, with the increase most pronounced for domestic students. The numbers of domestic students commencing a Bachelor degree have increased by 67.0 per cent over the last decade.
Improving equity in higher education, for example by providing alternative pathways for admission to higher education	The average ATAR required has fallen from 79.4 in 2010 to 76.8 in 2014. On face value this could suggest that it is becoming easier to qualify for university enrolment. However, it should be noted that the ATAR is a percentile rank, measuring individual academic achievement in the NSW HSC in relation to that of other students. Given this, the ATAR will necessarily fall as more university places are made available to students as a result of the demand driven system. Furthermore, declining ATAR under the demand driven increase in enrolments is not generalisable to all universities and courses. Proportions of domestic students who are Aboriginal and those from low SES backgrounds are increasing, although the proportion from regional or remote areas has been decreasing. The number of Aboriginal students completing a degree has increased, more than doubling over the last 10 years, from 228 in 2005 to 510 in 2014. Whilst this is from a small base, the trend is strong, and is in the right direction in terms of closing the gap for Aboriginal students.

1 https://www.nsw.gov.au/making-it-happen

1. Introduction

Education provides the foundation for long-term social and economic success, both for individuals and the community. Schools in all three NSW education sectors - government, Catholic and independent - seek to support all young people in becoming successful learners and active participants in a continually changing society. Against this background, the second biennial edition of the *State of Education in NSW – 2016* report focuses on presenting trend data on key education indicators in NSW, providing accessible and transparent data for policymakers.

The inaugural State of Education in NSW report[2], published by the Centre for Education Statistics and Evaluation in 2014, provided an overarching view of key aspects of education in NSW and an indication of how NSW was performing against certain national and state targets. However, in 2015 the NSW State priorities[3] were revised and streamlined, with many of the targets relating to national agreements reported in the Report on Government Services. Performance information is also available from the NSW Department of Education's Annual Report[4], which has full details of all current priorities, initiatives, targets and results for government schools only.

For those reasons, this report does not explicitly address targets. However, the key indicators which assist with policy development remain the same. This current State of Education in NSW – 2016 report provides a recap of the policy context and continues tracking the key indicators from early childhood education, schooling and tertiary education, providing an overview of trends and a summary of results. This report is tailored for people involved in education research, policy development and operational practice, as well as the general public. To assist with the dissemination of data, a companion website (http://cese.nsw.gov.au/state-of-education/) to the report presents results at a glance, and provides access to associated graphs and tables.

The report presents the most recent data available at the point of analysis, with up to ten years of trend data provided where possible and some national data included where relevant. International measures which were published in the first State of Education report are currently still the most recent available, and are not repeated here.

Limitations of the data must be considered in reading this report, with data being selected from a range of sources, which may be subject to different protocols, definitions and calculation methods. The currency of data can add further complications, as different sources have different collection periods and release dates – for example, Census data is updated only every five years, whereas other collections are far more frequent. Caution is particularly advised when interpreting graphs showing trends related to Aboriginal[5] students, as changes could partly reflect improvements in the rate of identification by Aboriginal people along with real changes over time.

2 The report is available at the Centre for Education Statistics and Evaluation, Department of Education.
3 https://www.nsw.gov.au/making-it-happen
4 NSW Department of Education, Annual Report 2015
5 Throughout this report the term 'Aboriginal' is used to describe the many nations, language groups and clans in NSW, including those from the Torres Strait. The preference for the term 'Aboriginal' over 'Aboriginal and Torres Strait Islander' in NSW recognises that Aboriginal people are the original inhabitants of NSW (NSW Health, 2004). This is not consistent with the national approach in which 'Aboriginal and Torres Strait Islander' is the accepted term (ABS, 2014).

Overview of the structure of education in NSW

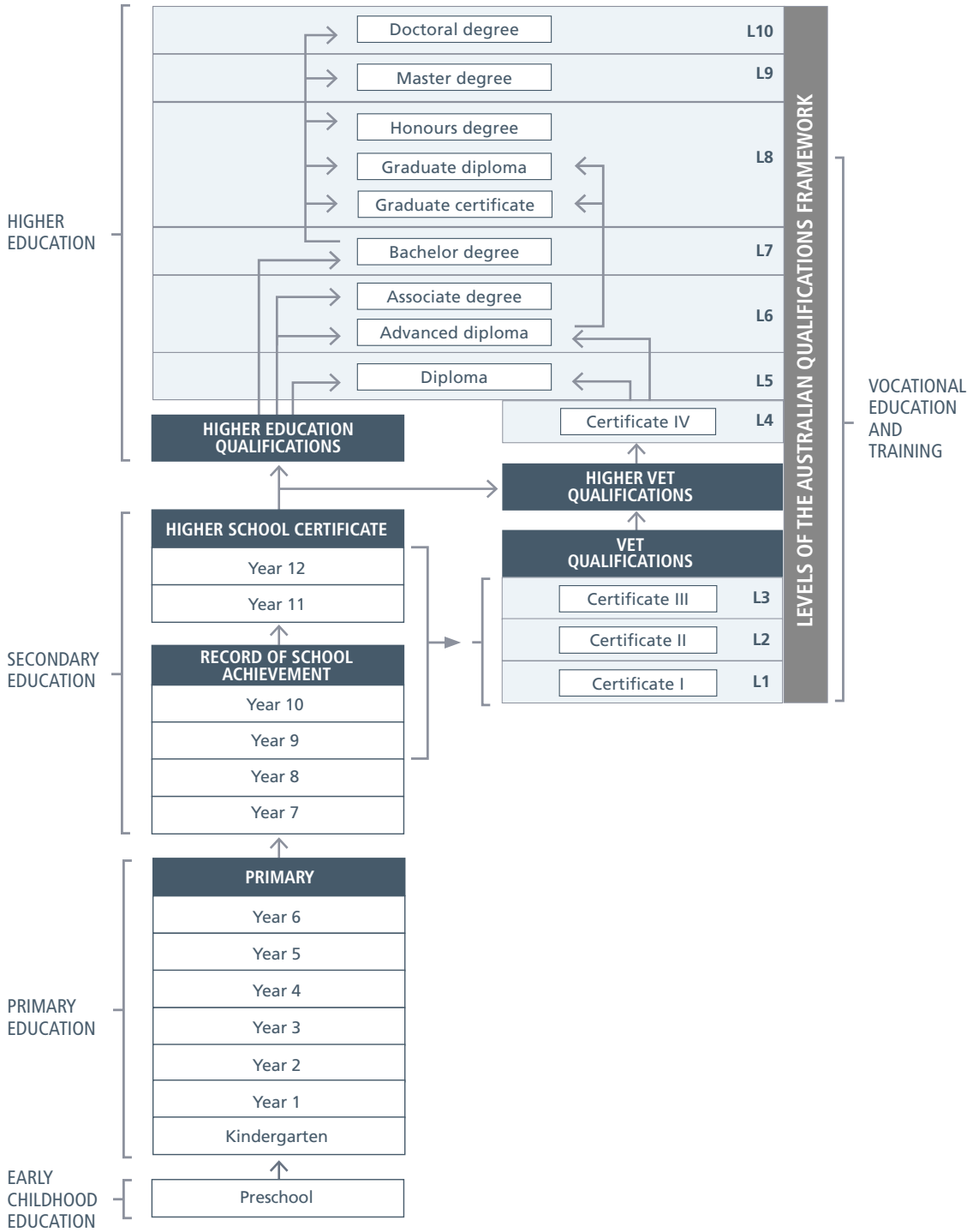
The NSW education system comprises a mix of government, non-government, for-profit and not-for-profit education providers throughout the early childhood education, school, vocational education and training and higher education sectors. Education is compulsory for all children between the ages of six and 17 in NSW[6]. However, many students start their education at a younger age with preschool, and continue beyond age 17 to complete some form of higher education or vocational education and training.

The Australian Qualifications Framework (AQF) underpins regulatory and quality assurance for education and training. It incorporates the qualifications from each education and training sector into a single comprehensive national qualifications framework[7]. The figure below shows progression through the system, and how the sectors relate to each other via the AQF. (Note that the arrows in the figure denote possible pathways or progressions, not strict equivalence across levels).

Figure 1.1:

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 a higher education provider) may offer Associate Degree and Degree qualifications, however these qualifications are not VET qualifications



6 http://www.schools.nsw.edu.au/media/downloads/schoolsweb/studentsupport/programs/attendance/attend_parents.pdf
7 http://www.aqf.edu.au

EARLY CHILDHOOD EDUCATION

In 2015, there were 96,184 children attending a preschool program before starting full-time schooling – representing 99.0 per cent of all 4 and 5 year old children in NSW.

In 2015, **73% of NSW education and care services** were assessed and rated against the

NATIONAL QUALITY STANDARD

60.3% OF THESE were meeting or exceeding the standard.

According to the AEDC **MORE THAN**

OF NSW CHILDREN WERE DEVELOPMENTALLY ON TRACK on entering school in 2015.

IT COSTS MORE TO ATTEND

PRESCHOOL IN NSW

In 2014, the median cost of a preschool program in NSW per hour was **$3.60**.*

*After subsidies.

OF NSW WORKERS delivering preschool programs in 2014 have

COMPLETED A

UNIVERSITY DEGREE

2. Early childhood education

Early childhood education (ECE) services are provided across a range of settings: centre-based services (including long day care, preschool and occasional care), family day care services, mobile services, and outside school hours care services.

A quality preschool program is defined as a structured, play-based learning program delivered by a qualified teacher, aimed at children in the two years before they commence full-time schooling. In NSW, preschool education is provided in non-government preschools, government preschools, and long day care (LDC) centres.

Around two thirds of children in NSW attend an ECE program delivered in a long day care setting. The Commonwealth has primary responsibility for these services and invests significant funding to support families access child care through the Child Care Benefit and Child Care Rebate. The State has primary responsibility for supporting early childhood education and funding community based preschools and government run preschools. These services are not eligible for Commonwealth child care subsidies.

Data issues

Given that ECE services are delivered across multiple settings, data is fragmented in this sector, with separate data collections and definitions developed for various reporting purposes. This has contributed to difficulties in establishing comparable data sets for trend analysis. In recent years the Commonwealth Government and NSW Government have collaborated to improve measurement in the sector, which increased the capture of LDC data by almost 80 per cent. However, more work needs to be done before trend analysis can be conducted. Caution should also be used when comparing similar indicators across different sources, as varied results may reflect differences in the counting methodologies used.

Children enrolled in a preschool program

Why is it important?

The early years of life have a profound impact on children's future cognitive, social, emotional and physical development (COAG, 2009). It is well documented that high quality ECE in the year before full-time schooling can help children develop skills that will assist them to transition to school and gain the skills needed to succeed later in life (AIHW, 2012). Expanding access to quality preschool programs can help improve learning outcomes for children and boost the state's human capital (Heckman, 2013). This is particularly important for children from disadvantaged backgrounds.

In Australia, quality preschool programs comprise of structured play-based learning delivered by a qualified teacher. Children aged 3 to 6 years may be enrolled in a preschool program, although programs are typically delivered to 4 and 5 year olds, on the basis that they will be starting school the following year. In NSW, preschool programs are provided in non-government preschools, government preschools, and through LDC services. Measuring preschool enrolments assists with tracking progress towards the policy goal of achieving universal access to preschool during the year before a child starts school.

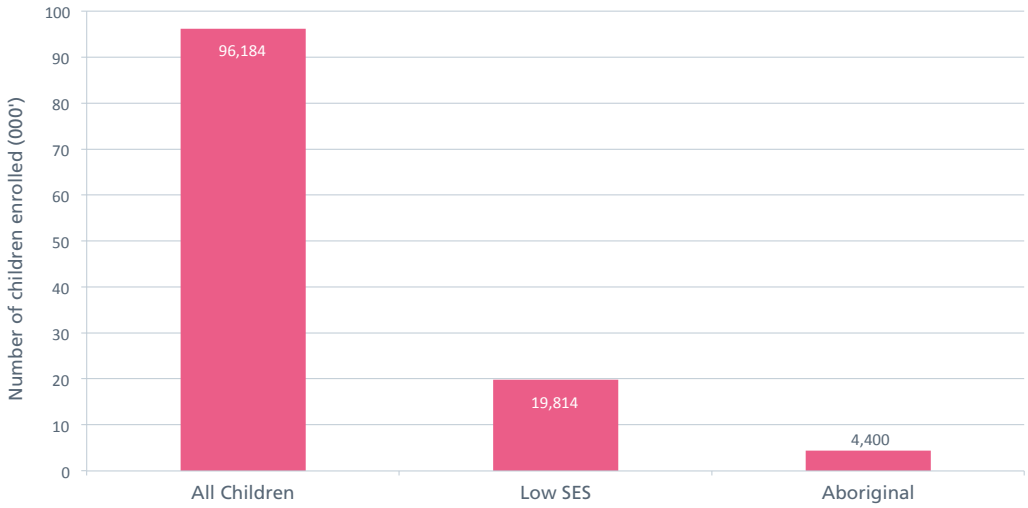
What does the data tell us?

As at 2015, there were 96,184 children enrolled in a preschool program before starting full-time schooling – representing an estimated 99.0 per cent of children aged between 4 and 5 years old in NSW[8]. Of that total number, 4,400 children were Aboriginal and 19,814 were from low SES[9] family backgrounds. These numbers establish a benchmark for future monitoring of preschool enrolment among Aboriginal and disadvantaged children to ensure that they have equitable access to preschool before starting school. Currently, children from low SES and Aboriginal backgrounds remain underrepresented in preschool enrolments compared to all 4 and 5 year olds in NSW.

Figure 2.1:

Number of 4 and 5 year olds enrolled in preschool, NSW, 2015

Source: Australian Bureau of Statistics Preschool Education Australia, 2015



Note: The above categories are not mutually exclusive, with students able to be classified in more than one category. Due to recent changes in the way this data is collected, only 2015 figures have been included in this report[10].

Australian Early Development Census outcomes for children in first year of school

Why is it important?

The success of transitioning to school can have lasting implications on a child's development, through to their academic and occupational success. Research has shown that investing resources in ECE has significant impacts on children's behaviour, learning, and wellbeing, as they progress into school[11]. There is a need to identify ways to promote school readiness, and monitor whether high quality ECE in the years before full-time schooling can help children develop capabilities that will assist them to succeed[12].

The Australian Early Development Census (AEDC) is a national measure of children's development as they enter their first year of full-time schooling. Data for the AEDC is collected every three years, starting from 2009. It operates as a population-based measure, providing evidence to guide planning and service provision to ensure children are supported through their early years, school years and beyond. The AEDC assesses against five domains: stating that positive learning is correlated with having higher levels of social competence, physical health, emotional maturity, basic communication and language and cognitive skills.

8 Derived from Australian Demographic Statistics, June 2015 (cat. no. 3101.0). The number of children aged 4 to 5 years enrolled in preschool as a proportion of children aged 4 years. This method is currently aligned with the 2015 NP UAECE.
9 Based on SEIFA Quintile 1 (IRSD).
10 The NSW Department of Education in collaboration with the Commonwealth Department of Education addressed long-standing concerns about under-reporting of preschool enrolments in long day care. Following this data improvement initiative, reporting increased substantially in the 2015 Child Care Management System census.
11 Lifetime Effects: High Scope Perry Preschool Study Through Age 40, 2005
12 NSW Transition to School Statement http://www.dec.nsw.gov.au/what-we-offer/regulation-and-accreditation/early-childhood-education-care/funding/funding-projects/transition-to-school

What does the data tell us?

The vast majority of children in NSW start school with the skills they need to be successful and functioning learners, with over 75 per cent of children assessed to be developmentally on track across each of the five AEDC domains in 2015. Children in NSW have consistently performed well in the language and cognitive skills domain in relation to other domains, with the proportion assessed as being developmentally on track increasing from 84.6 per cent in 2009 to 87.9 per cent in 2015. Of note, a greater proportion of NSW children were assessed as being developmentally on track compared to the Australian average across all of the five AEDC domains in 2015.

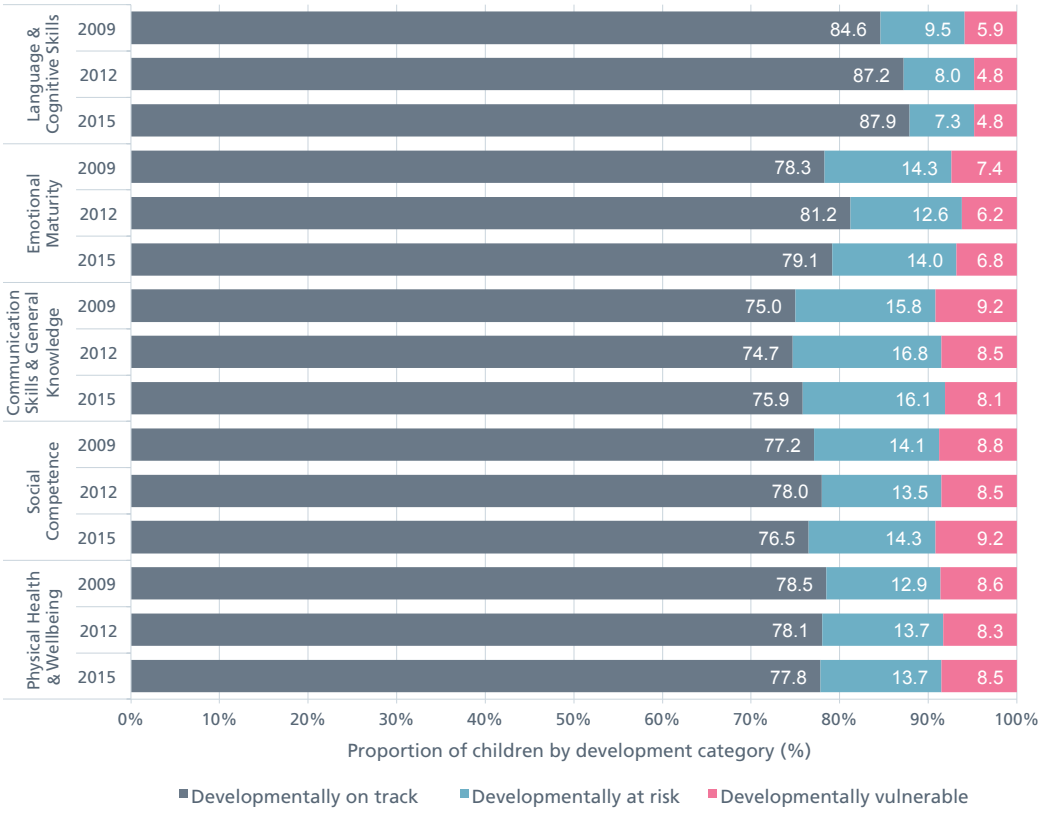
Conversely, the communication skills and general knowledge domain has routinely shown the poorer results than other domains, with higher numbers of students considered developmentally at risk. In 2015, 24.2 per cent of children were considered to be at risk or vulnerable in this domain, which measures skills such as listening and speaking, and the appropriate level of general knowledge for a given age.

For more information on the AEDC categories and domains, please see: https://www.aedc.gov.au/resources/detail/about-the-aedc-domains

Figure 2.2:

Proportion of children in first year of school by development category and AEDC domain, NSW, 2009, 2012 and 2015

Source: Australian Government 2016, Snapshot of Early Childhood Development in Australia 2015



Note: When the first AEDC was undertaken in 2009, a series of national benchmarks were established, providing a reference point with which later results could be compared. Children falling below the 10th percentile were considered 'developmentally vulnerable', children falling between the 10th and 25th percentile were considered 'developmentally at risk' and all other children were considered to be 'on track'.

Proportion of preschool programs delivered by degree qualified early childhood teachers

Why is it important?

International research (Mathers et al., 2014) continually shows the positive impact well-qualified teachers have working in early childhood settings, with university-qualified educators shown to improve outcomes for young children. Qualified teachers have a greater understanding of child development, and the ability to lead activities that inspire children and help them learn and develop (ACECQA[13], 2016).

As such, the National Partnership Agreement on Universal Access to Early Childhood Education[14] aims to provide universal access to quality preschool programs with a focus on improved participation of vulnerable and disadvantaged children. Whilst outcomes against benchmarks vary across states, the agreement seeks to have preschool programs delivered by four-year university trained early childhood teachers. This indicator sets the foundation to track progress as services in NSW move towards meeting these targets.

Early childhood teacher requirements for centre based services are prescribed under the National Quality Framework. The number of teachers, or the minimum amount of time a service is required to have access to an early childhood teacher, is dependent on the number of children attending a service. NSW has retained its pre-NQF requirements for early childhood teachers in services with 30 or more children in attendance as these provisions are of a higher standard than those introduced under the NQF. For services with less than 30 children, national requirements for access to an early childhood teacher for a specified percentage of time that the service is operating apply.

