Submission to the

Parliamentary Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education

29 April 2008

Skills Victoria
Department of Innovation, Industry and Regional Development
# TABLE OF CONTENTS

1. ABOUT THE DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT ................................................................. 1

2. THE PUBLIC GOOD OF EDUCATION & TRAINING ........................................... 2

3. PROFILE OF VICTORIAN TERTIARY SECTOR .............................................. 7

4. VOCATIONAL EDUCATION AND TRAINING (VET) .................................... 10

5. PARAMETERS OF DISADVANTAGE ................................................................ 12

6. TRANSITIONS ................................................................................................. 15

7. ADDRESSING DISADVANTAGE 1: POLICY SETTINGS ............................. 18

8. ADDRESSING DISADVANTAGE II: NEW MODELS OF PROVISION .......... 23

9. PUBLIC FUNDING AND STUDENT FINANCES ....................................... 27

10. CONCLUSIONS ................................................................................................ 31

BIBLIOGRAPHY ..................................................................................................... 34
1. ABOUT THE DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

The Department of Innovation, Industry and Regional Development (DIIRD) is the Victorian government’s lead agency for economic and regional development. Government’s goals for more quality jobs and thriving, innovative industries across Victoria will be fostered through DIIRD’s five priority objectives: investment attraction, trade development, developing innovative industries, regional development and marketing Victoria. The Department also has a pivotal role in skills formation in Victoria.

**Skills Victoria**

Skills Victoria within DIIRD is responsible for:

- The provision of strategic leadership and support for the development of the higher education and vocational education and training (VET) systems in Victoria;
- For planning, purchasing and monitoring the services offered by Technical and Further Education (TAFE) Institutions; and
- Managing legislative and governance responsibilities relating to vocational education and training and higher education.

Skills Victoria plans, regulates and delivers a range of education and training programs and services in Victoria through:

- 18 publicly-owned TAFE institutions, including 4 universities with TAFE divisions; and
- more than 1,300 VET providers, of which about 400 are State Government funded and 900 are privately funded.

**Regional Development Victoria**

Within DIIRD, Regional Development Victoria takes lead responsibility for ensuring the development and growth of regional Victoria with programs to assist businesses and communities in regional Victoria to reach their full economic potential. Key initiatives such as Regional Infrastructure Development Fund, the Small Towns Development Fund, Community Regional Industry Skills Program as well as Make Your Career Happen under Moving Forward aim to build a regional infrastructure that can attract, support and sustain both businesses and the communities in which they operate.”
2. THE PUBLIC GOOD OF EDUCATION & TRAINING

For the community, education and training is a fundamental ‘public good.’ The wider and deeper education and training reaches into the community, the greater the good.

Education and training underpin the development of a highly skilled, innovative workforce as a critical enabling factor for social, cultural and economic growth in Australia.

And it is a key to personal development and to a wide array of life opportunities.

For these reasons, the Victorian Government recognises better access and wider participation as a priority outcome in terms of both economic and social policy.

The Graduate Premium

For the individual, undertaking education and training confirms personal benefits in the tangible form of income and in the less tangible form of contributing to understanding and the capacity to participate in society and the economy. As observed by David Wilson (V-C University of Brighton):

… higher education (like all educational achievement) is a positional good. Its benefits are not only economic (as in the so-called “graduate premium” of lifetime earnings), but also relate to broader aspects of health, happiness, community security and democratic tolerance … The disbenefits of not learning are correspondingly huge.¹

There is, for example, a clear relationship between educational attainment and average earnings. Specifically, as the level of education of an individual increases, earnings also increase. Individuals who have attained post-secondary non-tertiary or tertiary education enjoy substantial earnings advantages compared with those who have not at least completed upper secondary education.

As illustrated in Table 1 overleaf, Research by the Australian Bureau of Statistics (ABS) shows that the average weekly earnings of full-time employees was $790 for those whose level of highest educational attainment was Year 10 or below, compared to $1,624 for those whose level of highest educational attainment was a Postgraduate Degree.

Table 1 – The Graduate Premium

<table>
<thead>
<tr>
<th>Level</th>
<th>Mean Pay</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgrad. Deg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grad. Dip/Dip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bach. Deg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adv. Dip/Dip</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cert. IIIIV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cert. III</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 10 or below</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, 2005

Over the past decade, employment has been expanding faster in jobs requiring people with qualifications, particularly higher level qualifications.

The Economic Imperative

Strong employment growth has been a feature of Victoria’s successful economy

Victoria has an open and diversified economy which is strongly linked with the rest of the country and the larger global economy. Measured in terms of value added production, Victoria accounts for around one quarter of the Australian total and is a significant international economy in its own right – larger than Singapore and close in size to the economies of Ireland, Israel and Finland.

As a result of a generally favourable global and domestic economic environment and strong economic management, Victoria has enjoyed robust growth in recent years, generating higher employment, population growth, business investment and higher living standards. Importantly, this growth has been shared across the whole State.

Over the past eight years, Victoria’s Gross State Product (GSP) has grown at an average annual rate of 2.9 per cent, the highest of the non-resource States. High levels of business investment, which have increased by more than 10 per cent over the past year, add to the economy’s capacity and other indicators such as strong building approvals and increasing consumer spending point to a strong economic environment in Victoria.

Victoria’s recent growth performance is even more impressive given the negative impact of the drought, the strong Australian dollar affecting the competitiveness of the State’s large manufacturing base, the resources boom resulting in stronger competition for investment and labour from other States and Territories and the increasing speculation of a potential recession in the USA, with flow-on effects to the rest of the world’s economic growth prospects.

2 DIIRD analysis based on World Bank Purchasing Power Parity estimates for 2005
The recent positive economic performance has translated into strong labour market outcomes. Victoria’s current unemployment rate of 4.1 per cent is the lowest unemployment rate since the ABS began the Labour Force survey in 1978. This has been driven by the strong economy and has occurred despite a rise in the labour market participation rate, particularly amongst older workers.

In this current economic environment, skills shortages present a key challenge. Private sector surveys conducted by the National Australia Bank, the Australian Industry Group and the Victorian Employers’ Chamber of Commerce and Industry, for example, consistently show that the current availability of labour and the existence of skills shortages continue to place significant constraints on current business activity.  

**The skilled workers required for Victoria’s future successful industries**

In terms of Victoria’s future economy, demand for skilled workers will continue to grow, and the types of skills needed by industry will also continue to change. Trends that have been identified include:

- Growth in the increasing consumption of household services, and the culture, leisure, and health industries. Victoria’s more traditional industries, such as mining and manufacturing, agriculture, and the older services sectors, such as the utilities, wholesale trade, retail trade, and transport and storage, will have a diminishing role in the emerging economy.
- Growth in the information and finance sector and corresponding demand for skills in these areas. Similarly to high income economies such as the USA, Canada and the UK, Victoria will experience a greater share of economic activity and employment in finance and insurance, property and business services.
- A shift in demand for deeper skilling, which will entail higher demand for graduates and current employees with higher levels of education. Skills deepening in an occupation is measured as the increase in the proportion of people with qualifications over and above that due to employment growth.
- Slightly slower employment growth overall, with a corresponding rise in demand for more highly skilled occupations. Managers, professionals and associate professionals have accounted for the bulk of Victoria’s job growth since the last decade.
- A growth in demand for increasingly transferable skills and flexibility across the workforce. Corresponding with the transition to greater demand for services and the introduction of new technologies has been a compositional change in the occupations and skills sets expected by businesses overall.

