



UNIVERSITY OF BALLARAT

**INQUIRY INTO  
RURAL AND REGIONAL ACCESS  
TO SECONDARY AND TERTIARY  
EDUCATION OPPORTUNITIES**

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## Terms of Reference

On 16 June 2009, the Senate referred the following matter to the Senate Rural and Regional Affairs and Transport References Committee for inquiry and report by 29 October 2009:

An assessment of the adequacy of Government measures to provide equitable access to secondary and post-secondary education opportunities to students from rural and regional communities attending metropolitan institutions, and metropolitan students attending regional universities or technical and further education (TAFE) colleges, with particular reference to:

- a. the financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE;
- b. the education alternatives for rural and regional students wanting to study in regional areas;
- c. the implications of current and proposed government measures on prospective students living in rural and regional areas;
- d. the short- and long-term impact of current and proposed government policies on regional university and TAFE college enrolments;
- e. the adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;
- f. the educational needs of rural and regional students;
- g. the impact of government measures and proposals on rural and regional communities;  
and
- h. other related matters.

## Introduction

The University of Ballarat (UB) welcomes the opportunity to make a submission to the Senate Rural and Regional Affairs and Transport Committee's Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities.

UB is regional Victoria's major centre for higher education, vocational training and advanced research. It is a significant regional employer, manager of Australia's leading ICT hub, and is Central Victoria's largest industry, builder of infrastructure, and developer of community networks.

UB submits that the obligations of a regional university extend beyond educational policy and delivery to include equity considerations. UB's engagement with the communities of Ballarat, central and western Victoria, and Melbourne is necessarily conditioned by low educational participation rates characteristic of regional Australia; by high rates of student deferment; by the high operating costs attendant on providing higher education (HE) and TAFE programs in a regional setting; by the impossibility of meeting all student academic and/or skill needs; and by contestability.

Through this submission UB seeks to participate in national dialogue concerning issues identified in the Committee's Terms of Reference. In particular, UB seeks to promote discussion of the impacts that proposed changes to the Youth Allowance will have on the recruitment and retention of its student body, and on the capacity of regional and rural students to realistically pursue post-secondary education.

UB would be pleased to meet with the Committee to discuss the matters raised in this submission. Further, the University extends to the Committee an invitation to visit Ballarat and see first hand the challenges confronting a regional university striving to meet its mandated educational, vocational, professional and social obligations.

## University of Ballarat

UB was founded in 1994 under an Act of the Parliament of Victoria (*University of Ballarat Act 1993* [017/1993]). Under its Act of incorporation the University must provide "educational, cultural, professional, technical and vocational services to the community and of persons living and working in Central and Western Victoria". It meets this charter by combining higher education, vocational training, advanced research, industry alliances and academic partnerships with a regional orientation and active involvement in the economic, social and environmental concerns of the Ballarat, and western and central Victorian communities.

UB is one of just five dual-sector institutions — HE and TAFE — in Australia. It is the only dual-sector university located exclusively in regional Victoria. It is the only dual sector University headquartered in regional Victoria.

In 2008, the University taught 23,429 students (HE and TAFE) of whom 34 per cent (7,966) were international students. Its catchment area for domestic students (15,463) extends from the Melton corridor on the north-western periphery of Melbourne to the South Australian border, and from the coast west of Geelong to the New South Wales border.

The University has a complement of 1,181 staff (Full Time Equivalent) comprising academic, TAFE, and general staff located at campuses in Ballarat (Mt Helen; SMB; Camp Street), and at Ararat, Stawell and Horsham. As well as catering for students, UB's six campuses are widely used by the public (infrastructure, resources and services) emphasising integration with Victoria's regional and rural communities.

In 2008, UB had a total revenue of \$228 million. It had operating expenses of \$213 million. Revenue from Commonwealth Government Grants, HECS, Victorian State Government Grants and student fees are essential to UB's operating budget.

Educationally, UB attracts a higher proportion of its Commonwealth load students — 72 per cent— from regional, rural and remote backgrounds than any other university in Victoria and any other regional university in Australia. The dual-sector nature of the University, a spread of access opportunities presented by multi-locational campuses, and an understanding of regional, rural and remote socio-economic circumstances are partially responsible for the continuous growth experienced by the University since the mid-1990s.

So too, however, is teaching and research excellence. The University offers an extensive range of higher education and TAFE courses spanning academic, vocational education and training programs, and technical education programs for 16 to 21 year olds. These programs are delivered throughout central and western Victoria, nationally through accredited partner providers, and internationally in China, Singapore, Malaysia and Hong Kong.

Regional orientation, and educational and research distinction, are further enhanced with synergies created at the University's Technology Park. Some 1,350 people are employed in the Technology Park, half of whom hold UB degrees. The strong associations between the University and prominent industry tenants has won for Ballarat a national reputation as Australia's leading telecommunication and IT hub. In this direct and very practical association with the development and use of needed skills is found the strongest expression of regional, dual-sector education: it offers academic competency; vocational opportunity; skills-based applicability, community engagement; social responsibility; and economic leadership — in a regional setting.

UB is a regional institution serving regional needs in the interests of provincial, state and national goals. This submission is therefore informed by direct, practical experience of students in regional locations seeking post-secondary education.

## **Regional context**

Australian higher education is characterised by relatively low participation rates of people from rural or regional backgrounds. In Victoria there is a two in three likelihood that students completing secondary education in regional and rural Victoria will not participate in HE compared with their metropolitan counterparts. Metropolitan students have a greater than one in two chance of going to university.

Geographic differences (especially between regional and metropolitan Victoria) influence the extent to which Victorian students participate in higher education and these influences are significant, pervasive and growing: rurality, socio-economic status and gender combine to promote educational disadvantage.

This is further aggravated by the —

precarious state of many rural communities, the decline of services, fewer transport options, disaffection of young people, youth depression and suicide, rural insecurity, low morale caused by drought and rural contraction, low incomes, unemployment, increased risk taking, drug abuse and unsafe sexual activity among the young, retreat of professionals to large towns and cities, high unemployment and poor community health <sup>1</sup>.

Given such circumstances, it is hardly surprising that the educational gap between regional and metropolitan Victoria is widening. Indeed, it has been claimed a “miracle” <sup>2</sup> that educational outcomes in regional and rural areas of Victoria are as good as they are.

Regional and rural families in Victoria have a significant influence on shaping the aspirations of their children in relation to higher education. UB data show that seven in 10 students on Commonwealth Supported Places (HECS) are the first members of their family to attend a university. UB has further found that, compared with their metropolitan counterparts, students from regional and rural Victoria:

- have lower aspirations to undertake higher education studies;
- are more likely to pursue employment options at the completion of their secondary schooling;
- come from schools which generally have lower Year 12 retention rates; and
- are more likely to defer their enrolment into higher education institutions with one in five rural and regional students currently deferring their university studies compared to one in every 16 metropolitan students <sup>3</sup>.

Differing rates of student participation are therefore an unavoidable backdrop against which any consideration of the Committee’s Terms of Reference must be set. In particular, they beg the question of what levels of support are required not only to support regional students studying in metropolitan areas or metropolitan students electing to study outside capital cities, but also of what support structures, supports and networks are required to halt the decline in current participation rates and possibly increase the numbers of regional students participating in post-secondary education.