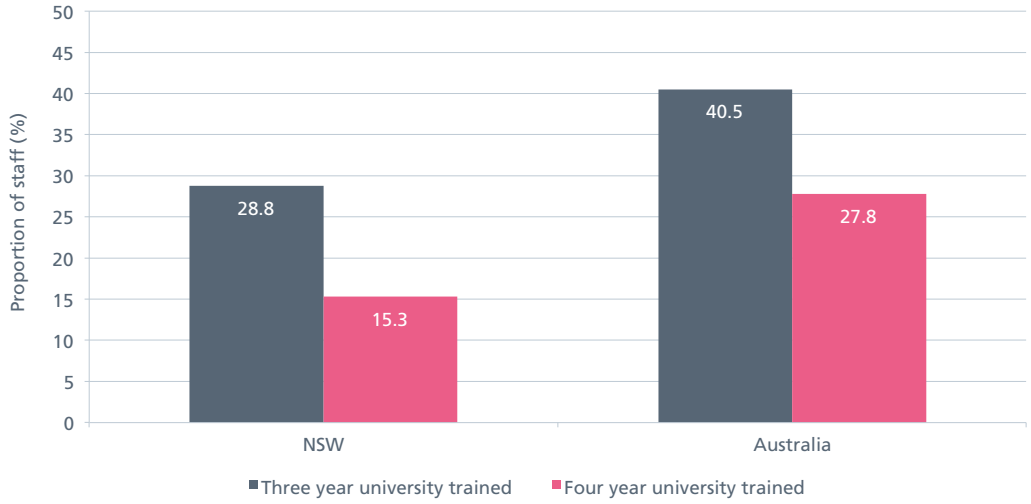
What does the data tell us?

In 2014, 28.8 per cent of teachers delivering preschool programs in NSW were at least three years university trained while 15.3 per cent were at least four years university trained and early childhood qualified. However, these figures are lower than the current national average, where 40.5 per cent of preschool teachers had completed a three year degree and 27.8 per cent had completed four years of university training.

Figure 2.3:

Teachers delivering preschool programs who are university trained and early childhood qualified, NSW and Australia, 2014

Source: Report on Government Services 2016, vol. B Early childhood education, Productivity Commission, Canberra, Table 3A.51



13 Australian Children's Education & Care Quality Authority.
14 https://www.education.gov.au/universal-access-early-childhood-education

Approved services by assessment and quality rating

Why is it important?

Research demonstrates the contributions high-quality early care and preschool education can make towards children's language and cognitive development during the early years (EPPSE[15], 2015). The effective development of children's cognitive skills and social competency helps prepare for a successful transition to school.

The National Quality Standard (NQS) is a key aspect of the National Quality Framework (NQF) and was introduced in 2012 to provide consistent information about the quality of ECE services. The standard consists of seven dimensions of quality against which services can be assessed and rated. This promotes improvement towards excellence, and enables the identification of services that may require more support in improving the quality of their service. Given that the NQS is a relatively recent initiative, it is important to monitor the proportion of services which have undergone the assessment process, as well as the outcome of assessments.

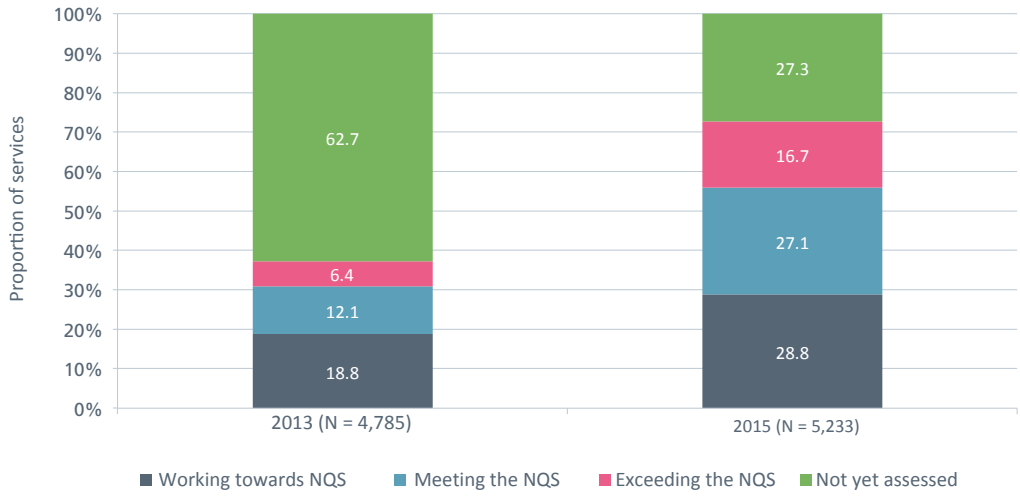
What does the data tell us?

Data published quarterly by the Australian Children's Education and Care Quality Authority (ACECQA) show that as of December 2015, 73.0 per cent of approved NSW services[16] had been assessed against the NQS. This is an improvement on December 2013, where only 37.3 per cent of services had received a quality rating. Of the services rated, 60.3 per cent were meeting or exceeding the NQS as of December 2015, up from 49.6 per cent in December 2013.

Figure 2.4:

Proportion of services by assessment and quality rating, NSW, as of December 2013 and 2015

Source: Australian Children's Education and Care Quality Authority (ACECQA) NQF Snapshot 2014 Q4, Table 7 and NQF Snapshot 2015 Q4, Table 6



Note: N = total number of services in NSW. Given the small numbers for certain categories, services in the "significant improvement required" category have been incorporated into "working towards NQS", and services in the "excellent" category into "exceeding the NQS".

The performance of ECE services in NSW differs substantially across different aspects of quality. Assessed services in 2015 are particularly good at building relationships with children and partnerships with families and communities, with 30-32 per cent of services exceeding the NQS and 87-90 per cent meeting or exceeding. However, a quarter of assessed NSW services were assessed as working towards the standard in children's health and safety, and 29.0 per cent assessed as working towards the NQS for educational program and practice. This warrants continued monitoring given the importance of these dimensions.

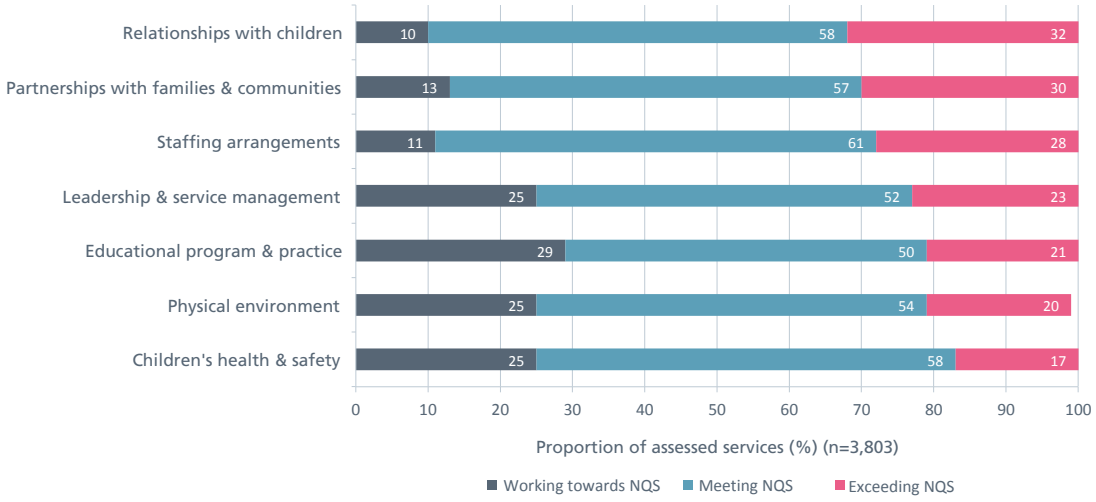
For more information on the NQS assessment and ratings, please see:
http://www.acecqa.gov.au/national-quality-framework/assessments-and-ratings

15 Effective pre-school, primary and secondary education project, UK Government.
16 Services include most long day care, family day care, preschool/kindergarten and outside schools hours care services.

Figure 2.5:

Proportion of assessed NSW services with a quality rating, by quality area, December 2015

Source: Australian Children's Education and Care Quality Authority (ACECQA) 2015, NQF Snapshot Q4, Figure 21



Note: As of December 2015, 73.0 per cent of approved NSW ECE services[17] had been assessed.

Expenses (after subsidies) for preschool programs

Why is it important?

Affordability is one aspect that supports access to a quality preschool program. The financial cost associated with preschool education remains a key component for participation, especially for children from more disadvantaged backgrounds. Given that preschool is an optional service in NSW and across Australia, it is important that costs are affordable to encourage universal participation. Higher costs may impact on a family's decision to enrol their child into a preschool program, and limit the number of hours the child will attend.

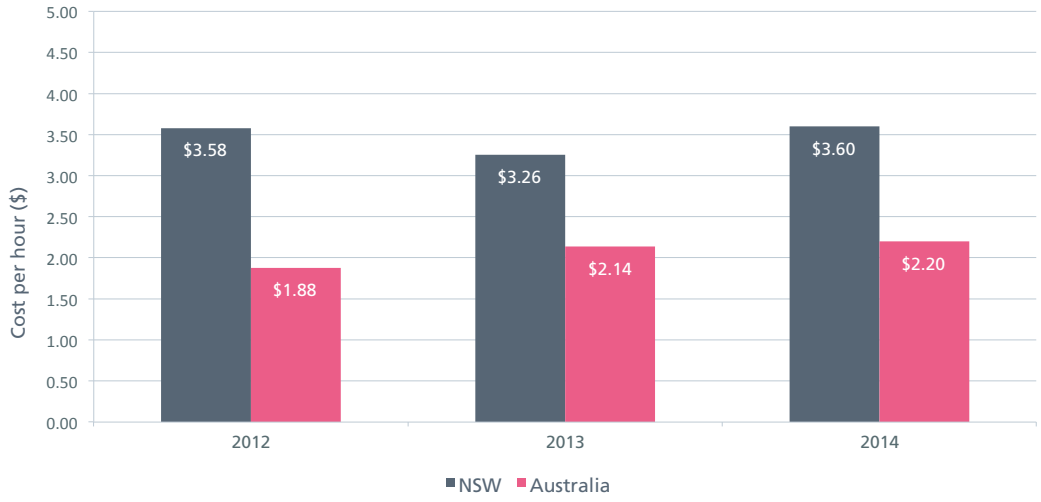
What does the data tell us?

In 2014 the median hourly cost for a preschool program per child in NSW (after subsidies) was $3.60 – similar to 2012 levels after adjusting for inflation. The fall in costs during 2013 was the result of an one-off fee reduction initiative by the NSW Government. The hourly cost in NSW was consistently higher than the Australian average, which increased from $1.88 to $2.20 over the same period. As at 2014, the median cost of preschool in NSW was 63.6 per cent higher than the Australian average, which is in part a result of preschool being free in some states and territories.

Figure 2.6:

Median hourly cost of a preschool program (after subsidies) per child enrolled (2014-15 dollars) aged 4 and 5 years, NSW and Australia, 2012-14

Source: Report on Government Services 2016, vol. B Early childhood education, Productivity Commission, Canberra, Table 3A.41



Note: Preschool programs can be delivered through a variety of settings, such as stand-alone preschool services, preschools located as part of a school, and preschools within a long day care centre. The median hourly cost of preschool is adjusted for inflation and reflects the price of access to a preschool program across all of these settings.

17 Services include most long day care, family day care, preschool/kindergarten and outside schools hours care services.

SCHOOL EDUCATION

School performance has remained stable, whilst improvements have been made in student retention and with the number of students achieving the HSC.

SCHOOL ATTENDANCE

IS HIGHER in primary school than in

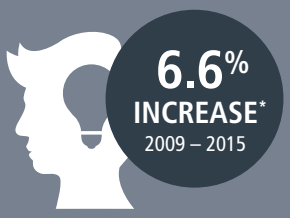
94.0% Primary School

91.2% Secondary School

SECONDARY SCHOOL*

*All students, 2015

MORE STUDENTS ARE ACHIEVING THE HSC

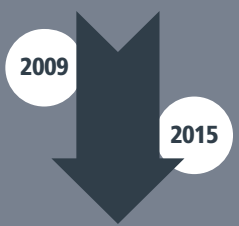


INCLUDING DISADVANTAGED STUDENTS

*Up from 63,564 to 68,062

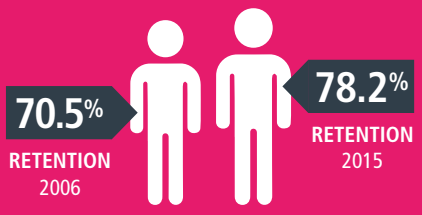
Compared to 2009 fewer

NSW STUDENTS ARE ACHIEVING IN THE TOP TWO NAPLAN BANDS



FOR READING AND NUMERACY

RETENTION RATES HAVE IMPROVED FOR



ALL HIGH SCHOOL STUDENTS

3. School education

Having a strong and sustainable schooling system ensures that all children and young people receive quality education – resulting in better work and life opportunities for individuals, and leading to broader improvements across communities and the wider economy. Education is primarily the responsibility of the states and territories, and as with most other jurisdictions across Australia, schools within NSW fall in one of three sectors: government; Catholic; independent.

It is a requirement for all children in NSW to be enrolled in school or receiving home schooling by their sixth birthday, and for students to participate in school (or approved education or training, or full-time work) until at least 17 years of age. Varying from state to state, traditional schooling in NSW consists of seven scholastic years throughout primary school, starting from Kindergarten to Year 6, followed by secondary school from Years 7 to 12.

School attendance

Why is it important?

Research shows that regular school attendance has a significant influence on educational outcomes, positive peer relationships and the basic social skills essential for later-life success (Zubrick et al., 2013). Conversely, absent children are at greater risk of poorer academic performance and leaving secondary school early - increasing their risk of unemployment and welfare dependency (Daraganova, 2012). School attendance is a priority among educational policymakers, with evidence suggesting that improved attendance, especially among disadvantaged groups, can improve educational outcomes (Biddle, 2014).

The student attendance rate is the number of student days attended by full-time students in Years 1 to 10, as a percentage of the total number of possible student attendance days over the same period.

What does the data tell us?

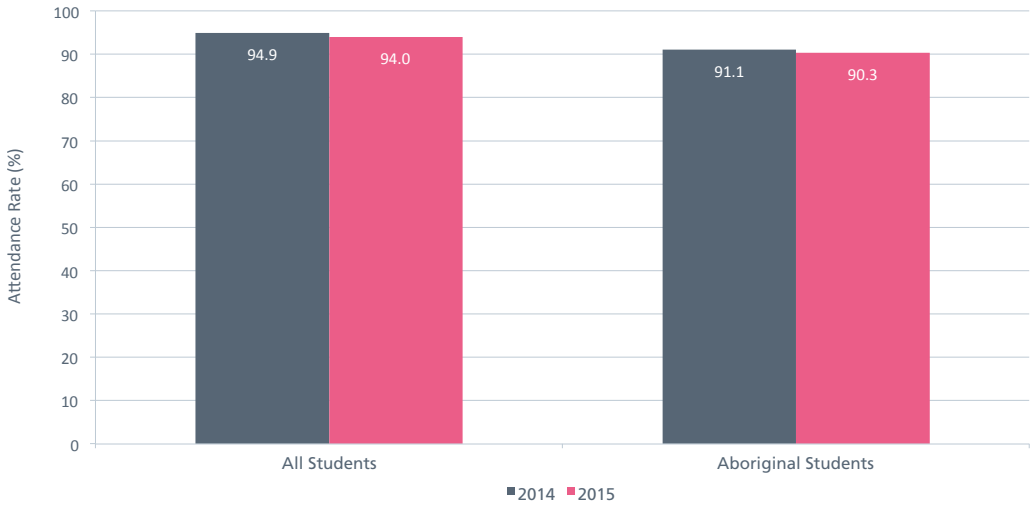
School attendance rates declined slightly between 2014 and 2015, which is due in part to changes in the way extended family holidays are recorded[18]. Attendance rates are consistently higher in primary school than in secondary school – a pattern observed in all states across Australia, and among all student equity groups. The disparities in attendance rates between Aboriginal and all students are evident in primary school, with the gap widening during secondary school years.

18 From 2015 holidays are now counted as absences, whereas previously students could apply for exemption from attendance.

Figure 3.1:

Student attendance rate for all students and Aboriginal students, Years 1-6, NSW, 2014-15

Source: Report on Government Services 2016, vol. B School education, Productivity Commission, Canberra, Table 4A.133 and 4A.136

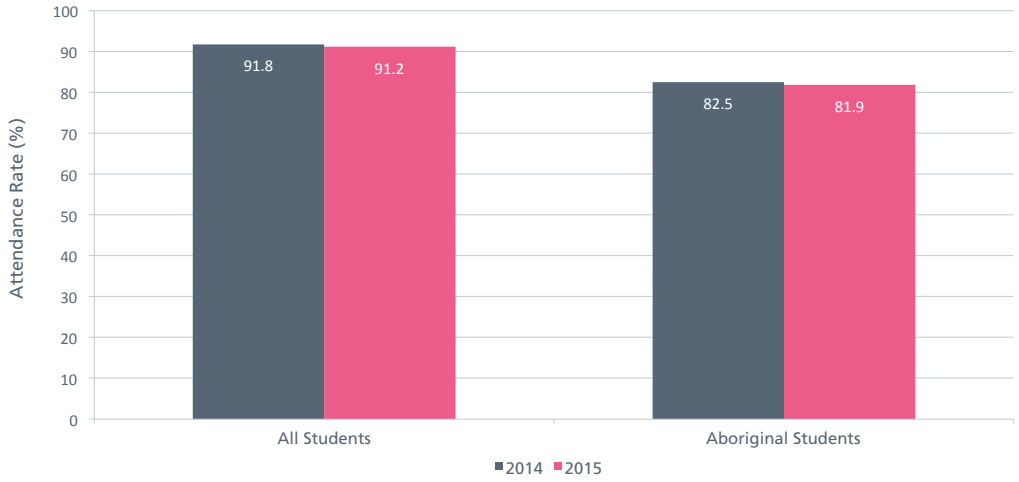


Attendance rates decline steadily throughout junior secondary years and are the lowest in Year 10. In 2015, the attendance rate for all students in Year 10 fell to below 90.0 per cent whilst attendance by Year 10 Aboriginal students was 76.2 per cent (data not shown).

Figure 3.2:

Student attendance rate for all students and Aboriginal students, Years 7-10, NSW, 2014-15

Source: Report on Government Services 2016, vol. B School education, Productivity Commission, Canberra, Table 4A.133 and 4A.136



Note: National standards for student attendance reporting were introduced in 2014, resulting in improved comparability between sectors. As a result, only two years of data are available for this report.

When analysed by geographical location, attendance rates decline as remoteness increases, especially for secondary school students.

