

**SENATE RURAL AND REGIONAL AFFAIRS AND
TRANSPORT AND REFERENCES COMMITTEE**

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

Submitted by:

Mallee Family Care

122 Ninth St
Mildura Vic 3500

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HIGHER EDUCATION

The Credentials of Mallee Family Care

Mallee Family Care is a highly respected community based welfare agency that has worked among the people who live in the remote regions of North Western Victoria and South Western New South Wales for the past 30 years

The agency has a long standing commitment to the peoples of North Western Victoria and South Western New South Wales where remoteness has combined with simultaneous high incidences of single parent families, low family incomes, low student participation rates and low levels of academic qualifications to bring about what can only be described as an intergenerational cycle of disadvantage among many in the population.

Since 2001 it has also had a strong commitment to improving access to education for young people from disadvantaged backgrounds including those whose disadvantage arises from their geographical location and the consequential high cost of relocation that accompanies attendance at university.

It was in 2001 that Mallee Family Care instituted across its service area the project named Chances for Children. Chances for Children is an ongoing project, that focuses on strategic intervention as a means to build a strong foundation upon which financially and or geographically disadvantaged young people can reach their potential, through learning and skill development, irrespective of their financial or social circumstances.

The project, for which seed funding has been sourced from philanthropic trusts, but which is now largely maintained by generous donations from the local communities, is used to identify what monies are required to “make up the difference”; that is to fill the financial gap that prevents a young person from realising their career potential as a consequence of their socio-economic circumstances, and or, in the case of tertiary education, the inevitability of having to pay the high cost of living and boarding in a distant capital city.

Economic and social disadvantage is a major challenge to the Mallee region. A Research Paper from the Australian Parliamentary Library entitled “Poverty Rates by Electoral Division, 2006 showed that the Mallee Electorate had a poverty rate of 15.6, the highest of all Victorian Electorates.

However as we recently submitted to the *Victorian Parliamentary Committee on Geographical Disadvantage and University Participation*, there are many factors explaining low regional participation in further education including, (as alluded to earlier), the significant financial costs associated with young people needing to study away from home in a distant capital city.

Chances for Children was initiated when the communities of the region identified social disadvantage as an obstacle to the educational achievements of many of their young people, and that opportunities in today’s world depend on an adequate knowledge base.

Like many communities in rural Australia, the people of the Mallee realised that access to education is limited by distance, financial circumstances and the high cost of giving children and young people the learning base necessary for them to achieve their full potential.

In partnership with Mallee Family Care, the mallee communities adopted the Chances for Children model as a creative, cooperative approach to dealing with this problem.

It is designed to offset social disadvantage by increasing the number of young people in the region who can access education, and provides the community with an opportunity to make an investment in the region's future. It has received solid support from all sections of the regional community and is seen as a potential model for community development across rural and regional Australia.

Chances for Children funding has made it possible for more than 150 young people to attend university and receive degrees and study subjects such as Medicine, Science, Business, Engineering, Law, Education, Nursing, Medical Science, Music, and other professional skills that will be invaluable in building the local economy and make a substantial contribution to the Victorian and Australian economies.

Moreover the project has made it possible for a total of another 500 aspiring but disadvantaged young people to be identified and given assistance to continue their studies in the early and middle years of school life.

Finally in this summary of the work done by Mallee Family Care through the Chances for Children project we think it relevant to mention the work of the Chances for Children Mentor Program.

In the very early stages of "Chances" it was found that a number of recipients were having emotional difficulties caused by the transition to independent living in the city with limited support. The "Chances" Mentoring Program allows Chances For Children the opportunity to, not only to provide young people with financial support to take up tertiary study, but also to offer them a mentor to support and assist them as they move away from home to take up studies in Melbourne. The mentoring is not compulsory, but there has already been a very strong rate of participation from eligible Chances funding recipients.

Mallee Family Care welcomes the opportunity to provide input as presented below in relation to the Committee's Terms of Reference.

Terms of Reference

(a) The financial impact on regional students who are attending metropolitan secondary schools, university or TAFE, and

(e) The adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary studies.

