

Context for the inquiry

... to summarise the problem in simple if crude terms: on a per capita basis, for every ten people from medium or higher socioeconomic backgrounds who go to university, only five people from lower socioeconomic backgrounds do so. On a similar per capita basis, for every ten people from urban locations who go to university, only six people from rural or isolated Australia do so.¹⁶

Over the past two decades, issues of participation and equity have become an important focus for policymakers and researchers within the higher education sector. In 1990, Australia became the first country to introduce a comprehensive framework for equity in higher education. The recent Review of Australian Higher Education has continued this focus on participation and equity. Aware that its inquiry is not the first time that geographical differences in higher education participation have been examined in the policy context, the Committee reviewed past and current policy and programs that have sought to reduce imbalances in participation.

Understanding the nature and extent of geographic differences in participation in higher education across Victoria is an important foundation for investigating the causes of participation disparities, and strategies for their reduction. The Committee is aware of the current data that exists in this area, including findings from the On Track survey of Victorian school leavers, as well as Australian Government performance data on the access, participation, success and retention rates of different student groups. However, the Committee wished to complement this research with its own analysis of data on each stage of the higher education participation process. This analysis confirmed the existence of pronounced geographical differences in higher education participation across the state, and highlighted the points at which these differences occur.

Policy context

A review of the policy context at a Victorian, Australian and international level revealed that there has been substantial activity in identifying differences in higher education participation, and in implementing access and equity measures to reduce the differences. While the most substantial policy development in this area has been undertaken by the Australian Government, the Victorian Government plays a complementary role.

¹⁶ Richard James, *Socioeconomic Background and Higher Education Participation: An analysis of school students' aspirations and expectations* (Canberra: Commonwealth of Australia, 2000), 1.

Australian Government higher education policy

The Australian Government is the major policymaker in higher education, and is also the main source of funding for the sector. The Australian Government first addressed issues of equity in higher education in the 1980s, prompted by research revealing differences in higher education participation rates for different social groups. With the 1990 report *A Fair Chance for All: Higher Education That's Within Everyone's Reach*, the Australian Government instituted a comprehensive equity framework for Australian higher education. *A Fair Chance for All* identified equity as a 'central concern' in higher education, and set out the following goal:

... to ensure that Australians from all groups in society have the opportunity to participate successfully in higher education. This will be achieved by changing the balance of the student population to reflect more closely the composition of society as a whole.¹⁷

Within this broad objective, specific goals and targets were outlined for six groups that had been identified as being under-represented in higher education: people from socioeconomically disadvantaged backgrounds; Aboriginal and Torres Strait Islander people; women in non-traditional areas of study; people from non-English speaking backgrounds; people with disabilities; and people from rural and isolated areas. Under the new policy framework, universities were required to develop 'equity plans' to address under-representation, while the Australian Government provided designated funding for equity activities.

The introduction of Australia's comprehensive equity framework in 1990 was an international landmark in higher education equity.¹⁸ It has underpinned a range of equity initiatives, and initiated a focus on equity issues that was refreshed with the 2003 policy statement *Our Universities: Backing Australia's Future*. Nevertheless, as recent reviews have shown, overall there has been little if any growth in participation of students from disadvantaged backgrounds, with the participation of some groups actually declining.¹⁹

Australian Government equity performance indicators

Coinciding with the introduction of an equity framework for higher education, in 1990, the Australian Government developed a system of indicators to measure higher education participation for target 'equity groups'. 'Access', 'participation', 'retention' and 'success' indicators were developed to show the proportion of domestic students belonging to each equity group, referenced against the proportion of the total Australian population aged 15 to 64.

These performance indicators are an important source of information about disparities in higher education participation throughout Australia. Over the years, they have shown enduring differences in participation according to both socioeconomic status and rurality. In 2006, while people from low socioeconomic status postcodes made up 25 per cent of the Australian population, only 15.6 per cent of higher education students were from these

¹⁷ Australian Government Department of Employment, Education and Training and the National Board of Employment, Education and Training, *A Fair Chance for All: National and Institutional Planning for Equity in Higher Education: A Discussion Paper* (Canberra: Commonwealth of Australia, 1990), 1.

¹⁸ Richard James, 'Social equity in a mass, globalised higher education environment: the unresolved issue of widening access to university' (Faculty of Education Dean's Lecture Series, The University of Melbourne, Melbourne, 18 September 2008), 5.

¹⁹ Australian Council for Educational Research, Written Submission, March 2008, 1–2.

areas—a figure that has changed very little since data collection began.²⁰ Participation rates for students from rural and isolated areas have declined over the period 1996 to 2005.²¹

The Australian Government equity performance indicators have provided data about the level of participation in higher education by various groups, although some inquiry participants argued that the usefulness and accuracy of the data is limited due to the use of postcodes to measure socioeconomic status.²² This measure of socioeconomic status is problematic because it does not take into account individual circumstances. Perhaps more importantly, one participant observed that postcodes conflate the two issues of socioeconomic status and rurality, and therefore make it difficult to differentiate the effects of each.²³ In response to similar concerns raised at a national level, the Australian Government has recently announced that it will investigate the possibility of moving from proxy measures of socioeconomic status, such as postcode, to measures based on individual and family circumstances.²⁴ The Committee supports such a change, which could enhance understanding of the relationships between socioeconomic status, rurality and participation in higher education.

The Review of Australian Higher Education

The Committee's inquiry took place during a time of considerable reappraisal and change in Australian higher education policy, including two major Australian Government reviews. Of most relevance to the inquiry, the Review of Australian Higher Education (also known as the Bradley Review) examined and reported on the higher education sector's fitness for purpose in meeting the needs of the Australian community and economy, the future direction of the sector, and options for reform.²⁵ Released in December 2008, the review recommended significantly increased Australian Government funding for both teaching and research, as well as substantial and wide-ranging reforms to funding and regulation, accreditation and quality assurance, student income support, regional and outer urban provision and data collection.²⁶

Also in 2008, a Review of the National Innovation System was charged with identifying gaps and weaknesses in Australia's innovation system, and with developing proposals to address these.²⁷ The review's report, *Venturous Australia: Building Strength in Innovation*, recommended that research funding be increased to cover the full costs of research,²⁸

²⁰ Centre for the Study of Higher Education, The University of Melbourne, for Universities Australia, *Participation and Equity: A review of the participation in higher education of people from low socioeconomic backgrounds and Indigenous people* (Melbourne: CSHE, 2008), 23.

²¹ Deakin University, Written Submission, March 2008, 4.

²² Dr H. Coates, Principal Research Fellow, Australian Council for Educational Research, Transcript of Evidence, Public Hearing, Melbourne, 3 March 2008, 4; Professor R. Larkins, Chair, Universities Australia, Transcript of Evidence, Public Hearing, Melbourne, 3 March 2008, 18; Ms C. Murphy, Deputy Principal, Office of Admissions, The University of Melbourne, Transcript of Evidence, Public Hearing, Melbourne, 30 March 2009, 31; Dr G. Withers, Chief Executive Officer, Universities Australia, Transcript of Evidence, Public Hearing, Canberra, 17 June 2008, 11.

²³ Dr H. Coates, Principal Research Fellow, Australian Council for Educational Research, Transcript of Evidence, Public Hearing, Melbourne, 3 March 2008, 4.

²⁴ Australian Government, *Transforming Australia's Higher Education System* (Canberra: Commonwealth of Australia, 2009), 57.

²⁵ Australian Government Department of Education, Employment and Workplace Relations, *Review of Australian Higher Education: Final Report* (Canberra: DEEWR, 2008).

²⁶ *ibid.*, xviii–xxv.

²⁷ Australian Government Department of Innovation, Industry, Science and Research, 'Review of the National Innovation System Fact Sheet,' DIISR, <http://www.innovation.gov.au/Section/AboutDIISR/FactSheets/Pages/ReviewoftheNationalInnovationSystemFactSheet.aspx> (accessed 1 July 2009).

²⁸ Cutler & Company Pty Ltd, for the Australian Government Department of Innovation, Industry, Science and Research, *Venturous Australia: Building strength in innovation* (North Melbourne: Cutler & Company Pty Ltd, 2008), 68–69.

complementing the call for increased public funding for university research made by the Review of Australian Higher Education.

Responding to these reviews, in May 2009, the Australian Government announced a reform agenda aimed at transforming the scale, potential and quality of the nation's universities.²⁹ The agenda includes targets for increased participation, as well as major reforms to funding for teaching and learning, student income support, and regulation and quality assurance. Australia's innovation and research systems will see increased research funding, measures to promote research excellence, and support for business and public sector innovation and collaboration. Supporting these reforms, the Australian Government will also invest in education and research infrastructure.

The following sections summarise some of the key reforms of most relevance to the Committee's inquiry.

Participation and funding

Significantly, the Australian Government has announced plans to increase and widen participation in higher education, in line with recommendations from the Review of Australian Higher Education. A target has been set for 40 per cent attainment of a qualification at bachelor level or above among Australians aged 25 to 34, to be met by 2025.³⁰ At the same time, a target has been set for the participation of Australians from low socioeconomic status backgrounds, who are to comprise 20 per cent of undergraduate enrolments by 2020.³¹ The Committee supports these national participation targets, but notes that socio-demographic contexts should be taken into account when translating these national targets to state and local level goals.

