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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES COMMITTEE

Reference: Rural and regional access to secondary and tertiary education opportunities

THURSDAY, 24 SEPTEMBER 2009

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

REFERENCES COMMITTEE

Thursday, 24 September 2009

Members: Senator Nash *(Chair)*, Senator Sterle *(Deputy Chair)*, Senators Heffernan, McGauran, Milne and O'Brien

Substitute members: Senator Hanson-Young for Senator Milne and Senator Adams for Senator Heffernan

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Adams, Fielding, Nash and O'Brien

Terms of reference for the inquiry:

To inquire into and report on:

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.

WITNESSES

Committee met at 10.43 am

CHAIR (Senator Nash)—I declare open this public hearing of the Senate Standing Committee on Rural and Regional Affairs and Transport. The committee is hearing evidence on its inquiry into rural and regional access to secondary and tertiary education opportunities. I welcome you all here today. This is a public hearing and a Hansard transcript of proceedings is being made. Before the committee starts taking evidence I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The committee prefers all evidence to be given in public but, under the Senate's resolutions, witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to ask to give evidence in camera. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, the witness may request that the answer be given in camera. Such a request may of course also be made at any other time. I would ask witnesses to remain behind for a few minutes at the conclusion of their evidence in case Hansard staff need to clarify any terms or references. I remind people in the hearing room to ensure that their mobile phones are either turned off or switched to silent.

I would also like to draw your attention to the last session of today's program. The committee has allocated some time for individual members of the public here today to make a short five-minute statement to the committee. It would assist the committee if those of you who wished to take up this opportunity could register with the committee secretariat beforehand and complete the necessary witness forms before we get to that part of the program. Finally, on behalf of the committee I would like to thank all those who have made submissions and sent representatives here today for their cooperation in this inquiry.

[10.45 am]

BATTERSBY, Professor David Arthur, Vice-Chancellor, University of Ballarat

CRASE, Professor Lin Ronald, Executive Director, Albury-Wodonga Campus, La Trobe University

SHARP, Mr Colin James, Director, Planning and Audit, Charles Sturt University

CHAIR—I welcome the representative from the University of Ballarat at this stage. Would you like to make an opening statement before we move to questions?

Prof. Battersby—Thank you for the opportunity to be here today; it is a real privilege. Obviously I am not speaking on behalf of my other colleagues, who I hope will turn up and provide me with support, but it is really good to be here. I will be brief in my opening statements. First of all, I want to say how important we as a university think this inquiry is, in relation to both the terms of reference and, more particularly, in relation to issues to do with provision of education in regional and rural communities in Australia. It is an important issue. From the point of view of the University of Ballarat, we think there is much terrain to be traversed in relation to redressing some of the significant issues that are there in relation to regional and rural provision. In turn, we place great reliance on this committee in relation to its terms of reference with redressing some of those particular issues. On that matter, Chair, I am happy to respond to questions and issues from your group.

CHAIR—Thank you, and a very warm welcome.

Senator ADAMS—I want to start on accommodation on the campus for students. Do you have your own accommodation?

Prof. Battersby—The University of Ballarat is Australia's third largest provider of student accommodation for our students. We have in excess of 1,100 to 1,200 beds. For a university that has a total of 25,000 students, that is fairly significant. We own and operate all of our student accommodation, and that student accommodation is in a variety of forms. We have on-campus accommodation at our Mount Helen campus in Ballarat. We own, through the City of Ballarat, a range of city residences. Indeed, we own a whole residential block. We also provide for our students in Ballarat city at large. Being a dual sector institution, we take both TAFE and higher education students. We also have regional campuses in Ararat, Stawell and Horsham. At Horsham we also provide small-scale accommodation. So, yes, we do, and it is a very important element in relation to the attraction of regional and rural students. It makes an immense difference.

Senator ADAMS—A waiting list?

Prof. Battersby—We have always had a waiting list, particularly for the cheaper accommodation, and that is largely because the accommodation itself is relatively at the bottom scale compared with accommodation across other Australian universities. So there is usually a waiting list.

Senator ADAMS—And as far as Ballarat goes for rental accommodation for students, are they accommodated within the town? In some cities unfortunately, with the rental being so high—I come from Western Australia, and of course Perth is very difficult because rentals are so high—finding accommodation is difficult. Also, a lot of people will not allow students to rent their accommodation. Do you have that problem?

Prof. Battersby—Yes, we do. The vacancy rate in Ballarat, for instance, is very low indeed. That places enhanced pressure on the university to provide more student accommodation. Indeed, one of the disappointments at the moment in relation to the interface we have with the Commonwealth government has been the inability to use Commonwealth funds to build student accommodation. I know the Commonwealth is reconsidering that, but I would implore the Commonwealth to continue to reconsider because it is really quite important. In other words: all the accommodation we build has to be out of the university's own resources. We feel there is a strong case, particularly in redressing these participation rates of regional students at university, by providing more accommodation in regional communities at a reasonable cost, because it is a major attraction to students in coming to university or TAFE.

CHAIR—If I could just interrupt for one moment—it is one of those mornings, isn't it—to welcome Professor Crase and Mr Sharp. Thank you very much for being here this morning. We do apologise profusely for the rather messy start to the day. Do either of you need to make any amendments or alterations to submissions?

Prof. Crase—No.

Mr Sharp—No.

CHAIR—Would either of you like to make an opening statement before we resume questions?

Prof. Crase—Thank you for the opportunity. I really just have a few points to make to emphasise some of the matters raised in the submission. Firstly, the university greatly supports increased scrutiny in this area. It is an area of great importance, from our perspective. Our university has a very strong presence in regional Victoria. About 25 per cent of our EFSU load is assigned to regional Victoria. We are somewhat unique in that we have a strong metropolitan presence as well. We have a unique situation, I guess. There are 600 EFSUs in that region at the moment, and the university's regional strategy aligns with the government's ambitions to increase participation rates. We have set a target of increasing our student enrolments by 20 per cent on the regional campuses and of raising research income by 50 per cent up until 2012.

From our point of view, it is important to realise that, if this group and the government are serious about increasing participation, the take-home message is that further income support is required. At the end of the day, the measures that are currently in place are simply not appropriate, regardless of whether the student intends to study in a metropolitan or regional context. I would emphasise to the committee that that is the case. Not only that, I suspect that it is also important to realise that additional support will be required at the institutional level for regional delivery. Regional delivery, as my colleague has already pointed out, has certain nuances that need to be addressed which are not adequately being addressed at the moment.

Finally, I would just like to note that, if the government is serious about addressing some of the specific initiatives around equity, there is another element of support that will be required there. Notwithstanding the merit of those objectives, I think some of those targets simply will not be met unless there is specific funding directed towards that cause.

Mr Sharp—Charles Sturt University's submission largely related to the participation of rural and regional students in higher education. Our proposition could be clearly stated as saying that the strategies and policies in that direction should aim at increasing higher education participation by increasing the development of rural and regional communities through the provision of higher quality education in those communities. It is a chicken-and-egg syndrome, almost, where we are saying, 'Put the access there in a higher quality way, and much will follow after that.' That is based on our belief that the benefits of higher education are both social and economic and they are self-reinforcing. We would like you to consider not only the school leavers but also mature age people who are conducting continued personal and professional development. For mine, the take-home message is a question: are our big lever policies in relation to things like health and regional development and higher education really fully in alignment in a way which will bring the future we want off the coastline of Australia?

If you look at the factors that are affecting an individual's participation in higher education—and they are closely related—there are probably four big ones. The first aspect is the individual family circumstances, where socioeconomic status plays a huge part. The value that an individual places on education is an extremely critical aspect of the decision as to whether they study or not. If you look at the HECS system that we have, which is a very good system, I would suggest that some people do not understand, for example, the time value of money. They do not understand fully the investment that that HECS contribution is and how that declines over time and the value of that investment. I suspect that when you talk about low SES participation it is actually far worse than the current figures are saying. The current figures, as you know, are based on postcode. It does not take much of a numbers person to realise that it could well be a very, very much worse situation than people really understand it to be at present.

The second aspect is community context. It is the community's aspirations to and perceptions and awareness of higher education that often determine what the individual families' aspirations are, and the presence of a higher education institution in a regional area, I think, clearly lifts those aspirations and that awareness. You cannot expect someone to undertake higher education if they have no awareness of it, if the community does not appreciate it or anything else like that.

Academic attainment to date is the third aspect. If a young person is not achieving at a reasonable level—that is, they are not ready for higher education; they have not been retained to year 10 or to year 12 or they have not had a quality experience in their early years—then, even if they do attempt higher education, they are not going to be successful. So the broader issue of quality of education at the broadest possible level is an important aspect, and I think a higher education institution in a regional area can have spin-offs there.

Finally, the proximity of the nearest campus has been shown to be a critical factor in the decision to go on to higher education. Our work at Charles Sturt has shown that, in effect, there are two sorts of people who apply to our university. One of them is, if you like, the highly mobile person who has a career aspiration in one

discipline area. They will choose any number of universities in their UA C listing, but they are pursuing a career and are prepared to be mobile. I do not think that we have too much worry with those sorts of people. They are probably the higher SES group anyway. The second group is people who will apply for multiple courses at a single campus. They are tied, for whatever reasons, to a particular location, and their future is limited by that. If there is no access to higher education in that area, particularly in a discipline which is of interest to them, then it is not a question of what course they will study or where they will study; it probably comes down to a decision about whether or not they will study. They are the ones I think we are likely to lose: teachers, nurses and people like that who are simply not mobile for whatever reason.

Obviously there are policies that can be thought of as being 'push', whereby you enable students to travel to higher education. There are income supplements and that type of thing. But there are also 'pull' strategies and policies, which I think are in the longer term a better option for our inland societies. We know that, when we have a university campus in an inland area, more locals—the second group I talked about—access higher education. We know that labour force needs are better met. There are more graduates being turned out. And we know, for example, that not only do local or regional students who study at a particular regional location have a high propensity to stay in regional areas but also—for Charles Sturt in any event—about 20 per cent of metropolitan students who come and study on a regional campus take up their first employment in a regional area. That is a big gain. When the rest of the world is heading east, as far as New South Wales is concerned, and south, as far as Victoria is concerned, some people are actually bucking the trend—and I think we probably deserve double points for those ones!

These are difficult decisions, what I am talking about here is difficult, because the students who come to regional campuses want a real university experience. They do not want something that is half baked, second rate or anything like that. They want to study and, as David just pointed out, they want to live on campus if they can. They want a course that is of interest to them, which means that the campus has to have a broad course profile. They want a full student experience and they want to do it at an institution that has good standing. They do not want to do it at some institution that they think is second rate. What that means is—

CHAIR—Sorry, Mr Sharp; I might have to pull you up in a minute or so just so we can move to questions, and then I will let you add anything else at the end if we still have some time.

Mr Sharp—I will be very quick. It means that we have got to have research in these institutions, and these institutions have to have high-profile courses, like your vet science, your pharmacy and things like that, which means a great deal of cost. We are in a high-cost area when you are talking about that sort of thing, but I believe that, if it is viewed as an investment as opposed to a cost, there are things that can be done in that area. We are talking about choice—so students have choice; we are talking about investment; and we are talking about, I think, increased mobility. I do not know that any institution wants to trap their local students in their local area just by virtue of filling their load. We would prefer to see people with full mobility.

Senator ADAMS—I would like to raise the accommodation issue with the other two witnesses. Mr Sharp, I note that in your submission you said that Charles Sturt University currently has 2,400 university supported beds across all your campuses, but you have less than 40 per cent of the student demand. You have also said that you are short of about 3,600 beds. How do those people who cannot be accommodated on campus get on?

Mr Sharp—Typically, they board with local families, take up units, joint share in houses and that type of thing. However, I have to say that from our experience, and looking at some of the student surveys that are being done at the moment, the student experience—that is, their engagement with learning—is best when they are accommodated on campus or close to campus and they can be part of the full life on campus.

Senator ADAMS—Professor Crase?