Firstly Mallee Family Care wishes to highlight the lower rural and regional participation rates in higher education. Differences in rates of participation are well documented and the data consistently indicates a lower rate of participation in regional and rural rather than metropolitan regions.

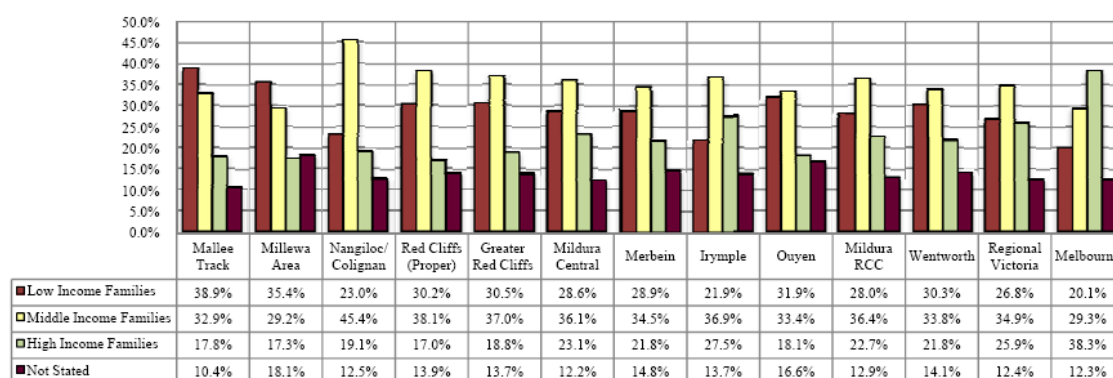
In "*Analysis of university student entry and participation patterns in Victoria August 2008*", a report to Skills Victoria and the Victorian Government – Dr Daniel Edwards of ACER, using Victorian Tertiary Admission Centre (VTAC) data from 2006, it shows that ***"university participation rates in regional Victoria are generally low. All regional Statistical Subdivisions (SSD) in regional Victoria except for Geelong and East Barwon had a university rate lower than 50 per cent among the 2006 Year 12 cohort. The highest rates across the state were in the inner east of Melbourne; Boroondara City SSD had a university articulation rate of 70 percent among year 12 students living in the area in 2006."***

The lowest rates were in the north east of the state where the SSDs of Wodonga and West Ovens-Murray had rates below 25 per cent. Other areas with rates below 32 percent were Mildura, Glenelg SSD and South Gippsland.

According to Ballarat University, **“on average, students completing secondary education in regional and rural Australia have only a one in three chance of participating in higher education compared with their metropolitan counterparts who have a greater than one in two chance of going to university, with the trend showing that the gap is widening between rural and metropolitan Australia”.**

As noted in the Mildura Social Indicators Report 2008, commissioned by Mildura Rural City Council in consultation with Professor Tony Vinson AM, all localities within the Mildura Rural City Council area have a higher proportion of low family income compared with Melbourne and to a lesser extent, other regional areas of Victoria. The Social Indicators report measures low family income as being below \$650 a week which equates to less than \$34, 000 per annum of disposable income.

FIGURE 1: FAMILY INCOMES BY LOCALITIES



Source: Table B26 2006 Census of Population and Housing

The high rate of 28% of families within the Mildura Rural City Council area that fall within this low income bracket is significantly higher than the rate for both metropolitan Melbourne at 20.1% and the figure for all of regional Victoria at 26.8%.

In a sample of 23 Chances for Children recipients funded for 2009, the average estimated cost per annum for residing in metropolitan areas for study purposes is \$14,853. This amount corresponds closely with a figure given by Toni Hancock, chair of the Victorian University Deferment Project and CEO of South West Local Learning and Employment Network who stated *“Student accommodation in Melbourne is a minimum of \$15,000 plus food and other living costs.”*

Funding criteria of the Chances for Children project also requires the provision of information relating to parents income and for these 23 families the average income is \$38,852, which corresponds to the low income level for families as stated in the Mildura Social Indicators Report 2008.

