



## Gannawarra Shire Council

### Submission to the

Senate Rural and Regional Affairs and Transport References Committee

Inquiry into Rural and Regional Access to Secondary and  
Tertiary Education Opportunities

## 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.

Gannawarra Shire Council welcomes this opportunity to provide a submission to the Senate Rural and Regional Affairs and Transport References Committee inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities.

## **Summary of Recommendations**

**Gannawarra Shire Council recommends that:**

- 1. the new ‘maximum rate’ parental income test be raised to at least \$52,000 and that the degree of ‘tapering off’ be reduced.**
- 2. the work test be adjusted to accommodate the relatively fewer employment opportunities available to prospective students in rural and regional areas.**
- 3. a transition arrangement for those currently on a formal gap year who are working towards the existing independence benchmark**
- 4. aligning the working requirements with the time allowed for deferrals**
- 5. for rural and regional students, the Relocation Scholarship not be contingent on Youth Allowance eligibility and be increased to at least that of the former Commonwealth Accommodation Scholarship**
- 6. the Relocation Scholarship scheme be expanded to include part-time students.**

## **Gannawarra Shire background information**

Gannawarra Shire is located beside the Murray River, in the Loddon Murray region of Victoria. It is three hours’ drive from Melbourne. The regional centres of Bendigo, Echuca and Swan Hill are 40 minutes to 90 minutes away by road.

Gannawarra Shire Council has an area of 3,732 square kilometres and a population of 11,296. Only 159 are indigenous and only 524 were born outside Australia. Twenty per cent of the population is under 15 years of age and 20% of the population is over 65 years of age.<sup>1</sup>

Agriculture is by far the largest employer in the Shire. Retail, manufacturing, and health and community services are the next largest employers. Agricultural activities include cropping, dairying, grazing, horticulture and viticulture. The main industries include agriculture and dairy product manufacturing.

The average household income, at \$36,500, is considerably lower than the State average of \$53,100. The median individual household income, at \$19,600 is also lower than the State average of \$23,700.<sup>2</sup>

Rural communities in the region of Gannawarra Shire have been ‘drought declared’ for up to nine years and the average cropping farm income has reduced by 30%.<sup>3</sup>

According to ABS data, the percentage of people with tertiary qualifications in Gannawarra Shire is half that of the rest of Victoria.<sup>4</sup>

Gannawarra Shire falls within the Commonwealth Electoral Division of Mallee.

Gannawarra Shire also falls within the area covered by the Murray Mallee Local Learning and Employment Network (Murray Mallee LLEN) and the Campaspe Cohuna Local Learning Employment Network (Campaspe Cohuna LLEN).

The Murray Mallee LLEN covers all or parts of the Local Government areas of the Shire of Gannawarra (excluding Cohuna), Swan Hill Rural City Council (excluding Robinvale) and the Shire of Buloke (Sea Lake only). The Campaspe Cohuna Local Learning Employment Network (LLEN) covers Campaspe Shire and the part of Gannawarra Shire in which Cohuna is located.

## 1. The financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE

It is estimated that the cost of living for a student studying away from home ranges between \$18,000 and \$26,000 per year, with relocation costs in the order of \$3000 to \$6000.<sup>5</sup>

Taking into account these additional costs imposed by distance and the fact that the average household income is just \$36,500, Gannawarra Shire families have to spend a much greater proportion of their income in order to fund their children's tertiary studies. Webb<sup>6</sup> states that 30% of families in the federal electorate of Mallee (which includes Gannawarra Shire) would need to use 50% of their disposable income in order to send just one student to a tertiary institute in Melbourne.

It is therefore not surprising that prospective students and their families cite lack of financial resources as being a key factor in choosing not to pursue a tertiary education.

In Gannawarra Shire, the long-term drought and corresponding decrease in family incomes compounds the financial impact on rural and regional students who are attending (or seeking to attend) metropolitan secondary schools, universities or TAFEs.

Anecdotal evidence suggests that drought is having a huge impact on the rate of university applications, acceptances and completions. Sonia McLeish, welfare officer at Kerang Technical High School, says students are telling her that they know their parents can't afford to send them to university so they're not even going to ask.

"The students don't want to place an additional financial burden on their parents," she says.

Students are also much more likely to delay entry to university while trying to gain independent status under Youth Allowance.

"Many of these young people are missing out because of their inability to earn the income required and giving up their places at university. Those who do go away are working to support themselves, sometimes in more than one job, seriously compromising their studies."<sup>7</sup>

In 2007, 15.7% of regional Victorian school completers deferred a place at university, two and a half times the rate of deferral found amongst metropolitan students.<sup>8</sup> Cost-related factors and financial barriers feature prominently in the reasons given by these young people for deferring a place at university.