## Terms of Reference

The University of Ballarat contends that any —

assessment of the adequacy of Government measures to provide equitable access to secondary and post-secondary education opportunities to students from rural and regional communities attending metropolitan institutions, and metropolitan students attending regional universities or technical and further education (TAFE) colleges

— must necessarily recognise several related processes that are influencing post-secondary educational outcomes in regional Australia.

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<sup>1</sup> B. Golding, C. Barnett, M. Brown, L. Angus and J Harvey (2007) ‘Everything is Harder’: *Participation in Tertiary Education of Young People from Rural and Regional Victoria*, University of Ballarat, Ballarat, 2007.

<sup>2</sup> Golding et al.

<sup>3</sup> University of Ballarat, *University of Ballarat’s 2007 Equity Outreach Project: Evaluation Report*, The University of Ballarat, Ballarat, 2007.

These include the adequacy of government financial support programs including, in particular, the Youth Allowance; the range of educational opportunities available to regional students; the influence that proximity and accessibility play in determining educational preference outcomes; falling regional participation rates; increasing regional deferment rates; an inability to meet regional skill, vocational and academic student needs; and the high cost of providing post-secondary education in a regional setting.

UB has sought to address these matters within the Committee's Terms of Reference. In order to facilitate discussion, UB has taken the opportunity to address Terms of Reference Part A (financial impact) and Part E (relocation costs) simultaneously.

## **Term of Reference Parts A and E**

**The financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE;**

**The adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;**

### **Financial Costs**

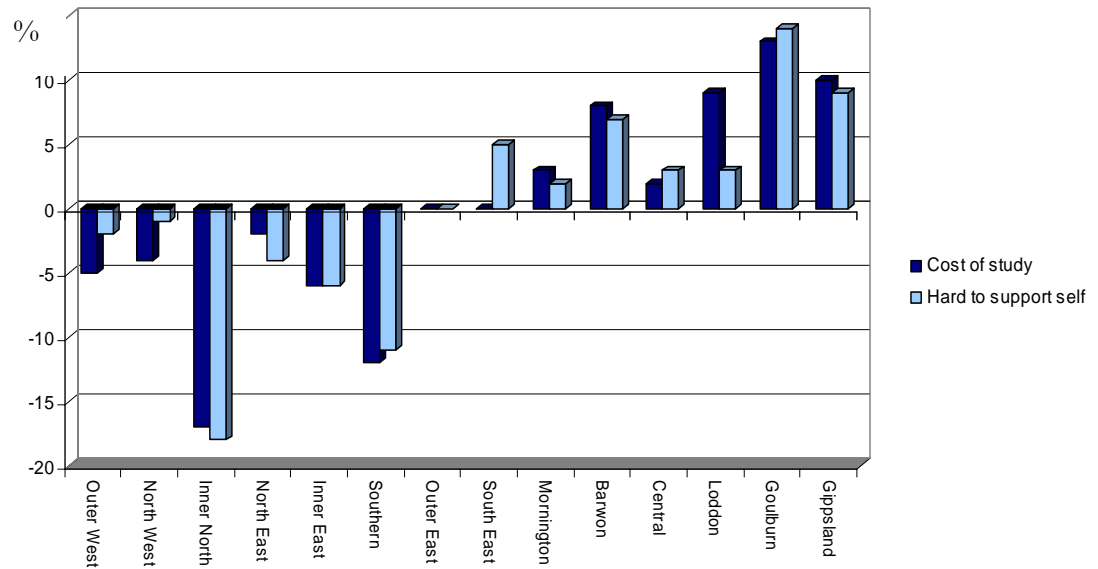
On 4 July 2007 *The Age* reported "Uni costs turn rural students off" and stated that "country students are more than twice as likely as their Melbourne peers to defer university, and increasingly blame their decision on the growing cost of university life". The report, based on the On Track survey, showed that while more than half of Melbourne-based students enrol at university straight out of school (52.1 percent) the country figure is 33.9 percent and that one in six school graduates from regional Victoria who won a university spot this year chose not to enrol, compared with just one in 15 from Melbourne.

The report further found that country students were more likely to be deterred by a combination of high costs and the fact they had to leave home to study. It concluded —

Thirty-seven percent of regional students told the survey for State Government initiative On Track they were waiting to qualify for an independent Youth Allowance before studying, compared with 15 percent of city students. The easiest way to qualify is by earning about \$18,000 over 18 months before starting . . . [and] . . . They have got into the strategy of taking a year off to earn enough to qualify for the independent Youth Allowance.

The regional impact of such costs — educational costs and support costs — are shown in Figure 1. In addition, Figure 1 shows the financial divide between metropolitan and non-metropolitan regions. A wide range of educational choices within metropolitan areas enable students to pursue vocational choices while remaining at home. Lower socio-economic circumstances combined with restricted educational choices are more confronting outside Melbourne. Finally, it should be noted that as a general proposition, while tuition and associated course costs are not appreciably different between institutions, rural students perceive course costs to be an issue.

**Figure 1:** Financial barriers to further education and training, by region, Victoria, 2007.



Source: On Track Figure 61 Financial barriers to further education and training, by region p57

The University of Ballarat is concerned that the combination of course costs, living costs, transport costs — particularly for those residents of regional Victoria who daily either travel to Melbourne, or to another regional centre (eg. Ballarat to Geelong) — relocation costs, and a lack of regional choices are central to any understanding of the participation gap between regional and metropolitan Victoria.

### Government support available to regional students

UB conducts a biannual survey of commencing students seeking information on the financial situation of students and the financial pressures associated with tertiary study. In 2008, a survey of 1080 respondents found 73.8 per cent indicated that undertaking tertiary studies would cause them financial pressure. Of these more than 40 per cent indicated that they were reliant on a Centrelink payment such as a pension, Youth Allowance, Austudy or Abstudy. Approximately 61 per cent stated that they were working part-time to support themselves through studies, and 32 per cent stated that they relied on parents or the support of a partner (respondents could indicate more than one option).

Whilst it is not possible to identify specifically what form of Centrelink support is accessed by UB students, anecdotal evidence combined with the fact that in 2008 80.2 per cent of commencing students were aged less than 24 years, indicates that the majority are receiving the Youth Allowance/Abstudy. In addition, a number of these students would be accessing the other payments such as disability support pension, carer, or parenting payments. A number of students aged 25 years or greater will likewise be in receipt of these payments, or Austudy/Abstudy.

Under the Commonwealth Scholarship scheme administered by the University, all students on Centrelink payments (Youth Allowance, Abstudy, Austudy, disability support pension, carer or parenting payments), plus those otherwise demonstrating financial hardship are eligible for scholarships.

## Youth Allowance

In its 2007 submission to the Victorian Parliamentary Inquiry into *Geographical Differences in the Rate in which Victorian Students Participate in Higher Education*, UB recommended that

the State Government of Victoria secure from the Commonwealth a commitment to change the regulations of the Youth Allowance so that more students from regional and rural areas of Victoria are able to participate in higher education immediately following their secondary schooling;

This recommendation pre-dated the Federal Government's budget announcements and asserted that there is now overwhelming evidence that the lack of access to, and the real value of, the Youth Allowance directly contributes to the low participation rates in higher education amongst the 18 to 25 year age group in regional and rural areas of Victoria.

