



School leavers and tertiary education

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CONTENTS

Executive Summary	3
1. Introduction	6
2. Year 12 completion.....	7
3. Higher Education participation.....	9
4. Participation in VET.....	13
5. Trends in tertiary education for school leavers, Survey of Education and Work.	16
6. University or TAFE?.....	18
7. The role of apprenticeships.....	22
8. Discussion.....	23
Final remarks.....	25
References	26
Appendix: Impact of net migration on population estimates.....	29
Method	29

Executive Summary

In this paper we look at the transition of school leavers to tertiary education. We look at the extent of year 12 completion, and the extent to which school leavers are continuing with their education. Are young people increasingly continuing with tertiary education? Is it the case that tertiary education on leaving school is the norm and reflecting ever increasing education levels? Are young people increasingly undertaking tertiary education? Has there been a change in the sentiment of young people in respect of vocational education relative to higher education? Do apprenticeships still play an important role in the further education of young people?

We look at the participation in education of young people over the last 10-15 years to shine some light on these questions.

One of the challenges in the analysis is compiling relevant data. We make use of both administrative data and survey data from the Survey of Education and Work conducted by the Australian Bureau of Statistics in May of each year. This survey has the great advantage of focussing on individuals we know are school leavers and therefore avoids the issues of inconsistency and overlap which we encounter when using VET and higher education data.

First, some stylised facts:

- Female educational participation is higher than male participation. This is true in terms of year 12 completion, and the percentage of school leavers undertaking tertiary education (which we define as undertaking a course at Certificate III/IV level or higher).
- For school leavers, University or higher education is much more important than VET or TAFE. For both male and female school leavers, we see the dominance of the Bachelor degree qualification. For males, however, we see that the Certificate III/IV qualifications (the standard qualification of the trades) are very substantial. Conversely, school leavers are much more important for undergraduate higher education than they are for VET.
- Only about a half of school leavers continue on to tertiary education the year after leaving school (in 2025 the participation rate was 51% for males and 56% for females).
- Diploma level qualifications, whether in higher education or VET contribute only modestly. We know that diplomas are declining in importance relative to degrees.
- Apprenticeships and traineeships are much more important for males than females. For males, they are mostly in the trades.

In terms of changes in tertiary educational participation of school leavers, the main points to emerge are:

- An end to a long-term trend of increasing completion of year 12. In fact, 'peak year 12 completion' appears to have occurred around 2017 to 2018, when the apparent year 12 retention rate reached 88.5% for females and 81.2% for males. In 2025 the corresponding rates were 85.3% and 77.6%.
- Domestic undergraduate commencements in higher education among 15-19 year olds have been fairly flat over the last decade or so. If we calculate a 'commencement rate' by dividing

by the estimated residential population (of 15–19 year-olds) then the resulting rate has been declining since around 2017-2018 (with the exception of 2021 when that rate rebounded from a low in 2020, perhaps associated with COVID-19).

- Analogous data for VET commencements display a slightly different pattern. Domestic commencements for 15-19 year olds not at school declined significantly between 2016 and 2020 and recovered a little over the period 2020 to 2024. The patterns for females and males are similar, noting that male commencements exceed female commencements. If we express these numbers as rates by dividing by the estimated resident population, we see a significant decline for both males and females between 2016 and 2024, although this trend obscures considerable variability.
- The VET data is restricted to some extent because prior to 2015 data were only collected for government funded VET. If we look at the longer term, we see that there has been a steady decline in government funded commencements of 15-19 year olds, not at school, from 2010-2011.

While the administrative higher education and VET data provide a fair bit of detail, they have their drawbacks. Thus it is important to compare the administrative data with that collected in the Survey of Education and Work conducted by the Australian Bureau of Statistics. From this survey we see:

- The proportion of school leavers going on to tertiary education (defined as a Certificate III or higher) increased a little between 2011 and 2019 but has subsequently declined.
- While there has been a decline in the proportion of school leavers going on to tertiary education, the question is whether there has been any movement between the sectors. There are two ways to look at this: in institutional terms (higher education, TAFE, other provider) or in level of education terms (Bachelor Degree, Diploma, Certificate III/IV).
- In *institutional terms* for males there has been a long term decline in the proportion of school leavers going to TAFE relative to higher education; in 2011, the proportions of males going to higher education and TAFE were almost identical (at 26.8%) while in 2025 the proportions going to higher education was 36.1% compared to 14.3% going to TAFE.
- For females, from 2011 to 2017 the proportion going to higher education increased (from 37.1% to 51.7%), while the proportion going to TAFE declined (from 15.0% to 10.0%). Since then though the proportion going to higher education has declined (to 37.5% in 2025) while the proportion going to TAFE has fluctuated somewhat (13.5% in 2025).
- In terms of *level of education*, from 2011 to 2021 there has been an increase in the proportion of school leavers undertaking a Bachelor degree, and this level of education is by far the most important relative to Diplomas and Certificates III/IV. Since 2021, however, there has been a decline in the proportion of school leavers undertaking a Bachelor degree, with little change in the proportions undertaking a Certificate III/IV or Diploma.
- While the dominance of degrees is clear (for both males and females) the year-to-year movements in participation rates suggests that for school leavers there is substitution

between higher education and TAFE.

- We see that, particularly for males, trade apprenticeships play an important role for school leavers undertaking tertiary level qualifications (assuming that a Certificate III is defined as being tertiary education). In this regard, an increase in male school leavers undertaking a trade apprenticeship is about the only sign of an increase in any component of tertiary education participation. But this may not have had an impact on overall participation because it may have well led to a decrease in higher education participation.

Policy settings for a long time have been premised on ever increasing education levels - increasing year 12 completion and an increasing proportion of the population with qualifications - and a rhetorical emphasis on vocational qualifications as worthwhile alternatives to higher education qualifications. Our examination of tertiary education participation of school leavers suggests that these policy settings are under pressure. Year 12 completion is not increasing and neither is the proportion of school leavers going on to tertiary education. In addition, the dominance of the Bachelor degree among school leavers going on to further study suggests that parity of esteem between the VET and higher education sectors will be difficult to achieve.

It remains to be seen if there will be a reversal in the declining participation by school leavers in tertiary education. It will all depend on demand and supply – there is no longer an inevitability about increasing proportions of school leavers going on to tertiary education.

1. Introduction

Leaving school is one of the most important transitions in a person's life. In this paper we look at the transition of school leavers to tertiary education. We look at the extent of year 12 completion, and the extent to which school leavers are continuing with their education. Are young people increasingly continuing with tertiary education? – certainly Governments have been keen to increase the proportion of the population with tertiary education qualifications.¹ We also see that governments have been encouraging participation in VET as an alternative to higher education, with Job Skills Australia keen to enhance the status of VET and VET providers² and the introduction of the Fee-Free TAFE program (Karmel, 2024) as a way of promoting vocational education. Is it the case that tertiary education on leaving school is the norm and reflecting ever increasing education levels? Are young people increasingly undertaking tertiary education? Has there been a change in the sentiment of young people in respect of vocational education relative to higher education? Do apprenticeships still play an important role in the further education of young people?

We look at the participation in education of young people over the last 10-15 years to shine some light on these questions. One important aspect of the analysis is, where possible, that it is undertaken separately for males and females, allowing for the segregated nature of the labour market.

One of the challenges in the analysis is compiling relevant data. We make use of both administrative data and survey data. In terms of the administrative data, we have data on schools from the Australian Bureau of Statistics, higher education data from the higher education statistics collection and VET data from NCVER. Each of these sources has its own idiosyncrasies and limitations.³ A second source is the Survey of Education and Work conducted by the Australian Bureau of Statistics in May of each year as a supplementary survey to the Labour Force Survey. We make use of data going back to 2011. This survey has the great advantage of focussing on individuals we know are school leavers and therefore avoids the issues of inconsistency and overlap which we encounter when using VET and higher education data.

We first look at the administrative data, beginning with year 12 completion (section 2). We then look at the commencement data in higher education (section 3), followed VET (section 4). For both of these data sets we look at 15-19 year old domestic students (since the collections do not identify school leavers as such). This raises the possibility that a school leaver could be counted multiple times if the person were, as a 15-19 year old, to commence at more than one educational institution or commence more than one course at the same institution. The 15-19 year lens also implies that we are looking at young persons in the year or two after school; persons who delay going to tertiary

¹ For example, the final Universities Accord report suggested that Australia should aim to lift tertiary attainment to 80% of working-age people by 2050 (Department of Education 2024). This was referenced by the Minister for Education, [The Hon Jason Clare MP](#), as recently as June 25 2026, in a media release announcing an expansion of student places in higher education.

² See Jobs and Skills Australia (2025), Opportunity and Productivity: Towards a Tertiary Harmonisation Roadmap.

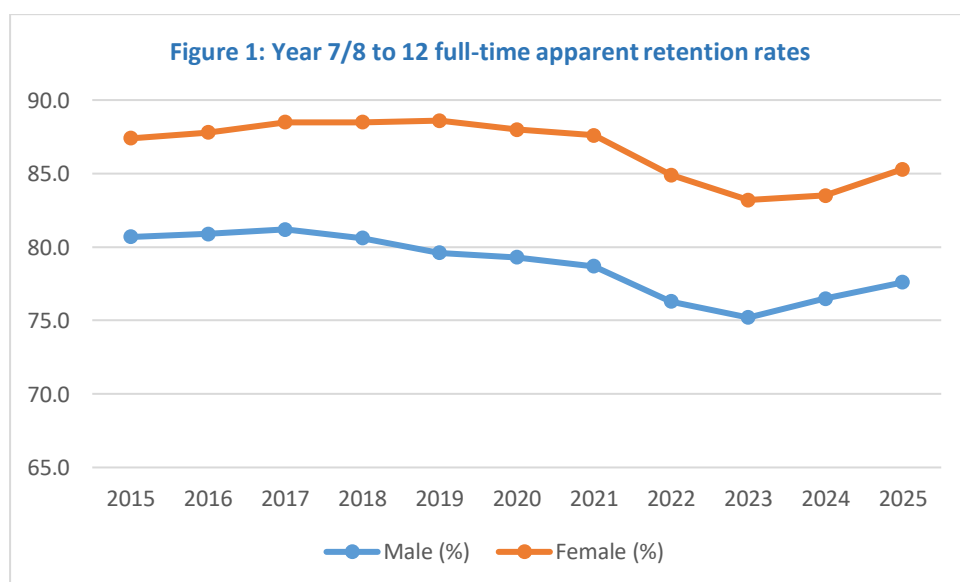
³ The NCVER data can readily be compiled through VOCSTATS, but full coverage of the sector is only available from 2015 (and commencement data are only usable from 2016). Higher education is limited by the tables that are published, and age by sex data cannot be compiled from the published pivot table. We had to extract the data from tables that are published each year, without disaggregating by sex.

education (for example, taking a gap year or two) until they are twenty years old or older will not be captured by our analysis.