When comparing the disposable income of the low income families in the Mildura area with these living away from home costs, it is evident that further education is out of reach to many regional students who need to travel and live away from home to study for their preferred course options, unless financial assistance is given.

Using the average relocation costs of \$15,000 per year as compared to the average annual family income of people in our Chances for Children sample, it would take nearly 40% of the disposable income of the family for each year of further education.

When parents of low and even middle class families approach Chances for Children for assistance, the (\$33,800 - \$72,800 group), they almost invariably have found that in attempting to cover the out of home costs and living expenses for children attending universities or TAFE would, even subsidized by Youth Allowance, place their families under significant financial strain; or in the case of the lower income group even with Youth Allowance be impossible.

Mallee Family Care's experiences with Chances for Children have proved to us that financial resources and distance are key issues for regional students. The additional costs of living away from home pose a significant disincentive for many of them and their families as they think about higher education

The Bradley Review quotes the OECD (2008) as saying "*The widespread recognition that tertiary education is a major driver of economic competitiveness in an increasingly knowledge-driven global economy has made high quality tertiary education more important than ever before. The imperative for countries is to raise higher-level employment skills to sustain a globally competitive research base and to improve knowledge dissemination to the benefit of society*"

Mallee Family Care agrees with the sentiments expressed in these words from the OECD and, like the Bradley Review, also believes that the medium and long term failure to capitalize on the abilities of ALL Australians is a significant issue for the nation.

While the new Commonwealth Relocation Scholarship of \$4,000 in the first year and \$1,000 in subsequent years will be of assistance to some, it will do little to make higher education affordable to people most under-represented in higher education such as those from remote parts of Australia, Indigenous people and from low socio-economic groups.

(b) The educational alternatives for regional students wanting to study in regional areas.

For the foreseeable future, the educational alternatives will remain poor for students who wish to study locally but reside in remote areas such as North Western Victoria and South Western New South Wales

We agree with the Bradley Committee, authors of the Higher Education report when they speak in 3.7.2 of the report of "*A more flexible, innovative and adaptable system of regional provision*" however we do not believe that partnerships between communities and local providers will provide all of the answers to the basic issue facing disadvantaged and remote students; those being the interlinking issues of distance and choice.

The Bradley Committee suggests that "*providers in remote areas need to be encouraged and supported to build upon partnerships with local communities, providers in other sections of education, business and industry*". "*Collaborations of this nature*" the report says, "*are particularly suited to higher education provision in thin markets such as regional areas, where demand may be finite or declining, and limited to particular qualifications*".

In many respects the idea of increasing critical mass by combining the resources of education and training institutions is a good one; however the dual barriers of financial disadvantage and remoteness

in this region have not been alleviated, (at least to the level of community expectation and need), by the comparatively recent presence of La Trobe University, working in partnership with TAFE and sharing facilities in Mildura.

The narrow choice of courses at Latrobe in comparison to metropolitan areas has been highlighted by a number of Chances for Children applicants.

A study carried out for the Chances for Children program by a Monash University team led by Dr Robert Birrell in 2006 and published under the title "*Analysis of socioeconomic indicators of North West Victoria and South West New South Wales*" showed that close to 600 year 12 students from schools in the North West region lodged applications for a Victorian tertiary course in 2003. By 2004, only 49 of these had been enrolled at La Trobe Mildura or TAFE.

Reinforcing this data, in his work referred to earlier in this submission, Edwards points out that only 14.1 percent of all Victorian students attended regional universities in 2007(*ibid p22*).

To the students wishing to study in the limited subjects provided by La Trobe, such as Social Work, Accountancy, Nursing, Teaching and Graphic Arts, the advent of a local campus is most valuable but of the 23 recipients of Chances for Children funding in 2009, none chose to study subjects that were available at the local La Trobe Campus.

Although the population of Mildura is growing, critical mass will remain a long term issue and will continue to affect the ability of regional campuses to provide an adequate, diverse and flexible choice of degree subjects to remote students.

