This submission canvasses reasons for geographical differences in the rate in which Victorian students participate in higher education with reference to the South West region of Victoria.

Preamble

It is seen as useful to summarise current opinion and research bearing on the issue of rates of participation in higher education. The emphasis is on the results of quantitative research undertaken in South West Victoria, although reference is made to some state and national surveys. The factors which are seen as relevant are school performance in rural and regional areas, tertiary deferment rates, costs of tertiary study and the economic benefits of extra schooling in overcoming skill shortages. These factors are discussed below.

School Performance

The Victorian Curriculum and Assessment Authority (VCAA) suggests that ‘everybody values schools in different ways. Choosing the “best” school is a subjective decision’ Nevertheless the VCAA publishes annual VCE data which can be, and is used to rank school performance on such indicators as VCE completions, tertiary application percentage and percentage of students scoring 40 +

Whilst VCE enrolments at schools in the South West region has remained steady there has been an increase in VCAL enrolments at the expense of VET enrolments. Median VCE scores ranged from 25 to 32 in 2007 as compared to a range of 26 to 34 in 2004. This compares to the 2007 state average of 30, and the top performing schools in the state (predominantly metropolitan schools) which had median scores in excess of 36.

A further comparison is provided by percentage of VCE study scores over 40. For South West students the percentage of subject study scores 40+ is around 5 – 6%. This compares to a statewide average (using 2005 data) of 8%. The top performing 72 schools in the state achieved double to triple the statewide average in 2005, and again the preponderance of these were Melbourne schools.

Using the ranking system for schools based on percentage of study scores over 40 for 454 schools, Southwest schools ranked
95,98,126,130,140,178,179,184,=209,222,234,243,316,394 and 445 in the state for the period 2000-2005.
2006 destination data for the largest schools in the southwest region is provided in Table 1:
Table 2

Destination of Yr 12 Completers: Selected Schools 2006

<table>
<thead>
<tr>
<th>School</th>
<th>yr 12 Enrol</th>
<th>University Enrol</th>
<th>TAFE/VET Enrol</th>
<th>App’ship Enrol</th>
<th>Employed Enrol</th>
<th>Looking for work Enrol</th>
<th>Deferred Enrol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brauer</td>
<td>155</td>
<td>34%</td>
<td>8%</td>
<td>22%</td>
<td>17%</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>Colac C</td>
<td>46</td>
<td>15</td>
<td>6</td>
<td>27</td>
<td>30</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Mortlake C</td>
<td>15</td>
<td>33</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>Portland SC</td>
<td>66</td>
<td>22</td>
<td>20</td>
<td>16</td>
<td>24</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>W’bool C</td>
<td>114</td>
<td>41</td>
<td>18</td>
<td>13</td>
<td>2</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Emmanuel C</td>
<td>82</td>
<td>40</td>
<td>9</td>
<td>16</td>
<td>16</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>King’s C</td>
<td>20</td>
<td>15</td>
<td>23</td>
<td>15</td>
<td>8</td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>

These destinations revealed in Table 1 compare with metropolitan figures for university enrolment (total government schools) which although falling from 53.9% in 1997 to 46.8% in 2005 are still substantially above the rates in Table 1.

The above analysis and a number of other studies provide evidence to support one major conclusion: schools in rural and regional areas of Victoria are performing at a lower level than their metropolitan counterparts on a number of indicators.

The 2005 Monash University study ‘Unequal Access to University Places’ analysed comparative data for a number of indicators including VTAC applicants, academic performance (ENTER scores) university offers and university enrolments. It found a large divergence between regional and metropolitan schools. More recent data compiled by the Victorian Nationals shows a similar pattern of differential regional/metropolitan school performance in indicators such as retention rates, year 12 completion rates, university enrolment and ENTER scores.

The Dusseldorp Skills Forum report ‘Setting the Pace’ suggests that the ‘main story’ is not so much the regional/metropolitan differential but the much greater variation within these categories which, as such, may reflect social as well as geographical inequalities in the distribution of educational and labour market outcomes.

Recent research by Universities Australia suggests that parental education levels are a better predictor of socioeconomic status than postcode. This finding has obvious implications for addressing inequitable participation rates in higher education.

Birrell and Edwards in their study ‘Half of Australian youth aged 18 to 20 are not in training’ quantify the educational participation rates using 2006 census data. For Melbourne 53.7% of 18 to 20 year olds are involved in training or university study. The comparative figure for the rest of Victoria is 32.1%. When the figures are broken down to individual Federal electorates striking differences in participation rates occur. These differences are seen as partly attributable to the relative inaccessibility of educational institutions.

At a more general level the issue of social disadvantage for those living outside capital cities has been documented. Vinson in his study ‘Dropping Off the Edge’ maps 25 indicators of disadvantage and finds a marked degree of geographic concentration of disadvantage. A further study by NATSEM looks at poverty and disadvantage among Australian children. It found that children growing up outside the
capital cities are twice as likely to live in areas of the worst social disadvantage, and therefore are most at risk of social exclusion. At a more micro level research by Deakin University on Innovative Rural Schools\textsuperscript{x} has found that while maths, science and ICT students are disadvantaged in rural schools there are pluses such as positive student attitudes and ‘sense of community’ A broader study as part of the Country Education Project\textsuperscript{xi} found that there is a need to develop a new approach to the provision of post compulsory education in Victorian rural and remote schools to overcome perceived issues with the quality of provision.

