



# AUSTRALIAN EDUCATION UNION

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### Victorian Parliament's Education and Training Committee's

## INQUIRY INTO GEOGRAPHICAL DIFFERENCES IN THE RATE IN WHICH VICTORIAN STUDENTS PARTICIPATE IN HIGHER EDUCATION

### Australian Education (Vic) Response

April 2008

#### Background

The Australian Education Union welcomes this opportunity to provide a submission to the Inquiry into geographical differences in the rate in which Victorian students participate in higher education. The AEU has a longstanding commitment to social justice and equity and understands the central role education plays in furthering these objectives in our society. Because of the established benefits which arise from participation in higher education both for the individual and for the society as a whole, we view with concern patterns of participation which reflect and enhance existing social inequities. These patterns are particularly linked to socio economic status (SES), indigenity and geographical location. The evidence is that there is often an overlap in the membership of these categories which compounds the disadvantage suffered by the individuals involved. A specific example of this, relevant to the Inquiry, is the multiplying effect on educational disadvantage of a combination of rurality and low socio-economic status (Ferrier, 2006 p.2, James 2008, p.34).

The advantages of participation in higher education, and relative disadvantages of non-participation, are clearly documented. The OECD Report *Education at a Glance (2007)* indicates that a tertiary education provides an advantage both in employment and in relative earnings. 84% of the Australian population aged 25-64 with a tertiary education were in employment in 2005 compared to 80% of those with upper secondary/post-secondary non-tertiary education and 63% of those whose educational attainment was below upper secondary. The ABS 2007 *Australian Social Trends* report compared the unemployment rates in 2006 for those with a Bachelor degree or higher (2.2%) to those with Year 12 as their highest level of education (4.7%) and to those with Year 11 or below (5.6%). When relative earnings are analysed in the OECD report and the average earnings of

those with upper secondary/post-secondary non-tertiary education is set at 100%, those with below upper secondary education earned 81% and those with a tertiary education 131%. In addition to these economic advantages, participants in tertiary education also identify a series of social and personal benefits of participation.

These advantages of a university education are not spread evenly across the population and participation data seems to indicate that this situation is becoming worse. DEST (now DEEWR) data indicates that in 2005 while an estimated 36% of people lived in non-metropolitan areas, only 16.7% of university students came from these areas. This was down from 17.7% in 2001. In 2005 only 14.5% of university students came from the 25% of the population with the lowest SES background. This was down from 15.1% in 2001. The Victorian figures for 2005 were lower than the national averages in both of these categories. 15.9% of Victorian students in Higher Education came from non-metropolitan areas and 13.5% came from the lowest SES groups.

In the review of participation and equity in higher education published by Universities Australia (*March 2008*), Richard James links participation of SES groupings to localities. In 2006 while 12.83% of the population is identified as coming from low SES backgrounds in urban localities, the access rate of these groups to higher education was 9.02%. Rural and remote localities have 12.41% of their population from low SES groups with 6.54% of those groups gaining access to higher education. At the other end of the SES scale, high SES groups comprise 22.64% of the population in urban areas and have an access rate of 36.82%. High SES groups in rural and remote localities make up 0.78% of the population with an access rate of 0.64%.

Participation rates of people from low SES groups and rural locations differed significantly across Victorian universities. In 2005 (DEST) the proportion of rural students ranged from 6.5% at Swinburne University to 71.1% at the University of Ballarat. The proportion of low SES students ranged from 7.9% at the University of Melbourne to 23.7% at Victoria University. Between 2001 and 2005 there was a decline in the proportion of rural students in seven of Victoria's eight main universities and a decline in the proportion of low SES students in six out of eight.

The Universities Australia participation report (2008) found that low SES groups had their highest participation rate in regional universities and their lowest in the prestigious Group of Eight universities (which includes Melbourne and Monash). The report also found that low SES groups are particularly under-represented in medicine, law and architecture and less under-represented in teacher education and architecture. (James, p.25)

## **Rural Disadvantage**

The 2006 *On Track* report of school leavers in Victoria found that "the likelihood of a student entering university decreased as the distance from urban areas increased" (James, p.28). The comparatively low levels of

participation by students in rural areas in higher education are due to a number of factors. They reflect for example, the lower retention rates in rural schools (see table below). In 2007 the average school retention rate in the Northern Metropolitan Region was 87.6% as compared to 66.8% for the Goulburn North Region – a difference of 20.8%. The 7-12 school retention rates in 2007 in the Department of Education and Early Childhood’s (DEECD) non-metropolitan regions as a whole were 17.6% lower than those in metropolitan regions. This gap had increased from 15.4% in 2001.