To facilitate expanded participation, the Australian Government has announced a shift towards funding on the basis of student demand.³² The Australian Government will fund a Commonwealth supported place for any undergraduate domestic student accepted into an eligible accredited higher education course with a recognised public higher education provider.³³ This contrasts with the current funding system by which places are allocated to individual institutions. The change to demand driven funding is planned for 2012, to be preceded by staged increases to existing caps on over-enrolment. According to the Australian Government, the reforms will allow an additional 50,000 students to attend university by 2013.³⁴

To uphold quality in an expanded system, a new national regulatory and quality authority, the Tertiary Education Quality and Standards Agency, will be established to audit standards and performance, and to enhance national consistency.³⁵

²⁹ Australian Government, *Transforming Australia's Higher Education System* (Canberra: Commonwealth of Australia, 2009).

³⁰ *ibid.*, 12.

³¹ *ibid.*, 13.

³² *ibid.*, 9.

³³ *ibid.*, 17.

³⁴ *ibid.*, 18.

³⁵ *ibid.*, 31.

Provision in regional areas

The Review of Australian Higher Education concluded that more needs to be done to provide sustainable provision in regional areas, suggesting that regional provision, when combined with appropriate outreach and support initiatives, will help to improve higher education participation rates among students from these areas.³⁶ The review recommended an additional \$80 million per year from 2012 in funding for sustainable higher education provision in regional areas to replace the existing regional loading.³⁷ It emphasised innovative, collaborative, local solutions to provision in regional areas,³⁸ and raised the possibility of some rationalisation of existing regional university campuses.³⁹ In response, the Australian Government has allocated \$2 million for a feasibility study to explore how Charles Sturt University and Southern Cross University might come together to improve provision for students and rural communities.⁴⁰ The Australian Government has also committed to examining the cost of providing quality teaching and research in regional Australia, and developing a new, more logical basis for funding to address the current limitations of the regional loading.⁴¹

Issues of regional provision are discussed in Chapter 6 of the report.

The Australian tertiary education sector

Enhancing links between the higher education and Vocational Education and Training (VET) sectors was another central theme in the Review of Australian Higher Education. The review argued that to achieve this, the Australian Government should assume primary responsibility for funding and regulation of the entire tertiary sector.⁴² The Australian Government has responded to this recommendation by announcing the formation of a single tertiary education ministerial council (Ministerial Council for Tertiary Education and Employment), and signalling its intention to work closely with the states and territories to develop cohesive national regulatory arrangements for VET.⁴³ Of particular relevance to the Committee's inquiry, the Australian Government also announced that it will commission the Australian Qualifications Framework Council to improve articulation and connectivity between VET and higher education.⁴⁴

Student income support

The Review of Australian Higher Education outlined a package of recommended reforms to student income support, intended to increase the level of financial support available, while targeting assistance more precisely at students in need.

The Australian Government announced its intentions with regard to student income support in the 2009–10 federal budget. Subject to the passage of legislation, a first phase of reforms

³⁶ Australian Government Department of Education, Employment and Workplace Relations, *Review of Australian Higher Education: Final Report* (Canberra: DEEWR, 2008), 42.

³⁷ *ibid.*, 112.

³⁸ *ibid.*

³⁹ *ibid.*, 113.

⁴⁰ Australian Government, *Transforming Australia's Higher Education System* (Canberra: Commonwealth of Australia, 2009), 41.

⁴¹ Australian Government, 'Strengthening Regional Higher Education Provision,' *Transforming Australia's Higher Education System* Fact Sheet 11 (Canberra: Commonwealth of Australia, 2009), 1.

⁴² Australian Government Department of Education, Employment and Workplace Relations, *Review of Australian Higher Education: Final Report* (Canberra: DEEWR, 2008), 184.

⁴³ Australian Government, *Transforming Australia's Higher Education System* (Canberra: Commonwealth of Australia, 2009), 43.

⁴⁴ *ibid.*

will be implemented on 1 January 2010. Among these changes, the Parental Income Test threshold for Youth Allowance and ABSTUDY⁴⁵ will be increased from \$32,800 to \$42,559, allowing more students to access these programs as dependents, and increasing the rate of payment to many existing recipients.⁴⁶ However, changes to the eligibility criteria for Youth Allowance and ABSTUDY will make it more difficult for young people to qualify as independent on the basis of previous participation in the workforce.⁴⁷ At the same time, equity and merit-based scholarships will be exempted from means testing for the purposes of student income support,⁴⁸ and the existing Commonwealth Scholarship Program will be replaced with two new scholarships.⁴⁹ The Student Start-up Scholarship of \$2,254 per annum will be awarded to all university students receiving income support.⁵⁰ For eligible students moving away from home for study, a Relocation Scholarship will provide \$4,000 in the first year and \$1,000 each subsequent year.⁵¹ These changes will provide scholarship support to a larger number of students, although the amount awarded to relocated students will decrease.

A second phase of reforms is to be implemented by 2012. These changes include an increase to the fortnightly Personal Income Test threshold (from \$236 to \$400).⁵² Access to income support will be extended to coursework masters students, and the 'age of independence' will be progressively reduced from 25 years to 22 years.⁵³

Issues associated with student finances and income support were a key focus of the Committee's inquiry and are discussed in Chapter 7.

Victorian Government tertiary education policy

While the Australian Government has primary responsibility for higher education funding and policymaking, the Victorian Government also has a significant role in tertiary education. A strong policy framework supports post-school transitions through measures to increase year 12 or equivalent completion, enhance pathways advice and guidance to young people, and support policymaking and programs with data collection on student transitions. At the same time, the Victorian Government has a complementary role in higher education, and is responsible for the state's VET sector.

⁴⁵ Aboriginal and Torres Strait Islander Study Assistance Scheme.

⁴⁶ Australian Government, 'Student Income Support—Parental Income Test,' *Transforming Australia's Higher Education System* Fact Sheet 15 (Canberra: Commonwealth of Australia, 2009), 1.

⁴⁷ Australian Government, 'Student Income Support—Workforce Participation Criterion,' *Transforming Australia's Higher Education System* Fact Sheet 22 (Canberra: Commonwealth of Australia, 2009), 1.

⁴⁸ Australian Government, 'Student Income Support—Exempt Equity and Merit-Based Scholarships,' *Transforming Australia's Higher Education System* Fact Sheet 21 (Canberra: Commonwealth of Australia, 2009), 1.

⁴⁹ Australian Government, 'Student Income Support—Increased Assistance for Students and Families,' *Transforming Australia's Higher Education System* Fact Sheet 24 (Canberra: Commonwealth of Australia, 2009), 1–2.

⁵⁰ Australian Government, 'Student Income Support—The Student Start-up Scholarship,' *Transforming Australia's Higher Education System* Fact Sheet 17 (Canberra: Commonwealth of Australia, 2009), 1.

⁵¹ Australian Government, 'Student Income Support—Relocation Scholarship,' *Transforming Australia's Higher Education System* Fact Sheet 18 (Canberra: Commonwealth of Australia, 2009), 1.

⁵² Australian Government, 'Student Income Support—Personal Income Test Threshold,' *Transforming Australia's Higher Education System* Fact Sheet 19 (Canberra: Commonwealth of Australia, 2009), 1.

⁵³ Australian Government, *Universities, Innovation and Education Revolution* (Canberra: Commonwealth of Australia, 2009), 9.

Post-school transitions

The Victorian Government's policy in the area of post-school transitions is to ensure that an increasing proportion of young people will make a smooth transition from compulsory school education to further education, training and employment.⁵⁴ The Victorian Government does not have an explicit policy aimed at increasing the rate of participation in higher education in Victoria.⁵⁵ Instead, the policy focus is on facilitating transitions into a range of meaningful pathways by lifting the rate of completion of year 12 or its equivalent,⁵⁶ and by providing effective pathways advice and guidance.

A key initiative aimed at facilitating post-school transitions has been the establishment of 31 Local Learning and Employment Networks (LLENs) in Victoria. The role of the LLENs is to facilitate partnerships and broker initiatives between local stakeholders aimed at improving the education, training and employment outcomes of young people 15 to 19 years of age. Within this broad aim, lifting the proportion of young people completing year 12 or its equivalent is a major focus.⁵⁷ The Victorian Government is currently committed to funding the LLENs initiative through to 2011.⁵⁸ Another important program, discussed in Chapter 4, is the Managed Individual Pathways (MIPs) program, which ensures that all young people in government schools aged 15 and above are provided with an individual pathway plan for their continued participation in education, training or employment.⁵⁹

Another way in which the Victorian Government supports post-school transitions is through the annual On Track survey of Victorian school leavers. Initiated in 2002, On Track has been designed to provide data that can guide government policy and programs at the school, local and regional level.⁶⁰ Evidence to the inquiry pointed to a strong awareness of the On Track survey and its findings. In submissions and at public hearings throughout Victoria, schools, universities, LLENs and others referred extensively to findings from the On Track survey, both at the local and school level, and for Victoria as a whole. The Committee also heard examples of On Track data being used to inform planning and practice. For example, Mr Tony Edwards, Project Manager, Access and Success, Victoria University, told the Committee that Access and Success has used On Track data to identify schools that might benefit from partnership with the university.⁶¹ The Committee is also aware that since Victoria's initiation of the On Track survey, a number of other Australian states have implemented their own annual school leaver surveys, modelled on On Track.⁶²

⁵⁴ Mr G. McLean, General Manager, Youth Transitions Division, Department of Education and Early Childhood Development (Victoria), Transcript of Evidence, Public Hearing, Melbourne, 23 July 2008, 2.