Figure 3.3:

Student attendance rate for all students by remoteness, Years 1-6, NSW, 2014-15

Source: Report on Government Services 2016, vol. B School education, Productivity Commission, Canberra, Table 4A.133 and 4A.136

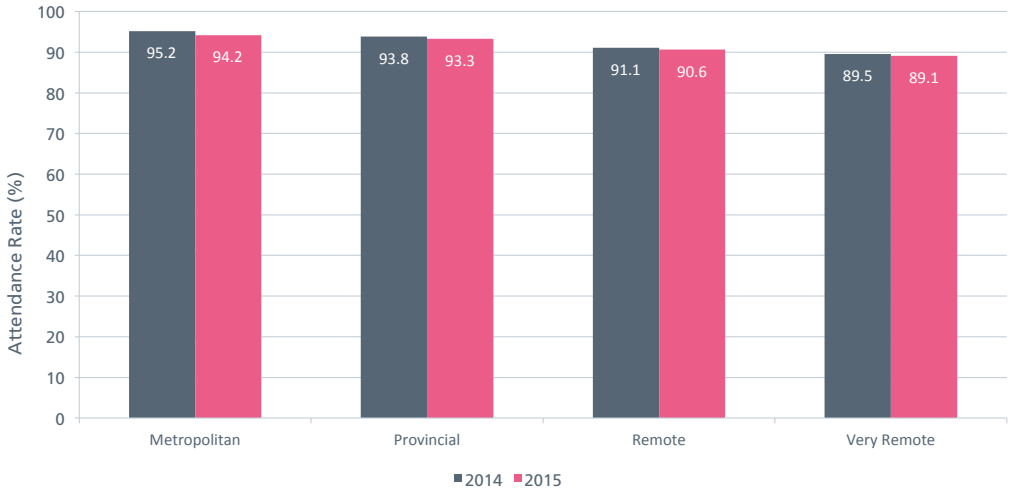
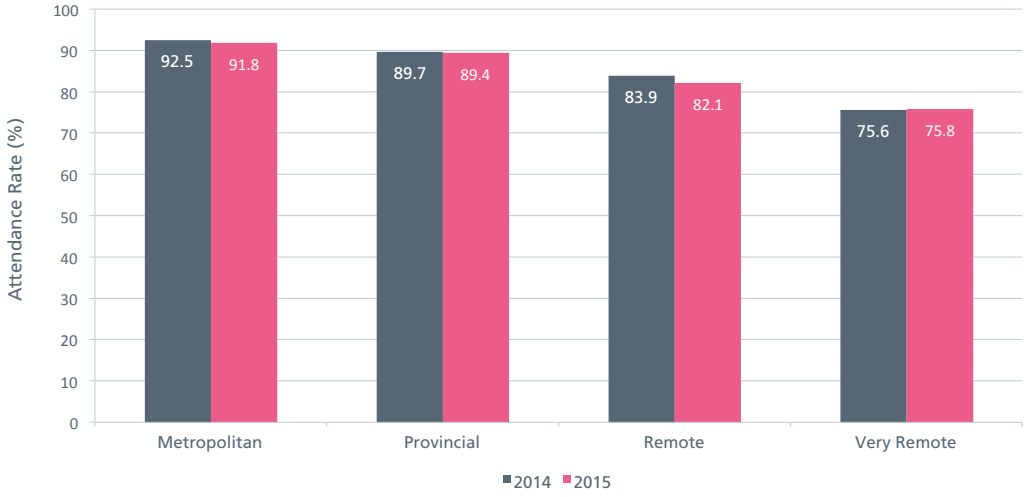


Figure 3.4:

Student attendance rate for all students by remoteness, Years 7-10, NSW, 2014-15

Source: Report on Government Services 2016, vol. B School education, Productivity Commission, Canberra, Table 4A.133 and 4A.136



Note: National standards for student attendance reporting were introduced in 2014, resulting in improved comparability between sectors. As a result, only two years of data are available for this report.
Caution is advised when interpreting results for students in remote and very remote areas. Small cohort sizes can lead to greater volitality in data and are not necessersarily reflective of real changes.

NAPLAN outcomes – performance in the top two bands

Why is it important?

The National Assessment Program – Literacy and Numeracy (NAPLAN) is an annual assessment of Australian students in Years 3, 5, 7 and 9. It tests the core skills essential for every child to progress through school and life, and comprises of five separate domains: reading, writing, grammar and punctuation, spelling and numeracy. NAPLAN results are reported along a national achievement scale, and are divided into ten bands. Six bands are used for reporting at each year level, however, not all bands are reported for each year group. The higher the band, the increasingly complex knowledge and skills demonstrated by students.

The best indicator of success in life after school, including employment, higher salaries and good health, is a student's literacy and numeracy skills (OEDC, 2015a). Improving students' literacy and numeracy are important for lifelong learning, and help lead to productive and rewarding participation in the community. Accordingly, one of the Premier's Priorities for NSW is to increase the proportion of students performing in the top two bands for literacy and numeracy[19]. Whilst improving overall literacy and numeracy outcomes, it is also important to monitor the performance of students from disadvantaged backgrounds, with particular focus on 'closing the gap' in achievement between Aboriginal students and all students[20].

19 NSW State Priorities: Making it Happen – Improving Education Results.
20 COAG: Closing the gap in Indigenous Disadvantage.

What does the data tell us?

There has been a decline in the proportion of students achieving in the top 2 NAPLAN bands for reading and numeracy from 2009 to 2015, with the exception of Year 3 reading. Considerable effort will be needed to address this if the Premier's Priority target of an eight per cent increase by 2020 is to be achieved.

Trends for each assessment presented in the figures in the following Table 1.1.

Table 1.1:

Change in percentage of students achieving in the top two NAPLAN bands for reading and numeracy between 2009 and 2015, NSW

Source: Derived from ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy

Change in the percentage of all students – top two bands (2009-2015)		
	Reading	**Numeracy**
Year 3	+ 2.8 percentage points	– 2.8 percentage points
Year 5	– 2.8 percentage points	– 2.2 percentage points*
Year 7	– 0.8 percentage points	– 3.0 percentage points
Year 9	– 1.3 percentage points	– 2.3 percentage points

Change in the percentage of Aboriginal students – top two bands (2009-2015)		
	Reading	**Numeracy**
Year 3	+ 1.4 percentage points	– 1.5 percentage points
Year 5	– 1.0 percentage points	– 1.1 percentage points
Year 7	– 0.1 percentage points	– 1.2 percentage points
Year 9	– 1.1 percentage points	– 0.8 percentage points

Change in percentage of low SES students – top two bands (2010-2015)		
	Reading	**Numeracy**
Year 3	– 0.7 percentage points	– 3.5 percentage points
Year 5	– 1.4 percentage points	– 3.1 percentage points*
Year 7	– 2.4 percentage points	– 2.9 percentage points*
Year 9	– 0.2 percentage points	– 1.8 percentage points

Note: * indicated trend from 2009 to 2015 is significantly different from zero at a 5% level of significance.

The proxy measure for low SES is parental occupation Category 4 (machine operators, hospitality staff, assistants, labourers), with NAPLAN results by parental occupation first made available in 2010. Parental occupation is self-reported and not a perfect proxy for low SES, meaning that results should be interpreted with caution.

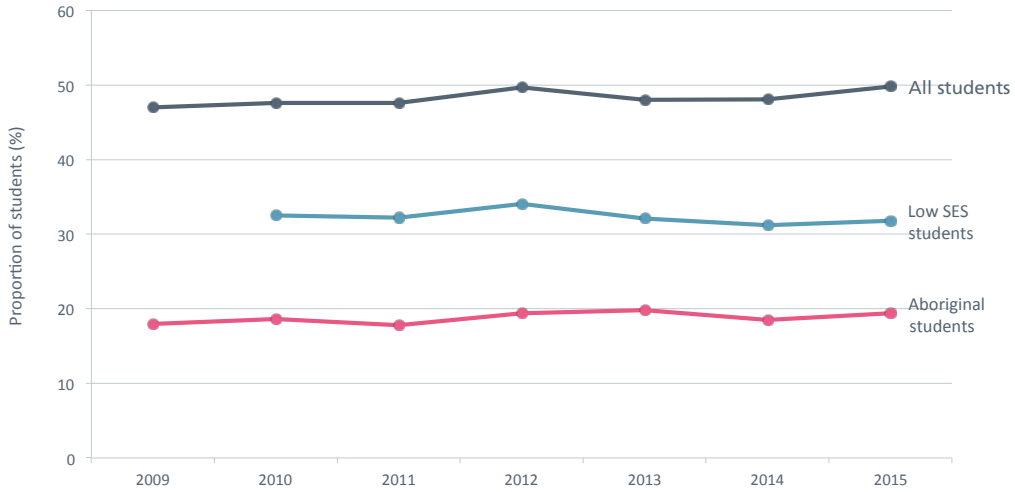
Small cohort sizes can lead to greater year-on-year variability in NAPLAN results. This variability should be taken into consideration, especially when interpreting NAPLAN results for Aboriginal students in NSW.

The proportion of all Year 3 students achieving in the top two NAPLAN bands for reading has increased by 2.8 percentage points since 2009, rising to 49.8 per cent in 2015. Despite Aboriginal students also improving on this measure (increasing from 18.0 per cent in 2009 to 19.4 per cent in 2015), the gap between all students and Aboriginal students has widened by 1.4 percentage points. The proportion of low SES students in the top two bands for reading fell from 32.5 per cent in 2010 to 31.8 per cent in 2015. These trends are not significant (p>.05)[21].

Figure 3.5:

Proportion of Year 3 students in the top two NAPLAN reading bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

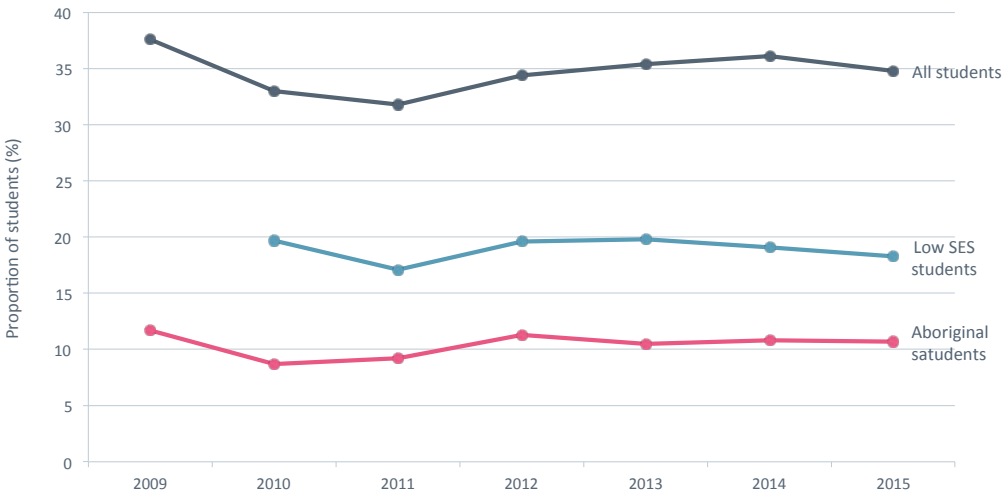


The proportion of all Year 5 students achieving in the top two NAPLAN bands for reading has decreased by 2.8 percentage points since 2009, falling to 34.8 per cent in 2015. A similar pattern was experienced for both Aboriginal students (falling from 11.7 per cent in 2009 to 10.7 per cent 2015) and low SES students (falling from 32.5 per cent in 2010 to 31.8 per cent in 2015). These trends are not significant (p>.05).

Figure 3.6:

Proportion of Year 5 students in the top two NAPLAN reading bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015



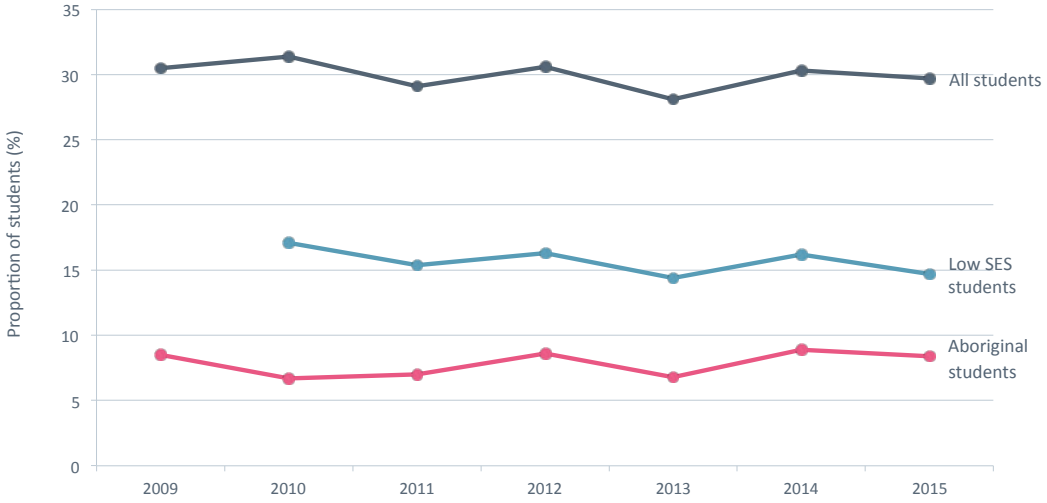
21 Trends in NAPLAN performance over 2009 to 2015 are determined by the significance (α =.05) of a coefficient for calendar year in simple regression of the proportion of students in the top 2 bands or at or above the NMS, over calendar year.

The proportion of all Year 7 students in NSW achieving in the top two NAPLAN bands for reading has fluctuated, decreasing 0.8 percentage points since 2009 to 39.7 per cent in 2015. The proportion of Year 7 Aboriginal students in the top two bands for reading has remained relatively stable (8.4 per cent in 2015). The proportion of low SES students fell from 17.1 per cent in 2010 to 14.7 per cent in 2015. These trends are not significant (p>.05).

Figure 3.8:

Proportion of Year 9 students in the top two NAPLAN reading bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

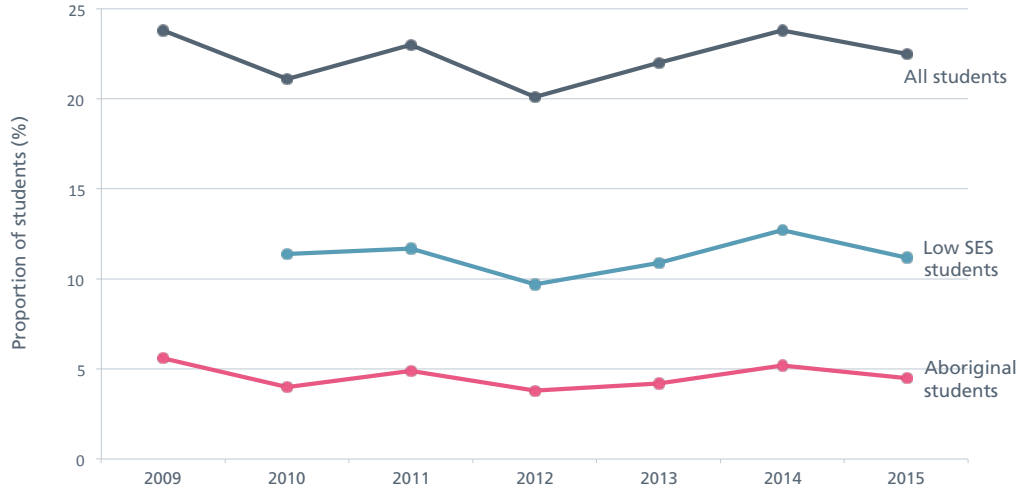


The proportion of all Year 9 students achieving in the top two NAPLAN bands for reading has decreased by 1.3 percentage points since 2009, falling to 22.5 per cent in 2015. The proportion of Year 9 Aboriginal students has also decreased over the same time period, falling from 5.6 per cent to 4.5 per cent in 2015. The proportion of Year 9 low SES students in the top two bands for reading has remained relatively stable (11.2 per cent in 2015). These trends are not significant (p>.05).

Figure 3.7:

Proportion of Year 7 students in the top two NAPLAN reading bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

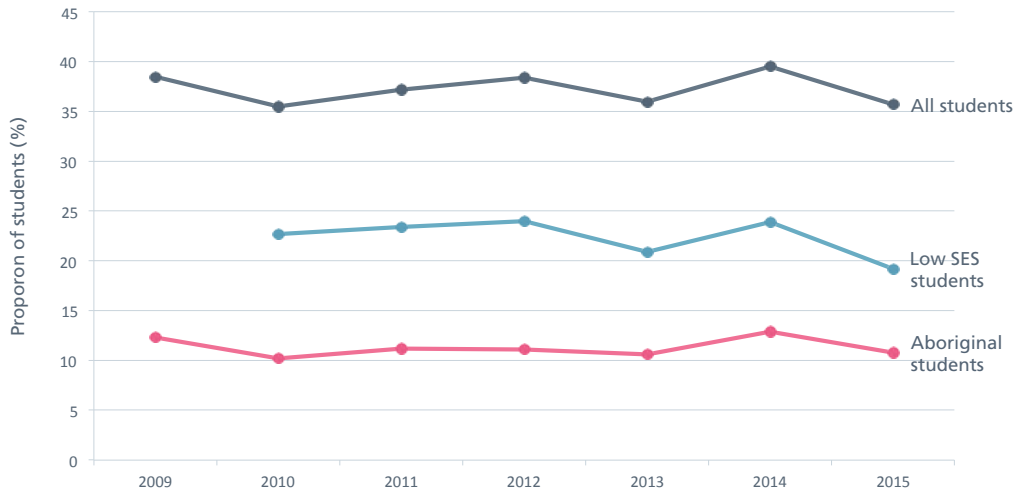


The proportion of all Year 3 students achieving in the top two NAPLAN bands for numeracy has decreased by 2.8 percentage points since 2009, falling to 35.7 per cent in 2015. Whilst a similar pattern was experienced by Year 3 Aboriginal students (falling from 12.3 per cent in 2009 to 10.8 per cent in 2015), the gap between all students and Aboriginal students narrowed by 1.3 percentage points. The proportion of low SES students in the top two NAPLAN bands for numeracy fell from 22.7 per cent in 2010 to 19.2 per cent in 2015. These trends are not significant (p>.05).

Figure 3.9:

Proportion of Year 3 students in the top two NAPLAN numeracy bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

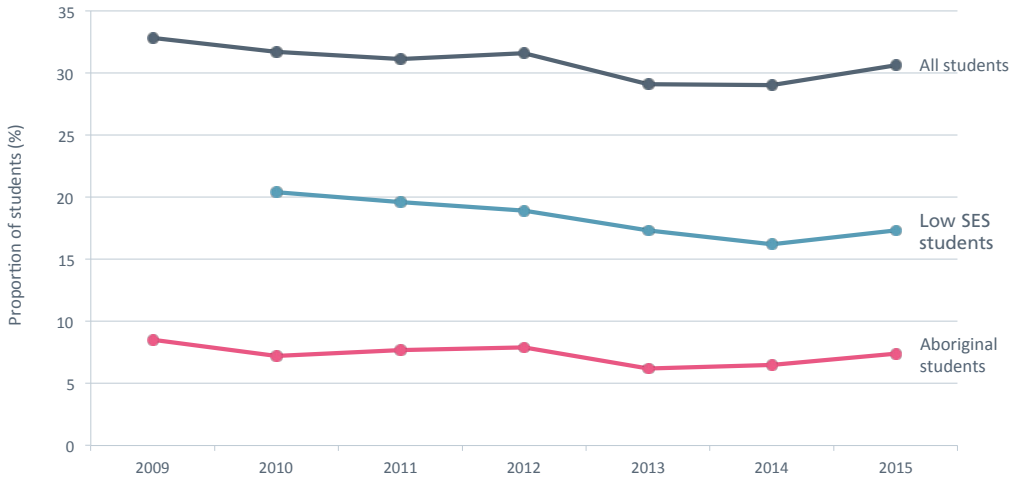


The proportion of all Year 5 students achieving in the top two NAPLAN bands for numeracy has decreased by 2.2 percentage points since 2009, falling to 30.6 per cent in 2015. A similar decrease was experienced for both Aboriginal students (falling from 8.5 per cent in 2009 to 7.4 per cent 2015) and low SES students (falling from 20.4 per cent in 2010 to 17.3 per cent in 2015). The declining trends are significant across all students (p =.04) and low SES students (p=.01), but not across Aboriginal students (p>.05).

Figure 3.10:

Proportion of Year 5 students in the top two NAPLAN numeracy bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

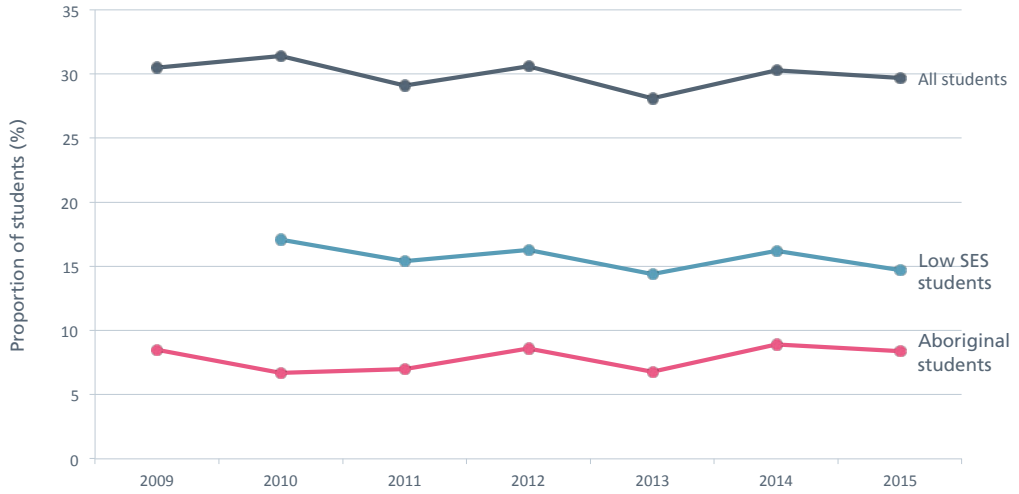


The proportion of all Year 7 students in the top two NAPLAN bands for numeracy has experienced a decline since 2009, falling from 31.2 per cent in 2009 to 28.2 per cent in 2015. The decline for Year 7 Aboriginal students was less marked, decreasing from 6.8 per cent in 2009 to 5.6 per cent 2015 – narrowing the gap by 1.8 percentage points. The proportion of low SES students in the top two NAPLAN bands for numeracy fell from 19.0 per cent in 2010 to 16.1 per cent in 2015. The declining trend is significant across low SES students (p =.01) but not across all students or Aboriginal students (p>.05).

