

# HIGHER EDUCATION

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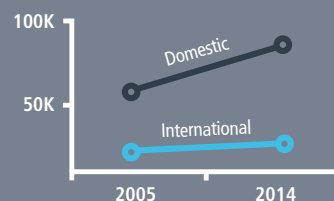
THE PROPORTION OF YOUNG ADULTS WITH A BACHELOR DEGREE HAS

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

**79.4**  
2010

**76.8**  
2014

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

↑ **145.2%**  
COMMENCEMENTS

↑ **123.7%**  
COMPLETIONS

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<sup>40</sup> 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.

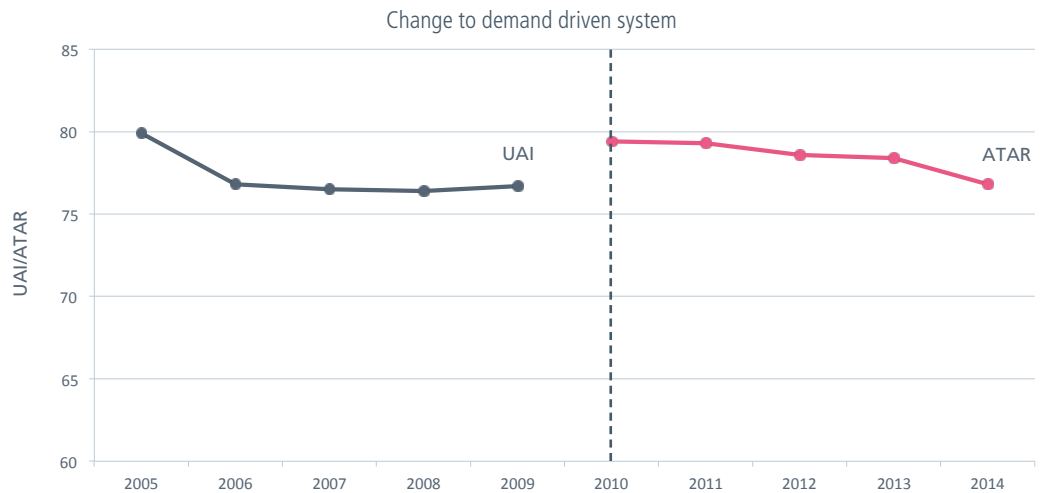
<sup>40</sup> Includes those admitted to university on the basis other than the ATAR alone.

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



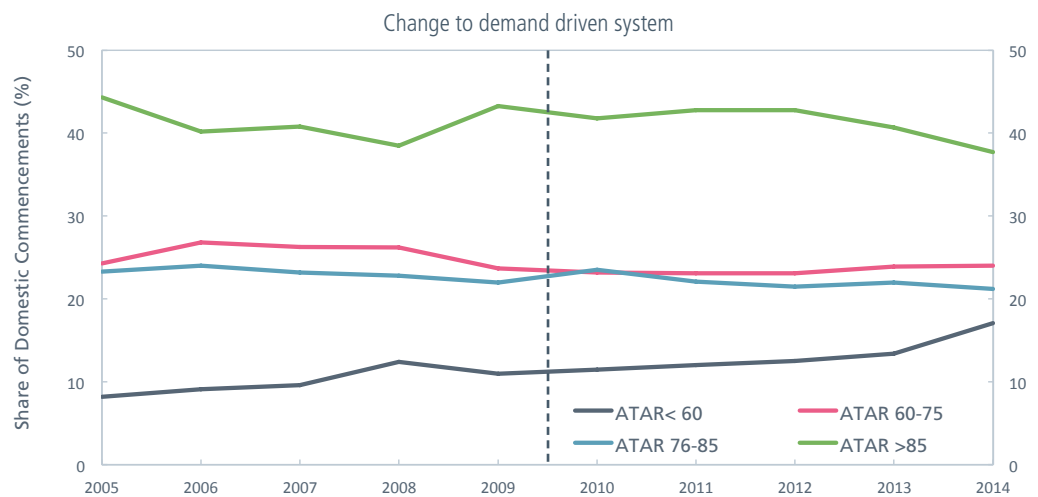
**Note:** The jump between the UAI and ATAR in 2010 does not reflect an improvement in scores, but rather a change in measurement. The dotted line indicates the change over to the demand driven system.

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.