The University of Ballarat's submission to the Parliamentary Inquiry further stated that —

The recent work by Naomi Godden<sup>4</sup> concludes that “many regional young people cannot access Youth Allowance income support due to stringent eligibility criteria, suggesting causation to low regional tertiary participation.” Godden indicates that the annual cost for regional young people to study away from home is estimated at \$15-20,000 a year which is often out of reach of many people in rural communities. Because the Youth Allowance eligibility is assessed against their parents' assets and income this is “particularly inequitable for farmers or business-owners, because their assets (including land) provide income and cannot be sold.” Godden found in her research that “the enormous financial burden on families to support their children, and strict Youth Allowance eligibility, cause some families to resort to desperate means to ensure their children are financially supported” at university.

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

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

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<sup>4</sup> Naomi Godden (2007) *Regional Young People and Youth Allowance: Access to Tertiary Education*. Charles Sturt University, Wagga Wagga.



Researchers from UB have also found that —

...many rural and regional young people and their parents are unaware of the requirements for qualification for Youth Allowance. Many parents simply do not have the 'savvy' or awareness of ways of 'working the system' and securing support payments that could possibly make a huge difference in judgements about whether leaving home to attend university was financially feasible.<sup>5</sup>

These findings, and those of Godden and the Bradley Review<sup>6</sup>, lead to the conclusion that in regional and rural areas there are "overwhelmingly negative attitudes towards [the] Youth Allowance [because] the eligibility criteria are far too strict, and [the] Youth Allowance does not address the needs of regional Australians, creating a barrier to tertiary education."

UB considers that a close examination of the Youth Allowance is essential to the Committee's Terms of Reference. From a regional perspective, participation rates, study location preferences, enrolment outcomes, and intra-regional social and economic dynamics are closely linked to the perception and operation of the Youth Allowance.

### **Proposed Youth Allowance reforms**

The Federal Government, drawing on the recommendation of the Bradley Review, has recently proposed a number of reforms to the Youth Allowance and the Commonwealth Scholarship scheme. In summary these proposals:

#### **From 2010**

- raise the parental income test threshold to access the maximum rate of Youth Allowance/Abstudy from \$32,800 to \$42,559;
- adjust the child taper arrangements for incomes above the threshold (broadly aligning with Family Tax Benefit – Part A arrangements); this introduces higher parental income test cut-out points for access to partial payments of the Youth Allowance/Abstudy;
- provide some Rent Assistance above parental income cut-out points to some students who are obliged to move from home for study purposes;
- tighten criteria for establishing financial independence for Youth Allowance/Abstudy support by removing two of the existing three workforce participation elements, thereby restricting access to independent Youth Allowance;
- reduce the age of independence from 25 years to 22 years of age (phased implementation: 24 years in 2010; 23 years in 2011; 22 years in 2012);
- replace the Commonwealth Education Costs Scholarship (currently capped and administered by universities) with the equivalently-valued Start-up Scholarship of \$2,254 (2010; indexed thereafter) available to all university students receiving Youth Allowance/Austudy/Abstudy;
- relax the means testing of equity and merit-based scholarships provided by universities and philanthropic organisations up to a combined value of \$6,622; and
- replace the Commonwealth Accommodation Scholarship (currently available only to students who move from rural areas; it is capped, administered by universities, and provides \$4,415 each year for 4 years) with a Relocation Scholarship of \$4,000 in

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<sup>5</sup> Barry Golding, Clem Barnett, Mike Brown, Lawrie Angus and Jack Harvey (2007) 'Everything is Harder': Participation in Tertiary Education of Young People from Rural and Regional Victoria, University of Ballarat, Ballarat.

<sup>6</sup> Australian Government, Review of Australian Higher Education. Final Report, Canberra, 2008, pp.47-67

first year (2010) and \$1,000 (indexed) in subsequent years. It will be available to all university students receiving a dependent Youth Allowance/Abstudy.

#### **From 2011**

- raise personal income threshold from \$236 to \$400/fortnight (indexed to CPI) so that students receiving Youth Allowance or Austudy/Abstudy will be able to earn more before their payments are reduced;

#### **From 2012**

- extend student income support to all Masters Degree by coursework programs.

Such reforms, it is claimed, will increase the number of students eligible to receive the Youth Allowance and associated scholarships. In particular, the Federal Government has argued that the proposed reforms will enable a greater number of students from lower socio-economic backgrounds to pursue post-secondary education.

UB acknowledges a number of positive outcomes that will result from the proposed changes. These include:

- more students will be eligible for the *full dependent* Youth Allowance as a result of the parental asset/ income threshold being raised from \$32,800 to \$42,559;
- more students will be eligible for the *partial dependent* Youth Allowance due to improvements in the taper and increased parental income thresholds;
- more students who previously felt obliged to take a gap year in order to gain independence will now have access to the *partial dependent* Youth Allowance and attendant scholarships enabling them move directly from secondary to post-secondary study without a gap;
- more students will be able to access *start-up scholarships* than was possible previously;
- more students, including metropolitan students, will gain access to *relocation scholarships* than was previously possible;
- more students will be able to access university/philanthropic organisation scholarships up to a value of \$6,622 (2010 value) before their Youth Allowance is reduced; and
- students will be able to earn more income before their Youth Allowance is reduced.

UB emphatically supports greater access to tertiary education for lower socio-economic groups, particularly in regional Australia and, specifically, in regional Victoria. Yet in acknowledging that the proposed Youth Allowance reforms will confer considerable benefit, the University must also conclude that the recognition of rural disadvantage has been reduced and that the support for regional and rural students has potentially worsened.

Accordingly, UB now draws the attention of the Committee to these concerns.

#### **Parental income thresholds**

UB notes that both in the Bradley Review and in the Government's response, the justification for tightening eligibility for independent Youth Allowance was based on data indicating that 36 per cent of independent students receiving the Youth Allowance and *living at home* were from families with incomes greater than \$100,000. UB notes,

however, that no research has been cited based on patterns of use for students living away from home, particularly from rural families.

Full independent Youth Allowance, based on the economic and educational realities of undertaking tertiary education, is widely regarded within post-secondary education communities as being the *minimum* support needed to undertake study away from home. In addition, a Commonwealth Accommodation Scholarship, available only to students obliged to relocate from a regional location was considered as a “tipping” enabling factor. That is, relocation expenses and attendant support was the essential factor. The higher number of rural students deferring study appears to support this conclusion.

While acknowledging that changes in the income parental threshold level will assist more students to access Youth Allowance, and the “sliding scale” linking Youth Allowance support to parental assets/income levels enables greater access to partial dependent Youth Allowance, the proposed changes impose severe restrictions on potential students who are obliged to relocate in order to study.

