



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

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

THURSDAY, 12 NOVEMBER 2009

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

REFERENCES COMMITTEE

Thursday, 12 November 2009

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

Substitute members: *Rural and regional access to secondary and tertiary education opportunities—*

Senator Hanson-Young to replace Senator Milne

Senator Adams to replace 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, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, Fisher, Nash, O'Brien and Sterle

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.

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Committee met at 9.01 am

CHAIR (Senator Nash)—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport References Committee. The committee is hearing evidence on the inquiry into rural and regional access to secondary and tertiary education opportunities. I welcome everyone here today. This is a public hearing and a *Hansard* transcript of the 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, a witness may request that the answer be given in camera. Such a request may, of course, also be made at any other time.

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.

[9.03 am]

WALTON, Mrs Helen, Publicity Officer, Federation of Parents and Citizens Associations of New South Wales

CHAIR—I welcome Mrs Walton of the Federation of Parents and Citizens Associations of New South Wales. The organisation has lodged submission No. 480 with the committee. Did you want to make any amendments or alterations to that?

Mrs Walton—Not at this stage.

CHAIR—Would you like to make an opening statement before we move on to questions?

Mrs Walton—I will. ‘Rural’ is defined as ‘being in or of the country’, while ‘regional’ is defined as ‘belonging to or characteristic of a geographical region’. For the purposes of this submission, these areas being discussed will be those geographical places that are outside of the large urban or metropolitan areas. Although there are some regional centres which have a reasonable population and access to many services similar to their metropolitan counterparts, there are a number of options which are not available or are limited, and it is this which sets regional and metropolitan areas apart.

In New South Wales, of the 10 regions and one subregion identified by the Department of Education and Training, only four—northern Sydney, south-western Sydney, Sydney and Western Sydney—could be classified as primarily metropolitan, and even then some would argue that there are pockets of rural areas on their fringes. For rural and regional areas there is no one, single way to identify them. Within each of the education regions are places that would identify themselves as being river settlements, desert communities, mountainous communities, rainforest communities or even beach communities. Their needs and experiences may differ significantly from each other but they share similar concerns regarding the access their children have to educational opportunities.

Rural and regional areas have, by and large, been the major victims in the changing nature of the community picture. They have felt the impact of droughts; falling employment and reduced employment opportunities; natural disasters, including floods and bushfires; and, in more recent times, the impact of the global economic crisis. They spend time coping with community issues such as the transient nature of some families and the ongoing problems of family members moving in search of work. Sometimes they are forced to leave their family behind until they obtain work and contact the family to follow.

Schools can at times be a central part of the community, including being one of the primary employers. For some of these schools there are falling enrolments due to reduced business opportunities and subsequent family movement. This has affected the curriculum that is able to be offered to students and their families and in some areas has resulted in innovative options such as schools linking physically or through technology to offer a more diverse subject choice. For some students the options are limited to distance education or OTEN subjects in conjunction with a limited subject offering at the school as a face-to-face contact. To complicate matters,

rural and regional areas compete with their metropolitan counterparts to attract and retain quality teaching staff in all subject areas but in particular in the specialist areas such as music, languages, science and math to name just a few. Again this restricts the subject options and thus the range of post-school opportunities that these students can and will access.

In the TAFE area, rural and regional areas are often restricted in the diversity of options they are able to offer due to a lack of trained staff and/or restricted hours of employment for those staff. Add to this the lack of employment opportunities for trainees and/or apprenticeships in small communities and the outlook for some students is narrowing at an increasingly rapid pace. There is a stronger link between schools and TAFEs in areas where the TAFE course option is available. However in some smaller communities the subject choices even through TAFE may only be offered as an online course with limited or no staff contact. Even where TAFE has an outreach program, contact maybe only once per fortnight for a few hours. There has been a move to provide outreach programs which are linked to major campuses in some of the larger regional centres such as Dubbo, Orange and Bathurst. These institutions have worked at allowing access to courses by isolated communities and more specifically communities with a high Indigenous population.

University access is touted by some as an opportunity for students to expand their skills and gain qualifications which will broaden their career options. However there are few genuine options in regional areas to offer a position in an educational faculty close to the student's home. While some cities offer a campus of a well-known tertiary institution, these often only offer a limited number of courses. In addition to the difficulties mentioned above, there are barriers which are associated with students accessing secondary and/or tertiary educational opportunities. These include the requirement to move from home to alternative accommodation in order to attend school. The family must obtain suitable accommodation, with its associated costs, and ensure that there is ongoing financial support for the time the student is absent from home.

Families must travel, often for long distances, and without the choice of transport options or a flexible timetable. In the more isolated areas, the fuel costs have proven a problem as they have risen steadily and are often significantly higher than the costs in metropolitan areas. The combination of long distances and high fuel costs are yet another drain on family resources. And let us not forget the psychological problems around homesickness, depression and other mental health issues, which have been reported among students who have been required to leave the security and support of the family environment in order to ensure they have access to a range of educational opportunities. Families require an adequate health service to ensure their child is able to assess support when it is needed. This is particularly important as it is known that rural areas have higher suicide rates than other parts of the state.

Of course there are some strengths which exist to overcome the barriers mentioned. Parents across the state have the same hopes, dreams and expectations for their children. They are willing to lobby, to fight and to constantly push for the best educational opportunity for those children. There is the motivation of the children themselves to achieve their own goals, and in some areas the community will support the move by families to improve access for all children in that community to education and training opportunities. State and federal government have assisted rural and regional areas to improve the access students have to educational opportunities at the secondary and tertiary levels. Funds have been put into improving technology within schools, including funds for computer networking throughout schools and for the provision of

computers, the funding of smart boards to increase videoconferencing opportunities and the rollout of laptops.

For the School of the Air, the funding of satellite technology opened up the world for students isolated by geographical factors. The increased use of online learning options and coursework has allowed some isolated students to expand their career paths while remaining closely linked to family. Another benefit of the technology revolution is that educational organisations are using websites to advertise their wares. Students are able to find out information about scholarships and other benefits prior to applying for territory entrance. For geographically isolated students, the government offers the isolated children's program, which assists families with accommodation, travel and some other costs. The problem with this program is that it only covers students until 16 years of age. Consideration will have to be made when the school-leaving age rises to 17 in January 2010.

There have been ongoing concerns expressed in recent months over the changes to the Centrelink payments to students. Of particular concern have been changes around students who have taken time between secondary school and tertiary study to earn an income. For many students this has been identified as a period where they are saving to support themselves as they move into the study required for their career paths. The changes—now requiring students to work for 25 hours per week for up to 18 months before being considered as independent—are inequitable for students in areas where the available employment opportunities are limited.

It has been positive to see a recognition of the need to promote, support and fund vocational educational opportunities in providing an alternative career path for some students. What is required in rural and regional areas is an acknowledgement that there is no commonality between communities across the state and therefore no common initiative that can be implemented to address educational access opportunities for all students. What is required is the ongoing funding of technology, including infrastructure needs; programs to attract and retain staff in rural and regional schools; reviewing of school staffing structures to address the individual needs of these schools; and promotion of the expansion of TAFE and university campuses and courses into more regional areas. Parents would like to see the review of the isolated children's program to address the changes to the school-leaving age and to support the move to increase the number of students remaining at school to complete the Higher School Certificate.

CHAIR—Thank you very much, Mrs Walton; we do appreciate your evidence this morning. You touched on the issue of the changes to the gap year arrangements. The government would say that those students will now be covered or have the ability to be covered by the ordinary Youth Allowance mechanisms and the changes to those thresholds. From your experience, is that the case or is there still going to be a shortfall for the parents that you are talking to? How do you see the impact of those particular changes?

Mrs Walton—There have been some changes to the thresholds for parents. For some parents the income that they earn means that they are not entitled to other subsidies—for example, if you are a middle-class person earning an income of \$40,000 or whatever then you are not entitled to some of those healthcare cards and all of those sorts of subsidies which actually support you; so you are paying out a lot of money in terms of private health cover et cetera. It is that impact which affects them. If you are paying out all of that money then you are not actually able to

support your child in terms of their needs for accommodation, textbooks and travel, which can be quite expensive in rural and regional areas.

CHAIR—In moving to the 30 hours a week that students would have to work for 18 months over the two-year period, we have had a lot of evidence to the inquiry saying that the jobs simply will not be available in a lot of areas, that students deferring for two years are less likely to go back to university and that there are some real difficulties around that requirement. Is that your experience and the experience of the parents involved in your organisation?

Mrs Walton—I think the experience we have had and the information we have got through our parents is that for some students just getting the hours, the 25 to 30 hours a week, often happens when they are in high school but, once they actually leave high school and are therefore older and have to be paid more, the hours dropped back. So actually having work for those 25 to 30 hours has become very difficult. In addition, in smaller communities there are not the work opportunities, so they do not have the jobs available. If you have got 10 students who have just finished year 12, with perhaps a couple of them looking for a full-time job, chances are that they might be able to get some part-time work but not necessarily the 25 to 30 hours required.

CHAIR—That is another issue that has been raised with us, that the 30 hours cannot be averaged, and I am interested to hear if this is your experience as well. A lot of those gap year students have done seasonal work—they have been in hospitality or sowing and harvesting in agricultural areas—so actually meeting the requirement of 30 hours every week would be difficult.

Mrs Walton—Yes. If you were able to work it out over a period of 12 months, they may have actually worked 25 to 30 hours over that period; however, it may all have been in a period of three months and then a little bit for the next nine months. So, yes, it is a problem.

CHAIR—Yes. Thanks, Mrs Walton. The other issue that has been coming through in the course of the inquiry is the inequity for rural and regional students—as you said in your opening remarks, the barriers that exist and the costs associated with sending a student away for tertiary education simply because it is required; there is no other, local option for them. It has been put to the committee that the youth allowance itself is a social welfare measure. So, whether the family is on \$60,000 in a regional area or on \$60,000 in a metropolitan area, that student will get the same assistance, but that does not address the inequity in access to tertiary education. It has been put to the committee that there should be a separate, tertiary access allowance for rural and regional students, to attempt to cover some of those extra \$15,000 to \$20,000 costs that we know exist. Is that something your organisation is aware of, have considered or have a view on?

Mrs Walton—We obviously have a view on it, and our view is that any support that the students can get, particularly financial, would obviously be beneficial in allowing them to access the types of opportunities they would like to have. The students we have would like to be brain surgeons, rocket scientists and work in those sorts of areas, but unfortunately, in order to do that, they would have to depend on the family to pay a lot of money for accommodation in particular and travel, and for some families it really is a financial difficulty. The children are acknowledging that and saying: ‘That’s okay, I won’t do it now. I’ll do it in 12 months, I’ll do it in two years.’ And, as you said, the longer they are out of the system, the harder it is to go back in, because the financial expectation is still there. It has not been taken away. So anything that

can be offered in order to support these students to get in there, get access to a tertiary course is beneficial. But also, as we said, it is not about access to the course sometimes; it is the cost of physical needs—accommodation, food, the travel to and from the accommodation—that are really big issues for some of these families.

CHAIR—Thanks, Mrs Walton. Finally, before I pass to my colleagues, I note in your submission that you say: ‘Some students choose not to follow their goals as they are aware that the family is not in a financial position to support them.’ We were in Townsville earlier in the week and heard evidence that students up there who were applying for scholarships actually had not even told their families that they wanted to go on to university because they knew their families simply were not in a position to financially support them. So, if their scholarship applications were not successful, they just would not be going on to university and the parents would never know. I think that really struck the committee. Is that your experience also, that there are students who realise that their families cannot support them and, as you say in your submission, they choose not to follow the goals and opportunities that are there for other students?

Mrs Walton—Yes, we definitely have examples of that. What we are getting examples of now too is communities where philanthropic organisations are coming into schools and then saying, ‘We’re willing to offer a scholarship,’ and the school has a look at the students that it has and makes a decision about which one is the neediest, and that student will receive that scholarship. For that student, being given that scholarship could be the difference between saying, ‘Yes, I can go,’ or, ‘No, sorry; maybe next year, maybe the year after, maybe 10 years down the track, but at this moment my family’s not in a position to support me in the manner that I need to be supported.’

For some students we are not talking about getting access to accommodation that is five-star; we are talking about just having a roof over their heads and getting the basics—and they are still working. In addition to what these kids get from the family they also work to further supplement their income just to stay where they are in university accommodation.

CHAIR—Thanks, Mrs Walton.

Senator O’BRIEN—Your submission touches on the emerging technological advances which will benefit regional and rural students and you talk somewhat about costs. Can you elaborate further on the cost implications of the technologies, and any barriers to accessing the technologies that exist or that you perceive will exist in the future?

Mrs Walton—As I have indicated, the technology has been wonderful in terms of opening up the opportunity for many schools and many students to access things like student representative leadership courses. They can link in with video conferencing et cetera. The problem you get within schools is that many of the schools in rural and regional areas are old. They do not have the infrastructure. I remember a few years ago we had people in our association saying, ‘Our choice is whether to turn on the air-conditioning when it is 40 degrees or turn on the computer to allow our kids access to on-line learning.’ That is the choice. There is not enough electrical support within the school to allow both to occur. So it has been really wonderful to get some of the money that has been available to these schools to upgrade their electrical and technology areas. But in terms of updating technology it often comes back to people saying, ‘We need to

upgrade our electrical service before we can upgrade our technology because we cannot operate the machinery within our school because it has gone ahead so much.'

Senator O'BRIEN—Yes. I suppose, in the future, with the low power-use laptops that are now emerging that will become less of a problem but that takes time, doesn't it? They have already been brought in; it will be a while before you replace them.

Mrs Walton—That is right.

Senator O'BRIEN—In terms of support for students who have restricted access to youth allowance, one suggestion we received yesterday from some students at Launceston College was that there should be access to interest-free loans. In their submission comparisons were made to the United Kingdom and New Zealand in that regard for the purposes of financial support for students who wanted to live away from home for study. What would your organisation think about that?

Mrs Walton—Obviously, as we have indicated, we are willing to look at anything that is going to benefit our students. We do not want to see, somewhere down the track, students ending up with HECS debts and low-interest or no-interest loans on top of one another, because one of the difficulties we have with some of our students is that they go off to university and gain a degree or other qualification but when they leave the debt is so excessive they spend almost the next 10 years paying off their educational debt. For some of them it is very restrictive in terms of personal and family relationships. So, while I think there are benefits to having a look at any option, we would want to look at the implication of offering that to a student.

Senator O'BRIEN—It is pretty clear that the implication would be that they would have a greater debt.

Mrs Walton—Yes.

Senator O'BRIEN—There is no doubt about that. In the context of particular courses, the debt would be greater depending on what the HELP consequence of their study was.

Mrs Walton—What the debt is, yes.

Senator O'BRIEN—So it is self-evident that there would be greater debt and therefore that there would be either a higher level of repayment or a longer period of repayment. By implication, you suggest your organisation would reject that.

Mrs Walton—I am not saying that we would reject it. We would have to have a look at it and have a discussion with our families and our associations to gauge what their reaction would be. As I said, we would be supportive of anything which allows our students to have better access to that career path that they are determined to have, but our concern would be the long-range implications for some students.

Senator O'BRIEN—If that were the difference between taking up an educational opportunity and not doing so, what do you think the response of your organisation would be?

Mrs Walton—I would say the response might be fifty-fifty. You would have some people that would be very supportive of it because it would allow students to have access to something, and you would have other people who would be looking down the line of ‘yes, but’.

Senator O’BRIEN—Presumably it would be at the choice of the student and their family.

Mrs Walton—That is true; it is.

Senator O’BRIEN—Thanks, Mrs Walton.

Senator BACK—I have a couple of questions. You made the observation in your opening comments about the need to attract and retain teachers in country areas in New South Wales. There would not be a state or territory that would not agree with that.

Mrs Walton—It is a shared issue.

Senator BACK—Could you give us some idea of what your organisation believes are some of the proactive activities that governments, education systems and people can undertake to, firstly, attract and, secondly, retain quality teachers in country areas?

Mrs Walton—Obviously there are things that have already been trialled. One of the big pushes that we have always had is around providing things like low-rent housing, because in some communities there really is no accommodation, particularly in the really isolated communities where, as I said, the school may be the primary employer. The township is not that large. With things such as that, there have been incentives in some areas to have additional holidays so that teachers can get back and visit their families, because historically a lot of staff have families on the east coast. If you move further west, particularly into far western New South Wales, it is a long way from there to wherever your family is—1,200 kilometres or so. So there are additional periods when they can go back to visit their family. There has been some financial assistance to these people to encourage them to move out.

Obviously the need is also to encourage, perhaps, some of those students who are studying to come out and have a look at what regional and rural New South Wales is about. Often it is lack of knowledge that discourages people from moving out into these areas. I know there are programs such as that in place with the Department of Education and Training. I think it is called Beyond the Line. There are similar programs. I have been told that many years ago there was a program where student teachers, or at least some teachers, were required to do a couple of years in a country area.

Senator BACK—That certainly was the case.

Mrs Walton—Yes. It then gave them a certain number of points to move back. I know that whole system has changed recently, but the notion was that encouraging people, showing them what is available and offering them a range of incentives—whether it is accommodation, additional time with your family or incentive days to go back to family weddings and all of that type of thing—would probably be beneficial in attracting people to move ‘beyond the line’ of the Blue Mountains out west.

Senator BACK—Sure. I put to you the view that we are overlooking older teachers—those whose own families have now gone through the education system and are probably in the workplace. They themselves may have been young teachers in country towns years ago and enjoyed it. There is a possibility of them being prepared to come back. As we know, very often husbands and wives are both teachers. They might be attracted to come back for a couple of years towards the end of their teaching careers and make a contribution as more experienced senior teachers in a lot of these schools in country towns. They know they are not going to stay there for the rest of their lives, but they are probably a bit jaded in their current positions in the cities and would not object to—in fact, would rather look forward to—the concept of going back to country towns in the latter couple of years and making that contribution. Is that something your organisation would be prepared to pick up and think about?

Mrs Walton—Definitely. We would support anybody to move out into these areas. We are not ageist. If you have had a look at our associations, many of our association members are actually grandparents who are now going back into the system to support their grandchildren to get the best opportunities that they can. We definitely would not be averse to supporting the notion of people doing it, as you said, a few years before retirement or as they have moved through and become more experienced. If they are willing to come out and do work in western New South Wales, I think most communities would welcome them with open arms.

Senator BACK—My second point is totally unrelated. It comes back to this 30 hours a week that we discussed earlier. We have heard plenty of representations that a minimum of 30 hours is probably going to be impossible to achieve. Most people in the workforce would not mind getting 30 hours work a week. There are two things. We have spoken of the concept of an average of 30, rather than a minimum. The other thing I want to put to you is: what would your association's reaction be if we were to make some sort of a recommendation along the lines that a person, to get to their 30 hours average or minimum per week, might be able to commit a certain amount of unpaid hours? In other words, if it was 20 paid hours and if they could not get to 30 and they were going to miss out as a result of their inability to, they could enter into community service programs for an unpaid number of hours per week. It has the double benefit of them making a contribution to the community and of whatever group they might be doing some unpaid work for getting the benefit of their abilities. How would your association react to that?

