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A Problem Deferred

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Deferral rates in regional areas are closely related to participation – and something needs to be done about it, writes Andrew Harvey.

A recent Victorian inquiry argued that rising deferral rates are the most notable trend in higher education participation in recent years. As our parliaments debate the Youth Allowance, the definition of low socioeconomic status (SES), the value of a regional loading for universities, and the extent of regional disadvantage, it is prudent to examine the implications of deferral rates on these debates.

The proposed Youth Allowance changes are most visibly connected to deferrals. In Victoria, regional students are now three times as likely to defer their university studies as metropolitan students.

Deferral rates across the sector have increased significantly since changes to Youth Allowance eligibility criteria were made under the Howard government. Within La Trobe University, data confirm that over 50 per cent of deferring students who identify a reason for their deferment cite the need to qualify for independent status to obtain the Youth Allowance. Only around half of approved deferrers take up their university place the following year.

In Albury-Wodonga the picture is particularly striking. Victorian ‘On track’ data confirm major issues at three of the largest schools in north-eastern Victoria. In each of these schools, the percentage of Year 12 completers who proceed to university the following year has halved (or worse) between 2004 and 2009. In one large school, 34 per cent of the 2003 cohort who completed Year 12 were enrolled at university the following year. Five years later, only 14 per cent of the 2008 Year 12 cohort were enrolled at university. In Bendigo, the percentage of the Year 12 cohort proceeding to university study the following year has typically fallen by 30 per cent over the same period.

Much of this decline in university enrolments is explained by a correlative rise in the deferral rates. Between 2004 and 2009, the university deferral rate at schools in north-eastern Victoria tripled or even quadrupled in some cases. At one school, 37 per cent of Year 12 completers deferred university in 2009, up from just 8 per cent in 2004. Even these stark figures do not tell the full story, as they include all Year 12 completers. Of those students who actually applied to university, the percentage of deferrers would be even higher.

These data reveal something about each of the debates now under way. For the Youth Allowance debate, regional deferral rates confirm that money matters. Notwithstanding the paucity of evidence around the deferring cohort, we do know that many deferrers initially make their decision on financial grounds. Regional students are deferring university study to earn more income. This decision often begins as a quest to qualify for the independent Youth Allowance, but in many cases the students do not subsequently enrol in university. Low-SES

regional students are particularly unlikely to return to study after deferment. Student income support will need to be addressed comprehensively, along with better promotion of the long-term financial benefits of higher education.

For the review of regional loading, the deferral rates reveal the importance of demand-side factors. Sustaining regional campuses is vital to economic growth, social cohesion, research and cultural diversity. Nevertheless, increasing the physical supply of higher education is only one of the answers to raising participation.

They will not come just because you build it. Of those students who completed Year 12 in 2008 at La Trobe's major regional feeder schools, fewer than a quarter were subsequently enrolled at university in 2009. La Trobe has a major campus in each of the areas in which these schools are located, as does Charles Sturt in Albury-Wodonga. In fact, Albury-Wodonga is a prime example of relatively high supply combined with relatively low demand and high deferral rates. Revision of the regional loading will need to address demand-side factors as well as the acknowledged costs of supply.

Rising regional deferral rates are also relevant to the current debates around low SES definition and participation. The regional student cohort is of similar size, and has a similar participation rate, to the low-SES cohort in Australia. Moreover, around 30 per cent of regional students are also from low-SES backgrounds. What this relationship demonstrates is that inequity is deeply entrenched, and students from an identified equity group are very often in other equity groups also. This reflects the OECD's characterisation of Australia as a society of high educational quality but low equity. Raising the low-SES participation rate will require raising the regional participation rate, and both will require long-term strategies that address demand-side factors.

Finally, the deferral data are germane to the Victorian inquiry now considering regional disadvantage. At the heart of each educational review and inquiry before our parliaments lies the inescapable truth that inequity remains deeply embedded. The regional deferral data highlight the extent of the challenge we face, and confirm the need for holistic change to raise the participation of all equity groups.

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