⁵⁵ *ibid.*

⁵⁶ *ibid.*

⁵⁷ Office for Education Policy and Innovation, Department of Education (Victoria), *Local Learning and Employment Networks: A Victorian Government Initiative* (Melbourne: Department of Education, 2007), 1.

⁵⁸ Department of Education and Early Childhood Development (Victoria), 'Frequently Asked Questions,' Local Learning and Employment Networks, <http://www.llen.vic.gov.au/what/faq.asp#H2N10072> (accessed 1 July 2009).

⁵⁹ Department of Education and Early Childhood Development (Victoria), 'Managed Individual Pathways (MIPs),' DEECD, <http://www.education.vic.gov.au/sensecyouth/careertrans/mips/default.htm> (accessed 26 June 2009).

⁶⁰ Richard Teese, Kira Clarke and John Polesel, *The On Track Survey 2007 Statewide Report: The Destinations of School Leavers in Victoria* (Melbourne: Department of Education and Early Childhood Development, 2007), 1.

⁶¹ Mr T. Edwards, Project Manager, Access and Success Project, Victoria University, Transcript of Evidence, Public Hearing, Sunshine, 12 August 2008, 27.

⁶² Mr G. McLean, General Manager, Youth Transitions Division, Department of Education and Early Childhood Development (Victoria), Transcript of Evidence, Public Hearing, Melbourne, 23 July 2008, 3.

The Committee is of the view that On Track is a valuable source of information, both for policy development and for practice and planning at the regional and school level. The Committee therefore believes that the On Track survey should be continued and improved where necessary.

The Victorian tertiary education sector

Victoria's eight public universities are established under individual state Acts of Parliament. The Minister for Skills and Workforce Participation administers the Acts that establish the universities, governing bodies and accountability requirements.⁶³ Private providers wishing to offer higher education courses in Victoria must apply to the Victorian Registration and Qualifications Authority for registration as a non self-accrediting higher education institution and for accreditation of their proposed higher education courses.⁶⁴

The Department of Innovation, Industry and Regional Development, through Skills Victoria, develops higher education policy and regulation in Victoria. It also manages stakeholder relations with universities and supports the legislative responsibilities relating to higher education, including the university council appointment process.⁶⁵ Skills Victoria also represents the interests of Victorian universities and higher education providers in national forums.⁶⁶

The Victorian Government provides funding and in-kind support to higher education institutions. While state governments do not fund teaching and learning, the Victorian Government contributes some research funding to universities.⁶⁷ The Victorian Government also makes in-kind and financial contributions to university land and infrastructure.⁶⁸ For example, through the Regional Infrastructure Development Fund, the Victorian Government has provided \$37 million in funding for university learning and research infrastructure in regional areas.⁶⁹ The Victorian Government also supports higher education in the health sciences through the provision of infrastructure to community health services to support clinical placements.⁷⁰

In addition to its complementary role in higher education, the Victorian Government has primary responsibility for the state's VET system. Increasing participation is a key focus of VET policy in Victoria. In the 2008 policy statement *Securing Jobs for your Future – Skills for Victoria*, the Victorian Government outlines its goal of increasing the number of people undertaking training, particularly in fields relevant to economic and social needs.⁷¹ To facilitate increased participation in training, funding will be provided for additional training places over the next four years. Under *Skills for Life – the Victorian Training Guarantee*, all

⁶³ Skills Victoria, 'Universities,' Skills Victoria, <http://www.skills.vic.gov.au/corporate/providers/universities> (accessed 1 July 2009).

⁶⁴ Victorian Registration and Qualifications Authority, 'Higher Education,' VRQA, <http://www.vrqa.vic.gov.au/higher/default.htm> (accessed 1 July 2009).

⁶⁵ Skills Victoria, 'Universities,' Skills Victoria, <http://www.skills.vic.gov.au/corporate/providers/universities> (accessed 1 July 2009).

⁶⁶ *ibid.*

⁶⁷ See, for example, various initiatives described in Department of Innovation, Industry and Regional Development (Victoria), *Innovation: Victoria's Future* (Melbourne: DIIRD, 2008).

⁶⁸ Department of Education and Training (Victoria), *Higher Education in Victoria: Opportunities for 2005 and Beyond* (Melbourne: DET, 2005), 14.

⁶⁹ Department of Innovation, Industry and Regional Development (Victoria), Written Submission, May 2008, 28.

⁷⁰ *ibid.*

⁷¹ Department of Innovation, Industry and Regional Development (Victoria), *Securing Jobs for your Future – Skills for Victoria* (Melbourne: DIIRD, 2008), 10.

young people up to 20 years of age are entitled to a government subsidised place at any qualification level.⁷²

In April 2009 the Victorian Government announced the development of a new Higher Education Plan for the state.⁷³ The plan, which is being developed by an expert panel in consultation with stakeholders, will inform the Victorian Government contribution to the implementation of the Australian Government's higher education reforms, providing for growth in tertiary education provision. The plan will identify the implications of this expansion for Victorian Government policies and programs, propose options for implementation, and identify priorities for Victoria's dealings with the Australian Government.⁷⁴ The plan will develop policy responses in a range of areas. Of most relevance to the Committee's inquiry, these include: industry needs for higher education graduates into the future; the particular needs of regional and outer urban communities; models of provision for ready access to higher education and VET for all Victorians; and the interface between higher education, VET and school education.⁷⁵ Implementation issues that will need to be addressed by the Victorian Government relating to the adoption of participation and performance targets for the tertiary sector will include: infrastructure provision; funding; academic workforce; quality; planning; and accommodation.⁷⁶

The Committee welcomes the development of the Higher Education Plan, believing it to be a timely response to the Australian Government's reforms to the higher education sector. The Committee encourages the Victorian Government, in developing the plan, to have particular regard for improving equity in higher education participation. In particular, the Committee believes that the Victorian Government should identify priority areas for increasing participation in higher education among under-represented groups. The Committee's findings and recommendations provide a foundation for identifying and responding to the needs of communities in rural and regional Victoria, interface areas and low socioeconomic status areas.

Higher education participation in Victoria

Geographical and other differences in higher education participation rates are not new. A 1983 review found that decades of research had identified long-standing differences in higher education participation rates according to geographical location, socioeconomic status, gender and cultural and language background.⁷⁷ Since then, research evidence about these differences has grown. It is now firmly established that people from rural and remote areas, those from low socioeconomic status backgrounds, and Indigenous Australians are significantly under-represented among higher education students in Australia and Victoria.

⁷² *ibid.*, 15.

⁷³ Minister for Skills and Workforce Participation (Victoria), 'Victoria's New Plan for Higher Education,' Jobs Media Release 2 April 2009, The Premier of Victoria, <http://www.premier.vic.gov.au/minister-for-skills-workforce-participation/victorias-new-plan-for-higher-education.html> (accessed 25 June 2009).

⁷⁴ Supplementary information provided by the Department of Innovation, Industry and Regional Development (Victoria), June 2009.

⁷⁵ *ibid.*

⁷⁶ *ibid.*

⁷⁷ D. S. Anderson and A. E. Vervoorn, *Access to Privilege: Patterns of Participation in Australian Post-Secondary Education* (Canberra: Australian National University Press, 1983).

Data analysis

While aware of past research, the Committee reviewed current data on each stage of the admissions process, covering applications, offers, enrolments and deferments. The Committee also examined any geographical differences in the rate at which higher education students complete undergraduate degrees. The Committee obtained and analysed data from the Victorian Tertiary Admissions Centre (VTAC), which processes the vast majority of undergraduate applications, and manages the offer process for all Victorian universities.⁷⁸ The Committee complemented this analysis with a review of findings from the On Track survey of Victorian school leavers and the Longitudinal Surveys of Australian Youth (LSAY), as well as Australian Government data.

The Committee obtained VTAC data for a three-year period, covering 2005–06, 2006–07 and 2007–08.⁷⁹ Geographical participation patterns remained relatively consistent across the three data sets examined. Except where the data indicated a trend or substantial variation, analyses presented in this chapter are therefore based on 2007–08 data.

The Committee's dataset does not include international applicants. Hence, all analyses of VTAC data presented in this chapter, and elsewhere in the report, refer to Victorian domestic students only.

In Victoria, some TAFE institutes and Independent Tertiary Colleges offer a small number of higher education courses. However, the Committee's dataset only includes higher education applications, offers, enrolments and deferments at Victorian universities. The small number of students participating in a higher education course outside of a university are counted in the Committee's dataset as participating in a TAFE or Independent Tertiary College course. Hence, the Committee's analysis slightly understates total higher education participation among Victorian school leavers.

In recognition of the different circumstances of current school leavers and non-school leaver applicants, the Committee's analysis of VTAC data separately considers these categories. As school leavers comprise the majority of applicants, and because the availability of data about school leavers makes calculation of application rates possible, the Committee's analysis focuses largely on this category of applicant. However, the Committee acknowledges that non-school leavers are also an important demographic to be considered if higher education participation rates are to be lifted. The Committee has therefore commented on non-school leaver university applicants where differences emerged in comparison with the school leaver cohort.

Successful completion of the Victorian Certificate of Education (VCE) and award of an Equivalent National Tertiary Entrance Rank (ENTER) is generally a requirement for school leavers seeking a place at university. Hence, only students who have met these two requirements are included in data provided by VTAC and in the Committee's analysis of school leavers. This means that in contrast to some other data sources, VTAC data excludes Victorian Certificate of Applied Learning (VCAL) students, as well as students who failed to complete the VCE. This is a critical point because there are substantial geographical differences in the proportion of young people that reach year 12, and those who successfully complete the VCE. Differences in the proportion of VCE completers who

⁷⁸ A small proportion of undergraduate applications are handled directly by universities. These applicants are not included in the Committee's analysis of VTAC data.