Prof. Crase—In the context of accommodation, it is an interesting dilemma in terms of where you find the capital to undertake those ventures. I do not think the numbers are in our submission, but within La Trobe, ballpark, we have about 100 beds on this campus, none in Mildura, none in Shepparton and probably in the order of 500 in Bendigo—of varying quality. If I can take up the response from the representative of CSU, what we have tended to do is use basically a matching service. We have an online service that endeavours to source private accommodation and then students are then able to access those private providers. Regrettably, obviously, we are not in a position to quality assure all of that, and so there are some reservations about how that operates. I would concur with the earlier comments that on-campus accommodation is a critical component of the overall experience, particularly in the early years—and not having the facilities to provide that is a challenge. As was pointed out earlier by Professor Battersby, basically the universities are not well equipped to find room within capital budgets for those ventures.

Senator ADAMS—Do the three of you believe that we are losing potential students because of the lack of accommodation?

Prof. Battersby—Certainly from our point of view, that is clearly the case. It is partly the case in relation to the demand for student accommodation but I think it is more particularly driven in our case by financial issues. Even with low-priced accommodation, we have a number of students who do not come to university simply because they do not have the money or their parents do not have the money. In our case, just as an example, in 2009, 40 per cent of our commencing students deferred because of financial reasons. That is very, very significant. A lot of that was because either they could not afford the fees to come to university or, more particularly, they could not afford the accommodation fees.

Senator ADAMS—I will move on to the changes regarding students really having to defer for two years rather than one year and also the stipulation of the 30-hour per week work issue. Is that causing problems as far as whether they go off and get what is almost a full-time job? I do not know this geography as far as mining, but I know, coming from Western Australia, that we are losing a number of our students, especially rural ones—because they are very practical people and the mining companies just grab them. They have two years of earning huge money and to try to get them back to study is very, very difficult. Would you like to comment on that?

Prof. Crase—My sense is that there will be winners and losers as a result of this. In some respects, some students who are currently using the previous regime to qualify for independent living will reassess the viability of that and then choose to go to study immediately. I suspect that that group in particular is probably more financially available to make that decision and was previously using the system that was in place to receive government support when possibly it was not necessary. However, the other cohort, who certainly needs that financial support, is potentially disadvantaged by a longer period away from study.

Again, our data would show that, particularly in regional areas, deferral rates are not only higher but also the return rate from deferral is appalling, to be candid. Trying to make sense of that data is difficult. In some instances it is almost a problem of success in regions. As you pointed out, regions that are growing strongly have attractive employment opportunities, and students faced with the cost of going back to university in a year or two years find that too great. In other instances where regions are poorer, they simply do not manage to assemble the financial resources to undertake the study. So the return from deferral is problematic.

CHAIR—As someone pointed in Perth, it is the lure of a job straightaway, a new car and a girlfriend.

Prof. Battersby—That tends to be our experience as well. In our case, less than 50 per cent of students who defer come back, and the majority of those are males—not females. The second issue—and this I think is a big sleeper at the moment in relation to the changes to the youth allowance—is that in excess of 60 per cent of our students who come back off deferment turn 22 or are 22 years old already, and their eligibility for a relocation scholarship declines as soon as they reach the age of 22. The relocation scholarship is otherwise known as the accommodation scholarship under the Commonwealth scholarship arrangement. So probably two-thirds of our students coming back from deferment will be ineligible for a relocation allocation, which will provide a huge disincentive for students from regional communities to relocate to any of our campuses in Ballarat and elsewhere.

Mr Sharp—Our experience has been that in the latest year about 70 per cent of our deferrals returned, but that could be due to a change of process within CSU. It is certainly a large jump on where it had been in the past. From my point of view, the issue of a gap year or longer is a break in study and the habits of study and logic would say that that break, along with earning high income in certain areas, and the car and all the other sorts of things, may in some circumstances lead to people not continuing on with their education at the time when they are best suited to it.

Senator ADAMS—There are some areas where students have to relocate to find a job, anyway. Some of the communities—not so much over this side of the country, but definitely in South Australia and Western Australia—are very small. Seasonal work was available before but, because of the 30-hour week every week, it is just not available and so they have to relocate and then relocate again. That is also causing a disincentive.

Mr Sharp—I cannot speak for Victoria but the western part of New South Wales and encroaching towards the Blue Mountains side is exactly the same. Employment in work which is of a quality that a mind capable of going to university would want is not in reasonable supply.

Senator Adams—Are all your universities prepared to accept the two-year deferment? There has been some confusion, with students saying that they can defer for one year but for the following year they have to

compete with others coming into that year. Do you have any agreement that you are going to allow that two-year deferment?

Prof. Crase—I do not really want to comment. I think it is for our student administration areas to decide how they are going to proceed with that. One of the things that you will see emerge—in fact, we are seeing this emerge now—is a number of programs being imaginatively crafted to try to make sure that students remain engaged with education. For example, in our university, we are currently in the process of developing programs that are shaped around the reality that students invariably will look to take that 18 months in order to become qualified for independent living—and we are trying to do so in a manner that retains their engagement and interest in tertiary education. Those are some of the innovations that you will see through the sector. Whether that is successful in retaining them to the level required and to grow to the targets that have been set by government is yet to be tested. I suspect it is not an adequate response.

Prof. Battersby—In our case, what we are proposing to do is very much what you indicate but also to ramp up our strategies in relation to maintaining contact with students during their deferment period so that they do not lose interest in the university. The advice that we have been given at the moment is that there are some legal issues involved in continuing to provide deferment opportunities for students in relation to equal opportunity and those matters. We are looking into that.

Mr Sharp—My understanding is that it says you will honour that and admit the students after two years.

Senator O'BRIEN—I am interested in the range of courses that are available at regional campuses as compared to city campuses. One of the issues that have been raised as a matter of equity is the need for rural and regional students to travel to the city to undertake particular courses and therefore being at a disadvantage because they have to move away from home rather than having the option of staying at home. What range of courses are generally available at regional campuses? Can you give us a proportion or some indication of the highly popular courses that are available and what sort of take-up they have in regional and city campuses?

Prof. Crase—It is hard to capture that in 25 words or less.

Senator O'BRIEN—You can have a few more than that!

Prof. Crase—We ostensibly operate in a demand driven environment and the university will overlay that with its strategic objectives as well. For example, in the case of La Trobe, we are highly committed to the development of the northern Victorian health school. In that context, we would look to try and meet the commitments that are embodied within that school above and beyond what might be normally regarded as practical demand. But, in essence, it is a demand driven system. From the La Trobe experience, where we have campuses of different sizes, that more or less reflects the aggregate demand in each of those centres. In Bendigo we have a full suite of programs: all five faculties, including specialist programs in regional engineering, urban planning and the like which are only available through our Bendigo campus. On the Albury campus we have all five faculties and a handful of specialist programs on water, sustainability and the like. As you move to our smaller localities like Shepparton and Mildura, you will find that the number of faculties and courses contracts in line with availability. However, most of those are usually shaped in conjunction with community and perceived demands.

With the change in policy to the removal of caps on enrolment, it will be interesting to see how that then flows through. Lifting caps for all institutions may mean that some other entities embark on a growth strategy. We will have to see how that leaves the remaining market.

Prof. Battersby—The University of Ballarat offers quite a wide array of courses and we are regionally based. Courses in medicine, dentistry, and vet science are clearly not offered by us. We do offer courses in the engineering sciences, arts, creative arts and right through to teaching and the health sciences. So it is a fairly comprehensive suite of programs. Where we do not offer the high-profile courses—and medicine is a good example—we collaborate with Deakin University to take students into a biomedical science program as a mechanism to track them through into medicine either at Deakin or at any of the other universities in Victoria. Likewise, they can track into the other high-profile courses that are not available. I think that is quite a good mechanism for keeping students in regional communities as long as possible before they then move across.

The other thing we are seeking to do as a university is to form quite close strategic alliances with the nine stand-alone TAFEs in regional Victoria. These are from Gippsland up through Wodonga, the Sunraysia, and so on. We have a suite of programs which we are proposing in conjunction with those TAFE institutes—and these are undergraduate degrees—to offer students in those regional communities to enable them to stay locally as long as possible in those communities.

Mr Sharp—Our experience at CSU is that it relates to the size of the campus and also to the maturity and history of the campus. As a general rule, the newer campuses have a narrower course profile and the older standing courses have a broader course profile. We tend to offer the standard courses, as I said, to those students who are immobile or relatively immobile—and you are talking about nursing, primary education, business and that sort of thing—and we tend to offer those on each of our campuses. Obviously the high profile courses like vet science are very costly on one campus.

However, we are looking to use technology to open up access. For example, next year we will offer physiotherapy at both Orange, and Albury where it has been offered for many years. It is largely through technology and video-teaching and that sort of thing that we can actually justify the cost and limit those offering a course like physio—and there is also pharmacy—on two campuses. So technology is coming to our aid in terms of trying to get a broader range of offerings to students. Also, distance education allows us to have students take electives, for example, from other campuses. This allows more choice and, like Ballarat, we do have articulation arrangements with TAFE in relation to things like social work and so on.

Senator O'BRIEN—I am interested to explore the possibility that with the changing Youth Allowance options some rural and regionally based students might look more closely at options at regional universities, whereas they might have assumed that they would go to one of the city based universities because they seem more prestigious and they thought that that degree would serve them better. Has any thought been given to that? Has that been explored with potential students?

Prof. Battersby—From our point of view, 80 per cent of our domestic students actually come from regional communities. We have the highest proportion of regional students of any Australian university. That is our bread and butter and certainly the trend that we have noticed, especially in relation to changes to the Youth Allowance, is that there is an even greater propensity now particularly for mums and dads of high school leavers, who are the key decision-makers for their children, saying in our case, 'Go to the university in Ballarat. Even if you aspire to go to, say, the University of Melbourne, do your undergraduate degree with the University of Ballarat, and do well, and then you can go to Melbourne, for instance, to do your postgrad, or to La Trobe or wherever.' So we are seeing a greater propensity in relation to the changes in the Youth Allowance to stay locally.

Prof. Crase—I would concur. The empirical data is a bit light on the ground but anecdotally it would appear, as I said earlier on, that there are going to be winners and losers with this change, and I suspect there will be cohorts who, as a result of the modifications, will look more seriously at the study options which are closer to home simply because of the financial constraints.

In some respects the universities are cognisant of that and are making adjustments to their programs to suit. I suspect that we will see many more of the first years of things being made available. One way that it can smooth the financial impost on families is to at least have the first year available, which is often not as demanding as future years.

And there are various other modes and combinations. For example, in the context of La Trobe, we have now brought on allied health programs which go through to a master's year. You have a common first year which is studied on any of our campuses, then you relocate to do your more technical skills—and that might require specific laboratory spaces to conduct anatomy and the like—and then for the final two years you come back to a regional area in a clinical placement mode. That type of model potentially deals with those sorts of students who are looking to defray some of the earlier costs associated with uni education.

Mr Sharp—It could be a side issue but, as we said, any change which affects student mobility has winners and losers. For example, for us at Bathurst campus, over one-third of the 3,000-odd students at Bathurst campus actually come from Sydney or metropolitan areas. If there were a change which reduced student mobility, particularly in an environment where there were not hard caps on metropolitan institutions, we could find ourselves severely affected by the lack of people coming over the Blue Mountains. There are winners and losers either way.

Senator O'BRIEN—Although those students could go to a Sydney campus.

Mr Sharp—Yes.

Prof. Battersby—Senator, can I follow that up by also saying that, despite the trend that I spoke about, there are still very significant diseconomies of scale in relation to making regional provision. A good example would be for us to maintain our nursing course at Horsham, for instance, which is a relatively small campus. If you had your druthers as an institution you would pull the course out of there and put it back into Ballarat. But

we do not do that because of the strong commitment in terms of the need to produce nurses to work in regional locations. These diseconomies of scale—and I suspect it is the case with the two universities here—are very significant inhibitors in relation to the further expansion of programs, even, I suspect, within a stronger demand-driven system.