Mrs Walton—What our association would be looking at is whether, if you encourage young people to become involved in some unpaid work in a voluntary capacity or whatever, there is some way of acknowledging that voluntary work with some sort of certification, because often what happens is that these students then go off to university or to other tertiary options, including TAFE, and can use some of what they do in that voluntary capacity, particularly if it is certified, in terms of recognition of prior learning. Quite often, if these students have the opportunity to do some unpaid voluntary work, they will choose an area that they are then going to go on to within their career path. For example, it might be that someone who wants to be a veterinary nurse will volunteer to work in an RSPCA because that is their area of interest, their area of knowledge and something that they are going to go on with further. So, if the opportunity exists within those unpaid hours to come up with some sort of certification that acknowledges what they have actually done, that would be something that we would be looking at probably in a more positive way than if it was just the notion of 'We'll send these students out and they can

do 10 hours working somewhere.’ If they are going to work, I think there needs to be some value in and acknowledgement of what they are doing, because they need to feel valued as well.

Senator BACK—Sure. That is absolutely part of the concept. As you say, it should be formal, structured and lead to some sort of acknowledgement and certification of hours worked for which there was not actually financial remuneration. Given that time is against us, I will go back to the chair and, if I have two minutes at the end, I will ask you a last question.

CHAIR—Thank you. I think we might have a little more time today than we did yesterday, which is great.

Senator STERLE—Mrs Walton, I am just going to your submission, where you talk about the broadband improvements and the rollout of the National Broadband Network for high-speed broadband. You say that it has had a positive impact. Would you like to tell us a little bit more about the positives that high-speed broadband will bring to rural and regional students?

Mrs Walton—Obviously the difficulty you have got in rural and regional areas is if you are depending on dial-up. It can be very slow and often it drops out. So for some people it becomes very frustrating using technology if you are in an isolated area, whereas broadband has offered—just what we have heard reported, because I am not really a technologically savvy person—

Senator STERLE—You are not alone.

Mrs Walton—Our reports are basically that broadband offers a better access to the net and therefore to all of the opportunities that then opens up within that technology.

Senator STERLE—Would your association see that, with the improvements in technology and broadband network, one day that may replace students having to leave rural areas and being able to conduct a lot of their courses—I am getting a real evil eye from the chair here!

CHAIR—I am all for the university experience.

Senator STERLE—Would you see that one day that could maybe replace the need for students to leave their homes?

Mrs Walton—It obviously is already offering greater opportunities for our students in terms of we have more students who are doing things such as videoconferencing for things like student leadership camps or student leadership forums. There was a cyber-bullying forum last week in Sydney and they had kids around the state actually videoconferencing each other and holding their own forum via videoconference. So the opportunity there is. If those children were required to be in a central spot to be involved in that forum, the chances are that half of them would not have been able to because of the cost of moving to a central spot, the travel costs and accommodation. For some students attending a one-day forum may involve three days of travelling, a day before and a day after. So you have got two nights accommodation plus the cost of travel et cetera. That opportunity already exists. It already happens that they are using that type of opportunity across the state for various situations. As I said, I am just talking about those videoconferences for leadership and so on. We have virtual gifted and talented classes across the state so the students are not necessarily having to move to a classroom, they are

videoconferencing within the school they attend. There is also somewhere down the track the chance that students will do a lot more of that type of learning online. However, I would hate to see the situation where it only occurred online. I think people have already acknowledged that face-to-face contact with teaching staff needs to be in place as well as the online opportunities, that kids learn through the technologies and the access to all of those types of subjects but they also need somebody to assist them when they need to talk to somebody about what is going on or when they have got a problem. I do not think my association would ever like us to get to the stage where a child only ever learnt through an online interaction. We still like the opportunity to do that movement, to have that human contact, to have that networking opportunity, to talk to people face-to-face.

Senator STERLE—I can understand. The chair, who is also from a country area, pounced on me, as did the universities in Melbourne yesterday, Monash, RMIT and Deakin. The line was the on-campus experience. So I agree with that. While we are talking about the universities, is it the view of your association that the regional campuses are working hand-in-hand with the TAFEs and the high schools to provide the best opportunities for rural and regional students?

Mrs Walton—The experience we have had is that there is a lot closer link between TAFEs and schools. There seems to be something within communities that if there is a TAFE and a high school, particularly now with the TVET opportunities for students where they can do work with the TAFE while they are enrolled in a subject for the HSC at school, that seems to be a closer link than perhaps the link between the universities and the other two.

However, having said that, I live in a community where the university is offering a nursing academy type thing for some of our students. I think some of the universities are actually recognising that they do need to go into areas and perhaps be a little bit more proactive in linking in with the high schools and possibly the TAFEs, just to offer more of a range. Also, to give kids the opportunity to recognise that, as I said, in some communities the link between TAFE and high school often means that kids say, ‘Oh yes, well, I’m going to TAFE after I’ve finished school,’ whereas I think universities are now going, ‘Maybe we need to have a profile in those schools as well for kids to maybe have a look at the opportunities they have got to link with us as well.’ But, as I said, the experience that we have had is probably the stronger link between TAFE and high schools and it is only now they are starting to get that external university movement into the high schools.

Senator STERLE—If it is any comfort, the universities have been asked the same questions and they have come back with the same answer: they acknowledge they could do it better. This is my last question because I know Senator Back wants to ask a couple more, if there is time. With your experience and your association, how effective are the vocational offices in these rural and regional secondary schools?

Mrs Walton—I suppose it depends on the size of the office. Obviously, the larger the community is in which they are based the more opportunity you have of utilising them to their fullest advantage. In areas where perhaps there is a central office and it links with schools that are a distance away they sometimes attempt to go out to these smaller communities and keep that contact going. But, obviously, it is more difficult when you have to travel for a day to go to a school to spend a couple of hours to work with students within that school, to offer them a VET

program, and then spend a day or a number of hours moving back to the central office. It just depends on the size of the area where those VET places are.

Senator STERLE—I will take that as: ‘There is opportunity for improvement all round’?

Mrs Walton—Yes, there are opportunities for improvement.

Senator STERLE—You are on *Hansard*, so I can understand you being guarded in some of your answers. But I appreciate your honesty.

Senator BACK—Just going back, with regard to the transition for young people from school to post secondary education, is there anything more that the education system or the university sector should be doing to make that transition process easier and less of a culture shock to young people, particularly when they move away from their homes in rural and regional areas to either larger centres or cities for their tertiary education?

Mrs Walton—Obviously, as we have mentioned, one issue we have is the notion of homesickness and of some of these students ending up with depression and other mental health issues. For us, the fact is that it is a culture shock, that you are moving from a very secure family environment to often a big city where students do not have any knowledge of transport links or accommodation within the city. Often the university offers an accommodation option, but the cost of that may be a little bit prohibitive for families. They are looking at the best deal for their money and, even though the notion of staying for 12 months within a university campus accommodation type area would probably be positive for the student because it allows them to have that link and that support, some of them are unfortunately required to find cheaper accommodation, which makes them a little bit more isolated from the university. Another thing that is positive about being in university accommodation is the support that is available—if you do not know something, you ask your next-door neighbour. Most of the universities have some sort of tutorial support available. If there were some way that you could have supported accommodation, even for the first 12 months that a student leaves a rural or regional area and then goes to a university, that would be of assistance.

Senator BACK—I was thinking more of, in the six months before a student moves, a program or a three- or four-day orientation—

Mrs Walton—Yes, that would have been my next comment. Once you are there, that is fine. But, like most school systems, they have a transitional orientation period for preschoolers and for students moving to high school. Maybe you could, in some way, organise the same type of thing for students going into the university. I know they have open days, but the open days that universities often have are a one-day open day which, if you are living, like I am, in Broken Hill and travelling to Sydney, because that is where you are going to go, you would need three days. It is not viable for the family.

Senator BACK—The orientation day has quite a different objective to it, as you say. One day, coming from Broken Hill or Kalgoorlie or wherever, will not work.

Mrs Walton—It is not viable.

Senator BACK—Time is against us but, finally, I have been asking people in the last couple of days about the prospect of a return to the old days of cadetships in some areas of education. For example, in teacher training—in my own case as a veterinarian—we all went through cadetships, we were bonded to the organisation for the same number of years or we paid the money back, depending on the proportion of time we worked. Does your association have any concept on the prospect of a return to cadetships in that area?

Mrs Walton—Obviously, a cadetship offers students some financial support in that they are bonded to do this for a certain number of years and, as you said, if you do not do it you have to pay the money back. For some people that would actually be very positive. They would look at that as an encouragement. ‘For me to go into that; it is something I want to do, but this is an added encouragement.’ I think our association would probably look quite positively at the options that may be available in certain areas and, as you said, teaching and some of those other areas are areas that can be used to support these students to go into their career paths, provided they are given a bit of financial support as well.

Senator BACK—And then guarantees that they will go back into rural areas if indeed the cadetship is linked to employment in a rural area, be it education, nursing, medicine, veterinary science et cetera.

Mrs Walton—Those are the areas that would be beneficial for rural areas.

CHAIR—Finally, just a couple of things from me. I am very interested in the issue of increasing the school age, and you touched on this in your opening remarks and also in your submission. You posed some very interesting questions in the submission. Are you having any success in getting any answers to those questions from various departments? How are you going with trying to answer some of those questions?

Mrs Walton—There are some regions which report to us that there has been a lot of movement and a lot of contact between schools and TAFE to have a look at what they are going to offer in the next 12 months. It will be a case of trial and error for the first 12 months, to see the programs that are being offered and whether they are successful. Some areas are saying, ‘We’ll think about it next year,’ while, as I said, others are being quite proactive. But, at the moment, we are just listening to what everybody is saying and promoting the notion: ‘If you start now, it is probably better than if you wait until next year.’ We are very keen to get more feedback from different regions to find out what is being touted by them, what they are looking at, how it will work, because it will impact greatly on families.

CHAIR—You have asked a very interesting set of questions. We will watch with interest as that all develops. One of the things that was becoming very clear through the inquiry is how large and complex this whole issue is. It is not just a simple as the current changes that the government is putting forward and how they are addressed; it is about the bigger impacts, particularly on the sustainability of regional communities. One thing that has been put to us, with some of these changes, is that some of our professionals in regional towns are more likely to just give up their profession in the regional town and head back to a city in order to educate their children, which potentially—and this does happen—drains those professional resources we need so desperately out in the regions. Is that your experience? Does that happen or are you expecting

that to happen—that parents who are professionals or who are holding down jobs in the regions will simply move back to the cities?

Mrs Walton—What we are finding in some of our regions and what is being reported to us is that there is at turnover of professional staff in many areas, particularly in health. That is one area where people do come out for a few years and then say, ‘I’ve done my years now; I’m going back to the city.’ Some families are sending their children off to boarding school. The parents are saying, ‘My child wants to be a doctor, the same as I am, but can’t choose the subjects within the curriculum of the area that I am in because the school does not offer a wide enough range of subjects within the curriculum because there are not enough students to access it.’ We were talking about schools becoming linked technologically and offering subjects, maybe physics, across two or three schools within a 50 kilometre area to extend that curriculum and so attract and retain some of their top academic students. They are finding, as I said, that staff are making choices based on what their children’s needs are. So there are times when they do leave. There are times when parents fully support the use of technology for their child but there are also times when they stay for only a short period of time until their child reaches an age when they are perhaps moving into high school and the parents feel that it is time for them to move on so as to give their child better access to those opportunities.

CHAIR—Obviously, you are talking about using online learning to access further subjects, particularly in regions where students are precluded from accessing them. As part of the bigger picture, should departments turn their attention more to ensuring that there is a greater offering of subjects in regions so that we do not see this huge discrepancy between what students can access in secondary at a city school compared to what you can access in secondary at a regional school? It seems that, by narrowing the subjects quite dramatically in some places, you are potentially limiting a lot of opportunity for those regional students to go on to further education.

Mrs Walton—Definitely. Our concerns are around the areas of science and the arts—things like drama and music—because often affects those sorts of subjects. For students who are extremely talented in those areas, the opportunity does not exist for them to extend their talent; they are being held back. There is recognition by a lot of schools that this needs to happen and there is a push to get support from the department of education and training to promote these sorts of subjects across schools. But, as I said, they are now looking more at the technology to link schools, such as video conferencing with students, to allow them greater access. It is the same situation with distance education subjects. Rural schools can access distance education subjects to allow them to have that opportunity. They can access OTEN subjects. The opportunity is there but sometimes it is just a matter of increasing the knowledge of community schools that they can access these opportunities. Improving their information base, I suppose, would maybe help them in accessing some of the things that already exist that they are not aware of.

CHAIR—Absolutely. Mrs Walton, thank you very much for joining us this morning. We really do appreciate it, and it has been extremely useful for the committee.

Mrs Walton—Thank you for giving me the time.

[9.53 am]

COWDROY, Mr Clifford Reeve, Chairman, Bush Children's Education Foundation of New South Wales Inc.

CHAIR—Welcome. You have lodged a submission. Do you need to make any amendments or alterations to it?

Mr Cowdroy—No. We do not think it is necessary.

CHAIR—Would you like to make some opening remarks before we move to questions?

Mr Cowdroy—Thank you for the opportunity to speak today. Senators, as far as I am aware, the Bush Children's Education Foundation of New South Wales is unique in Australia insofar as other states have been asking how they can access the sort of service that we provide. The foundation was founded 44 years ago by the royal flying doctor at Broken Hill, Dr Charles Huxtable. The foundation had some form of government intervention through Sir Leslie Herron, who put the imprimatur on it to establish a trust. Only recently, when we moved from a trust to an incorporated association, the Hon. Bob Debus, the then Attorney-General of New South Wales, had to sign off on it—and he did that with some pleasure.

The key to the modus operandi of the Bush Children's Education Foundation is to provide scholarships for children who otherwise could not attend a school. Those scholarships are essentially boarding, but in the last few years we have identified other needs such as senior secondary and tertiary education through connection with Charles Sturt University. The great issue we have at the moment is that the number of alternatives to a boarding school has shrunk quite dramatically within the last 10 years from a significant number of regional hostels down to two, so the opportunities for a country child to attend a boarding school where state and federal government allowances would compensate a family are virtually lost. In relationship to those hostels, the local government high school has also lost enrolments, and when you lose enrolments you lose teachers and you go into a vicious cycle of failure or struggling and having to rely on distance education through telematics for at least one subject.

The other alternative for country students, and their parents, who do not want to attend a non-government school is to go to a government agricultural high school in New South Wales. We have only one in Sydney and that also caters for Lord Howe Island students and for Norfolk Island students, so the access is not as broad as it might be in the other two country agricultural boarding schools. One is all male and the other is co-educational. That leaves a tremendous dilemma for the parents. If their children go on to distance education—and it is an extremely good program—daily face-to-face contact with peers for sport and for social activities in a town and with teachers for interaction and as role models on a daily basis is totally lost. Although many schools have collective gatherings, they cannot really replace face-to-face education. As one who was commissioned by the government to establish distance education in New South Wales on a decentralised model, I am still proud of what we have achieved but I know from parents' comments that the distance education mode for secondary students is not as attractive as attending a regular school on a daily basis.

The issue with attending a non-government school is that the fees are high and the allowances do not cover it—and there is a widening gap. All of the allowances provided by the state and the federal governments equate to \$10,655, but in the submission you will see that the cost of accommodating a student in a Sydney school is over \$20,000 and can be well over \$20,000—I think the example I gave was \$43,000. In a country school it is two-thirds of that. We are in a pretty unenviable position in trying to help these students because we are inundated with people wanting boarding assistance and we cannot provide for that need.

I would like to mention that the Bush Children's Education Foundation welcomes the changes to youth allowance such as the relocation and start-up scholarships taking over from the Commonwealth education and learning scholarships and the accommodation scholarships of previous years. But we feel there is a need to raise that income threshold to \$60,000 rather than to \$42,599, which equates to the same maximum threshold if a child gets an isolated assistance allowance. That would give the opportunity for more students to move into the dependent area. We think that the independent learning youth allowance has its problems in terms of the old 18 hours a week for 18 months, where they could take a gap year and work for 12 months, work into their first semester and achieve that \$19,900 or thereabouts. We very much see the 30-hour situation over two years on a weekly basis as extremely difficult for isolated, remote area students simply because the work is not there, and if they go to a regional centre, it is usually the regional students or the periphery of occupants of the regional centre that get first choice.

We think that the differing state and federal allowances are extremely confusing for parents, especially if you are a parent and you have just come out of a primary mode—it might have been distance education. Many of them are unaware of the state allowance that is offered. There are different criteria for distance. We think that should be sharpened up so that there is one distance criterion. People would then be in a much better position. Just as an aside, the state government seems to be more lenient than the federal on this issue. Usually it could be the other way around insofar as there is a little clause in the state Living Away from Home Allowance which says that you have to live 48 kilometres from the nearest high school or school of preferred religion. That gives parents enormous scope to look further afield.

CHAIR—Thank you, Mr Cowdroy. Before I pass to my colleagues, we have some media in the room. Are you happy for them to stay? They are taking some shots for television.

Mr Cowdroy—Yes.

CHAIR—Thank you. Senator O'Brien.

Senator O'BRIEN—Thanks for your submission, Mr Cowdroy. On the proposition on youth allowance, if I understand you correctly, you are suggesting an increase in the threshold of approximately \$16,000 and therefore—

Mr Cowdroy—For the dependent allowance.

Senator O'BRIEN—For the dependent allowance. There is no threshold for independent; it is a different concept.

Mr Cowdroy—A different ball game, yes.

Senator O'BRIEN—Therefore there would presumably be the application of the same taper principles to increasing family income?

Mr Cowdroy—Yes.

Senator O'BRIEN—I am not sure if you have worked that through, but I think that would mean that if there were two children at university, we would be looking at somewhere in excess of \$160,000 as being the cut-off point for assistance.

Mr Cowdroy—Yes.

Senator O'BRIEN—Do you think that would be equitable?

Mr Cowdroy—I think it would. I think the difficulty is that in the review of income that we pick up through our applications, and in some cases we ask for ATO tax returns, for 80 per cent of the applicants the families receive an income of less than \$39,999 but there is that small group above that that find that the seasonal pattern of their income varies so much that, although we state income for the previous year, we probably should state income amortised, if you like, over five years.

Senator O'BRIEN—A farmer could do that, of course.

Mr Cowdroy—Yes, he could.

Senator O'BRIEN—I suppose if you ignore the variability of income in some contracting businesses and retail or service businesses in regional Australia, and those who run them and probably would not have that opportunity, the people who may well be most affected by this will be professionals: accountants, doctors, teachers and local government professionals who are affected.

I am interested in the concept that you are talking about. You understand of course that where there are, say, two children going to university, under the proposed system there would be two amounts of \$2,254 per year per student. In the first year when they are living away from home there would be \$4,000 per year and \$1,000 per year thereafter and, in addition, the reduced youth allowance component, depending on the income level—it phases out at higher income levels—and in addition to that, if they are in private rental, rental assistance. Would you concede that there are significant improvements in the system as it is proposed which will allow students from higher income families than have previously had access to the dependant benefit to get some benefit?

Mr Cowdroy—Yes, I would and I think we made that statement in the submission. The issue for us is secondary education, where they are forced to go to a non-government school. I suppose it is pie in the sky, but in an ideal world could they not only get the AIC or the federal government allowance—we are talking about absolutely remote, isolated students—but also access the dependant allowance, possibly at 15? To these students the government says, 'We can't take you at the agricultural high school because we're full. There are two hostels left in the state. They can only accommodate 43 students; they're full. We can't take you there.' The second home option, which is something that we did assist students and families with but pulled out of,

seems to be more remote because it is very divisive of families if mum and the three children have to go and live in a town miles and miles away and it makes people quite fractious in some of the reports that we have received. There is no alternative other than to go to a non-government boarding school in rural areas.