⁷⁹ For each data set, the first number in the label refers to the year in which applications were made, while the second refers to the year in which offers were made.

apply for, are offered, and subsequently accept a place at university add to prior differences in school completion rates. Thus, in interpreting the Committee's analysis of applications, offers, enrolments and deferments, underlying differences in school retention and completion rates need to be considered. The important issue of year 12 completion is discussed in Chapter 3.

Geographic definitions

Analysis of geographic differences in higher education participation rates required the Committee to divide the VTAC data into geographic areas. At the most detailed level, the Committee examined data for 79 small areas which approximate Victoria's Local Government Areas (refer Figures 2.1 and 2.2). These are referred to throughout the chapter as 'local areas'. For clarity, and because small numbers in some local areas lead to substantial year-to-year variation, the following discussion largely omits consideration of individual local areas. Nevertheless, data at this detailed level reveal some important variations within regions, as well as highlighting local areas, such as Frankston in Melbourne's south that are of particular concern.

The Committee then grouped data from the 79 local areas into 17 larger regions, representing ten non-metropolitan regions, six metropolitan regions and one interface region:

- Non-metropolitan regions

The ten non-metropolitan regions approximate Australian Bureau of Statistics (ABS) Statistical Divisions, with the difference being that the Committee's regions are made up of whole postcodes and local areas.

- Metropolitan regions

The Committee constructed six metropolitan regions into which the local areas could be grouped: North, South, East, West, Central and South-East.

- Interface region

The eight remaining local areas are on Melbourne's fringe, commonly referred to as 'interface' municipalities. These are: Cardinia, Hume, Melton, Mornington Peninsula, Nillumbik, Whittlesea, Wyndham and Yarra Ranges. While interface areas share attributes of both urban and rural communities, they also have distinct geographical and socio-demographic characteristics. In recognition of this, they have been grouped into a separate category in the Committee's analysis.

Figures 2.1 and 2.2 depict the 79 local areas and 17 regions. A list of postcodes comprising these can be found at Appendix F.

Figure 2.1: Map showing non-metropolitan regions and local areas used in Committee analysis

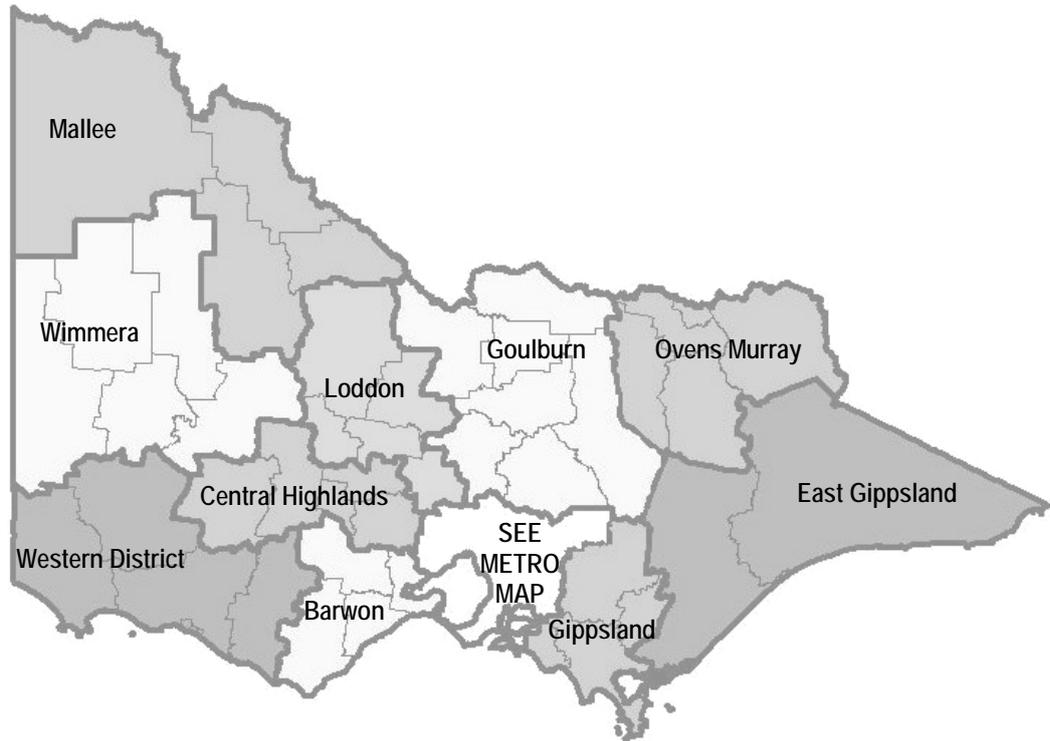


Figure 2.2: Map showing metropolitan regions and local areas used in Committee analysis



Note: The 'local areas' used in the Committee's analysis approximate, but do not precisely match, Local Government Areas. The Committee used concordance tables to identify those postcodes that are 'split' across more than one LGA. The whole of any split postcode was assigned to the LGA that encompassed the largest proportion of that postcode.

Source: Education and Training Committee, July 2009.

Higher education applications

The Committee's analysis commenced with an examination of the rates of application for university, and the offers made by universities on the basis of these applications. Application rates are important because they give some indication of the level of interest in undertaking university study.

In 2007–08, VTAC received tertiary applications from 65,312 Victorians. The majority of these applicants (86.2%) included one or more preferences for university courses. The remaining applications included preferences only for courses at TAFE institutes and/or Independent Tertiary Colleges. Table 2.1 shows the number and proportion of higher education applicants from three distinct applicant categories, by home location.

Table 2.1: Victorian domestic higher education applicants, by applicant type and home location (No.) (2007–08)

Home location	School leaver	Previous school leaver	Mature age	Total
Metropolitan	17,891	1,813	11,907	31,611
Interface	6,684	757	3,483	10,924
Non-metropolitan	9,290	1,113	3,389	13,792
Total Victoria	33,865	3,683	18,779	56,327

Note: 'School leaver' includes only students who completed the VCE and received an ENTER in 2007. 'Previous school leaver' applicants completed year 12 and received an ENTER in an earlier year, with this qualification the basis for their application. 'Mature age' applicants include all applicants applying on a basis other than a senior secondary qualification.

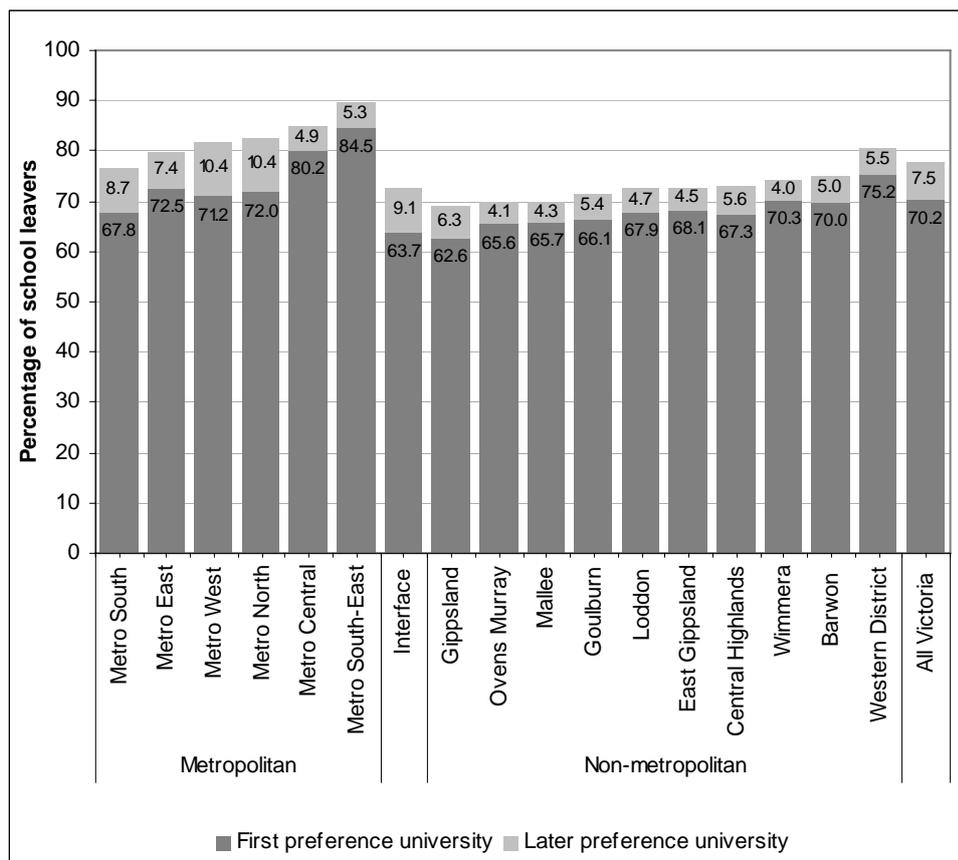
Source: Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

Almost 34,000 school leavers applied for higher education in 2007–08, representing 60.1 per cent of higher education applicants in that year. 'Mature age', the next largest applicant group with 18,779 applicants, comprised 33.3 per cent of higher education applications in 2007–08. The smallest applicant group, 'Previous school leaver', made up 6.5 per cent of higher education applicants.