Dependent regional and rural students will receive the equivalent of a full Youth Allowance up to a parental income level of \$64,000 (once start-up and relocation scholarships have been factored in). Once a parental income level of \$65,000 is reached, Youth Allowance/Scholarship support begins to fall, as the following examples show —

- ~\$400/ft\* at \$60,000 parental income;
- ~\$323/ft\* at \$70,000 parental income;
- ~\$247/ft\* at \$80,000 parental income;
- ~\$170/ft\* at \$90,000 parental income;
- ~\$0/ft\* at \$100,000 parental income.

*\* scholarship payments have been modeled based on one dependent student away from home, and averaged over 3 years (to smooth relocation scholarship front-loading) and then presented as fortnightly payments – ie spread over 26 fortnights rather than lump sum payments.*

Previously, rural students who gained independence would have received a full independent youth allowance (\$371/ft). Many of these students also received a Commonwealth Accommodation Scholarship (average: \$153/ft) designed to target rural disadvantage. This provided fortnightly support of approximately \$524. Under the proposed reforms, many of these students will now receive significantly less – or nothing. UB considers this to be a major problem, particularly as it has the potential to drive regional participation rates down still further.

This begs the question of what income level is required by rural families to support their children to move. Or, put another way, at what level does the disincentive to access higher education through not having full Youth Allowance cease to be a factor. A rural student (sole dependant), for example, with parental income levels of \$94,000/annum but whose university vocational preferences are available only in Melbourne, would not be eligible for the Youth Allowance or any scholarship (based on current reading of DEEWR student assistance estimator and fact sheets). Unless there were alternative educational opportunities available closer to home — and vocational aspirations may not even permit such a choice — a prospective student in these circumstances would be

obliged either to move (without Government support); to change their career aspirations; to defer; or to abandon post-secondary plans.

UB suggests to the Committee that it does not follow that higher income families are automatically equipped to support children obliged to live in Melbourne just as it equally does not follow that parents located in Melbourne on an equivalent income base can automatically support children who wish to relocate to non-metropolitan Victoria. Family circumstances are irreducible to a simple “higher income automatically enables families to support their children with course, relocation and cost of living expenses” formula.

While UB acknowledges that under the proposed Youth Allowance arrangements students will have the ability to earn more money while studying before their Youth Allowance is reduced, it is equally the case that students entitled to a partial dependent or no Youth Allowance (who previously would have been on full independent Youth Allowance) will need to take even more time in employment while studying. This has significant implications for their study and, potentially, their health.

UB acknowledges that there may well be some children of wealthy non-metropolitan families who have moved in order to study and who, by qualifying for an independent Youth Allowance through the workforce participation criteria, could be considered to be “rorting” the system. What, however, has neither been researched nor established is the balance between such “rorters” and those for whom Government relocation support is the essential deciding factor between studying or not studying.

What is known is the much higher rate of rural to metropolitan deferment. The difference suggests a greater imperative for prospective rural students to defer and that such an imperative is financially driven, a finding likewise presented to the Victorian Parliamentary Inquiry into Retaining Young People in Rural Towns and Communities by Deakin University<sup>7</sup>. UB experience also indicates that it is not unreasonable to infer financial need, and therefore access to an independent Youth Allowance to enable university participation, as being an explanation for the significantly higher rates of deferment.

The association between low regional and rural participation rates, high rates of deferment, and the financial costs experienced by regional and rural students for study, relocation and cost of living have therefore entered the lexicon of higher education dialogue without categorical research. UB therefore recommends:

**Recommendation 1**

That, as a matter of urgency, the Federal Government conducts an investigation into —

- the association between relocation, course, cost of living and transport costs, parental income, and the low rates of regional and rural post-secondary education participation;
- the association between relocation, course, cost of living and transport costs, parental income, and the high rates of regional and rural post-secondary education deferment;
- and
- the financial costs imposed on regional students seeking to study in metropolitan

<sup>7</sup> Rural and Regional Services and Development Committee, *Inquiry into Retaining Young People in Rural Towns and Communities*, Parliament of Victoria, Melbourne, 2006, p.209.

areas or rural areas away from their home locations, and on metropolitan students seeking to study in non-metropolitan areas

— in order to provide definitive evidence concerning the economic context within which regional, rural and metropolitan post-secondary students are compelled to function.

### **Financial Independence**

Rural students wishing to access full Youth Allowance through financial independence criteria in order to fund study in metropolitan locations or in rural locations away from their homes, or metropolitan students wishing to study in regional areas, retain the option of qualifying for independence through employment. This option is, however, severely restricted. Although the impact of the tightened independence measures is difficult to predict, it is anticipated that fewer students will seek financial independence.

Previously, a student could gain financial independence by deferring and earning \$19,500 in an 18 month period. Now, the proposed eligibility criterion is to work for at least 30 hours per week for at least 18 months over a two year period.

UB is able to advise the Committee that many rural and regional students would consider that they could not achieve 30hr/week employment. This is particularly so in rural areas where opportunities for such a high level of employment for school leavers are very low. Also, the model is metropolitan in bias for although some rural workers might be able to average 30hrs/week over 18 months with peaks and troughs (e.g. 60 hour weeks over harvest), such averaging is not permissible under the proposed model.

### **Relocation Scholarship**

By 2012, the age for an independent Youth Allowance will fall to 22 years. For a family with an income of \$42,559 or lower, their child up to the age of 22 years would have been eligible for full Youth Allowance plus a relocation scholarship. On attaining the age of 22 years, and even if still living at home or being reliant on parents, they will no longer qualify for a relocation scholarship. Given that the majority of metropolitan students will have little need for a relocation scholarship should they choose to remain at home, it follows that the group most affected by this decision is the one most in need of assistance: lower socio-economic students in non-metropolitan Victoria who are obliged, through lack of educational opportunity, to pursue their studies away from home.

Additionally it is understood that the relocation scholarship would cut out once a student moved from a dependent to an independent Youth Allowance — that is, at age 22 years. Yet the relocation costs for students have not changed. UB is concerned that a Government support mechanism for rural students, who are themselves drawn from low socio-economic backgrounds, has been removed. UB is disappointed that rural students who are obliged to move to other regional locations or to metropolitan Victoria, and metropolitan students obliged to relocate to regional Victoria, will be confronted by a further disincentive to post-secondary education.

Finally, UB notes that start-up and relocation scholarships will no longer be available to students currently receiving other Centrelink payments such as disability support

pensions or carer/parenting payments. Yet such students were previously able to access the now-replaced Commonwealth Scholarship Scheme. Again, the impact of such restrictions on regional dwellers seeking to pursue Higher Education goals in Melbourne or away from their home location is exacerbated.

### Deferments and the gap year

The accelerating rate of deferrals in regional Australia, and particularly in regional Victoria, is now well documented. In Victoria there has been a significant increase in deferral rates. In 1997, eight per cent of offers accepted were deferred (2614). By 2008 the proportion had risen to 16 per cent (5792). This represents a 122 per cent increase in the rate of deferment (Table 1).

When available intra-Victorian data are examined for the period 2000 to 2008, this trend is even more apparent, both in overall increase and in metropolitan/regional differences (Table 2). The rate of Victorian-wide deferments increased by 196 per cent; metropolitan deferments by 126 per cent; and non-metropolitan deferments by 368 per cent. In 1997 some seven per cent of offers accepted were deferred by non-metropolitan students; by 2008 the rate of regional deferment had increased to 30 per cent.