Figure 3.11 :

Proportion of Year 7 students in the top two NAPLAN numeracy bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

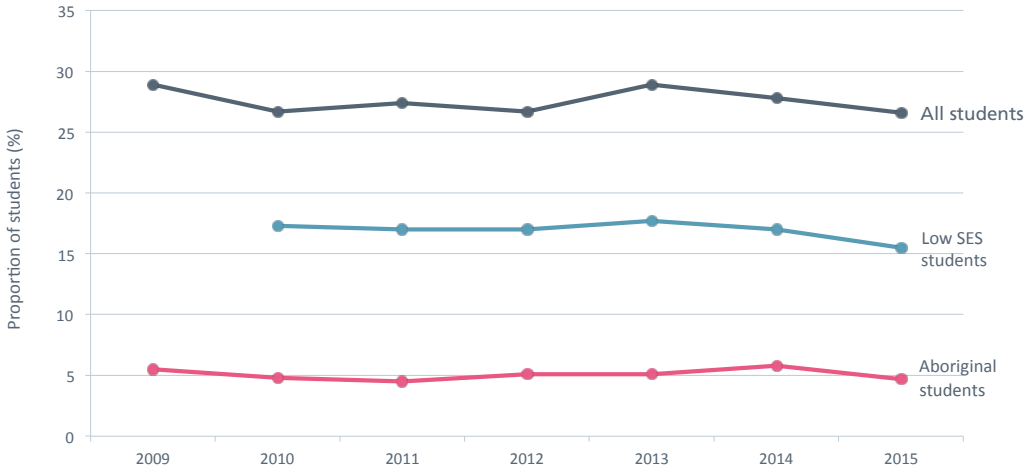


The proportion of all Year 9 students achieving in the top two NAPLAN bands for numeracy has decreased by 2.3 percentage points since 2009, falling to 26.6 per cent in 2015. Both the proportions of Year 9 Aboriginal students (falling from 5.5 per cent in 2009 to 4.7 per cent in 2015) and low SES students (falling from 17.3 per cent in 2010 to 15.5 per cent in 2015) have also decreased. These trends are not significant (p>.05).

Figure 3.12:

Proportion of Year 9 students in the top two NAPLAN numeracy bands, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015



NAPLAN outcomes – achievement at or above the National Minimum Standard

Why is it important?

Students who achieve in the second lowest band for their year group are said to have achieved the NMS expected of students in that year – the agreed minimum standard of knowledge and skills without which students will have trouble progressing effectively through school. Students who fall below the NMS have not achieved the learning outcomes expected for their year level[22], increasing their risk of being unable to progress satisfactorily through school and receive the support they need to maximise potential.

What does the data tell us?

With the exception of Aboriginal students, the proportion of primary students achieving at or above the NMS has decreased from 2009 to 2015. Over the same period, the proportion of secondary school students, including Aboriginal and low SES, has increased.

Trends for each assessment presented in the figures in the following Table 1.2.

Table 1.2:

Change in percentage of students achieving at or above the NMS for reading and numeracy between 2009 and 2015, NSW

Source: Derived from ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy

Change in the percentage of all students – at or above the NMS (2009-2015)		
	Reading	Numeracy
Year 3	– 0.3 percentage points	– 0.8 percentage points
Year 5	+ 0.1 percentage points	– 0.1 percentage points
Year 7	+ 1.1 percentage points	+ 1.0 percentage points
Year 9	– 1.0 percentage points	+ 0.3 percentage points

Change in the percentage of Aboriginal students – at or above the NMS (2009-2015)		
	Reading	Numeracy
Year 3	+ 0.8 percentage points	+ 0.3 percentage points
Year 5	+ 3.3 percentage points	+ 2.9 percentage points
Year 7	+ 6.1 percentage points	+ 6.1 percentage points
Year 9	– 1.5 percentage points	+ 4.1 percentage points

Change in percentage of low SES students – at or above the NMS (2010-2015)		
	Reading	Numeracy
Year 3	– 0.1 percentage points	– 1.1 percentage points
Year 5	– 0.1 percentage points	+ 0.2 percentage points
Year 7	+ 0.7 percentage points	+ 1.0 percentage points
Year 9	+ 0.2 percentage points	+ 3.0 percentage points

Note: * indicated trend from 2009 to 2015 is significantly different from zero at a 5% level of significance.

The proxy measure for low SES is parental occupation Category 4 (machine operators, hospitality staff, assistants, labourers), with NAPLAN results by parental occupation first made available in 2010. Parental occupation is self-reported and not a perfect proxy for low SES, meaning that results should be interpreted with caution.

Small cohort sizes can lead to greater year-on-year variability in NAPLAN results. This variability should be taken into consideration, especially when interpreting NAPLAN results for Aboriginal students in NSW.

Students who are exempt from NAPLAN are deemed to be 'below' the NMS and are included in the denominator for calculating the percentage at or above the NMS.

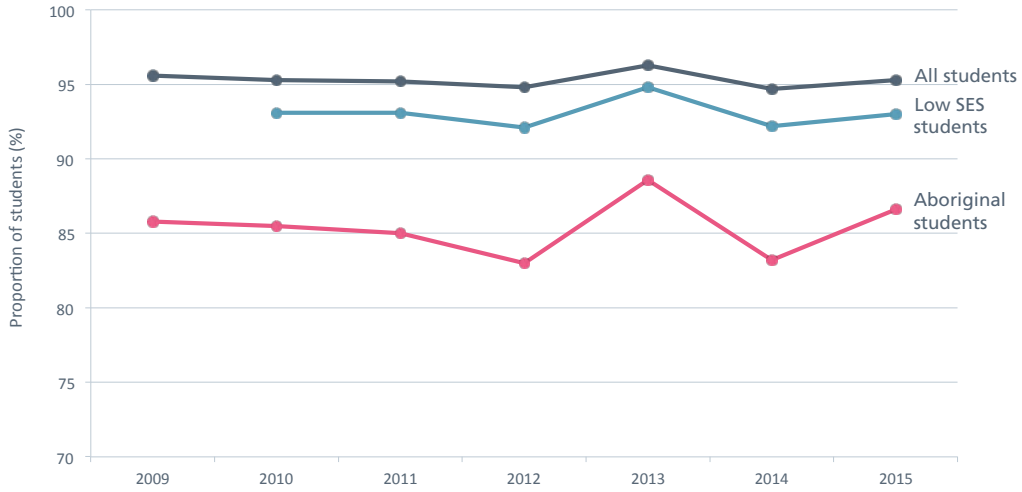
22 http://www.nap.edu.au/results-and-reports/how-to-interpret/standards.html

The proportion of all Year 3 students achieving at or above the NMS for NAPLAN in reading has remained steady since 2009 (falling from 95.6 in 2009 to 95.3 per cent in 2015). Over the same period the proportion of Year 3 Aboriginal students experienced growth, with the proportion at or above the NMS increasing from 85.8 per cent in 2009 to 86.6 per cent in 2015. This has resulted in the gap narrowing by 1.1 percentage points. The proportion of Year 3 low SES students at or above the NMS for NAPLAN in reading has also remained relatively stable (93.0 per cent in 2015). These trends are not significant (p>.05).

Figure 3.13:

Proportion of Year 3 students at or above the NMS in NAPLAN reading, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

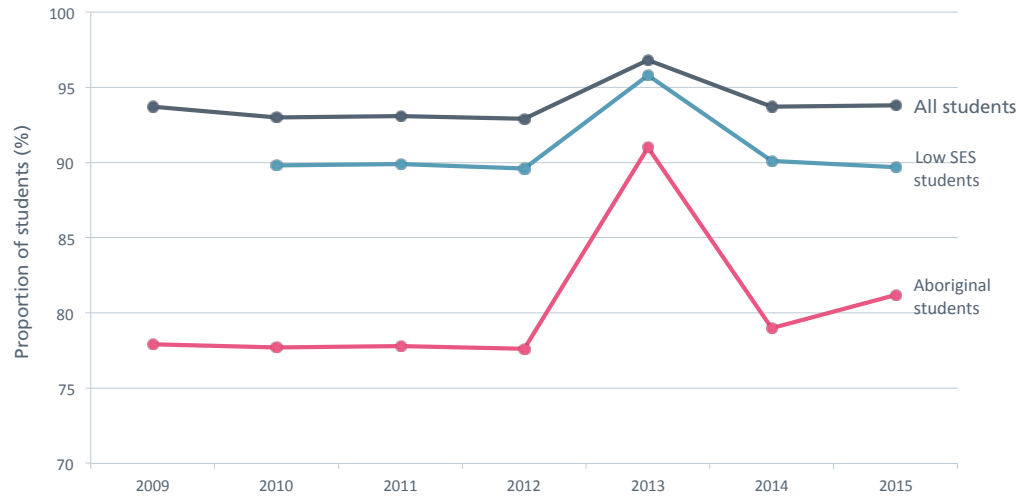


The proportion of Year 5 students achieving at or above the NMS in reading has remained stable despite a spike in 2013 (93.8 per cent in 2015). The proportion of Year 5 Aboriginal students experienced a more exaggerated spike in 2013 (13.4 percentage points), which was largely corrected in 2014. Since 2009 the percentage of Year 5 Aboriginal students at or above the NMS has increased by 3.3 percentage points (81.2 percentage points in 2015), resulting in the gap closing by 3.2 percentage points. The proportion of Year 3 low SES students has also remained relatively unchanged despite the spike in 2013 (89.7 per cent in 2015). These trends are not significant (p>.05).

Figure 3.14:

Proportion of Year 5 students at or above the NMS in NAPLAN reading, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

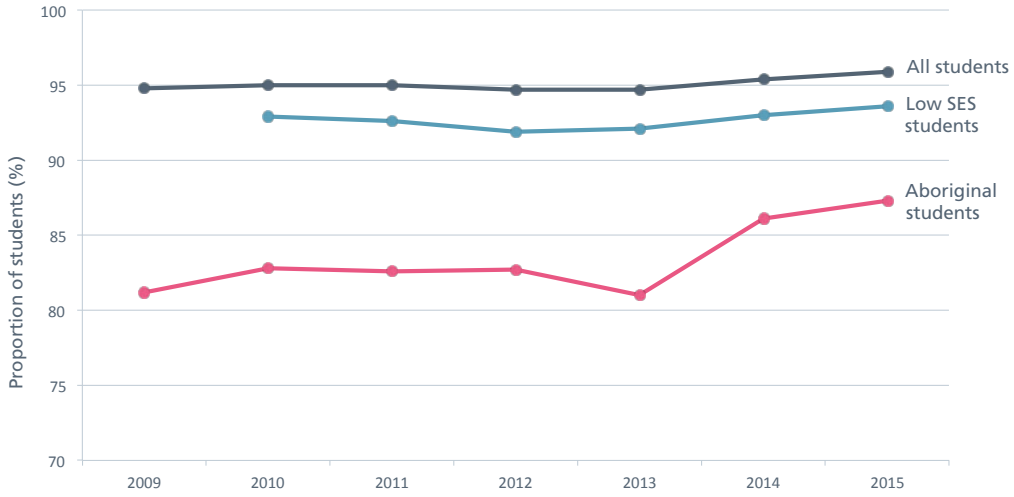


The proportion of all Year 7 students achieving at or above the NMS in NAPLAN for reading has increased by 1.1 percentage points since 2009, rising to 95.9 per cent in 2015. Over the same period the proportion of Year 7 Aboriginal students achieving at or above NMS increased by 6.1 percentage points to 87.3 per cent in 2015. This has resulted in a narrowing of the gap by 5.0 percentage points since 2009. The proportion of low SES students increased from 92.9 per cent in 2010 to 93.6 per cent in 2015. These trends are not significant (p>.05).

Figure 3.15:

Proportion of Year 7 students at or above the NMS in NAPLAN reading, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

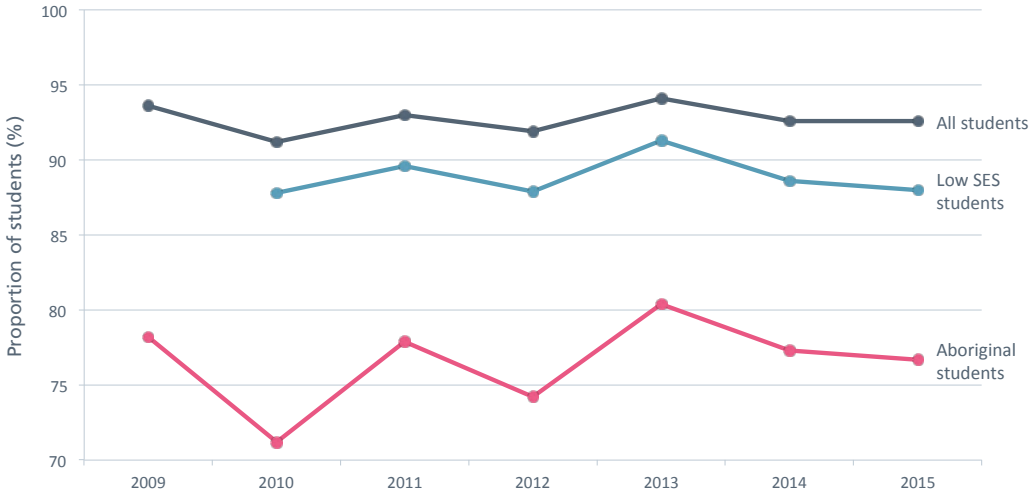


The proportion of all Year 9 students achieving at or above the NMS in NAPLAN for reading has decreased by 1.0 percentage points since 2009, falling to 92.6 per cent in 2015. The decline was greater for Year 9 Aboriginal students (falling from 78.2 per cent in 2009 to 76.7 per cent in 2015), whilst the proportions of low SES students have remained relatively stable (rising from 87.8 per cent in 2010 to 88.0 per cent in 2015). These trends are not significant (p>.05).

Figure 3.16:

Proportion of Year 9 students at or above the NMS in NAPLAN reading, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

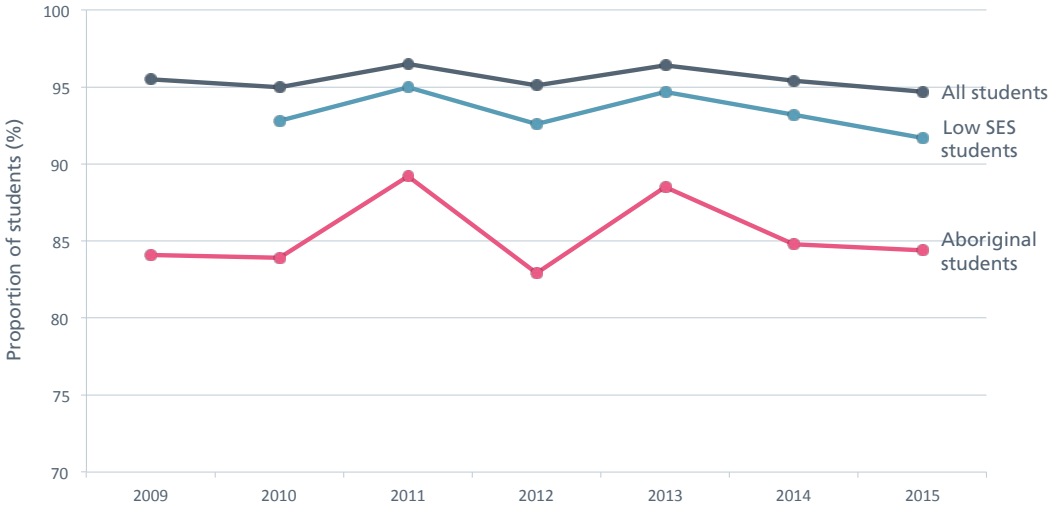


The proportion of all Year 3 students achieving at or above the NMS in NAPLAN for numeracy has decreased by 0.8 percentage points since 2009, falling to 94.7 per cent in 2015. Despite the considerable year-on-year volatility in the proportion of Year 3 Aboriginal students achieving at or above the NMS, there has little change since 2009 (0.3 percentage point increase to 84.4 per cent in 2015). Following a similar pattern as all students, the proportion of low SES students at or above the NMS fell from 92.8 per cent in 2010 to 91.7 per cent in 2015. These trends are not significant (p>.05)

Figure 3.17:

Proportion of Year 3 students at or above the NMS in NAPLAN numeracy, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

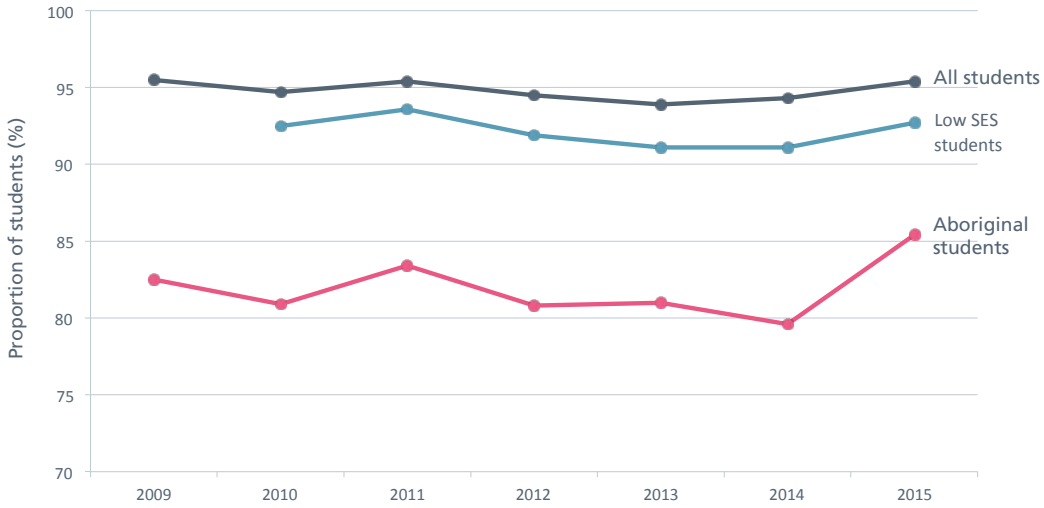


The proportion of all Year 5 students achieving at or above the NMS in numeracy has remained stable, falling 0.1 percentage points since 2009 (95.4 per cent in 2015). Conversely, the proportion of Year 5 Aboriginal students at or above the NMS has increased from 82.5 per cent in 2009 to 85.4 percent in 2015 – leading to a reduction of the gap the by 3.0 percentage points. Results will need to be carefully monitored to see if the recent increases for Aboriginal students continue for 2016 and beyond. Again following a similar pattern as all students, the proportion of low SES students at or above the NMS has remained stable since 2010 (rising 0.2 percentage points to 92.7 per cent in 2015). These trends are not significant (p>.05).

Figure 3.18:

Proportion of Year 5 students at or above the NMS in NAPLAN numeracy, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

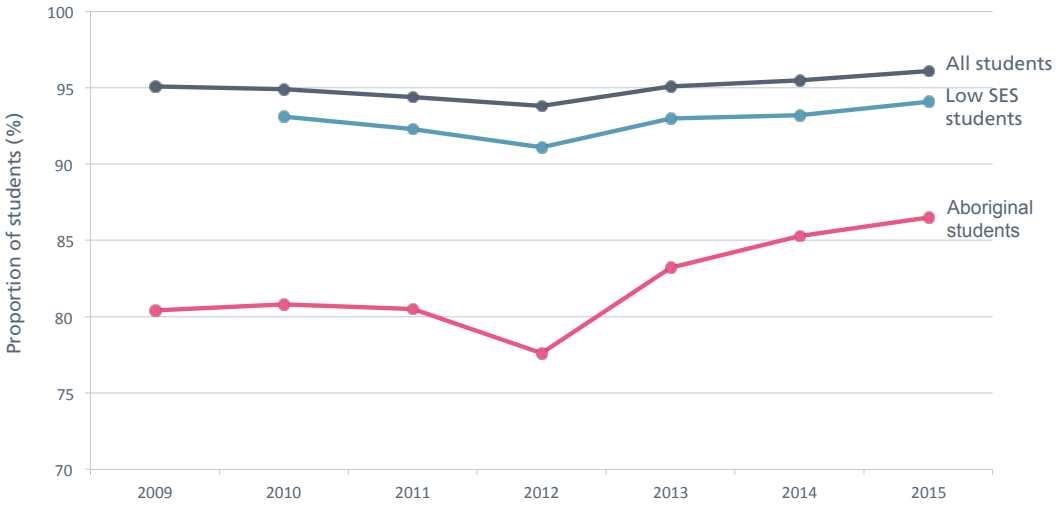


The proportion of all Year 7 students achieving at or above the NMS for numeracy has increased by 1.0 percentage points since 2009, rising to 96.1 per cent in 2015. The proportion of Year 7 Aboriginal students achieving at or above the NMS has increased even further over the same period of time rising from 80.4 per cent to 86.5 per cent in 2015 – leading to a reduction in the gap by 5.1 percentage points. The proportion of low SES students at or above the NMS increased from 93.1 per cent in 2010 to 94.1 per cent in 2015. These trends are not significant (p>.05).