Numbers are all very well but arguably of more importance are participation rates. In respect of the administrative data this means that we divide data from one source – higher education or VET commencements by the resident population estimates published by the Australian Bureau of Statistics. We note that the resident population estimates do not line up with the domestic student numbers because the population numbers include overseas students living in Australia.⁴ Thus the Survey of Education and Work has the great advantage of being internally consistent in respect of the estimates of educational participation. Its downside, as noted earlier, is that its estimates jump around to some extent because of sampling error. In section 5, we present estimates of the percentage of school leavers going on to tertiary education the following year based on the Survey of Education and Work. This is followed by an examination of the choice between VET and higher education cation (section 6). In section 7 we look at the extent to which school leavers take up apprenticeships and traineeships. We end the paper with a discussion.

2. Year 12 completion

The concept of year 12 completion is not straightforward and there are two data sources that bear on it. The first is the full-time apparent retention rate which is calculated by dividing the number of students in year 12 by the number in year 7/8 an appropriate number of years earlier. As can be seen from Figure 1, there is a substantial difference between the retention rates of males and females (with the female rate being significantly higher). The rate has fallen significantly from 2018 reaching a low in 2023. There has been some increase in the following couple of years but the levels in 2025 are well below the rates of 2015 to 2019.

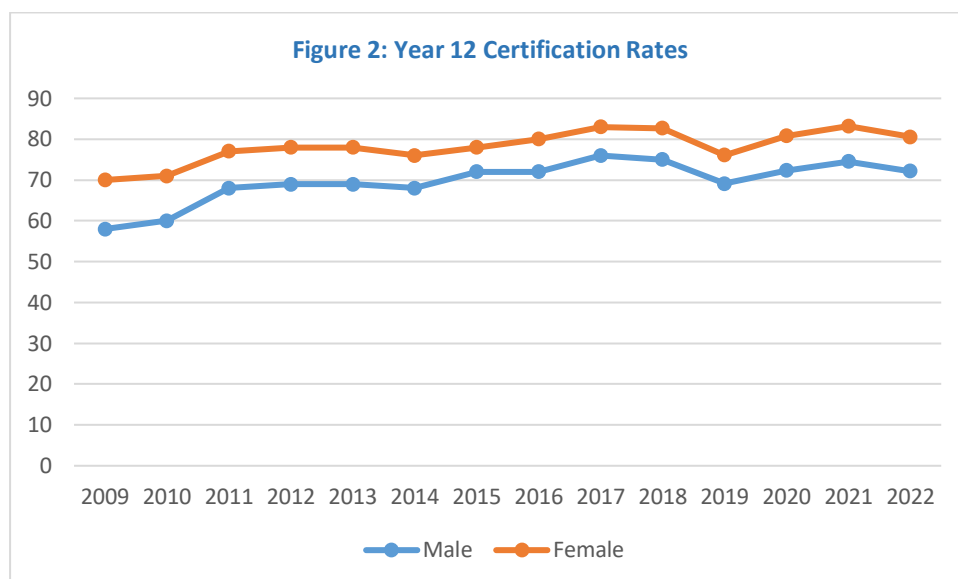


Source: Australian Bureau of Statistics, Schools 2025 Table 64a

One of the drawbacks of the year 12 retention concept is that it is based on enrolment rather than achievement. To address this the Australian Curriculum, Assessment and Reporting Authority

⁴ One possible difference is that being an Australian resident does not guarantee that the person will be a domestic student. Another difference is that age may be captured at different time points during the year. This will not matter much if the age cohort size is similar from year to year.

(ACARA) publishes in the National Report on Schooling the year 12 certification rate. Certification rates are estimated by calculating the number of students who meet the requirements of a Senior Secondary Certificate or equivalent⁵ expressed as a percentage of the potential Year 12 population. The latest published data relate to 2022.



Source: ACARA, National Report on Schooling

As with the year 12 retention, the rate for females is significantly higher than that for males. We see that the certification rates were on an upwards trajectory from 2009 to 2017 but have wobbled around since. The lack of a clear trend suggests that the proportion of school leavers ‘qualified’ to go to higher education (i.e. completed a Senior Secondary Certificate or equivalent) has not altered much over the last 10 years or so. For males the 2011 certification rate was 68% compared to 72.2% in 2022. For females the 2011 certification rate was 77% compared to 80.6% in 2022. For both males and females there is clearly plenty of room for the Year 12 certification rate to increase, but little sign the youth cohort is pushing in this direction.

To complete this section, we present data from the Survey of Education and Work that shows the distribution of school leavers classified by the amount of schooling that was achieved. This school leaver cohort consists of persons who were at school in 2024 but not 2025.

Table 1: Level of school study in previous year, Persons aged 15-20 years who left school in previous year (2024)

	Male	Female
Year 12 or equivalent	77.0	82.8
Year 11	10.7	11.1
Year 10 or below	11.9	7.1
Total	99.6	101.1

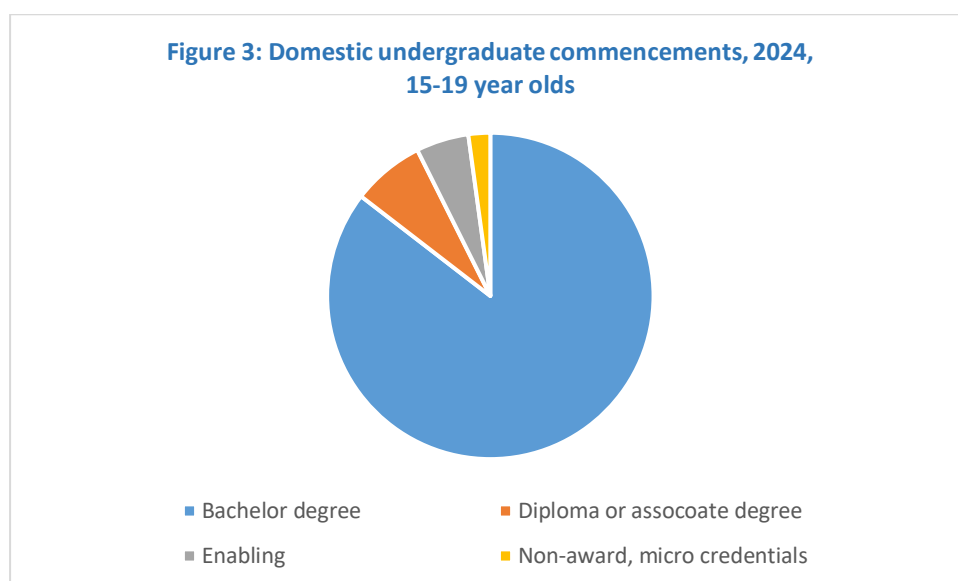
Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

⁵ According to the National Report on Schooling (2022, Table 8.1) Year 12 or equivalent includes AQF SSCEs issued by Australian state and territory curriculum assessment and certification authorities and equivalent qualifications such as matriculation certificates and school leaving qualifications obtained outside Australia, and the International Baccalaureate

In this table we again see differences between males and females, with more females achieving year 12 or equivalent and more males leaving with schooling at year 10 or below. We also note that the proportion of school leavers with year 12 according to the Survey of Education and Work is close to the apparent year 12 retention rates presented in Figure 1.

3 Higher Education Participation

One noticeable aspect of Australia's education system is its messiness. In the case of higher education commencements at the undergraduate level cover Bachelors degrees, other undergraduate awards (diplomas, advanced diplomas and associate degrees, enabling courses, and non-award courses)⁶ Diplomas and advanced diplomas are also delivered in the VET system.



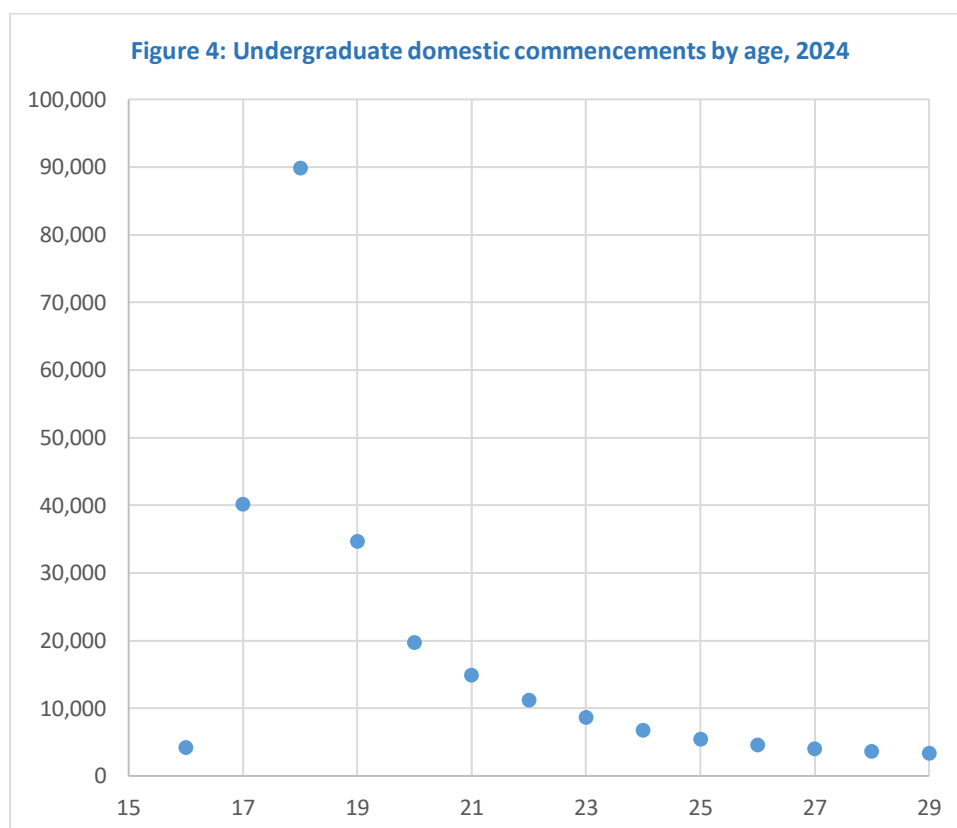
Source: Higher Education Statistics Table 1.2: Commencing Domestic Students by Age Group and Broad Level of Course, 2024

We see in Figure 3 that around 85% of domestic commencements (15-19 years) are in a Bachelor degree, followed by 7% in a diploma or associate degree and 5% in enabling courses.⁷

As noted in the introduction we cannot identify 'school leavers' as such in the higher education data. In Figure 4, we present the age distribution of persons commencing an undergraduate course.