**Table 1:** Victorian Higher Education Offers, Acceptances and Deferments, 1997-2008

Year	Offers	Acceptances	Deferments	Percentage of Deferments to Acceptances
2008	44847	36557	5792	16%
2007	45585	36824	5142	14%
2006	43674	35527	4551	13%
2005	43174	33696	3476	10%
2004	40024	31759	3480	11%
2003	39629	31664	3548	11%
2002	39991	30201	2429	8%
2001	41119	30967	2704	9%
2000	40370	29840	1966	7%
1999	39333	29620	2269	8%
1998	39801	30801	2630	9%
1997	39432	31019	2614	8%

*Source:* VTAC 2008; Appendix A

**Table 2:** Intra-regional change, percentage increase, 2000-08

Regions	Offers	Acceptances	Deferments
Metropolitan	10.4%	23.5%	126.2%
Non-metropolitan	2.3%	12.6%	368.0%
Total Victoria	8.4%	20.8%	195.8%

An examination of 2008 enrolment data for UB Higher Education Portfolio shows that 1,418 offers were made through the VTAC System. UB experienced an offer acceptance rate of 86.1 per cent (which includes enrolments and deferments). The Victorian average was 81.5 per cent. UB's higher than Victorian-average rate of acceptances is accompanied by an equally higher than Victorian-average rate of deferment: 26.7 per cent of UB intra-Victorian acceptances were deferred in 2008 compared with a Victorian average for all universities of 15.8 per cent.

Provisional 2009 data indicate that there were 1,811 final VTAC offers accepted by UB students. Of students still registered as at 30 March 2009, 946 students were enrolled, 522 students had deferred, while 271 prospective students did not respond. While it must be emphasised that these data are indicative only, they suggest that the trend towards higher rates of deferment — in this case 35.6 per cent — continues.

Rates of deferral in regional areas are clearly influenced by many factors but, as noted above, differences to metropolitan rates suggest a greater imperative for rural students to defer. It is not unreasonable to infer *need* for independent Youth Allowance to enable university participation for a number of these.

Deferment is a challenging issue for regional universities. Gaining access to the independent rate of Youth Allowance can, for example, provide a solid financial base sufficient to encourage students to move immediately from secondary to tertiary education. Given, however, the strong disposition of rural students to seek work and earn an income, the gap year may lead to changed intentions. This risk is only exacerbated if students are obliged to take a longer period — 18/24 months — to qualify for independent Youth Allowance as may be the impact from proposed Government changes.

This circumstance compels prospective students to choose between applying for university and/or taking up a university offer – or not going university. For those who do defer, the impact may well be a lower eventual uptake of offers, given the length of time out of the study environment. In addition, those students who have deferred, pursued a gap year and earned an income in order to qualify for an independent Youth Allowance are then not eligible (in the main) for a relocation scholarship. Under these circumstances it would be surprising if such students did undertake tertiary studies, particularly those who are seeking to study in metropolitan Victoria, or outside their home region. It is too financially onerous.

### **Recommendations for change**

Since 1990 the Federal Government has targeted under-representation of disadvantaged groups in higher education. This includes people from rural backgrounds. More recently, the Bradley Review observed that “People from regional and remote parts of Australia remain seriously under-represented in higher education and the participation rates for both have worsened in the last five years”.

UB, informed by a regional perspective and experienced in assisting and counseling regional students, considers that several of the proposed changes to the Youth Allowance, while well intentioned, will severely disadvantage students in non-metropolitan Victoria. The changes will particularly hit those whose study preferences oblige them to relocate either to Melbourne or elsewhere in regional Victoria. UB

therefore suggests that the Youth Allowance be adjusted to take into account the following —

- In order to assist regional and rural students reach viable independence and qualification for the full independent Youth Allowance, UB would recommend a return to the original definition of “independence” as being a requirement to earn \$19,500 over an 18 month period with the proviso that such a measure be applied only to students who are obliged to relocate to undertake post-secondary studies;
- In order to increase participation rates for non-metropolitan students, particularly by maintaining momentum to study, that the financial obligation to take a gap year be removed by dropping the age of independence to 18 years but with a recognition that independence and relocation support are coupled;
- Make relocation scholarships available to students receiving an independent Youth Allowance (or on Austudy);
- Extend scholarships to all students receiving government benefits, including those receiving disability support pensions or carer/parenting payments;
- Raise Youth Allowance levels; current payments are still well below the poverty line;
- Implement proposed changes to the Youth Allowance no earlier than 2011; this would allow those who took the gap year in 2009, in good faith, to commence 2010 studies under current Youth Allowance assessment measures.

In essence, UB is urging the Committee to recognise that the Youth Allowance and the costs of post-secondary education are not uniform across metropolitan and non-metropolitan students. Nor is this a novel observation. In 2006, the Parliament of Victoria’s Rural and Regional Services and Development Committee recommended:

That the State Government [of Victoria] urge the Commonwealth to introduce a variant of the Youth Allowance payment which provides the necessary funding to overcome the higher cost of university study for rural young people<sup>8</sup>.

UB notes that this recommendation was fully supported by the State Government —

The Government recognises that investment by the Commonwealth Government in higher education provision in regional and rural areas does not reflect the true cost of higher education for regional and rural students, nor does it acknowledge that students from regional and rural areas are more likely than their metropolitan counterparts to move away from home to study. The Government will raise this issue with the Commonwealth through the Ministerial Council on Education Training and Youth Affairs (MCEETYA)<sup>9</sup>.

UB therefore recommends that the Federal Government defers introduction of its proposed definition of workforce participation criteria for independent Youth Allowance in order to permit closer investigation of the impact this will have on those students in regional areas compelled to relocate, and their metropolitan counterparts likewise compelled to relocate. UB would further recommend that deferment of the proposed workforce participation criteria,

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<sup>8</sup> Inquiry into Retaining Young People in Rural Towns and Communities, p.207.

<sup>9</sup> Whole of Government Response to the Recommendations of the Parliamentary Inquiry into Retaining Young People in Rural Towns and Communities conducted by the Rural and Regional Services and Development Committee of Parliament, April 2007, p.21.



and therefore maintenance of the existing criteria, be applicable only to students who are compelled to move from home for study purposes.

To these ends UB recommends —

### **Recommendation 2**

That the Federal Government —

- maintain the current status quo with regard to the Youth Allowance for regional and rural students obliged to relocate for study purposes;
- reform Youth Allowance by
  - defining 18 years as being the qualification age for Youth Allowance independence;
  - making relocation scholarships available to students receiving an independent Youth Allowance (or on Austudy);
  - extending scholarships to all students receiving government benefits, including those receiving disability support pensions or carer/parenting payments; and
  - implementing proposed changes to the Youth Allowance no earlier than 2011.
- increase Youth Allowance payment levels (at least to poverty line level) to enable regional and rural students to live above the poverty line.

## **Term of Reference Part B**

### **The education alternatives for rural and regional students wanting to study in regional areas;**

Unlike metropolitan-based students who, within Melbourne, enjoy a range of choices in terms of courses, programs and study combination; higher education and TAFE locations; and in accessibility, transport costs, living arrangements, and in on-going, part-time, or vacation employment, non-metropolitan students are more restricted.