Figure 3.19:

Proportion of Year 7 students at or above the NMS in NAPLAN numeracy, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015

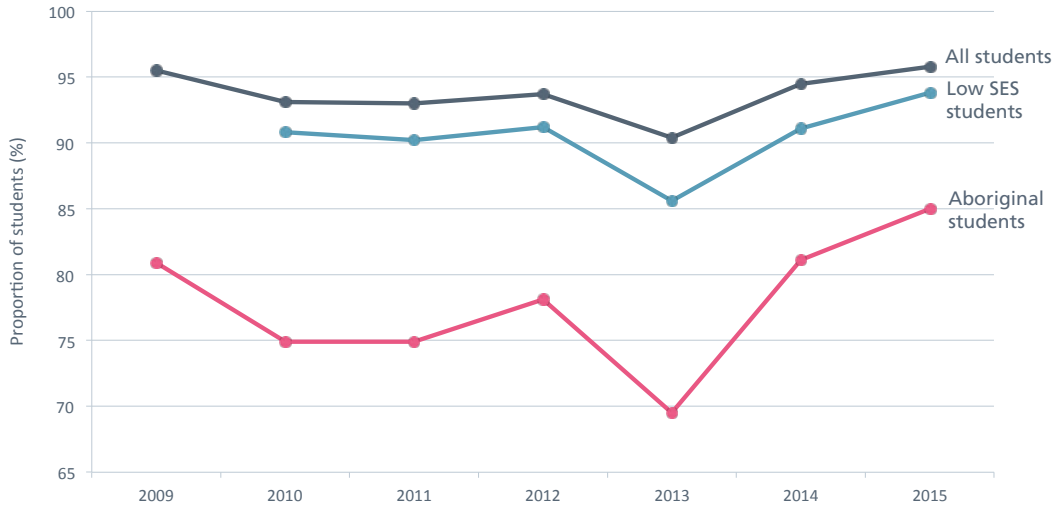


The proportion of all Year 9 students achieving at or above the NMS for numeracy has increased by 0.3 percentage points since 2009, rising to 95.8 per cent in 2015. Over the same time period, the proportion of Year 9 Aboriginal students increased by 4.1 percentage points (85.0 per cent in 2015), resulting in the gap closing by 3.8 percentage points. Following a similar pattern as all students, the proportion of Year 9 low SES students increased from 90.8 per cent in 2010 to 93.8 per cent in 2015. These trends are not significant (p>.05).

Figure 3.20:

Proportion of Year 9 students at or above the NMS in NAPLAN numeracy, NSW, 2009-15

Source: ACARA, NAPLAN Achievement in Reading, Persuasive Writing, Language Conventions and Numeracy: National Report for 2015



Apparent school retention rate

Why is it important?

Research shows that individuals who have successfully completed Year 12 have a greater likelihood of continuing with further education and study, engaging competitively in the workforce, and contributing to wider economic development (ABS, 2011). As such, all children in NSW are required to attend school or complete a number of alternative pathway options[23] until they reach 17 years old - helping to maximise potential and develop the skills needed for work and life.

The apparent retention rate is commonly used as a proxy measure of school engagement and completion, and is calculated by dividing the number of students in Year 12 by the number of students who were in Year 7 five years prior. This statistic is an 'apparent' retention rate as it does not track each individual student. By monitoring this, we have an indicative measure of student engagement and what proportions of students are leaving school after completing Year 12.

What does the data tell us?

The apparent school retention rate has steadily increased for all students across NSW since 2006, with this upwards trend evident before the NSW school-leaving age was raised to 17 in 2010. However, at 78.2 per cent, the apparent retention rate for all students in 2015 was lower in NSW than the national average of 84.4 per cent.

The data also shows that the apparent retention rate for Aboriginal students has consistently been lower than the rate for all students in NSW. However, there have been marked improvements over the last decade. In 2015, 52.1 per cent of Aboriginal students were progressing through to their final year of schooling, increasing from 30.6 per cent in 2006. This has resulted in a 13.8 percent reduction in the gap between Aboriginal students and all students (26.1 per cent gap in 2015). Whilst the data reflects improvements in the apparent retention rate, it should be recognised that there is an increasing propensity for young adults to identify as Aboriginal, especially as they grow older.

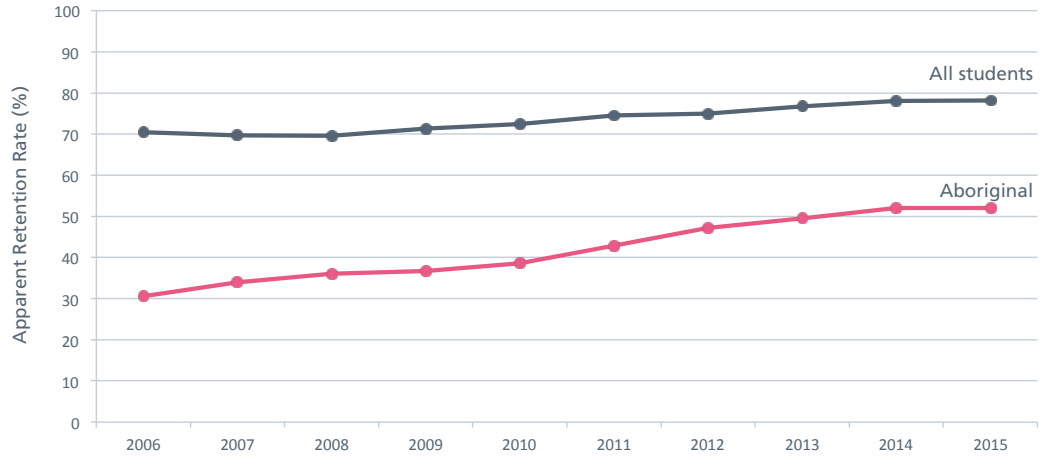


Figure 3.21:

Full-time apparent retention rates, Years 7-12, Aboriginal and All students, NSW, 2006-15

Source: Australian Bureau of Statistics, Schools Australia 2014, Table 64a Apparent Retention Rates (ARR) by Year (grade) Range, Affiliation, Sex, Indigenous Status, States and Territories, 2000-2015

23 Options include further education, apprenticeships or traineeships, and full-time paid employment. Students can also undertake a combination of these options.

Year 12 or an Australian Quality Framework (AQF) equivalent

Why is it important?

The need to complete the final year of school has become increasingly important for labour market outcomes, with fewer jobs being offered in manufacturing and other industries that traditionally employed young people without qualifications. However, completing secondary school is not the only option for students, and many young adults choose to complete a vocational qualification instead. Given this, targets for Year 12 attainment are measured in terms of Year 12 and/or its vocational equivalent in the AQF.

Monitoring these outcomes provides an indication of educational achievement for all young people, and is important for understanding which post-compulsory education pathways are suited for particular groups of young people. Currently AQF Certificate Level II or above is recognised as the vocational equivalent to Year 12 when analysing educational attainment levels. However, the level is set to change to Certificate Level III or above in 2020 to meet agreed Council of Australian Governments' specifications.

What does the data tell us?

The rate of young people aged 20–24 years with a Year 12 or Certificate II[24] qualification or above has increased over the last decade, rising from 82.0 per cent in 2006 to 88.8 per cent in 2015. This has been influenced by a number of factors, one of which is the commitment to raising the official school leaving age of young people.

In contrast to the trend for all young people, those from low SES[25] backgrounds have experienced a decline in Year 12 or Certificate II attainment, decreasing from 79.1 per cent in 2012 to 78.0 per cent in 2015. Notably, the rate of education attainment for low SES students was 10.8 percentage points lower in 2015 than for all young people in NSW.

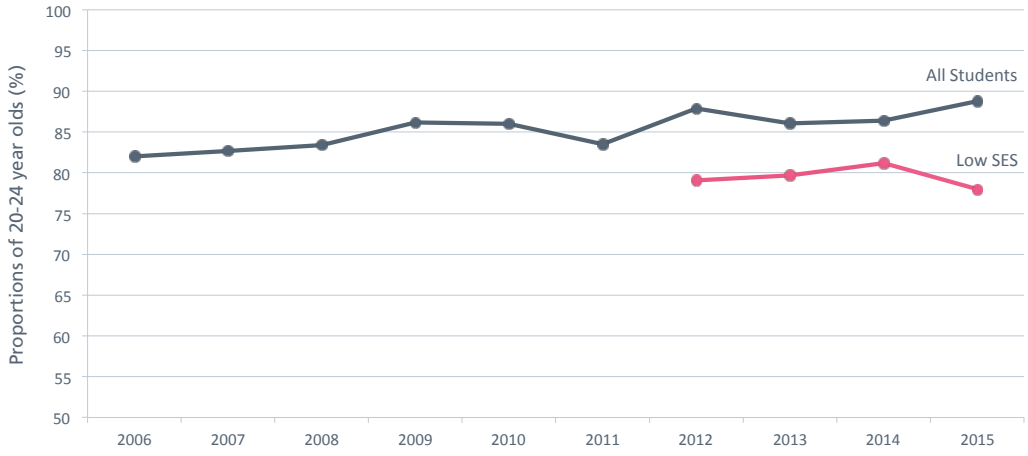


Figure 3.22:

20-24 year olds with Year 12 or AQF Certificate II or above, All students and Low SES students, NSW, 2006-15

Source: (Unpublished) Australian Bureau of Statistics, Education and Work, Year 12 (or equivalent) or a non-school qualification at Certificate II level or above, persons aged 15–64 years, 2015. Indigenous States and Territories, 2000-2015

The proportion of young people aged 20–24 years with Year 12 attainment or Certificate III[26] qualification or above has also increased over the last decade, rising from 81.1 per cent in 2006 to 88.2 per cent in 2015. However, for young adults from regional and remote areas, education attainment levels remain below that of all students in NSW at 77.3 per cent in 2015.

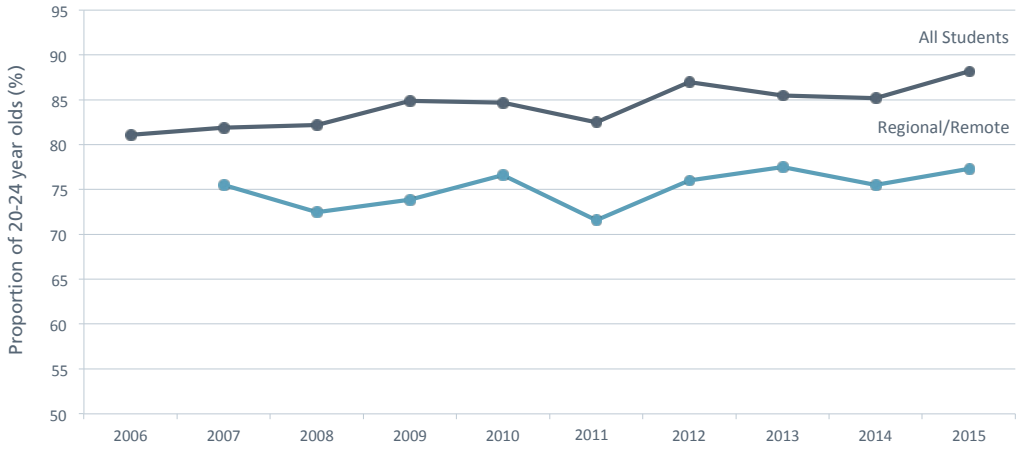
24 Data for this indicator is not available for regional and remote students, or for Aboriginal students
25 Based on SEIFA Deciles of 1, 2 and 3 (IRSD)
26 Data for this indicator is not available for Aboriginal students.

Whilst currently there is no time series available for low SES students, the Report on Government Services (RoGS) has published data for 2014, reporting that 72.7 per cent of 20-24 year olds from low SES[27] backgrounds had completed either Year 12 or a Certificate III equivalent. This was below the attainment of all students (85.2 per cent) and of students from regional and remote areas (75.5 per cent) in that year.

Figure 3.23:

20-24 year olds with Year 12 or AQF Certificate III or above, All students and Regional and Remote students, NSW, 2006-15

Source: (Unpublished) Australian Bureau of Statistics, Education and Work, Year 12 (or equivalent) or a non-school qualification at Certificate III level or above, persons aged 15–64 years, 2015

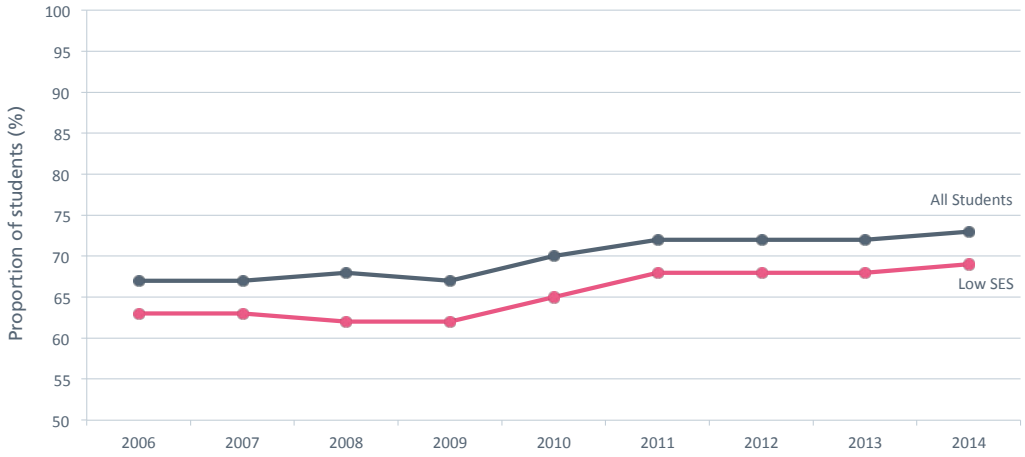


The proportion of young people from low SES[28] backgrounds who have completed Year 12 has increased from 63.0 per cent in 2006 to 69.0 per cent in 2014. This growth was most pronounced between 2009 and 2011, where the Year 12 completion rate increased by six percentage points. The Year 12 completion rate for low SES students remains 4.0 percentage points below all students (73.0 per cent in 2014), the same gap as in 2006.

Figure 3.24:

Year 12 completion rates for All students and Low SES students, NSW, 2006-14

Source: Report on Government Services 2016, vol. B School education, Productivity Commission, Canberra, Table 4A.124



Note: This data refers predominantly to Year 12 Certificates issued from mainly academic streams, and does not include completions from courses that have a large vocational component. This collection is therefore not suitable as a measure of Year 12 or equivalent attainment, but only for completion of the Year 12 Certificate.

27 Based on SEIFA Deciles of 1, 2 and 3 (IRSD).
28 Based on SEIFA Deciles of 1, 2 and 3 (IRSD).

HSC award and ATAR eligibility

Why is it important?

The Higher School Certificate (HSC) is the highest educational award in NSW schools and is presented to students who successfully complete Years 11 and 12. To be eligible, students must meet HSC course requirements and sit for the requisite state-wide HSC examinations (BOSTES, 2016). The HSC provides a foundation for students wishing to pursue tertiary qualifications, vocational training or employment. The HSC acts as a platform for enriching students' life choices, and is an important indicator of the post-school options for many students.

School leavers wanting to attend university need to complete a specific pattern of study for their HSC in order for them to be eligible for an Australian Tertiary Admissions Rank (ATAR). The ATAR is the selection tool used by universities to offer students places in courses and depends solely on a student's performance in the HSC. To be eligible, a student must satisfactory complete at least 10 units of ATAR eligible courses[29]. Students can also complete VET courses during year 11 and 12 to receive AQF qualifications (typically at Certificate II or Certificate III level), in addition to their HSC credential.

What does the data tell us?

The total number of students awarded the HSC in NSW has continued to increase since 2009, reaching a record 68,015 students in 2015[30]. This reflects an improvement in the school retention rate over the period, particularly since the school leaving age was raised in 2010. The number of students eligible for an ATAR has also risen, though at a lesser rate. This suggests the possibility that some students who in previous years may have left school early are staying on to complete the HSC but are not choosing to apply for university.

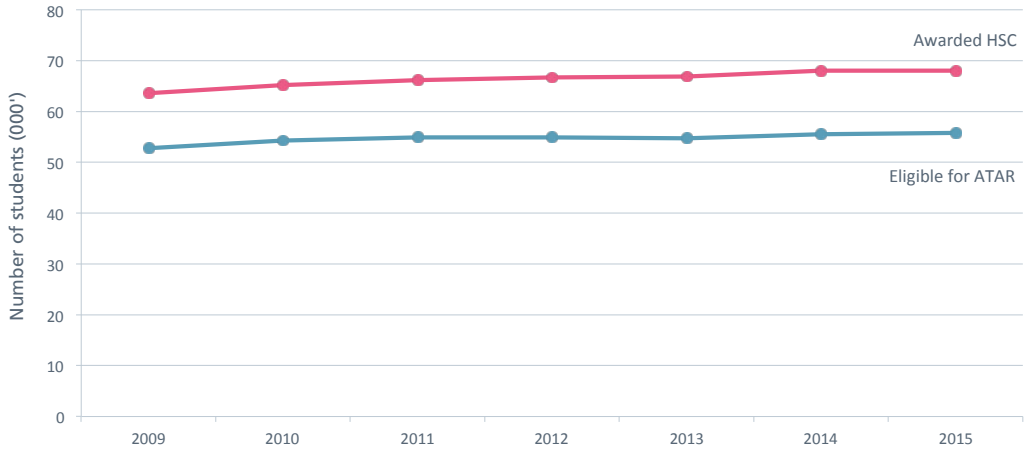


Figure 3.25:

HSC and ATAR candidature, All students, NSW, 2009-15

Source: (Unpublished) NSW BOSTES, NSW Statistics Archive

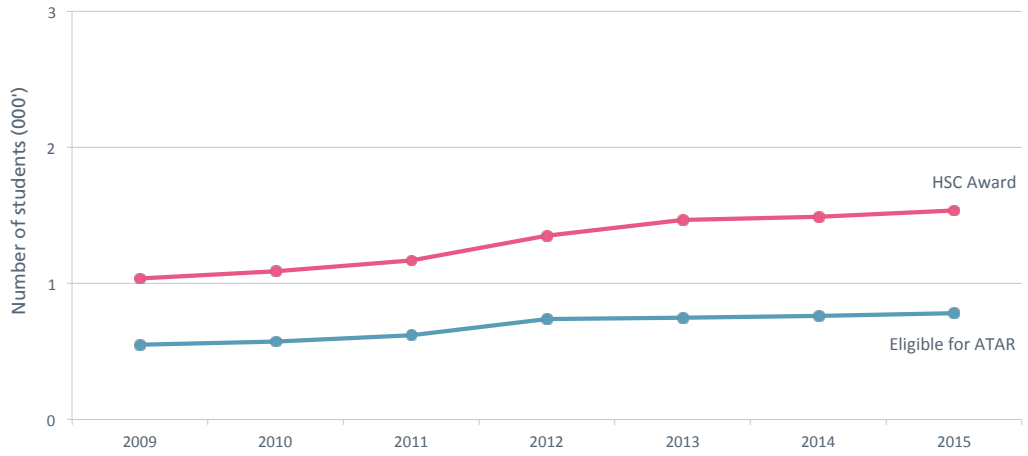
29 http://www.uac.edu.au/atar/courses.shtml
30 Data as of 19th February, 2016. Any discrepancies between published BOSTES data reflect updates of student records after the release of results.

The same trend is evident for Aboriginal students, with the number of students awarded the HSC rising from 1,036 in 2009 to 1,537 in 2015 - representing an increase of 48.4 per cent. Over the same period, those eligible for an ATAR increased by 42.4 per cent to 782 in 2015.

Figure 3.26:

HSC and ATAR candidature, Aboriginal students, NSW, 2009-15

Source: (Unpublished) NSW BOSTES, NSW Statistics Archive



In the case of both low SES and rural and remote students, the numbers of students awarded the HSC and eligible for an ATAR have been relatively stable over 2009 to 2015, suggesting that the observed increases in the total number of students awarded the HSC are primarily for metropolitan students.