Applications by school leavers

Figure 2.3 shows the percentage of 2007–08 school leavers from the 17 regions across Victoria that applied for a place in a higher education course. It shows the large proportion of applicants who chose a university course as their highest preference, as well as those who included one or more university preferences, but who listed a non-university tertiary course as their first choice.

Figure 2.3: School leavers making university applications, by preference level and region (%) (2007–08)



Source: Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

In 2007–08, 77.7 per cent of school leavers across Victoria applied for a place in a university course. The overall application rate was 81.6 per cent in metropolitan areas and 72.8 per cent in both non-metropolitan and interface areas.

There were marked differences within metropolitan, interface and non-metropolitan areas. University application rates were below the state average in each non-metropolitan region except the Western District, dipping to 70 per cent or less in the Gippsland, Ovens Murray and Mallee regions.

Compared to the non-metropolitan and interface areas, the university application rate for the metropolitan area was high. However, this masks important differences across metropolitan areas. In the Metro South-East region, almost 9 in 10 school leavers (89.8%) applied for a university higher education course, compared to only 76.5 per cent of those from the Metro South region—a difference of 13.3 percentage points. Total university applications were above the state average in the Metro Central (85.1%), Metro North (82.4%), Metro West (81.6%) and Metro East (79.9%) regions. In most of those areas, however, as well as in the Interface, a relatively large proportion of university applicants did not have a higher education course listed as their highest preference. This could reduce applicants' chances of receiving a university offer, thereby impacting on participation rates.

Higher education offers

University entrance is competitive, as there are less university places available than the number of applications for these places. Across Victoria in 2007–08, the majority of university applicants received the offer of a place in at least one of the courses they applied

for. However, the proportion of applicants receiving offers varied between different metropolitan, interface and non-metropolitan areas.

An applicant's chances of receiving an offer rest on a number of factors including the ENTER attained, and the choice of course, institution and campus. Offer rates in a particular area reflect a combination of factors including achievement levels, application rates, entrance requirements and selection processes at nearby institutions and, potentially, the quality of pathways advice at school. Using the available data, it is not possible to precisely link variations in offer rates to each of these factors, however, these issues are discussed in various chapters of the report.

Offers to school leaver applicants

The Committee found that over the three years from 2005–06 to 2007–08, school leavers from non-metropolitan areas were only slightly less likely to receive a university offer than their metropolitan counterparts (refer Table 2.2).

Table 2.2: School leaver applicants receiving university offers, by home location (%) (2005–06 to 2007–08)

Home location	2005–06	2006–07	2007–08
Metropolitan	74.4	75.6	74.4
Interface	64.0	65.8	65.8
Non-metropolitan	73.1	74.9	73.3
All Victoria	72.2	73.7	72.6

Source: Education and Training Committee analysis of 2005–06, 2006–07 and 2007–08 VTAC data, May 2009.

In 2007–08, the university offer rate for metropolitan school leavers was 74.4 per cent, just 1.1 percentage points higher than the rate for non-metropolitan applicants. Further analysis shows that non-metropolitan university applicants were more likely than those in metropolitan areas to have received an offer in the course that they had listed as their first preference (41.1% compared to 36.8%, respectively).

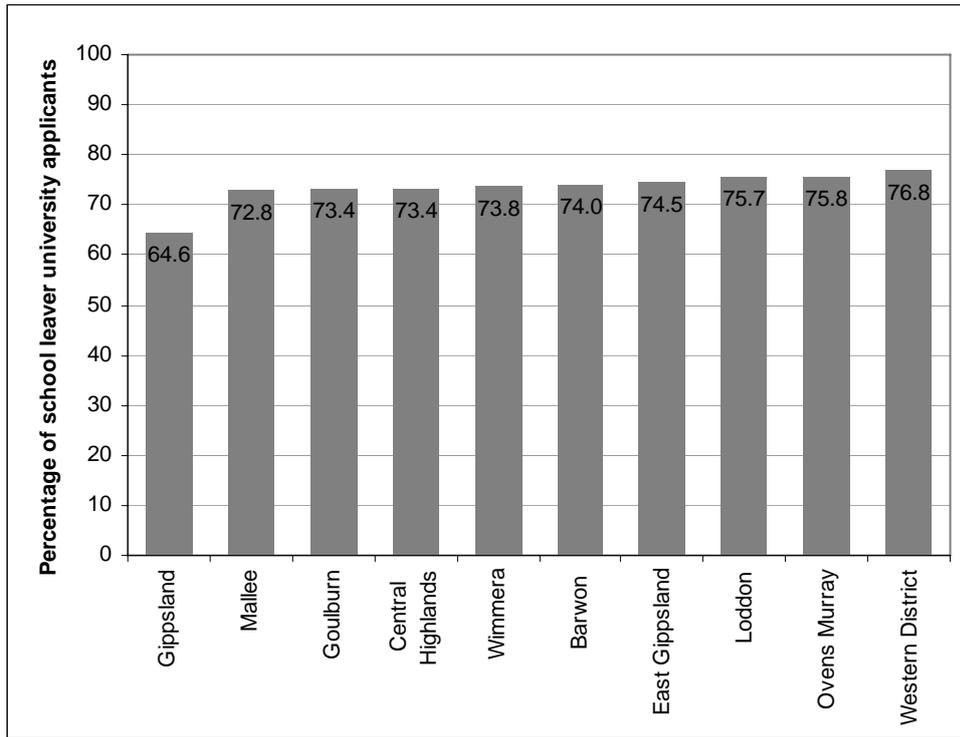
University applicants from interface areas were least likely to receive a university offer, with only 65.8 per cent of school leaver applicants offered a higher education place in 2007–08. They were also least likely to receive an offer in their first preference course (33.7%).⁸⁰

Further geographic differences emerged when the data was examined in more detail. Figures 2.4 and 2.5 show the proportion of school leaver university applicants that received the offer of a university place in 2007–08, across the 17 metropolitan, interface and non-metropolitan regions.

With the exception of Gippsland, the university offer rate for each non-metropolitan region was above the state average of 72.6 per cent. In the Ovens Murray region, a relatively high offer rate off-set to some extent that region's lower application rate, while the high rate of offers to school leavers in the Western District built on a relatively high application rate. For the Gippsland region, the particularly low offer rate for university applicants (64.6%) compounded the effects of a low application rate.

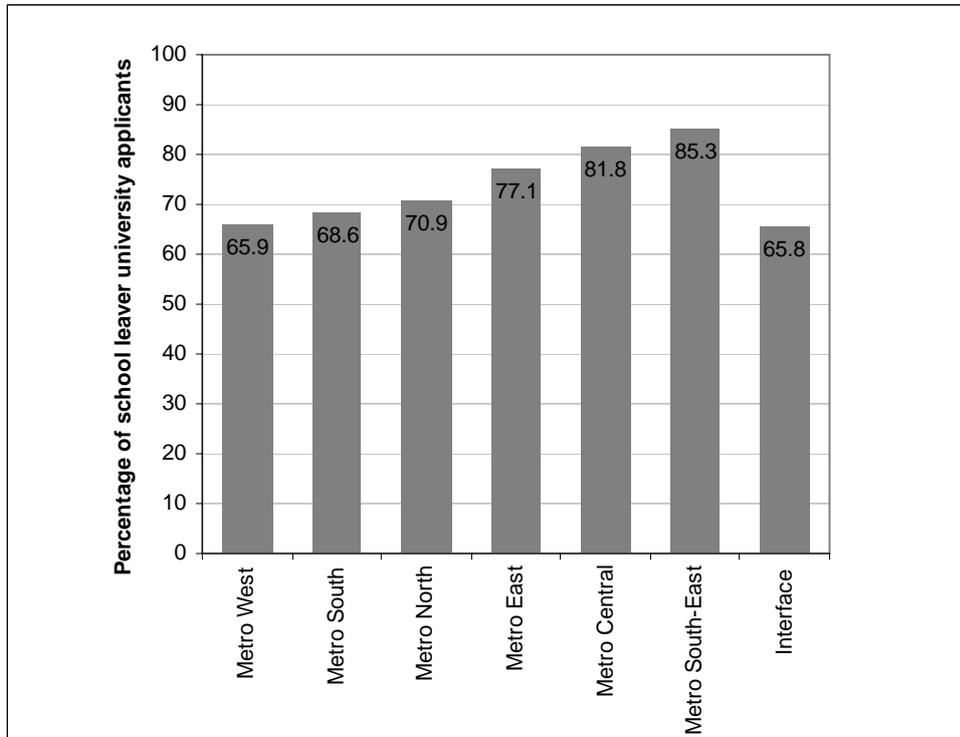
⁸⁰ Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

Figure 2.4: Non-metropolitan school leaver applicants receiving university offers, by region (%) (2007–08)



Source: Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

Figure 2.5: Metropolitan and interface school leaver applicants receiving university offers, by region (%) (2007–08)



Source: Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

University offer rates across metropolitan and interface areas varied more widely than offer rates in non-metropolitan Victoria (refer Figure 2.5). The offer rate was highest in the South-East region (85.3%) and lowest in the West (65.9%) and the Interface (65.8%) regions. More than a quarter of school leaver applicants also missed out on a university place in the South and North metropolitan regions.

Offers to non-school leaver applicants

The pattern of offers was somewhat different for non-school leaver university applicants (refer Table 2.3).