*Approximately four in ten report that they could not support themselves and that the costs of study are a barrier. Financial pressure on their family, concern regarding HECS debts and the costs of travel were all nominated by about one quarter of the respondents, and also reflect the continuing importance of financial barriers to the participation of non-metropolitan youth in education and training. Only being able to get into a fee-paying course and the need to qualify for Youth Allowance were also among the financial reasons cited. In all, approximately two-thirds (66.4%) of those not in education or training nominated at least one of these financial barriers as a reason for not being in education or training in 2008.<sup>9</sup>*

Rural students who do aspire to post-secondary education are also less likely to successfully complete their studies.

*Retention of the regional group has also been decreasing relative to urban students and retention rates are now 3 per cent below the rates of the remainder of the student population. The success and retention patterns for remote students are of much greater concern. The indicator levels are very low compared with their non-remote peers. For example, success rates are currently 9 per cent below and retention is 13 per cent below the rates of other students.<sup>10</sup>*

While the causes are varied and include personal circumstances of students, levels of support from teachers, course content, student expectations, and the lack of a social network, a key factor in lower retention rate for students is that many have to work in order to support themselves while studying.<sup>11</sup>

Lack of financial resources is also a factor in prospective students choosing one course of study or method of study over another. Prospective students choose the cheaper options, not the options that might be of most benefit to them in the long run.

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

In Gannawarra Shire, the education alternatives for rural and regional students wanting to study in regional areas are extremely limited.

Even at the secondary level, students are generally limited by reasons of distance to one or two schools. In Gannawarra Shire, there are two secondary schools: Kerang Technical High School and Cohuna Secondary College, although a small number of students travel 45 minutes (80 kilometres) by bus to and from schools in Swan Hill. Nominating a school based on subject/studies options as is suggested in a Victorian Government brochure called 'Welcome to Secondary School: A Parent's Guide to Victorian Government Secondary Schools' is hardly relevant. It is generally not possible for rural parents to '...choose to send your child to a secondary school that has a different curriculum or a specific focus, such as music or sport'.<sup>12</sup>

Like many rural students, Gannawarra Shire secondary school students are restricted to the subjects their local school has to offer. This is not a criticism of the schools themselves: they do not have the resources to enable them to offer a huge range of subjects. However, lack of subject choices is one of the reasons a higher proportion of rural students leave school before Year 12. A 2008 *On Track* Survey, 48.1% of the early school leaver respondents indicated that they would have stayed at school had they had access to a wider range of subjects.<sup>13</sup>

In the area covered by the Murray Mallee LLEN enrollments in Year 12 have reduced by 6% over the 4 years prior to 2007, while overall enrolments in years 10, 11 and 12 combined reduced by 3% (Stewart, 2007). Participation in Vocational Education Training (VET) courses increased from 33% in 2003 to 38% in 2006. In 2006, there were 661 students enrolled in Years 11 and 12 in the region, with 84% studying for their Victorian Certificate in Education (VCE), and 16% studying for their Victorian Certificate in Applied Learning (VCAL).<sup>14</sup>

Lack of subject choices is also a factor limiting rural students' further education options.

*Limited subject choice in small regional schools does not enable students to select subjects of most interest/relevance to their abilities which reduces their ultimate ENTER score and their access to desired courses. This can also limit student course selection options and decisions.*<sup>15</sup>

And if they complete Year 12, Gannawarra Shire Council school leavers who wish to study in this area have even fewer options. Other than the Kerang Learning Centre, which offers short courses and a limited range of accredited Certificate I, II and III courses (Business, Aged Care, Information Technology), there are no providers of further education in the municipality. Sunraysia Institute of TAFE (SIOT), based in Swan Hill, 40 minutes away, is the closest education provider outside the municipality.

Bendigo, 75 minutes away by road, is home to the Bendigo Regional Institute of TAFE (BRIT) and the Bendigo Campus of Latrobe University. The University campus offers a fairly general range of courses in the areas of Art and Design; Communications, Humanities and Social Science; Business; Counselling and Psychotherapy; Education, Health Science and Social Work; Law and Legal Studies; Outdoor and Environmental Education; Sciences and Psychology; and Sport, Tourism and Hospitality.

Even so, 75 minutes by road is not a commutable distance. Although BRIT and the LaTrobe University Campus are closer to home, accommodation in Bendigo is still a necessary requirement. Rail networks

connect both Swan Hill and Bendigo to towns in Gannawarra Shire, although rail services are strictly limited.