UB requests that in its deliberations the Committee takes into account the following:

- Within any one district of regional Victoria there are limited numbers of HE and TAFE institutions that provide opportunities for post-secondary study (Table 3). If a student chooses to attend an institution outside their home region, then either there are considerable relocation expenses or daily travel expenses (time and money) of a kind not experienced by metropolitan students studying within a capital city;
- The range of subjects taught in regional centers is necessarily restricted. Students with particular vocational needs are accordingly placed in a difficult situation: pursue individual vocational or training needs elsewhere, with the concomitant costs and expenses involved in such a decision, or adjust their vocational expectations by attending the most accessible centre. In the case of Central Highlands students, currently UB is unable to offer courses in medicine, dentistry, physiotherapy, occupational therapy, architecture and law. Students seeking a career in such disciplines are therefore obliged to enrol in courses at Geelong or Melbourne;

- For students with access to Melbourne — arguably those within 1-1.5 hours travel time from the city — it is possible to consider daily commuting. However, for students where that is not possible (Warrnambool, west Geelong, northern Ballarat, Bendigo, Hamilton, Mildura, Swan Hill, Lakes Entrance, etc.), then choices remain limited.

In these circumstances, it would appear that the Government must either support the expansion and development of courses sought by local students (HE) or in response to designated skill needs (TAFE) in regional areas, or it needs to make metropolitan courses financially viable for regional students.

### **Study preferences**

The contracting pool of regional and rural students who elect to pursue post-secondary studies is further influenced by a related geographical process. A recent UB survey of Victorian first-year HE students indicates that choice of institution is as likely to be influenced by accessibility and proximity to a university or TAFE as by course content or academic history. In essence, regional students are more likely to attend the closest or most accessible tertiary institution, and students living closest to such institutions are less likely to defer their studies compared with students beyond the immediate catchment area (Table 4).

This trend may be attributed to the ability to live at home while studying, lower transport costs, ease of access, familiarity with the nearest tertiary institution, familiarity with an area, social and community networking, and the possibility of obtaining work in a local area. In the case of a dual-sector university such as UB, the range of courses that offer future employment and linkages to the Technology Park may also influence preference choices.

The data further show that if regional and rural students choose not to attend the institution closest or most accessible to their homes, their preference will be for metropolitan-based courses. This preference may be vocationally-based in that students wish to pursue specific courses not available in regional areas. Alternatively, it might be driven by a desire to attend larger institutions with longer academic histories than those located outside metropolitan areas.

Significantly, a third group of students may also be identified who elect, presumably influenced by such factors as course availability, ENTER scores, economic circumstances and social networks, to study at institutions elsewhere in regional Victoria which are neither in their home region nor in Melbourne (Table 4). Accessibility may also be a factor in this decision. A student living in Barwon might as readily travel to Ballarat as to Geelong.

UB traditionally draws students from Western and Central Victoria. Recent data show that the largest group of first year students attending the University came from Central Highlands, the immediate catchment area for Ballarat. Significantly, the second largest group of first year HE students came from Melbourne. Some 22 per cent of the University's intake of domestic HE students was metropolitan-based. Once again, however, a combination of HE opportunities, ENTER score considerations, and accessibility appear important determinants. Accessibility, in particular, would appear important: Ballarat is now only 45 minutes to an hour's drive from north-west Melbourne making the University of Ballarat more accessible than Melbourne, Monash, RMIT, Swinburne and La Trobe universities in real travel time.

**Table 3** Location of post-secondary universities and TAFEs in regional Victoria, 2009

REGION	HIGHER EDUCATION	TAFE
<b>Central and Western Victoria</b>		
ARARAT		University of Ballarat NMIT
BALLARAT	University of Ballarat <ul style="list-style-type: none"> <li>▪ Mt Helen</li> <li>▪ Camp Street</li> </ul> Australian Catholic University	University of Ballarat <ul style="list-style-type: none"> <li>▪ SMB</li> </ul>
CRESWICK	University of Melbourne	
GEELONG	Deakin University	Gordon Institute of TAFE
HAMILTON	RMIT University	South West Institute of TAFE
HORSHAM	University of Ballarat	University of Ballarat
STAWELL		University of Ballarat
WARRNAMBOOL	Deakin University	South West Institute of TAFE
<b>North Eastern Victoria</b>		
ALBURY-WONDONGA	La Trobe University	Wodonga TAFE
BENDIGO	La Trobe University	Bendigo Regional Institute of TAFE
WANGARATTA		Goulburn Ovens Institute of TAFE
<b>Northern Victoria</b>		
MILDURA	La Trobe University	Sunraysia Institute of TAFE
SHEPPARTON	La Trobe University University of Melbourne	Goulburn Ovens Institute of TAFE
SWAN HILL		Sunraysia Institute of TAFE
<b>Eastern Victoria (Gippsland)</b>		
BAIRNSDALE		East Gippsland Institute of TAFE
CHURCHILL	Monash University	Central Gippsland Insitute of TAFE
LAKES ENTRANCE		East Gippsland Institute of TAFE
LEONGATHA		Central Gippsland Insitute of TAFE
MORWELL		Central Gippsland Insitute of TAFE
SALE		East Gippsland Institute of TAFE
WARRAGUL		Central Gippsland Insitute of TAFE
YALLOURN		Central Gippsland Insitute of TAFE

**Table 4:** University Higher Education first preferences, by region, 2008

Institution	Central H'lands	Barwon	Loddon	Wim.	West. District	East G'land	G'land	Goul-burn	Mallee	Ovens
<b>Total First Preferences</b>	<b>1235</b>	<b>2677</b>	<b>1591</b>	<b>604</b>	<b>1013</b>	<b>632</b>	<b>1701</b>	<b>1600</b>	<b>661</b>	<b>774</b>
ACU	11%	3%	4%	2%	3%	2%	3%	3%	2%	2%
Charles Sturt	0.2%	0.3%	0.5%	0.3%	0.3%	1%	0.2%	3%	1%	12%
Deakin	14%	49%	9%	15%	47%	17%	17%	13%	14%	13%
La Trobe	8%	4%	44%	9%	8%	7%	7%	33%	41%	32%
Monash	6%	7%	6%	15%	5%	31%	40%	8%	7%	9%
RMIT	8%	9%	11%	30%	10%	22%	10%	12%	10%	10%
Swinburne	2%	2%	3%	10%	2%	4%	5%	4%	3%	2%
UB	33%	9%	6%	20%	11%	2%	3%	3%	8%	2%
Melbourne	10%	11%	10%	7%	10%	10%	9%	14%	9%	11%
VU	7%	4%	7%	2%	2%	4%	5%	8%	5%	5%
<i>Source: VTAC 2008 Undergraduate Institutional Data</i>										

If Central Highlands region is taken as being representative of wider enrolment dynamics at work across regional Victoria — in that students firstly prefer to remain within their home regions, after that Melbourne, and then elsewhere — then the data indicate that 54 per cent of first year students in Central Highlands pursue educational opportunities outside their home region. Reference to Table 4 reveals similar trends elsewhere in regional Victoria.