⁶ Micro-credentials were introduced in 2023 and are included as non-award courses.

⁷ Elsewhere in the paper we present data for males and females separately. However, the higher education statistics that are published have gender and age classifications separately but not together.



Source: Higher Education Statistics Table 1.2: Commencing Domestic Students by Age Group and Broad Level of Course, 2024

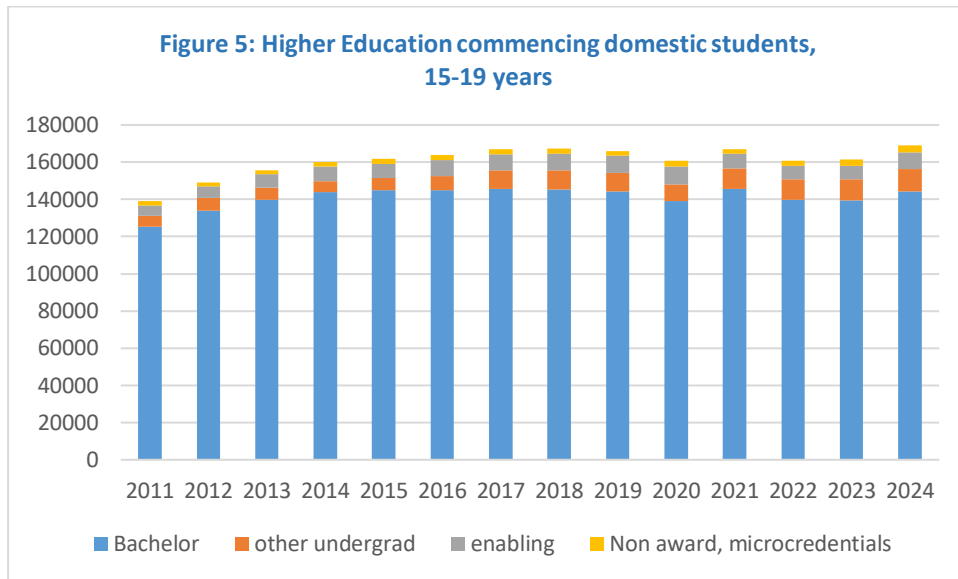
We see that the modal age of commencement is 18 years but with considerable numbers commencing at 17 or 19. There is a clear drop-off in numbers between 19 years and 20 years, suggesting that the 15–19-year old years age band is a reasonable proxy for ‘school leavers’. The graph also shows the importance of school leavers for higher education. While there are considerable numbers of older entrants, the sector is dominated by people in the years following secondary schooling. This is particularly the case for those commencing a Bachelors degree, where 15–19-year-olds make up over 60% of commencements (Table 2).

Table 2: Distribution of domestic undergraduate commencements by age, 2024

	Bachelor degree	Diploma or associate degree	Enabling course	Non-award, micro-credentials
15-19	61.0	36.1	52.7	49.9
20-24	20.9	22.5	22.4	7.3
25-29	6.5	11.2	8.2	8.3
30-39	7.1	14.6	10.3	17.7
40-49	3.3	8.7	4.5	11.5
50+	1.3	6.8	2.0	5.4
Total	100	100	100	100

Source: Higher Education Statistics, commencing domestic students (Table 1.2)

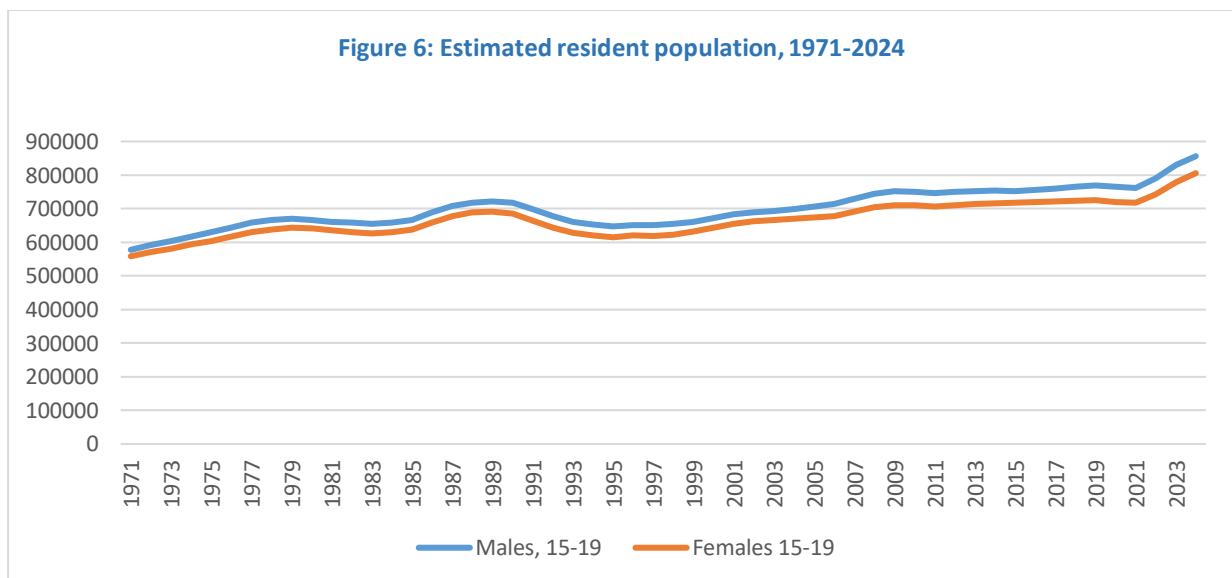
We now look at how commencement numbers have changed for 15-19 year-olds since 2011.



Source: Higher Education Statistics, commencing domestic students (Table 1.2);

We see that the number of undergraduate commencements aged 15-19 years increased substantially from 2011 to 2014. Since then, numbers were flat until 2020 when they declined somewhat before bouncing back the next year, presumably reacting to the COVID-19 outbreak. However, over the last ten years or so the numbers have shown virtually no overall growth.

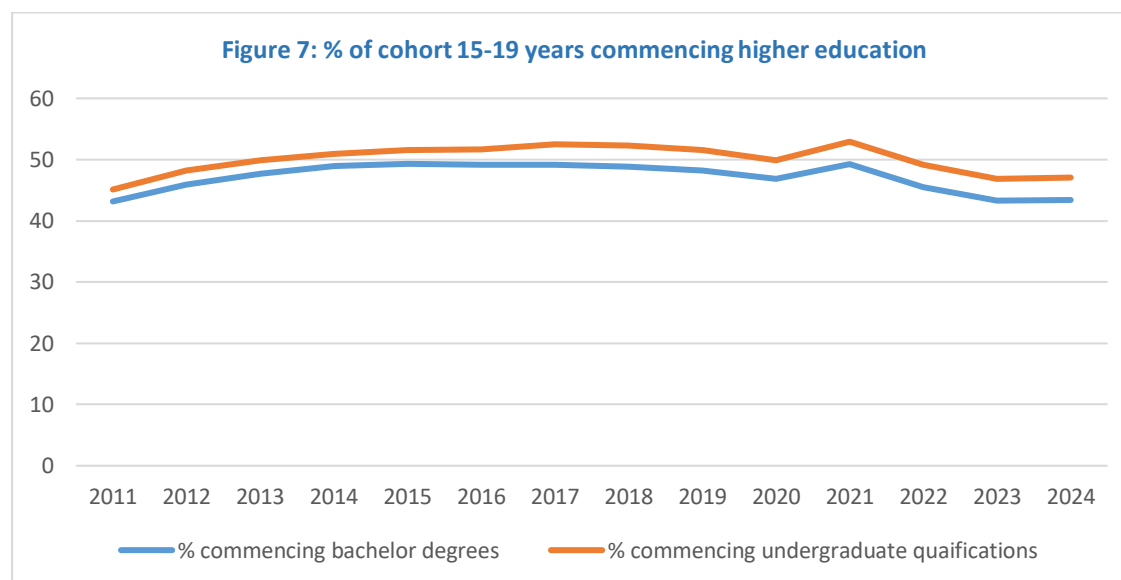
To make more sense of this we need to compare the commencements numbers with the population. As background, in Figure 6 we show the population numbers for 15-19 year olds since 1971.



Source: ABS 3101.0 table 59, Estimated Resident Population by single year of age, Australia

We see that there have been periods of rapid growth in this cohort, notably the late 1980s. Growth has been very subdued from around 2010 until around 2021, with a sizable kick up in the last few years. We note that this rapid increase is not explained by an increase in net migration following COVID-19 (See Appendix). While net migration (for 15-19 year olds) plummeted over the COVID-19 period (and then increased rapidly) the net migration numbers do not have a material impact on the resident population numbers. If we exclude the net migration numbers we still get a rapid increase in the 15-19 years population from 2021 to 2024.