Table 2.3: Non-school leaver applicants receiving university offers, by applicant type and home location (%) (2007–08)

Applicant type	Metropolitan	Interface	Non-metropolitan	All Victoria
Previous school leaver	51.7	44.5	66.5	54.5
Mature age	66.3	66.8	74.6	67.6
Total non-school leaver	64.3	62.8	72.5	65.5

Note: 'Previous school leaver' applicants completed year 12 and received an ENTER in an earlier year, with this qualification the basis for their application. 'Mature age' applicants include all applicants applying on a basis other than a senior secondary qualification.

Source: Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

Consistent with a national pattern,⁸¹ in 2007–08, Victorian non-school leaver university applicants were less successful in securing university offers than their school leaver counterparts. This was particularly so for those applying on the basis of earlier year 12 results, of whom only 54.5 per cent received a university offer. Interestingly, however, for both categories of non-school leaver applicants, those from non-metropolitan areas were more likely than metropolitan and interface applicants to receive an offer. This can probably be attributed at least in part to less intense competition for university places at non-metropolitan university campuses.

Overall offer rates

The greater success in securing a university offer among non-school leaver applicants from non-metropolitan areas means that there is little difference in overall university offer rates between metropolitan and non-metropolitan applicants. In its submission to the inquiry, Deakin University reviewed data on offers, concluding that non-metropolitan and metropolitan applicants experience similar success in receiving the offer of a university place.⁸² Deakin University therefore argued that application rates should be of greater concern than offer rates in any efforts to increase the rate of higher education participation among under-represented groups:

Hence the issue is really about the rate of application of rural and regional students for higher education study, rather than their capacity to win a place. The inequities which exist in the rate of application between metropolitan and rural and regional students are the main cause of the under-representation of the latter group in university study.⁸³

⁸¹ Australian Government Department of Education, Employment and Workplace Relations, *Undergraduate Applications, Offers and Acceptances 2008* (Canberra: DEEWR, 2008), 2.

⁸² Deakin University, Written Submission, March 2008, 2.

⁸³ *ibid.*

In the main, the Committee agrees with this assessment. However, it notes that closer analysis reveals particularly low offer rates in some non-metropolitan areas. Furthermore, it should not be assumed that efforts to improve application rates in under-represented areas would automatically yield the same rate of university offers. The Committee therefore believes that efforts to improve application rates must also be accompanied by strategies to maximise the likelihood that these applications will be successful.

Higher education enrolments and deferments

Once an applicant receives the offer of a place in a higher education course, they must decide whether or not to accept the offer. An applicant who accepts the place they have been offered generally has the choice either of enrolling and beginning study, or deferring, usually for one year. Describing the outcomes of this process across different geographical areas, Ms Elaine Wenn, Director, Victorian Tertiary Admissions Centre, observed:

Although we have got a number of differences in terms of ... the starting characteristics of the applicant population across the regions and the outcomes of the selection process across the regions, there would appear to be just as big, if not larger, differences across the regions in terms of what the successful applicants actually do, having received an offer.⁸⁴

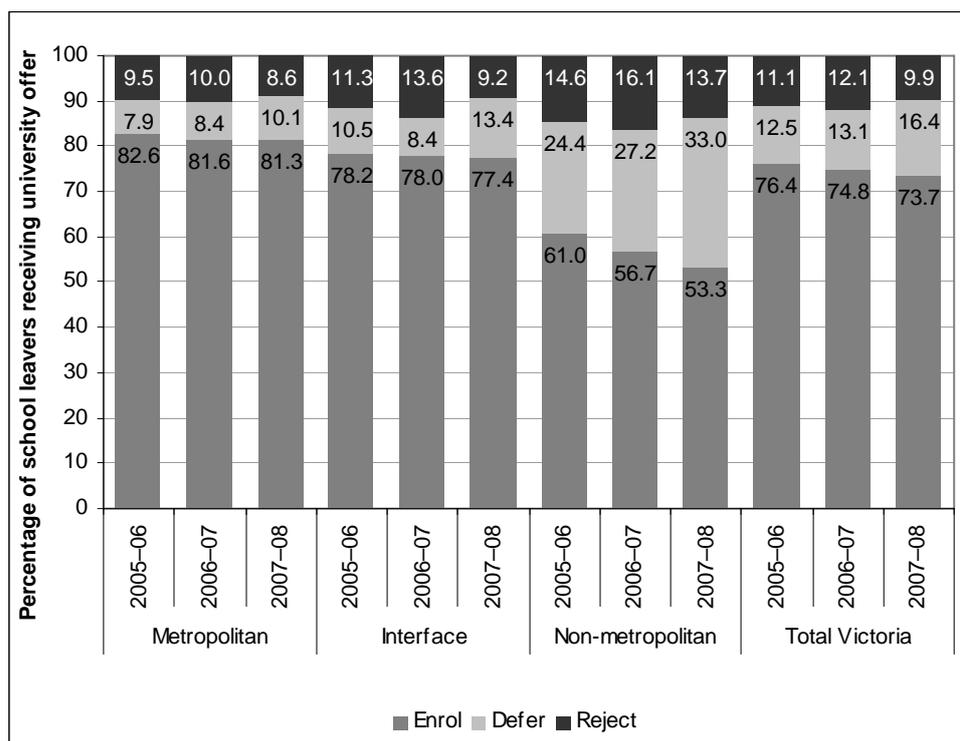
The Committee's analysis of enrolments and deferments across Victoria's metropolitan, interface and non-metropolitan regions supports this observation, revealing differences in both the overall acceptance of offers, and the proportion of offer recipients deferring their place in higher education.

Overall acceptance rates among school leavers

The Committee found that overall, the proportion of school leaver offer recipients that accepted a university place was generally high, and remained relatively stable over the three years for which data was obtained (refer Figure 2.6).

⁸⁴ Ms E. Wenn, Director, Victorian Tertiary Admissions Centre, Transcript of Evidence, Public Hearing, Melbourne, 25 February 2008, 5.

Figure 2.6: School leaver offer recipients enrolling in, deferring and rejecting university places, by home location (%) (2005–06 to 2007–08)



Source: Education and Training Committee analysis of 2005–06, 2006–07 and 2007–08 VTAC data, May 2009.

When enrolments and deferrals are both seen as constituting acceptance of an offer, the percentage of school leaver offer recipients accepting university places was similar in metropolitan and interface areas. Overall acceptance rates were lower in non-metropolitan areas. In 2007–08, the overall acceptance rate for non-metropolitan applicants was 86.3 per cent, 3.8 percentage points below the Victorian average. Nearly 14 per cent rejected their university offer, compared to rejection rates of 8.6 per cent and 9.2 per cent in metropolitan and interface areas, respectively. Professor Richard Teese, Director, Centre for Post-compulsory Education and Lifelong Learning, The University of Melbourne, told the Committee that this higher rejection rate on the part of young people from non-metropolitan areas was a 'little known' aspect of differential access to higher education.⁸⁵

Deferment rates among school leavers

A more striking trend in Figure 2.6 is the high and increasing rate of deferment in non-metropolitan areas. In 2007–08, one in three school leavers from non-metropolitan areas who received a university offer deferred their studies. This represented a marked increase from almost one in four just two years earlier. In comparison, the deferment rate was 10.1 per cent for metropolitan school leavers with a university offer, and 13.4 per cent for those from interface areas. The disproportionately high deferment rate among non-metropolitan school leavers was a recurring theme throughout the inquiry, and is of concern to the Committee.

⁸⁵ Professor R. Teese, Director, Centre for Post-compulsory Education and Lifelong Learning, The University of Melbourne, Transcript of Evidence, Public Hearing, Melbourne, 25 February 2008, 15.

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The upwards trend in deferment has also been highlighted by findings from the On Track survey of Victorian school leavers. Table 2.4 presents On Track data on deferment rates over the period 2004 to 2008. On Track data shows deferments as a percentage of total year 12 completers, not just those offered a university place. Hence, deferment rates reported by On Track appear low in comparison to the Committee's analysis of VTAC data, which is based on school leavers who received the offer of a university place.

Table 2.4: Victorian year 12 completer deferments, by home location (%) (2004 to 2008)

Home location	2004	2005	2006	2007	2008
Metropolitan	5.1	5.0	6.0	6.5	8.2
Non-metropolitan	9.6	10.6	13.3	15.9	18.5

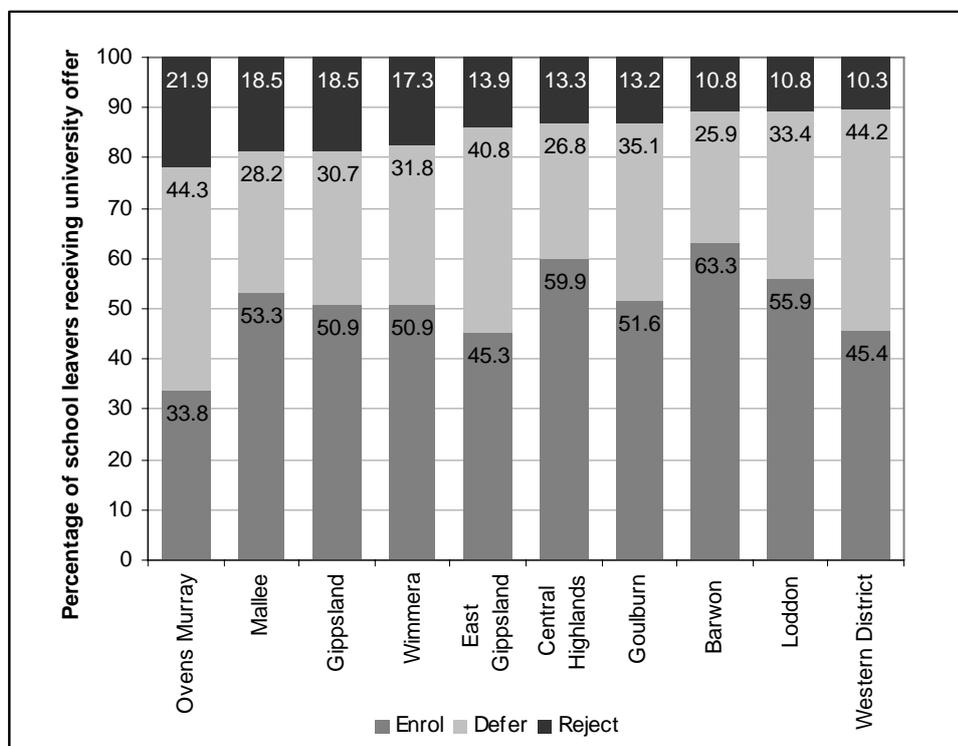
Note: Unlike the Committee's analysis of VTAC data, On Track data on school leavers includes year 12 completers who undertook the Victorian Certificate of Applied Learning. On Track geographic analysis also differs from the Committee's, and therefore the interface area is not shown as a separate location.