Already skills shortages and gaps present a key challenge to Victoria’s economic growth and pressures are likely to intensify in the absence of appropriate policy and program settings.

A study commissioned by the Victorian Government in 2007 analysed the supply and demand for people with higher education qualifications in Victoria. The study projected a shortfall of 49,000 people with higher education qualifications in the next 15 years.  

---

3 See the National Australia Bank, Quarterly Business Survey, March Quarter 2007; the Australian Industry Group, Quarterly Survey of Australian Manufacturing, June Quarter 2007; and Victorian Employees’ Chamber of Commerce and Industry, Victorian Skills Survey 2006.

In 2006, 59 per cent of the workforce held a post-school qualification. By 2022, the labour market will demand that 78 per cent of the workforce hold a post-school qualification – 36 per cent will be required to hold a higher education qualification, 42 per cent a VET qualification.

To achieve this qualification profile, more higher education training will need to be delivered, both for new entrants to the workforce as well as for existing workers. The study projects that the Victorian workforce will grow by 14 per cent over the next fifteen years to about 2.88 million people. Taking into account this growth, as well as natural turnover, the study projects that from 2008 to 2022 Victoria needs to deliver undergraduates and postgraduate higher education qualifications to approximately 694,000 people.

Based on current higher education delivery patterns in this State, over the fifteen years to 2022, Victoria will only produce 441,000 domestic graduates in aggregate. This is around 253,000 graduates short of the 694,000 required. However, the Study projects that Victoria will attract 204,000 graduates from other sources as follows:

- Approximately 51,000 international students who come to study in Victoria will choose to live and work here after graduation.
- 50,000 domestic and international graduates from universities in other Australian States and Territories will migrate to Victoria.
- Approximately 103,000 migrants with existing higher education qualifications will settle in Victoria.

It should be noted, however, that these estimates are based on current higher education delivery and demographic trends. International student markets (the proportion of international students who stay after graduation), migration between Australian States and Territories and international migration flows, are highly volatile.

There are therefore notable risks in depending on non-domestic sources to meet a significant proportion of the higher education graduates required by the Victorian workforce.

**Innovation in Victoria’s regional economies**

Improving the innovation performance of regional economies is also essential to Victoria’s future growth and competitiveness.

Innovation is already driving change in regional businesses and industries. Many regions have strengths in industries in which higher levels of innovation will yield substantial benefits, including agriculture, food production, resource and environmental management, transport and distribution, tourism and design.
However, regional businesses report difficulties in accessing world class innovation infrastructure and research, attracting and retaining skilled people, and obtaining access to capital.

There is potential to further boost business innovation at the regional level through clusters based around particular industries, research undertaken by regional Universities, and by capturing new opportunities in emerging areas such as the life sciences, green manufacturing and renewable resources.
3. PROFILE OF VICTORIAN TERTIARY SECTOR

Universities and Higher Education Providers

There are eight universities established under Victorian statutes operating in Victoria:

- Deakin University
- La Trobe University
- Monash University
- RMIT University (dual sector)
- Swinburne University of Technology (dual sector)
- University of Ballarat (dual sector)
- University of Melbourne
- Victoria University (dual sector)

As indicated, four universities are dual sector institutions which operate significant vocational education and training sector divisions.

In addition, the Australian Catholic University operates two campuses in Victoria and is a significant provider in the disciplines of teaching and nursing.

There is also a growing private sector with over 50 registered higher education providers.

TAFE institutes were also granted the capacity to provide degree courses in 2003. Four institutes currently provide such courses, including the Gordon Institute in Geelong.

Victorian universities, TAFEs and Further Education institutions are well represented across the State with a presence in each Victorian region. Diagram 1 overleaf shows the location of these institutions in each region.
DIAGRAM 1 – VICTORIAN UNIVERSITIES, TAFES AND FURTHER EDUCATION INSTITUTIONS

Victoria’s overall enrolment levels have increased slightly between 2005 and 2006. In 2006, most regional university campuses experienced a modest decline in preferences.

Table 2 indicates the breakdown of domestic enrolments by university:

**Table 2 – Domestic Enrolments by University**

<table>
<thead>
<tr>
<th>Institution</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deakin University</td>
<td>16,864</td>
<td>17,221</td>
</tr>
<tr>
<td>La Trobe University</td>
<td>16,802</td>
<td>17,227</td>
</tr>
<tr>
<td>Monash University</td>
<td>26,950</td>
<td>26,910</td>
</tr>
<tr>
<td>Royal Melbourne Institute of Technology</td>
<td>16,857</td>
<td>17,507</td>
</tr>
<tr>
<td>Swinburne University of Technology</td>
<td>7,438</td>
<td>7,737</td>
</tr>
<tr>
<td>The University of Melbourne</td>
<td>25,672</td>
<td>25,143</td>
</tr>
<tr>
<td>University of Ballarat</td>
<td>3,707</td>
<td>3,663</td>
</tr>
<tr>
<td>Victoria University</td>
<td>10,262</td>
<td>10,628</td>
</tr>
<tr>
<td><strong>Total Victoria</strong></td>
<td><strong>124,552</strong></td>
<td><strong>126,034</strong></td>
</tr>
<tr>
<td>Students enrolled in metropolitan campuses</td>
<td>105,220</td>
<td>107,087</td>
</tr>
<tr>
<td>Students enrolled in regional campuses</td>
<td>19,332</td>
<td>18,947</td>
</tr>
<tr>
<td>Students enrolled in metropolitan campuses (%)</td>
<td>84.5%</td>
<td>85%</td>
</tr>
<tr>
<td>Students enrolled in regional campuses (%)</td>
<td>15.5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Figures indicate actual Student Load for all domestic students.

The total number of students enrolled with Victorian universities in 2006 was 126,034, an increase of 1,391 (0.7 per cent) over 2005. Regional campuses of Victorian universities accounted for 15 per cent of total student numbers in 2006.
4. VOCATIONAL EDUCATION AND TRAINING (VET)

There are over 1,300 providers registered to deliver VET in Victoria including 18 TAFEs of which 4 also have University divisions. Other providers include private registered training organisations and adult and community education providers. Funding for VET delivery can come from both government and private sources.

Of the four dual sector institutions one – Ballarat University – is located and headquartered in regional Victoria and also has campuses located at Ararat, Horsham and Stawell.