In Figure 7 we bring together the commencement data with the population data. One complication in the analysis is lack of alignment of the higher education statistics with the population data⁸. The definition of domestic student rules out those with a temporary rather than permanent visa, while the population data cover all Australian residents. We do not have a time series of the population excluding overseas students. This would suggest that the commencement rates of Australian citizens will be understated, with the understatement depending on the number of 15-19 year old overseas students who are resident in Australia.



Source: Higher Education Statistics, commencing domestic students (Table 1.2); ABS demographic statistics, Estimated Resident Population

We see very modest growth in rates of commencement from 2011 to 2014-15, followed by some decline to 2019-2020. The COVID-19 period appears to have caused a significant change in young peoples' transition to higher education, with a low point in 2020 followed by a strong rebound in 2021. However, since then participation rates (proportion of the resident population) have declined. From Figure 5 we saw that the number of domestic commencements has been flat, and therefore as a matter of arithmetic the commencement rates have declined given the increase in resident population numbers. The shape of the graph from 2020 is driven by the population estimates rather than any shift in commencement numbers. That said, the very flat commencement numbers evident in Figure 5 imply that commencement rates have gone down over the last few years. We also note

⁸ For the purposes of HESA, a domestic student is defined as a student who is not an overseas student. An overseas student under HESA is a person who:

- is not an Australian citizen; and
- is enrolled, or proposes to become enrolled in:
 - a course of study with a higher education provider; or
 - a unit of study access to which was provided by OUA

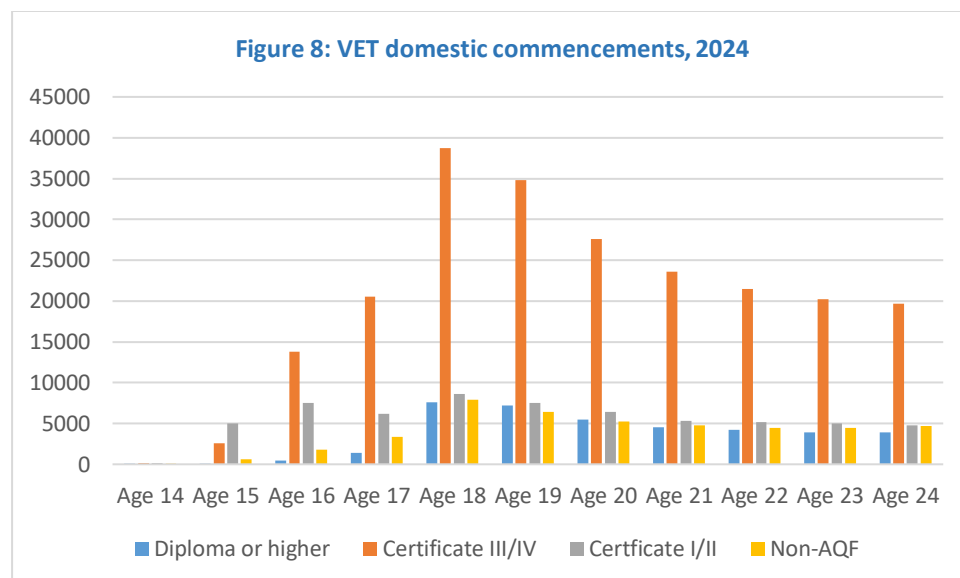
But an overseas student does not include:

- a person entitled to stay in Australia, or enter and stay in Australia, without any limitation as to time (including holders of an Australian permanent visa)
- a New Zealand citizen; or
- a diplomatic or consular representative of New Zealand, a member of the staff of such a representative, or a spouse, de facto partner (within the meaning of the Acts Interpretation Act 1901) or dependent relative of such a representative [HESA subclause 1(1) to Schedule 1]

that the gap between Bachelor degree commencements and all undergraduate commencements has increased somewhat, with that gap becoming more noticeable in around 2017.

4 Participation in VET

We now present analogous data for VET.⁹ We first look at commencements by age.



Source: NCVER VOCSTATS: TVA program enrolments 2015-2024

We see that among young people (up to the age of 24) the modal age of commencement is 18 years, and these will mostly be school leavers. However, we see that there are very substantial numbers of commencements at age 20 to 24 suggesting that a direct path from school to VET is not the dominant pattern that it is in higher education.

To emphasise the point that VET is not targeted tightly at young people we present an overall age distribution.

⁹ VET activity for all providers has been collected since 2015 although the commencement data are only reliable for 2016 and later.

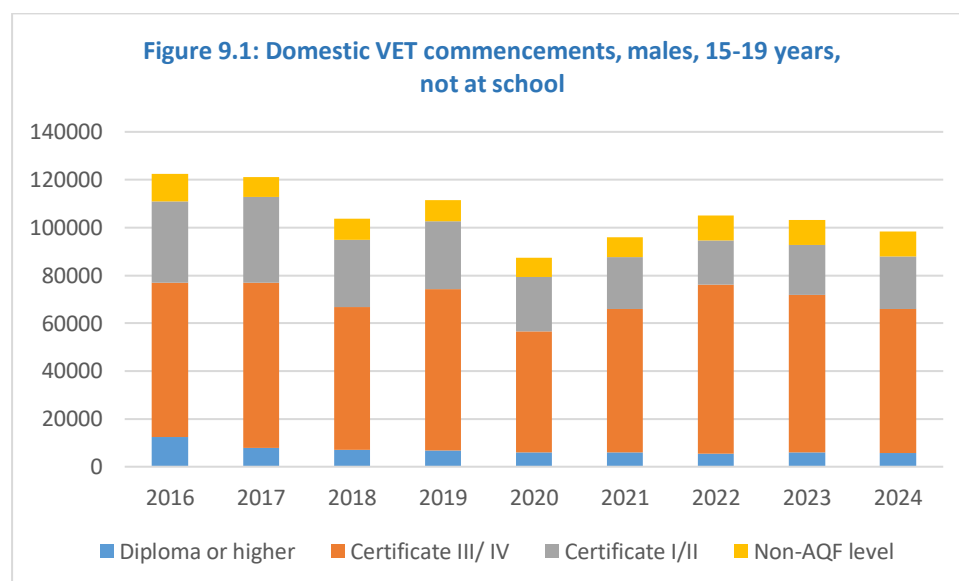
Table 3: Commencing domestic VET students, not at school, 2024 (%)

	Diploma or higher	Certificate III/IV	Certificate I/II	Non- AQF	Total
14 years and under	0	0	0	0	0
15 to 19 years	13	17	19	11	16
20 to 24 years	17	17	14	13	16
25 to 29 years	14	14	12	12	13
30 to 39 years	27	24	22	22	24
40 to 49 years	18	16	16	19	17
50 to 59 years	8	9	10	15	10
60 to 64 years	1	2	4	5	3
65 years and over	1	1	3	4	2
Total	100	100	100	100	100

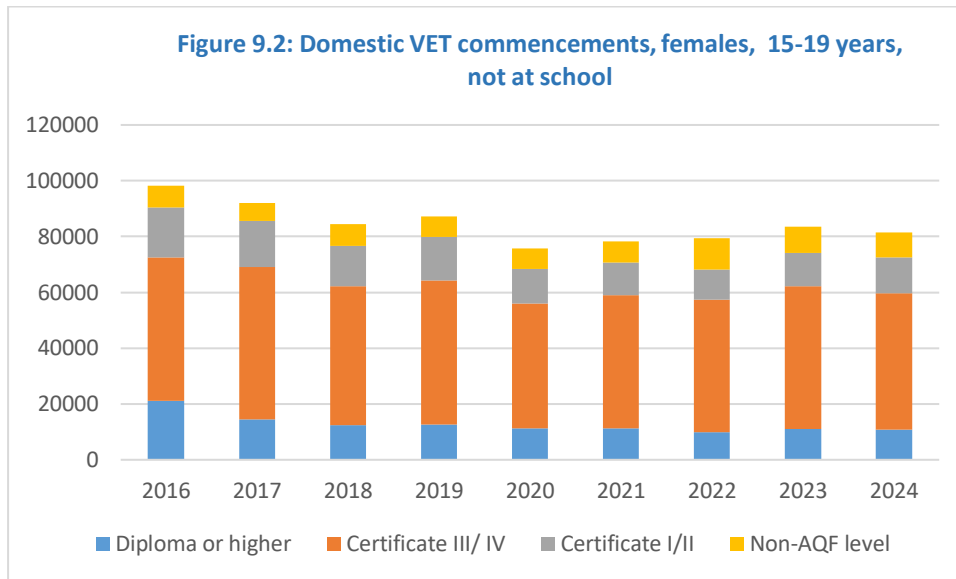
Source: NCVER VOCSTATS: TVA program enrolments 2015-2024

We see that young people make up a relatively low share of commencing students. It is not a sector built around school leavers. Rather it caters for all ages, especially up to people in their 50s.

As for higher education we now present trends on commencing numbers for 15-19 years, as a proxy for school leavers.¹⁰ We present the data separately by males and females.



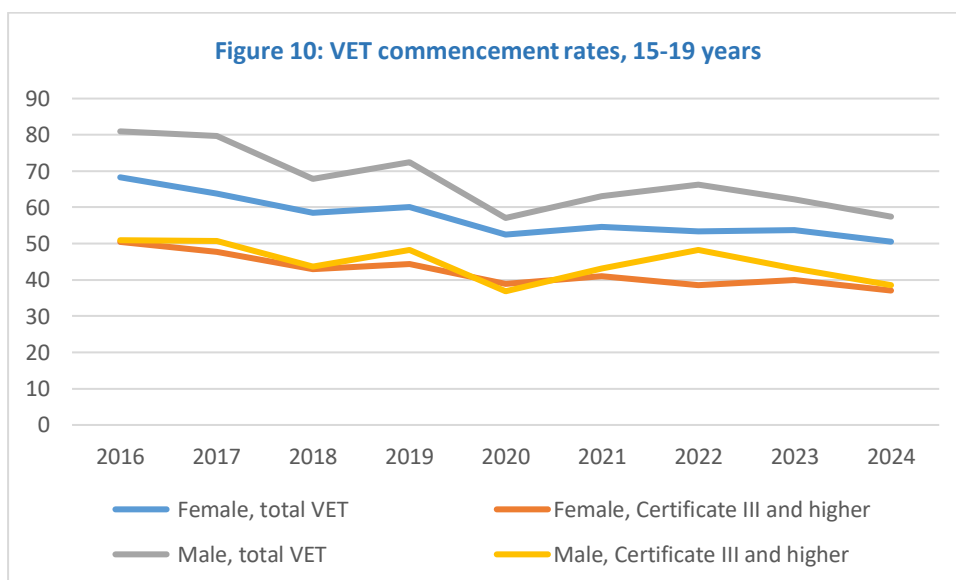
¹⁰ This number is likely to include those who have been away from school a number of years. It will also include some young persons who have commenced more than one qualification.