Senator O'BRIEN—What state or federal assistance is available at the moment?

Mr Cowdroy—In the federal arena they can receive assistance of \$6,800 for isolated children, administered by Centrelink, plus a further \$2,261 as a supplement, but it cuts out at \$43,000 because it is on a sliding scale downwards for every other dollar.

Senator O'BRIEN—The supplement or all of it?

Mr Cowdroy—The supplement. As one indicator of the employment scenario out there, for every farming family who are EC, exceptional circumstances, declared, the supplement is not disallowed. That is a great boon at the moment and it is being used very heavily. It was not very well advertised, and families were missing out on it, actually, until we alerted Centrelink in Lismore, New South Wales, that this was happening.

Senator O'BRIEN—At what age is this available?

Mr Cowdroy—I do not have that figure to hand, but we have only dealt with it in a secondary capacity. I do not have the figures to hand.

Senator O'BRIEN—We are happy for you to supply additional information after your appearance if you wish to.

Mr Cowdroy—Yes—but it is from year 7. The New South Wales state government brought in an allowance some years ago called living away from home allowance. Its acronym is LAFHA. It is for all students who reside more than 48 kilometres from the nearest school or school of preferred religion, which gives them the out. Its value is \$1,227, and in year 11 and 12 there is an additional \$288.

Senator O'BRIEN—Per annum?

Mr Cowdroy—Per annum. For means-tested low-income families who are lucky enough to attend an agricultural high school, there is also a new scholarship called BSIS.

Senator O'BRIEN—This is in New South Wales only?

Mr Cowdroy—Yes, in New South Wales. It is boarding scholarships for isolated students. They are valued at \$4,000 per annum. There are limited numbers.

Senator O'BRIEN—So, subject to means testing, somewhere between \$10,000 and \$14,000 is currently available for secondary education?

Mr Cowdroy—It is a bit like the chicken and the egg—you cannot have both. You can have a BSIS, because that is a state government benefit, but you cannot have the living away from

home allowance. We looked very closely at the situation with overservicing where parents were asking for our scholarship. On checking up, we have found that in many cases the allowances were exceeding the fees being paid.

Senator BACK—Does your organisation contribute over and above these figures?

Mr Cowdroy—To take just the boarding component of a non-government school alone, conservatively it is \$14,000 in that non-government environment. The maximum that could be attracted through working with the AICS, which is federal, and the living away from home allowance, which is state, is \$10,600. We try to give a top-up to that. We then plead with the school to try and make up some leeway there, and somehow they get there. Our scholarships, regrettably, are only \$800 for a boarding scholarship, unless they are in year 11 or 12. If they get a merit based scholarship from us on that basis, that is up to \$5,000. But we try to spread it as far as possible. We could reduce our 81 scholarships, but I ask you to bear in mind the fact that we are solely dependent on the donations of individuals, so much of our work apart from that is in soliciting for funds so that this work can continue.

If the Commonwealth were able to assist isolated students who cannot get access to a government facility by giving them not only the federal allowance but the dependent allowance or AIC, we could then direct our funds more to training of Indigenous students, where there is a vast need. There is the beginning of a very exciting movement afoot in that area, and your previous witness pointed to the link to TAFE. We would like to move that way, but we do not have the funds to do it if we still have to run the secondary accommodation scholarships.

Senator O'BRIEN—As I read it, if you combine the minimum Commonwealth and the minimum state assistance, it would be somewhere in the vicinity of \$8,000 irrespective of means. Is that right?

Mr Cowdroy—Yes.

Senator O'BRIEN—And it would rise to somewhere in the vicinity of \$13,000 for someone who qualified under the various means tests?

Mr Cowdroy—Exactly, yes. The issue is that the boarding component of the hostels—being community run or church based, and there are only two of them, as I said—is around \$8,000 to \$9,000, whereas for the schools, having more rigorous activity programs and weekends and 24-hour assistance in terms of supervision, with numbers of supervising teachers, it is, of course, higher.

Senator O'BRIEN—Thank you for the material in your submission, which gives an indication of what it would cost without trying to designate the costs in individual schools.

Mr Cowdroy—I was just ruminating about why the metropolitan boarding schools are dearer. My conclusions are that there are many more sporting opportunities on the weekend, there are more cultural activities, there are more social activities that these students have to be taken to and there is a much wider variety of experiences that young people would look to than in the country boarding school environment.

Senator O'BRIEN—A number of private schools offer scholarships as well, which no doubt assists some isolated students.

Mr Cowdroy—Yes.

Senator O'BRIEN—Any idea of the proportion?

Mr Cowdroy—It varies so much school to school, but in terms of the Indigenous programs there are three schools in Sydney that are doing quite remarkable things and at a very great cost to themselves—even in terms of setting up houses so that post-Christmas the students can come back out of their home environment and take cadetships with old boys or old girls from these schools.

CHAIR—I think I'm getting too old!

Senator BACK—'Past students' I think they call the old girls, Mr Cowdroy. I do not think we are brave enough to call them old girls.

CHAIR—I think I'm definitely an old girl.

Mr Cowdroy—I am not sure of the nomenclature; perhaps that is because I am old.

Senator BACK—'Old boys' is okay; it is 'past students' that we refer to when it comes to—

Mr Cowdroy—I apologise for that.

CHAIR—That is quite okay.

Senator STERLE—You do not have to be politically correct with me, Mr Cowdroy! I think that is fantastic.

Senator BACK—But you are not an old boy!

Senator O'BRIEN—We have seen it all, Mr Cowdroy! It is the coalition senator who is being politically correct and the Labor senator who is being careless.

Senator BACK—No, I am being brave, Senator O'Brien; that's all. It has nothing to do with—

Mr Cowdroy—Well, the via media, of course, is for girls as well, and we are getting a lot of feedback from Aboriginal quarters saying that in terms of a particular hostel that is operating in Sydney, New South Wales, which is mooted to go co-educational, there is quite strong opposition. There must be a place for girls' education and we would fully support it.

Senator O'BRIEN—How many students in New South Wales would you think would be boarding and therefore potentially attracting the dependent rate of living away from home assistance? Do you have any idea?

Mr Cowdroy—I do not have the specifics; I am sorry.

Senator O'BRIEN—You could come back to us with that.

Mr Cowdroy—I could; yes, indeed.

Senator O'BRIEN—When you talk about some additional provision of Commonwealth assistance it always has a cost and it is useful to know what sort of cost—

Mr Cowdroy—I think it would be very low cost. I can only talk from the experience of the remote and isolated.

Senator O'BRIEN—Not the 38 kilometres from the school of choice?

Mr Cowdroy—In excess of that. In most cases we are looking at far in excess of that if they are bona fide applicants for our services.

Senator O'BRIEN—For the purposes of youth allowance, the test under the Commonwealth legislation for being required to live away from home is 90 minutes by public transport, which, in many cases is not available in regional Australia—or if it is it is pretty rare. So, just for your information, that might mean in a metropolitan area you could live somewhere around Gosford or somewhere in the Blue Mountains to qualify—you would have public transport available—but in other parts of the country you could live a lot closer but not have any accessible public transport.

Mr Cowdroy—Yes.

Senator O'BRIEN—It is a bit of a mix under that method.

CHAIR—Thank you very much for your submission. The fact that your organisation exists says that governments, both past and present, have not done enough to address inequity for rural and regional students trying to access secondary and tertiary education.

Mr Cowdroy—We have wrestled with this problem. In 1965 when the organisation was founded there was nothing. Dr Huxtable went to Tibooburra and found that there were a whole group of students who were not being educated at all because they lived too far out. Now the National Parks and Wildlife Association have bought many of those properties up. There are still resident students there but they can have distance education for their early lives.

So the Bush Children's Education Foundation established a hostel at Tibooburra but the fact that there was no significant or noticeable support federally or from the state meant that our work burgeoned in terms of setting up a committee to run the hostel on its own. Then it was moved to Broken Hill. That was the beginning of regionalisation.

We often wonder whether our *raison d'être* is effective or whether we are simply reinventing the wheel. The fact that we get people crying on the phone to us around February because we have not been able to support them, because we have had to take the most needy in terms of our criteria, means that there must be a pretty horrific issue going on in the hearts and minds of those

families out there. So we hope that, if we could get a little bit more assistance for the isolated who have been rejected, we could move to assisting more people in great need. That would involve our transfer to cadetships through TAFE, in residential colleges, for Indigenous students.

CHAIR—It would certainly seem that governments should be doing rather more than they are to address the inequities and the real financial difficulties that exist for families who simply have no alternative but to send their children away to secondary or tertiary education.

Mr Cowdroy—There are two things I can comment on there. The first is that the state government in New South Wales had a Bursary Endowment Board. It dropped off the radar, and we seemed to be called on informally to pick that up. The Bursary Endowment Board assisted with textbooks and all the additional costs that we do not see when we look at the bald figures, including elective subjects—which are not free in New South Wales government secondary schools—sports equipment, excursions, visits to centres, artists in residence and all that sort of thing. That was one of the great issues. We feel as though maybe the government had made that decision prematurely. It made the decision because it gave a bucket of money to each educational area or to the directors to administer through the high schools. The money was called school assistance funding, and that was for a parent to go up to a school and say: ‘We can’t afford these fees you’re imposing on us. Would you be able to assist us?’ The school would then set up a committee and divide the money. That scheme has its difficulties.

CHAIR—There has been some suggestion to the committee—and this relates to tertiary education—that, in order to deal with the inequity when you compare regional students’ access to university to that of metropolitan students and the costs that in many cases prohibit regional students getting away to tertiary education, there should be a separate tertiary access allowance so that, in recognition of those extra costs that are faced by regional families because they are required to send their students away because they have not got a tertiary institution nearby, the government should also address that through financial assistance. Is that something that you have considered or that you have a view on?

Mr Cowdroy—We have considered it, and we established a link with what we consider to be an outstanding university, Charles Sturt University, which has five campuses. So it is trying to cover the state of New South Wales with a spray situation and is offering very rigorous courses. We only have three students at the moment. We used the term ‘start-up grant’ 12 months before the Commonwealth thought of the idea; we are quite proud of that. One of the criteria for selecting students through the BCEF is to ask them whether they would give back to their community. It is a rather naive concept because most of them want to come to the big city and so forth, but it is surprising how many applicants—all of the three that we have—have nominated that they want to go back and do vet science, medicine or physiotherapy and so forth. They are very committed to their region or their isolated areas, and we think this is fantastic. If your concept got off the ground, it would have an immeasurable effect for these young people. Our grants are only \$2,000 per annum—\$6,000 for three years—provided they get a credit average at the end of each year.

The difficulty is not that they are in an environment which is foreign to them, because they are going to a country university, regardless of which campus it is; the issue is finding work, which is non-existent in many of these places, and being able to stay afloat. There is a guilt factor. That guilt factor was picked up by Professor Alston in a groundbreaking report on the effects of

drought on secondary education, in 2006. Although it is empirical evidence, it was a very broad based research program. The outcome was that these students feel guilty in having to approach Mum and Dad when they know the farm is failing or they have other brothers and sisters who cannot have the opportunities that they have had because perhaps they are the eldest or the youngest. It is quite a big issue and one that we are trying to address.

CHAIR—You are doing a very good job at it, by all accounts. Very well done.

Senator STERLE—Mr Cowdroy, I would like to bring you to page 2 of your submission, under ‘Tertiary’. In the third paragraph down it says, ‘Rural and regional areas need skilled tradespeople, allied health workers and professionals who empathise with rural community needs.’ I think it is a pertinent point. You say that you should be able to attract the students back to the country areas so that they can put back into their rural and regional towns. Would you like to give us your thoughts on what measures or what designs you had in mind when you put that in the submission?

Mr Cowdroy—Without being dictatorial, I would like to think that, if a student were to be able to receive the separate allowance that Senator Nash referred to, one of the criteria would be that there would be an expectation that the profession, the career path or even the trade they chose would be one that would have some allied links to rural and regional areas. Some of our applicants—boys, I might say—wanted to receive our scholarships so they could travel the world. There was no suggestion that they wanted to put back. The girls, on the other hand, all wanted to go and focus back on their home. I am not saying it is a sexist or gender issue, but it is something that we believe very strongly.

Senator STERLE—You did touch on that, but I did not know if there was any other—

Mr Cowdroy—Let me elaborate in another way. I understand that in Dubbo there is the proposal, through Charles Sturt University, that Aboriginal students, for instance, are taken into the university campus for a rigorous trade course for electricians and they are then employed by Integral Energy or Country Energy automatically. It is an arrangement—that cadetship idea coming through again in a tangible way—that we would be on the cusp of assisting in some way.

Senator STERLE—That is fantastic. Senator Back will probably want to follow this line of questioning, so, Chair, I do not mind passing to Senator Back.

Senator BACK—It just seems to me that that is the direct linkage. One of the tragedies, of course, is that the original objective of something often changes over time, such as with the creation of the veterinary school in Perth, which was strongly supported by the agricultural and pastoral industries, and I doubt there would be one graduate who would find their way into the agricultural or pastoral industries these days. They would not know where they were. Nevertheless, I will not go onto that topic. I think we have canvassed your views on the support. I am particularly interested in the foundation itself. Can you tell me in general terms, without breaking confidentiality, how many people would contribute to the foundation on an annual basis? Is it tens or hundreds or thousands?

Mr Cowdroy—In the corporate spectrum, extraordinarily, the support has dropped off, with apologising letters saying, ‘Due to the financial situation worldwide, we are unable to assist you

this year'—or words to that effect. We have two loyal corporate donors that allocate funds up to \$10,000 to \$15,000 a year. We have 30 individual donors and, as the financial crisis bit, they increased their loyal giving, which is quite an interesting phenomenon for us. We are running on the thin end of the wedge really.

We also get some bequests from longstanding loyal members of the Bush Children's Education Foundation. Whether it is nostalgia because they were in the bush I do not know, but the bequests have been very helpful to us and administered by our board of nine, all of whom either have country properties or have lived in the country or had country associations. So we try to keep abreast.

Senator BACK—So you have not seen this growing over time.

Mr Cowdroy—No, on the contrary. We issue an annual report. I cannot table this yet because I am told there are too many spelling errors in it. That is the old dog for the road! We issue this report every year which sets out the fiduciary duties and so forth. It goes to the Governor, Her Excellency Professor Marie Bashir, who herself has been one of the students from an isolated country environment and she had to be educated in Sydney by being in the country cousin syndrome. It is also to attract further attention to our needs. But metropolitan and regional people I think think in vastly different spheres of understanding of what we are on about.

Senator BACK—Can you give me some indication anecdotally as to the proportion of children who would perhaps approach you from rural and remote areas that actually want to move into post secondary, be it trades or tertiary education, who do not end up succeeding in doing so because of financial reasons, in percentages or numbers? Is 20 or 30 per cent?

Mr Cowdroy—It would be anecdotal at this stage, although it is a splendid question. We have just completed last week an evaluation of our through to uni program, which is probably the most focused. Through to uni is where students cannot continue in year 11 and 12 because their parents cannot afford to keep them there. The schools say to me, 'We can do something. Can you do something?' Of course now we do something. The evaluation points out that without our assistance they would not have got there.

Senator BACK—That is to year 11 and 12.

Mr Cowdroy—Yes, but it is focused on through to uni. They have to identify, as apparently a 17-year-old can without it being set in concrete, where they want to go in a career at university. We look very closely at their year 10 bands, which are their performance levels, and also comments from parents, each one separately, and school. I would say that off the top of my head those that want to go to university and cannot afford to would probably be about 20 per cent.

Senator BACK—Do you think that has changed over the time you have been involved in the process?

Mr Cowdroy—Absolutely, because the drought has come and, as I say, we have got these weeping people on the phone. Whether it is crocodile tears—I am sure it is not, I am sure it is absolutely genuine, because they do not know us and they are simply appealing for any assistance they could get. It definitely has deteriorated.

Senator BACK—Sure. My final question relates to whether you have either empirical or anecdotal evidence on the success of students who are supported financially eventually passing through their programs versus those who drop by the wayside. Do you have a feeling or do you have any evidence that they actually do in a sense respect the support they have been given and that reflects itself in their successful graduations?

Mr Cowdroy—They do respect the support. We have a large body of letters from the students themselves, which is interesting, not from the parents so much. As far as I can recall, all of our graduates, those exiting the school at post year 12, have done something worthwhile in the community. It may not always be university, it may be this falling phenomenon of back to the farm, but in equine areas or in veterinary areas or in grain management or something, they have done extremely well.

Senator FISHER—Mr Cowdroy, your association is New South Wales-based and you do the best you can by the rural and regional students in New South Wales, I gather.

Mr Cowdroy—Isolated remote area. We do take students from Queensland, from the border of South Australia and we take them from the south of the Murray in Victoria, but they must attend school in New South Wales.

Senator FISHER—I note that in your submission you say that in the past the foundation supported TAFE students enrolled in Adelaide institutions.

Mr Cowdroy—A number of students came from Yunta and the far north-east of South Australia. We supported them right through and they went to Adelaide. We continued to support them very briefly there, because our brief at that stage was chopping off at the end of secondary. We have moved further now into the tertiary because of the need.

Senator FISHER—But they were still in your geographical area of service.

Mr Cowdroy—They attended school in New South Wales. They attended Broken Hill High School or Williyama High School or St Joseph's, which existed in those days.

Senator FISHER—Okay. Are there any equivalent organisations in other states that fill the pretty large gap, despite your best intent, geographically?

Mr Cowdroy—Judging by the hostile phone calls I get from people from Toowoomba, Rockhampton and other places that want funding from us, I have to say that I think we are unique in Australia.

Senator FISHER—So to the extent that you do good work there is no-one else doing likewise in other places.

Mr Cowdroy—There was the children's far west scheme of New South Wales but it was a medical institution. As far as I know, we are the only registered charity doing that.

CHAIR—Thank you very much. Can I congratulate you on the work that you do. Obviously you do a tremendous amount to assist those isolated and rural students who in a lot of areas

really desperately need the help. And can I thank you very much for appearing here with us today. It has been extremely useful for the committee to have you here. So thank you very much. We will now suspend until 11.30.

Proceedings suspended from 10.37 am to 11.33 am

MASTERS, Ms Wendi, Director, Strategic Policy, Training and Higher Education, Department of Education and Training, Northern Territory

RAJAN, Mr Paul, General Manager, Strategic Initiatives, Department of Education and Training, Northern Territory

REEVES, Mrs Sharon, Acting Director, Planning, Research and Review, Department of Education and Training, Northern Territory

Evidence was taken via teleconference—

CHAIR—Good morning and welcome. Thank you very much for joining us this morning. Do you want to make any amendments or alterations to the submission that you have lodged with the committee?

Mr Rajan—No, we do not.

CHAIR—Would you like to make an opening statement before we move to questions?

Mr Rajan—Very briefly, because I think our two submissions probably cover most of the material. I simply want to note that we have made significant comment in our submissions on the unique nature of the Northern Territory population. Something like 30 per cent of our population is Indigenous, and over 40 per cent of our students in schools are Indigenous. Nearly all of those live in remote or very remote locations, which is really an extension of the inquiry's terms of reference.