TAFE institutions offer a wide diversity of courses and are located across the length and breadth of the state. Eight of the 14 TAFE institutions have their headquarters in regional Victoria:

- Bendigo Regional Institute of TAFE (BRIT) has its primary campus in Bendigo with other campuses located at Castlemaine, Echuca, Kyneton and Maryborough;
- Central Gippsland Institute of TAFE has its primary campus at Morwell with other campuses located at Leongatha, Warragul and Yallourn;
- East Gippsland Institute of TAFE has its primary campus in Bairnsdale with another campus located at Sale and outreach centres at Buchan, Heyfield, Mallacoota, Orbost, Swifts Creek and Yarra;
- Gordon Institute of TAFE has its primary campus in Geelong with other campuses located at Colac and Waurn Ponds;
- Goulburn Ovens Institute of TAFE has its primary campus in Shepparton with other campuses located at Benalla, Dookie, Seymour and Wangaratta;
- South West Institute of TAFE has its primary campus in Warrnambool with other campuses located at Glenormiston, Hamilton and Portland;
- Sunraysia Institute of TAFE has its primary campus in Mildura with other campuses located at Ouyen, Robinvale and Swan Hill; and
- Wodonga Institute of TAFE has its primary campus in Wodonga with regional study centres located at Mt Beauty and Rutherglen.

As well, a number of the metropolitan based TAFE institutions have campuses in regional areas:

- Swinburne University (TAFE Division) has a campus at Healesville;
- Northern Melbourne Institute of Technology has campuses at Ararat and Eden Park in addition to its metropolitan based campuses; and
- Chisholm Institute of TAFE has campuses Wonthaggi, Rosebud and Cranbourne as well as its metropolitan based campuses.
The widespread provision of VET across regional Victoria has resulted in an increase in regional (non-metropolitan) delivery of 24 per cent between 1999 and 2006, with the result that regional Victoria’s participation rate in VET is 17.3 per cent compared with 10.8 per cent in metropolitan Melbourne.5

While TAFE institutions located in regional Victoria provide a wide range of course offerings to enable local residents to access vocational education and training opportunities within their communities, they also offer and often specialise in courses that are closely linked to the economic base of their region.

There is increasing collaboration between stand alone universities and TAFEs, particularly in regional settings. With the dual sector institutions and the ability of Victorian TAFEs to offer degree courses, there is a strong foundation on which to expand higher education provision generally and within regional settings in particular.

Further, the existence of a network of regionally based TAFE Institutions which are already delivering a broad range of vocational courses provides the opportunity for the development of strategic alliances around pathways between VET and higher education, particularly in regional areas where there are university TAFE campuses.

---

5. PARAMETERS OF DISADVANTAGE

Based on the performance of Australian students in international assessments, such as the Organisation for Economic Co-operation and Development's (OECD) Program for International Student Assessment (PISA), Australian school systems, including that of Victoria, are recognised as among the highest performing systems in the world.6

Nevertheless, there are discrete cohorts within the population where underperformance is indicative of what might be termed “education disadvantage”. Overall, 13 per cent of Australian students participating in PISA, for example, failed to reach the benchmark which indicates functional literacy, against the OECD mean of 19 per cent. Of particular concern is the concentration of this apparent disadvantage among indigenous students and students of low Socioeconomic Status (SES) background.7

Socioeconomic Disadvantage

A family’s SES is based on income, parental education attainment and parental occupation.

There are well documented links between student performance at school and subsequent participation in higher education and SES background.8

Victorian students with low family SES background are much more likely to underperform in literacy and numeracy and therefore lack the foundation skills to progress in education and higher levels of training. For example, PISA reports that in 2006, 23 per cent of Australian students in the lowest socioeconomic quartile failed to reach the benchmark, compared with 5 per cent of the highest socioeconomic quartile. Only 6 per cent of students in the lowest socioeconomic quartile obtained a Level 5 or higher, compared with 26 per cent of students in the highest socioeconomic quartile.9

Students with low attainments in the middle years are less likely to progress to senior secondary school, let alone higher education.

But even those low SES students who complete school face significant hurdles in seeking to progress to higher education. A recent analysis of university application data showed that students living in low SES areas generally gain lower tertiary entrance (ENTER) scores and are therefore less likely to obtain an offer for a university place compared with students with a higher SES.10

---

7 Sue Thomson and Lisa De Bortoli, PISA in Brief From Australia’s Perspective: Highlights from the full Australian Report: Exploring Scientific Literacy: How Australia Measures Up: The PISA 2006 survey of students’ scientific, reading and mathematical literacy skills. (Melbourne: Australian Council for Educational Research (ACER), 2006), 12. There were 48 countries surveyed by OECD.
9 Thompson and De Bertoli, PISA in Brief From Australia’s Perspective, 12.
Over time, because of the actual decline in funded university places and increasing competition (as demonstrated by a rise in the number in the number of applications) for university places, the “market” position of lower SES applicants has also declined. In 1996, Year 12 VTAC applicants living in areas of low SES status in Melbourne achieved an indexed median ENTER of 0.85 and 53 per cent received an offer of a place. By 2004, the indexed median enter scores of such students had not changed substantially but the offer rate had declined to 43 per cent – that is by 10 percentage points or approaching 20 per cent.

An analysis by the Victorian Tertiary Admissions Centre (VTAC) of the geographic distribution of ENTER scores in 2007 shows a distinctive regional pattern (shown Appendix 1).

**Geographic Disadvantage**

Geographic disadvantage manifests in forms of:

- Concentration of low SES families in particular locations;
- Remote location; and
- Small communities.

Location has labour market implications, which in turn affects family income and SES, which in turn affects the likely education attainments of children of families in particular locations. In a study of “community adversity and resilience”, which mapped relative social advantage and disadvantage, Vinson concluded:

…where people live dramatically affect the diversity of job opportunities with respect to industry participation and skills, and it can affect labour market participation and engagement. Place does matter.11

The incomes of residents of non-metropolitan Victoria tend to be substantially lower – on average, 15 per cent to 25 per cent lower – than their metropolitan counterparts.12

A lack of financial resources and social capital in a community affects schooling in a variety of ways.

The most obvious is in terms of the quality and range of education offerings available to students. With low family incomes, for example, low SES communities cannot afford to provide much in the way of additional financial support of their schools in the way that high SES communities can afford. The schools themselves tend to be constrained by a lack of size. Keating has found that student performance in government secondary schools in Victoria corresponds to school size: in general, larger schools get better results.13 Students with low family SES tend to be clustered in smaller schools (less than 600 students) and students with high SES backgrounds in bigger schools (more than 900 students). By definition, schools in smaller rural communities will tend to be smaller rather than larger.