Prof. Crase—If I could get back to my core messages which were that, at the end of the day, the support which is currently on offer to the student or to the potential student is inadequate in order to achieve the types of participation that are required. The support that is available for regional delivery is not sufficient for us to do our job the way we would like to.

Senator O'BRIEN—What do you mean by 'the support that is available'?

Prof. Crase—If we deal with the diseconomies of scale issue, for example, we receive a regional loading for regional students, I would argue that that is simply nowhere near the mark in terms of what is required.

CHAIR—That is a current theme from universities.

Prof. Crase—In order for the university to fulfil its regional commitment—and we are committed to do that, we are not saying we are walking away from 25 per cent of our FSU and commitment in the La Trobe University Act to all of Victoria—the reality that it is an impost on the institution as a whole has to be managed.

Prof. Battersby—I can give you the figures, Senator. In our case revenue base for the university is about $250 million a year. We receive $1 million from the Commonwealth as a contribution to regional loading. Our estimate is that it costs us about 33 per cent more than it would a metropolitan university to run a regional institution, which means that we have to rely on income from international students to cross-subsidise the running of our institution very, very significantly. If there is a downfall, as there is at the moment, in terms of income from international students that is going to have a direct impact on what we can provide.

Prof. Crase—If I could just embellish that with one other comment—sorry to cut across my colleague—notwithstanding that this panel is primarily interested in teaching and learning, there is all the cross-subsidy relating to research. Most universities generate their income from teaching and learning and then have to cross-subsidise to research. So if you are in a regional location, given that we are trying to be real universities generating regionally significant research that is just another weight to carry. If you are not able to generate the surpluses that are required to cross-subside to research, then that inhibits how much regional research you can actually do.

Mr Sharp—Professor Battersby's figure there of 30-odd per cent was interesting. We have been doing some work at CSU recently looking at cost structures. The two higher aspects of our cost structures are our distance education, which has part-time students and where there are significant costs in terms of heads as opposed to student load, and also in a truly multicampus operation where there is not one single dominant campus; we have multiple campuses. These figures have not been validated but we are looking at something like 25 to 30 per cent additional cost for part-time students in relation to distance education, flexible education. Certainly high double digits for the multicampus aspect in terms of travel and duplication of resources, et cetera. It is significant, it really is.

Senator O'BRIEN—So should we get the Productivity Commission to have a look at this?

Prof. Crase—Before or after they sort out water?

Senator O'BRIEN—During.

CHAIR—Concurrently.

Prof. Battersby—The Commonwealth has committed to a review of regional provision. The unfortunate thing is that when the deputy secretary was questioned about this he gave the analogy that you have to recognise that, in terms of reform going on in the tertiary education sector, there is a huge train leaving the station and as far as the Commonwealth is concerned regional is in the second last carriage. I did not take much solace from that in relation to the Commonwealth department redressing this issue and making it a priority. So if the Productivity Commission or someone else is able to do it more expeditiously, I think that would be a fruitful role.

CHAIR—I am the product of Bathurst, when it was still Mitchell College, so I am a very strong supporter of regional campuses. One of the key things that has been coming through is the issue of equity for students who have to relocate—obviously that is rural and regional students in particular. This is not just regional students moving to cities; it is regional students moving to regional campuses. The issue of equity has been

raised by a number of witnesses now, as has the fact that access to tertiary education and the difficulties associated with that should be viewed separately from youth allowance as a welfare issue. The view is that there should be accommodation made for those difficulties that exist for a rural and regional family to send their child to a university in a metropolitan area or another regional area, compared to people living in those areas. I am interested in your view. Should there be a separate financial measure that accommodates that inequity, over and above any of the youth allowance issues? Or is there a way that that equity issue could be accommodated within the current structure? I would be interested in your views on that.

Prof. Crase—The economist in me says that when you have a particular policy objective you should have a policy for it and not try to make multiple policy objectives be achieved with a single policy. That would be my immediate response. At the end of the day, however, all governments have to live within the means that they have available. Their capacity to do this differently, I suspect, is constrained in that regard. This is not the view of the university, but I personally would like to see some work done around an extension of the HECS arrangements that puts more capability with families to make decisions about the extent to which they might need support. For example, if we were able to afford it, it would be terrific if all students who are looking at undertaking tertiary education had an option of taking out a loan from government to meet those other expenses, if they need that loan, and then paying it back in a similar manner to what they do with HECS. It seems to me that that is an option that has not really been on the table but presumably could have merit. That would then enable families to make judgments about how they meet those additional costs.

CHAIR—It is an interesting point. It still, though, would leave the onus of that inequity sitting with the family of the student, wouldn't it? It would accommodate the situation but the cost would still sit with the family and the student eventually if there was a loan type arrangement. I am not saying we should discount it, because maybe as an interim type of thing it is something we need to canvass or look at.

Prof. Crase—I do not want to give a lesson on public policy, but I suspect—

CHAIR—Please do! We are very open-minded.

Prof. Crase—I suspect that if the government takes those decisions on hand then you will have information failures all the way along the line. You will have people who will exploit that. There will be people who do not need that support, but because you are offering it they will take it. My point is that if we had a broader system—and again, this is not the view of the university; this is just me—that allowed individuals to make judgments about whether they needed to access loans and the like to see them through those costs of accommodation et cetera, and then they could pay it back in a similar manner to HECS, that would be a way forward and would overcome some of those information problems.

Prof. Battersby—I think the solution is partly there already, because the Commonwealth already—for instance, in relation to medicine, teaching and nursing—has had a different HECS liability regime in place. We asked in our submission: why doesn't the government build upon what it already does in relation to things like medicine? It is doing it already in relation to the training of early childhood teachers. If you go and teach in rural locations, part or all of your HECS liability will be met. Why wouldn't we want to think about—and it is probably a slight variation on this theme—having a different set of HECS arrangements for those students who come to regional institutions? That could be an attraction to get more students out of the city and into regional locations. As we know, if they come to regional communities to do their higher education, just slightly fewer than 50 per cent will stay on. There could be a different HECS arrangement, building upon what the Commonwealth has already done in relation to these matters.

CHAIR—That is very interesting. Before I go to Mr Sharp, could I ask this question: if a student lives in a regional area, and the course that the student wants to do is not on offer at a regional campus, how would you deal with the inequity?

Prof. Battersby—The Commonwealth already deals with it now in relation to the incentives it provides for things like medicine, to get more folk out of regional communities to do medicine to go back to the regions. It is not as though you have to reinvent the wheel. It is already there and it is a broader application of that general principle.

CHAIR—It is a very good point and not one that has been raised with us. Thank you. Mr Sharp, do you want to add to that?

Mr Sharp—There is an interesting take on things there in itself. I believe that anything that can be done here that increases student mobility and choice in an even-handed way—that is, not just with eastward or southern movement—is good for Australia. Your social cohesion in 10, 20 and 50 years time will be very

different under a policy where people mix and move around as opposed to there being a divide between seaboard and inland or north and south.

CHAIR—Thank you. There is the issue of the $19,500 criterion in the Youth Allowance criteria changes. Rather than throwing that out completely, do you think there is any merit in looking at that criterion, and at having greater scrutiny and a greater audit process so that the rorting—perceived or not—does not take place but there is still the ability for students to have a more flexible way of earning that amount of money over that 18-month period?

Prof. Crase—At the end of the day, you would have to sit down and work out what the costs of all of that enforcement and regulation and monitoring actually are and what the ultimate benefits for the recipients are likely to be. My own anecdotal experience is that, as a way of identifying need, it was a fairly inefficient mechanism. The new system would, on the face of it, appear to be more efficient—notwithstanding the fact that there are some transition issues.

CHAIR—I am getting the flavour; you are coming at this from a very economic point of view. I tend to think: 'Find some more money. Education needs it. It's more important than that.' On that issue, isn't just removing the two criteria for 'independent' and not necessarily replacing them with anything along the lines of what Professor Battersby is talking about going to leave quite a number of rural and regional students disadvantaged?

Prof. Crase—I think the answer is that we do not know. This is the real problem with the changes that have been proposed. When we have asked the Commonwealth to give us an insight into the modelling they have done, they cannot because either they do not want to release it or more particularly they have not done it. I think what is required here—and I would look to your committee to make this recommendation—is that, as the government seek to roll this out, they give a very strong commitment to review it to make sure it is working effectively to meet the needs particularly of rural and regional students. It is an issue about flexibility. If it is not working, it will just drive down those participation rates rather than drive them up. I think that is a crucial issue.

CHAIR—Thank you.

Senator FIELDING—I am interested in the submission from the University of Ballarat. I want to focus on the Youth Allowance. Obviously there is a lot of community concern, especially from rural and regional areas. There is a statement here, and I do not think we should underplay it. We need to tease it out. We have touched on it before. It reads, 'To withdraw the current means of access to Youth Allowance would be a retrograde step and one completely at odds with the federal government's stated intention to increase participation in higher education.'

I do not want to mince words here. This is a significant concern for the community. Albeit that we can talk here about longer-term solutions, we are going to have a vote soon on the issue of whether to turn the tap off on Youth Allowance and a couple of access regimes. Can you touch on that a bit further, because that is quite a strong statement about it being a retrograde step. Will it be or won't it be? I am happy to look at other solutions but we need some immediate solutions because it is only a matter of weeks—or, at most, months—before we vote on this.

Prof. Battersby—The position of the University of Ballarat is that we were highly critical of the existing Youth Allowance arrangements for a whole set of reasons. We advocated very strongly in the lead up to the change that there should be change. I think we did not anticipate that the change would be so significant as it is and done in such a short period of time in the absence of sustained modelling in relation to this. My own view is that I would be strongly supportive of the changes proceeding but with a very strong commitment to monitor and model as they proceed and then, if they are missing the mark, to redress the imbalance rather than to go back to where we were, because I think where we were had too many inequities built into it. It is a risk, I know, but I am not sure what we are left with.

The other thing that really worries me—and it arises out of what you are saying—is that these changes are so highly complex that we have teams within the university still coming to grips with what we think the impact will be. I really feel for parents out in our regional communities who are simply not savvy to these things. Let me give you an example. We have been told that there are only two accountants between Horsham and Ballarat who are up to speed on the Youth Allowance.

CHAIR—For the committee—and we northerners—and the *Hansard*, can you tell us that distance.

Prof. Battersby—Horsham to Ballarat is 220 kilometres. So I am talking about Horsham, Ararat, Stawell and all the communities in regional Victoria. If parents have to go to an accountant there are only two, that we have been told of, who are specialising now in issues and advice on changes to the Youth Allowance. That is really troubling. And to compound that the advice often is, 'Go to Centrelink.' We do not have a Centrelink office in Avoca and Birchip and St Arnaud and all these places. Folk in regional communities often do not have access to fast-speed internet to get onto the Centrelink website to do all the calculations. So I really feel that these things are highly complex and parents in regional communities, by and large, are not that savvy to these changes.

Senator FIELDING—So without cutting you off, and to allow the others a turn, I would like to progress this a bit further. We have already seen that in these changes they have had to exempt this year's kids because there is an impact. There has been a huge outcry. That just defers it. I am worried about saying, 'Let's vote for the changes and put in a clause that says that you have to come back and look at something.' It is a lot of trust. I think we have to try to find a solution. What I have suggested is that if someone has to shift 100 kilometres they would quality for Youth Allowance on that basis alone. Maybe that is a short-term step but at least it is a positive step in a simple way so that kids know the rules going forward. What are your thoughts about that or should we just say, 'Listen, change the other bits and pieces—the other parts that are positive—but we don't agree with the changes to the Youth Allowance. Go back to the drawing board on those and look at it in a more holistic way to make sure that it is win-win.' My comment—and I am interested in your comments on this—is that we should be making it easier for our kids in rural and regional areas to get to university; not harder. I would be interested to know your thoughts on that proposition.