That really underpins our key concerns, because, although we do have a number of students in the tertiary and higher education arena currently who would be impacted, both positively and otherwise, by the proposals in the amendment packages, our major concern remains with the attainment of adequate educational standards for, in particular, our senior secondary students in those remote schools and the impact that their low education attainment currently will have on their ability to access tertiary and higher education opportunities.

Senator BACK—Thank you very much for your submission and for appearing. There is an overwhelming desire around Australia for the gap between Indigenous and non-Indigenous people to be narrowed significantly. Education has got to be one of the pillars for doing that. Can you indicate, from your point of view, in the context of what you have said to us and from the breadth of your knowledge, where Australia has to invest to actually narrow that gap? I am familiar in Western Australia with the Future Footprints program, which does involve some Territory secondary students. If you are not familiar with it, it is a program where about 140 young Aboriginal people are in boarding schools in Perth. The Future Footprints program acts as a mentor for those young people. The success of it is outstanding. Can you just give this committee your view on where the imperatives are to get this process really working in the short and longer term?

Mrs Reeves—To narrow the gap, we must start at the beginning of education, zero to five years, and the families developing very positive links with the schooling and access to teachers so the kids are developing and connecting in a positive relationship with the school and therefore attendance is lifted. At the moment, particularly in remote and very remote regions, attendance is extremely low and very spasmodic. We need to have kids engaged with their families in schools back up to 80 or 90 per cent and to develop programs within the schools to enable the children to connect and to learn from that.

Mr Rajan—I might add a little bit to that. I think one of the key concerns in our conversations with Australian government colleagues and internally about how we move forward with the education agenda—and I think we would very strongly support your view that education is one of the significant pillars in closing the gap—is to try to understand a number of things. As Sharon has pointed out, getting the model established, and a relationship with education established, early on is crucial. The development of an early years education and care framework which begins to build relationships not just with young children but particularly with families to create the habit of that relationship is very important.

Moving forward, I think we are beginning to talk about the provision of education services very much in a geospatial context—in other words, looking at ways in which we can begin to build a connection between communities and education based upon the particular context of that community. We are very clear, I think, that the ‘one size fits all’ approach that we have probably taken in the past is not going to cut it for a significant number of those communities. So we are beginning to explore how we move beyond the primary school focus into middle and senior education here in the Territory by thinking about: what is the best model that we can use to deliver in each community; how do we best resource that; what are the external resources that we need to bring? I mean distance learning and the careful and considered use of boarding facilities—not only boarding schools but the construction of boarding facilities adjacent to our existing high-quality high schools, which for us in the Territory here probably means significantly around Darwin and then down the Stuart Highway into Alice Springs, through Katherine and Tennant Creek.

That is the sort of thought that we are beginning to play with. Our Northern Territory A Working Future initiative, which looks at the development of 20 regional towns, alongside the remote service delivery locations which are of concern to the Commonwealth, I think provides us with an opportunity to create hooks for that geospatial conversation.

Senator BACK—Ms Masters, can you comment on attraction of and education training for Indigenous teachers, what we are doing and what we need to be doing better or more of to lift the number of Indigenous teachers?

Ms Masters—I am sorry, I am not able to answer that question because I do not have responsibility for the Indigenous teacher program here in the department.

Senator BACK—Can anyone advise me as to what moves are being made? Are there any being made? Is it in fact a priority that we try to lift the number and qualifications and retention of Indigenous teachers?

Mr Rajan—Yes, absolutely it is. There are a number of initiatives which are underway here to do that. It is important to engage local teachers, not only from the perspective of cultural relevance and understanding but also because bringing in exotic—if I can use the word—teachers into remote communities leaves us inevitably with retention issues to confront. It is going to be the case, in all but the most extraordinary levels of commitment of teachers coming from metropolitan areas into remote areas, that we are going to see two, three or four years at best and then teachers will want to move on.

We have been pursuing an initiative which we have titled Growing Our Own, which is really about encouraging the quite significant number of Indigenous assistant teachers that we have in our schools to train and develop their skills and move into teaching. One of the ways in which we have been doing that is to develop certificate level programs to begin to engage them in a step-by-step approach to teacher training. One of the things that we have noticed is that, if you say to an Indigenous teacher aide, ‘We want you to go through a four-year qualification program,’ the likelihood is that family and other pressures will mean that it is going to take a significant number of years for them to move through that program and graduate as a teacher. So what we have said is: ‘Let’s take it a step at a time. Let’s start with certificate III and IV. Let’s move into a diploma and then gradually work up through those steps so that at each stage you get the tick, you get the reward, of having completed a particular part of the training.’

That is beginning to work particularly well. We have seen an increase in the number of certificate qualifications in that group increase very rapidly over the last few years, and additional numbers of those staff have been willing to put up their hands to move through into teaching. That is on top of the Australian government funded More Indigenous Teachers program, which is already in place.

Senator BACK—When I asked the question, you emphasised engaging people early and often. That simply has to be a priority, doesn’t it, to have teachers in the communities, in the schools, who adult community members will relate to and have some confidence in? I want to ask you a question that I asked in a different context this morning. Aren’t the older, near retirement teachers around Australia a great resource that are being overlooked? I mean teachers in their 50s whose own children are now through the education system into the workplace, who probably still, if they have stayed in teaching for 35 years, have got a great love of it. Financially they are somewhat independent. Two to three to four years might well be attractive, from both a financial and an educative point of view. Is that a resource that can be tapped into and utilised in rural and remote areas in the Territory and the bigger regional schools? Is that something that is being or can be looked at?

Mr Rajan—It is insofar as we recruit most of our teachers from interstate. The historical pattern is that we only produce about 20 per cent overall locally. We are constantly using the media to advertise the interesting and challenging qualities of opportunities for teaching in the Territory to all levels of teachers. Indeed, I think in each of the capital cities, we have just done significant recruitment drives, where we have gone and spent time—two or three days—in each location, having put together promotional material to encourage people to come and talk with our recruitment consultants about moving into teaching in the Territory. The significant priority for us—and this is a conversation we are having with colleagues in Queensland and Western Australia, right across the north of Australia—is to build an image of teaching in remote which is not about just going out and having fun, and I am not suggesting for a moment that you are

suggesting that that is where we should go. It is not just about going out and having fun and having an interesting cultural experience. It is about building a professional expertise in its own right which we would want to reward quite specifically in ways that we can. They are not just through pay and conditions related incentives but by saying that, as a professional group, teachers and school leaders who operate in very remote locations need to have a particular skill set which is quite different from that that we expect from teachers and leaders in urban and metropolitan areas, and that we want to publicly acknowledge the huge value that they bring so that we are giving a cachet, if you like, to the experience and qualification of teaching in remote. If we have got people who are approaching retirement and who want to bring their very significant experience to bear in that context, we would welcome them.

Senator BACK—I was in Yirrkala not very long ago, and I went to the facility there. I was blown away by the quality of the media work being done by the people there and it really gave me the observation that if we can get communication right then there are really no barriers. The skills that are inherent in many people can certainly be turned to enhancing education opportunities and, I guess, also thinking outside the square a bit in terms of the curriculum and the school day et cetera. Is your education system in the Territory, particularly for Indigenous children, constrained by the same sorts of constraints that perhaps would be on a school system in Darwin, Tennant Creek or Alice Springs, or is there much more flexibility?

Mr Rajan—I will give you an example, Senator. You are absolutely right; there is more flexibility, and we are encouraging principals to be as flexible as they usefully can be. This morning I was reading a letter from the principal of our school in Galiwinku on Elcho Island, who is one of our more imaginative and innovative principals. Indeed, the Deputy Prime Minister used the school as an example when she spoke to the Stronger Smarter symposium recently. Bryan wrote and said, ‘We are doing a whole range of things around encouraging the building of a relationship between the community and the school.’ He is looking very hard at whether the school day should not extend from 7 am to 7 pm, so that we start off with those who can come in early in the morning and we then move into older students and indeed adult education later in the day, and whether the school year, which is operated traditionally in the same way that it is in our metropolitan areas, might actually extend from some time in January right the way through to the middle of December, but that they break down the semester and term structure in a different way which relates much more to cultural and seasonal events that are taking place in those communities. So the short answer is, yes, we are encouraging our principals to be as flexible as they need to be in order to do that, acknowledging that there are some fixed points around a school year in terms of reporting and exams and so forth that will need to be catered for.

Senator BACK—My final question before I pass over to my colleagues relates to the boarding facilities. I know there are difficulties associated with the children being taken away from their communities, yet at the same time the feedback that I have had is that the very strong view from thinking community members is that they know that if those children are going to progress, they will probably have to go into localised boarding facilities. What is the age or year level that you believe is the preferable time for the young people to go into some form of boarding facilities in the larger schools?

Mr Rajan—Gosh, you are asking me to venture into some really dangerous waters there, Senator! I think our first response would be that it is our senior secondary students—years 10, 11

and 12—that would be the primary target here. For middle years—years 7, 8 and 9—we would certainly be looking, for preference, at using transport to move them backwards and forwards as much as we could. One of the things that we are also taking into consideration in looking at this divide are the cultural markers that exist in communities and which shift between communities. Particularly when young men have gone through ceremony, they do not want to be associated with the children, as they then see them; they see themselves as adults. That is the point at which a conversation within the community about a break in the way in which we deliver education might be appropriately framed. That varies around the 12 to 14 mark, depending upon which community we are talking about. But, fundamentally, our major target for the use of boarding facilities is that senior group—16, 17 and 18-year-olds, and perhaps 15-year-olds in the centre.

CHAIR—Mr Rajan, Mrs Reeves and Ms Masters, let's talk about the importance of keeping students at secondary school and of them actually going to school. What sorts of programs or incentives do you have in place to attract those students to go and to stay at school? The context I ask that in is that several years ago the government, through the Regional Partnerships program, had a project whereby they built a pool in an Aboriginal community. There was a no school, no pool policy, and the rates of attendance at school went through the roof. From your perspective, what do you see being done in terms of incentives, and do you have any plans for greater incentives?

Mrs Reeves—Over the last couple of years there has been a lot of in depth work, particularly on improving the curriculum, on recognising starting where the students are actually at in their learning, developing from their interest areas and moving at a rate at which we can have the interest level suit their senior years but recognising that their literacy and numeracy needs to be scaffolded and also that English is their second language. It is about presenting the curriculum so they feel confident, empowered and able to access it. We are also using ICT, computers and interactive whiteboards, to engage them so that they feel a sense of achievement and learning once they have arrived in the classroom.

CHAIR—When you say that they want to be empowered, what do you actually mean by that?

Mrs Reeves—I mean empowered to learn. Not learning is something that is done to you. If it is done with you, you are a key part and a full member of the learning cycle.

CHAIR—So from that I gather what you are saying is that the aim is making the curriculum interesting enough that the students want to go to school and be part of it.

Mrs Reeves—Yes, and to be able to access it and enjoy it and have a sense of movement.

CHAIR—Are there any other things being done in terms of incentives? Obviously that applies to the curriculum itself. Is there anything outside the square that you are considering in terms of incentives?

Mr Rajan—There are a couple of things that I would add. Firstly, to add to the comments that Sharon has made, in looking at the system as a whole we are very keen to begin to build a better relationship with the education process for students and their families. In terms of our reframing the model of education that I talked about earlier on, we have started talking about the concept of education with a purpose. That purpose at the exit point is to provide students with the skill base

they need for active participation in the life of their communities. That means civil, social and economic participation.

So what we have started to do is to map the exit opportunities for students, to think particularly about the employment opportunities within their communities and regionally and then to map backwards from that into the school program—picking up Sharon’s comments about curriculum relevance—particularly in the vocational education and training context for senior students but increasingly using that conversation to think about how we engage the older middle-year students in preparation for engagement in thinking about work. So we are beginning to include some vocational education components in the middle school curriculum, as well as some workplace exposure so there is an understanding of the potential for personal gain out of participation in education. That is inside the school, to the extent that we are also now talking about how we give students who complete their studies and graduate with a certificate of education at the end of year 12 a guarantee of employment. So we are working with local industry to make sure that we give them preference: ‘You do the hard yards in school and we’ll make sure that we make a link between you and an employer at the end of the process so there’s an opportunity to move into work or a traineeship or apprenticeship.’

Outside the school we are having great success with our relationship with Clontarf academies and are now moving forward with the new allocations of resources for Sporting Chance programs for young women. That has been a gap. So we are looking at ways in which we can use the ‘no school, no pool’ example, if you like, in sporting and other areas to say, ‘If you come along and participate in school, you get access to this extracurricular activity.’ That is a real attractor.

CHAIR—Yes, it is very sensible. One of the other things that have come up through the inquiry—and I am sure it applies to you as well—is the consideration of how you develop greater aspiration in secondary students. We are getting that right across the board. Is that something that you do much work with—developing that aspiration within your secondary students to go on and do something else, be it work, further education or further involvement in the community?

Mr Rajan—It certainly is. I think it is very much around that employment guarantee concept that we talked about. We are completely reframing our thinking around that, in the context of the youth compact and the context of us having raised the school-leaving age here, to really focus on getting students to think about their opportunities. So, starting with the engagement of personal learning plans in school, we are now considering moving beyond the implementation of that framework in years 10, 11 and 12 to give year 9s a taster so that we can begin to think about how we transition them across that year 9-10 boundary into senior school. We are really ramping up the focus on the outcome of education, such that we can use role models to show that and begin to bring back students who have successfully graduated and moved on into employment or higher education to show students. I think one of the great challenges for us is to break out of a generation and a half or two generations who have missed out on school being the norm that young children and students see around communities. The last generation that had a significant experience of a relationship with education are now getting quite old. They are the grandparents and senior women and men in communities. So I think we have to find ways of reintroducing young people in those communities to the potential of education as a passport to personal

development and personal achievement. That is a very strong focus of the work that we are doing.

CHAIR—You are obviously doing a lot of work to try and address it and effect some change. How will you measure when and if your new model has been successful?

Mr Rajan—I think the participation or retention rate question will be giving us some pretty quick answers to that. We can now map very clearly the enrolment and attendance data in our schools across years and across cohorts, and we can see the points at which students start to tail off in their enrolment and attendance. Within the existing populations, if these sorts of strategies are successful, we will see students staying in school across those significant break points in their education careers. At years 7 and 8 and years 9 and 10 we will see students being maintained and therefore the cohorts, particularly in senior school, growing quickly. That is before we start to think about how we engage the students that we have already lost.

CHAIR—Absolutely. Thank you very much.

Senator STERLE—To the officers from the department: thank you. If I get a bit close to policy I will not be upset if you cut me off. Firstly, I want to clarify a couple of things. Mr Rajan, you said something about ‘exotic’ teachers. What is an exotic teacher?

Mr Rajan—Simply one that comes from outside the community.

Senator STERLE—Wow!

Mr Rajan—I was using the word a bit loosely, I suspect.

Senator STERLE—That is a different word!

Mr Rajan—It is probably the literal use of the word. It refers to someone we brought in from outside a community, and probably from outside the remote context.

Senator FISHER—Even you could be exotic, Senator Sterle, in that context!

Senator STERLE—I have been called a lot of things but ‘exotic’ is not one of them. I just want to clarify something else. Ms Masters, you said something in reference to literacy and numeracy. Did you say it was scaffolded?

Ms Masters—Scaffolding means building on—the teacher is leading by example. It is like a ladder. You are helping the kids achieve a higher level and setting a higher example by working together and showing them the steps on the way. ‘Modelling’ is another word that you could use.

Senator STERLE—Thank you. I, like Senator Back, am from the west and I spend a fair bit of time in our Aboriginal communities. There are some happy stories, some bad stories and there are stories there that no-one wants to talk about but, despite no lack of effort from a lot of good people in the Commonwealth and state departments at a local level, it is frustrating. Everyone is an expert until they actually get there. I like the statement that we cannot use ‘one size fits all’; it is so true. I think we are always looking for a happy story so I looked through your submission

and found, on page 3, that you were talking about education hubs and some of the views that you have. You mentioned that the Northern Territory government is working with the Australian government to examine the potential role of residential hostels. I will not go into the whole thing but could you just expand on that a bit further for me, in terms of how you perceive them to operate, where they would operate, where they would attract students from and for how long?

Mr Rajan—I can answer that because this is an Australian government program that we are talking about, where there is a commitment to build hostels. I think the Australian government has talked about three locations, but from memory there are 152 beds of residential accommodation for students in remote locations. So what we are talking about is not boarding schools but hostel-style accommodation in the traditional sense or group homes. They would be places where we could locate residential accommodation nearby a high school, for example, that would allow students from smaller communities, where we simply do not have the numbers to build high-quality programs—particularly senior secondary programs—to go to school in locations where we have that level of sophistication of delivery. Where those are going to be is a matter for the Australian government. I know that colleagues in the Department of Education, Employment and Workplace Relations are currently consulting with communities around that. They are consulting in three locations—in Wadeye, Port Keats; in Arnhem Land; and with the Warlpiri communities in Central Australia. They will come to a conclusion and no doubt make recommendations to the Deputy Prime Minister in due course.

Senator STERLE—Good. I suppose there are issues like adult accommodation and all sorts of things that would go hand in hand with that. Could you, in the short time that is left, give us some happy stories—some classic examples like Senator Nash's 'no school, no pool'.

CHAIR—You will know that that was under regional partnerships, won't you, Senator Sterle?

Senator STERLE—I heard that. Then I thought, 'That is similar to the regional rorts,' and it clicked in; I got it!

CHAIR—A very good and worthy program.

Senator STERLE—On that, then, could you give us some other examples where it has been very successful—where the department in collaboration with the community has come up with something way outside the square, that has delivered exemplary school attendance figures, both primary and secondary?

Mr Rajan—We can indeed. I can give two examples, actually. One I have already mentioned in part, which is Shepherdson College in Galiwinku on Elcho Island, where the principal is working with community elders to visit families who are, in their words, having trouble getting their kids to attend. He and those particular community elders who have relationships with some of the clans in the broader community go and visit families and engage them in discussions about how they can get their children to school. That program has in the past been so successful that they have had to slow it down so that they did not have too many new children attending all at the same time—so that they have time to bed them down, as it were, into the program. They have recently instituted, with the collaboration of the community, buses that go out to some of the outlying communities to bring in children and families to school. They have also instituted a mobile classroom—this is a community that is physically not particularly large—that will

gradually entice children back into the system and then back into formal schooling. That has been extremely successful.

The other example I would give you is of Ntaria at Hermannsburg in Central Australia, where a 'no school, no shop' policy has been instituted in collaboration with the community. If the principal, who stands at the gate every morning counting the students in, notices that there are significant numbers of students missing they are named in the community and the shop is asked to close—and it does—until they turn up. That school has had very, very significant increases in both enrolment and attendance.

Senator STERLE—It is good to see peer pressure is working at all levels.

Mr Rajan—Absolutely right.

Senator STERLE—It is good to hear that, but let's come back to the first example you gave. You said they had been so successful working with the elders that they had to slow down. Do I take it kids were turned away from school?

Mr Rajan—No, they did not turn anyone away. They backed off on the intensity of their contact with families so that they could make sure that the children whom they had engaged were well integrated. It is important to remember—and I think our submission somewhere makes the point—the importance of wraparound support in re-engaging students and families in the education process. Here we are engaging children and young people who themselves have very poor records of contact with formal education, whose parents have very poor histories of contact with education and maybe whose grandparents do as well, so we need to work very carefully and in a measured way with those families, not just to re-engage them in the habit of coming to school but to resocialise them in the process of being in a classroom. When you have a seven-, eight- or nine-year-old with very limited contact with formal education, keeping them sitting in the classroom for any period of time is a major challenge to teachers. If you have a significant number of those children roll up in a classroom together, the disruptive impact on the education process is very significant. So we need to engage them in a very measured way.