---

13 Ibid., 5.
In terms of access to higher education, students in certain regional locations are constrained in their choices by:

- Low education attainment, with students in rural Victoria, for example, having both lower rates of year 10–12 transition and, for those who complete Year 12, lower than State average ENTER scores (the latter is also evident in several, generally low SES metropolitan areas).
- Limited family and personal financial resources, which closes off options even for those students, from rural areas who achieve relatively high ENTER scores (see following).
- Limited choice of local course availability for many rural students who cannot afford relocation. If there is a local university campus, the range of courses offered may be extremely limited, providing for only a few disciplines, which makes higher education unattractive in personal terms.
- Limited personal confidence, local employment motivation or family support to encourage a school leaver to take the high cost option of moving to a location offering suitable higher education courses.
- Reluctance to take on the financial strain of both high away-from-home living costs and relatively high HECS debt commitments which can also require students to commit significant time to earning income to their cover living expenses at the expense of their study capacity and outcomes.
- Limited subject choice in many small regional schools does not enable students to select subjects of most interest/relevance to their abilities which both reduces their ultimate ENTER score and their access to desired courses. This can also limit student course selection options and decisions.
- Limited understanding of the benefits of higher education, particularly if one wants to stay in a regional area.

Some of these issues are dealt with in more detail at pages 27-30.

**Indigenous Disadvantage**

Socioeconomic disadvantage and geographic disadvantage is also highly compounded for indigenous students. As for SES disadvantage, there is a higher concentration of indigenous students in rural Victoria, Western Region Metropolitan areas, and the peri-urban fringe. The report of The Victorian Regional Higher Education Working Party (VRHEWP) concluded that the problem of access to higher education in rural areas “is particularly severe for indigenous persons and those from low socioeconomic backgrounds who are not able to afford to transfer to study at the metropolitan cities. In addition to the economic impact of communities leaving school too early there are also severe social consequences.”

The PISA report emphasises the severity of this disadvantaged group: it suggests that indigenous students are generally attaining a level “two and a half years behind the average for their non-indigenous contemporaries.” According to PISA 40 per cent of indigenous, compared with 12 per cent of non-indigenous, Australian students failed to meet the OECD benchmark, compared to 20 per cent of all OECD students who failed to meet the OECD benchmark.

---

15 Thompson and De Bertoli, *PISA in Brief From Australia’s Perspective*, 15.
6. **TRANSITIONS**

Over the past 20 years, in particular, there has been a marked growth in participation in further education and training. In 2005, 82.5 per cent of 15–19 year olds reported enrolling in education and 34 per cent of 25–36 year olds reported some form of tertiary education.

This growth has been in all segments of the population across both Victoria and Australia. There are, nevertheless, differences in both participation and attainment characterised by regional location; SES background; and ethnic and racial background.

As a general rule, participation and attainment is lesser for:

- non-metropolitan as opposed to metropolitan residents;
- for residents of Western and Northern Melbourne as opposed to Southern and Eastern Melbourne;
- indigenous Victorians as opposed to non-indigenous Victorians; and
- persons of low SES background as opposed to high SES background.

Data concerning VCE completions and transition into higher education supports anecdotal evidence that rural and regional students face greater challenges with regard to participation in higher education.

Department of Education and Early Childhood data confirm that rural and regional VCE students are less likely to continue on to higher education than their metropolitan counterparts.

Rural and regional students are also more likely to defer their studies than students from metropolitan areas.

**Year 10 to Year 12 Transitions**

Table 3 shows that there is a very marked difference in the apparent Years 10–12 retention rate between metropolitan and non-metropolitan regions, which obviously impacts on ultimate higher education participation.

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro</td>
<td>82.8</td>
<td>84.9</td>
<td>85.5</td>
<td>86.3</td>
<td>86.4</td>
<td>86.2</td>
<td>85.1</td>
<td>85.3</td>
</tr>
<tr>
<td>Non-metro</td>
<td>72.1</td>
<td>74.7</td>
<td>76.4</td>
<td>75.9</td>
<td>76.0</td>
<td>75.6</td>
<td>73.1</td>
<td>73.4</td>
</tr>
<tr>
<td>All</td>
<td>79.0</td>
<td>81.3</td>
<td>82.3</td>
<td>82.7</td>
<td>82.9</td>
<td>82.7</td>
<td>81.1</td>
<td>81.3</td>
</tr>
<tr>
<td>Difference</td>
<td>10.7</td>
<td>10.2</td>
<td>9.1</td>
<td>10.4</td>
<td>10.4</td>
<td>10.6</td>
<td>12.0</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Retention rates for both metropolitan and non-metropolitan students have improved somewhat since 2000 although they have fallen from a peak in 2004. However, as can be observed, after a couple of years of relative improvement, the spread between metropolitan and non-metropolitan students was actually wider in 2007 than in 2000.
VCE Completions

The following trends with regard to VCE completion are evidenced by On Track survey data across three years from 2005 to 2007:

- The number of VCE completions has increased in both metropolitan and non-metropolitan regions and Victoria’s retention rate has remained generally stable (84.4 per cent in 2005 and 84 per cent in 2006).16
- The percentage of those who complete VCE and then apply for a tertiary place has declined steadily across all non-metropolitan regions from 2005 to 2006.
- The percentage of those who complete VCE and then apply for a tertiary place has declined at a lower relative rate in all metropolitan regions, except the eastern metropolitan region.
- The percentage of those who completed VCE and were enrolled at university at the time of the On Track survey has declined in non-metropolitan regions.
- The percentage of those who completed VCE and were enrolled at university at the time of the On Track survey has increased in metropolitan regions.

Deferral Rates

Table 4 indicates the rate of metropolitan and non-metropolitan Year 12 student deferral rates.

<table>
<thead>
<tr>
<th>Deferral Rate %</th>
<th>Survey Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
</tr>
<tr>
<td>Metropolitan Regions</td>
<td>5.1</td>
</tr>
<tr>
<td>Non-Metropolitan Regions</td>
<td>9.6</td>
</tr>
</tbody>
</table>

On Track survey data across three years from 2005 to 2007 provides strong evidence that non-metropolitan students are much more likely to defer their studies.

- The percentage of those who completed VCE and then deferred tertiary study has increased by 5 percentage points in non-metropolitan regions.
- The percentage of those who completed VCE and then deferred tertiary study has increased by 1 percentage point in metropolitan regions.

The four major economic reasons given for deferring (multiple reasons can be given) are:

1) The individual is waiting to qualify for Youth Allowance to further support their study.
2) The individual would have difficulty supporting themselves if they were to commence a course of study.
3) The costs of study are a barrier to the individual.
4) The costs of travel to access study are a barrier to the individual.

The major non-financial reason for deferring is an unwillingness to leave home.

On Track reveals that the four economic reasons for deferring have been cited less by those who completed VCE in metropolitan regions (except waiting to qualify for Youth Allowance). Leaving home has also been increasingly cited by students in non-metropolitan regions as a reason for deferring. This latter reason would reflect both socio-cultural and economic factors – that is moving far from home at a young age and the economic cost of such a move (which is estimated to be of an order of at least $15,000 pa).  