Prof. Crase—I think if you look at La Trobe's submission, in general we are supportive of the changes. Our concerns at the time of writing the submission were primarily around the grandfathering of the cohort that was likely to be disadvantaged or trapped as a result of the changes. From our perspective, that now seems to have been addressed. So the general tenor of La Trobe University's submission would be that we are broadly supportive of the changes and trying to make that work.

Senator FIELDING—Just on that point: are you still happy that people have to qualify for a year and a half rather than just a year? I am surprised to hear you nearly say that you are happy—

Prof. Crase—I think the word 'happy' is a bit—

Senator FIELDING—I am sorry—I do not want to put words in your mouth, but I am getting the feeling that you are saying, "Just pass it. Don't worry about next year's kids coming through; we've taken care of this year's". I really get nervous because we will look back at *Hansard*, and we will look at your quote, and the government will probably use it and say, 'Well, they are relatively happy.' I am not convinced the kids are going to be happy with this change at all.

Prof. Crase—Sorry, senator; I am simply trying to summarise what the submission says. I would be most upset if it were taken that, as a result of this, I am happy—or anywhere near as happy as I will be on Saturday when Geelong wins the flag! But, setting that aside for the moment, I think we are pragmatic enough to realise that there is a limited envelope here, there is a limited budget with which to achieve these changes. As Professor Battersby pointed out, many of the universities had concerns with the existing criteria and whether they were actually addressing equity. Quite clearly, they were not. The view within the university is that the changes now do a better job of addressing that. As to any amendments that you come up with that you think will do a better job: that is really a case for you to work through, I would think.

Senator ADAMS—I would like to ask the three of you about Indigenous students. Are they going to have problems with this? How many Indigenous students does each of your universities have?

Prof. Crase—To be candid, the recruitment and stimulation of interest for Indigenous students is problematic. Our university has been working on this for some time, trying to raise Indigenous enrolments. To be candid, our results have been mixed. In some campuses we have done really well. In Mildura we have managed to raise Indigenous enrolments significantly. On this campus, in Albury-Wodonga, regrettably our success has been nowhere near that mark. It is a complex issue. From our point of view it covers the full spectrum of attraction of rural students and SES groups—and it goes back to even thinking about when people formulate their ambitions. There is plenty of work currently available in the literature to show that those ambitions are formulated at primary school age. Most universities actually start targeting people about year 10 onwards. From our perspective, the horse has bolted in terms of encouraging greater Indigenous participation in higher education.

On the upside I would contend that, as the market becomes more competitive, and as each of our regional institutions look to find broader sets of pathways for all people to participate in education, I suspect that there will be a spin-off for Indigenous engagement as well. For example, many of the universities now will be looking to offer bridging programs or one-year programs that lead into degrees which are much more accessible to wider cohort. I would hope that Indigenous students will form a significant part of that. But, to go back to my earlier remarks, if we are going to be serious about fixing this we do actually need to put some resources behind it, to address some of those equity targets that have been set by government.

Prof. Battersby—On the Indigenous student issue, our university differs from both of these because we have TAFE. What we find in a regional community is that the ability as university to track people through certificates, diplomas and advanced diplomas into degrees, particularly Indigenous students, is the right sort of pathway. So it is a one-stop shop offering certificate I to PhD. That tends to enhance the attractiveness of our university to Indigenous students. Having said that, like every other Australian university the challenge is immense in relation to lifting those participation rates.

Mr Sharp—You are talking about multiple aspects of disadvantage—of distance, of socioeconomic background and all those sorts of things—all rolled into one. The whole sector has not done as well by Indigenous students as people would have liked. I think it comes back largely to preparedness—the quality of early education and early health. You cannot get away from that. Obviously, the TAFE pathway is one way but, again, they still have to hit year 10 in reasonable shape in order to do that. It surprises me that football clubs worked out long ago that you pick winners when they are six and seven and back them—you see stars born. The education sector has not even worked that out yet.

CHAIR—Thank you, gentlemen. I have one final question, if you would not mind giving it some thought and perhaps giving me a quick answer. It is the issue of aspiration in students and increasing the actual aspiration of our young people out there to want to go on to further education. As universities, I want to hear what you are doing in terms of linking in to those younger students and addressing that issue of increasing the aspiration.

Prof. Crase—La Trobe has an engagement strategy now with schools that tracks back through to early high school, and we are looking at how we get back into the primary schools as well. As I indicated earlier, the formulation of those aspirations appears to happen very early, and part of the challenge with regional communities is that often they are of such a size that it is actually quite difficult to provide real-life examples for some of those students in small communities about what success looks like. So regrettably we see enrolments that chase TV shows. We see people queuing up to do forensic psychology because of some TV show because that is the only thing they can relate to. In real life communities we do not have a forensic psychologist that we could trot out and look at and see what they actually do versus what they do on television. In a regional context those challenges are even greater because we often do not have the role models close at hand in small communities of a thousand people to demonstrate the benefits of education. At the end of the day we simply try to emphasise to people that those who have degrees on average earn about a million dollars more over their lifetime, ostensibly are healthier, ostensibly are happier—you can record happiness in that context. So we can emphasise that to people, but they do need to see real-life examples that they can attach to at a very young age and that is quite difficult.

Prof. Battersby—For us it is crucial. We have done it probably for more than a decade now in terms of that aspiration building in regional communities. We have a small team who go around working with year 9, 10 and 11 students. The unfortunate thing is that the funding source for that now has changed as a result of recent budget announcements and one significant source of that funding has actually dried up in terms of equity funding. Having said that, there is $108 million in a package to bring secondary schools and universities more closely together. It is just so crucial that we continue that and indeed fund more of it in relation to what is required in regional communities.

Mr Sharp—The sheer presence of a university campus in a regional city or town in itself I believe raises aspirations. It is in the newspapers, it is seen in a positive light invariably, and therefore, as I was saying right at the start, the presence of viable universities in these cities is absolutely important and, what is more, for them to be seen to be on a level playing field with other institutions that are known to be of renown or whatever else. So from that point of view the presence is in itself just a huge aspect. We are looking at some work in concurrent enrolments with nursing, for example, with a high school subject which articulates in with a nursing degree. But again that is not the type of aspirational thing that I think you are possibly referring to. I would ask how many low SES students are going into veterinary science, law, pharmacy or medicine? I bet

next to none. Possibly the biggest thing we could do is educate our teachers, our primary teachers and our secondary teachers, to open the eyes to extend students to let them live to their potential.

CHAIR—One last quick question from Senator Adams.

Senator ADAMS—Professor Battersby, just on the TAFE-university partnership, could you say where you think this is really going as to the importance of it? It seems to be something that other areas are looking at but have not quite got as far as you.

Prof. Battersby—Victoria stands apart because four of the nine universities are actually dual sector in Victoria. There are five in Australia, with Charles Darwin being the other dual sector arrangement. I have a very passionate commitment to think that dual sector arrangements in regional Australia are one solution to the participation issues because they provide you with a one-stop shop in terms of certificate I to 12 PhD. Having said that, there are enormous regulatory and compliance issues because we are dealing with two masters: the state government, who fund from Commonwealth moneys the TAFE arrangement, and of course the Commonwealth. That burden is huge in terms of trying to run a single institution. But I think the benefits outweigh the negatives on this.

CHAIR—Thank you very much, gentlemen, for are taking the time to be here with us today. Again apologies for the rather wonky start to the day. It is being extremely useful and we appreciate it very much. Thank you.

[11.50 am]

BARROW, Mr David, President, National Union of Students

HASTINGS, Mr Graham Nicholas, Research Coordinator, National Union of Students

CHAIR—I welcome representatives from the National Union of Students. You have lodged a submission with the committee; would you like to make any amendments or alterations to that?

Mr Barrow—No.

CHAIR—Very good. Would like to make an opening statement before removed questions? I am sure you would!

Mr Barrow—Yes, thank you. NUS would like to thank the senators for our invitation and for finally taking steps towards addressing educational access for rural and regional students. As a student from the Central Coast of New South Wales I personally have a lot of interest in this particular topic, as do many of our most vocal organisers, many of whom come from outside the major capital cities—perhaps a reflection of the fact that rural and regional students, once they do get into university, value their education thanks to their background.

NUS take a broad view that focuses on three constituent parts—firstly, that Youth Allowance is a crucial component of educational access. We broadly agree with the government's new architecture but feel that it is largely unfinished and that a second wave of reforms are necessary as soon as possible. The removal of the workforce eligibility criteria is a good step, since 30 per cent of gappers choose not to go to university. Its removal, however, leaves students with few choices. Overwhelmingly, the Bradley review's direction puts the responsibility for tertiary support onto parents. If students come from families over the income threshold and remain unsupported, they will have to wait until they turn 22 to access government support to go to university. Crucial years of learning are lost. NUS has always supported a universal student allowance that could be achieved by dropping the age of independence to 18. In the meantime, our submission puts forward that all students who relocate in order to study should be eligible for the full rate of youth allowance. This is in addition to the current changes, not as a replacement.

The current government and opposition rationale of supporting a budget-neutral package in this regard is a major obstacle to achieving this goal. We argue that the debate over the gap-year students clearly demonstrates that taxpaying, swing-voter parents support greater funding being directed towards youth allowance, and this is notable since the feeling in Canberra has long been that this core constituency would be against sending tax dollars to those 'bludging, whining students'. We feel that the debate has changed. Perhaps it is a recognition that the vast majority of students work during their studies or perhaps the generational change that has occurred has brought with it a greater recognition of the economic and personal value of higher education.

NUS believes that there is political will in the electorate to further expand and increase student income support. Within the current guidelines proposed, we heartily support the drop in the age of independence, the increase in the personal income test threshold, the increased personal dependency threshold and adjusted taper rates, the coverage of masters students, the increase to Australian postgraduate awards and the two new scholarships. The $4,000 Relocation Scholarship goes some way but not all the way towards recognising the cost of moving, and starts to open the debate on the importance of student mobility and university choice. The Student Start-Up Scholarship reflects the years of stories of students missing meals, putting off paying for textbooks or dropping out in their first semester at university due to financial constraints. Our argument, earlier this year, in favour of the $950 Training and Learning Bonus was that it would bridge the gap between casual summer jobs in the regions, for example, and the high start-up costs for university before students can go on to finding a secondary, stable university job during their studies. This can take some time to find. We see these scholarships as key benefits in the package and would hate to see them disappear.

Finally, the third and probably most controversial part is that we feel that we must look at the destructive effect of voluntary student unionism. For regional and rural students, the effects catch them no matter where they go. We feel that student services and support are essential to the idea of university, essential to making university a place for everyone and one that will support their attendance and experience. We feel it is something that the 'clever country' should be doing to ensure a quality education.

If regional students choose a regional university, they will find one perhaps lacking in medical, legal, tenancy and dental support or financial and academic advocacy. They may find one that is lacking in a vibrant

student life and they may find that they lack the opportunities to access a great many of the value-adding extracurricular activities available to past generations of students or to students who study at metropolitan universities.

If they choose a metropolitan university, they may be lucky enough to find an institution that has siphoned off funds from teaching and learning to fund student support and life. Sunset clauses at many of the city universities come into effect in January of next year, and the steady and sad decline of support and services will follow what has happened in regional universities. What does this have to do with regional and rural access? I know personally that when you move out of home you are deprived of family, school friends and community, and you depend on the services and the support that the university provides. Regional students use these services at metropolitan universities, often more than those who live at home or who are a train or bus ride away from campus. These services are used heavily in the first semester, leading one to the conclusion that they may in fact be linked to the retention of regional and rural students in their studies.

When you ask most parents in regional Australia whether they want their kids to be supported at university and to have opportunities to excel in extracurricular activities—and I have just done that recently by visiting Shepparton—they say yes. When you ask regional towns and communities if their campus should offer the same opportunities and educational experience as a campus in the city, they say yes. Most importantly, if you ask students from regional Australia who have picked up and moved their lives to study, expecting a university education and a university experience in its fullest regard, whether they would support a portion of their HECS being used to support student services and student life, they say yes.