Senator STERLE—I want to bring you to page 2 of your submission, under the heading 'Senior secondary students in the Northern Territory'. In dot point 1 you talk about the six remote community schools and then, under dot point 2, you talk further about the Northern Territory Open Education Centre courses. The last line starts, 'Other options are to use virtual delivery'—and that is great; we are looking forward to the rollout of the National Broadband Network—but then it says, 'The subjects currently on offer in NT include stage 1 Japanese, French and philosophy.' Just to clarify: are we talking of delivering these courses into remote Aboriginal communities?

Mr Rajan—Potentially, we could. What we have done there is indicate the subjects that we have used to prove the system. Getting the system up and going technically has been challenging. We have been working very hard to make sure that we have sufficient broadband capacity in those remote communities to engage the system. These are subjects which, by and large, have been rolled out in our mainstream high schools but they have been around proving the technology rather than making an impact on education in remote areas. Obviously, they would not be subjects that we would see as high priorities for remote Indigenous communities.

Senator STERLE—That has clarified it for me. Thank you very much.

Senator BACK—You referred to the Clontarf program. Did you say that you were introducing or you have introduced that program for young boys and girls in some schools?

Mr Rajan—Clontarf works with boys and young men. We have been increasingly rolling out that program across the Territory. I am struggling to recall the locations. I am more than happy to provide a list of the locations where that is now in operation. From memory, I think we have five academies in operation and another two are planned for implementation very shortly. The programs for girls and young women are an extension of the Sporting Chance funding arrangement. I think we have just been informed that we have three locations. I cannot recall the specific locations. Again, I am happy to provide that following the conclusion of the hearing. There are three locations where we will be rolling out programs for young women.

Senator BACK—I was at the Clontarf graduation in Perth this day last week and the program for young women is equally successful. The education outcomes for those young people are absolutely superb. So it is good to see that it is gaining currency.

The second point you spoke about was the transition from school to work. What is being done or what can be done to encourage useful working activities for young people, particularly when they go into the skills training area towards the end of their secondary schooling, so that they can be skilled to undertake work that is meaningful? Is anything being done in that area? What can this committee, for example, recommend that might actually provide more resources? Obviously, if we do not see a successful transition from school to work then a lot of the exercise becomes meaningless for kids in that 15-, 16-, 17-year-old age bracket, doesn't it?

Ms Masters—One of the issues about getting work experience placements or opportunities for school students in remote areas is that many of our communities do not have a very strong economic base. So there is not necessarily a lot of employment opportunities or employers in those particular communities to give them that experience. If they go to a boarding school, for example, then their opportunities are much greater because they have the urban environment to tap into in terms of employers.

Under the previous government's Career Advice Australia initiative, organisations were contracted to undertake organised, structured work placements for students who were doing vocational education and training in school programs, for example, as part of their support in getting on-the-job experience. New arrangements are coming into place as of 1 July to replace the Career Advice Australia initiative, which are around youth connections and working with the most disadvantaged youth in relation to keeping them engaged at school and finding pathways for them.

There is also a partnership brokering component of that program, which is essentially around linking schools with the business community and so on. One of the things that is not necessarily clear or a focus of the new initiative is organising the work placements. Certainly, the cost and the effort that have to go into organising work placements for students in communities is quite high, particularly if you are wanting to find placements within that community for that student. It is a bit hard to do that when you are 500 kilometres away in Alice Springs versus being out in the community and talking to the employers face to face. A joint effort—and by 'joint effort' I

mean the Northern Territory or state governments and the Australian government—on the cost of providing the service for the schools and the school students to enable them to undertake those work placements is something that might be useful to explore further.

Senator BACK—Finally, and on an unrelated matter, I was in Port Hedland recently where I attended an after-school program. It is specifically an after-school homework program for Indigenous children from South Hedland. It was absolutely amazing. They were saying that the after-school homework program was quite well structured and that over the years it seems to have had a positive effect on a lot of these young people to go on to post-secondary education. Is there such a capacity in places like Tennant Creek, Darwin and Alice Springs? Perhaps it comes back to what you were saying, Mr Rajan, about schools being open from seven to seven. Is there a move in that direction and would you support it? Do you think it would be of some value educationally, not just in the upper secondary but also from years 7 through to secondary?

Ms Masters—It is currently in place in all the regional centres in Darwin and is funded by the Commonwealth. It has been in place for many years now. One of the issues is actually starting it. It is quite generously staffed. I have just recently come from a primary school and it is very hard to find a suitable person who wants to work those two to three hours after school. The program is very well received by Indigenous families, and we have never had an issue with it. Eighty per cent of the kids can be Indigenous kids and there is a queue of other kids wanting to get into that program. I agree with you, Senator; it is extremely popular and extremely worthwhile but staffing it is an issue.

Senator BACK—I had a young year 11 student questioning me at great length on Mendelian genetics, and it will not surprise the other senators to learn that she knew a hell of a lot more about it than I did. It just seemed to me to reinforce the program, because these kids were unlikely to actually attend to homework once they got home.

Ms Masters—That is exactly right. It is the environment. It is having a nice place to work in and access to materials and support with one-to-one knowledge. It certainly has all those benefits.

CHAIR—As there are no further questions, I thank you all for making your time available to us today. We do appreciate it and it has been extremely useful for the committee. Thank you very much.

Proceedings suspended from 12.18 pm to 1.32 pm

AUNGLES, Mr Phil, Acting Branch Manager, Equity, Performance and Indigenous Branch, Department of Education, Employment and Workplace Relations

MOREHEAD, Dr Alison, Group Manager, Social Inclusion and Participation, Department of Education, Employment and Workplace Relations

PHILLIPS, Ms Gabrielle Anne, Branch Manager, Inclusive Education, Department of Education, Employment and Workplace Relations

SHANNON, Ms Robyn, Branch Manager, Income Support Policy Branch, Department of Education, Employment and Workplace Relations

CHAIR—Welcome. I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state should not be asked to give opinions on matters of policy and should be given a reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim.

You have lodged submission No. 523 with the committee. Would you like to make any alterations or amendments to the submission or make an opening statement?

Dr Morehead—No.

CHAIR—The committee is mindful that you have appeared before in various capacities through a number of fora, so we will try not to cover ground that we already have. We may of course stray over some of those areas and perhaps you could accommodate us if we do that.

In the first instance I have a question around accessing of information. We had some witnesses yesterday who put to the committee that the website has a reference to contacting Centrelink if more information is needed. According to them, they contacted Centrelink but were then told that they could not actually give any advice because the legislation had not gone through yet. The students were in quite a confused state because that information was not forthcoming. What is your knowledge of Centrelink's approach to getting the information out to students and their families given the difficulties at the moment with a set of arrangements proposed to come in but with the current arrangements still standing?

Dr Morehead—In terms of what is on the DEEWR website, if you are talking about the student income support part of the Bradley package, there is on there a calculator that people can use to punch in information to see what, in very general terms, they may or may not be entitled to if the proposed package were to get through in legislation. They can then contact Centrelink if they have any further queries. But there is a lot of information on the DEEWR website,

including a large number of fact sheets on every aspect of the student income support component.

CHAIR—I do understand that. We have been trying to find some ways perhaps to get the calculator more uppermost in the minds of some of the students and families out there and get them to go to it. But my question was more a matter of, given that you are directing the students and their families to Centrelink for further advice, are you aware that Centrelink is saying to, obviously, some students and their families, ‘Actually we cannot help you because we are as confused as you are.’

Dr Morehead—I guess I would say that Centrelink needs to explain the current rules. So for people who are ringing up and asking what their current entitlements are there are well established scripts and systems based aids for Centrelink staff to be able to factor in, based on parental income and assets and a whole range of variables, what a young person would be entitled to under the current arrangements. Then, Centrelink staff have been given a range of scripts and, I understand, questions and answers—I would have to confirm the exact format—with which they can explain what the impact of the proposed changes may be. We are aware that in some cases some people have not been able to get the full level of information that they have required, and in some cases that has been because Centrelink staff have indicated that they are not able to provide that until the legislation has been passed. Where that is drawn to our attention we do try to assist the person, through contacting Centrelink, to actually find out what their possible entitlements might be in a specific case.

Often I think people ring up with a more general question, and that is difficult for Centrelink to answer. But if people can firm up their question, then my expectation would be that Centrelink should be able to provide advice on what people might be able to expect under the proposed arrangements as well as the current arrangements.

CHAIR—I do fully understand that to the best of your ability you are able to provide the information—even on this committee that is looking into it in detail. Obviously it is quite difficult to drill down into individual circumstances and how they are going to operate given the different nature of things that might apply. But are you at all concerned that the level of information being provided to students and families, particularly given that at the moment we have now seen students go through the HSC and they still have no idea really how it is going to operate for them next year, has not been to the level it needs to be so that there is some real clarity for students?

Dr Morehead—For the bulk of the students on income support who are already at university—there are some 130,000 students who are already at university on Youth Allowance (Student)—the rules are relatively able to be applied to those students. If someone is already on the income support—they are already at university—and they want to know how the change affects them—‘Do I get more money if I have a part-time job; what sort of scholarships do I continue to get; what happens to my particular situation?’—then, for the bulk of those people the answers are there.

CHAIR—It is pretty straightforward.

Dr Morehead—For someone who, for example, finished year 12 in 2008 and is taking a year off as a gap year to try to work up hours for the workforce participation criteria and needs to live away from home—the group who had some concerns with the proposal—

CHAIR—That is an understatement.

Dr Morehead—Obviously, in the proposed package, they are accommodated for. Yes, there was a change in August to the proposed package, so after the change to the proposed package those 4,700 students have a set of rules that apply to them that are different to those that applied before August.

CHAIR—This is the other thing I wanted to clarify. The current gap year students will only be exempted if they are more than 90 minutes away by public transport; is that correct?

Dr Morehead—Yes. The rule there is that, if the student finished year 12 in 2008 and intends to start university in 2010 and is currently on their gap year—that is, they are not at university this year; they are working towards the workforce participation criteria and trying to meet those in order to get the independent rate of youth allowance—and if their family home is 90 minutes or more away from their chosen course of study—

CHAIR—By public transport?

Dr Morehead—by public transport—and they move away from the family home in order to take up their chosen course, they are exempted. Those 4,700 students are now eligible to still meet those workforce participation criteria; those students will get the independent rate of youth allowance.

CHAIR—Yes, I understand that. How did you arrive at the figure of 4,700?

Dr Morehead—The 4,700 are a subset of a broader group, and the broader group includes mostly people who are already at university but are still working towards the workforce participation criteria.

CHAIR—Sorry; I probably did not put that clearly enough. What I am trying to understand is this: with regard to the students who are currently in their gap year who will now be covered by the change in the arrangements the minister made that you referred to, given that they are currently working to do that, how have you arrived at the figure of 4,700?

Dr Morehead—The data picked 4,700 from the large group, so how did we determine that their family home is—

CHAIR—When you say that 4,700 students will now be covered because the minister did a backflip, changed her mind, how did you arrive at that figure of 4,700?

Dr Morehead—Yes, and that change happened of course after the youth allowance roundtable that Minister Gillard held—

CHAIR—Yes, I know all that. I just want to know how you got to the figure.

Dr Morehead—It was honing in on exactly what the problem was for these gap year students, what was the acute problem they felt they faced, and it was about where the chosen course was—there might be a nearer course but—

CHAIR—No. I am sorry, but I think we are still at cross-purposes.

Dr Morehead—Robyn is just getting the information.

CHAIR—I understand all the reasoning behind it, and we have been through all that before, which is why I do not want to go through it again. I just need to know how you got to that 4,700 figure.

Dr Morehead—How did we know 4,700 really did have that acute issue?

CHAIR—Yes.

Ms Shannon—Senator, we looked at a range of data variables. I am going to go through a number of factors that we took into account. We looked at, for example, the number of young people who completed year 12 in 2008 and then, of those, how many we knew from available data—for example, from tertiary admissions centre data—formally applied to go to university in 2009 and deferred their offer. So that was one cohort. We also had to look at the number of young people that we thought might be informal deferrers, if you like, because not everybody who finished year 12 in 2008 actually applied for a university place this year but might have been thinking about doing it in the course of 2009 so that they could start in 2010.

CHAIR—Yes. Just before we move to the next thing—because this is exactly what we are after—how did you determine within those data variables that the deferment was for the purpose of earning the funding to gain independent youth allowance rather than just wanting to take a year off?

Ms Shannon—That information is not available, so—as we did for a number of other elements when we were costing this package—we had to look at available survey data that gave us a sense of what young people themselves say is the reason they are taking a gap year. So some of those survey results do vary. Sometimes they are quite small results, where young people give a range of reasons: they wanted to work, they wanted to do it for financial reasons. Or, if the question is specifically asked in some surveys, they did it because they wanted to get youth allowance; that is usually a very small number. So there are a range of factors that young people, through some survey instruments, have indicated affect their decision to take a gap year, so we had a look at some of those survey results.

CHAIR—And did you just take an average of those over x number of years in the past?

Ms Shannon—We just had a look at the available survey data and drew the best conclusions we could from the available data.

CHAIR—At the end of 2008, how many students actually deferred?

Ms Shannon—I think I have some of that formal tertiary admissions centre data. Bear with me while I see.

Dr Morehead—While we are getting that data, some of the people who do defer accepting their place never end up at university. The issue with taking a gap year for up to 30 per cent of those students is that unfortunately during their gap year they then do not end up taking up their place.

CHAIR—Exactly. That is part of our issue with them deferring it for two years, because that exacerbates the problem and it becomes even less likely that they will go back.

Dr Morehead—Yes. So the whole issue of whether students should think that taking a gap year is part of their pathway to university does become something under the spotlight I guess.

Mr Aungles—It is approximately 22,000.

CHAIR—So there are 22,000 who deferred. From the work that you have done in looking at those surveys and other things, you have assumed about 4,700. As a percentage of that 22,000, you think that is an appropriate percentage that is likely to access the independent youth allowance.

Ms Shannon—There are also other factors that form part of the eligibility for that transition set of arrangements. The other component is that the young person must move away from home, so we also looked at the propensity of students to move away from home and applied some assumptions based on that. There are a series of assumptions based on available data because these young people are yet to apply for payments.

CHAIR—Exactly, which is part of the difficulty I imagine for the department in having to work with such a set of assumptions. It is coming out through this inquiry that an awful lot of things are assumed to get some levels of data. The figures might be higher or lower but, through a range of assumptions, there is a figure that is being provided.

Dr Morehead—That is right. For example, we know that about a third of people who are receiving the independent rate of youth allowance are not living away from home.

CHAIR—Yes. How was the 90 minutes by public transport determined as the criteria?

Ms Shannon—The 90 minute travel rule is already used within the youth allowance system to determine the away-from-home rate for payments.

CHAIR—That is my question. How was it determined in the first instance that it is the appropriate measure?

Ms Shannon—It is an existing rule.

CHAIR—But how did it come to that basis in the first place?

Dr Morehead—It has got a long history of use within our income support payments.

CHAIR—I understand all of that. I am trying to determine at what point it was determined that the 90 minutes by public transport is the appropriate cut-off line for those things. Who determined it and why, and what did they base it on?

Ms Shannon—I think what we were trying to do was put in place a set of arrangements that could be readily operationalised by Centrelink. That was quite clearly a strong factor in trying to use consistent arrangements, as already exist in the student income support system. We did not want to set different standards.

CHAIR—I understand that. I want to know how the 90 minutes by public transport was determined in the first place as the appropriate figure, the appropriate criteria, the appropriate cut-off line.

Dr Morehead—I think it was determined because it already existed.

CHAIR—But who created it in the first place?

Dr Morehead—If we want to go back and talk about the one that already exists—

CHAIR—I do; that is my question.

Dr Morehead—It is attached to Newstart, the dole—

CHAIR—I do not want to know what it is attached to; I want to know why that criteria exists and why it was determined.

Dr Morehead—The reason is that it was considered a reasonable amount for daily travel. If you have to travel to a certain spot everyday—for example, to a job or to a place of study—90 minutes has been determined based on what commuters do and how people travel around the country to get to things they basically need to go to on a daily basis. That is where the rule comes from.

CHAIR—Okay. When was that instigated?

Ms Shannon—I would have to take that on notice with Newstart. I think the 90-minute rule was at the inception of the youth allowance arrangements, so I would imagine it has been in place for over 10 years for youth allowance. My understanding is that it is a long-standing rule for Newstart, but I would need to check that.

CHAIR—If you could, that would be useful. It would be good to get a gauge on how long it has existed and why it actually came into existence. Can I take you to table 4, which I think is on page 18 of your submission—that is, the one dated August 2009. We have been trying, as a committee, to get a sense of the crossover point and the relationship between students who, under the existing criteria, would have been able to access the \$371.40 per fortnight and those accessing it under the new criteria. I know it is complicated but perhaps we could just work through it. At which point would they be able to gain that amount of assistance under the new rules? It might be worthwhile if we work through one or two examples and see where that happens.

I take into account that we do need to look at the start-up and relocation scholarships, but for ease of calculation could we leave those aside for one minute, because they are there, obviously, for targeted things—for relocation and start-up assistance—not necessarily for ongoing expenses over the years. I do not believe that is what the government has been targeting with those two things. While I recognise that we do have to take them into account, could we just leave them aside for one moment. If we take one child, aged 18 and at home, the cut-out point is \$75,937. Obviously, at that \$75,000 point it is nothing, but can you give me an indication of what income that family would be earning to gain \$371.40 per fortnight?

Dr Morehead—Well, \$371.40 per fortnight—sometimes it is easier to talk per year—is about \$9,656 per year for that child. If the student were living away from home—for example, an 18-year-old living away from home—and factoring in the scholarship that automatically comes with that rate under the proposed new package—

CHAIR—So we cannot do it without?

Dr Morehead—We could take that out but, factoring that in, I have in front of me that if the family were earning \$60,000 per year they would get \$12,726 for that child. That is with that scholarship. That is for a commencing student, a student who has moved away from home, so they would also get the relocation scholarship. If you were independent you would not be able to get the relocation scholarship. It is a particular scholarship that does attach to the dependent rate. But in reality that is what that student would get under the new system if the family earned \$60,000.

CHAIR—Obviously, that is with the start-up scholarship in.

Dr Morehead—Yes, because that goes to every student.

CHAIR—That is the \$2,254?

Dr Morehead—Yes; that is correct.

CHAIR—Does the \$60,000 figure you have just given me take the relocation into account?

Dr Morehead—It does. Because the student is dependent they get access to that additional help to move away from home.

CHAIR—Great. Sorry that this is a bit pedantic but it is going to be extremely useful for the committee. Obviously, in year 2 that is going to be \$9,726, because it is only the—

Dr Morehead—It is \$3,000 less.

CHAIR—So in the second year, at \$60,000, it is going to be roughly commensurate with the \$371.00?

Dr Morehead—Yes.

CHAIR—Okay. You have just said that, at \$60,000, in the first year it is going to be around \$12,700. How much can the family earn for it to be commensurate in the first year with that \$9,600.