Mildura, (like many other regional centres throughout our region, or in fact Australia); differs little from Melbourne or Adelaide when it comes to being a University site. If a young person lives 100km or more away, say in Ouyen, Walpeup or Pooncarie, and wants to obtain a Degree in Mildura he/she or their family, must still pay for board and lodgings at a centre well away from home.

Moving to a regional university campus might be slightly less expensive than moving to a city campus but the costs for many students is still prohibitive. In many cases Melbourne or Adelaide would provide better opportunities for part time employment, better access to learning resources and facilities and public transport.

To paraphrase Bradley, "*family commitments and financial constraints, due to travel and especially board in any distant place mean that higher education is not an option for many potential students*".

Of course distance education, video conferencing, and other flexible non campus education as suggested by Bradley might be an answer, but being forced to study for a degree in this way when campus study is available to mainstream students does not meet the equity criteria, nor would the cost of the associated equipment be affordable

(C) The implications of current and proposed government measures on prospective students living in rural and regional areas

The proposed changes to the workforce participation criterion for early independence will have major implications for many prospective students. However, the effect will be most detrimental to students from middle income families and students who need to move away from home to continue their education.

Further to this is the devastating effect that the changes will have to the thousands of students who, to comply with current legislation; have deferred their university offers for one year to meet the work participation requirements for independence.

The proposed changes are to be 'retrospective' so students who have made decisions based on government advice concerning the existing policies now find themselves in the difficult and unfair position of having to work extended hours whilst studying to make ends meet, or declining their place in higher education altogether.

Under current legislation, to qualify for independent status a person must have:

- Earned at least \$19,532 in an 18 month period,
- Worked part-time (at least 15 hours a week) for a two year period, or
- Worked full-time (minimum of 30 hours a week) for at least 18 months in a two year period.

Access to higher education for rural students is made more difficult by a number of different factors. There is a higher prevalence of lower to middle socio-economic families in regional communities in comparison to metropolitan areas (*Mildura Social Indicators Report 2008*), and the financial hardship placed on these families is further exacerbated by students having to re-locate to access preferred tertiary courses.

It is generally accepted that working for more than 20 hours a week can have a negative effect on academic results (*Australian Journal of Social Issues 2007*) To counter this, students have been advised of the requirements for the Independent Youth Allowance and where necessary have taken a gap year after school completion to meet these requirements. Deferring tertiary studies for 12 months to focus on employment to become financially independent has been a common choice for rural and regional students. In 2007, regional students deferred at a rate of 15.7% which was two and a half times the rate at which metropolitan students deferred their tertiary studies.

After taking a gap year, only 69.9% of the students then took up their university offer (*Deferring a University Offer in Regional Victoria- interim report. J.Polesel, 2008*). This is in line with other research such as the Parliament of Victoria: Education and Training Committee Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education 2008 which says of deferring to become financially independent, "*is impacting detrimentally on participation in higher education.*" It goes on to state that "*This scheme encourages students to defer their enrolment and this has serious ramifications because a proportion of those students do not take up their place after the period of deferment.*"

So while not ideal, the decision to defer has been made to allow a student to join the work force, qualify for independent Youth Allowance and save money to help pay for further education. The number of students who finished year 12 in 2008 and have deferred their tertiary education place for 2009 is in the vicinity of 30,000.

The new policy reforms will remove two of the workforce participation criteria so students now need to have worked full-time (30 hours a week) for at least 18 months in a two year period since leaving school to qualify.

For a school leaver to obtain full-time employment immediately after completion of year 12 is a big ask. This is made even more difficult for students in regional and remote areas due to the lack of job opportunities for unskilled workers. Compound this with the fact that students wishing to go on to

tertiary education once eligible for independent status will be leaving that employment in 18 months time, then you don't have much to convince a regional employer to give them a go in the first place.

This also assumes that the preferred choice of university or course allows students to either defer for two years, start mid year or runs on a trimester system. Again, this does not help the 30,000 or so students who in good faith have deferred for 2009 to meet current government requirements for independent status.