Senator O'BRIEN—I gather from your submission that you believe that if you have to move to study, wherever you come from and wherever you are going, you should receive non means-tested financial support from the taxpayer.

Mr Barrow—That is correct. We believe all students should be able to access Youth Allowance.

Senator O'BRIEN—You do not see it as a welfare issue then?

Mr Barrow—There has long been an issue with seeing student income support in the same way that you would see unemployment entitlements. I think that if you look it as an investment in educational access as opposed to a cost to government then you see the benefit.

Senator O'BRIEN—Whether it is needed or not.

Mr Barrow—There are a number of issues that we could go into about whether or not we should be supporting students to be independent of their parents in their choices for university. A number of issues that have come up since the removal of workforce eligibility criteria about when students who are over the threshold have parents who say that they must study a certain subject, for example, and that the financial support of their parents will be contingent on the choice the parents want for their university education. That is one example of where we would say that the state should intervene to support students to make their own choices.

Senator O'BRIEN—So if you have a perfectly good course available that you do not have to travel for but you decide that you want to move away from your parents, the taxpayer should support it because you have said you are going to Ballarat, Bendigo, Sydney, Hobart or whatever for that purpose, even though there is a perfectly good course you could attend that is close to home.

Mr Barrow—There are two things to say about that. Firstly, the $4,000 relocation scholarship is a step towards mobility that is in line with the Bradley review's recommendation about deregulating university places. It is clear that the government want to give students choice so that they can engender competition by universities to make sure that they specialise in a course that is really top quality. That student mobility is an important aspect of this whole package is something that has been quite clear throughout this whole process.

Senator O'BRIEN—Let us say that the package deals with those students who are either dependent and need to live away from home or independent and need to live away from home, depending on parental income on the one hand for dependants and on personal income in the case of independents, which determines that factor. Does that not indicate that it is a welfare payment and not something to do with a desires based payment?

Mr Barrow—We have always contested the utilitarian model of student income support and always said that every student should have that access to universal support. Having said that, we are realistic about what

can be achieved, and that is what we put forward in our submission in terms of short-term changes that need to be made to this package.

Senator O'BRIEN—When you say 'short term', what do you mean?

Mr Barrow—For example, our second recommendation was about providing relief for those students who are caught in the middle, but I think long term we are looking at the 100-kilometre rule—relocation.

Senator O'BRIEN—So your short-term aim has been met, then?

Mr Barrow—One of them has been, yes. We do not want to be caught in the position where we are saying, 'Yes, we'll be happy if we put it off for two years before we introduce this new measure,' and then in two years time it just gets put off again.

Senator O'BRIEN—Do you know what the cost of the measure is?

Mr Hastings—No.

Mr Barrow—No.

Senator O'BRIEN—Have you done any work on that? Do you have any idea how many students would be picked up with the proposed measure?

Mr Barrow—Our recommendation has come from the report that the Victorian government put out. It has been copied by a number of submissions to the inquiry, I believe.

CHAIR—We could have a look at the inquiry and see whether they have attached any figures to the recommendation.

Senator O'BRIEN—Yes, we can. I just wondered whether NUS had done even a back-of-the-envelope calculation to see roughly what burden that would impose on the taxpayer.

Mr Hastings—I suppose it depends on what criterion you are using for the definition of 'essential to move', and there are various models—whether or not it is the desire to move, or is it because the course is only offered somewhere? If you took a narrow interpretation of 'you have to move', you are talking quite a small program. We would be talking about tens of millions of dollars, not hundreds of millions, or that sort of figure. It depends on what definition you are coming from.

Senator O'BRIEN—Absolutely. Your proposal is pretty broad. If you narrow it down, then, let us explore the narrowing down to those who, of need, must move to undertake a course that they want to undertake. We start with the medicines, veterinary science, dentistry et cetera where you have to go to a particular location to do them. That is one end. On the other end you have probably got nursing, primary teaching, several arts courses et cetera, in a range that a large number of students study and that are widely available at various campuses across the country. If you are looking at 'have to move', that would be a much smaller figure, and you can see that we are talking about something that may be less of a problem to government than the—

Mr Hastings—Off the top of my head, I am thinking of a figure of something like 15,000 students. That sort of figure has been kicked around, with figures of around $40 million or $50 million for that sort of narrow sense, and then obviously there is a greater cost as you stretch the definition.

Senator O'BRIEN—Okay. I suppose—

Mr Hastings—I will just explain. We do not do a lot of going away and getting our own costings, because usually parliament is not going to take notice of our costings; it is going to get Treasury to do it, so we—

Senator O'BRIEN—We are taking you seriously enough to ask you the question.

Mr Hastings—No, I am just saying that, with the costings, obviously we try to get someone to ask the right question of Treasury to do the costings.

CHAIR—I think what Senator O'Brien is getting at is that, if there is a ballpark figure with it, Treasury might be keener to look at it than just a blank cheque. Go on, Senator O'Brien.

Senator O'BRIEN—I am happy to pass to someone else.

Senator ADAMS—You heard my questions about accommodation before, so I would just like you to comment on whether you feel that rural students are being disadvantaged and a number of them are not able to take up a university position because of a lack of accommodation or not being able to afford it.

Mr Barrow—It is a huge issue, and it is not just rural and regional students. As you saw this week, it is also international students who are cramming in 37 to a house, for example. There is not really much to say about

it, other than that it is a huge problem across the board getting access to accommodation. The Bradley review has come around and said, 'Well, parents can support their kids until they are 22 because most of them live at home.' The reason they are living at home is that they cannot move out, and that is just in the cities. You can imagine being a rural and regional student coming in and trying to move out.

It was a particular issue when there was a big dip in the job market, which, depending on which city you are in, is still there for casual jobs. If you cannot support yourself, you are stuck. In the last 10 years, we had a lot of jobs for casuals, comparatively, so students were able to move out, but as those jobs decline, if there is a swing down, students are having trouble finding accommodation. There is certainly not enough university provided accommodation. We have said in the inquiry on international student issues that each university should offer a one-year guarantee of a spot—not necessarily a cheap spot; that is going to be up to the market in many ways, although it should not be, but actually having a guarantee that there is going to be a bed available is an issue as well. That is something that the Australian National University, the ANU, does.

Senator ADAMS—We have had some evidence that in first-year university students there is a huge dropout rate, mainly with the students who are living off campus rather than on campus, because of there being no pastoral care, mentoring or people able to help them out when they do get into difficulties with something. Could you comment on that?

Mr Hastings—I have had a report from Gippsland about students who are sleeping in their cars because they just cannot get anywhere, and then they are driving into Melbourne to do some casual work and sleeping on a friend's couch on the weekends, doing a couple of shifts and then going back and sleeping in a car or elsewhere, such as on a friend's couch.

Senator ADAMS—Do you have any statistics about the dropout rate in first year due to not being supported? You are saying that it would be good to have a spot first up.

Mr Hastings—Yes.

Senator ADAMS—What has made to you come to that conclusion? Is there anything to do with the pastoral care and being able to adapt to university life in that first year that would retain those people rather than lose them?

Mr Barrow—Yes, that is exactly where we are going. I guess we are not adding much because we agree. I do not think we have the statistics for that on hand.

Mr Hastings—Basically, NUS are saying we will recognize this as a youth gap year, and one of our priorities for next year is going to be doing a national housing survey because we have just seen that it is such a massive problem. We have just been so busy with all of the reviews this year, but next year we see that as probably one of our No. 1 issues.

Mr Barrow—There is a mountain of anecdotal evidence. Pick a campus and we can give you stories.

Mr Hastings—Certainly there is some evidence. We could try to bring you some evidence from campus welfare officers. If we receive any, we can pass it on to the committee, if you are interested.

Senator ADAMS—Certainly—

Mr Hastings—Would you like to see the figures done on the university dropouts from lack of housing support?

CHAIR—That would be useful, if you could take that notice and provide it to the committee.

Mr Hastings—I will call out for the figures for that; we just have not aggregated the figures yet.

Senator ADAMS—Could you comment on the practicality of the 30-hour working week in comparison to what has been available before? In particular, I come from a very small town in Western Australia, and the jobs that are available are available on a seasonal basis, but it certainly would be very difficult for students to be able to work through that criterion of 30 hours every week. Could you comment on that?

Mr Barrow—Yes. We do not really see that as an option for most students. It is really not going to be feasible in any way. It was baffling for me to see why it was left in in the first place, because it is not really an option. You have said yourself that the issues are that, for tourism or harvest work, that is when you can get the 30 hours, not during the whole year. That is regional Australia. That is seasonal work. That is the way it is. So it is a huge concern for us.

Senator ADAMS—With the two-year deferment, have you found any universities that are not prepared to accept students deferring? You have the one-year deferment, which is fine, but are there any universities that you have come across that are not prepared to go for two years?

Mr Barrow—They have all said they will deal with it on a case-by-case basis. Some of them have come out and been more supportive and put a policy in. That is something that we are going to be taking up over the next couple of months, because we are still trying to find our feet in all of this, to be honest.

Senator O'BRIEN—Most are telling us they will.

Mr Barrow—That is what we are hearing—most will. But, again, we do not really see that as enough. We do not think that that is the right direction to be going, where universities are extending for two years.

Senator ADAMS—You probably heard my question regarding students being able to get jobs, as in Western Australia, with the mining companies—

Mr Barrow—Yes.

Senator ADAMS—and earning huge money, and then whether they are going to come back after a two-year break. A one-year break is probably quite a long time, earning that sort of money, but in two years they may be offered promotion and very, very big salaries. Are they going to come back?

Mr Barrow—No. That was my experience from my school, actually, and I feel that that 30 per cent figure is pretty much across the board—and that is just one year. I would probably be willing to make some comments off the record about why that may be, to do with the lifestyle, I guess, of that year and what happens in that year.

Crucially I think you lose that. From my perspective and anecdotally from school leavers, you work so hard to get to the end of school, you have built up all of this momentum, you go on schoolies and if you are lucky you get back from schoolies and you go straight to university and continue that momentum. If you never get back into that habit you are losing those crucial years of learning after you have built up that repertoire of learning skills during school. To give it a year or, even worse, two years you basically have to relearn those skills. The difference between three months and 13, 14 or 15 months is a big one in terms of those skills that you learnt at school.

Senator ADAMS—Just one last question from me. I was looking at your report about the percentage of Indigenous students that are making the grade. What can be done to help those students that do have an ability? Should they be going through TAFE to get themselves going so that later on they can move into higher education? How do you see a pathway for them?

Mr Hastings—Are we talking about the students who have deferred?

Senator ADAMS—No, just generally for Indigenous students to get them up to be able to move into higher education.

Mr Hastings—We had a national Indigenous conference late last year.

Senator ADAMS—I saw that. I have not actually looked at the website.

Mr Hastings—They came up with about 40 recommendations. I do not think that was specifically on there. Obviously that is part of the mainstream discussion where people look for all sort of different pathways we can take to try to get people up there. If feel a lot of the priority area, as the previous speaker said, is trying to get the outreach and aspiration not only to year 12 but to the lower high school students. They are maybe getting into TAFE or something like that, but we are losing them at the end of compulsory schooling at the moment. That is where the biggest dropout rate is.

Mr Barrow—One of the programs we endorse is the Australian Indigenous Mentoring Experience, which is run in New South Wales, and will probably be rolled out over the next two years. They get Indigenous and non-Indigenous mentors from university to go back into schools and provide mentoring for a number of years, through years 9, 10, 11 and 12 and into first year as well. That has had quite a lot of success in its pilot phase. Obviously that was one of the many programs supported by the student union and that is something we have seen as directly doing that. There was something about Indigenous students in this proposed package about not being means tested.

Mr Hastings—I was looking at the explanatory memorandum of the bill and it seemed to be saying that the Abstudy students would not be tested by the parental income test. They had expanded it because there had

been some criteria where there was a general exemption for Abstudy from the parental income test. It is another measure that seems to have been taken up.

CHAIR—Excuse me for interrupting. We have some media in the room. Are you happy for them to proceed?