Dr Morehead—It would be less. For example, if the family were on \$44,165—

CHAIR—Sorry. I did not ask that very well because it is all terribly confusing. If they are getting \$12,000 assistance at \$60,000, obviously they are going to be earning more to get a lower amount of assistance.

Dr Morehead—Yes.

CHAIR—I am trying to figure out at what point between \$60,000 and \$92,000—

Dr Morehead—I can read out some numbers that are on a fact sheet that are on the internet, but for us to actually do that we would have to plug into the estimator. We do not have those figures readily available here.

CHAIR—To assist, in whichever column that \$12,000 figure you gave me is, is there a commensurate figure of around that \$9,500 with a corresponding income?

Dr Morehead—Yes. This takes into account that the student would be able to access rent assistance. So it assumes, for example, the parent does not own a house next to the uni the student is going to and that they are renting.

CHAIR—If they are living away from home they would be pretty silly to stay in the house next door, wouldn't they?

Dr Morehead—Yes. It is assumed that they rent, so that is factored into the rent assistance. If the family was on \$70,000 a year then the rate would be \$412.55 a fortnight plus, say, \$111.20 of rent assistance, and if you times that by 26 weeks then you would get the yearly amount. I do not have the yearly amount in front of me, but it would be \$412.55 plus \$111.20 added together times 26.

CHAIR—Thank you. That is very useful. Coming back to the \$60,000 figure for the family, say we look at the second year where they are going to get roughly the commensurate amount to what they would otherwise have got under independent, that \$60,000 figure is for both parents. For ease, let us say they are earning \$30,000 each, or one parent is earning \$60,000. I would say that two earning \$30,000—

Dr Morehead—Two earning \$30,000 would not be that common. It would probably be one parent earning \$60,000, for example.

CHAIR—Why would you say that two parents earning \$30,000 is not that common?

Dr Morehead—If we take an example of a rural or regional family, which is what I think you are probably thinking, in that situation household incomes are likely to be lower than in the city. There might not be as much employment available in the town. I know that has come up before

with regional areas. If there are a number of children in the family the household size might be a little bigger; then you might perhaps say that one parent would be working and one parent might be doing other work.

CHAIR—Are you basing that on anything or is it just an assumption?

Dr Morehead—Yes, we have a range of data generally. I am giving a general picture here. If they were each on \$30,000 a year it would be exactly the same. I am just saying that there could be \$40,000 and \$20,000; \$30,000 and \$30,000; \$60,000 and zero. There are a range of splits. But if we are talking about examples, they may differ between the city and the regional.

CHAIR—There are all sorts of permutations.

Dr Morehead—Yes, there tends to be.

CHAIR—Just to clarify, that \$60,000 is taxable income, isn't it?

Dr Morehead—Correct.

CHAIR—So if that family on \$60,000 needed to find additional money to assist their student they are going to have to take tax off that before they get to whatever they have left to live on for the rest of the year, and any of their assistance is going to have to come out of what is left over.

Dr Morehead—That is correct.

Ms Shannon—That is consistent for all social security payments.

CHAIR—Fortunately we are only dealing with one today.

Dr Morehead—That is the situation where there is one student living away from home. If that same family had two students at university living away from home, the amount of government assistance going to that family on \$60,000 a year to assist the children to go to university is \$31,410 a year.

CHAIR—From what is coming through in the inquiry, I would say that there would be an awful lot of families that would say that the amount of assistance is nowhere near enough, particularly for the regional students, who have the added cost. I would be interested in your view on this as well. It has come from a number of witnesses throughout the inquiry that the average extra cost to relocate a student from the regions is around \$20,000 to \$50,000 a year. Have you done any work on that? Forgive me if we have asked this before, but I do not know that we have.

Ms Shannon—I think we indicated at the last estimates that the department has not done any formal modelling or estimates.

CHAIR—I was in a different estimates process.

Ms Shannon—Sorry, I misspoke. I mean at the bill inquiry. We have noted the evidence provided by other parties and we have looked at sites. I think in an answer to a previous question on notice we indicated that we have looked at a range of university sites that give students examples of what some of the costs of living on campus, for example, might be. So the department is aware that there are a range of sources of information on that point.

CHAIR—I have some more questions but I might pass to my colleagues for a while and come back if there is time.

Senator BACK—Thank you very much. That was most interesting. Could you tell me what the impact on the budget is of changes to youth allowance? Is it deemed to be neutral or is there a greater or lesser allocation within the budget compared to previous years?

Ms Shannon—The package is cost neutral over the four years of the forward estimates period.

Senator BACK—Going back to the last couple of years, can you give us some idea what, if any, difference there has been between 2007-08 and now?

Ms Shannon—It would be a bit difficult to disentangle, because what we tend to find when the economy is poor and the labour market is tightening is that people tend to stay longer at uni or take up study options, so it is likely there has been an increase in outlays on student income support because of some of those factors as well.

Senator BACK—I wonder if you could give us some idea—or take on notice and advise—about what would happen if, using the criteria of greater than 90 minutes by public transport, the system were to move to a circumstance in which all students who fell into that category, regardless of means tests et cetera, received a rent assistance. In other words, it would recognise that, regardless of where they came from, they could not reside at home and, therefore, they have to reside in some form of rental accommodation across the board. What would the predicted cost of that be before we got into any sort of youth allowance living?

Dr Morehead—The full rent assistance is \$111.20 per fortnight. That is the sort of money that you would then multiply by how many people you thought would become eligible for that.

Senator BACK—Did you say earlier there are 130,000 students currently enjoying some form of youth allowance at tertiary institutions in Australia?

Dr Morehead—Yes, youth allowance (student).

Senator BACK—So would it be reasonable to multiply the 130,000 by 111?

Ms Shannon—That could potentially be the outside cost, but of course not all of those 130,000 students currently live away from home. Some of them live at home and some live away from home.

Senator BACK—That is what we want to try to get a handle on. From an equity point of view, what would the cost of all of those who cannot reside at home according to the 90-minute

criteria be to the system? What would the cost be annually? Would it be a full 26 weeks, since universities and colleges do not have an academic year that goes over 52 weeks? Would it be 26 fortnights? Might it be 20 fortnights? I would like to have some understanding as to what that cost would be.

Ms Shannon—I think we would need to take that on notice. Effectively, it is costing a policy option, and we would need to take advice.

Senator BACK—Sorry; I am not asking you to make a prediction on what the policy might be. The role of this committee is to make some recommendations to government, and I would like to know what that figure was. In a sense, my objective is that every student at a tertiary institution starts from a level playing field. After that, we determine all sorts of allowances based on the criteria that exist. We have gone back and revisited this question of students working 30 hours a week to qualify. Has there been any further thought on that question within the department? Have you had any responses or feedback? I am not asking what you might be recommending to the minister, but has there been anything further on the question of minimum versus average and whether 30 hours a week is fair?

Dr Morehead—What we are talking about here is the remaining criterion under the workforce participation criteria that is proposed to stay. We are removing two but keeping one. This is that over two years people have to work at least 18 months full time, which we are interpreting as 30 hours per week, since leaving school. What you are asking is if that could be averaged or if it is still just that 30 hours.

Senator BACK—You have quite rightly said you are interpreting that. What I am asking is: based on the feedback you have had—and no doubt you have had the same feedback we have had—have the grounds for interpretation changed?

Dr Morehead—No. It is still proposed that it be 30 hours a week.

Senator BACK—A minimum?

Dr Morehead—Yes.

CHAIR—On that 30 hours: in the previous five years, how many students have used the 30-hour criteria to qualify for independent status?

Ms Shannon—I think it is fair to say very few.

CHAIR—How many is ‘very few’?

Ms Shannon—I would have to take the exact figure on notice. But the point is that, instead of establishing 18 months at 30 hours a week, people will just establish that they meet the \$19,532 criterion. They really do not need to test their eligibility fully under that third part of the rule because they will meet the \$19,000 before they have accrued 18 months at 30 hours.

CHAIR—So what work has the department done to ascertain how many of those who have gone the \$19,500 route did work 30 hours a week?

Ms Shannon—It is not possible for us to say because people simply provided a figure that showed they had derived \$19,000.

CHAIR—Did the department not think it useful to see how many students may have previously worked 30 hours per week before determining that this is the only appropriate criteria to leave for access to independent youth allowance?

Dr Morehead—I guess the thing with the \$19,000 is that obviously someone could earn \$19,532 very quickly—they could earn it in a few weeks if someone were going to give them that amount of money as an earned income—or they could spend the year earning that amount of money. So it could be very spread out or it could be very tight. It could be due to just a few weeks work.

CHAIR—I understand all of that, but, given that the only criteria proposed for students to be able to access independent youth allowance is the 30 hours per week, wouldn't it have been appropriate for the department to determine if any of those students working actually had worked 30 hours a week? Doesn't it seem pretty sensible, simple and practical to say that, if we are going to allow only one criteria, we better see if anybody has utilised it?

Dr Morehead—When we do that, we will look. Ms Shannon has said we will take on notice exactly how many people have qualified under that criterion.

CHAIR—No, my question was: why would the department not have done the work before now, given that is the only criterion remaining for independence?

Dr Morehead—We can tell you—and we have taken this on notice—how many do qualify currently under that, but the reason we would not be able to give you what you have asked is that it is a different environment. When we are doing our analysis and modelling we look at behaviour in the current environment and context. If there are three choices to get the workforce participation criteria it would be wrong of us to assume of the people who earned the \$19,532—

CHAIR—But you assume a whole lot of stuff. In the data variables we were talking about before, in coming up with the 4,700 students you assumed an awful lot of things. Why can't you assume similar types of things and do surveys of students—like you said you did for the other one—to figure out if they had done 30 hours work a week?

Dr Morehead—With the assumptions we generally make we try to be as conservative as possible so we are not making assumptions that have not got good proxies. I guess you could be asking: couldn't you find a good proxy for this situation? We could perhaps look at people who were not students and who had finished year 12 and see how many hours a week they worked once they left year 12. That may be some sort of proxy if they have finished year 12 and are not in this category where their environment is quite determined. Gap year students' behaviour is very determined by the rules. It is very difficult for us to make an assumption of how many of those people historically would have worked for the \$19,532. A proxy could be: how many hours a week do they generally work in their first year after leaving year 12? That would probably be the closest proxy.

CHAIR—True. You were talking about historically—and obviously you do surveys and things in other areas—so wouldn't it be reasonably straightforward to survey students who had qualified for independence in the past and ask them whether they had worked a 30-hour week?

Dr Morehead—Those who qualified for independence in the past were under these environments. I can tell you what we do know about the gap year students. Their behaviour is determined by some income support rules. That is what determines their behaviour. Their working patterns in that gap year are determined by the income support rules if they are trying to meet that criterion. That is what we are saying about that group.

Although, we know there are many reasons they take a gap year. There are a range of reasons they take a gap year. We know 30 per cent of them unfortunately do not take it up because of the gap year, given this set of rules. Therefore, that would not be a proxy that we would use. Our proxy would probably be: once you finish year 12, if you are not unemployed, what do you earn the following year? How many hours a week do you work? Of course some people might not be able to get a full-time job after year 12—for example, there might not be a job immediately available to them.

CHAIR—That is a very good point.

Dr Morehead—Yes, which is why, rather than asking people to try and fit these criteria for the gap year and saying, 'You should take a gap year,' we have tried to say, 'You do not have to do that anymore because this is for people who can get in now as a dependent student.' So we have tried to shift the emphasis on these income support rules driving behaviour a certain way.

CHAIR—But as we have ascertained, once you get over \$60,000 in the second year, you would have been far better off with your student still on the independent rate. So that is a pretty low figure. Once you start getting above that, they would have been better off on the independent rate.

Dr Morehead—I think the remaining criteria is really a proxy for someone who is a worker.

CHAIR—I would say that a lot of those students who have been doing seasonal work would absolutely class themselves as workers, especially when they are holding down four jobs a lot of the time to do it.

Ms Shannon—We understand that most of the people using the full-time work criteria now would be people who perhaps left school a few years ago, are in their early twenties, have worked for a couple of years full time and have made a decision at that point that they would like to go back and study full time. It is considered that, because they have been working and earning a full-time wage for a few years, it is not really appropriate to consider them a dependant of their parent if they then decide to go back and study full time. That is really the rationale for that rule. People obviously are concerned that the availability of the rule might encourage people to take a two-year gap year. That is certainly not the intention. The intention is to reflect that people who have been in the full-time labour market for a few years, who later form an intention to study, can return to study. Their independence as a full-time worker over a sustained period of time should be the basis on which they are granted independent status.

CHAIR—You are saying, if I am clear, that it is not there to assist a school leaver whose parents might be above the \$60,000, because in the second year you are going to be worse off if you are above \$60,000 compared to being independent. So you are saying it is not designed to actually help a school leaver. Is that what you were saying?

Ms Shannon—It is a means tested system. People who have gone out and worked and established that they are independent through full-time work over a sustained period are the reason why that rule was always there and will remain there.

CHAIR—Just so I am absolutely clear on this and I understand what you are saying, it is for that long-term worker who might want to go back, so it is obviously not aimed at the school leaver. What you are saying is that a student may have that independent criteria taken away—because you have just told me that the only remaining criteria is not for the purpose of school leavers—yet, if their family is earning any more than \$60,000, they are going to be worse off in the second year if they cannot get the independent rate. That is extraordinary.

Dr Morehead—No, I think what we are saying there is that the remaining criteria matches another part of the package, which is the lowering of the independent rate and the lowering of the age of independence.

Ms Shannon—As you know, at the moment, if you just want to become independent by your age, you are waiting a very long time. At the moment the age of independence is 25. What the package wants to do is say that in 2010 that will lower to 24, in 2011 it will lower to 23 and in 2012 it will lower to 22.

CHAIR—And if I am 18 and starting an undergrad course, I am going to be out before I even hit that.

Dr Morehead—This remaining criteria strand is matching that. It is saying these people are independent, but not because they have been forced to take a gap year so that they can live at home and receive the independent rate, as 34 per cent of them do, or move away from home and receive the independent rate. Rather the intention is to say the package is definitely targeted at people on lower incomes to make sure that people on lower incomes will get, for example, some \$43 a week more than they currently do through the start up scholarships and access to the higher level of the first year relocation scholarship for people who are dependants. This criteria that remains is for people who are independent because of their behaviour, not because they have tried to fit into a set of income support rules that we currently have.

When you talk about a \$60,000 a year family and what happens after that, I think one way to look at the package in terms of its equity aspects is to imagine that the package is in place now and that we were thinking of changing it to the system that we have now. That is a good way to say, 'If we had that proposed package in place and we had decided to move to the package that we have now, what would that look like?'

CHAIR—We are having enough trouble coping with it one way, let alone the other.

Dr Morehead—But if we had the proposed package in place and we wanted to move to the system that we have now it would mean, for example, that 80 per cent of students on income support at uni would lose \$43 a week straightaway. That is the first thing that would happen.

CHAIR—I think we are going to waste a bit of time. That is actually not my line of questioning.

Senator O'BRIEN—The chair does not want you to give the answer.

CHAIR—No, Senator O'Brien. I understand all that—

Senator O'BRIEN—I will ask the question, Chair, if you do not want to hear the answer.

CHAIR—Along the way, Senator O'Brien, you know I have been very fair in acknowledging the improvements that have been made—

Senator O'BRIEN—Yes, and I am just indicating that I am listening to the answer.

CHAIR—But I do not think it is appropriate at this point in time to swap it around. If you want to ask the question and be told how much worse off they would be if it started in a hypothetical world, you certainly have that opportunity to do so.

Senator O'BRIEN—I am just saying I will—thanks.

CHAIR—I am conscious that I jumped in on Senator Back but I have one very last question. How was the 30 hours originally arrived at as an appropriate figure for one of the criteria?

Ms Shannon—That was the rule at the outset for youth allowance, as I understand it.

CHAIR—Here we go again. How was it arrived at?

Ms Shannon—I am sorry—I did not work on the policy 10 years ago, so I would need to take it on notice and check.

CHAIR—So it is the only remaining criteria we have for independence and nobody can tell me why that is the appropriate figure.

Ms Shannon—I think I may have said previously that the 30-hour rule is not an uncommon rule in social security. It is not a full 37 hours a week, a typical working week, but it is substantial employment.

CHAIR—I understand that. You have said you will take it on notice, and for that I thank you.

Senator BACK—Dr Morehead, when you and I discussed this in estimates in June I think we came to the conclusion that 30 hours a week for 18 months was 2,250 hours, roughly. My calculation there is that, if someone was working those 30 hours a week for the 18 months at \$15 an hour, they would be getting \$33½ thousand, or if they were able to get \$20 an hour it would

be \$45,000. But I think it has just been cleared up for us that this figure of 30 hours a week is not based on somebody leaving school and establishing independence by being able to work 30 hours a week. Ms Shannon, you probably clarified for us that it really is aimed at a more mature person who in fact is out in the workforce and has been for some period of time. Did I understand that correctly?

Ms Shannon—Yes. Just like the three criteria aimed at people being able to establish their financial independence, that one is in the same set as the other two in that it is aimed at establishing your financial independence. The actual rule is working at least 18 months full time, which is generally taken to be 30 hours a week, since leaving school over a two-year period. So they definitely could be a school leaver. They could be in year 12 and work over the next two years and then they would meet the criteria for independent youth allowance if they fitted that rule. It certainly does apply to those people. It does not preclude—

Senator BACK—It does not exclude them, but in realistic terms we are speaking now of rural and regional students, not necessarily those in high-employment areas or in cities. Reasonably, it is going to be people who are actually in workplaces now. Not many kids that I know of in regional or rural areas—or anyone—is going to go out and get 30 hours. But at least you have clarified that for me. Can I ask you, then: in that situation, is it retrospective? Does somebody have to apply to go university at the beginning of 2009 or could they come along and say, ‘I can demonstrate from my tax returns that I have been earning and doing more than 30 hours a week for the last two years and I want to start university in 2010’? Would the last two years or 18 months qualify them?

Ms Shannon—That is correct. People do not have to form an intention, let Centrelink know and then come back a couple of years later. So when people come in to claim payment, when they are seeking to establish that they meet that rule, Centrelink would have regard to evidence of their earnings and work patterns over the previous period.

Senator BACK—You made the observation a little bit earlier—I was appreciative of that; and it is certainly consistent with my own experience—that about 30 per cent of students who are offered a university place do not take it up if they have a gap year. They may or may not take it up some time in the future but they usually lose the spot anyhow. Do you have any figures on that wastage—my term; no-one else’s—if they defer for two years? If it is 30 per cent after one year, how many do not front up if they defer for two years?

Ms Shannon—I think we indicated at the bill inquiry that we do not have that information. We can check whether there are any other sources but it is not something the department would collect.

Senator BACK—Anecdotally, it is at least that figure again, probably. I am now speaking not about those who have been in the workplace but about those who might be hoping to get 30 hours work a week for the 18 months. Doesn’t that effectively exclude them for two years anyhow, because with many, many courses at institutions, be they universities or whatever, you cannot start a course in the middle of the year, given the fact that the first semester starts in February and the second semester starts in July? If someone can get 30 hours work a week and they work for 18 months to meet the criteria, in most instances they would have to wait another six months before they could start a course.

Ms Shannon—It would depend on the way that the degree was structured. I am sure that for some courses that may well be the case, but I do not think it would be a blanket rule. It would very much depend on the course itself, generally speaking.

Senator BACK—Chair, as other senators have questions, I will defer mine and come back to them later if there is any time available.