### 7-12 Government School Retention Rates

	2001	2003	2005	2007
<b>Western Metropolitan</b>	81.2	83.0	81.9	82.6
<b>Northern Metropolitan</b>	78.0	85.5	84.6	87.6
<b>Eastern Metropolitan</b>	87.5	91.0	91.1	86.3
<b>Southern Metropolitan</b>	90.6	86.8	83.5	87.2
<b>Barwon South</b>	69.8	70.4	70.7	69.2
<b>Central Highlands</b>	64.8	67.3	67.5	67.6
<b>Loddon Campaspe</b>	73.5	77.6	75.1	70.3
<b>Goulburn North</b>	68.4	69.8	66.1	66.8
<b>Gippsland</b>	71.2	65.9	70.4	68.4
<b>Metropolitan Regions</b>	85.2	87.1	85.7	86.2
<b>Non-Metropolitan</b>	69.8	70.6	70.3	68.6
<b>Victoria</b>	79.5	81.2	80.3	79.9

(Source: DOE (now DEECD), *Summary Statistics for Victorian Schools 2001, 2003, 2005, 2007*).

The lower rural school retention rates mean that the proportion of rural students who are eligible to gain an ENTER score for higher education purposes is lower than that for students in metropolitan region schools.

One of the important school-specific issues which may impact on the relatively low rural school retention rates and post-school tertiary education enrolment is the lack of supply of fully qualified teachers in high demand subject areas in rural schools. All of the DEECD’s hardest to staff schools are in rural locations. The Department’s *Teacher Supply and Demand Report (2006)* in analysing difficult to fill vacancies (DFVs) in the period 2004-2006 found that the hardest to staff areas (LGAs) were: West Wimmera (6.31 DFVs per 100 staff), Hindmarsh (6.15), Buloke (5.56), Yarriambiack (4.36), Mildura (3.74), Towong (3.36) and Gannawarra (3.32).

The AEU's annual survey of principals (*State of Our Schools*) has tracked the impact of teacher shortages on country schools. In 2007 it found that in four out of the five country DEECD regions schools experienced above average difficulties in staffing their curriculum. Compared to the statewide average of 34.4%, 54.5% of schools in Hume, 43.6% in Gippsland, 43.5% in Loddon Campaspe and 39.5% in Grampians were unable to run specific programs due to a lack of qualified teachers. This means that students in the affected schools had narrower course options than their metropolitan counterparts.

Another contributing factor to the staffing problems faced by rural schools is the level of contract teaching. While the Department has not made available aggregated figures for the level of contract teaching as a whole in rural areas, the figures for the 2007 Graduate Recruitment program show that 75% of these positions in rural areas were fixed term contracts – the corresponding figure for metropolitan Melbourne was 67%. (*Teacher Supply and Demand report 2007*) The low levels of ongoing employment for new graduates compound the recruitment problem and increase staff turn-over in rural schools.

A range of reports have identified the difficulties faced by rural young people in their transition from school to university. They include:

- The lack of study options where they live.
- The expenses incurred in studying away from home, which have been identified by rural young people as the biggest challenge affecting their participation and choices (Godden 2007, James 2008).
- Problems with the Commonwealth Youth Allowance: the rigidity of its rules concerning eligibility eg the definition of 'independent', the 18 month full time work requirement and the adequacy of the allowance to cover the costs of tertiary study for rural students. The result has been a 6.4% drop in the number of students receiving either Austudy (over 25s) or the Youth Allowance since 1998. (James 2008, p.20)
- The difficulties of studying away from home ranging through travel, relocation, independent living, lack of familial and community support, isolation and finding part-time employment.

### **Low SES Metropolitan Location Disadvantage**

There are a range of locations in metropolitan Melbourne where participation in higher education is significantly lower than the average for Melbourne as a whole. These urban areas have larger proportions of people in the low SES categories and relatively fewer people in the higher SES groups. Their participation levels reflect the fact that the higher education student population is weighted towards an over-representation of higher SES groups at the expense of lower SES groups.