Source: Compiled by the Education and Training Committee based on On Track survey statewide reports 2004 to 2008.

On Track data show that the rate of deferment has risen in both metropolitan and non-metropolitan Victoria over the past five years. While the increase has been slight in metropolitan areas, deferment has risen substantially in non-metropolitan Victoria, such that the disparity between metropolitan and non-metropolitan areas has increased from 4.5 percentage points in 2004 to 10.3 percentage points in 2008. In other words, a year 12 graduate from non-metropolitan Victoria is now more than twice as likely to defer a university place than their metropolitan counterpart.

While the rate of deferment was high throughout non-metropolitan Victoria, analysis of VTAC data also reveals variations between non-metropolitan regions (refer Figure 2.7).

Figure 2.7: Non-metropolitan school leaver offer recipients enrolling in, deferring and rejecting university places, by region (%) (2007–08)



Source: Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

The proportion of non-metropolitan school leaver offer recipients deferring was highest in the Ovens Murray region, where a 44.3 per cent deferment rate for offers co-existed with a high offer rejection rate (21.9%). In 2007–08, two other non-metropolitan regions had more than 4 in 10 offer recipients defer their university studies: Western District (44.2%) and East Gippsland (40.8%).

The lowest non-metropolitan deferment rate (25.9%) was in the Barwon region. A closer analysis of Barwon's local areas shows that the region's lower deferment rate is the result of a relatively low (23.4%) deferment rate for Greater Geelong, while deferment rates were substantially higher in Colac Otway (43.4%), Queenscliffe (39.1%), Golden Plains (27.3%) and Surf Coast (27.0%).⁸⁶ Lower deferment in Greater Geelong can almost certainly be attributed to Deakin University's strong presence in Geelong and the city's proximity to Melbourne.

A closer examination of metropolitan and interface regions also revealed high deferment rates among school leavers in some local areas. While the overall deferment rate was 13.4 per cent for the interface region and 10.1 per cent in metropolitan areas, rates varied at the regional and local area level. In 2007–08, there were three metropolitan local areas in which more than one in five of those who received a university offer deferred: Glen Eira in Melbourne's south-east (21.4%), Port Phillip in central Melbourne (21.3%) and Frankston in the south (20.3%).⁸⁷ Glen Eira and Port Phillip are both high socioeconomic status areas with strong higher education participation, and it is likely that school leavers in these areas have somewhat different reasons for deferring than rural and regional school leavers. However, the higher rate of deferment in Frankston is of particular concern, as it also had the lowest university application (68.6%) and offer (59.3%) rates of any metropolitan local area.⁸⁸ Adjacent to Frankston in the Mornington Peninsula local area, 31.4 per cent of applicants who received a university offer deferred their place at university—a deferment rate that approaches that of non-metropolitan Victoria.⁸⁹

While school leavers defer further study for many reasons, the Committee heard that the high cost of relocating and living away from home is a major contributor to the disproportionately high deferment rates in non-metropolitan areas. The relationship between financial considerations and young people's decision to defer their studies is discussed in Chapter 7.

Enrolment and deferment rates among non-school leavers

The Committee also examined enrolment and deferment rates for non-school leaver applicants. Overall, non-school leaver applicants who received a university offer were less likely to accept a place in higher education than school leavers.⁹⁰ Among those applying on the basis of a previous year 12 qualification, 81.5 per cent of those with a university offer accepted their place, of whom 74.8 per cent enrolled and 6.7 per cent deferred.⁹¹ There were only small differences across metropolitan, interface and non-metropolitan areas, with the overall acceptance rate highest among offer recipients from non-metropolitan areas.⁹²

⁸⁶ Education and Training Committee analysis of 2007–08 VTAC data, May 2009.

⁸⁷ *ibid.*

⁸⁸ *ibid.*

⁸⁹ *ibid.*

⁹⁰ *ibid.*

⁹¹ *ibid.*

⁹² *ibid.*

Among mature age applicants without a VCE qualification, acceptance was lower again, with 77.2 per cent of those receiving a university offer accepting their place.⁹³ Mature age applicants with a university offer were slightly less likely to enrol and slightly more likely to defer if they were from a non-metropolitan area, however, the differences were relatively small.⁹⁴ This analysis indicates that in terms of acceptance of university offers, and particularly in relation to deferment, geographical differences are most pronounced among school leaver applicants.

Other post-school pathways

While the Committee's inquiry is focused primarily on participation in higher education, it is important that the transition to higher education is also understood within the wider context of other post-school destinations. This is important because most non-higher education pathways also make a valuable contribution to individuals and to society. Furthermore, because some pathways (such as higher level VET) are more likely than others to lead into later university study, immediate post-school pathways have implications for participation in higher education later in life. The On Track survey of Victorian school leavers is a valuable source of information on the full range of post-school destinations. Table 2.5 shows the destinations of young people who completed year 12 or its equivalent in 2007, based on On Track findings.

Table 2.5: Destinations of year 12 or equivalent completers (%) (2008)

Destination	Completers (including deferrers)
University	44.1
Certificate IV and above VET	14.4
Entry level VET	3.7
Apprenticeships/Traineeships	9.9
Employed	24.0
Looking for work	3.8

Note: Year 12 or equivalent completers who have deferred are shown here according to their main activity in early 2008.

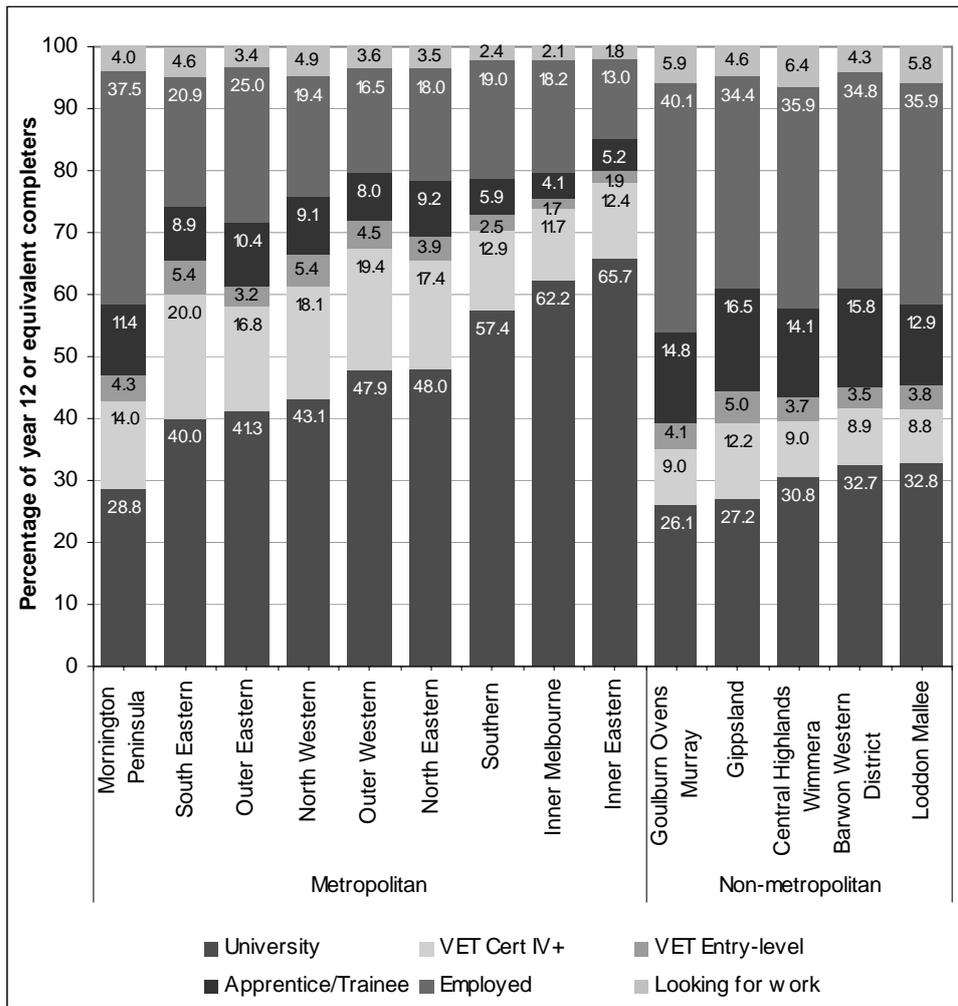
Source: Sheldon Rothman and others, *The On Track Survey 2008: The Destinations of School Leavers in Victoria: Statewide Report* (Melbourne: Department of Education and Early Childhood Development, 2008), 10 (adapted).