Senator O'BRIEN—You were saying that we should imagine what the consequence would be if, in fact, the proposed legislation were in place and we were seeking to put in place the system that now operates. Can you elaborate on what we would be losing?

Dr Morehead—In response to Senator Nash's question—

Senator O'BRIEN—It is now mine.

Dr Morehead—about the \$60,000 issue, I guess it does lead us to think that, if we had the proposed system in place now and the suggestion was that we move as a forward policy to the system that we have now, what would actually happen. It would be that around 80 per cent of income support students now at university and on youth allowance would lose \$43 a week straightaway, because they would not have their start-up scholarship. That is about 100,000 students. That would be the first thing. This would be done in order to keep those two workforce participation criteria, because they are a very expensive part of the package. We have removed that to pay for a lot of the other parts of the package. That would be one: about 100,000 students would lose \$43 a week straightaway. Students who have a part-time job would be told, 'At the moment, you can earn quite a bit before we start reducing your income,' because that is one of the measures in the proposed package 'but now we are going to take more of your income support away if you have a part-time job.' That would be returning to the system that we have now. So we would be having—

Senator O'BRIEN—Is that when the \$400 comes in?

Dr Morehead—Yes. The \$236 that you are allowed to earn is going up to \$400. We would be telling those students, 'You basically need to work another six hours a week to get exactly the same income that you have now' —that is if we had this package in and we were to move backwards to the position that we have now. If we take the example of the family earning between \$32,800 and \$44,165, we have shifted that up in the proposed package. Assuming the proposed package were in place but we were undoing it back to what we have now, we would be telling those families who earned between \$32,800 and \$44,165: 'You are no longer eligible for the full rate of income support for your children.' Those who need to live away from home would no longer get the relocation scholarship and the start-up scholarship and they would no longer get the full rate of income support. We would be telling them that, but we would also be telling them that it would be to help fund the two other aspects of the workforce participation criteria. In this hypothetical situation of moving from the proposed package back to where we are now, that is what it would be funding.

If your family had two children at university and earned between, say, \$79,000 and \$140,000, and the proposed package was in place and we were going backwards, we would say, 'Actually, there's no more income support for your children as dependants.' That would be taking some

\$27,000, I think, off that family that was earning \$80,000, because we would be saying, 'No, you no longer get that automatically as a dependant if you come from that type of family. You would need to take a gap year and do these workforce participation criteria if you wanted to get the full rate of income support.'

They are the sorts of things that would happen in this hypothetical situation, if we were already in the proposed package. On the upside, we would be able to say to families on, say, \$200,000 a year, 'Your kids can now get income support if they earn enough in their gap year.' For example, if your kid is staying at home and you live in inner-city Sydney, we would be saying, 'We're going to now open up income support to you at the full rate if your child does a gap year.' If we were in the new world and the proposed package was in place, what would we then say to those people if we wanted to change the system to what it currently is? It is putting it in the full context of what happens when you talk about where we are moving to and which people will no longer be eligible for independent youth rate. But, if we look into the future and imagine the proposed package was in and we wanted to get these criteria back in place, what would we have to say to the people under the proposed package that hypothetically was in place?

Senator O'BRIEN—I understand that the estimates of numbers affected are predictive based on the best information that the department has and therefore you cannot say at the end of the year, 'This is exactly the outcome we predicted,' because you cannot possibly know the family income levels of people who might be applying next year for youth allowance. That is a fair way of putting it, isn't it?

Ms Shannon—Yes.

Senator O'BRIEN—What I have been saying in this inquiry is that the independence test, insofar as earning \$19,532 or whatever it may have been in the past is concerned, does not establish independence; it is merely a threshold you need to pass to obtain what is essentially a welfare benefit. Would you agree with that statement?

Dr Morehead—I think it would be fair to say that it may or may not establish independence as such. What we do know from the data is the people who are getting through onto income support that way and who are still, for example, living at home and their family income. We do know that, and I think Bruce Chapman has written a fair few articles stating those figures, which we have given before and probably do not need to go into again. For example, under the current system a family on \$200,000 a year with two children gets nearly \$20,000 a year from the government for those children. If in the proposed package we were to put back in those two workforce participation criteria, that family would then be able to access the \$20,000 a year of government support for their two children with an income of \$200,000 or greater. There would be no limit to the family income because the family income is not relevant in that case. Bruce Chapman has described this and we have all the data about the percentages of those families.

Senator BACK—When does the \$19,000 figure conclude?

Dr Morehead—It still exists. I will read out the three criteria if that would be useful. At the moment, we have the first criteria of at least 18 months full time, which is 30 hours a week, over two years since leaving school. That is staying under the proposed package, but that currently exists. What currently exists but would go under the proposed package is that you can work part

time for two years since leaving school, and by that we mean at least 15 hours a week. What would go under the proposed package but is currently in place is if you earned \$19,532 in 18 months since leaving school. By removing those two criteria that I mentioned, that is basically what then pays to shift the package to be more equitable and more targeted to low-income families. So, in order to give more money to the people on lower incomes, those two criteria are basically funding that.

Senator O'BRIEN—You gave an example, but I did not with certainty get the income level you were talking about. For one child at uni living away from home it was \$412.55 a fortnight, plus rental assistance of \$111.20. Was the income level \$70,000?

Dr Morehead—Yes, that was \$70,000. Say, for example, that student came from a family with \$90,000 a year, they would still get \$258.70 a fortnight, which is their youth allowance plus the scholarship. If they were then getting rent assistance as well because they were living away from home, they would get another \$111.20 a fortnight.

Senator O'BRIEN—That includes an annualised \$4,000, so it will go down in subsequent years.

Dr Morehead—That is right, yes.

Senator BACK—That is over the 26 fortnights?

Dr Morehead—Yes.

Senator O'BRIEN—You get it through the uni holidays as well, including rent allowance.

Dr Morehead—Yes.

Senator O'BRIEN—I have not done the annualised figures, but for the first figure of \$70,000 the level of assistance in the first year is \$13,617.50. So essentially that will drop to \$10,617.50 in the second and subsequent years.

Ms Shannon—I cannot do it in my head.

Senator O'BRIEN—I used the calculator on my phone to multiply the numbers you gave us by 26 to get the figures. My long multiplication would have taken longer. Currently for a \$70,000 income what would the benefit be for one child living away from home?

Ms Shannon—Under the current arrangements, a family on that income with one child aged 18 living away from home would receive \$14.69 a fortnight.

Senator O'BRIEN—Plus rent assistance.

Ms Shannon—They would still receive \$111.20 in rent assistance.

Senator O'BRIEN—So they get \$125.89—roughly \$3,000—under the current system, unless they could jump through that so-called independence test hoop?

Ms Shannon—Correct.

Senator O'BRIEN—So there would be no need to go much higher than that then. The benefit would—

Ms Shannon—That is the point at which it really starts to cut out for families with one child aged 18 living away from home.

Senator BACK—\$14.69 a fortnight, plus the rent assistance.

Ms Shannon—Correct. I draw your attention to one of the fact sheets on the department's website—fact sheet No. 11. It does try and give people a sense of the current arrangements and what people might expect to get at ranges of combined parental income and compares it to the proposed new arrangements.

Senator O'BRIEN—You gave an example of parental income of \$80,000 and you said the benefit available for two kids at uni was \$27,000. I am presuming that includes the \$4,000 per annum for first-year—

Dr Morehead—For one student. That is assuming that one of the students is starting off and that the other one has already been there a few years.

Senator O'BRIEN—So there is \$5,000 in that \$27,000?

Ms Shannon—Yes.

Senator O'BRIEN—So it would come down by \$3,000 to \$24,000 for the subsequent year, presuming they were both still at uni. What would the benefit be under the current legislation at \$80,000 with two children living away from home at uni?

Ms Shannon—That is the point at which there is no entitlement for that family. They would get some rent assistance. They would continue to get combined \$205.46. Depending on the rent that those children paid, it might go on one rent if one was privately renting or it might be split between the two.

Senator O'BRIEN—It is a little over \$3,000. In terms of the intent of the legislation, we have had a bit of discussion during this inquiry about addressing rural and regional disadvantage. As I interpret this legislation, other than the moving-away-from-home component, there is no special rural and regional disadvantage component in the legislation.

Ms Shannon—There is no particular initiative that is targeted solely at rural students—that is correct.

Senator O'BRIEN—I suppose the application might be seen more in that light.

Ms Shannon—We estimate that, as Dr Morehead has indicated, because rural families tend to have lower parental incomes, on average, the parental income test changes are expected to

benefit many rural youth. Obviously, once people qualify for at least \$1 of the basic rate of youth allowance, they then qualify for the scholarships.

Dr Morehead—What that means is that, for example, a family on \$140,000 a year with two students away from home—18 years or older, one in the first year of study and one already at uni for a few years—they would get around \$7,700 for each of those children as government support. That is one child—

CHAIR—I am just trying to clarify as to whether that takes the relocation into account.

Dr Morehead—Yes.

CHAIR—That is not every year; that amount would just be for the first year because of the extra \$3,000?

Dr Morehead—That is the first year for one student—yes.

Senator O'BRIEN—There will be \$3,000 more in the first year and in the second and subsequent years, at a parental income level of \$140,000 as a taxable income?

Dr Morehead—Yes.

Senator O'BRIEN—We had occasions in this inquiry and the bill's inquiry, which has been rolled into it, to try and discuss this issue based upon the information, the perceptions, the word-of-mouth, detail and the meaning of the changes. I think it is fair to say that there was quite a mixed level of understanding. On Tuesday in Townsville we had the principals of Northern Beaches, Ayr, Ingham and Charters Towers high schools. Except for a comment yesterday, there was clearly a lack of knowledge of the impact of this package and therefore the students who are going to leave next year and potentially benefit from the system are not getting the best possible advice on the information concerned. Why has not there been a process of communicating that information? Is it simply that, until the bill is passed, you are constrained as to how you deal with it?

Dr Morehead—There are quite a few other proposals floating around at the moment. There are people saying, 'Why don't you do the package this way?' As it is all getting put into the mix, it is probably a little understandable that people are wondering what the government's proposed package is. Until a package is passed through legislation, we cannot advertise and say to people, 'This is now what's going to happen to you,' because at this stage of the year we do not know, because it has not passed through legislation. It is now November and we are in the situation where we can just say, 'We do not know. This is the government's proposed package.' We cannot say that it is definitely happening; we cannot write to everyone or say to everyone, 'This is what is happening,' because we do not know because it has not yet passed through legislation. There have been other proposals suggested by various people in the community. You can see that people are starting to think: 'I wonder what is going to happen on 1 January?'

Ms Shannon—Subject to the passage of legislation, Centrelink will go through a process of writing to families—for example, existing recipients of family tax benefit—who may benefit from the proposed changes, to invite them to claim. Subject to the passage of legislation, there

are arrangements in place to try to bring information to the attention of potentially eligible families as soon as possible, but obviously that is contingent upon—

Senator O'BRIEN—Do you know how long that will take?

Ms Shannon—Centrelink proposes a mail-out, subject to the passage of legislation. I think that the mail-out is timed for either December or January, because that is the time at which families and young people are deciding whether they will continue studying or pursue alternative pathways. I think the timing is around that. Of course, that is a major mail-out and the timing is very careful in terms of when the legislation is passed. From there, Centrelink could give us more precise advice. Many students who are claiming income support to go to uni under current arrangements—unless they are a continuing student—would probably be looking to come into Centrelink early in the new year to see what their entitlements might be. That point in time is also an opportunity for Centrelink to provide advice.

Senator O'BRIEN—We have had some recent submissions about the availability in other jurisdictions of interest-free or low-interest loans to assist students with the expenses of tertiary study. Are there any such examples under the current assistance measures available to Australian students, other than help with student fees?

Mr Aungles—We have the HELP loans for tuition fees, but they are directed expressly at tuition fees. Beyond that, there is nothing.

Ms Shannon—There are no government schemes along those lines. Certainly that was one issue that the Bradley review looked at—the question of income contingent loans. But that was a recommendation that I think the government has not adopted at this time.

Senator BACK—Just so that I am clear, we are talking about taxable family income, not gross income?

Ms Shannon—Yes.

Senator STERLE—Sometimes it is the same.

Ms Shannon—I think I got myself into trouble last time around that, so I have checked, and it is taxable income.

Senator BACK—It seems that, where a student cannot take up an offer of a place in January 2010, the universities will honour that offer again in the next year. Are a high proportion of universities across Australia offering that?

Mr Aungles—We do not have any precise figures on that. We are aware anecdotally that universities are alive to this issue. My understanding is that, under extraordinary circumstances, those conditions exist at the moment. But universities are looking at that afresh, given the current situation.

Ms Shannon—I think Universities Australia may have provided some information on the higher education institutions that do allow a two-year deferral either under the provisions that Mr

Aungles has mentioned or as standard practice. I think the coverage is high. I can take that on notice. I think we may have received that information from Universities Australia. I will check that.

Senator BACK—It would be very interesting to know that. Have you revisited the question of the assets test, particularly as it relates to primary producers? The minister and I have discussed the asset value of properties in relation to actual before- and after-tax income. The point was made that \$2½ million, particularly in broadacre and other areas, is absolute nonsense. There might be a few horticultural enterprises whose asset value is down at that level. I think I was able to demonstrate, from ABARE and other figures, that if anybody had a primary producer property whose asset value was only \$2½ million they certainly would not be in business. Has that figured been revisited?

Ms Shannon—The current assets test arrangements remain in place. There are no proposals to change that.

Senator BACK—Coming back to my original question about the whole process being budget neutral, where do you think the neutrality will come from? Where will these savings be made that will allow the reallocation to take place? I am not being facetious here, but is it in the expectation that 30 hours worked per week by recent school leavers is just unattainable and therefore that is where a saving will be made? I have no difficulty—I applaud the concept of giving an encouragement to those who have been working in the workplace—but is there an acceptance that there is really going to be a very low rate of achievement for school leavers to be able to work 30 hours a week and therefore this is a saving so that there will be a lower number of school leavers who will actually be able to demonstrate independence?

Ms Shannon—I think the calculations regarding the savings associated with the changes to the workforce participation criteria are really the reverse of that. Looking at the evidence of the numbers of students who have actually established their eligibility in the past years in the two elements of the criteria that are to be removed, the department made estimates about what that would mean in terms of a saving to budget. That is a primary source of the savings that are then redirected to other spending elements of the package.

There are other elements that do partially offset some of the increased spending. For example, I think that I have indicated previously that some families with secondary students who are currently receiving family tax benefit will be able to move over into the Youth Allowance system and receive a higher rate of fortnightly assistance for those young people. That is an additional cost in terms of youth allowance but it is partially offset because we will not then need to spend that money on the family tax benefit.

There are also existing Commonwealth scholarship programs for which the appropriations have been redirected, if you like. The money that would have been spent on some of those scholarships has been redirected, again, to partly pay for other elements of the package like the two new scholarships. So it is a matter of looking at a range of programs and through policy changes moving some resources around to pay for other policy changes.

Dr Morehead—Removing the two aspects of the workforce participation criteria is the substantial—

Ms Shannon—That is the substantial savings component.

Dr Morehead—saving that then funds more people being able to get income support as dependants and more money to lower income families. That is the main way that we are funding—

Senator BACK—So a higher level for the dependent students and a lesser capacity for independent students—

Dr Morehead—That is correct.

CHAIR—Dr Morehead, can we just go back to your hypothetical swapping around the current scenario to the other one and bringing this one back, because I do not think that you quite finished. What would you say to a regional student that has not been able to attend university because the only way that they could access university was through 30 hours a week and there simply is not any work, when you are now telling them that you have changed the criteria and they are going to be able to earn money and go to university?

Dr Morehead—I guess the first thing I would say is, ‘How much do your parents earn?’

CHAIR—No. Is that a good thing or a bad thing? All the others you are putting in the context of swapping them around and that would be a bad thing.

Dr Morehead—Certainly, for people from families with higher than \$140,000 a year—

CHAIR—No, because it relates to the amount they could get—the \$371.40. We have already ascertained that once they go past that they are worse off. We are not talking about nothing at all.

Dr Morehead—So what we would say is that currently you can get the \$371.40 a fortnight by doing this amount of work during a gap year because your parents earn—

CHAIR—I think that the answer is, yes, that would be a benefit for you and that would be a better scenario.

Dr Morehead—If I were that person I would not think that that was a better scenario.

CHAIR—Under this swap-over scenario the only way you could have previously accessed it was through 30 hours work a week, which you could not get because you lived in a regional area. Now we are swapping it around, bringing back the other one and saying, ‘Actually you can do seasonal work now and at the end of 18 months you can go to university.’ Wouldn’t you think that they would see that as quite good?

Dr Morehead—Sorry, I was thinking the reversal of the reversal. I am thinking of the person who is there with the parents on \$200,000 a year, who is currently getting nothing, and we would be able to say to them, ‘Now you can get something.’

CHAIR—I think I answered the question for you.

Dr Morehead—Sorry, I will put myself back—

CHAIR—You started it, Dr Morehead, we are just filling in all the gaps!

Dr Morehead—We would say to those people that, now, if you take a year off you will be able to get the \$371.40 a fortnight, and we do not even ask how much your parents earn—so, even if your parents are earning \$200. However, if your parents are earning \$140,000 a year or less, please look at your family situation, because you are probably still likely to get it. But for those people, yes—

CHAIR—No, you are likely to get something but you are not going to be better off, and this is one of the great furphies in this debate.

Dr Morehead—I think a clear message from the package is that if you come from families that are well-off then the closure of those two strands of the workforce independence criteria will mean that you will not be able to access either as much income support as you might have been able to or any income support.

CHAIR—Looking at the issue that—and I know it is only one scenario on one level—once you earn any more than \$60,000 in your second year you are going to be worse off compared to the independent \$371, given that you said that the two criteria that have been removed have by and large gone to pay for the rebalancing of the package, if they were the only criteria that regional students had to get to university, aren't you taking money from country kids to pay for everybody else?

Dr Morehead—From the very well-off families.

CHAIR—No, that is not true, because you said to me before on that particular scenario that once you get over \$60,000 in that second year you are going to be worse off. I would say that somebody on \$65,000 or \$70,000 is not somebody who is well-off. We are talking about the comparative. I do not disagree that up until those higher levels you will get something, but relative to what they can currently access, they will get less.

Dr Morehead—But at least they did not have to do that year. They did not have to slow everything down and take the year to try to find work, to fit the criteria.

CHAIR—But if that is their choice and they want to do it you should not be making a subjective decision for a student to say, 'Gee, you would be better off not taking that year.'

Dr Morehead—If they want to do it, yes, but I think that the issue here is that the income support rules push them to do that now. So that would be something they would not have to do.

CHAIR—On the issue of the hypothetical change-around and everyone seemingly, in your view, being better off, obviously apart from some of those issues that we just canvassed, which are quite significant, why do you think it is that this inquiry has had over 700 submissions—by and large the great majority were to do with the legislation in this area—that have all been critical of it? We have not had one, to my knowledge, come to us on your scenario of, 'Please pass this legislation because we could not bear what we have not got yet to be taken away.'

Dr Morehead—I think there are two reasons for that: one is that people might not understand what is currently out there. With a lot of the correspondence we have got we have written back and said, ‘What you have said to us is not correct in terms of what the proposed package is going to be so we can correct it now.’ That is one reason. The other reason is that, yes, there are going to be some people who will be worse off under the proposed package and they are people from families with higher incomes and—

CHAIR—But hang on, I cannot let you say that, because it is not necessarily higher incomes, because of what we have ascertained today. Once you get past that bracket you are going to be worse off comparatively to the independent \$371. So I do not think it is appropriate to say ‘higher incomes’.