The effects of the proposed changes can be seen in the case of Claire and her family. Claire is the 2nd eldest of four children from a middle income family in Mildura, north-west Victoria, 600 kilometres from Melbourne. The family, while not *'rich or privileged'*, have earnings over the income threshold to obtain independent Youth Allowance. Claire completed year 12 in 2008 and was offered her first preference at Swinburne University in Melbourne. This offer was deferred by Claire in January 2009 with a plan to work for 12 months to earn the appropriate level of income to meet the governments' requirements to receive independent youth allowance.

Under the proposed changes, Claire will be ineligible to receive any financial support as a student and Claire's family are not in the financial position to fund the significant cost associated with their 2nd child moving away from home to go to university.

Claire must now face the difficult choice of compromising her ambition by not studying in her chosen field, or not to study at all. This does not fit with the rhetoric about an education revolution or the government promising to make education their number one priority.

While other reforms to youth allowance eligibility such as a gradual decrease in the age of independence and increases in the parental and personal income thresholds will increase a students' chance of claiming independence, it is the removal of the two workforce eligibility criteria that will be a great disincentive to students who, for whatever reason, need to live independent from their parents.

In Summary and Recommendations

In this submission Mallee Family Care draws on knowledge and experience gained through its Chances for Children Project to identify a number of the obstacles that hinder the participation of young people from regional and remote areas in higher education.

Mallee Family Care believes that education is fundamental to positive human development. Lack of access to educational opportunities, conversely, leads to economic and social marginalisation.

We therefore believe, that if the trends referred to earlier in this submission that indicate a substantial difference in higher education participation between regional students and those from metropolitan areas, are allowed to continue, it would be a serious indictment on the nation and its aspirations for equality of opportunity and equality of access.

Our work with "Chances" has confirmed our early view that many of the barriers to regional student participation arise from a combination of the rural isolation and financial circumstances that are present in our region and that this could be said of remote communities across Australia.

While the implementation of the package of reforms recently announced by the Australian Government in response to the Bradley Review will benefit many young Australians, thousands of others, many of

them from Mallee Family Care's region of care, will remain educationally disfranchised and the current unequal access to knowledge will continue.

This submission addresses those terms of reference that the agency considers to be the most relevant to a discussion about the removal of these barriers.

Mallee Family Care firmly believe that the Government should honour the intentions of the thousands of students who, upon completion of year 12 at the end of 2008 and under advice from government agencies, have deferred their tertiary studies to undertake a 'GAP' year to qualify for Independent Youth Allowance.

In going forward, there needs to be more recognition of the disadvantage that rural and regional students face in attending tertiary education, namely, costs associated with relocation to metropolitan universities and limitations in course choices at regional campuses.

While there is a need to better target recipients of Independent Youth Allowance, the removal of the two workforce participation criteria has done little to address the inconsistencies and exploitation of the assistance scheme. Independence should not be determined solely on income generated by a student or the amount of time spent working.

We recommend

- A reduction in the time frame of workforce participation from 18 months, down to 15 months in a two year period.

18 months is not a workable period of time for students wishing to participate in further education. Taking into account a 12 month 'gap' year, there are 15 months between the completion of year 12 and the commencement of tertiary institution courses, therefore a 15 month period, or less, is the only workable timeframe.

- Extend the start date of the proposed changes by six or twelve months or, Individually identify students who have accepted and then deferred tertiary education places after completion of year 12 in 2008, and assess these students under the current independence requirements.

These recommendations will ensure those students, who in good faith, made plans concerning their immediate future study plans will not be disadvantaged by any changes that are out of their control.

- In partnership with state governments and universities, provide low cost accommodation options for rural students attending university in metropolitan areas. It is important for young people to live in college accommodation in the first year of university to ensure a supportive environment that gives the young person the best opportunity to cope with living away from home and succeed in their studies.
- Eligibility for independence to be determined by distance between the students' normal place of residence and their higher educational institution.

This will take into account students who have to relocate for tertiary education, regardless of the employment opportunities that are in their local area. Students who need to live away from home for educational purposes are literally living independently and should therefore qualify for the Independent Youth Allowance.