The 2006 census identifies locations of disadvantage within greater Melbourne. These areas have a concentration of low income households and

individuals, relatively high unemployment rates, high levels of one parent families with dependent children and low levels of people with tertiary qualifications. Areas which fit into this profile include Braybrook, Albion, Broadmeadows, Dallas, Meadow Heights, Coolaroo, Frankston North, Dandenong and Springvale. In these locations many households received a gross weekly income of less than \$500 with the unemployment rate on census night around 12%, as compared to an overall Melbourne rate of 5.4%.

The differences in educational attainment of people living in these areas compared to high SES areas are stark. The Year 12 completion rate for low SES groups in Victoria in 2006 was 58% compared to 68% for high SES groups. Using the 2006 census data to look at specific locations, the proportion of people with Year 12 or equivalent qualification residing in the suburb of Hawthorn was 75.5% and 72.4% in the suburb of Canterbury. In contrast, the corresponding figure for the suburb of Dandenong was 40.3%, Braybrook 38%, Broadmeadows 29.9% and Frankston North 22.7%.

The importance of this data to any understanding of low participation rates in higher education arises from the linkages between parental educational background and student educational outcomes (*James, P.8*). Apart from the inhibiting influence of economic factors (capacity and willingness to pay and/or go into debt), these linkages relate to lower expectations, less encouragement, lower levels of confidence, a lack of experience of higher education and less knowledge about available options and career pathways.

The school background impact on student higher education participation rates largely reflects the SES composition of the student population. The VCE performance data, and On Track data about student higher education access, identify many of the schools in disadvantaged metropolitan areas as 'low performing'. Stephen Lamb has described the very difficult situation faced by these schools:

*"At the end of 25 years of reform, schools in the poorer areas of Melbourne had become residualised and were a shadow of their former selves. They had become 'sink' schools denuded of student numbers and resources, and, thanks to these changes, repositories of academic failure". (Lamb 2007)*

The differences in higher education participation rates between students from schools in the government and non-government sectors are both a reflection of the differences in the characteristics of the student populations in each sector and an indication that efforts to improve participation levels should concentrate on the government system.

The first year intakes into Melbourne and Monash Universities in 2006 (see table below) illustrate the difficulties faced by government school students in gaining access to high prestige academic study.

## School sector and university access 2006

School Sector	% of first year students at Melbourne University	% of first year students at Monash University	% of Year 12 students
Government	35	43	58
Catholic	17	24	22
Independent	48	33	20

(Source: *The Age*, 17/2/07)

There is also evidence from research studies carried out separately by Richard Teese and Daniel Edwards that access to higher education for students from government schools has become more difficult as competition for places at 'second-tier' universities such as LaTrobe and Victoria Universities has increased.

The differences in student population characteristics in each school sector are outlined in the ABS publication: *Australian Social Trends* (2006).

### School sector student population characteristics

School Sector	% students from low income house holds	% students from high income households	% students from one parent house holds	% students with household member with a bachelor degree or higher	% of people who attended sector school who completed Year 12 (2005)
Government	26	8	23	20	69
Catholic	17	16	16	39	83
Independent	16	26	11	51	91

(Source: *Australian Social Trends 2006*, ABS. 2003-04 national figures)

The 2006 Universities Australia final report on student finances compared upfront payment of HECS fees according to school sector. It found that 42.2% of full-time undergraduate students who had attended an independent school paid all or part of their HECS fees upfront as compared to 29.8% from government schools (*UA 2007*).

## RECOMMENDATIONS

### 1. Addressing student financial needs

Higher education should be made affordable for all potential students. The cost disincentives for young people from rural and low SES metropolitan locations need to be removed or, at the very least, ameliorated.

The growing lack of affordability of tertiary education in Australia is a result of the previous Howard Government's policies. The OECD's 2007 *Education at a Glance* showed that:

- 1995-2004 Australia was the only OECD Country where public funding of tertiary education decreased. It fell by 4% while the average public funding increase for OECD countries was 49%.

- Australia is 25<sup>th</sup> of 29 OECD countries in its level of public funding of tertiary education as a proportion of GDP.
- 1995-2004 the proportion of tertiary funding that came from private sources in Australia increased from 35.2% to 52.8%. Australia is the third most dependent on private funding amongst OECD countries. The major source of this funding is student fees.
- Tuition fees in Australian public tertiary institutions are the 3<sup>rd</sup> highest in the OECD after the United States and Japan.