Accordingly, when considering the adequacy of Government measures required to support regional and rural post-secondary students it is important to recognise that there are in fact four groups of regional students who require support:

- those who study locally or within their home region;
- those whose home is in regional Victoria but who study in Melbourne;
- those who study elsewhere in regional Victoria but not in Melbourne; and
- those metropolitan students who choose to study in non-metropolitan Victoria.

This indicates that any consideration of Government measures designed to assist regional students must account for a more complex set of circumstances and preference choices than a regional-metropolitan dichotomy might suggest.

## **Term of Reference Part C**

### **The implications of current and proposed government measures on prospective students living in rural and regional areas;**

In responses to Term of Reference Part A and Part E (above), UB has expressed its concerns over the proposed changes to the Youth Allowance. The possible implications are profound and may be summarized as —

- Deepening of low participation rates of Australian regional, rural and remote students in tertiary education;
- Disinclination to pursue post-secondary studies due to financial expenses associated with relocation, cost of living, transport, etc;
- Disinclination to undertake tertiary studies following a gap year;
- Widening of educational, and therefore economic and social divide, between metropolitan and non-metropolitan regions;
- Narrowing of vocational opportunities for regional students due to a desire to remain at home and therefore attend the most accessible university;
- Constriction of academic and skill resource within regions due to narrowing of educational opportunities;
- In keeping with inter-regional migration processes, the continued loss of skilled and educated young people from regional locations; and
- Loss of viability for regionally located HE and TAFE centres due to loss of enrolment support.

## **Term of Reference Part D**

### **The short- and long-term impact of current and proposed government policies on regional university and TAFE college enrolments;**

Reference to Table 1 indicates that HE enrolment have increased by 13.7 per cent in the period 1998-2007. UB enrolments in HE display a similar trend: between 2000 and 2008, HE enrolments increased from 866 to 1159 or 3.4 per cent. This may be interpreted as “steady state” or “plateauing”. Such data indicate that even minor adjustments in those factors that influence the choice to enrol or not enrol, or to undertake or not undertake, tertiary studies are crucial to the future of Australian regional universities. UB is especially concerned that adjustments to the Youth Allowance, designed in the main to shift the emphasis from high income families to low income families, will have a negative impact on already fragile regional and rural enrolment trends. In making Recommendations 1 and 2 above, UB is seeking a better understanding of the implications of changes in the Youth Allowance such that it, and other relevant tertiary institutions, can plan its recruitment and retention strategies. As importantly, UB is seeking support from the Federal Government that will provide assistance to current and prospective regional students in order to maintain and increase student numbers in non-metropolitan Australia.

## Term of Reference Part E

### **The adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;**

The University of Ballarat made reference to the adequacy of relocation costs at Term of Reference Part A. There is, however, an additional dimension to this problem that the University would draw to the attention of the Committee.

The 2006 Victorian Parliamentary Inquiry into *Retaining Young People in Rural Towns and Communities* provided some distressing statistics about the net migration flow of young people in the 18 to 25 year age group from regional and rural communities in Victoria. In Melbourne, for instance, 85 per cent of people in this age group who were born in Melbourne are still living in Melbourne. In regional Victoria, only 55 per cent of those in this group continue to live in their own regional communities. This is in addition to other trends impacting on the regional participation of rural students: the percentage of 18 year olds in regional communities in Victoria who attend university is about half that of their Melbourne counterparts; the percentage of those in the regions engaged in some form of post-secondary education and training is, again, about half that of those who live in Melbourne; and the percentage of recent school leavers in regional Victoria who have applied to defer taking up a place at university is more than four times that of their Melbourne counterparts.

Policy actions that will materially assist regional students, regional institutions, and metropolitan students wishing to relocate to regional areas, include —

- Reducing HECS for full-time, undergraduate students who attend universities which are headquartered in regional Australia as a mechanism for redressing the low participation rates and the net migration flow of people to capital cities, and as an incentive for those in capital cities to move to regional Australia to attend university;
- Providing additional funding assistance to students in regional universities, many of whom are unable to access part-time and vacation employment at the same level as their capital city counterparts;
- Providing of project funding to regional universities to assist them in discharging their legislative obligation to meet the education, training and research needs of the regions they serve; and
- Providing targeted funding to regional universities where there are specific regional skill and workforce shortages such as in apprenticeships and in teaching, nursing, allied health, engineering and the sciences.

UB therefore recommends —

#### **Recommendation 3**

That the Federal Government introduce a range of policy and funding strategies including —

- Reducing HECS for full-time undergraduate students who attend universities headquartered in regional Australia;
- Providing additional funding assistance to students in regional universities who are unable to access part-time and/or vacation employment;
- Providing project funding to regional universities to enable them to meet their legislatively mandated responsibilities; and
- Providing targeted funding to regional universities in regions where there are

demonstrable skill and workforce shortages  
—that specifically target regional and rural students, and which are overtly designed to retain students in regional areas, or which directly encourage students resident in metropolitan areas to relocate to non-metropolitan areas.

## Term of Reference Part F

### **The educational needs of rural and regional students;**

UB's responses to the Committee's Terms of Reference indicate that several strategic and educational responses are required by the Federal Government in order to support regional and rural students in post-secondary education. In summary form these include —

- Providing financial support of a level appropriate to permit regional and rural students to make HE or TAFE preference and therefore locational choices based on vocational and career goals rather than on proximity to a regional institution;
- Providing improved funding to enable regionally-based universities and TAFEs to provide a wider and more responsive range of academic and skills based programs in support of national, state and regional skill, training, educational and equity needs;
- Providing improved funding and policy support to facilitate greater articulation between secondary and tertiary education, and to provide pathways within and between post-secondary institutions;
- Providing greater financial assistance in enabling dual-sector universities to provide integrated TAFE-HE programs; and
- Facilitating partner arrangements and programs between universities and TAFEs that would financially and academically enable the delivery of programs not currently available.

The University of Ballarat therefore recommends —

#### **Recommendation 4**

That the Federal Government, in conjunction with State governments, and metropolitan and regional universities, develop strategic delivery programs and cross-institutional partnerships that would expand the range of subjects, courses and programs available to, and accessible by, regional and rural students.

## Term of Reference Part G

### **The impact of government measures and proposals on rural and regional communities;**

In *Backing Australia's Ability*, the Federal Government acknowledged that higher education providers in regional areas play a "critically important role in the economic and social life of their communities which goes far beyond traditional educational activities." The Government also recognised "the unique contribution made by regional higher education institutions and campuses to their local communities and to students from regional and rural areas."