Mr Hastings—Yes.

CHAIR—Thank you.

Senator FIELDING—In relation to the Youth Allowance changes, and in particular the workplace criteria of 18 months of 30 hours work a week, do you get a sense that it is going to impact on rural and regional areas more than on metro areas, or is it across the board? What is your gut feeling? You said in your submission that you have had a lot of people ringing in concerned about it. The government has realised that they have some of it wrong by deferring the start date by another year, but that does not do much for the following years. What are your thoughts on that?

Mr Hastings—All the calls we have received are from regional parents. I have not received a call from anyone from Toorak complaining to us about it. We have received calls from not only farming families but also small business families out in regional communities. I suppose as someone who has worked in this area of policy for a long time, what is a bit concerning is that, compared to some of the other equity areas, there has been a lot less research done on this within the Australian higher education context. If you look through the department of education web site, you will see that there are only two or three reports on this and they are quite old and concerned about a postcode methodology rather than getting a sense of what are the causes and what are the underlying forces and things that drive equity and access for rural education.

So in some ways this is a real stab in the dark in terms of what the government is doing and in terms of assessing what the impact might be. I would certainly want there to be a review, maybe by 2012, when all the measures are actually in, to work out what has actually happened. In the meantime, before then the government should proceed very cautiously about the impact of these changes because I think it is a bit of a stab in the dark. The Chapman report, which was cited in terms of showing high-income earners that were rorting the system, did not disaggregate between rural and metropolitan people. So we do not know what is going on.

NUS was part of the advisory group when Universities Australia did the student financial survey, which is much cited. Unfortunately at that time we did not disaggregate rural students. We were looking particularly at low-SES students and Indigenous issues. So next time around when we talk to Universities Australia we would want to make sure that we look at those sorts of issues. There is a whole lot of policy work that we have not seen in the public sphere. Maybe the department has got their own internal modelling that has not been released but in the public sphere certainly I think it is a bit of a stab in the dark in terms of the impact.

Mr Barrow—It is important to say that there will also be students in metropolitan areas who will be negatively affected by this change.

Senator FIELDING—Yes, I have been contacted by both, so I think there are concerns about the impact. One of the key concerns is that therefore people will need to take two years rather than just the one-year gap year. I understand there is a fair bit of drop-out when you defer for a year. I think it is around 30 per cent. Is that right? In other words, for people who do a gap year and try to qualify for the independent rate or whatever there is a drop-out rate of about 30 per cent. Will it be any higher if it goes to two years, do you think? What is your gut feeling?

Mr Barrow—My gut feeling says yes. It is hard to say. It is another demonstration of why we cannot go back to a gap year model, I think. We need to find a new tool.

Senator ADAMS—So what would be the new tool?

Mr Barrow—What we have recommended is that students who have to move out of home become eligible for the independent status.

Senator FIELDING—Just on that point, that seems a crazy way of doing it—to force people to actually do that. It seems ridiculous.

Mr Barrow—To force them to move out?

Senator FIELDING—Yes, if that was just to meet the criteria.

Mr Barrow—I think it recognises that they will have that extra cost of moving out and they will not be able to be supported in their home.

Senator ADAMS—Just to carry on from that, are you looking at rural and regional students having the allowance first-up for relocation? What about the city students? Just because they want to move out from Mum and Dad's, should they be able to get it as well? Are you looking at it overall or are you just looking at a criteria for rural and regional students who have to relocate because there is just no way that they will be able to do their course in their own local area and stay at home?

Mr Hastings—I think we are going for the broader interpretation, because I suppose we are trying to get as many members as we can as much income support as we can. We see that as our role. But I can understand that a government worried about spending would want to take more of a narrow interpretation.

Senator ADAMS—Well, the problem is that we do have some students that wish to go and study or have to go and study in a rural or regional area who come from the city. Then you have the others who go from one regional area to another one. They have to move because the course they want to do is not available where they live. Our concern is that where the system has been rorted has been mainly in the cities—where students have decided to move out from Mum and Dad's but still get their youth allowance. As far as we are concerned, we think that the rural students should be in a different category and should be looked at in a different way because they do not have a choice. If they want to study, they have to move.

Mr Barrow—The intention was to allow those students who moved from regional to regional, regional to city and city to regions to fit into that new model of thinking in line with the new ideas behind the relocation scholarship. That was the intention of our recommendation.

CHAIR—But the point is that you have to be receiving youth allowance to get the relocation scholarship.

Mr Barrow—That is right. That is what is behind our recommendation.

CHAIR—Sorry?

Mr Barrow—That is what is behind our recommendation.

CHAIR—Okay. I am with you.

Mr Barrow—So that you can become independent if you need to move.

Senator ADAMS—I would like a clarification or a definition of what you would consider 'rural'? If someone has to travel an hour and a half back to go to university in the city, would you consider that rural? Or would it be 100 kilometres—

Mr Barrow—That would not be rural.

Senator ADAMS—Where you draw the line is a really difficult issue.

Mr Barrow—That is right. Why we are being a bit cautious is that we are not trying to pick winners or losers within our own membership. Depending on which city you live in, you can spend two hours getting to university and two hours getting home anyway, especially if you are in Sydney, where the transport infrastructure is not so great. But there is a recognition that rural and regional is outside of those metropolitan centres where there are no choices in the immediate vicinity.

Senator O'BRIEN—You can go to UWS or Macquarie.

Mr Barrow—That is exactly what we are trying to avoid saying. It should be for rural and regional students, but then the student who wants to study from Alawa, for example, or Hurstville in South Sydney who needs to travel to Campbelltown to do law should not be disadvantaged. There are two models. One is the kilometres and one is the minutes. Currently, Centrelink uses the 90 minutes rule.

Senator ADAMS—The 90 minutes.

Mr Barrow—Then there is the new kilometre method that has been brought up in these discussions.

CHAIR—So you are saying that if you live in Hurstville or Alawa and you have to travel to Campbelltown there is still a difficulty in terms of accessing that education?

Mr Barrow—Yes.

CHAIR—That is understandable, but I still think that is a completely different scenario from someone living at Tamworth who cannot access anything locally that they want to do at Armidale and has to go to Sydney. You can hope on a train at Hurstville, change at Liverpool and go to Campbelltown—it probably goes straight through. My point is that the issue of just having to relocate is not a blanket thing. If you are talking

going from Hurstville to Campbelltown, that is very different criteria than going from far west New South Wales into Sydney or something like that. Or do you not agree? Would you say that they are the same?

Mr Barrow—Our experience is, though, that when students say to us that they have difficulties is that there are two different difficulties. Yes, they are different difficulties. The first one is how much of our course time and quality learning are we giving up in transit and transportation? The second issue is for rural and regional students or people moving into interstate or wherever who cannot afford housing and so have to work three jobs, which again cuts into their learning. Our first point is why people are not going to go class, why they are missing their lectures, why they are working until midnight and then getting up at dawn to work again or travel. That is the perspective that we are looking from—the university backwards.

CHAIR—There are a myriad of difficulties. Just finally, I want to raise the issue of this inequity again. You raise in your submission that the estimated cost is about $15,000 to $20,000 a year for a rural young person to study, plus the start-expenses and relocation of $3,000 to $6,000. It is a very good statistic. It was raised with us yesterday by a witness in trying to look at this equity issue that a person in a family that earns $60,000 in a regional area and a person in a family that earns $60,000 in a metropolitan area have their youth allowances assessed as exactly the same. Yet if you are a regional person who has to move away, you have all the extra costs that you identify in your submission. Would you say that that sort of descriptor, if you like, of that comparative figure from regional to metro is appropriate in trying to get the message across about the inequity?

Mr Barrow—Again, I am not trying to pick winners and losers. I guess the issue comes down to the role of rent assistance and that secondary amount that you can earn when you move out and what quantum that is at.

CHAIR—But I suppose my point and what you are saying is that there is no—

Mr Barrow—There is certainly no recognition of that in policy.

CHAIR—Yes.

Mr Barrow—To look at the tool at the moment, the differentiation is whether you are living out of home or at home. Whether your home is just around the corner or 10,000 kilometres away seems to be immaterial.

Mr Hastings—I want to just chuck in also that there is an issue that I think needs examination, which did not really come up in our submission. It is looking at the actual level of the means test and assets test that is applied. I am not quite sure when that was last reviewed. It is one of those things that may be set at a bit too low a level. If there were a proper review of rural impacts—

Senator ADAMS—Are you looking at the assets for a farm or other property.

Mr Hastings—Yes—basically that $2.28 million for the business or farming asset level. If it is like a lot of the other income support, it probably has not been indexed in a very long time, and it might need a bit of catch-up adjustment to be fairer, because I think it is a very small asset—

CHAIR—Good point.

Senator ADAMS—Yes, that was raised in Western Australia. For some of the broadacre farming properties, their plant, chemicals and all of that would be well and truly over that amount, let alone the wealth of the property. For a viable property in that respect, I do not think it is high enough, but unfortunately a number of my colleagues are aghast at that amount of money. It is just that farmers in most areas are asset rich because on book it looks as if they have a huge accumulation of dollars. But, as far as having ready cash goes, it is very difficult.

Mr Hastings—We managed to get a bit of catch-up to CPI for the personal income test and the income bank allowance out of the Bradley review. I am just wondering if it is one of those other things that need to have a bit of a catch-up. We should work out when it was last indexed. Maybe it needs a substantial increase. I do not know if anyone knows, but we should investigate that.

CHAIR—We will certainly have a look at that; thank you for raising the point.

Mr Barrow—There is just one other quick thing. We are light on the statistics but we are heavy on the experience of what students are actually feeling. Right now—this is not in our submission—year 12 leavers and students currently on youth allowance really want certainty about what is going to happen. I am talking about year 12s who are doing their final year exams. They do not know where they are going to university next year; they are basing their preferences on their financial situation. That is why we have argued very strongly to pass the scholarships, since the budget has said it will be introduced on 1 January 2010 and people are making

their decisions based on that. I think that is something to also consider: the timeliness as it passes through the Senate is very important.

CHAIR—Thanks, Mr Barrow. Mr Hastings, thank you very much for being with us today; we appreciate it.

Proceedings suspended from 12.28 pm to 1.20 pm

CRISP, Ms Margaret, Chief Executive Officer, North East Local Learning and Employment Network Inc.

ACTING CHAIR (Senator Adams)—Welcome. Is there anything you like to add about the capacity which you appear today?

Ms Crisp—The North East Local Learning and Employment Network is based in Wodonga and is part of the state-wide LEN network. The LEN region I represent includes the local government areas of Alpine, Indigo and Towong and the city of Wodonga. In making this appearance today I bring experience and knowledge from my 11 years as chairperson of the Albury Wodonga community college and much more recently as chairperson of the interim governors board for the Catholic College Wodonga and Wodonga senior secondary college trade training centres.

ACTING CHAIR—Thank you. Do you wish to make a short opening statement before the committee asks questions?

Ms Crisp—I would love to do that. We did not actually submit a paper to this inquiry but obviously some of the LENs have already. I know talking to Tony Hancock from the South West LEN they put up some submissions. We have had some discussion. I would like to make brief reference to the current and proposed impact of policy on rural and regional students and the financial adequacy of government measures to provide students who are required to leave home for secondary or post-secondary study and the impact of government measures or proposals on rural and regional communities.

There is a perspective that past, current and proposed government policy has led to a systemic disenfranchisement of rural and regional young people in accessing secondary and tertiary education. This is reflected in the trend data through the state-wide on track research for our region. In 1998 the Commonwealth introduced the common youth allowance streamlining youth income support schemes. This scheme had stringent eligibility criteria for youth allowance and, although there have been changes to the system over time, it still clearly disenfranchises young rural people seeking to move on to tertiary education opportunities. The Victorian on track research commenced in 2002 and provides us with specific information on the destination of year 12 completers within the NELLEN region. In 2002, 32 per cent of NELLEN region year 12 completers took up a university placement. By 2008 this has dropped to just 18 per cent, in a state where the average has been consistently between 40 and 50 per cent uptake of offers. Of interest is also the increasing level of deferral of university offers, from nine per cent in 2003 to 31 per cent in 2008. Many reasons are cited for deferral and significant among them are financial issues, wanting to establish independent status and the readiness to leave home.

