SUBMISSION: RURAL AND REGIONAL ENTERPRISE SCHOLARSHIPS – PROGRAM GUIDELINES

16 June 2017

Universities Australia (UA) welcomes the opportunity to make a submission in response to the draft Program Guidelines on the Rural and Regional Enterprise Scholarships program.

UA's submission represents a whole of sector position on the new program. Individual UA member universities will make their own more detailed submissions informed by their particular perspectives, as will groups of universities. UA commends all of these submissions to the Department.

Barriers to regional students' participation and success

Rural and regional students face particular barriers in accessing higher education. They also face particular challenges in persisting and succeeding in their studies. The cost and difficulties inherent in having to move in order to attend university are key obstacles to rural and regional students. UA welcomes measures to help students deal with these costs and challenges. We support initiatives that will increase regional participation in higher education and help more regional students to complete degrees.

Research on 'Regional Student Participation and Migration' (Cardak et al 2017) found that regional and remote students are 10 per cent less likely to intend to go university than metropolitan students and nearly six per cent less likely to graduate from university.[1]

In recent years, access to higher education by students from most traditionally under-represented groups has improved. Over the period 2011 to 2015, total domestic undergraduate enrolments increased by 19.5 per cent, but low SES student numbers grew by 26 per cent. Indigenous enrolments were up 38 per cent.[2]

However, recent moves to wider participation have had less of an impact on rural and regional students. Indeed, enrolments by regional and remote students have grown somewhat more slowly than the average. Between 2011 and 2015, regional student numbers grew by just under 17 per cent and the number of student from remote areas grew by only 14 per cent, 2.5 percentage points below the figure for growth in all domestic undergraduate enrolments.[3]

The increase in student enrolment following the demand-driven system has resulted in an increase in educational attainment across Australia. In 2016, 37.1 per cent of 25–34 years old had a
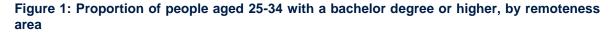

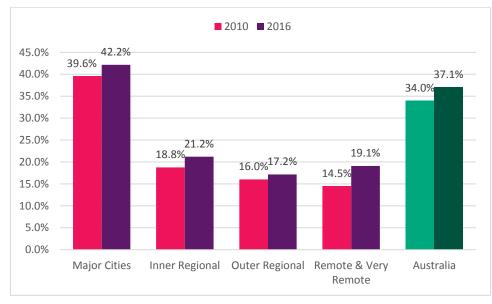[1] Buly Cardak, Matthew Brett, Mark Bowden, Joseph Vecci, Paul Barry, John Bahtsevanoglou and Richard McAllister (2017), *Regional Student Participation and Migration*, National Centre for Student Equity in Higher Education, Curtin University, p.v

[2] DET (various years), Higher Education Student Statistics

[3] Ibid.

bachelor level of qualification of higher, up three percentage points from 2010. Despite this increase, people from major cities remain twice as likely to hold a university degree than those from regional and remote areas (see Figure 1).[4]

Figure 1: Proportion of people aged 25-34 with a bachelor degree or higher, by remoteness area

Source: ABS (2016), *Education and Work Australia, May 2016*, Cat. No. 6227.0.

Regional students are somewhat less likely to apply for university. In 2016, about 24 per cent of university applicants were from non-metropolitan areas. This is decidedly lower than the non-metropolitan share of the 15–64 year old population (29 per cent).[5]

Despite a higher offer rate, non-metropolitan students are less likely to accept an offer than metropolitan students. The acceptance rate for non-metropolitan students is five percentage points lower than for metropolitan students.[6]

Regional students are twice as likely to defer. They are also more likely to take a gap year. In many cases, this is related to a need to work and save money and/or to qualify for income support before starting university.[7]

An obvious barrier to regional students is the cost of moving. In many—perhaps most—cases, regional students move to places where the cost of living is significantly higher than it is at home. Cardak et al (2017) found that more than 30 per cent of regional students move to go to university, with about three-quarters of those who move going to metropolitan areas.[8] The research suggests that many regional students who move to metropolitan universities study part-time in order to deal with the costs of study.[9]

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[4] ABS (2016), *Education and Work Australia, May 2016*, Cat. No. 6227.0.

[5] DET (2016), Undergraduate Applications, Offers and Acceptances 2016, p.32-33.

[6] Ibid., p.34.