Dr Morehead—I guess, though, that you would have to take into account the fact that for that family to be better off and get the \$371.40 their child had to take a year off and earn money in that year. Perhaps they were working part-time and they were not actually earning enough to fully support themselves, and their parents were supporting them during that gap year as well. If they are working 15 hours a week or if they are earning the \$19,000 in a year—or just say they are working 15 hours a week—perhaps their parents may still have been supporting them. Indeed, they may well have still been living at home and their parents were funding them for another year during that gap year. So it is a very individual thing. You could say, yes, you will be worse off in that you will not be getting the \$371.40 but will now be getting less, or nothing if your parents are better off, or, yes, you will be getting less if you come from an upper-middle household. But on the other side you do not have to do that year, where perhaps your parents were paying for some of your costs in that year, particularly if you had not moved away from home or had moved to another city and done your gap year somewhere else.

CHAIR—On the subject of those that may get nothing, some of the ones that fall into that bracket are of course those who exceed farm assets of \$2.2 million, which, to clarify again, is land and stock and machinery, isn’t it? It is the lot; not just land?

Ms Shannon—That is right, but it is net of debt though.

CHAIR—Some of those who fall into that category might be undergoing their seventh or eighth year of drought and actually have no income, and they too will get nothing.

Ms Shannon—There are separate kinds of rules that do apply in cases where families are drought affected, so—

CHAIR—I thought you said there was nothing specific in rural and regional—sorry, it currently exists?

Ms Shannon—They are existing rules.

CHAIR—What are they?

Ms Shannon—I am not an expert in them but I can outline them. Families in drought affected areas who receive an exceptional circumstances relief payment under the Farm Household Support Act may be exempted from the application of the parental income and assets test and the

family actual means test for youth allowance. So, if you hold an exceptional circumstances relief certificate and you get the relief payment, my understanding is that for the period of the certificate you receive youth allowance free of the income and assets test. That is a specific provision that exists now for drought affected families that would continue in the future.

CHAIR—Just so I am clear: once the EC declaration stops, the youth allowance payment stops?

Ms Shannon—I have to check that. I might have to take that on notice, Senator. I am not quite sure if—

CHAIR—I think you are getting some assistance from behind you.

Ms Shannon—Yes. A student can continue to receive youth allowance for the remainder of that academic year.

CHAIR—The remainder of that year.

Ms Shannon—Yes, sorry.

CHAIR—Thank you very much for your assistance. I am just trying to clarify the rent assistance. Can you just explain for me how it works? It is \$111 a fortnight?

Ms Shannon—Rent assistance is a payment generally received by people who receive a primary income support payment, so it is a supplement to people who are private renters. You have to pay private rent above a set threshold and then the amount of rent assistance you receive to get the maximum depends on a second threshold. I can provide information—

CHAIR—Can we have that in English?

Ms Shannon—It is a little complicated. It is in *A Guide to Australian Government Payments*, and I can provide the relevant extracts if you bear with me.

CHAIR—That would be good. If you could just provide that for us, that would be useful.

Ms Shannon—Yes, sure.

CHAIR—Also, is there any scenario under which a student would get less than the maximum amount of rent assistance, and what would they get?

Ms Shannon—Yes, if they are a sharer—if they are living in a share house. Like most social security payments, there are different rates depending on your living circumstances, so, if you are living by yourself, the amount you get might be higher than if you are living in a share household, on the basis that you have the ability to split the cost of the rent amongst the renters. If you have private income, or I guess if you are at a point with your parental income, where all of your youth allowance has been withdrawn under the income test and all that is left is your rent assistance, as the parental income goes up, what is left of your rent assistance will slowly fade

out. Rent assistance is actually the last bit of your payment to be removed. That is my understanding.

CHAIR—I just have a final question before I check with the committee whether there are any other questions. It is on a completely different tack. I just want to discuss what the department has done or any consideration that has been given to programs or work to increase the aspiration level of secondary students to go on to tertiary education. That has been coming through the inquiry quite clearly: that aspiration and inclusion and providing all opportunities for students who want to go on to further education. I just wonder what the department has done in the past or whether it is something that is being discussed, working in collaboration with other departments or other parts of the sector.

Mr Aungles—One of the major goals that the government set was the 20 per cent low-SES target. In support of that goal, there is a new program worth approximately \$400 million in support of the participation of low-SES students at university. One element of that is what we call the participation and partnerships program. That will be allocated to universities to engage in what we call outreach activities, which will enable universities to engage with schools in various sorts of activities designed to raise aspirations among students to go to university. It is anticipated that we will have guidelines for that program coming out fairly shortly.

CHAIR—Senator Sterle asked a question of a prior witness on the school careers advisers. Does the department have any role in the framework that those careers advisers work under or is that all on a state basis? I am just trying to understand what the framework is that they work under and who measures whether or not they are doing an appropriate job. I guess some of this comes back to some of the concern we have had about the information that has not been disseminated to the community. Do you have any information about that?

Ms Phillips—The responsibility for the framework they work under would be within a state based authority.

Ms Shannon—We would be encouraging Centrelink to have good relationships with a range of stakeholders in the community. It would vary from location to location. In some places there may well be established links between local Centrelink staff and school advisers to provide information to young people about their options.

Ms Phillips—Further to that, under the National Partnership Agreement on Youth Attainment and Transitions, the Commonwealth is also looking at national career development resources, which will be done nationally but shared and used by school careers advisers as well as by other service providers.

CHAIR—There is obviously a lot of federal perspective through all of this, so I imagine a certain degree of harmonisation across the states on how this particular arrangement is approached would be quite useful. I thank you all very much for appearing today. It has been extremely useful.

[3.01 pm]

RYAN, Ms Kimberlee Louise, Acting General Manager, Education Partnerships Division, Office for Government School Education, Department of Education and Early Childhood Development

Evidence was taken via teleconference—

CHAIR—Hello and welcome. I remind senators that the Senate has resolved that an officer of a department of the Commonwealth or of a state should not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for their claim.

Would you like to make an opening statement before the committee moves to questions?

Ms Ryan—Sure. I have prepared one for you. I would like to thank the committee for agreeing to this teleconference and apologise on behalf of the department for the lack of an appearance at an earlier hearing or a formal submission to date. The committee has expressed an interest in the current work being undertaken across the department in relation to rural education. This opening statement will provide a short summary of that work.

The department has been developing a rural education framework to address issues in relation to the educational access and opportunities for rural students. The department recognises that there is, as in all states and territories, a gap in educational outcomes in Victoria between rural and urban students. Rural students are less likely to complete year 12 and enrol in higher education, have higher university deferral rates and have higher rates of unemployment if not engaged in further education and training. Rural students and communities face challenges in accessing the range of educational opportunities available to metropolitan students, often due to the combined effects of distance, shifting demographics and Victoria's ongoing drought and its impact on rural economies. Rural schools face significant challenges in attracting and retaining quality teachers and educational leaders, accessing professional learning opportunities and career paths and supporting teacher collaboration.

Victoria's rural education framework will draw on existing initiatives from the department's current blueprint for education and early childhood development. It has the potential to directly address school improvement issues in rural locations and proposes additional initiatives to be implemented that are tailored specifically to the needs of rural schools. Our research into rural education has led to the development of a set of key ideas. Firstly, rural sustainability and rural education are inextricably linked, and the development of a rural education framework will be a key component in promoting sustainability for rural communities. Secondly, improving rural

education outcomes is contingent on identifying and building capacity at all levels—at the school, community, network, region and system levels.

Thirdly, rural schools and rural communities are not homogenous. There are a range of schools in rural and regional areas varying in size and location, employing different models of teaching and learning, achieving different results and facing different challenges. While broad strategies may be useful, opportunities for innovative local solutions will also be required if the framework is to be successful. Victoria's network model and our regional network leaders will play an important role in identifying opportunities to work collaboratively in supporting the implementation of locally developed solutions. Fourthly, school leadership is a critical factor in school improvement, teacher attraction and retention and higher student outcomes. Rural school leaders often play a greater role in community leadership than their metropolitan counterparts.

Finally, rural schools can offer students a range of advantages, including more individualised attention, cooperative learning opportunities, close relationships with teachers and peers and strong ties with the local community. While the educational outcomes of rural students are lower than those of their urban counterparts, particularly for Indigenous students, this is due to a range of factors, including socioeconomic status, and does not imply that the learning outcomes in some rural schools are inadequate.

That is as far into detail as I can go at the moment. Our minister has not yet approved the draft framework. We have not yet gone to public consultation. I am not really in a position to disclose any further information about it, but I would be happy to take more questions.

CHAIR—Thank you very much. We are very pleased that you could join us this afternoon. We have had a number of witnesses raise the research that is being undertaken in Victoria and what has been happening in Victoria, so we appreciate you giving us your time.

Senator STERLE—Could you tell us how the Victorian department links in and works through the whole education chain—with the secondary schools, the TAFEs and the universities?

Ms Ryan—It is quite a complex system out there in which we are working. The context is multi-level and multi-modal. I can really only speak for the school education side of things. I might defer some more detailed responses around the tertiary sector to the Department of Innovation, Industry and Regional Development, where Skills Victoria is located. We do maintain very strong links across those sectors. We have established a division that works between our department and that department, the Skills Victoria area. That is specifically to improve and strengthen the relationship between secondary and tertiary transition issues. We are working very strongly in that area.

Senator STERLE—We have taken a lot of evidence over the last three days and in the couple of months previously when we first kicked off this inquiry. What has come out—and it may not come as a surprise to you—is that the universities themselves have said that they believe they could do it a lot better as well in terms of liaising with the schools and in the courses they deliver and in the areas in which they deliver them. Are you able to at least tell us if the department does follow up with the universities in strategically targeting set courses for set parts of Victoria?

Ms Ryan—There are two levels of answer to that question: the role that the university and the tertiary sector play generally in all further education and training and the role around teacher preparation and teacher pre-service training. We do have some work being undertaken at the moment in partnership with Country Education Project Inc., which you may be familiar with. They have developed some strategic partnerships with a number of universities in rural areas to strengthen rural pre-service experiences for prospective teachers and to develop more of a community response and a community strategy around attracting to and retaining graduates at rural schools. That is a really terrific initiative that is going on.

In terms of the full gamut of education and training for rural students, we know there are a number of universities that are turning their attention to this. We also know that, where a major university in a rural location or regional centre is very strong and working very proactively, it has a much higher intake of rural students and greater retention of those students through the courses.

Senator STERLE—What has come out a lot through the inquiry is the difficulty that education departments in states have in not only attracting but also retaining teachers in rural and regional areas. Would you like to tell us how Victoria does it?

Ms Ryan—It is a challenge. There is some research around—and I cannot quite quote the source. The attributes of the school leader have been shown to be a pretty key factor in attracting and retaining staff in rural locations. I guess it is fair to say that with any school, but it is more potent for rural and regional schools. We want to look at really building the capacity of our rural school leadership workforce because we know that that will make a difference.

We also know that there is work to do around a full range of incentives for attracting quality teachers to rural areas. We know that people often shy away because of their perceived lack of career path in the bush, isolation, a smaller pool of colleagues and professionals to interact with, and fewer career progression opportunities. There are a few modes that we have to work through to make a difference there.

Senator STERLE—Is country service compulsory for Victorian teachers?

Ms Ryan—No, it is not.

Senator STERLE—I can understand the difficulties that you face, then.

CHAIR—One of the things that have been coming through very clearly in the inquiry is the issue of how lifting the levels of aspiration for secondary students to go on to further education can be addressed. Could you talk to us a bit about the Victorian experience and what is happening in that state in terms of lifting that aspiration and also transitioning across to tertiary.

Ms Ryan—Sure. I think that there would not be a jurisdiction in the world that does not face that challenge of lifting the aspirations of students, particularly in disadvantaged areas, to stay engaged in education and training and transition to meaningful employment and further learning. So we are working on that from a systems point of view in terms of the whole school improvement agenda here, really building teacher capacity to engage students more effectively, broadening curriculum options and pathways available to students and wrapping around a broad

student engagement and welfare framework around that work to keep kids able to engage in different contexts for education and training. I am not sure whether that answers your question. It is a very broad answer, but all of our efforts in our school improvement agenda and our blueprint are aiming at that retention and engagement of students as far as they can go.

CHAIR—We were up in Townsville earlier in the week, just linking in. Part of one of the things the inquiry has been looking at, obviously, is how we can create greater opportunities for students to go to tertiary. There was some evidence given by some witnesses about some young students who had applied for scholarships to go on to tertiary but had not told their parents. They knew their parents could not afford it, and if their scholarships did not come through then they simply were not going to go to university and their family would never have known. I think that struck a chord with the committee in terms of how we need to do a better job in ensuring that the opportunities are there. In terms of providing opportunities for secondary students to go on to tertiary education, from the Victorian perspective, hypothetically—I suppose we have been talking about hypotheticals today—what would you like to see happen in the Victorian context that might improve that opportunity?

Ms Ryan—For rural students there are a number of possibilities. If you can improve the access to tertiary opportunities in the rural and regional locations, that is one way of increasing access and making it easier for kids to be engaged in further education while remaining connected to their family and their community and also reducing the costs to them in terms of travel and accommodation if they have to go to a metropolitan area to do that. So that is one strategy that we can work towards. The other one is to mitigate the costs: if they do choose to go to a regional or metropolitan centre, having more access to scholarship opportunities and financial support and maybe combining the opportunities with more blended learning experiences whereby they may not necessarily need to travel but could study remotely just as effectively and with outcomes just as high as if they were travelling to a regional or metropolitan centre.

CHAIR—Thanks, Ms Ryan. The other issue that has been quite prevalent is how early in secondary education students need to start thinking about where it is they would like to go. There was some evidence given to us that the choices that the students are making in year 9 in terms of subject are quite often determining where they are going to head. From the Victorian experience, do you think enough is being done at the year 8 and 9 level to raise the awareness that the decisions that are made then will impact on pathways for students out of year 12 into tertiary?

Ms Ryan—I would say there is quite a lot being done in that area. We have a very strong approach to pathways planning in Victoria. You might be aware of the Managed Individual Pathways initiative, which gets students thinking from those ages about what their pathway options are and how they might navigate their individually through those while keeping their options as broad as possible for as long as possible. We in Victoria have a really good basis for school completion. We have currently about a 90 per cent year 12 completion rate, which is pretty decent. We also have a lot of work happening around the Local Learning and Employment Network, or LLEN, to connect schools and industry in local areas through really strong strategic partnerships. There has been a lot of work there around industry themed pathways that are currently being developed. We have also had increases around the technical side of things, so we have the technical education centres, or the ATCs, and we now have the TTCs coming in through

a partnership with the federal government. I think pathways planning for students in Victoria is pretty strong, and Regional Youth Commitments is another good initiative that we have got going. But I would probably want to defer to other colleagues within the department and from Skills Victoria as to getting into detail about those things.

CHAIR—Thanks, Ms Ryan. We have actually had LLENs come up in a couple of different inquiries, which has been very interesting. Finally for me, can you run through the On Track survey a bit for the committee and give us more detail about how that is tracking? Sorry for the pun!

Ms Ryan—To be honest, I think I would need to refer that to a colleague with greater in-depth knowledge about that initiative.

CHAIR—That is fine. Perhaps if you would like to do that for us and find an appropriate colleague and take it on notice for them if they would like to give the committee a bit of an update on some of the detail around that.

Ms Ryan—Sure.

CHAIR—I think we have had some detail, but if perhaps somebody were able to add some material to that that would be quite useful. Thanks, Ms Ryan.

Senator BACK—Ms Ryan, this comes from our hearing in Melbourne yesterday. There is a government objective that it wants to see a 20 per cent minimum participation at tertiary level by people from low socioeconomic backgrounds. We were told by, I think, the vice-chancellors group that for females that 20 per cent has already been reached and exceeded, which obviously then suggests that the participation by young men and boys is not at that level. Do you have any views on what sorts of incentives could be or should be built into the system to try to lift young men's participation at a tertiary study level?

Ms Ryan—I think that, in terms of strategies for that, one of the key things as to young male and female students, particularly disadvantaged students, is that sometimes the conventional schooling and classroom experience that is generally offered in mainstream schooling is not necessarily as appropriate for their needs as it might be. We are undertaking some work in Victoria around how to strengthen our approach to the provision of alternative settings for students who do need something different. That work is currently under development so I cannot go into too much detail around that. But essentially we have got a lot of activity happening in that area but we need to actually bring a lot more consistency in and also a framework within which to work to bear on that. That is really about supporting schools and networks and other community organisations that might partner with those schools and networks to think carefully about the individual learning needs of all of the children that they have under their care and provide for them appropriately, and having differentiated models of provision is the key to that. So there is work to be done in scaling up that work and in bringing a lot more consistency to bear.

Senator BACK—Yes. I have seen some programs in rural and remote regional areas of WA where particularly again for boys they have partnered with industry to release them for half-a-day a week or a day or week so that they can actually get a feel for it. One particularly successful

program is in Mount Newman between the high school and BHP, where the young people actually go on to the mine site. The early indications are that that is certainly tending to focus the attention of the young people on job prospects. Again, as Senator Nash was saying, they are making decisions about subjects for year 11 and 12 as early as year 9 and 10 and maybe the maturity levels of boys at the same age is not as great as girls. I am interested in your views.

Secondly, consistently it seems as though postcodes are used to determine socioeconomic status. Postcodes in rural and remote areas can cover an enormous geographical area. Do you have any views on what might be a more appropriate way to try and measure socioeconomic status in rural and remote areas than postcodes?

Ms Ryan—We base our student resourcing package in Victoria on what we call SFO data or student family occupation data. That works off the basis of family or parents' occupations within that area. So the data picks up on levels of tertiary education and professions. Does that make sense?

Senator BACK—Yes, it does.

Ms Ryan—What we are finding is that that is a stronger prediction of SES than postcodes. That is what we base our student support package on.

Senator BACK—Is that unique to Victoria, do you know? Do you know if other states and territories are adopting that same family occupation concept?

Ms Ryan—I am not aware of any other states and territories doing that.

Senator BACK—We must follow that up. Unrelated to that, we just had the federal department here. We were talking about 'wastage', which I take to mean those who apply to go to university and then subsequently do not go as the result of gap years. The figure we were given for those who are at least offered positions in tertiary institutions but who then 12 months later after a gap year do not take them up is 30 per cent. We asked the question: what might it be if someone does not take it up for two years? Anecdotally or in terms of data, do you have any idea or figures yourself as to what the non-take-up rate is of students who defer for a year or more?

Ms Ryan—No, I do not personally, but that information might be available through the On Track data.

Senator BACK—If it is, could you make it available to us?

Ms Ryan—I could take that on notice for that area to look into it for you.

Senator BACK—It seems again there is peer group pressure with some people going on and some not which leads to a circumstance, it just seems to me, of a high degree of loss of people who could go on to other studies. But that is to be debated. Those are my only questions.

CHAIR—Ms Ryan, thank you very much. We do appreciate your giving us your time this afternoon. It has been very helpful for the committee.

Ms Ryan—Thank you very much.

CHAIR—That concludes today's hearing. Thank you to Hansard and colleagues.

Committee adjourned at 3.28 pm