In small rural communities the proposed 30 hour per week employment status over 18 months to qualify for youth allowance is very difficult for young people to obtain. It is likely in the current economic environment that there will be no employment opportunities to support those young people choosing to defer study and live within their own community. If more young people are deferred in rural regions then the impact on these rural communities is likely to be one of two outcomes: more unemployed young people seeking jobs locally or many more choosing to move to larger regional centres to find employment. This is reflected in this region, where the population of both Alpine and Towong shires is ageing, and one-third of their population is over 55, while the demographic age of Wodonga is declining. Those young people who are able to are moving away from these rural communities not only to take up study but more often to seek better employment opportunities.

I would like to acknowledge that there are improvements in the proposed amendment to the Youth Allowance criteria that will certainly assist those lower income families in metropolitan regions to encourage their young people to seek and undertake further study. Unfortunately, that will still not resolve issues for rural families where the cost of setting up the young person in another location of no doubt over $20,000 per year is still a cost many families cannot afford.

The new model of rental assistance that is only applicable to full-time students will provide little support to the increasing costs of rental accommodation. In our region, the 2006 census showed that the most vulnerable rural communities are the shires of Alpine and Towong, where weekly family household incomes are around $200 below the Australian average of $1,171. Although many families may be below the income level for the young people to obtain independent status, it does not mean that they have the capacity to assist that young person in moving to a new location and supplementing the Youth Allowance. In an already stressed rural

economic environment, it is usually not possible for these families to support their young people to move away to take up study.

In discussing these issues with families, their comments indicate that the financial support to ensure that their young people are able to complete a university education is between $200,000 and $500,000, depending on the courses undertaken and the number of children within the family. There is also a very long-term impact on these rural communities. In an economic climate of drought, fire and the decline of international markets, our more rural regions are declining in both financial capacity and population. We know that once young people leave these communities they are less likely to return due to the limited employment opportunities and often the lower rates of pay that are available. Government policy around education opportunities is likely to further exacerbate the decline of these communities. This is now having longer term impacts on secondary schooling provision within small rural centres as well.

The declining numbers of secondary school students in the more isolated schools in the NELLEN region have impacted upon the capacity of those schools to deliver a curriculum that encompasses the diversity required to engage all of the young people. In two of these communities, parents are choosing to have their young people travel over three hours a day to access broader curriculum options. Others decide to have their young people attend a school that provides board for students. These decisions again have long-term consequences for small rural communities.

We have some recommendations for the committee's consideration. One is that there be a review of the Youth Allowance criteria to remove the barriers for young rural people to take up further study whereby the independent status of a young person taking up a tertiary study option is not measured by their capacity to find work but by the need to move over 100 kilometres from their family residence. The second is that, in small rural and regional communities with populations of fewer than 5,000, young people deferring study to establish independence through undertaking a gap year are able to complete up to 15 hours of volunteer work to contribute towards their 30 hours of work per week. The third is that Youth Allowance and rent assistance rates are increased to reflect real living costs. This is, of course, one of the priorities. The fourth is that the number and value of Commonwealth scholarships are increased, with eligibility to include regional location as a criterion for those families who are ineligible for Centrelink benefits but who can demonstrate that financial difficulties are occurring in supporting their young person. The final recommendation is that the government increase funding to provide increased subsidised accommodation for rural and regional students. These are some of the recommendations that we would like to make.

CHAIR—That is excellent. Thank you, Ms Crisp. I apologise for the delay. It has been one of those days from beginning to end so far.

Ms Crisp—I realised that.

Senator O'BRIEN—Thank you, Ms Crisp. The evidence you just gave, if I heard it correctly, indicated that in the last few years there has actually been a decline in participation in tertiary education in regional Australia.

Ms Crisp—No. It is in the north-east region. This is specific to our region. In Victoria, we have been lucky that the On Track research was introduced in 2002, and so we have had some longitudinal data. In terms of the Youth Allowance, there has been an increasing decline in the number of young people in this region who are taking up study at university level.

Senator O'BRIEN—Understand the current legislation?

Ms Crisp—Yes.

Senator O'BRIEN—Is that because the work is not available for people to satisfy the current less onerous provisions, if I can put it that way?

Ms Crisp—I think what actually happens is that sometimes students are encouraged to take a gap year to gain that independence. It is also an issue for rural communities where there is a lower benchmark of income. The costs that apply to young people moving away to study may be prohibitive in some cases unless they have that other supportive income. So in terms of the reduction, it is the trend that we are concerned about here. Often we find that once young people move away they do not go back. They find that they can earn some dollars. They stay in the locations where they earn better money and they do not return to their rural communities, which is always going to be an issue.

Senator O'BRIEN—One thing that has crossed my mind as to why the unacceptably low take-up of tertiary education may be occurring is that those who want to remain in their region do not see the qualification driving an economic outcome for them, in a lot of cases.

Ms Crisp—It is hard to know. Some students would certainly tell you that that is an issue. They defer for a year, they find a job that they enjoy and they do not take up the university offer but take another pathway. That may be through TAFE. In time it may give them an outcome with a university course after they have got some accreditation. The real issue, I think, is more around the perceptions of what a university qualification will give them when they have significant other opportunities in this region.

Senator O'BRIEN—We were talking before we commenced this afternoon about the tertiary study opportunities in this region. Compared to other parts of the country that we have been talking to other witnesses about, it seems that there are significant opportunities for young people in this region to continue their education and to undertake tertiary studies in this region.

Ms Crisp—There are, but they are not always offering the breadth of subjects that students want. Medicine is one area where students will have to go away. The University of New South Wales, fortunately, does offer the chance to come back after the third year to study in Albury.

Senator O'BRIEN—With medicine we are talking about a very small part of the student population. But, in a more general sense, the range of courses available here and the choice of institutions provide opportunities that are not available in many other parts of regional Australia.

Ms Crisp—That is correct. We have a fortunate situation for those young people who can access it. We still have the issue, though, of young people living in outlying communities. They often have to move to the area. The relocation cost is still there and that may prohibit them from coming. Even living in a small community that is an hour and a half to our east means relocation for that young person. There is no public transport. There is no way of accessing this community unless you live here.

Senator O'BRIEN—In terms of the income dynamics of the region, given that the current legislation increases the parental income thresholds and it would be possible for a family with an income of over $100,000, with two children at university, to access benefits, do you think that will have any impacts on this community?

Ms Crisp—It is a difficult one. The comment from parents is that it still will not allow them to send their children away from here. But if the courses are available here, it will certainly assist them if their young people can gain that independence. They would be able to cope with that because they would probably still be living in close proximity to the family home or with the family. That would certainly help. The biggest issue is the additional cost placed on a family when a young person leaves home. Although we put the basic cost at around $20,000, on estimates that we have, and based on the studies Tony Hancock has done in the south west, it is going to cost you over $20,000 just for the basic living costs. That does not include travel within the community. It does not include entertainment. It does not include clothing. It includes rent and basic food provision, travel to and from your own home, and phone costs. One of the things we find when young people move away from home is that they tend to have a mobile phone with them, so those costs are included. A family earning a gross figure of over $100,000, with two children, still does not always have the capacity, because of their other costs, to support a young person living away from home.

Senator O'BRIEN—This measure is essentially a welfare measure. Are the solutions you are talking about more equity measures than welfare measures?

Ms Crisp—In terms of the improved measures that have gone in, we are now looking at equity, but we are also looking at welfare and financial issues. The main thing for rural students will be equity where they have education available to them locally. Some of the major issues are still going to be welfare issues, where you are a lower income earner and you are trying to send your children to an educational environment where they will gain some better prospects for employment in the long term through training. It is still mixed. There are certainly real equity issues for rural students. But also, if you are in a rural location, you have further disadvantage than in regional and metropolitan areas because you have not only the issue of low income, for example, but the issues of transport and access, of having to move your young people away and around the schooling you can get within your local community—so your educational requirements might mean that you start to move your children out of your community much earlier to get better options. It becomes a longer term issue around equity for these young people.

Senator O'BRIEN—And some professionals make the choice to move away from rural and regional Australia because they want to be near their children while they study. They believe they can assist them, and they often have the option because of their employment and their professional status to access other positions in metropolitan areas.

Ms Crisp—They do, but a perfect example of what we often find in this region is a mother I spoke to only two weeks ago. She will be moving to Wodonga with her two girls so that they can complete their study in Wodonga, but her husband will remain in their isolated little rural community, running the family business. It is often that division and the break-up of the family that becomes a real issue for some of these rural communities, and that happens quite regularly. They do not feel their children are old enough, because they are still going to secondary school, to live in an independent situation in a larger town, so the family actually divides and moves as well.

Senator O'BRIEN—It seems to me that the reality in most of those circumstances is that ultimately the children are going to move away because there are not many or diverse opportunities in those communities.

Ms Crisp—That is something that I hear quite often in our outlying communities—that is, if you lose your young people at a younger age, their emotional connection to the community is not there and so it is very unlikely that they will move back to that community even when they have got good education and training. They will stay where they meet new friends, where they get a better job and therefore more income, and where they have more options around entertainment and social networks, so it is really hard to encourage those young people to go back to their communities. It is often exacerbated by environmental and economic issues. One such example will be Mount Beauty. Currently it has got 158 students in its secondary school. In two years time there will be a big project in that area, with the Australian Gas Light Company redeveloping and rebuilding dams up there. Once that big organisation moves out of that town, in terms of having families and employees sitting in the town, that school will suffer severely. Options will close down for young people and we will probably find that township will suffer for some time until another project goes in there. There are those sorts of economic implications for people too. What often also occurs is that if people choose to stay, they may not be able to find employment to support their family appropriately.

Senator ADAMS—I would like to touch on accommodation. You talked about an accommodation subsidy. Do you have many young people who have had to move away to study but cannot get suitable accommodation?

Ms Crisp—Yes. Around Wodonga TAFE and La Trobe University there is a large cohort of rented houses which are often inhabited by young people. Wodonga TAFE does have a small set of student accommodation there and it always needs more. La Trobe University is trying to build some student accommodation because it cannot build its student numbers currently with limited accommodation. I think the accommodation that is currently available in Wodonga is around one per cent. So for young people to get accommodation they have either got to group up and move in with strangers or do as even I had to do when I first moved here, which was stay with young students from La Trobe University. That was very short term. So it was and still is very difficult to get accommodation in this town because it was never originally set up as a university town or a town that was going to be an education centre; it has grown into that. I know funding for accommodation is very difficult. Some students choose to leave because they cannot get accommodation. They move back home and look for other sorts of employment.

Senator ADAMS—As far as moving out to access other courses that are not available here, have you had any evidence of students not continuing with a course because they cannot get suitable accommodation or are unable to cope?

Ms Crisp—No, I do not, because we do not do research once they leave here—we do not collect that data. Often that is something a university will do. La Trobe University tries to track its deferral students in a way that allows it to understand where they go to and their completion rates. We do not have that data through our organisation at this stage.

Senator ADAMS—You mentioned TAFE. As far as universities partnering with TAFE to take students with their certificates and then, hopefully, encouraging them to move on to higher education, do you see that as a way of the future?

Ms Crisp—I think it has to be. It broadens the pathways for young people. I think it is an alternative that needs to be there, both in terms of the fee structure and for those businesses that are prepared to take young people on and pay for their training in the first couple of years so they get their certification and then, where a

young person is obviously doing very well, move them into a university course where there is less likelihood that they get caught up with the HECS fee repayments.