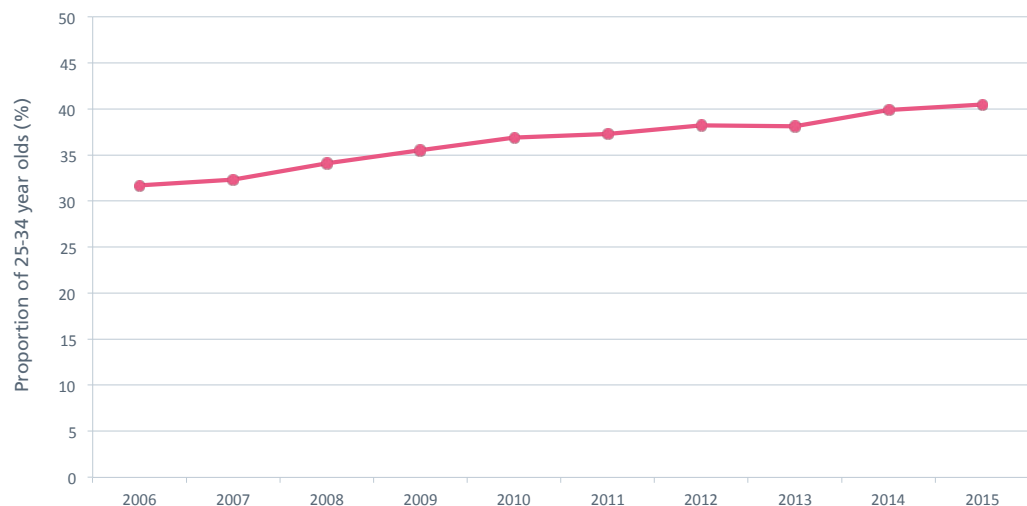
### What does the data tell us?

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?

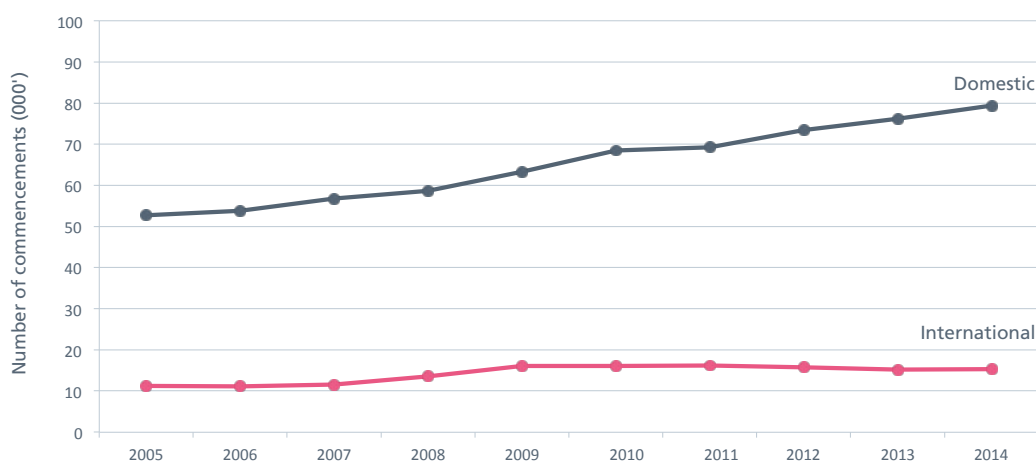
The number of domestic students beginning a Bachelor degree has risen strongly between 2005 and 2014. In total, 79,441 domestic students commenced a Bachelor degree in 2014, compared to 52,727 in 2005. This represents an increase of 50.7 per cent over the decade.

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.

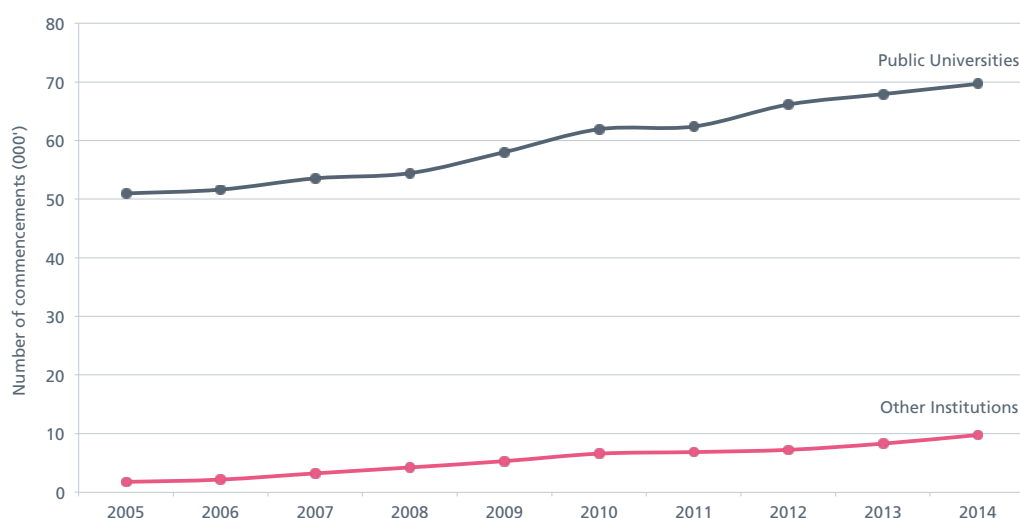
### What does the data tell us?