It is acknowledged by the Commonwealth that regional universities face higher costs as a result of location, size, history, less potential to diversify revenue sources, smaller capacity to compete for fee paying students, and fewer opportunities for commercial partnerships. Accordingly, the introduction of “regional loadings” by the Commonwealth was intended to offset these additional costs for regional universities. In the case of UB, the annual regional loading it receives from the Commonwealth is approximately \$1.3 million representing 0.07% of its total revenue. UB, however, has six regional campuses. As a result there are significant cost factors in providing university education in a regional setting and these include:

- The financial disincentives for choosing to introduce high cost courses in response to genuine need, such as in the health sciences, engineering, etc, where student intake numbers would be lower than in metropolitan campuses;
- Significant costs incurred in undertaking the University’s community obligations as specified in its Act of incorporation;
- The additional costs of having a large percentage of domestic students (70 per cent) as first generation university students creating cost burdens for the University in its support of these students through their studies; and
- Embedded structural rigidities relating to staffing and course profiles where there is a necessity to offer the same course on different campuses and where economies of scale are difficult to achieve.

In response to the 2006 Victorian Parliamentary Inquiry into *Retaining Young People in Rural Towns and Communities*, UB carried out a number of financial assessments. These were based on 2005/2006 data in terms of the approximate additional running costs for the University using as the base derivative the total number of students at the University being serviced from just one regional campus rather than from multiple campuses. The increased additional costs were assessed and are shown in Table 5.



**Table 5:** Operating cost comparison, UB, 2005-06

	<b>Total Expenditure (2005-06) (\$)</b>	<b>Component Costs for Running Regional Campuses (\$)</b>
Library	3,668,843	1,255,130
IT	4,545,428	2,075,087
Human Resources	1,213,005	185,035
Finance	2,820,657	302,213
Legal/Governance	1,358,755	177,229
Transport	2,236,192	1,530,768
Student Administration	2,255,230	809,570
Student Services	552,536	179,201
Teaching/Academic Staff	51,780,364	10,356,914
Facilities Management	6,030,616	3,754,912
Marketing	605,057	236,120
Planning & Quality	524,424	144,407
<b>TOTAL</b>	<b>77,591,107</b>	<b>21,005,744</b>

UB maintains four separate libraries across its six campuses, it has to operate a car fleet on each campus; it has a staff complement at each of the campuses; and it has to maintain and manage the facilities at each of the campuses. On this basis, the Victorian Inquiry concluded that “higher education in rural and regional areas is ... relatively more expensive to provide than urban education” and that, for the University of Ballarat, these additional costs “may be closer to 30 to 35 per cent” of its total costs given the diseconomies of scale that are involved for an institution such as the University of Ballarat.

The annual regional loading from the Commonwealth is just over \$1.3 million for UB and the loading from the State Government is \$800,000. These are relatively modest contributions which do little to offset the additional costs in running and maintaining six regional campuses of UB, or assist the University in being more proactive in redressing the low participation rates in higher education in regional and rural areas.

**Recommendation 5**

That the Commonwealth Government, in conjunction with relevant State Governments, provide regionally-based universities with support and developmental funding to enable them to meet their educational and community obligations to regional and rural communities, and that the Commonwealth Government enjoins the relevant State Governments to provide a funding loading to the respective regional universities in order to enable the development of infrastructure for educational and community uses, to assist with activities and programs that will encourage greater education participation rates in regional areas and reduce high rates of deferment, and that will assist regional institutions to directly address national, state and regional educational and skills needs.

## Term of Reference H

### Other related matters.

In focusing on Youth Allowance and the impact the proposed reforms will have on regional, rural and metropolitan students compelled to relocate for post-secondary study purposes, UB is also mindful of the need to address regional participation and deferment rates while students are within the pre-tertiary education environment.

In response to this need, UB has, since 2007, conducted a comprehensive Regional Schools Outreach Program throughout western Victoria. In 2009 the Program will visit 47 Schools over a wide geographic area (from Melton on Melbourne's western boundary to Mildura in the north-west of the State). Approx 2,900 Year 10 students will be involved in activities and discussions aimed at increasing their aspiration towards further education. The activities focus on three major barriers – financial issues, perceptions about further education, and perceptions about moving from home. Approximately 1,500 Year 11 students will attend concurrent sessions building on the messages of the previous year. Some further 300 Year 10 students will attend activities at UB's main HE campus at Mt Helen to build on these messages.

This Program is one of the case studies included in research nearing completion for DEEWR on *Early school interventions as a means to improve higher education outcomes for disadvantaged students*.

UB's experience is that there are a range of barriers impacting on secondary rural students seeing further education as a viable option. These include parental attitudes to further education combined with the cost of supporting their child to access further education away from home. Students themselves also report feelings of obligation to families, particularly not wanting to contribute further to hardship caused by such factors as drought, unemployment, underemployment, rising transport costs, increased cost of living and the like.

Indeed, of 36 schools visited during the Regional Schools Outreach Program (for which ontrack data are available) 23 have a deferral rate above 30 per cent while 12 schools experienced deferral rates of 50 per cent. None of these schools are in, or service, high socio-economic postcodes. These returns may be compared with a random selection of 24 Melbourne secondary schools. of which only one had a deferral rate above 30 per cent (30.12 per cent).

UB considers that such engagement with secondary school students is essential in addressing low participation rates and high rates of deferment associated with regional students. Accordingly, UB would recommend:

#### **Recommendation 6**

That the Federal Government, in conjunction with relevant State Governments, introduce a systematic regional/rural engagement program in secondary schools to promote —

- the career and skill opportunities offered by regional universities and TAFEs and by metropolitan institutions;
- the range of financial support mechanisms (Youth Allowance; scholarships; etc) available to tertiary students in regional areas;

- greater understanding of the nature and range of post-secondary educational programs;
- greater understanding of the role of the gap year, eligibility criteria associated with Youth Allowance and other support mechanisms, etc;
- in the interests of encouraging increased participation and lowered deferment rates among regional and rural students.

## Summary

In 2001 the Equal Rights and Equal Opportunity Commission stated that —

Access to education, including higher education, is a basic need of rural people. Education is now recognised as being one of the three factors, along with long life and reasonable income, that are fundamental to positive human development. Lack of access to educational opportunities conversely leads to economic and social marginalisation.<sup>10</sup>

UB believes that the measures and recommendations contained in this submission address not only the Terms of Reference being considered by the Committee, but also the pivotal issue of providing financial support to regional students in the longer term interests of regions, states and the nation. Appropriate financial support, and in particular support that enables students to pay course fees, relocate and meet cost of living expenses, is fundamental to the future of post-secondary education for regional and rural students.

When combined with improved means of delivering vocational opportunities to regional and rural students; with greater diversity of subject matter accessible to non-metropolitan residents; with more efficient articulation between secondary and post-secondary education; with broader and more readily traversed pathways both between TAFEs and HE and within the respective portfolios; and with greater financial support for regionally-located tertiary institutions, then concerns associated with equity, participation, accessibility, outward internal migration, educational disadvantage and ultimately, education marginalisation, will ease. Until that time, the challenges inherent in the Committee's Terms of Reference will continue to blight regional and rural Australia.

UB thanks the Committee for the opportunity to raise matters of concern, repeats its willingness to meet with the Committee to discuss the matters raised more fully, and once again extends an invitation to the Committee to visit central Victoria and see first-hand how the opportunities and constraints of serving regional students are being met by the University of Ballarat.

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<sup>10</sup> *Universities in Crisis: Report into the Capacity of Public Universities to meet Australia's Higher Education Needs* (2001) Senate Employment, Workplace Relations, Small Business and Education References Committee, Canberra, p.320.