There are also university campuses and TAFE colleges in other locations in Victoria but these are even further away from Gannawarra Shire. Mildura, for instance, is 3 hours drive from Gannawarra Shire.

As it stands, young people in Gannawarra Shire do not have the option of obtaining a university degree or further education while living at home.

Gannawarra Shire Council believes that Australia needs to invest in a sustainable system of higher education provision in regional and remote areas in order to provide more alternatives for rural and regional students. As Bradley et al state:

*Provision needs to be flexible and innovative. It must anticipate and respond rapidly to local needs. Providers in regional and remote areas need to be encouraged and supported to build upon partnerships with local communities, providers in other sectors of education, businesses and industry. Such arrangements will involve institutional cross-collaboration and partnerships, including sharing the use of facilities and resources.<sup>16</sup>*

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

Current policy and funding settings have not led to more equitable outcomes for rural and regional students in post-secondary studies. 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.<sup>17</sup>

Investigations into higher education student finances conducted in 2000 and 2006 (Long & Hayden 2001; James et al. 2007) indicate that undergraduate students are now worse off in financial terms than they were in 2000 and that this has had a negative impact on their ability to study effectively. According to the two studies, undergraduate students in 2006 had to rely more heavily on paid work, non-cash assistance and loans in order to survive. At the same time, they received a lesser amount and proportion of total income in Commonwealth assistance from the combined sources of Austudy, Youth Allowance and Centrelink payments.<sup>18</sup>

In 2006 nearly 71 per cent of full-time domestic undergraduate students reported working during semester. On average these students were working about 15 hours per week. One in six of the full-time undergraduate students who worked during the semester were working more than 20 hours per week.<sup>19</sup>

*Paid work for full-time undergraduate students now comprises 66 per cent of their total income compared with 51 per cent in 2000. Seventy-four per cent of full-time postgraduate coursework students and 79 per cent of full-time research degree students were working during semester, for an average of 20.3 and 11.3 hours respectively. A large proportion of students surveyed considered their paid work detrimentally affected their studies and limited their capacity to benefit from their university experience.<sup>20</sup>*

Gannawarra Shire Council is extremely concerned about some of the changes proposed by the Federal government.

#### **Maximum rate threshold for parental income**

Gannawarra Shire Council is of the view that the new 'maximum rate' threshold for parental income of \$42,559 is too low, for both urban and regional families.

In addition, while the Parental Income Test limits have altered, tapering off will mean that the children of middle income earners will get decreasing amounts of Youth Allowance. Unless parents are on the base income rate of \$42,559 the tapering rapidly reduces the allowance amounts from the full to almost nothing for higher income earners.

**Gannawarra Shire Council recommends that the new 'maximum rate' parental income test be raised to at least \$52,000 and that the degree of 'tapering off' be reduced.**

### **Workforce participation criteria**

The Federal Government also proposes to tighten the workforce participation criteria for independence under Youth Allowance. In order to gain independence from the parental income test, prospective students will now be required to work at least 30 hours per week for at least 18 months during a 2 year period.

According to the Australian Technology Network of Universities (ATN), there are 30,700 students who will not be considered independent in 2010 under the new workforce participation arrangements<sup>21</sup>.

The new requirement will present an almost insurmountable problem for many rural young people because opportunities for what is essentially full-time work within their home communities are fewer than for their metropolitan peers, particularly in a time of drought and rising unemployment. Previously many young people met the benchmark earnings by taking up seasonal employment opportunities. This option will no longer be open to them. And, because the costs of relocation are so high, most young people will be unable to move from their local communities in order to obtain employment. Greater flexibility should therefore be considered for those students who are unable to find full-time work.

**Gannawarra Shire Council recommends that the work test be adjusted to accommodate the relatively fewer employment opportunities available to prospective students in rural and regional areas.**

Current deferring students in Victoria made their choice to defer based on an existing set of Youth Allowance criteria and an evaluation of family circumstances. The proposed changes impact on these plans and may result in many rural young people not proceeding to university. Gannawarra Shire Council believes that the suddenness of the changes to the workforce participation criteria will cut across the plans of some prospective students who were working towards qualifying for the independent rate by taking a gap year and working.

In recognition of the fact that these students have deferred their studies for one year in order to comply with the current independence test, they should be provided with a year's grace. That is, students who received an offer in 2009 but who deferred and who wish to be considered for Independent Youth Allowance for 2010, should be considered under the current rules, not the proposed rules.

**Gannawarra Shire Council recommends a transition arrangement for those currently on a formal gap year who are working towards the existing independence benchmark.**

The 18 month working requirement to be eligible for the independent allowance postpones further study and may compromise university place offers, which can generally be deferred for 1 year only.