Source: NCVER VOCSTATS: TVA program enrolments 2015-2024

We see a decline in commencements between 2016 and 2020, the latter year associated with COVID-19. For both males and females, we see some recovery thereafter, but numbers for the last 5 years were lower than the years to 2019.

We now look at commencements rates (that is, commencements expressed as a percentage of the 15-19 years population). We have a number of variations: total VET qualifications and qualification levels at the Certificate III level or higher (representing tertiary education as distinct from post-school education).

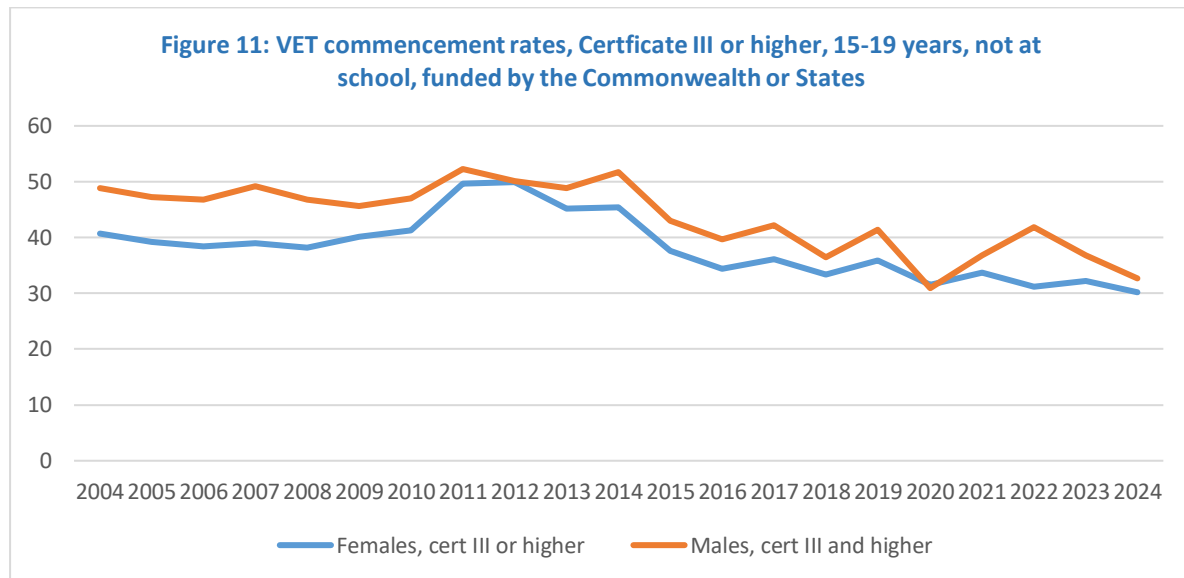


Source: NCVER VOCSTATS: TVA program enrolments 2015-2024; ABS demographic statistics, Estimated Resident Population

We see declines in the commencements rates for both males and females between 2016 and 2020. There was some recovery post 2020 but the commencements rates for 2024 are at an overall low point. This is true irrespective of whether we include lower level qualifications (Certificates I/II or non-AQF) or not.

It is also interesting to note that the rates for males are significantly higher than for females if we include all VET levels (including non-AQF courses) but the rates for males and females are similar for the VET courses at the Certificate III level or higher. Significant numbers of males commence VET courses that would not be treated as tertiary education from an international perspective.

We complete this section by providing a longer perspective on VET participation. The total VET data collection (TVA) commenced in 2015, but statistics on government funded VET are available back to 2004 (we exclude the first year of the collection because the commencement flag is meaningful only from the second year of the collection).



Source: NCVER VOCSTATS VET program enrolments 2003-2024); ABS demographic statistics, Estimated Resident Population

Because we are focussing on tertiary education we restrict the courses to Certificate III level or higher.

We see in Figure 11 that commencement rates have been declining since 2011, reaching a low point in 2020 (the year of COVID-19). In 2021-2022 there was a substantial rebound for males, but not for females. The commencement rates in 2024 were at an all-time low for females and not far above for males.

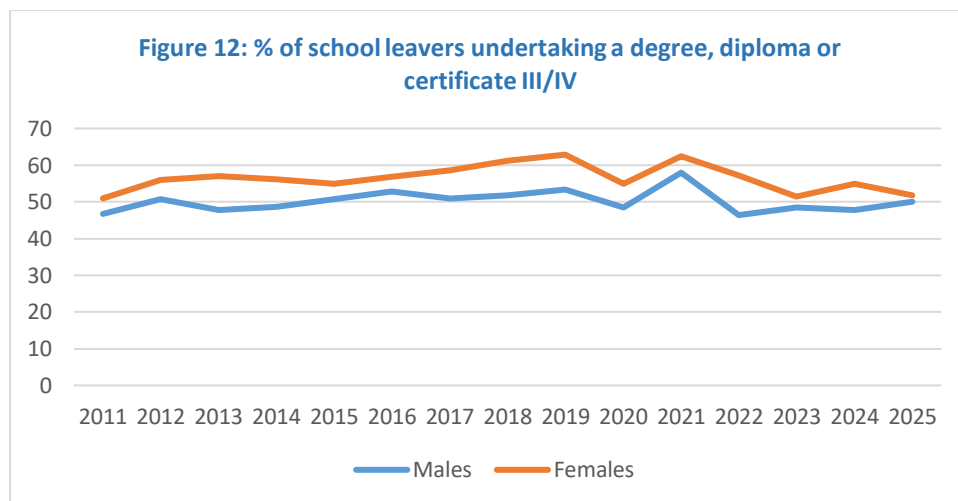
5 Trends in tertiary education for school leavers, Survey of Education and Work.

To date we have used administrative data for both the higher education and VET. An issue with these data is that it is likely that we are counting persons twice. For example, an individual may enrol at a university and then subsequently drop out and enrol in a VET course. There will also be double counting when individuals enrol in different courses in the same sector. The presence of this double counting can be seen from Figure 7 (Higher education commencements) and Figure 10 (Vocational Education commencements); for example, in 2016 participation in the undergraduate higher education sector for 15-19 year olds was 52% while participation in VET was 51%. If we add these two rates together we get the commencing participation rate greater than 100%. As we have noted earlier, we also have a problem with the derived participation rates because of the lack of

congruence between domestic students on one hand and estimated resident population numbers on the other (the latter include overseas students living in Australia).

We are fortunate that the Australian Bureau of Statistics conducts an annual survey of school leavers which provides a coherent picture of the educational participation of young people, in particular school leavers. The survey, Education and Work, among other things collects the current educational experience of school leavers (that is, persons who were attending school the previous year but not when the survey was administered). The ABS derives a flag which signifies that the person is a school leaver, aged between 15 and 24 years.¹¹ A great advantage of the ABS survey is that it is coherent in the sense that we have a well-defined population that allows us to calculate rates and proportions. This contrasts with the administrative data on VET and higher education where the numerator and denominator of rate calculations do not align. Based on these data the commencement rate calculations are at the mercy of the ABS estimates of the resident population (which include overseas students resident in Australia and also are subject to revision).

In Figure 12 we present the proportion of school leavers who are attending an educational institution the year after leaving school, restricting ourselves to courses at the level of Certificate III or above (to exclude lower level courses and non AQF courses that would not be classified internationally at the level of tertiary education).



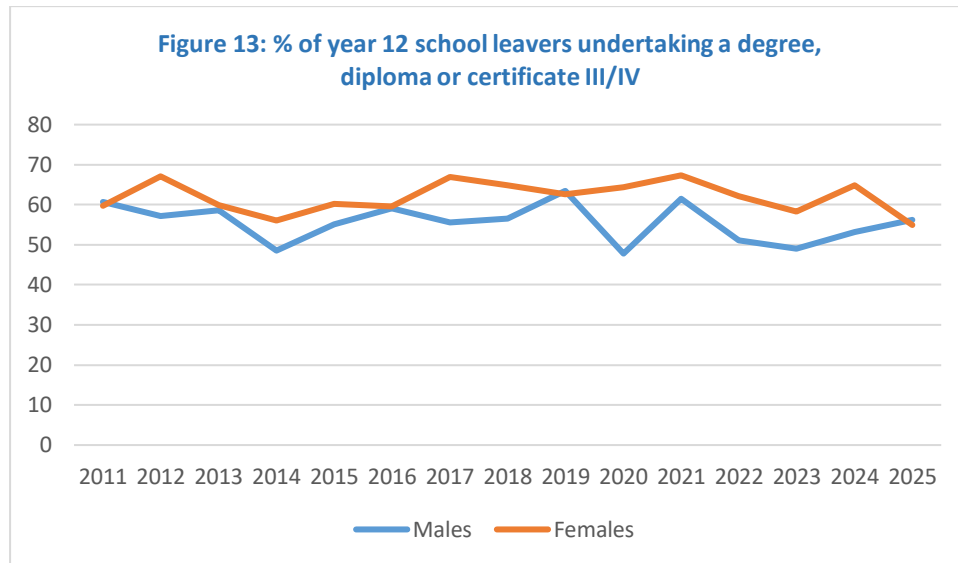
Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

We immediately see that the participation of females is higher than that of males, although the difference was quite small in 2025. In 2025, 50% of school leaver males were undertaking a Certificate III or higher course, compared to 52% of school leaver females. The numbers jump around a bit, but there seemed to be a long-term increase from 2011 to 2019 followed by a sudden drop associated with COVID-19 in 2020. In 2019 the participation rates were 63% for females and 53% for males.