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?

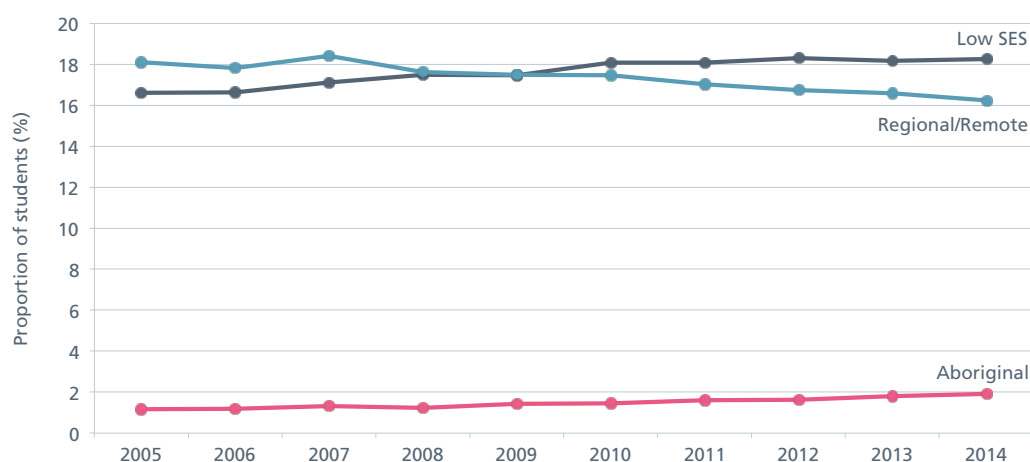
Participation by students from regional and remote areas has declined as a proportion of domestic Bachelor commencements, falling from 18.1 per cent in 2005 to 16.2 per cent in 2014. Conversely, the proportions of Aboriginal and low SES students amongst domestic Bachelor commencements have increased 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<sup>41</sup> 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<sup>42</sup>.

**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?

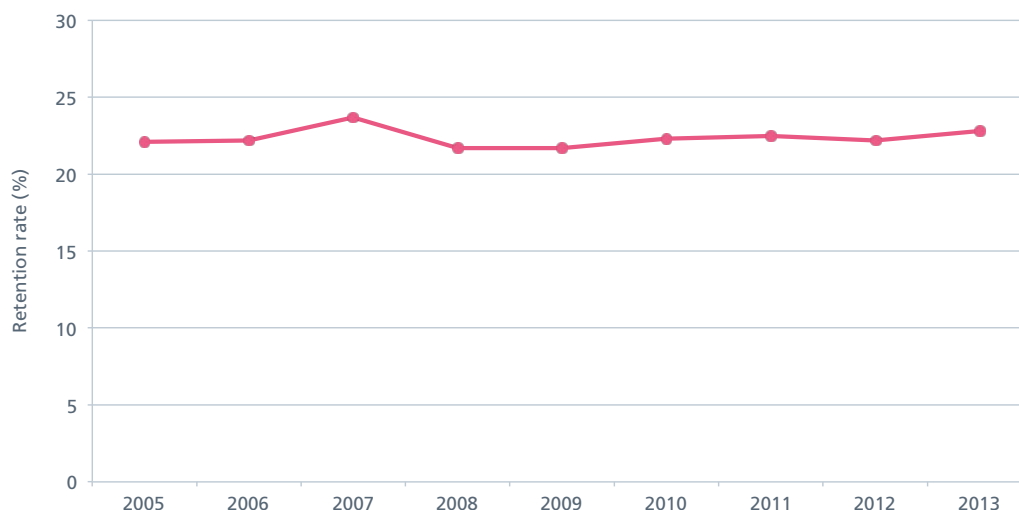
Whilst the higher education sector has experienced a significant increase in the number of students enrolling in tertiary study, it remains critical that students succeed in staying at university to complete their Bachelor degrees. Attrition continues to be an important issue in the higher education 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.

<sup>41</sup> 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.

<sup>42</sup> 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