Students who defer their studies and gain employment often do not return to study as they get accustomed to the short-term income and lifestyle advantages or lose the confidence to continue with their studies.

Non-metropolitan Regional University Preferences

First preference applications to regional campuses of Victorian universities declined by 5 per cent (453 applications) between 2007 and 2008.

Progression

Longitudinal research undertaken by the Australian Council for Educational Research (ACER) indicates that once a rural young person manages to gain admission to university they are just as likely (or more likely in the case of young people from small provincial cities) as their metropolitan counterparts to complete their course.  

Improving access and equity for disadvantaged rural and regional students requires a multi-pronged approach, taking into consideration the funding of higher education as well as the cultural and social factors, which may be just as, if not more, challenging to address.

Richard Teese has reported that the aspiration to continue to higher education is significantly lower for rural and regional families (72 per cent as compared with 84 per cent in metropolitan areas). Furthermore, students are more likely to reject an offer (16–25 per cent) compared with their metropolitan counterparts (10–21 per cent).

Research commissioned by Skills Victoria in 2006, from the University of Ballarat has broadly supported Teese’s findings, showing a significant cultural limit to aspirations in the rural and regional areas of Victoria. In particular, the researchers note that many rural students and families consider the high costs of study and relocation to be a disincentive, and they note that a students’ decision to continue on to higher education is, in many cases, made as early as Year 10, as evidenced by Table 3 on page 15.

Cultural Factors

Richard James from the University of Melbourne’s Centre for the Study of Higher Education has postulated a number of measures directed at increasing the participation of underrepresented equity groups in higher education. James finds that, in total, in the lowest SES quartile, students have only about 11 per cent of the share of places in Australia. According to James “even the institutions most effective in enrolling students from lower socioeconomic backgrounds just reach or barely exceed the notional 25 percent reference point.” He goes on to find that:

“It can be concluded from the Australian data that higher education disproportionately serves high SES people in Australia, as it does elsewhere in the world. The imbalances do not seem as extreme as in some other developed nations, though this may be an artefact of a classification that uses only three categories of social class and the use of a geographical postcode index rather than, say, parental occupation or educational attainment on which other national data are based.”

James, among others, postulates that access and participation can most effectively be addressed by a multi-pronged policy, including:

---

19 As the foregoing discussion indicates, “regional” has metropolitan as well as non-metropolitan applications.
20 Oral testimony by Richard Teese to the Inquiry.
21 Barry Golding et al., *Everything is Harder: Participation in Tertiary Education of Young People from Rural and Regional Victoria* (Ballarat: University of Ballarat, 2007). Cited in direct representation to Skills Victoria by the Vice-Chancellor, University of Ballarat.
23 Ibid., 8.
24 See for example Stephen Lamb et al., *Staying on at School: Improving Student Retention in Australia* (Melbourne: Centre for Postcompulsory Education and Lifelong Learning, The University of Melbourne, 2004), 11-12.
• framing policy around a multi-causal understanding of the factors underlying under-representation;
• instituting more flexible university admission requirements;
• renewing first year curricula;
• fostering the aspiration for higher education in regional areas;
• reaching back into school, well before transition to university;
• setting targets and providing more incentives for universities to focus on teaching disadvantaged students;
• improving definitions and measures of socioeconomic status; and
• developing more accurate ways of measuring graduate outcomes.

The Victorian Government is seeking to create opportunities for broader access and equity by pursuing such multi-pronged strategies.

**Growing Victoria Together**

The Growing Victoria Together policy statement is a ten-year vision that articulates what is important to Victorians and the priorities the Government has set to build a better society. It includes a strong emphasis on high quality education and training for lifelong learning. The scheme aims for the following targets and measures:

- The proportion of Victorian primary students achieving the national benchmark levels for reading, writing and numeracy will be at or above the national average.
- By 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its educational equivalent.
- The level of participation in vocational education and training of adults aged 25–64 years will increase.

**Moving Forward**

The policy context in which RDV responds to the participation of students in higher education is through addressing regional skills issues important for industry and community economic viability and growth. In addition to the initiatives identified, RDV considers that a key policy and delivery framework is the Moving Forward program.

A key element of Moving Forward is directed at building a skilled provincial workforce to achieve the right skill mix in regional areas that enables regional industries and communities to maintain viability into the future. The initiatives seek to address skill attraction and retention issues through both individual business and broader industry/community approaches.

---

Moving Forward involves a number of initiatives:

- The Skills and Jobs for Disadvantaged Workers initiative aims to provide disadvantaged Victorians with sustainable employment opportunities in Western Victoria’s manufacturing sector and North East Victoria’s transport, distribution & logistics industry.
- The New Training Opportunities in Areas of High Regional Demand initiative seeks to address skills shortages and improve education, training and employment outcomes through an increase in the provision of vocational education and training in areas that are critical to future regional economic growth.
- The expansion of the Community Regional Industry Skills Program (CRISP) has sought to place a greater emphasis on supporting projects that help attract workers to meet specific skills shortage or fill specific positions as well as maintaining the participation of mature age Victoria in the regional workforce and their skills as mentors and trainers.
- The Boosting Leadership Skills initiative seeks to build the leadership skills of regional businesses and community leaders.

Of particular focus for RDV has been the Make Your Career Happen in Provincial Victoria (MYCH) initiative which provides $5.2 million over four years. It aims to build and maintain business capability in regional Victoria through skill retention and attraction activity.

The nature of MYCH activities are consistent with those identified during the Provincial Victoria Industry Skills Summit held in Bendigo in 2006 and include:

- industry professional development to facilitate access to appropriate, flexible, targeting training to meet specific skill gaps.
- practical on-site experience and training to respond to identified industry skill gaps including industry placement and experiential opportunities.
- marketing to promote employment and lifestyle opportunities in regional Victoria; and
- regional industry visits to raise awareness of regional career opportunities.

Local Learning and Employment Network

Local Learning and Employment Networks (LLENS) improve the education, training and employment outcomes of young people 15 to 19 years of age, particularly those most at risk of disengaging from education and training prior to completing Year 12 or its vocational equivalent.

LLENS facilitate partnerships and broker initiatives between local stakeholders including:

- local employers;
- education and training institutions;
- local government;
- other government Departments and authorities; and
- the local community.

Each of the 31 LLENs in the statewide network is contracted to December 2008.

LLENs are one of the Government’s strategies to improve the proportion of young Victorians completing Year 12 or equivalent.

In 2006, 86.6 per cent of young people aged 20 to 24 had completed Year 12 or equivalent – up from 81.8 per cent in 2000.

This is the highest of any state.

The Government has committed to the further funding of the LLEN initiative - at the current level of approximately $7.6 million per annum – for the three year period 2009–2011.

LLENs were advised of this extension to their funding in December 2007.