Findings from the On Track survey also reveal marked geographical differences in the destinations of Victorian school leavers. Figure 2.8 shows the destinations of students completing year 12 or equivalent in 2007, across 14 ABS Labour Force Regions.

⁹³ *ibid.*

⁹⁴ *ibid.*

Figure 2.8: Destinations of year 12 or equivalent completers, by ABS labour force region (%) (2008)



Source: Sheldon Rothman and others, *The On Track Survey 2008: The Destinations of School Leavers in Victoria: Statewide Report* (Melbourne: Department of Education and Early Childhood Development, 2008), 77 (adapted).

In most metropolitan regions with lower levels of participation in higher education, relatively high movement into upper and entry level VET meant reasonably high overall transition to tertiary education. At the same time, medium levels of transition to VET in the Inner East and Inner Melbourne regions supplemented the state's highest rates of transition to university. In contrast, non-metropolitan regions and the Mornington Peninsula saw relatively low levels of transition to upper and entry level VET, compounding low levels of participation in higher education. In these regions there was higher take-up of apprenticeships and traineeships, as well as higher proportions in employment and looking for work.

Higher education completions

The Committee was also interested in investigating geographic differences in the rate at which Victorian students follow their studies through to completion. Unfortunately, while administrative and survey data enable accurate and detailed analysis of application, offer, enrolment and deferment rates across geographical areas, it is more difficult to assess the proportion of students from different areas that successfully complete their university studies. Some students will change their course or institution, or may stop studying for a period, later resuming and completing their studies. Nonetheless, On Track, Australian

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Government data and the Longitudinal Surveys of Australian Youth provide some information about higher education completion rates throughout Victoria.

In addition to a yearly survey of school leavers, On Track includes a longitudinal component which tracks the pathways of a sample of Victorian young people who completed school in 2003. Approximately two-thirds (67.7%) of those who began university study in 2004 were still enrolled at university in 2007.⁹⁵ However, university students originally from non-metropolitan areas were less likely to still be studying at university than their metropolitan counterparts. While only 61.0 per cent of non-metropolitan university entrants were still at university, 71.8 per cent of metropolitan university entrants remained.⁹⁶ In part, this is because non-metropolitan entrants were more likely to have completed their course. However, a slightly higher rate of discontinuation was the main reason for the smaller proportion of non-metropolitan entrants still enrolled at university in 2007.⁹⁷

Australian Government performance data offers more detailed information about the progress of university students from different geographical areas. Table 2.6 shows the year-to-year retention and success ratios for students from regional, remote and low socioeconomic status areas at Victorian universities. 'Retention' measures the proportion of students who continue their studies from the previous year, while 'success' measures the successful completion of units of study. A ratio of one indicates that students from a group are equally likely as those from other backgrounds to continue their studies or pass units. A higher or lower ratio indicates above average and below average outcomes, respectively.

Table 2.6: Success and retention ratios for regional, remote and low SES students at Victorian universities (2002 to 2006)

		2002	2003	2004	2005	2006
Regional	Retention	0.99	1.00	0.99	1.00	0.99
	Success	1.01	1.01	1.01	1.02	0.99
Remote	Retention	0.91	0.80	0.86	0.87	0.87
	Success	0.98	0.98	1.00	1.00	0.99
Low SES	Retention	1.00	1.00	1.00	1.00	1.00
	Success	0.96	0.97	0.96	0.97	0.97

Note: Australian Government student statistics for Victorian universities do not include Australian Catholic University or Charles Sturt University's Albury-Wodonga campus.

Source: Australian Government Department of Education, Employment and Workplace Relations, *Victoria: Equity Performance Indicators 2002 to 2006* (Canberra: DEEWR, 2006).

The data shows that students from regional and low socioeconomic status backgrounds at Victorian universities have been as likely or almost as likely as other students to continue their university studies from year-to-year. While students from low socioeconomic status areas pass enrolled units at a slightly lower rate than other students, over the period 2002 to 2005, regional students were more likely to pass than their peers. Students from remote areas also passed units at rates that approached or equalled the average. However, their retention ratio was lower, indicating a greater likelihood of drop-out. In its submission, the Australian Council for Educational Research noted that while retention of regional and urban

⁹⁵ Anne Walstab and Stephen Lamb, *On Track Longitudinal 2007 Results* (Melbourne: Department of Education and Early Childhood Development, 2007), 16.

⁹⁶ *ibid.*

⁹⁷ *ibid.*, 19.

students has remained stable over 15 years, retention of students from remote and isolated areas has declined.⁹⁸

Researchers have also used data from the Longitudinal Surveys of Australian Youth to examine the associations between student background and attrition (drop-out) and completion rates at Australian universities. Reviewing the findings of several studies, Marks noted that Australian students from urban areas have been found to be slightly more likely to complete a course than those from non-urban areas.⁹⁹ Among students from non-urban areas, one study found that completion was lowest among students from isolated regions, while another found that students from 'large provincial cities' were most likely to leave without completing, while those from 'small provincial cities' were least likely to do so.¹⁰⁰ Marks concluded that 'there were no clear metropolitan/non-metropolitan differences in course completion since there was much variation in course completion among students from non-metropolitan areas'.¹⁰¹ He also found that once a student has enrolled at university, socioeconomic status has only a small influence on that student's chances of completing a course.¹⁰²

The evidence regarding the impact of geographical background on retention and success at university is somewhat mixed, in part due to the different sources of data and the different methods used to produce estimates. The Committee nevertheless received anecdotal evidence to suggest that geographic differences may exist in higher education completion rates across Victoria. Factors supporting transitions to university and the successful completion of higher education courses are discussed in Chapter 8.

Conclusion and recommendations

Evidence from a variety of sources demonstrates that there are substantial and long-standing differences in the rate in which people from different geographical areas participate in higher education. The Committee found that these differences arise at different points in the participation process.

There are marked differences in higher education application rates within and across the metropolitan, non-metropolitan and interface regions of Victoria. On average, non-metropolitan school leavers are only slightly less likely to receive a university offer than their metropolitan peers. However, there are substantial differences in enrolment, deferment and rejection rates throughout Victoria. The most striking trend identified by the Committee was the high and increasing rate of deferment in non-metropolitan areas. The disproportionately high rate of deferment among non-metropolitan school leavers was a recurring theme throughout the inquiry, and is of concern to the Committee.

Specific issues associated with participation in higher education among those from interface areas emerged during the inquiry. These areas typically have low university application rates, coinciding with low rates of university offers. This suggests that although interface areas are often treated by policymakers in the same way as metropolitan areas, they share similar disadvantages in terms of access to higher education as non-metropolitan areas.

⁹⁸ Australian Council for Educational Research, Written Submission, March 2008, 3.

⁹⁹ Gary N. Marks, *Completing University: Characteristics and Outcomes of Completing and Non-completing Students*, Longitudinal Surveys of Australian Youth Research Report 51 (Camberwell: Australian Council for Educational Research, 2007), 3.

¹⁰⁰ *ibid.*

¹⁰¹ *ibid.*, 27.

¹⁰² *ibid.*

Within Melbourne, some lower socioeconomic status areas also share similarities with the interface areas, with low higher education application and offer rates.

The Committee also considered participation in higher education within the context of alternative post-school pathways. In this regard, the On Track survey of Victorian school leavers is a valuable source of information. The Committee believes that the Victorian Government should maintain On Track and improve it where necessary to ensure that it continues to inform policy and programs at the local, regional and state levels.

Following two recent Australian Government reviews relevant to the higher education sector, the Australian Government recently announced a reform agenda aimed at transforming the scale, potential and quality of the nation's universities. The Victorian Government has recently announced that it will develop a new Higher Education Plan, which will inform the Victorian Government's contribution to the implementation of national reforms, and provide for the substantial growth in tertiary education provision predicted for the period to 2025.

The Committee believes that the development of the Higher Education Plan presents an invaluable opportunity for the Victorian Government to implement policies and programs aimed at raising overall participation rates, while simultaneously improving equity in higher education in Victoria. In this regard, the Committee recommends that the Victorian Government set participation targets for under-represented groups, particularly those in rural and regional, interface and low socioeconomic status metropolitan areas. These targets should be supported through Victorian Government policies and programs aimed at raising aspirations, enhancing entry prospects, increasing motivation to accept university offers, and reducing the practical barriers to participation. The Committee believes that the On Track survey of Victorian school leavers will be important in informing the Higher Education Plan, and in monitoring its effectiveness in raising participation in higher education by under-represented groups.

Recommendations

- 2.1 That the Victorian Government work with universities and the Australian Government to support the national participation targets of:**
- 40 per cent attainment of a qualification at bachelor level or above among Australians aged 25–34 by 2025; and
 - 20 per cent of commencing undergraduate enrolments from low socioeconomic status backgrounds by 2020.
- 2.2 That, as part of its new Higher Education Plan, the Victorian Government set targets for participation in higher education among under-represented groups, particularly those in rural and regional, interface and low socioeconomic status metropolitan areas.**

2.3 That the Victorian Government maintain and continually improve the annual On Track survey of Victorian school leavers and the On Track Longitudinal Study, in order to inform education policy and programs at the local, regional and state levels.