Figure 3.27:

HSC and ATAR candidature, Low SES students, NSW, 2009-15

Source: (Unpublished) NSW BOSTES, NSW Statistics Archive

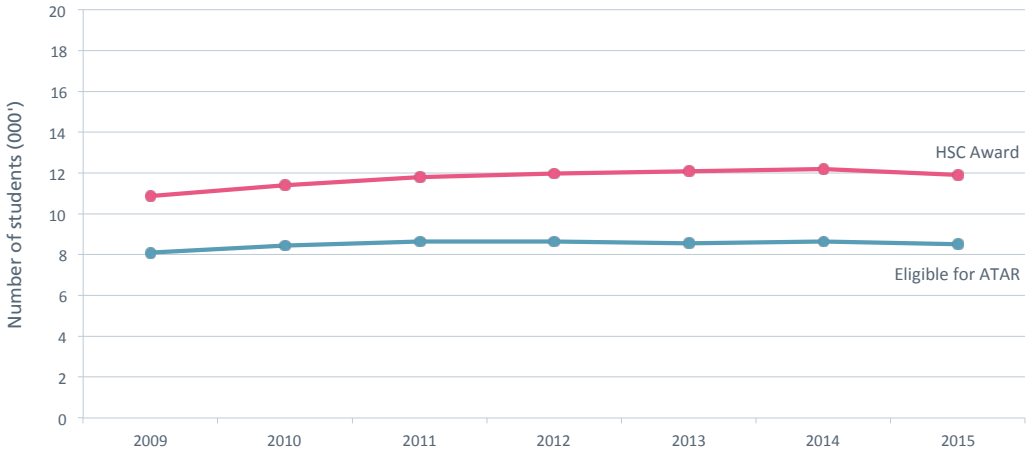
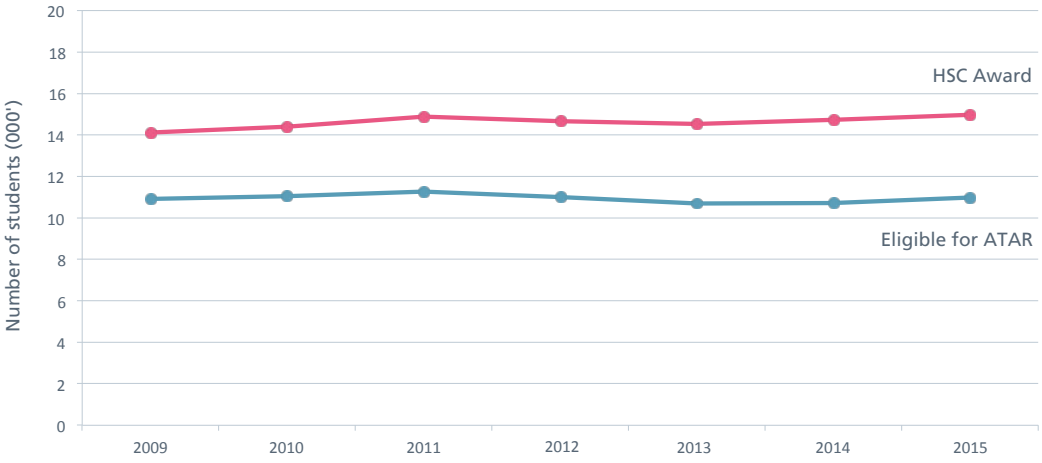


Figure 3.28:

HSC and ATAR candidature, Regional and Remote schools, NSW, 2009-15

Source: (Unpublished) NSW BOSTES, NSW Statistics Archive



Post-school destinations of NSW secondary students

Why is it important?

The cross-sectoral *Survey of Secondary Students' Post-School Destinations and Expectations* seeks to provide critical information on education pathways and post-school destinations of all young people in NSW, as well as the factors influencing those choices. Research shows the number of years in school is a significant predictor of future employment and earnings (Wei, 2016), and long term changes in the NSW labour market suggest a growing importance of appropriate education and training to employment outcomes. The adequate monitoring of these post-school pathways and the reasons for leaving school early, informs policy planning on achieving successful outcomes for young people.

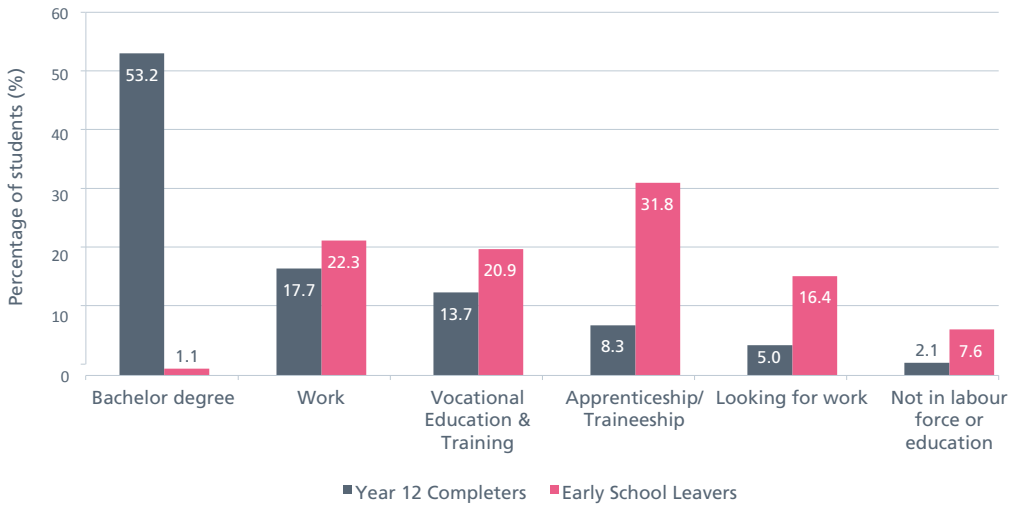
What does the data tell us?

In 2015, the most common destination among all Year 12 completers was university, with slightly more than half (53.2 per cent) commencing a Bachelor degree in the year immediately following school. In contrast, only 1.1 per cent of students who left school prior to completing Year 12 (early school leavers) started a Bachelor degree via alternative options. Just over half of early leavers entered into formal apprenticeships and traineeships (31.8 per cent), or VET (20.9 per cent). A further 22.3 per cent of early leavers were engaged in part-time or full-time employment and 16.4 per cent were looking for work.

Figure 3.29:

Post-school destinations of Year 12 completers and early school leavers, all students, NSW, 2015

Source: NSW Secondary Students' Post-School Destinations and Expectations - 2015 Annual Report, Tables 1 and 9

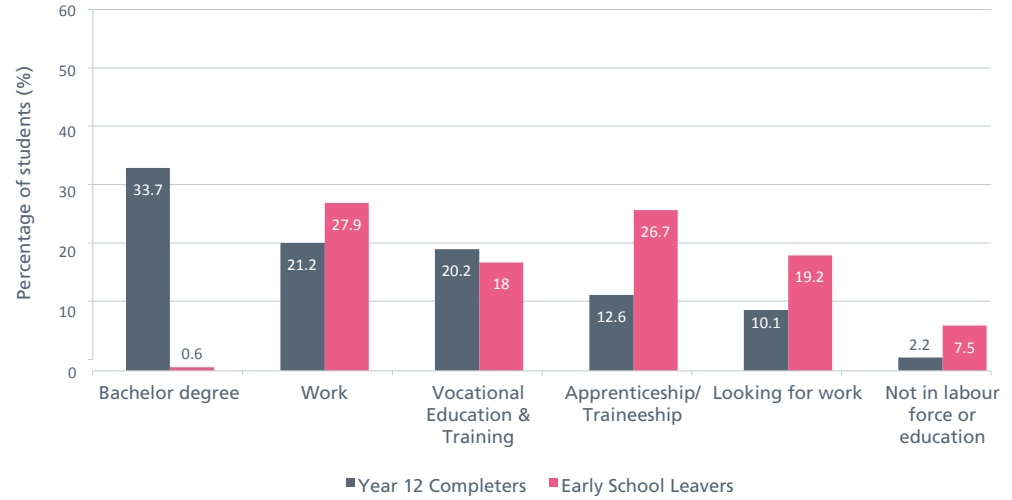


In 2015 the most common destination among low SES[31] Year 12 completers was university (33.7 per cent), which is much lower than the proportion across all students (53.2 per cent) commencing a Bachelor degree. More low SES Year 12 completers entered into work (21.2 per cent) and VET (20.2 per cent) compared to all Year 12 completers. In contrast, the most common destination for low SES students who left school prior to completing Year 12 was work (27.9 per cent) and formal apprenticeships and traineeships (26.7 per cent).

Figure 3.30:

Post-school destinations of Year 12 completers and early school leavers, by low SES, NSW, 2015

Source: NSW Secondary Students' Post-School Destinations and Expectations - 2015 Annual Report, Tables 3 and 11



31 SES is derived from students' answers to questions about their parents main occupation and highest level of education.

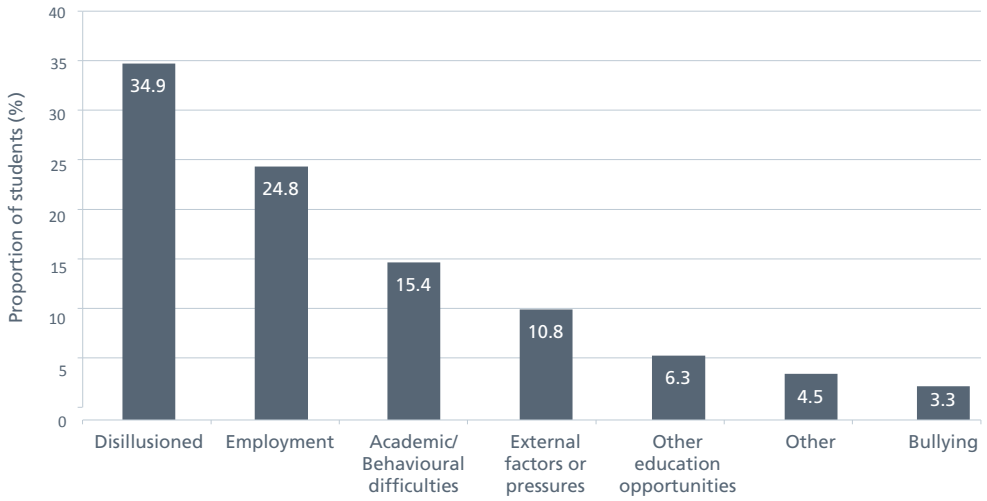
In 2015, the most commonly self-reported reasons for leaving school early related to feeling disillusioned with school (34.9 per cent), wanting to pursue employment and career options (24.8 per cent) and having academic or behavioural difficulties at school (15.4 per cent). The main reasons for disillusionment with school were students not liking teachers, a lack of interest in school and a belief that school was 'not for them'. 10.8 per cent of responses by early school leavers cited external factors or pressures as the main reason for leaving schools, with a collection of circumstances relating to personal illness, caring for and having children reported. Notably, females were over-represented in this group of early school leavers, with 16.1 per cent of females reporting external pressure as their main reason for leaving school early compared to 7.2 per cent of males. The least-cited main reason for leaving school early was bullying (3.3 per cent).

For a full description and analysis on NSW students' post school destinations, please see: http://www.cese.nsw.gov.au/images/stories/PDF/Destination_and_Expectations_Report_2015.pdf

Figure 3.31:

Self-reported main reason for leaving school early by early school leavers, all schools, NSW, 2015

Source: NSW Secondary Students' Post-School Destinations and Expectations - 2015 Annual Report



Note: Results are self-reported 'main' reasons for leaving school early, and survey respondents often cited multiple reasons.

Teacher accreditation

Why is it important?

Research consistently shows high-quality teaching to be the single greatest in-school influence on student engagement and achievement (OECD, 2009). The teacher accreditation system assesses the evidence of teachers' practice against the Australian Professional Standards for Teachers[32] and in NSW is overseen by BOSTES. National Professional Standards for teachers articulate what teachers are expected to know and be able to do at four career stages: Graduate, Proficient, Highly Accomplished and Lead.

Accreditation has been a requirement for all new and returning teachers in NSW since 2004, and by 2018 it will be mandatory for all teachers. Whilst the accreditation of all NSW teachers is a relatively recent requirement and the full coverage of all NSW teachers is expected to take some time.

32 http://www.nswteachers.nsw.edu.au/publications-policies-resources/publications/australian-professional-standards-for-teachers

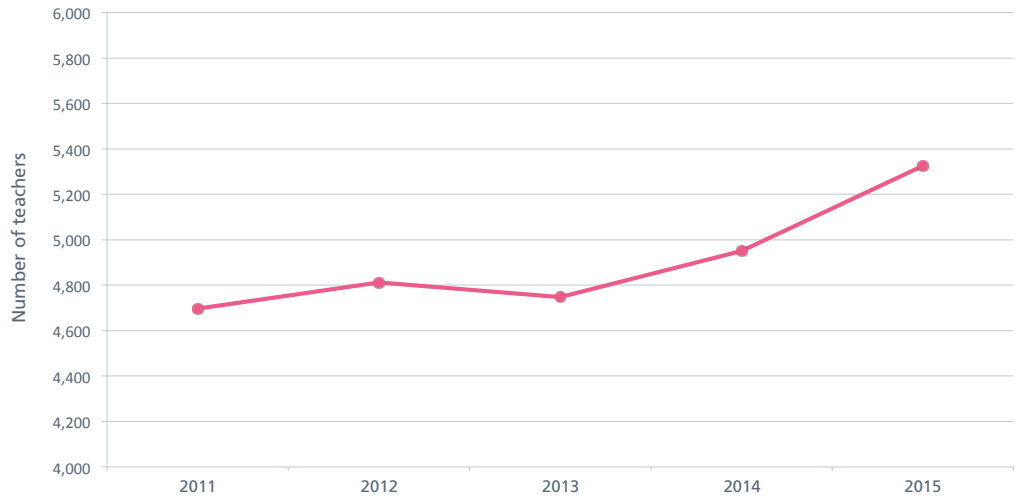
What does the data tell us?

Becoming fully accredited at the Proficient Teacher level is a process that all graduate teachers must complete over a set timeframe, and involves demonstrating competency at a required level across all the standard descriptors. Apart from a minor fall in 2013, the number of teachers becoming accredited annually is increasing, reaching a peak of 5,325 in 2015. As more teachers are required to be accredited at this level, numbers will continue to increase until all teachers are accredited by 2018.

Figure 3.32:

Number of teachers newly accredited as being a Proficient Teacher, all schools, NSW, 2011-15

Source: (Unpublished) NSW BOSTES, NSW Statistics Archive



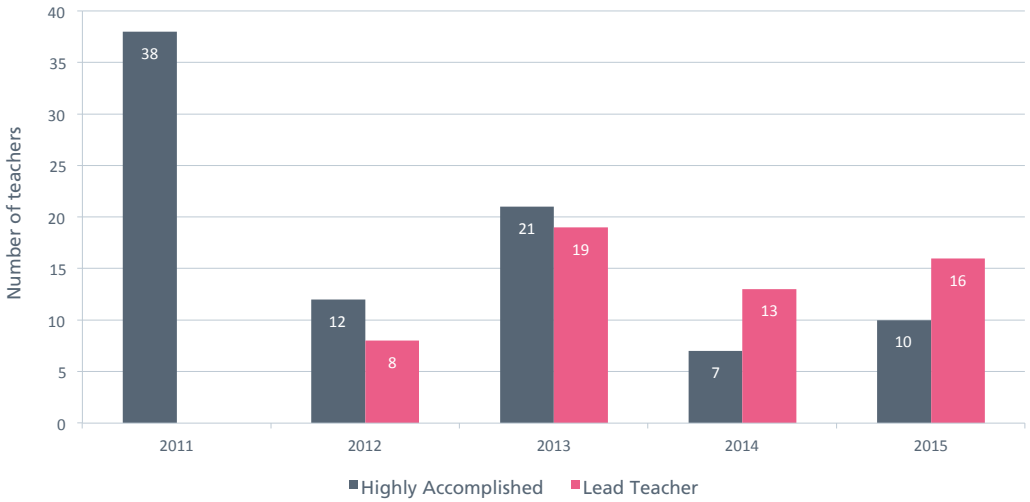
Applying for accreditation at either the Higher Accomplished or Lead Teacher level is a voluntary process for existing teachers and teachers already accredited at Proficient. Teachers have up to 3 years to complete the process, although they are able to complete a submission in a much shorter timeframe if they are ready to apply. Accreditation at Highly Accomplished and Lead Teacher is intended to promote quality teaching by applicants demonstrating outstanding teaching practice.

The number of teachers gaining accreditation at these higher levels since their introduction in 2011 has varied, with cumulatively more accreditations at Highly Accomplished (88) than Lead (56)[33] across all school sectors in 2015. All education sectors in NSW are enacting policies to encourage more teachers to apply for the higher levels. These numbers are therefore likely to increase with 455 new Highly Accomplished and 450 new Lead Teacher applications currently in progress[34].

Figure 3.33:

Number of teachers gaining accreditation at higher levels, all schools, NSW, 2013-15

Source: (Unpublished) NSW BOSTES, NSW Statistics Archive



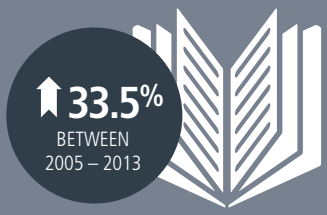
33 Reported numbers for 2013 vary from the last State of Education report, as figures published were only for the first half of 2013.
34 http://www.dec.nsw.gov.au/about-us/news-at-det/news/school-leadership-strategy1

VOCATIONAL EDUCATION AND TRAINING

Vocational education and training (VET) is a part of the tertiary education and training system, providing young adults over the age of 15 with accredited training in job related and technical skills.

Greater numbers of people from

RURAL OR REGIONAL AREAS



HAVE A CERTIFICATE III OR HIGHER

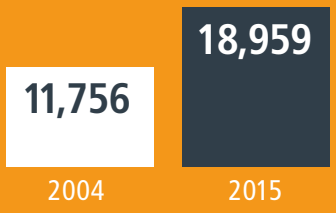
FEWER PEOPLE

ARE ENTERING APPRENTICESHIPS

AND TRAINEESHIPS

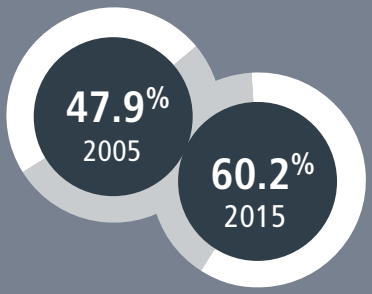
MORE PEOPLE

IN NSW ARE NOW COMPLETING HIGHER LEVEL*



VET QUALIFICATIONS

*AQF Diploma and Advanced Diploma



A great proportion of **20 – 64 YEAR OLDS**

HAVE A CERTIFICATE III OR HIGHER

4. Vocational education and training

Vocational education and training (VET) is a part of the tertiary education and training system, providing young adults over the age of 15 with accredited training in job related and technical skills. The system includes government and privately-funded VET, with courses delivered through a wide range of registered training organisations (RTOs).

The Certificate I, Certificate II, Certificate III, Certificate IV, Diploma, Advanced Diploma, Graduate Certificate and Graduate Diploma qualifications are Australian Qualifications Framework (AQF) accredited in the Vocational Education and Training sector.

Schools also provide some vocational education and training known as VET in Schools (VETiS). This nationally recognised training is available to all students as part of their senior secondary school education – offering students the chance to complete their secondary education, whilst acquiring work skills and gaining an accredited VET qualification. As of 2015, the Economic, Skills and Regional Development Division in the NSW Department of Industry became responsible for government-funded VET, with the NSW Department of Education retaining responsibility for VETiS.

Individuals with a Certificate III or above

Why is it important?

Certificate III is the third level (of ten) in the Australian Qualifications Framework[35] (AQF), and qualifies people to use their theoretical knowledge and skills to perform skilled work or pursue further learning[36]. Recognised nationally and internationally, this qualification allows flexible pathways for career development or continued education and training. It is the cornerstone of vocational qualifications, providing graduates with increased chances of finding work and earning a substantial income.

It is particularly important that this qualification is accessible for people in disadvantaged groups – such as individuals living in regional and remote areas, people from low SES backgrounds and Aboriginal persons. Improved outcomes for these groups will lift the overall education and skill level of our workforce, and at the same time address equity and diversity concerns.