**Blueprint for Government Schools**

The *Blueprint for Government Schools* sets the directions for improved student, school and system performance. It outlines strategies to deliver on the three priority areas of:

- recognising and responding to diverse student needs;
- building the skills of the education workforce to enhance the teaching–learning relationship; and
- continuously improving schools to maximise student learning, lift school performance and make the Victorian government school system even stronger.

The Blueprint is fundamentally about improving student outcomes. Its objective is to provide all students (irrespective of the school they attend, where they live or their social and economic status) with a high-quality school education and a genuine opportunity to succeed.

---

The Blueprint reform agenda reflects the Government’s commitment to education as its number one priority. Investment in high quality education is central to the development of a highly skilled and innovative workforce, able to meet the changing demands of the labour market and contribute to a healthy economy.

**The Victorian Schools Plan**

The Victorian Schools Plan – the biggest ever investment in school infrastructure in the State – will see every Victorian government school rebuilt, renovated or extended by 2017. As part of this plan, $1.9 billion has been committed over the four years 2007–2010 to benefit 500 schools. The first instalment of this commitment was announced in the 2007–08 State Budget with the allocation of $555 million to upgrade 131 schools. The list of regeneration projects includes: Bendigo, Western Heights in Geelong, Broadmeadows, Altona, Laverton, Dandenong, Colac, Echuca and Wangaratta.

---

8. ADDRESSING DISADVANTAGE II: NEW MODELS OF PROVISION

Through advertent Government policy decisions and through processes of institutional adjustment which have tended to converge towards relatively common features, while allowing for diversity and adaptability, Victoria has developed a distinctive model of tertiary provision in a number of respects:

- The Victorian Certificate of Applied Learning (VCAL) is a recognised senior secondary education certificate, which provides an alternative pathway to further education and training from the more traditionally academic Victorian Certificate of Education (VCE).
- The development of non-school alternatives for the senior years of secondary education, the four Technical Education Centres (TECs) located within TAFE institutes and the Holmesglen Vocational College (other jurisdictions are now developing their own models of such provision).
- By far the highest provision of Diploma and Advanced Diplomas in TAFE of any jurisdiction in Australia.
- The provision of higher education within the TAFE system.
- The existence of multi sector institutions, which provide courses across VCAL, further education, vocational education and training and higher education.

As a result of such developments within the Victorian system, the relatively hard demarcation lines that previously existed between the HE, VET and school sectors have not simply blurred but crossed, creating significant intersections:

- Schools can and do provide, albeit in very limited ways, in areas that were previously the domains of TAFE and HE.
- TAFEs provide in areas that were previously the domain of schools and universities.
- Universities, particularly those within multi-sector institutions, provide in areas previously the domains of schools and TAFEs.

With respect to public universities\(^\text{29}\) and the larger metropolitan TAFEs, we are seeing the emergence of integrated tertiary education and training providers.

As illustrated in Diagram 2 overleaf, this model of tertiary provision enhances pathways both horizontally and vertically by providing an increased variety of articulation opportunities, with multiple entry and exit points, and strengthening cross-sectoral collaboration.

\(^{29}\) With the single exception of The University of Melbourne, which has developed its own model and its own range of equity programs.
Diagram 2 – Integrated Tertiary Education and Training

Institutional Initiatives to Improve Access and Equity

As well as adapting structures to meet identified needs, institutions serving educationally disadvantaged communities have developed a wide variety of programs to improve access and equity. Some examples of both adaptation/collaboration and institutionally specific equity programs follow.

**Victoria University**

Victoria University has the highest proportion of low SES students in Victoria and exceeds the state and national averages for participation, retention and success. Victoria University's Access and Success project which will work with schools in the west of Melbourne, aims to improve young peoples’ access to and successful participation in, post-compulsory education and training. The project is designed to strengthen the fundamental outcomes from schools in the region and the capacity of students to recognise their potential and options.

Victoria University also supports potential students to gain the skills needed for vocational and higher education. The Victoria University College provides a portal to learning preparation and support for students across the University and works with students to consolidate their English language skills, literacy, numeracy, personal and career development.

The University has also developed the Parent Information Program, which targets parents of students who are the first in their family to enter Higher Education, providing them with information in writing and at dedicated sessions.
**Deakin University**

Deakin’s core commitments include rural and regional engagement and equity and access for individuals and groups who might not otherwise enjoy the benefits that flow from participation in higher education.

The University, which has campuses in both Geelong and Warrnambool, has established a scholarship program (valued at $1,080,019 in 2007) which is directed at rural and regional students who would otherwise not be able to attend university.

The University has also developed the Deakin-TAFE Alliance, a four way partnership with the three TAFE institutes in closest proximity to its Melbourne, Geelong and Warrnambool Campuses (Box Hill Institute of TAFE, Gordon Institute of TAFE and South West Institute of TAFE).

**The University of Ballarat**

The University of Ballarat has implemented the Rural Education Entry Program (REEP) which allows current VCE students from regional and rural communities to be considered for a place at the University based on their overall ability and potential to succeed, rather than just their ENTER score. One of the key benefits of this entry scheme is that regional VCE students can apply for a place at the University through their Secondary School with their application based on a report and recommendation from their School Principal.

The University has in place a Mentoring and Transition Program for commencing students, to enhance social networking, to break down isolation, and to assist with transition to the University catering especially for those who are first generation university students and those from rural and isolated areas.

The University has also established a rural outreach project with the aim of improving the participation of regional students in higher education. In 2007, the project sought to raise student aspirations about higher education, presented information about university life and provided practical advice on matters such as moving away from home and student finances.

The University also has had a long history of supporting students from regional and rural areas of Victoria. With the 2005 implementation of Commonwealth Learning Scholarships, the University of Ballarat provided complementary scholarships that targeted low income students and students moving from rural areas to study. The program has been reviewed and expanded after each round, and has resulted in extending the provision of University equity scholarships and the offering of 100 drought scholarships and a free computer scheme in 2007.
La Trobe University

La Trobe University is working closely with TAFEs in Mildura, Shepparton and Wodonga to address some of the challenges associated with small scale operations in regional areas. The possibility of some teaching of University units by TAFE is being explored, together with articulation strategies, joint marketing strategies and joint service support. Closer relationships with TAFE also present opportunities for outreach programs to be developed, with the possibility of some La Trobe offerings being made at Swan Hill (via the Sunraysia TAFE) and Wangaratta and Seymour (via the Goulburn Ovens Institute of TAFE).

Strengthening Cross-Sectoral Higher Education Pathways: The Credit Matrix

One of the key barriers to increasing participation in higher education is the limited availability of choices allowing students to return to education at different points in the articulation process.

The Victorian Registration and Qualifications Authority (VRQA) has developed the Credit Matrix as a common means to describe the learning that people undertake in the school, VET and higher education sectors. It is used to allocate a level (for the complexity of the learning outcomes) and points (for the volume of the learning) to the units, modules and subjects (all called units) within qualifications that are available to learners in Victoria.