[7] DET (2016), *Undergraduate Applications, Offers and Acceptances 2016*, p.24.

[8] Buly Cardak, Matthew Brett, Mark Bowden, Joseph Vecci, Paul Barry, John Bahtsevanoglou and Richard McAllister (2017), *Regional Student Participation and Migration*, National Centre for Student Equity in Higher Education, Curtin University, p.vii.

[9] Ibid., p.68.

A dedicated scholarship will help meet some of the specific unavoidable costs incurred by regional students, without adding to their debt burden.

UA believes that the Rural and Regional Scholarships program is a positive initiative which will help boost participation in regions where participation is relatively low.

Financial hardship is one of the main reasons why students drop out of university study. A study by La Trobe and Monash universities found 'a clear link between how financially secure a student is and their ability to finish a degree'. After three years' study, dropout rates increase for poor students, but fall for other students.[10]

The annual *Student Experience Survey* found that of students who had considered dropping out, nearly a quarter cited financial difficulties as the reason. Similar proportions cited a need to do paid work. Both of these were in the top five reasons cited by students.[11]

A scholarship that assists students with living costs will help to address this.

The need for a long-term program

UA notes that the Government has provided funding for the Rural and Regional Scholarship program for three years. We trust that this is intended as an initial rollout period, designed to assess and evaluate the impact and effectiveness of the program and to make any changes that may be needed for further iterations of the program.

The program guidelines

UA believes that the design of the program and the structure of the Guidelines are sound.

Given the multiple aims of the program, we believe that the criteria for selection of students, and their relative weighting, are appropriate.

As a matter of presentation and clarity, UA believes that the requirement on scholarship recipients to be successfully enrolled in an eligible course—set out on page 15 of the Guidelines—should be made more explicit at an earlier point in the document. This would be helpful for both students and institutions.

As the Guidelines stand, it may not be clear to prospective scholarship applicants what the requirements they must meet in order to be offered a scholarship and receive payments. Clearer guidance on the sequence in which a student will apply for and enrol in a course, relative to the process for applying for the scholarship, would be helpful to both students and institutions.

The scope of the scholarships program

The scholarship program covers a wide range of courses and qualifications in both the higher education and vocational education and training sectors.

UA supports this broad approach to skilling Australia's regions. It is important that the full scope of tertiary skills and qualifications in demand are supplied to the Australian labour market, especially in the regions where skills supply is more limited.

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[10] Buly Cardak and Joe Vecci (2015), 'Graduates, dropouts and slow finishers: the effects of credit constraint on university outcomes', *Oxford Bulletin of Economics and Statistics*, 78(2), pp. 323-346

[11] DET (2017), *2016 Student Experience Survey: National Report*, p.12

We are unsure, however, how the breadth of courses eligible for support will interact with selection criteria based squarely and appropriately on students' characteristics.

UA trusts that distribution of scholarships by sector and provider will not change drastically or unpredictably from year to year. To be effective as a long-term measure to improve regional participation, the scholarships program would have to be predictable and reliable for both students and institutions.

UA supports the Government's efforts through the Scholarships program to encourage and support participation in courses in science, technology, engineering and mathematics (STEM), and the supply of skills to the labour market in these important areas. In view of the under-representation of regional students across all fields of education, and the need for skills across a wide range of areas across the economy, UA advises the Department to consider how the Scholarships might be applied to a broader range of fields, perhaps following from successful implementation in STEM in an initial three-year period.

Supporting particular groups of students and encouraging work-integrated learning

UA welcomes the elements of the program's design which particularly support participation and success of Indigenous students, people from areas of high unemployment and students with disability, as well as those which support women to study in non-traditional areas.

We also strongly endorse the scholarships program's emphasis on work-integrated learning. This is a further important contribution to graduate employability and employment outcomes. A focus on these is vital to ensuring that graduates transition to employment and securing an adequate supply of graduate skills to the economy.

Recommendation

UA recommends that the Department:

- proceed with the development of Rural and Regional Scholarships Program Guidelines;

- add clearer statements early in the Program Guidelines about requirements on applicants to be successfully enrolled in an eligible course, and about the relationship between and sequence of application for course and scholarship;

- consider options for program design that optimise the distribution of scholarships across different courses, qualifications and fields of education; and

- consider how best to assess and evaluate the impact and effectiveness of the initial three-year program.