35 The Australian Qualifications Framework is the "national policy for regulated qualifications in Australian education and training". Australian Qualifications Framework, About the AQF: http://www.aqf.edu.au
36 Australian Qualifications Framework: Second Edition January 2013, AQF Specification for the Certificate III

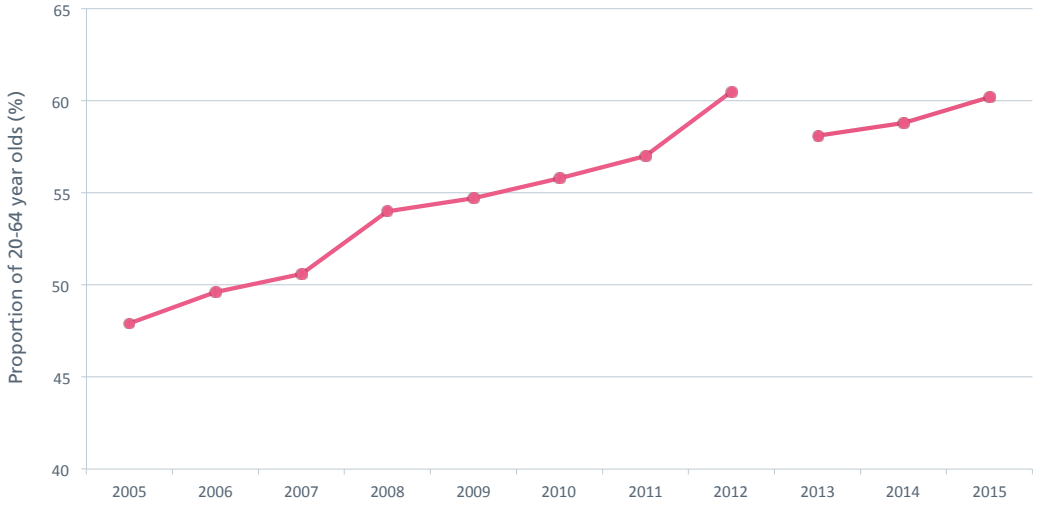
What does the data tell us?

The proportion of 20-64 year olds who have completed a Certificate III (or above) increased between 2005 to 2012, peaking in 2012. Whilst a break in the series occurred in 2013, as people who are permanently unable to work were included in the data collection for the first time, the trend has continued to increase, reaching 60.2 per cent in 2015 (rising 2.1 percentage points since 2013).

Figure 4.1:

Proportion of 20-64 year olds with an AQF Certificate III or above, NSW, 2005-15

Source: Australian Bureau of Statistics, Education and Work, Australia, May 2015, Non-school qualification at Certificate III level or above, persons aged 20-64 years



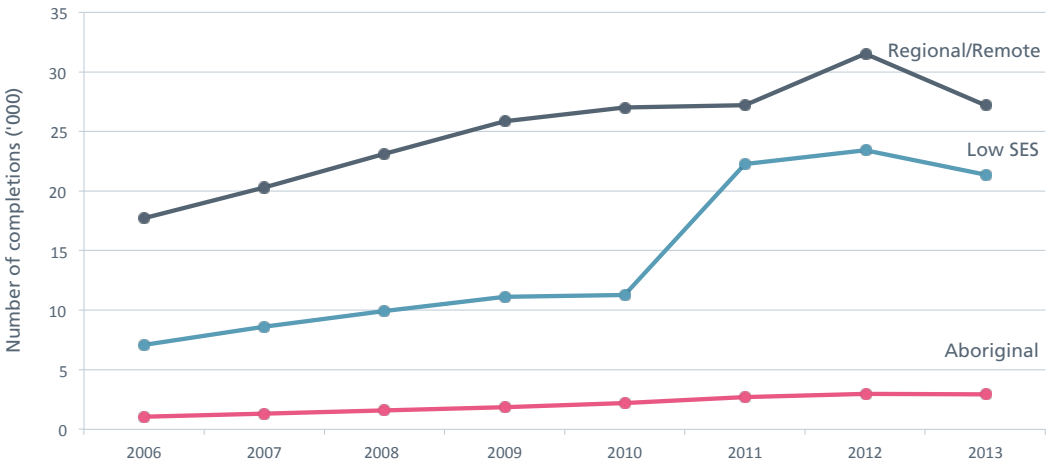
Note: In 2013, adults who are permanently unable to work were included in this data collection for the first time. Caution is therefore advised when comparing data before and after 2013.

Since 2006, the number of people who completed a Certificate III or above has increased for all equity groups, reaching peaks in 2012 before declining in 2013. In 2013, 27,230 students in regional and remote areas; 21,381 students from low SES backgrounds; and 2,923 Aboriginal students completed a Certificate III or above. For Aboriginal students, this represents almost a threefold increase since 2006.

Figure 4.2:

Number of 20-64 year olds who completed an AQF Certificate III or above, by equity groups, NSW, 2006-13

Source: NCVER, National VET Provider Collection, VOCstats



Note: Between 2010 and 2011, the number of students from low SES backgrounds who completed a Certificate III or above nearly doubled. This disproportionate increase coincides with a significant change in the method of classifying students as 'low SES', which changed in 2011[37]

37 SEIFA Quartile 1 (IEO). In 2011 a new version of SEIFA was released (SEIFA 2011), which incorporated new 2011 Census data, additional variables, and new geographical boundaries (Australian Statistical Geography Standard). The apparent increase in Certificate III completions in low SES areas correlates with this revision of the method of calculating low SES.

Diplomas and Advanced Diplomas

Why is it important?

The purpose of the Diploma and Advanced Diploma is to train adults to apply technical knowledge and skills across a broad range of contexts, and undertake highly skilled or paraprofessional work. Increasing the number of people with these higher level qualifications will help NSW meet the changing workforce needs of a modern globalised economy. Furthermore, both of these qualifications provide a pathway to higher education and further learning, which is particularly important for providing flexible learning options for people who have not completed the HSC.

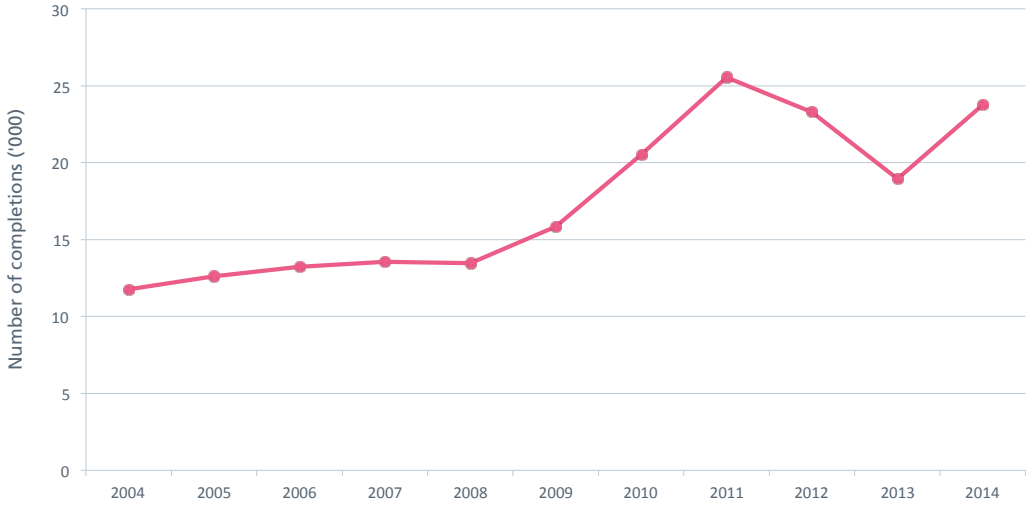
What does the data tell us?

The number of adults completing Diplomas and Advanced Diplomas has increased since 2004, with 18,959 individuals in NSW completing one of these qualifications in 2013. Notably, completions rose sharply between 2008 and 2011, with numbers dropping back in the years following. The increase in completions could in part be linked to the commencement of the VET FEE-HELP[38] scheme in 2009, which sought to provide assistance to eligible students studying higher level VET qualifications to pay their tuition fees. The reasons behind the decline in completions for 2012 and 2013, and the subsequent increase in 2014 are unclear. Monitoring the number of completions will be important in determining the direction of the trend in coming years.

Figure 4.3:

Number of AQF Diplomas and Advanced Diplomas completions, NSW, 2004-14

Source: NCVER, National VET Provider Collection, VOCstats



Apprenticeships and traineeships

Why is it important?

Having an effective, efficient and adaptable system of apprenticeships and traineeships is critical to a highly skilled economy and in meeting the workforce needs of the future. In NSW, apprenticeships and traineeships are a notable feature of the VET system. They combine employment with on-the-job and formal training, leading to an occupation-specific qualification. Unlike other VET qualifications, apprentices and trainees have a contract with the employer responsible for providing on-the-job training, and receive a training wage.

Boosting apprenticeships and traineeships is one of the NSW State Priorities[39], with the government aiming to create a highly-skilled workforce by giving young apprentices the opportunity to learn key new skills on major infrastructure projects. As well as increasing commencements, it's also important to ensure apprentices and trainees are completing their training.

38 http://studyassist.gov.au/sites/studyassist/helppayingmyfees/vet-fee-help/pages/vet-fee-help
39 https://www.nsw.gov.au/making-it-happen

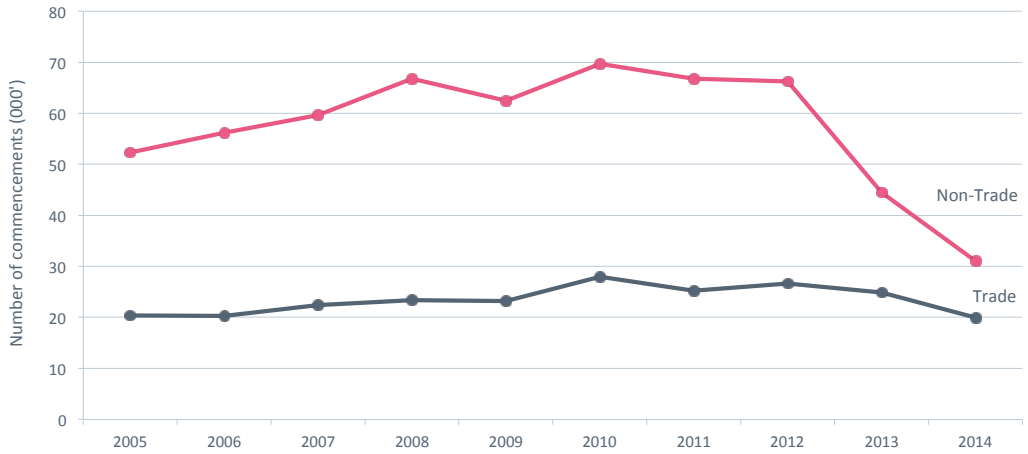
What does the data tell us?

Prior to 2011, there was steady growth in non-trade commencements before a 53.1 per cent decline between 2012 and 2014. This fall in commencements is in part due to changes in Commonwealth incentive payments for existing workers. Under the changes, commencement incentive payments for new apprentices and trainees in non-skills shortage areas were removed in 2012, and from August 2013 all existing workers who had commenced an apprenticeship or traineeship in a non-skills shortage area were no longer eligible to claim completion incentive payments. This was particularly pronounced for apprenticeships and traineeships in retail positions, food, clothing, information technology and for dental assistants. Although less pronounced, the same pattern appears to be present for trade commencements.

Figure 4.4:

Number of apprenticeship and traineeship commencements, NSW, 2005-14

Source: NCVER Apprentices and trainees 2014: Annual data tables

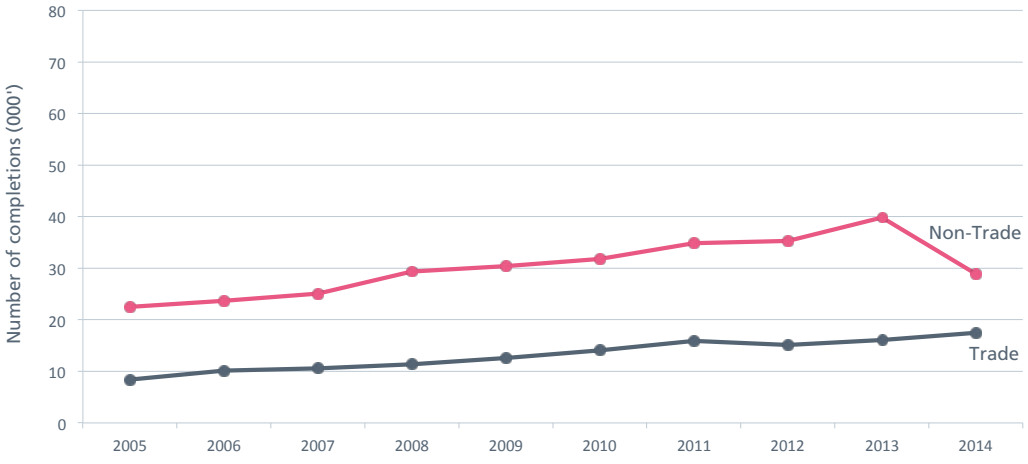


The number of completions for both trade and non-trade apprenticeships and traineeships has increased since 2005. However, the reduction in non-trade commencements has led to a 27.4 per cent fall in completions between 2013 and 2014 – a trend consistent with the fact that training in non-trade related areas usually takes between one and two years to complete. In contrast, trade completions have continued to increase, more than doubling since 2004. However, it should be noted that since trade apprenticeships normally take four years to complete, the associated effect from the decline in commencements is likely to be lagged.

Figure 4.5:

Number of apprenticeships and traineeships completions for a Certificate III or above, NSW, 2005-14

Source: NCVER Apprentices and trainees 2014: Annual data tables



Note: Traditionally, apprentices are trained in a skilled trade, such as electrical, plumbing, cabinet-making and automotive. However, in recent years the apprenticeship system has been broadened. Trades refers to those apprentices and trainees employed in trades occupations under major group 3 (technicians and trades workers) of ANZSCO, First edition, Revision 2.

Young people engaged in education, training or work

Why is it important?

The overall aim of education is to equip people with the knowledge, skills and tools to participate effectively in employment and society. For young people, that ideally means completing high school, and moving onto higher education, immediate employment, or training for a career. If school leavers do not engage in the workforce, or in further training, they are at risk of experiencing long term unemployment and its related social disadvantages. Monitoring the proportion of young people fully engaged in education, training or work provides an indication of how well students are transitioning from education to the workforce.

What does the data tell us?

Since 2005, there has been a 3.8 percentage point decline in the proportion of young adults fully engaged in education, training or work (72.9 per cent in 2015). This downward trend has been punctuated by two peaks and subsequent corrections from 2008 to 2009, and 2012 to 2013.

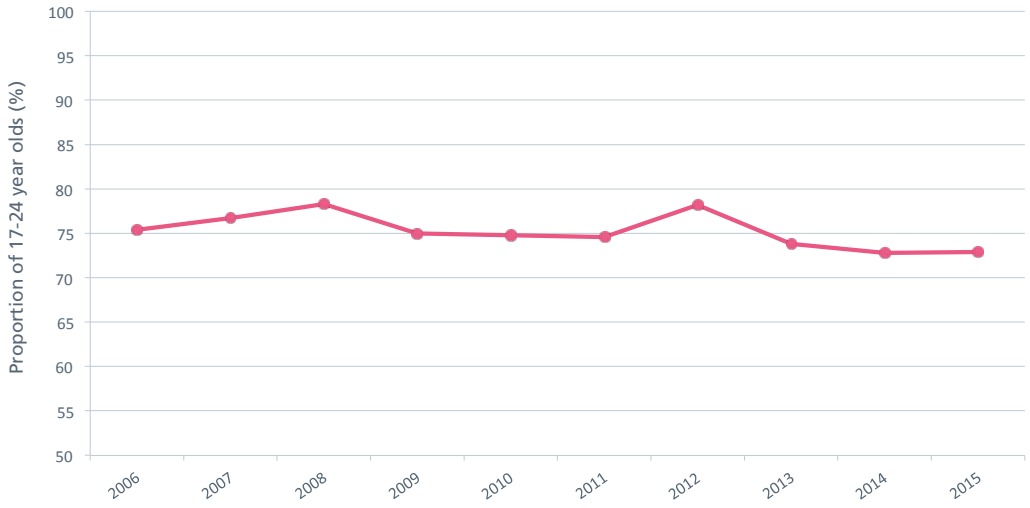


Figure 4.6:

Proportion of 17-24 year olds fully engaged in work or study, NSW, 2006-15

Source: Australian Bureau of Statistics, Education and Work, Fully engaged through formal study and/or employment, persons not in school study aged 15–64 years, 2015

HIGHER EDUCATION

The NSW higher education system is made up of ten public universities and a number of other approved higher education providers.

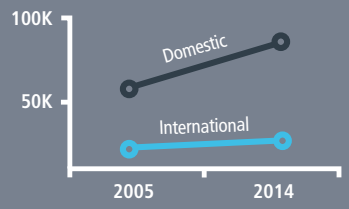
THE PROPORTION OF YOUNG ADULTS WITH A BACHELOR DEGREE HAS

2006 **31.7%**

2015 **40.5%**

INCREASED FOR THE LAST 10 YEARS

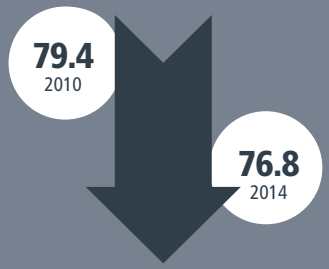
MORE PEOPLE ARE STARTING DEGREES



The growth is greater among **DOMESTIC STUDENTS.**

THE AVERAGE ATAR

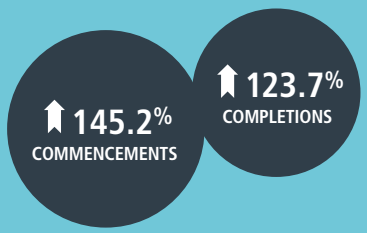
REQUIRED IN NSW HAS FALLEN



In 2015, **81.9%** of students who achieved the HSC were **eligible for an ATAR.**

The number of **Aboriginal students**

COMMENCING AND COMPLETING A BACHELOR DEGREE



HAS INCREASED*

*2005 – 2014

5. Higher education

In NSW, the higher education system is made up of ten public universities and other approved higher education providers; all of which play a critical role in stimulating innovation, driving productivity and giving students the skills they need for future success.

The Commonwealth Government supports the higher education sector through funding and legislation, whilst states and territories have legislative responsibility in relation to local University Acts as well as fund a variety of support initiatives. Across Australia, higher education providers must be registered by the Tertiary Education Quality and Standards Agency (TEQSA) before they are able to offer higher education qualifications to students. As the independent national regulator, TEQSA ensures all higher education providers meet and comply with the legislative conditions set by government.

Qualifications are differentiated according to the knowledge and skills required for their successful completion under the national Australian Qualifications Framework (AQF). The AQF specifies that the Diploma, Advanced Diploma, Associate Degree, Bachelor Degree, Bachelor Honours Degree, Graduate Certificate, Graduate Diploma, Master's Degree and Doctoral Degree qualifications are all accredited in the higher education sector. With TAFE institutes broadening and expanding into higher education programs, there are now direct overlaps in the course offerings of TAFE and higher education sectors at certain AQF levels.

Average UAI and ATAR

Why is it important?

Replacing the University Admissions Index (UAI) in 2010, the Australian Tertiary Admission Rank (ATAR) provides a measure of a student's overall academic achievement in the HSC compared to that of other students, helping universities rank applicants for selection into courses. In general terms, universities set an ATAR cut-off according to what they believe is the minimum academic standard required by applicants, as well as reflecting supply and demand for the degree. However, institutions can offer alternative pathway schemes for admission, allowing some students to receive an offer to a course even with an ATAR below the cut-off. Monitoring the average ATAR helps indicate the standard of candidature applying for courses, and reflects changes in demand due to wider economic conditions.

What does the data tell us?

The average ATAR[40] required for admission to most public university courses has declined across NSW, falling from 79.4 in 2010 to 76.8 in 2014. Whilst the decline for university entry scores was apparent before the changeover from UAI, the trend does appear to have intensified in more recent years.

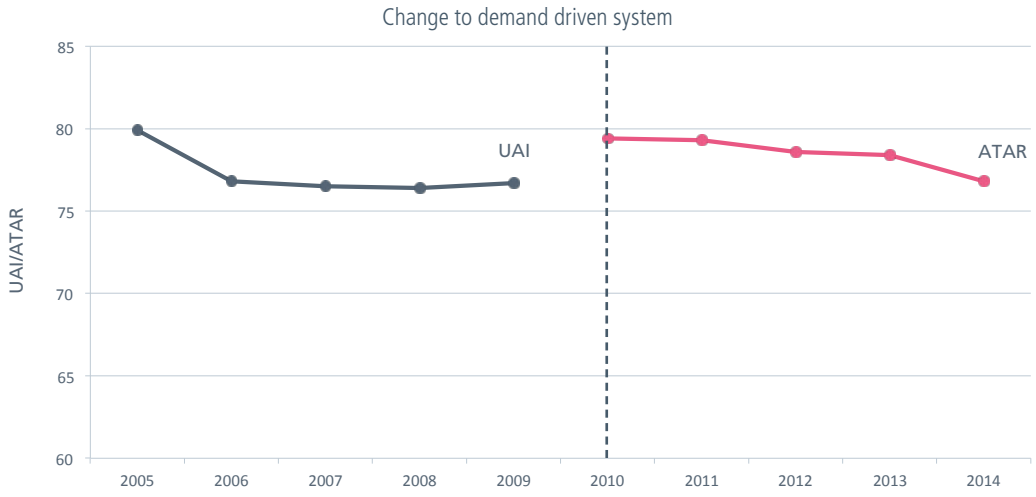
40 Includes those admitted to university on the basis other than the ATAR alone.