Regional school, TAFE institutes and university institutions are beginning to see the benefits of using the Credit Matrix to develop:

- qualification pathways between school, TAFE and university;
- credit transfer arrangements between TAFE and university;
- concurrent programs that combine the delivery of qualifications from TAFE and university; and
- dual award qualifications that combine units from different sectors into the one qualification (for example Associate Degrees).

Some TAFE institutes are developing ‘guaranteed’ pathways of study from senior secondary school through TAFE to university using the Credit Matrix. These programs integrate TAFE and university qualifications into a formal pathway of study. These programs allow students to complete higher education courses in a shorter duration and at a reduced cost. They also provide encouragement for regional students to study and work in local areas without the need to move away from home.

---

9. **PUBLIC FUNDING AND STUDENT FINANCES**

A marked shift away from public funding of higher education has seen considerable rises in the costs of higher education to individuals and their families.

The proportion of total university funds sourced from the Commonwealth declined from 54 per cent in 1996 to less than 33 per cent in 2005. A similar pattern has occurred in Commonwealth TAFE funding which declined as a proportion of total government and total revenue to VET as well over the period 1998 to 2006.

Recent OECD figures show that public investment in tertiary education in Australia declined by 7 per cent between 1995 and 2003, while the OECD average was an increase of 48 per cent.

**Regional University Campuses**

Higher education providers in regional areas play a “critically important role in the economic and social life of their communities which goes far beyond traditional educational activities” (*Backing Australia’s Ability*). The Commonwealth Government has also recognised “the unique contribution made by regional higher education institutions and campuses to their local communities and to students from regional and rural areas”.

However, it is apparent that regional universities are under-funded for the tasks they must undertake. They face higher costs as a result of location, size, history, less potential to diversify revenue sources, smaller capacity to compete for fee paying students, and fewer opportunities for commercial partnerships.

Universities with the most significant presence in rural Victoria include the University of Ballarat, Deakin University, La Trobe University and Monash University. Because of the nature of its mission to the western metropolitan region of Melbourne, Victoria University is in a like position.

There are significant cost factors in providing university education in a regional setting. The University of Ballarat has identified the following:

- Financial disincentives for choosing to introduce high cost courses in response to genuine need, such as in the health sciences and engineering where student intake numbers could be lower than in metropolitan campuses.
- Significant costs incurred in undertaking the University’s community obligations as specified in its Act.
- Additional costs of having a large percentage of domestic students as first generation university students creating cost burdens for the University in its support of these students through their studies.
- Embedded structural rigidities relating to staffing and course profiles where there is a necessity to offer the same course on different campuses and where economies of scale are difficult to achieve.
There are also significant costs involved in the maintenance of separate libraries, car fleets, staff and facilities across campuses.

The University of Ballarat estimates that these additional costs “may be closer to 30 to 35 per cent” of its total costs. These additional costs to the University of Ballarat were estimated to be $21 million in 2005/06.

The introduction of “regional loadings” by the Commonwealth was intended to offset these additional costs for regional universities. However, the annual regional loading Ballarat University receives from the Commonwealth is approximately $1.3 million representing 0.7 per cent of its total revenue (in 2007) and about $20 million short of its actual costs.

The Victorian Government recognises that regional university campuses are critical to the long-term future of regional communities and it has invested considerably in Victoria’s regional universities.

This has included more than $37 million in university infrastructure through the Regional Infrastructure Development Fund, including:

- More than $3 million for RMIT’s learning, research and development centre in Hamilton;
- $2.6 million for a new Global Innovation Centre and $1.5 million for a new business centre at the University of Ballarat;
- Four projects at La Trobe’s Bendigo campus, including an ITC centre, regional research centre and visual arts centre;
- $2.5 million for a La Trobe University Campus at Mildura;
- $950,000 for a wood research centre at Creswick;
- $1.5 million for a La Trobe University Environmental Science centre in Wodonga;
- $1.96 million towards the establishment of the Geelong Technology Precinct at Deakin’s Waurn Ponds campus;
- $6 million to increase the capacity of Deakin University’s Waterfront Campus in Geelong;
- $2 million for development of a La Trobe University Campus at Shepparton; and
- $6 million to expand the capacity of the Geelong Technology Precinct at Deakin University’s at Deakin’s Waurn Ponds campus.

This has included more than $30 million in university infrastructure through the Regional Infrastructure Development Fund, as well as one-off funding. For example, the Victorian Government has already committed over $32 million to support health services to provide the infrastructure required to provide clinical placements for an additional 220 medical student places, including:

- $18.1 million to support 120 new medical students at the new Deakin University medical school at Waurn Ponds;
- $5.1 million to support 40 new medical students at Monash University’s Churchill campus in Gippsland; and
- $8.9 million to support 60 new medical students through the new Northern Victoria Regional Medical Education Network, a joint partnership between Monash University and University of Melbourne.
The Victorian Government makes a considerable investment in the staffing required to deliver clinical placements in health training in rural Victoria, including a new investment of $7.5 million from 2007–09 in medical clinical academic posts.

The Victorian Government is also funding the construction of a new Dental School at La Trobe University's Bendigo campus as part of a $14.5 million regional Dental School project.

**University Fees and HECS**

There has been a significant shift to full fees and increased HECS charges in recent years, as Commonwealth Government contributions to universities have declined. Current levels of HECS debt may be discouraging students from undertaking undergraduate and postgraduate studies.

According to the OECD, Australian tertiary students already pay fees that are amongst the most expensive in the world.\(^{31}\)

HECS payments from students in Commonwealth supported places made up 15 per cent of total university funding in 2005, up from 12 per cent in 1996. Given that increased HECS charges came into effect for students commencing from 2005, this proportion is likely to increase in the future.

Total student accumulated HECS debt as at June 2006 amounted to almost $13 billion, which has more than tripled since June 1996.

**Youth Allowance**

There is a growing body of evidence indicating that financial pressures are preventing young people studying at university, particularly in rural and regional areas of Victoria, including that cited above in respect of *On Track* data.

Recent research by Naomi Godden concludes that “many regional young people cannot access Youth Allowance income support due to stringent eligibility criteria, suggesting causation to low regional tertiary participation.”\(^{32}\) Godden indicates that the annual cost for regional young people to study away from home is estimated at $15–20,000 a year which is out of reach of many families in rural communities (as indeed it would be for many metropolitan families). Because the Youth Allowance eligibility is assessed against parents’ assets and income this is “particularly inequitable for farmers or business-owners, because their assets (including land) provide income and cannot be sold.” Godden found in her research that “the enormous financial burden on families to support their children, and strict Youth Allowance eligibility, cause some families to resort to desperate means to ensure their children are financially supported” at university.