Simon Marginson from the Centre for the Study of Higher Education at Melbourne University estimates that the rate of federal funding of student places has fallen so low that "the unit funding for those places (the federal subsidy plus student HECS) is below unit cost" (*The Age* 17/2/08).

In their survey of 19,000 students in 2006, Universities Australia found that the average private debt at graduation was \$25,000 on top of the HECS debt. HECS charges range from \$4,077 to \$8,499 p.a. and many students graduate with a HECS debt of more than \$25,000. The Universities Australia survey found that 24.4% of undergraduates took out a repayable loan for their studies – up from 10.7% in 2000. 41.8% of full-time undergraduates had a total annual income of less than \$10,000. Only 27% of full-time students receive federal living allowances. The survey also found that students were spending more time in paid work and were often skipping classes because of their work commitments.

The costs of living away from home, for rural students, have been estimated at \$15,000 to \$20,000 per year (*The Australian*, 23/4/08). The cost of rent accommodation in Melbourne rose by 12.7% in the past 12 months – three times the average annual increase over the past eight years. The Victorian Office of Housing rental report for September 2007 indicated that the proportion of rental properties that can be afforded by low-income earners was down to 25.2% - the lowest rate in eight years. Rental vacancies across Melbourne were 1.4% as compared to the average vacancy rate of 2000-05 of 3.4%. It is estimated that rents will rise a further 14% over the next year.

The major official funding support for students from low income households is the Commonwealth Youth Allowance. The rules governing eligibility for the allowance and the amount of the allowance need to be substantially improved. The present full Youth Allowance rate for 18 years and over living away from home is \$355.40 per fortnight. The Melbourne Institute of Applied Economics and Social Research calculated that the poverty line for the December quarter 2007 for a single person is \$748.22 per fortnight. As a first step the Youth Allowance should be increased by 25%.

The Youth Allowance eligibility rules need to be amended. The previous Federal Government narrowed the eligibility rules as part of its general cost-cutting and ideological approaches to tertiary funding and welfare benefits. The age of 'independence', presently set at 25 years, needs to be lowered to a more realistic 18 for students who genuinely fall into this category. The present requirement is that those under 25 can only prove their

'independence' by being out of school for 18 months and earning at least \$18,500 or working at least 30 hours per week for the past two years. This encourages students to defer their studies and can act as a disincentive to further study.

Parental income threshold limits for the allowance need to be raised. At present non-independent students can get the full Youth Allowance if their parents' income is less than \$31,400. The amount of the allowance reduces by \$1 for every \$4 above that threshold. This threshold is too low, particularly for families from rural areas who may be asset rich but have limited cash flow and whose children are facing up to \$20,000 p.a. in living costs through moving to Melbourne.

Additional measures which need to be taken include more targeted equity scholarships and more support for student housing, including subsidised accommodation and increased rent assistance rates.

## **2. Funded targets to improve low SES and rural participation**

Each university should be required to have targets to substantially increase the proportion of students from low SES and rural locations at their institution. The aim would be to close the gap between university participation and the proportion of the population from these backgrounds. Government funding should be provided to assist the achievement of these targets. Strategies which could be employed, and which are currently being used by different universities, include: reserved places, bridging programs, outreach/school partnership programs, teacher/school recommendations and flexi-mode distance education options.

Mature age entry options for people from low SES and rural locations should be enhanced. In 2006 (*DEST*) over 25% of commencing undergraduates at Australian universities were 25 years or over. Given their present under-representation, targets for students from low SES groups and rural locations should also be set for the mature-aged entry cohort.

## **3. Funding of government schools**

Government schools should receive additional funding to enable rural and low SES students to increase their participation levels in higher education. The characteristics of the government school student population, and the existing participation levels of students from government schools (which are a reflection of the former), mean that the push to increase participation levels in higher education for young people living in disadvantaged locations should concentrate on government schools. The gap between the funding available to high SES non-government schools with few if any equity groups and non-selective 'universal' government schools needs to be closed.