We also note that the educational participation rate for those completing year 12 is somewhat higher (Figure 13). For males, the rate varies from 48% (2020) to 63%, (2019) while for females the

¹¹ In recent years (since 2017) the ABS derives a second flag for school leavers who are aged between 15 and 20 years. In practice there is little difference between the two flags because very few people attend school in their twenties. In fact, in 2018 the two populations are identical. In our calculations we have used the 15-24 year old flag for all years except 2017 when it was not available.

rate varies between 55% (2025) and 67% (2021). The numbers do jump around from year to year but there is no evidence that the rates have been increasing.



Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

6 University or TAFE?

We now focus on the choice between higher education and VET.

There is considerable literature on this choice. A brief review of recent literature reveals a number of themes. The main issue which has exercised many authors is that of parity of esteem and matters to do with the relative status of VET and higher education; see Cort 2026, McGlyn and Rawolle 2025, Ross 2025, State Training Board 2023, Le and Billett 2022, Billet et al 2022, Ellis 2021, Relly 2021, Choy et al 2021, and Billett et al 2019. Other themes include: the choice of VET driven by attraction to a specific vocation or occupation (Jorgensen 2026); the role of social media and other factors at school in influencing choice (Gossling and Rothleitner 2025, Osborne and Circelli 2018, Hargreaves and Osborne 2017, Ellis et al 2016, Ellis et al 2015) the state of the labour market (Hartung and Wessling 2025); perceptions of the intrinsic value of VET courses (Alternatt et al 2025), the cost of VET courses including the opportunity cost (Aguilar et al 2024); the attractiveness of apprentice type models (Smith 2022), lower participation in rural and regional areas (Smith and Foley 2021), and gender aspects (Malin and Jacob 2019, Sikora 2015).

Our focus is on the numbers; the proportion of school leavers going on to VET or higher education and the changes in these rates over the last 15 years or so.

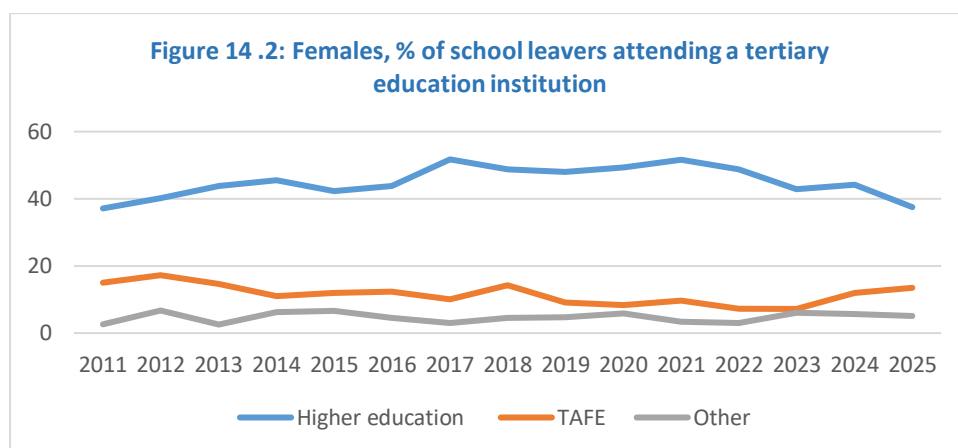
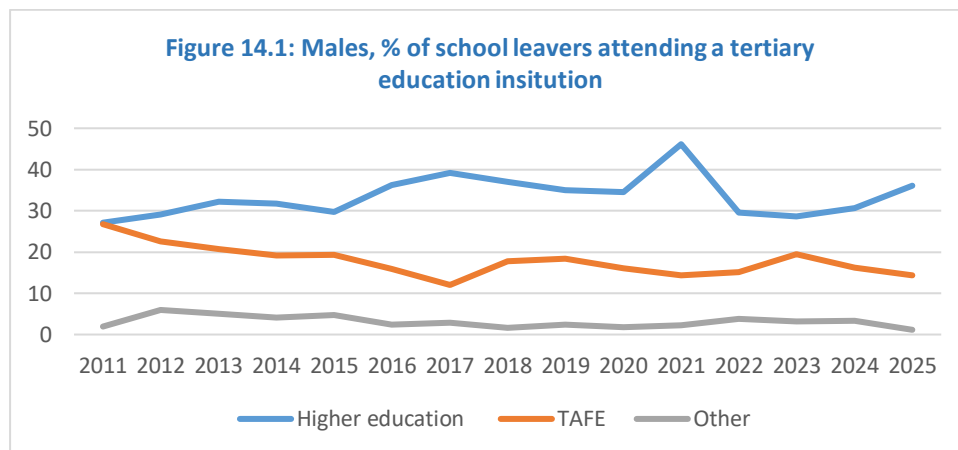
The comparison between the two sectors is messy. One can think in institutional/provider terms (university and TAFE) or course level terms (certificates, diplomas and bachelor degrees).

In terms of the former the ABS institutional categories are: secondary education, higher education, TAFE and Other institutions. For our purposes, we concentrate on higher education, TAFE and Other institutions.

In terms of course level the ABS collects data on Postgraduate Degrees, Graduate Diploma/Graduate Certificates, Bachelor Degrees, Advanced Diploma/Diplomas, Certificates III/IV, Certificates I/II, Certificates not further defined, and Level not determined.

For our purposes, we focus on qualifications from Certificate III/IV to Bachelor Degree. We note that universities can be registered to deliver VET certificates, while diplomas and advanced diplomas are dual sector classifications and are delivered in both higher education and VET.

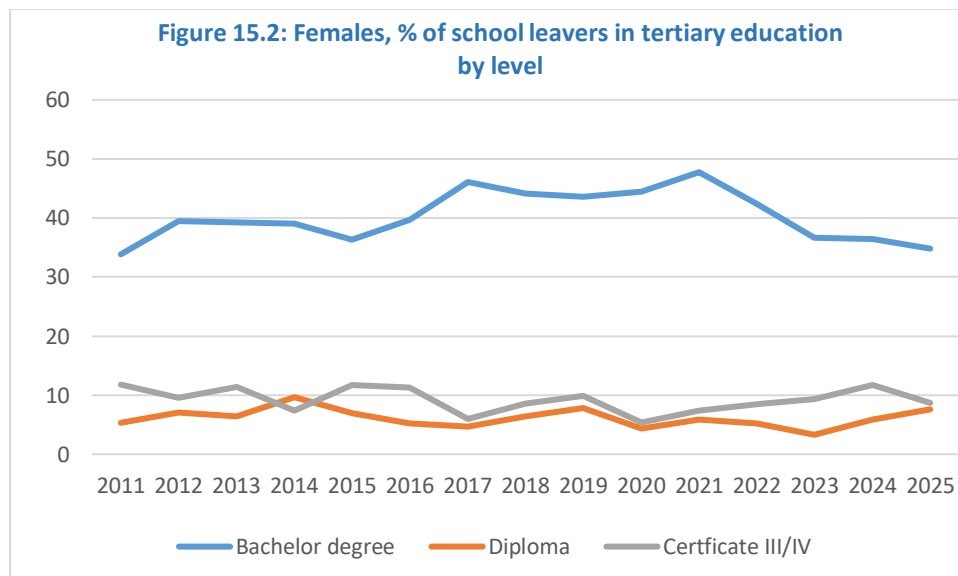
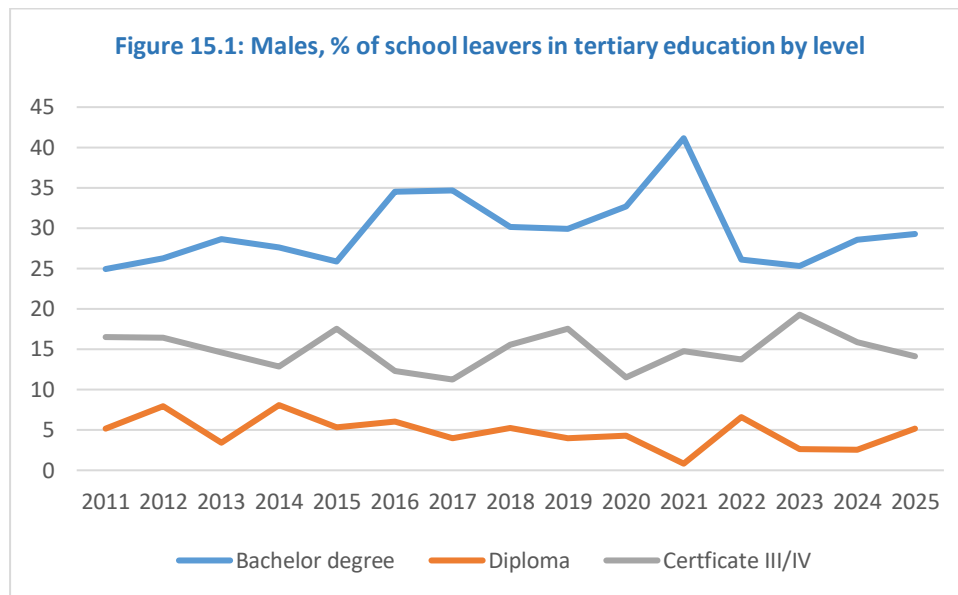
In Figure 14, we present the institutional view.



Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

We immediately see that the survey confirms the dominance of higher education compared to TAFEs and Other providers. We also note the large difference between males and females. If we take the latest data (2025) we see that for males the percentage of school leavers enrolling in higher education is around 36%, with the corresponding percentages for TAFE of 14% and other institutions of 1%, giving an overall participation of 51%. The corresponding rates for females are 37.5% (higher education) 13% (TAFE) and 5% (Other), giving an overall participation rate 56%.

We now present a 'level of course' view.



Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

For both males and females we see the dominance of the Bachelor degree qualification. For males, however, we see that the Certificate III/IV qualifications (the standard qualification of the trades) are very substantial while the diplomas constitute only a small contribution. We also see that the number of males undertaking diploma level qualifications is modest and appears to be on a slow decline. We also note that the amount of variability in the proportion of male school leavers undertaking a degree is quite extreme. The most obvious example is the drop in the proportion from 41% in 2021 to 26% in 2022. While this may reflect a degree of sampling error, it is consistent with the idea that young men now have a high degree of discretion and are likely to be influenced by the state of the labour market, and the desire to travel or have a gap year. Tertiary education providers do not have a captive market when it comes to school leavers.

For females, by contrast, the bachelor degree dominates very strongly, with diplomas and Certificates III/IV only having a small market share (in 2025, 35% of female school leavers undertook a degree compared to 8-9% for both diplomas and Certificates III/IV).

We see that the participation of school leavers undertaking a Bachelor degree has declined post 2021. For males the participation of school leavers has dropped from 41% (2021) to 29% (2025), while for females the rate has dropped from 48% (2021) to 35% (2025).

A casual inspection of the figures suggests that there appears to be a negative correlation between some of the categories. For example, for males the bachelor level study and study at the Certificate III graphs are almost mirror images of each other. To pursue this we calculated the correlations between the different categories under both the institutional and level of education perspectives. (Table 4). A negative correlation would suggest that the categories are substitutes.

Table 4: Correlations between proportion of school leavers undertaking tertiary education

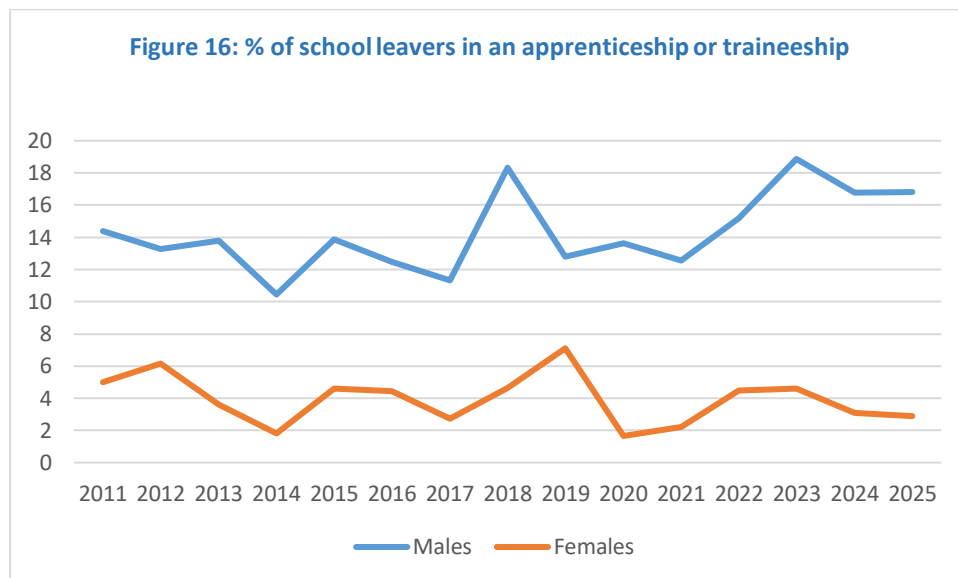
	Higher Education	TAFE	Other
Males			
HE		-0.67	-0.49
TAFE			0.36
Other			
Females			
HE		-0.60	-0.25
TAFE			0.00
Other			
	Bachelor degree	Diploma	Certificate III/IV
Males			
Bachelor degree		-0.49	-0.52
Diploma			-0.20
Certificate III/IV			
Females			
Bachelor degree		-0.14	-0.68
Diploma			0.10
Certificate III/IV			

Source: author's calculations based on the Survey of Education and Work.

We see that there are indeed some negative correlations of substance. In terms of competition between the higher education and VET sectors, we see substantial negative correlations between higher education and TAFE, and between Bachelor degrees and Certificates III/IV. To some extent, this reflects that a person in one sector cannot be in the other sector. Thus we conclude that indeed the higher education and VET sectors are substitutes and growth in one is likely to impact the numbers in the other. On the other hand, only about a half of school leavers are enrolled in tertiary education, indicating that it is quite possible for one sector to grow without affecting the other.

7 The role of apprenticeships

In the previous section, we noted that Certificates III/IV will reflect those undertaking an apprenticeship or traineeship, with trade apprenticeships likely to be important for young males. We explore this idea further by looking at the proportion of school leavers undertaking an apprenticeship or traineeship. In Figure 16 we present the % of school leavers who had commenced an apprenticeship or traineeship in the previous 2 years.

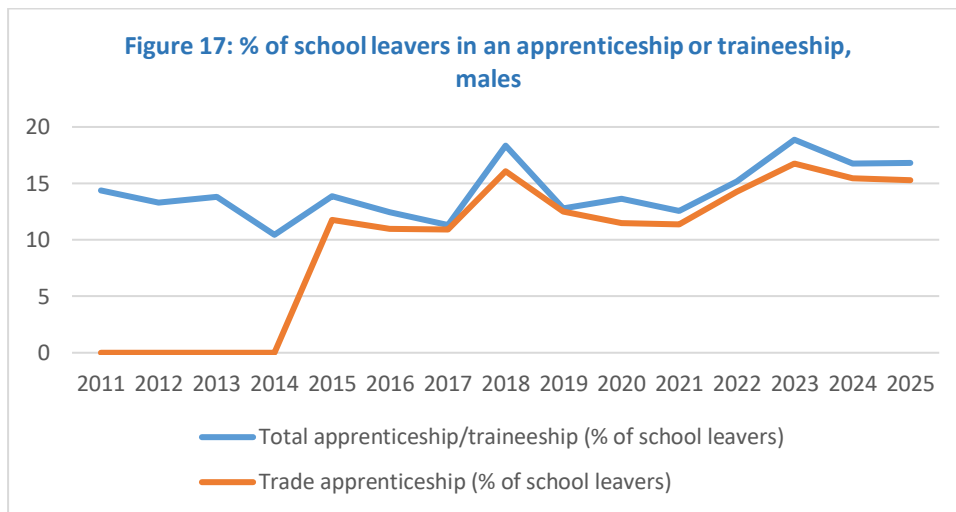


Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

We see that apprenticeships and traineeships are much more important for males than females, with the percentage of school leavers undertaking an apprenticeship or traineeship varying between 10% and 19% for males, and 2% and 7% for females. We also see that there was a significant increase after 2021 which most likely reflected wage subsidies given to employers taking on apprentices and trainees in the post COVID-19 period (the Boosting Apprenticeship Commencements program).¹²

We also note that for males apprenticeships and traineeships are essentially trade apprentices. (Figure 17)

¹²Australian Government (The Treasury and the Australian Centre for Evaluation), 2024, Rapid evaluation of a COVID-era apprentice wage subsidy program The Boosting Apprenticeship Commencements (BAC) and Completing Apprenticeship Commencements (CAC) programs September 2024



Note: data on trade apprenticeships not available for 2011 to 2014.

Source: Australian Bureau of Statistics, Survey of Education and Work, 2025, TableBuilder

8 Discussion

In this paper we focused on the tertiary education undertaken by school leavers, against a policy background promoting an increase in educational qualifications in the work force, and parity of esteem between VET and higher education. We looked at administrative data for VET and higher education (persons aged 15-19 years) as well as data from the Survey of Education and Work.

First, some stylised facts:

- Female educational participation is higher than male participation. This is true in terms of year 12 completion, and the percentage of school leavers undertaking tertiary education (which we define as undertaking a course at Certificate III/IV level or higher).
- For school leavers, university or higher education is much more important than VET or TAFE. For both male and female school leavers, we see the dominance of the bachelor degree qualification. For males, however, we see that the Certificate III/IV qualifications (the standard qualification of the trades) are very substantial. Conversely, school leavers are much more important for undergraduate higher education than they are for VET qualifications.
- Only about a half of school leavers continue on to tertiary education the year after leaving school (in 2025 the participation rate was 51% for males and 56% for females).
- Diploma level qualifications, whether in higher education or VET contribute only modestly. We know that diplomas are declining in importance relative to degrees (Karmel 2022).
- Apprenticeships and traineeships are much more important for males than females. For males, they are mostly in the trades.

In terms of changes in tertiary educational participation of school leavers, the main points to emerge are:

- An end to a long-term trend of increasing completion of year 12. In fact, ‘peak year 12 completion’ appears to have occurred around 2017 to 2018, when the apparent year 12 retention rate reached 88.5% for females and 81.2% for males. In 2025 the corresponding rates were 85.3% and 77.6%.
- Domestic undergraduate commencements in higher education among 15-19 year olds have been fairly flat over the last decade or so. If we calculate a ‘commencement rate’ by dividing by the estimated residential population (of 15–19 year-olds) then the resulting rate has been declining since around 2017-2018 (with the exception of 2021 when that rate rebounded from a low in 2020, perhaps associated with COVID-19).
- Analogous data for VET commencements display a slightly different pattern. Domestic commencements for 15-19 year olds not at school declined significantly between 2016 and 2020 and recovered a little over the period 2020 to 2024. The patterns for females and males are similar, noting that male commencements exceed female commencements. If we express these numbers as rates by dividing by the estimated resident population, we see a significant decline for both males and females between 2016 and 2024, although this trend obscures considerable variability.
- The VET data is restricted to some extent because prior to 2015 data were only collected for government funded VET. If we look at the longer term, we see that there has been a steady decline in government funded commencements of 15-19 year olds, not at school, from 2010-2011.