---


Centrelink’s definition of ‘Independence’ as an eligibility criterion for the Youth Allowance “does not reflect the regional experience” with the age of 25 being too high. Moreover, to be eligible under Centrelink’s Workforce Participation criterion, young people have to have been “out of school at least 18 months and have earned 75 percent of the maximum rate of pay under ‘Wage Level A of the Australian Pay and Classification Scale’ in an 18 month period ($18,525 at October 2007).” Godden’s research concluded that, “to meet the income target, regional young people … defer their studies for one to two years to work [which explains the] disproportionately high regional deferral rates … [and] an increased likelihood they may not return to tertiary education, having broken the continuum of study and adapted to a new lifestyle and income.”

The situation for rural and regional students in Victoria is further compounded by the fact that the Youth Allowance is currently 20 per cent below the poverty line which, as Godden indicates, “forces students to either live in poverty or work long hours while studying, affecting their educational performance, wellbeing and connection with family. Further, many [regional] students lose their Low Income Healthcare Card after holiday work.”

Researchers from the University of Ballarat have also found that “many rural and regional young people and their parents are unaware of the requirements for qualification for Youth Allowance. Many parents simply do not have the ‘savvy’ or awareness of ways of ‘working the system’ and securing support payments that could possibly make a huge difference in judgements about whether leaving home to attend university was financially feasible.” Their findings lead to the conclusion that, in regional and rural areas, there are overwhelmingly negative attitudes towards Youth Allowance, because the eligibility criteria are far too strict, and the Youth Allowance does not address the needs of regional Victorians, creating a barrier to tertiary education.

**Loss of Funding for Student Services and Amenities**

The introduction of Voluntary Student Unionism (VSU) by the former Commonwealth Government has made it difficult for many university students to access amenities and services like childcare, health services, counselling, advocacy, and sporting facilities.

The Commonwealth Government is currently consulting with higher education stakeholders on the impact of VSU.

---

33 Barry Golding et al., *Everything is Harder: Participation in Tertiary Education of Young People from Rural and Regional Victoria*.

10. CONCLUSIONS

Residents of rural and regional Victoria generally experience disadvantage in terms of their access to higher education. This disadvantage is a result of:

- socio-cultural factors, such as low socioeconomic status;
- educational disadvantage which manifests in generally lower educational attainments;
- limited course and subject offerings at local campuses; and
- high costs of relocating to metropolitan Melbourne to pursue higher education opportunities other than those available at local campuses.

The evidence also indicates that such disadvantages are compounded for indigenous students.

Although proximity to campuses with a wide selection of offerings is not an issue for many groups of metropolitan residents, disadvantage also presents for residents in certain discrete localities in Melbourne. Most notably, the western region and outer metropolitan Melbourne have the lowest average ENTER scores of any areas of the state, which creates significant access issues.

The State Government seeks to address such disadvantage through a suite of measures, including:

- lifting attainments at the school level, by way of, for example, the Blueprint program and a range of targeted interventions in schools;
- strengthening articulation between TAFE and higher education, through programs such as the Credit Matrix; and
- assisting regional and economic development to provide, for example, employment opportunities to lift socioeconomic status.

As facilitated by State Government policy, public institutions within the tertiary sector – both universities and TAFEs – have adopted innovative structures and practices to improve access and address education disadvantage. There is considerable potential for institutions to extend collaborations in rural areas and to use advanced communications technology to widen the options available for local delivery of courses.

Although the State Government provides substantial strategic investment in higher education in a number of ways – for example, through the Regional Infrastructure Development Fund – funding of higher education remains the responsibility of the Commonwealth, as does student income support.

In order to widen access to higher education opportunities, the policies of retrenchment and disinvestment in higher education pursued over the terms of the previous Commonwealth Government must be reversed.

In this context, the Victorian Government, through the Minister for Skills and Workforce Participation, has welcomed the policy directions indicated by the Rudd Government.
The recent announcement by the Commonwealth Government that the guidelines for the Higher Education Endowment Fund have been revised to “focus on advancing the development of a world class higher education sector, as opposed to advancing a small number of selected institutions” will provide opportunities for meritorious projects to be funded in advancing teaching and learning, as well as research in universities. The opening up of this capital fund has the potential to be of some direct benefit to rural campuses which have limited research activity.

On 13 March 2008, the Commonwealth Minister for Education, Employment and Workplace Relations, the Hon. Julia Gillard MP, announced a wide ranging review of Australia’s higher education sector. The terms of reference of the review address many of the issues canvassed in the current submission and which are the subject of the Victorian Parliamentary Inquiry. In particular, the review will examine and report on proposed compact funding arrangements for universities and on student income support arrangements.

The Victorian Government proposes to make a comprehensive submission to the review, addressing its six terms of reference.

The Victorian Government is generally supportive of the rationale underlying proposed compact funding for universities, which would recognise the particular circumstances of individual universities and the populations they serve. It would follow that account needs to be taken that rural campuses of universities and campuses in western metropolitan Melbourne and Melbourne’s urban fringe serve populations that generally encounter educational disadvantage. This necessarily involves some higher costs in teaching at these campuses.

The Victorian Government will submit that current student income support arrangements have a particularly onerous impact on students whose families are resident in rural areas. This severely constrains opportunities available to rural students, even those with good education attainments, in the form of, say, relatively high ENTER scores, who are unable to afford the costs of relocation to pursue opportunities at metropolitan or other campuses distant from their homes.
APPENDIX 1

ENTER Distributions 2006/7

Source: Victorian Tertiary Admissions Centre (VTAC)
Australian Bureau of Statistics (ABS). “4221.0 - Schools, Australia, 2006.” ABS.

ABS, “6523.0 – Household Income and Income Distribution, Australia, 2005 -06” -
.

Barber, Michael and Mona Mourshed. How The World’s Best-Performing School

Department of Education and Early Childhood Development. “Blueprint for Government

Department of Education and Early Childhood Development. “LLENs and Other

Department of Education and Early Childhood Development. “Victorian Schools Plan.”

Department of Education, Employment and Workplace Relations. The Impact
of Voluntary Student Unionism on Services, Amenities and Representation for

Department of Premier and Government, “Growing Victoria Together,” State of Victoria,

Students and the Ever Increasing Competition for University Places.” Journal of

Godden, Naomi. Regional Young People and Youth Allowance: Access to Tertiary Education.

Golding, Barry, Clem Barnett, Mike Brown, Lawrie Angus and Jack Harvey. Everything is
Harder: Participation in Tertiary Education of Young People from Rural and Regional

James, Richard. “Social Equity in a Mass, Globalised, Higher Education Environment:
The Unresolved Issue of Widening Access to University.” Paper presented at the
Faculty of Education Dean Lecture’s Series, Centre for the Study of Higher

Keating, Jack and Stephen Lamb. “Public education and public purposes: School quality,

Lamb, Stephen, Anne Walstad, Richard Teese, Margaret Vickers and Russ Rumberger.
Staying on at School: Improving Student Retention in Australia. Melbourne: Centre for