**Tertiary Deferment**

The increasing trend for students to accept and then defer tertiary places is documented in the annual On Track data\textsuperscript{xii} on student destinations. The data shows that deferment rates for regional and rural students are much higher than for metropolitan students. Research conducted for the SWLLEN in 2004 investigated the reasons for deferment of government school students in South West Victoria.\textsuperscript{xiii} In looking at reasons for deferral, cost was a major issue for a majority of students as was the desire to qualify for the youth allowance. Most deferrals were for metropolitan university places. There was also a significant wastage effect in that a number of students did not subsequently take up the place offered. A state-wide follow up study funded by a number of regionally-based LLENs and YACVic is currently being undertaken. This will provide comprehensive survey-based evidence on choice, access and affordability issues for regional and rural students.

The most common reason given for high deferral rates for country students is higher cost of tertiary education and this is considered below. However it may be useful to drill down below the ‘why did you defer?’ level to qualify responses against individual students aspirations and educational experience and opportunities. Such research may provide evidence as to whether deferment rates are linked to a whole range of factors encompassed in education provision and school performance. One potentially relevant feature of the deferment statistics is the propensity of students to enrol in a different course when they eventually take up their university place.

**Cost of Tertiary Study**

While it may be self evident that non-metropolitan students will bear much higher costs in engaging in tertiary study, evidence is supplied by the 2006 On Track data. One in six regional students chose to defer, compared to one in fifteen from Melbourne, and the high cost of tertiary study was the major reason cited by regional students. A study by Godden\textsuperscript{xiv} looked at issues relating to access to tertiary education for regional young people. It found that financial difficulties of studying away from home was exacerbated by the failure of the youth allowance to address the needs of regional Australia. Recent analysis of the operation of the Youth Allowance\textsuperscript{xv} has illustrated that the growth in the independent category of students has come from higher socio-economic status students. These students qualify for full Youth Allowance. On the other hand students from lower socio-economic status backgrounds are more likely to have dependent status. If the families are on average weekly earnings the students would fail the parental income test and get no Youth Allowance.
A method of quantifying the costs of tertiary study is contained in the On Line Cost Calculator designed by the Australian Scholarship Group\textsuperscript{xvi} This indicates that rural students who move away from home to study will pay double the costs of city students over the duration of their study.

Related research undertaken by Norton\textsuperscript{xvii} found that cost of tertiary study is not the most influential factor in university attendance, and that school results are more important than socio-economic status.

Edwards, in a Monash University study\textsuperscript{xviii} found that competition for tertiary places has lead to rising entry scores and made it more difficult for students from government schools and financially disadvantaged areas to secure tertiary places. Whilst these latter two studies lacked a specific city/country dimension, the conclusions are seen as relevant to the issues facing non-metropolitan students.

**Benefits of Extra Schooling/Skill Shortages**

Any consideration of differential tertiary participation also needs to consider the benefits likely to accrue from lifting participation rates. A study by Leigh and Ryan\textsuperscript{xix} indicates that extra years of schooling substantially increase life time earnings. However this research is contradicted by a report by the Centre for Independent Studies\textsuperscript{xx} which rejects the idea that providing more education will help the bottom 25% of school leavers. The author of the CIS study expresses some radical ideas including the futility of low ability students remaining in school beyond year10, or of expanding university education when some 500,000 graduates are unemployed or underemployed, and of training for jobless adults.

A research report ‘Clearing the Myths Away’\textsuperscript{xxi} suggests that there has not been substantial enough growth in university enrolments to overcome skill shortages in managerial, professional and associate professional positions. A partial explanation for this is that “… some prospective students, particularly those attending regional universities, are not taking up the places they are offered. This situation appears to reflect a combination of improvements in job opportunities and the difficult financial circumstances many prospective students face in providing for their living expenses while in full time study’

A further study by Birrell, Healy and Smith has analysed 1996 and 2006 census data and found that skill shortages in Australia mainly lie in occupations requiring university training. However the numbers of university graduates has been static over the decade.\textsuperscript{xxii}
Conclusion
The results of the research and analysis discussed in this submission suggest that there is no simple remedy to for the differential university participation rates. Whilst cost of tertiary study is an important factor (and is affected by the perverse operation of the Youth Allowance) some research suggests that cost may not necessarily be the only significant factor influencing university attendance. In this regard it is instructive to note the comments of Professor Richard James the author of the Universities Australia report referred to earlier in this submission:

‘…that removing financial barriers to higher education wouldn’t entirely fix the class imbalance. What you need as well is to improve school retention and achievement levels for people from low-SES backgrounds. It’s partly about cost of university but also partly about improving secondary education – and even earlier’

There is evidence to support the proposition that skill shortages in Australia will be reduced by greater university participation. The low rate of rural and regional participation in Victoria thus provides an opportunity to help redress this situation. However to take advantage of the opportunity will require among other things, a significant improvement in rural and regional school performance.
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