For us in this community, we have got a university and a TAFE college in Wodonga that do work together really well. They co-share part of the campus. It varies at times, it fluctuates, but there is certainly the opportunity to create those alternative pathways for young people, especially those young people we find in some of our rural communities who do not have the TER scores they require or who make a decision to change what they are going to do based on being able to access a different course of study. They come out of a small rural community where they have probably completed the traditional subjects, then they move into a larger community and suddenly find that there are alternatives to their original study and they can redirect their pathway. That is something that becomes important when you move to a larger centre.

Senator ADAMS—I would like to touch on Indigenous students. Do you have many involved with your centre?

Ms Crisp—We have the Mungabareena Aboriginal Corporation sitting in Wodonga. Wodonga TAFE has significant Indigenous programs. We work with them in trying to capture some of their more disengaged young people and help feed them into what we call a building bridges course, which is a course to re-engage them in study and take them on to certificate courses.

In terms of the Hume region, we have the second largest cohort of young Indigenous people. There is some significant work being done by the TAFE to re-engage many of those young people. The problem for us is that we still have a border alignment, and many of those young Indigenous people come from Albury and go to Wodonga TAFE to undertake the building and construction studies and the programs that are run there. We are very lucky in terms of the way the TAFE works with the Indigenous community to build some programs that have some significant employment outcomes for them. We have what you might call young rascals amongst the Indigenous community. One, all of 12 years of age, approached the Wodonga TAFE to be involved in their courses. He thought the flexibility would suit him better. We had that identified in our own schools in Wodonga—that these people are looking for more flexible alternatives to their study. That is an interesting concept.

Senator ADAMS—At 12 years of age, they cannot—

Ms Crisp—No, they cannot.

Senator ADAMS—They cannot for that, but are they looking at providing more flexible certificates through that?

Ms Crisp—They do already. They have a very strong focus on Indigenous education here. We are very lucky that they have that. Through the Hume region, we also have a strategy. We work with the Koori pathways project across the region to engage young Indigenous people, hopefully to ensure that they stay at school. It is around their leadership and developing their skills and knowledge around their culture and engagement with alternative programs that attract them.

Senator ADAMS—Are any of those students going on to higher education?

Ms Crisp—Yes—though not many yet. We have an outstanding young lady in Beechworth Secondary College who will go on to tertiary study next year. We have, I think, only two from the cohort of year 12s who will move on to tertiary study next year. At this stage our biggest issue is trying to move them from a middle years college. In Wodonga the provision is that there is a senior secondary college from years 10 to 12 and a middle years college from years 7 to 9. There has been a transitional barrier for some of our students moving between years 9 and 10. We have some work to do on that in terms of making sure that they engage. Often the Indigenous students choose to go to TAFE after year 9, if they are old enough. They are choosing different pathways.

Senator ADAMS—That is good. Coming back to the 30 hours a week problem, I guess there would be seasonal work in this area as well as full-time work, or not? I am thinking about Mount Beauty and some of the ski field work that would be available during the ski season for students, but what would they do otherwise?

Ms Crisp—They used to pick tobacco but they do not anymore. There is not a lot of seasonal work available to them, because, in both the Alpine and the Indigo regions, one of the biggest industries would be the tourism industry. Most of the work that is now available would come under the tourism or hospitality areas. Myrtleford has the issue of transitioning from a previously large tobacco growing area to trying to

develop some new industries. It has significant issues about engaging and re-engaging its students. The family transition stuff is taking some time to do. There are of course dairy farms, but most of the young people who work on those will be family members because those farms are currently severely stressed because of the milk price. Speaking to people at Murray Goulburn, which employs quite a few people and is probably our largest dairy exporter in Victoria and Australia, they take on very few young people. I was talking to them the other day about having a young industry ambassador. They could not identify more than two people who might be under 25 in their factory at the moment. That is obviously an economic situation. The seasonal work that would come up through other regions and in the Alps would be fire spotting and the CFA work and training that some young people move on to during summer. So there are some alternatives. But in terms of the capacity of small businesses and even larger businesses in those towns to take on additional young people for a year and a half or a year for 30 hours a week is severely limited in these communities and is often sustained by work programs that are put in through the federal government. It is difficult.

CHAIR—In one of your recommendations, and I think also in your opening statement, you talked about reviewing the youth allowance criteria. You said: 'independent status not measured against'. Do you want to go to that and read it for me?

Ms Crisp—You can have a copy of this document if you like, but it reads: the independent status of a young person taking up a tertiary option is not measured by their capacity to find work—which is an issue for us—but by the need to move over 100 kilometres from their family residence.

CHAIR—Without in any way indicating that I might not agree with that, in terms of a line on a map, how would you deal with it if a student lived, for example, 90 kilometres from Albury and did not have a car?

Ms Crisp—That is another issue. There are many issues. I guess I used the 100-kilometre figure because—

CHAIR—You have to start somewhere.

Ms Crisp—it is really difficult to define. It is like with many other policies—sometimes you have to draw a line, and it is really hard to define the line. It was on the basis that the length of time to travel 100 kays would be about an hour. By metropolitan standards, we find many people travelling an hour to get to their place of study, maybe by train. It was about the time of travel more than the distance. It is difficult.

CHAIR—It is, and I am not at all adverse to that sort of thinking. Do you think it might be appropriate, if there was a line drawn on a map, for it to be accompanied by some sort of hardship provision, by which you could have some capacity to qualify if you could show there was no public transport where you lived or you did not have a vehicle, even though your travel was less than 100 kilometres?

Ms Crisp—I think that would be really important, knowing our regions. I can tell you that there is an area here where 60 kay out there is no public transport. So that would be part of the criteria that would have to be considered.

CHAIR—So your 100 kilometres would sort of be your starting point, along with some sort of criteria for things that—

Ms Crisp—That is certainly something that could be worked with. In some areas where there are dead straight roads and there is public transport, that might not be a good measure, but it would be a starting point. It would also acknowledge that sometimes we have to exclude a cohort that are closer to really advantage those who are further away. It is really difficult to measure where that should sit.

CHAIR—That is right. One of the earlier witnesses was discussing relocation in terms of, I think, a 40-kilometre train trip from inner to outer Sydney, which to my mind did not fall into the bracket of being truly regional and having to completely relocate. You also mention impact on rural communities. I am very interested in this, in that I think there might be a number of decisions being made that are going to impact on the sustainability of regional communities into the future. Could you perhaps expand a bit on what the impact of some of these changes might be on sustainable regional communities?

Ms Crisp—To me there are a number. Having lived in some little rural communities and having brought my children up in one of them, what I often see in these communities is an extensive commitment to the community on the part of those that live there. Our most remote community probably makes the largest effort to volunteer. That is one of the things that are really important in committing to your community. We often find that the people that live in these communities are committed totally to them and their capacity to engage with them is really strong. But you also find quite a few divisions as well. It is about how we build the capacity of these communities to work together to sustain the best outcomes.

I will give you a little bit of background about the community that I am talking about. It has a P-12 college—and you will probably be able to identify it in time. There are currently 190 students in the secondary component of that college. When I worked there back in the nineties there were 360 in the secondary component of that school. The town also had a small Catholic primary school, originally. Because of parental pressure that Catholic primary school has now established education for years 7 and 8 in the same town. So suddenly there is competition between a small Catholic provider and a government provider. That provision came about because there was a bus running from that community down to Wodonga every day to bring Catholic school students from that school. Some students will be travelling up to four hours a day on that bus, just to access secondary college down in Wodonga. So, even though there is a cohesion, you will often find that, because of different aspirations, there is also a division within these communities.

In terms of being able to support these young people who are living in that community and not travelling away for their study, it is very difficult to set up something that gives equity and parity for those young people because they do not have the same opportunities—just school size tells you that. You cannot move them all out of that community, because that is where they live. So what we are looking for in terms of the capacity of that community is keeping it whole as long as possible. We know young people are going to move away. Four of my children have moved away and one still lives there. But, in terms of the longer term attributes and capacity of that community to survive, we have to ensure that we can put some of these young people back in there with high-level skills, and that is not happening. The community centre up there runs a whole lot of courses. It pays $35 an hour for its tutors. It is competing with Wodonga TAFE, which pays $63 for its casual tutors, and the community college in Wodonga, which pays nearly $55. So, immediately, if you have high-level skills, what would attract you to that community, where if you are delivering training up there you are going to earn nearly half as much as you are going to earn here? It is about the heart of and the commitment to that community, and somehow you have to keep it there. It is really difficult.

So, what are these policies going to do? These policies are currently saying that those young people who might have aspirations to go further, who actually love their community and want to contribute to it, do not have the opportunity. Those children whose parents have the opportunity to send them away to gain further education, to get the best education, are the ones who are not going to go back to those communities—because they divorce from them very early on.

In that same community we work with a partnership involving the schools, the neighbourhood house, the community education centre and an online provider called the Australian Flexible Learning Organisation. They are creating some wonderful pathways for young people through what they provide in that community. So for a small rural community there are four organisations. That rural community is under 1,200 in population, supporting each other and working together. So the policies you put into place must recognise the heart that these people give to their communities, and not pull them apart. It is just so difficult.

The other sad part of that community is that 10 per cent of their teenage young people sit outside of the school system, disengaged and disenfranchised. So it is really difficult for those communities to have the capacity to give the alternative forms of study that those young people need. And they are running significant levels of VCAL courses up there now—they are one of the biggest providers of VCAL in our region, to try and accommodate that.

So there are all sorts of complications. Every community you move to has a different component. Moving back to that community, in 2007 it had one of the highest rates of teenage pregnancy in the state. So we have to be aware that every community is different. When you apply overall policy, you have to make sure that it has a way of supporting rather than pulling apart that community—and it is really difficult. We do try to get in there and build the capacity of those communities to use the services they have, to get the best outcome for their community. That includes the young cohort we look at, which is 15 to 19; and the ones coming before and the ones going after. These communities are really resilient, but we cannot undermine what they do through that resilience.

CHAIR—Congratulations on what you do. It is very, very admirable. Is there anything you want to add that you have not mentioned already, before we finish?

Ms Crisp—Not really.

Senator O'BRIEN—You struggled to take up half an hour; I do not think so!

Ms Crisp—What I would love to do when people come up for these inquiries—this is what one of my team members said—is to have the opportunity to take you around our region. Senator O'Brien said before that he

did not know this region very well. Spend a day with us. Come around and see what we have to offer, because there are some fantastic things here and there is some really sad stuff here. It is about getting to understand the whole region. I know that would be impossible for a Senate inquiry, because then everyone would want you to do it, but we would love to have the opportunity to show people around our region so that they could learn to understand what is happening here and about the fantastic things that local people do in their rural communities.

CHAIR—We will certainly factor that in. If we can possibly do it as a committee we will have a look at it. I can certainly say, as chair of the committee, that I live in central west New South Wales, and I would be happy to come and take you up on your offer to do that. I would be very keen to do that.

Ms Crisp—I would love to visit your region too. I think that is what we are about. In terms of policy in the future—and the new stuff coming out DEEWR around brokerage—our role is to act as brokers building partnerships and working to improve outcomes for our communities. I know the new School Business Community Partnership Brokers funding that is coming out now has probably been modelled significantly on what the LLENs do in Victoria. We would love to have the opportunity to feed into what other organisations do across Australia. It takes time to build and we would like to see other states commit to it for at least 10 years, and not the four years of the funding that is currently available. It does take a long time to build and it takes a lot of effort in the sorts of areas you are talking about, that are much bigger than our region. They have huge regions to cover. We are lucky in Victoria, because in terms of linking to our communities we have much closer access to them. I also have an environmental scan.

CHAIR—Would you like to table that for us?

Ms Crisp—I can certainly leave that. It is on our website but it is also on the Wodonga Chamber of Commerce website. We get them to put it up because it has a perspective of what young people do within our communities, the overview from the census data and everything else we pull together.

CHAIR—Thank you very much for being so accommodating for our change of timetable today. We really do appreciate you giving up your time and being here today. Thank you; it has been very useful.

Ms Crisp—Thank you for the opportunity.

CHAIR—That concludes today's hearing. Thank you to all the witnesses who have appeared. The committee stands adjourned.

Committee adjourned at 2.03 pm