While the administrative higher education and VET data provide a fair bit of detail, they have their drawbacks. First, there is likely to be double counting because individuals may well enrol in both VET and higher education or in multiple courses. In fact, if we add VET and higher education commencement rates we get a rate greater than 100%. The second issue is the calculation of commencement rates involves data from one source (the VET or higher education data collections) being divided by the population data from another source. While our calculations are robust in respect of movements in net migration statistics, the non-alignment of the sources may be an issue. Thus it is important to compare the administrative data with that collected in the Survey of Education and Work conducted by the Australian Bureau of Statistics. From this survey we see:

- The proportion of school leavers going on to tertiary education (defined as a Certificate III or higher) increased a little between 2011 and 2019 but has subsequently declined.
- While there has been a decline in the proportion of school leavers going on to tertiary education, the question is whether there has been any movement between the sectors. There are two ways to look at this: in institutional terms (higher education, TAFE, other provider) or in level of education terms (Bachelor Degree, Diploma, Certificate III/IV).
- In *institutional terms* for males there has been a long-term decline in the proportion of school leavers going to TAFE relative to higher education; in 2011, the proportions of males going to higher education and TAFE were almost identical (at 26.8%) while in 2025 the proportions going to higher education was 36.1% compared to 14.3% going to TAFE.

- For females, from 2011 to 2017 the proportion going to higher education increased (from 37.1% to 51.7%), while the proportion going to TAFE declined (from 15.0% to 10.0%). Since then though the proportion going to higher education has declined (to 37.5% in 2025) while the proportion going to TAFE has fluctuated somewhat (13.5% in 2025).
- In terms of *level of education*, from 2011 to 2021 there has been an increase in the proportion of school leavers undertaking a Bachelor degree, and this level of education is by far the most important relative to diplomas and Certificates III/IV. Since 2021, however, there has been a decline in the proportion of school leavers undertaking a degree, with little change in the proportions undertaking a Certificate III/IV or diploma.
- While the dominance of degrees is clear (for both males and females) the year to year movements in participation rates suggests that for school leavers there is substitution between higher education and TAFE and between degrees and Certificates III/IV. In fact, the correlation between the VET and higher education participation rates of school leavers is -0.6 for males and -0.67 for females. This implies that an expansion in one sector is likely to impact on participation in the other.
- We see that, particularly for males, trade apprenticeships play an important role for school leavers undertaking tertiary level qualifications (assuming that a Certificate III is defined as being tertiary education). In this regard, an increase in male school leavers undertaking a trade apprenticeship is about the only sign of an increase in any component of tertiary education participation. But this may not have had an impact on overall participation because it may have well led to a decrease in higher education participation.

Final remarks

Policy settings for a long time have been premised on ever increasing education levels - increasing year 12 completion and an increasing proportion of the population with qualifications - and a rhetorical emphasis on vocational qualifications as worthwhile alternatives to higher education qualifications. Our examination of tertiary education participation of school leavers suggests that these policy settings are under pressure. Year 12 completion is not increasing and neither is the proportion of school leavers going on to tertiary education. In addition, the dominance of the Bachelor degree among school leavers going on to further study suggests that parity of esteem between the VET and higher education sectors will be difficult to achieve.

This paper has focussed on rates of participation in tertiary education for school leavers. The overall finding is that increases in educational participation have stalled, or even declined a little. However, we have not looked at the reasons behind this phenomenon. Is it a decline in demand, with more young people becoming sceptical about the pay off to further education? In this context we note that there has been a decline in the income premium for those with a degree, largely driven by a decline in the number of degree holders in a professional occupation (Karmel 2023). An alternative explanation is that public funding has constrained participation, and decline would be reversed if there were an appropriate increase in funding for tertiary education.

The government has voiced a view that the best way to increase the proportion of school leavers going to tertiary education is to expand university places and target regional and disadvantaged

students. Quoting the Minister for Education, [The Hon Jason Clare MP](#) in introducing the The Universities Accord (Opening the Doors of Opportunity) Bill:¹³

The Universities Accord set a target that by 2050, 80 per cent of the workforce will have a TAFE qualification or a university degree.

“The only way to do that is if we break down the barriers that stop so many young people from getting to university.

“Talent is everywhere. It’s opportunity that’s not.

“These reforms will mean more young people from poor families and from the regions and the bush get a crack at university.

“If you get the marks, or you’ve got the skills, you’ve got what it takes. You will get a place.

“We’re also making sure you will get the support you need when you get there.

“For universities, this Bill will mean more students and more funding.

This Bill assumes that there is considerable unmet demand for higher education, particularly from poor and rural families. While no one would argue about the benefits of education it is likely that ever increasing levels of those with qualifications are likely to impact on the return to education at the margin. This may well bear on the demand for higher education; not everyone will get the return that justifies the time and expense. We should also keep in mind that an increase in the number of school leavers going to higher education is likely to impact on the numbers going to VET.

It remains to be seen if there will be a reversal in the declining participation by school leavers in tertiary education. It will all depend on demand and supply – there is no longer an inevitability about increasing proportions of school leavers going on to tertiary education.

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Appendix: Impact of net migration on population estimates

Estimated resident population (ERP) is the official estimate of the Australian population, which links people to a place of usual residence within Australia. Usual residence is the address at which a person considers themselves to currently live. ERP includes all people who usually live in Australia (regardless of nationality, citizenship or legal status), with the exception of foreign diplomatic personnel and their families.¹⁴

Method

ERP as at 30 June in a Census year is calculated by adjusting Census counts of Australian usual residents to account for residents temporarily overseas, people missed or counted more than once in the Census (based on the Post Enumeration Survey), and for the births, deaths and migration that happened between 30 June and Census night.

At the national and state levels, ERP is updated from the Census base every three months by taking the population estimate at the start of the quarter and adding the components of population change: natural increase (births minus deaths), net overseas migration and (in the case of state populations) net interstate migration. This is known as the component method, and uses the demographic balancing equation:

$$P_{t+1} = P_t + B - D + NOM + NIM$$

where:

P_{t+1} = the estimated resident population at time point $t+1$

P_t = the estimated resident population at time point t

B = the number of births occurring between t and $t+1$

D = the number of deaths occurring between t and $t+1$

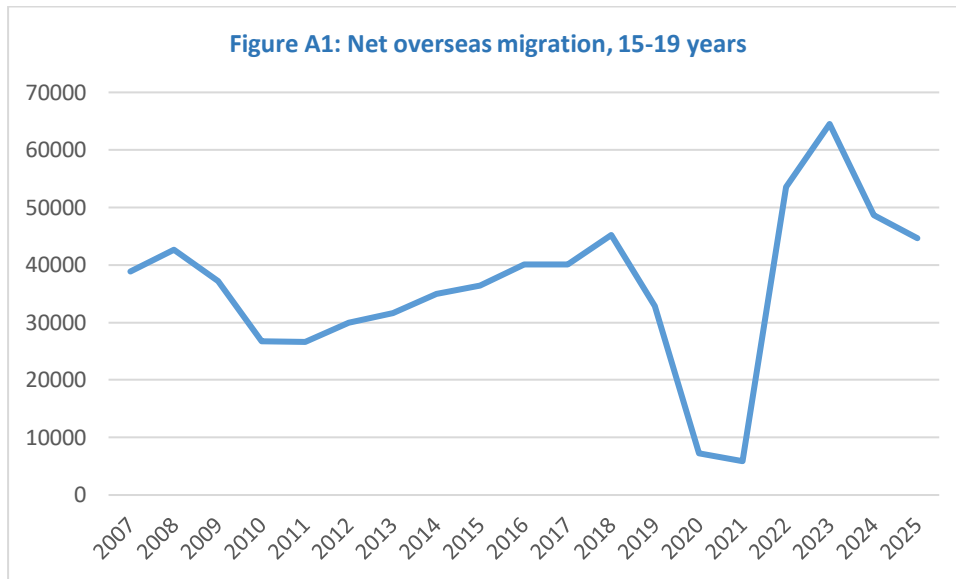
NOM = net overseas migration occurring between t and $t+1$

NIM = net interstate migration occurring between t and $t+1$

At the national level, net interstate migration is zero.

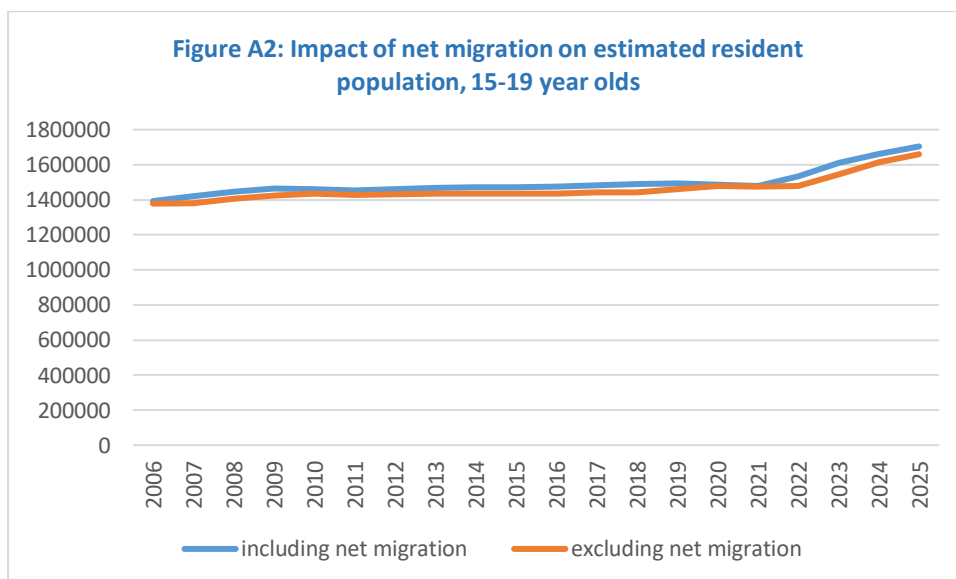
Our concern is that overseas students resident in Australia may distort the participation rates of the domestic participation rates. To investigate this we plotted the net overseas migration for 15-19 year olds (Figure A.1) and then calculated the impact of net overseas migration on the estimated population.

¹⁴ This material comes from <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release>.



We see that the net migration figures plummeted in 2020 and 2021, associated with the COVID-19 epidemic, and then bounced back to a record high in 2022.

In Figure A2 we show the impact of net migration by plotting the estimates with the net migration as recorded and also assuming net migration of zero.



We see that excluding net migration makes little difference to the estimate of the population.