Government schools in disadvantaged locations need to be revitalised through sustained facilities and equipment spending. They should not look like the poor cousins of their non-government neighbours. Closer links should be

established through education precinct developments which integrate public education from early childhood to TAFE and university. The additional funding should be used in both government primary and secondary schools to meet the educational needs of students throughout their school life to improve achievement levels and retention rates and therefore increase the proportion of students able to enter the range of higher education courses, including high prestige areas. The additional funding could be used to strategically lower class sizes and allow the implementation of new programs for students and teachers. The funding formula should prioritise schools with low school completion rates.

#### **4. Attracting and retaining teachers in hard-to-staff schools**

The growing problem of teacher supply in rural and remote areas and other hard-to-staff locations needs to be addressed. The primary means of doing this is to make teaching more attractive as an occupation, able to successfully compete in the market for the best new graduates. Measures should include: significantly improving salaries, reducing workloads and severely limiting the situations where a fixed term contract position (rather than an ongoing position) can be offered in a government school. New teachers should be given more support and encouragement to remain in government schools through a reduction of at least 10% in their duties during their first year and time allowances (5%) for more experienced teachers to act as their mentors.

In addition to these overall measures, sufficiently generous scholarship schemes (which include a living allowance) should be used to attract young people into high demand curriculum areas in teacher education courses and to first degree courses linked into subsequent post-graduate teacher education courses. Scholarship recipients who successfully complete their courses would be employed in ongoing positions in hard-to-staff government schools.

#### **5. TAFE–Higher Education Pathways**

There should be a broadly based tertiary education system with clearly established and easily accessible articulation pathways between TAFE and higher education. This could help to raise the status of TAFE, provide more study locations and a wider choice of courses and create better pathways for young people living in rural and remote regions and low SES urban locations to move from VET into higher education.

Participation in TAFE for low SES and rural young people is of great importance both as an alternative to university and as a pathway to higher education. The On Track data for 2006 found that while participation in university increased with each rise in socio-economic status, participation in VET was at its highest at the lowest SES levels (see below).

## Destination of Victorian Year 12 or equivalent completers 2006

	Lowest SES %	Lower mid SES %	Upper mid SES %	Highest SES %	Total %
University	37.6	39.7	46.5	60.2	46.2
VET	34.7	33.2	29.4	21.5	29.7

*(Source: James 2008, P.29 from Teese et al 2007)*

2006 census data illustrates the differences in type of qualification in contrasting SES suburbs in Melbourne. In the high SES suburb of Hawthorn 60.8% of the population (15 and over) had a higher education qualification and 22.1% had a VET qualification. In Canterbury there is a similar pattern - 59.2% had a higher education qualification and 24.4% had a VET qualification. In contrast, in Broadmeadows, 12.3% had a higher education qualification and 38.3% had a VET qualification. In Frankston North the corresponding figures were 8.0% (HE) and 50.5% (VET). The Victorian figures as a whole were 32.7% (HE) and 43.0% (VET).

Research from NCVER found that participation in VET nationally was highest in low SES areas (12.7 students per 100 population) and lowest in high SES areas (8.7%) with the national average at 10.8%. (Foley, 2005, p.8). The report indicated that this difference was partly due to high participation levels from students from regions outside capital cities, which tend to be low SES areas. Students from remote (16.4%) and rural (13.8%) regions have significantly greater VET participation than students from non-capital metropolitan areas (10.6%) and capital cities (9.5%). A DEST survey in 2005 found that VET was more positively viewed as an equivalent to university by young people in rural and remote areas than those in the major cities (*James, p.38*).

The NCVER research also found that students living in low SES areas and enrolled in VET courses attained better than average results, achieving a higher proportion of qualifications issued (30.5%) than their share of total enrolments (28.8%). (*Foley p.28*)

The movement of students between the higher education and VET sectors is difficult to track because of a lack of systematic data collection. (*James, p.28*). One indication of the level of use of the VET-to-university pathway is contained in the NCVER annual Student Outcomes survey. In 2005 it found that 10% of VET graduates were enrolled in further study at a university. (*Karmel, 2007 p.21*) To increase this proportion, identified TAFE-to-university articulation problems need to be addressed.

### **6. Support for regional universities and regional campuses of metropolitan universities**

Commonwealth and State Government policies should ensure the viability of regional universities and regional campuses of metropolitan universities. They should also support regionally located TAFE campuses and encourage articulation arrangements and other linkages between them and higher education providers.

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