**Gannawarra Shire Council recommends aligning the working requirements with the time allowed for deferrals.**

### **Relocation Scholarship**

The Relocation Scholarship is contingent on receiving Youth Allowance and it pays less than the former Commonwealth Accommodation Scholarship which provided \$4,324 per year<sup>22</sup> (\$17,296 for the duration of a four-year degree) and which was not contingent on receiving Youth Allowance. The Relocation Scholarship provides around \$10,500 less, for the same period.

**Gannawarra Shire Council recommends that, for rural and regional students, the Relocation Scholarship not be contingent on Youth Allowance eligibility and be increased to at least that of the former Commonwealth Accommodation Scholarship.**

In addition, the Relocation Scholarship applies only to those students studying full-time. A student studying part-time and working to support their study incurs the same costs to relocate to a university or TAFE as their full-time counterparts and is therefore disadvantaged by not having access to the Relocation Scholarship.

**Gannawarra Shire Council recommends that the Relocation Scholarship scheme be expanded to include part-time students.**

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

Given the already difficult circumstances facing many in the Gannawarra municipality, the impact of some of the proposed government policies will be to further reduce the ability of local students and their families to be able to afford a post-secondary education.

It may mean that enrolments at local education providers will increase but that is doubtful given the limited choices available.

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

The measures proposed by the Commonwealth, while seeking to address the degree of financial disadvantage for rural and regional students, are inadequate.

In addition, participation rates of rural and regional students in higher education are not solely influenced by financial factors. Prospective students are also affected by geographic isolation, a lower secondary education completion rates and, in some cases, lower socioeconomic status.

A range of measures is therefore required to address the major issues faced by rural and regional students including access to affordable transportation and accommodation, and access to social support networks.

### **Conclusion**

There is no doubt that the rate of participation of rural students in post-secondary study, particularly tertiary study, is less than that of urban students and that affordability is a key factor in these differences. Gannawarra Shire Council believes that government measures to provide for students who are required to leave home for post-secondary study are inadequate. These measures urgently need to be reassessed to ensure that they recognise the special financial needs of regional and remote students and provide a satisfactory level of benefits to enable students to support themselves.



## Endnotes

1. Australian Bureau of Statistics (ABS) *Census of Population and Housing*, 2006 data
2. Ibid
3. Australian Bureau of Agricultural and Resource Economics (ABARE) data: [www.abare.gov.au](http://www.abare.gov.au)
4. Australian Bureau of Statistics (ABS) 2006 data
5. Australian Technology Network of Universities (ATN), 'Submission to the Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities', 5 August 2009, p. 1
6. Webb, J, *Enhancing University Access in the Central Murray Region: A report prepared for the Mid Murray Higher Education Working Group*, Webb Consulting Pty Ltd, Victoria, 2005, p. 15
7. Alston, M. and Kent, J., *The impact of drought on secondary education access in Australia's rural and remote areas: A report to DEST and the Rural Education Program of the FRRR*, Centre of Rural Social Research (ILWS) Charles Sturt University, Wagga Wagga, 2006, p. 119
8. Polesel, J, *Deferring a University Offer in Regional Victoria: Interim Report*. Centre for Post-compulsory Education and Lifelong Learning. Parkville: The University of Melbourne, 2008, p. 3
9. Ibid, p. 22
10. Bradley, D et al, *Review of Australian Higher Education Final Report*, Commonwealth of Australia, December 2008, p. 31
11. Ibid, p. 19
12. Department of Education and Early Childhood Development (DEECD), 'Welcome to Secondary School: A Parent's Guide to Victorian Government Secondary Schools', DEECD, Victoria, 2009, p. 3
13. Corrie, T. and McKenzie, P. *The Destinations of Victorian School Leavers: Key Findings from the On Track Project*, Paper presented at the CDAA National Career Conference, Melbourne, 15–17 April 2009, p. 8
14. Mid Murray Higher Education Working Party, Submission to the Parliamentary Inquiry into Geographical Disadvantage and University Participation, Victoria 2009, pp. 5–9
15. Education and Training Committee, *Inquiry into Geographical Differences in the rate in which Victorian Students Participate in Higher Education*, Parliament of Victoria, July 2009, p. 63
16. Bradley et al, p 111
17. Ibid, p.31
18. Ibid, p. 49
19. Ibid
20. Ibid
21. Australian Technology Network of Universities (ATN), p 2
22. Bradley et al, p. 49

## References

- Alston, M. and Kent, J., *The impact of drought on secondary education access in Australia's rural and remote areas: A report to DEST and the Rural Education Program of the FRRR*, Centre of Rural Social Research (ILWS), Charles Sturt University, Wagga Wagga, 2006
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