It should be noted that the ATAR is a percentile rank, measuring individual academic achievement in the NSW HSC in relation to that of other students. Given this, the ATAR will necessarily fall as more university places are made available to students as a result of the demand driven system. Furthermore, declining ATAR scores under the demand driven increase in enrolments is not generalisable to all universities and courses.

Figure 5.1:

Average UAI/ ATAR for NSW public universities, Bachelor degree commencements, 2005-14

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



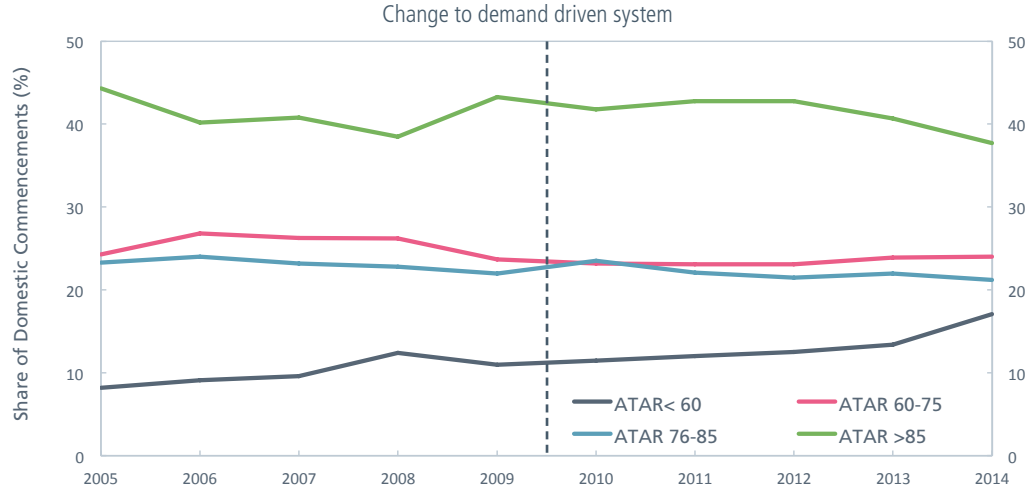
Note: The jump between the UAI and ATAR in 2010 does not reflect an improvement in scores, but rather a change in measurement. The dotted line indicates the change over to the demand driven system.

The proportion of domestic students commencing a Bachelor degree across four different ATAR bands show an increase in students with ATAR scores below 60 (rising from 8.2 per cent in 2005 to 17.1 per cent in 2014), and a decrease in the proportion of students with ATAR scores above 85 (falling from 44.3 per cent in 2005 to 37.7 per cent in 2014). This compositional shift towards the lower end of the ATAR spectrum is apparent both before and after the policy change, but does appear to have intensified in more recent years with the introduction of the demand driven system.

Figure 5.2:

ATAR bands for NSW public universities, Bachelor degree commencements, 2005-14

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



Note: The dotted line indicates the change over to the demand driven system.

Proportion of adults with a Bachelor degree or above

Why is it important?

The Bachelor degree is the standard university qualification, usually taking three to four years of full-time study to complete. It qualifies individuals to undertake a range of professional work, and acts as a pathway for further postgraduate study. It is widely recognised that tertiary education is a driver of economic competitiveness, innovation, and social well-being (OECD, 2008). A key focus for NSW is to maintain the higher-level employment skills necessary to facilitate innovation and meet the changing needs of the future. This measure provides an indication of the prevalence of higher level qualifications in the community.

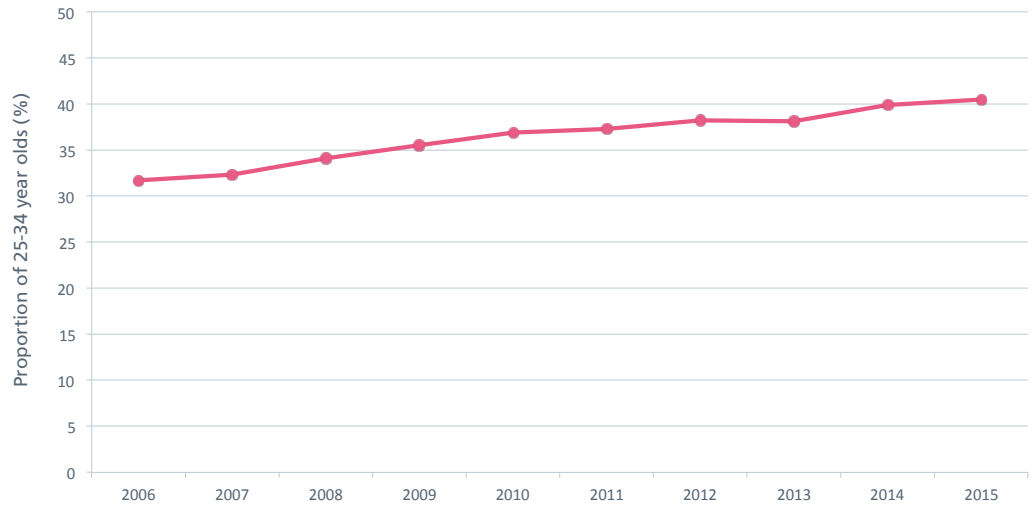
What does the data tell us?

The proportion of 25-34 year olds with a Bachelor degree or above has increased steadily since 2006. In 2015, 40.5 per cent of individuals in this age group held at least a Bachelor degree, up from 31.7 per cent in 2006. The increase was most pronounced between 2007 and 2010, when the proportion of the population with tertiary qualifications increased by about 1.5 percentage points per year. Since 2010 the average annual rate of growth has halved.

Figure 5.3:

Proportion of 25-34 year olds with a Bachelor degree or above, NSW, 2006-15

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



Students beginning a Bachelor degree by residency

Why is it important?

Whilst the wider benefits of having domestic students commence a Bachelor degree are commonly recognised, international students also make significant contributions to Australian society and to the economy as a whole. The international education sector is Australia's leading services export sector. Many higher educational institutions benefit from the income from full-fee paying international students, assisting in the provision of the core university activities of teaching and research. Some international students also go on to become permanent residents, creating a more diverse skills base and stronger international links.

What does the data tell us?

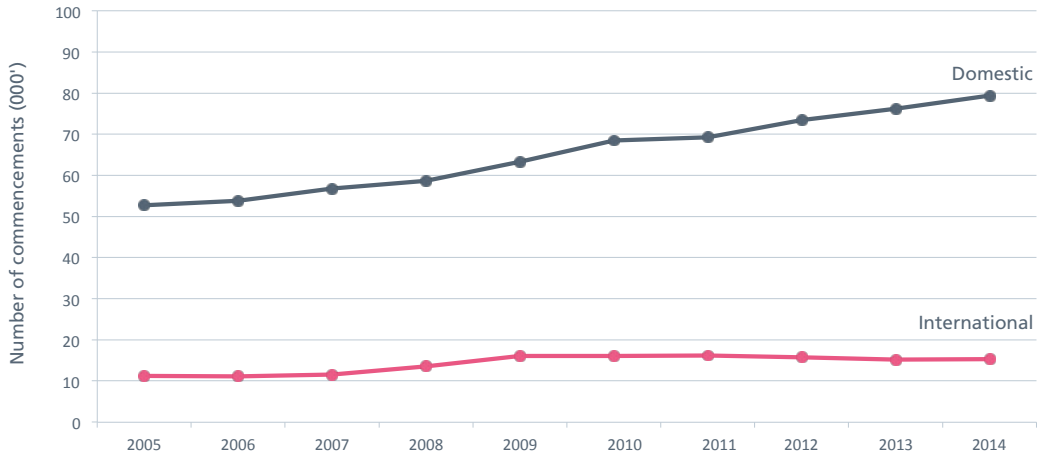
The number of domestic students beginning a Bachelor degree has risen strongly between 2005 and 2014. In total, 79,441 domestic students commenced a Bachelor degree in 2014, compared to 52,727 in 2005. This represents an increase of 50.7 per cent over the decade.

Bachelor degree commencements for international students have also increased from 11,311 in 2005 to 15,384 in 2014 (representing a 36.0 per cent increase). However, since 2009, this number has remained relatively stable against the increase for domestic students. The stabilisation in the number of international students beginning a Bachelor degree can be attributed to a number of factors, including changes to student visa regulations, the higher Australian dollar, and changes to the General Skilled Migration program that have made the transition from international student to permanent resident more difficult.

Figure 5.4:

Number of commencements by residency, Bachelor degree, NSW, 2005-14

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



Students beginning a Bachelor degree by type of institution

Why is it important?

The NSW higher education system is made up of ten public universities, TAFE providers and a number of other higher education providers, all of which play a critical role in fuelling innovation, driving productivity and giving students the skills they need for future success. Monitoring the changing composition of the higher education sector assists with government funding and ongoing regulation.

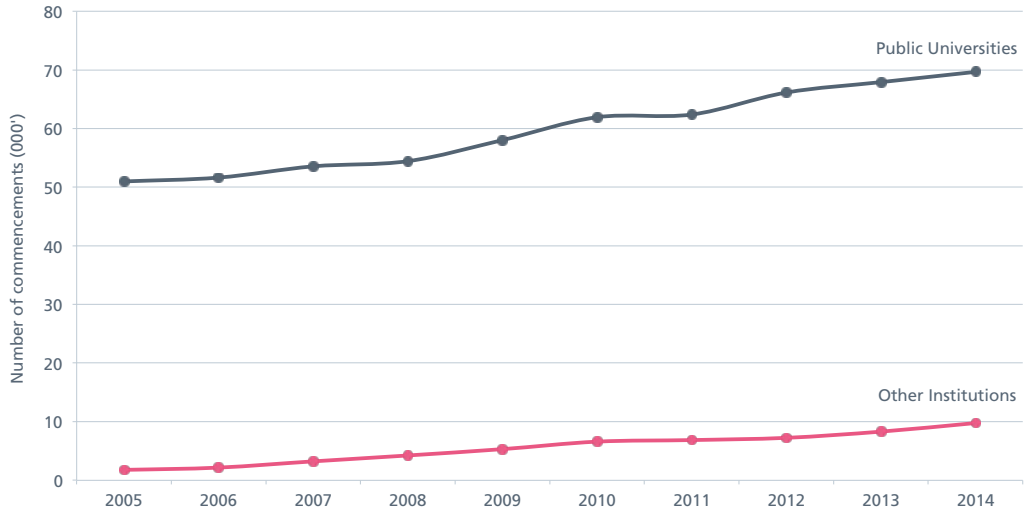
What does the data tell us?

The number of domestic students beginning a Bachelor degree has steadily increased over the last decade, for both public universities and other approved higher education providers. Almost 69,670 domestic students commenced Bachelor degrees in public universities in 2014, compared to 50,975 in 2005. Of note, students at private institutions have almost quadrupled as a proportion of total commencements, from 3.3 per cent in 2005 to 12.3 per cent in 2014.

Figure 5.5:

Number of domestic commencements by type of institution, Bachelor degree, NSW, 2005-14

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



Note: The University of Notre Dame Australia is considered to be based in Western Australia and the Australian Catholic University is categorised as multi-state, and both are excluded from the NSW university data.

Proportion of Bachelor degree commencements by equity groups

Why is it important?

In recent times, the higher education sector has experienced a significant increase in the number of students enrolling and commencing tertiary study. This increase is mainly attributable to the introduction of the demand driven funding system in 2010, with the lifting of caps on government funded placements aimed at expanding the opportunities for students from disadvantaged backgrounds, and meeting future labour market needs.

Earlier research indicated that Aboriginal people, students from low SES backgrounds, and students in regional and remote areas remain under represented in Australia's higher education system (Bradley Review, 2008). Monitoring the participation rates for equity groups assists with policy planning aimed at improving equity and ensuring fair access to the benefits associated with tertiary education.

What does the data tell us?

Participation by students from regional and remote areas has declined as a proportion of domestic Bachelor commencements, falling from 18.1 per cent in 2005 to 16.2 per cent in 2014. Conversely, the proportions of Aboriginal and low SES students amongst domestic Bachelor commencements have increased over time. These trends were evident both before and after the implementation of the demand driven system in 2010, suggesting the uncapping of university places has had little discernible impact on the demographic composition of domestic students.

Despite continued improvements in access to higher education, both Aboriginal and low SES[41] students remain substantially underrepresented in the NSW higher education sector. Aboriginal students comprised only 1.9 per cent, and low SES 18.5 per cent of domestic Bachelor commencements in 2014. This is well below the total NSW working age population share of these groups which was estimated at 2.7 per cent and 23.4 per cent respectively[42].

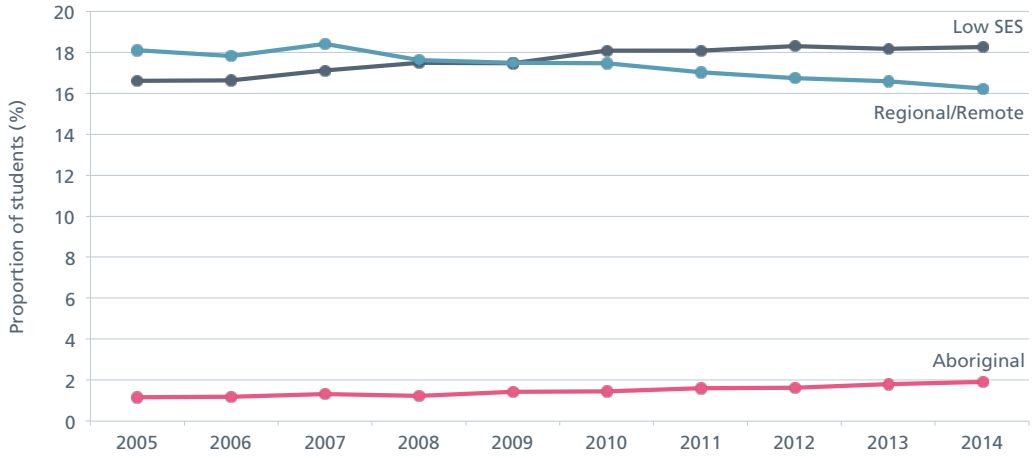


Figure 5.6:

Proportion of domestic commencements by equity groups, Bachelor degree NSW, 2005-14

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics

Note: The above categories are not mutually exclusive as students able to be classified in more than one category.

Attrition rate for domestic Bachelor degree commencements

Why is it important?

Whilst the higher education sector has experienced a significant increase in the number of students enrolling in tertiary study, it remains critical that students succeed in staying at university to complete their Bachelor degrees. Attrition continues to be an important issue in the higher education sector – with students needing to feel engaged in learning, supported in their transition to university and given clear feedback on academic expectations. Monitoring the attrition rate assists with public policy aimed at ensuring that wider access to university translates into tangible benefits for students.

41 Low SES postcode measure is based on the students' postcode of permanent home residence, derived from the 2011 SEIFA Education and Occupation Index for postal areas. Postal areas in the bottom 25% of the population aged 15-64 being classified as Low SES.
42 Higher Education Statistics, 2014, Appendix 5:10.

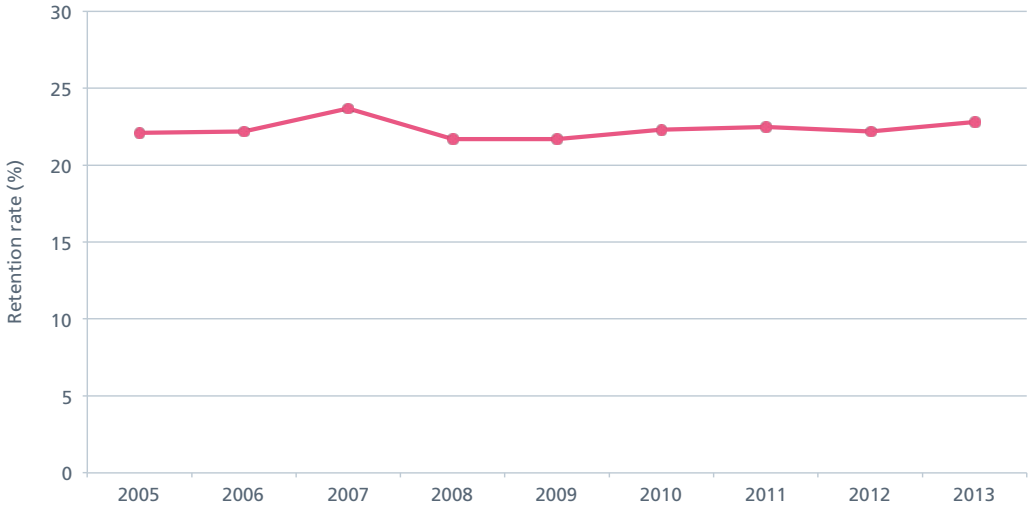
What does the data tell us?

After peaking in 2007, the student attrition rate has remained fairly stable across all NSW higher education providers – increasing from 22.1 per cent in 2005 to 22.8 per cent in 2013. This trend suggests that the introduction of the demand driven system has had little discernible impact on student attrition rates. Given the attrition rate increased by 0.6 percentage points between 2012 and 2013, it is important to monitor whether this pattern continues in coming years.

Figure 5.7:

Attrition rate for domestic students commencing a Bachelor degree, NSW, 2005-2013

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



Bachelor degree commencements and completions for Aboriginal students

Why is it important?

Whilst many Aboriginal people experience successful careers and obtain higher education qualifications, in general greater numbers of Aboriginal people have much lower employment rates than non-Aboriginal Australians, and are limited in their social outcomes and economic independence (AIHW, 2012). Education is a decisive tool in improving outcomes, as tertiary-educated individuals have substantially higher employment prospects and are paid more for their labour (OECD, 2014). Monitoring the number of Aboriginal students completing Bachelor degrees helps measure the education and employment outcomes for Aboriginal people in NSW and is crucial to ensuring equal opportunity.

What does the data tell us?

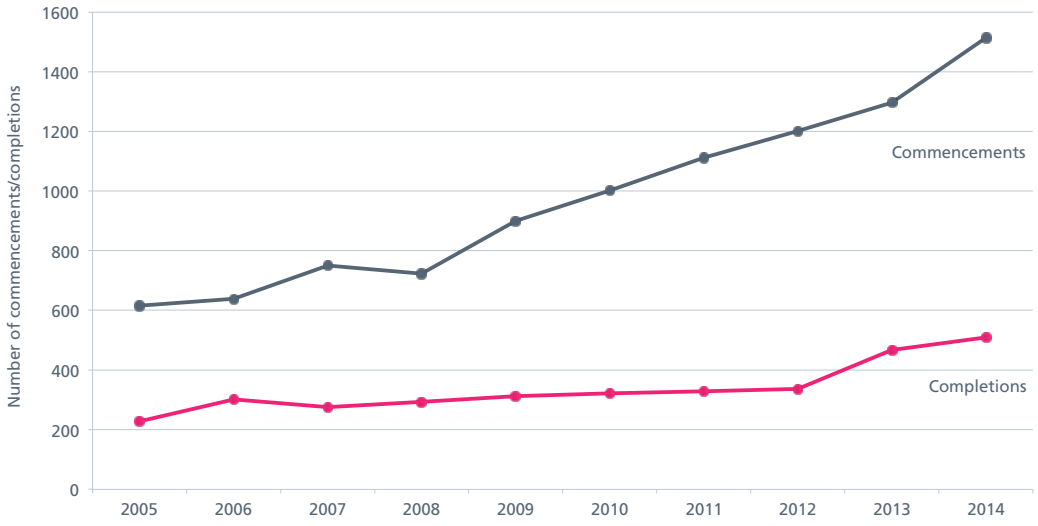
The number of Aboriginal people commencing a Bachelor degree has nearly tripled over the last decade, increasing from 615 in 2005 to 1,514 commencements in 2014. Whilst the data reflects improvements in the number of commencements, again it should be recognised that there has been an increasing propensity for people to identify as Aboriginal, especially as they grow older.

Corresponding with this increase in commencements, the number of Aboriginal people completing a Bachelor degree has more than doubled since 2005 – increasing from 228 to 510 completions in 2014. This growth has been most apparent between 2012 and 2014, where the number of Aboriginal students completing a Bachelor degree increased by 51.3 per cent. Assuming a standard three/four year Bachelor degree, the improvement in completions aligns with the growth experienced in Bachelor degree commencements since 2009.

Figure 5.8:

Number of Bachelor degree commencements and completions for Aboriginal students, NSW, 2005-14

Source: (Unpublished) Department of Education and Training, Selected Higher Education Statistics



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NSW Department of Education
December 2016

NSW GOVERNMENT