Changing deferral patterns: the influence of growth, changing support and geography

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Changing deferral patterns

The influence of growth, changing support and geography

by Sheldon Rothman & Daniel Edwards

Introduction

This Joining the Dots Research Briefing examines changes in university deferral rates over the period from 2008 to 2012. The focus of the analysis is on Victorian school leavers, whose transitions after school completion are followed through the On Track survey, funded by the Victorian Government. The analysis aims to explore the extent to which deferral rates for young people from rural areas have changed over this time, and the influence policy changes to financial support may have had on the decision to defer a university offer.

The period of this analysis encompasses a time of significant growth in undergraduate enrolments in Australia, facilitated through policies and targets stemming from the Bradley Review of Australian Higher Education (and highlighted in other briefings in this series such as Edwards, 2011; Edwards & van der Brugge, 2012).

This was also a time when notable changes to student support through Youth Allowance occurred. A Relocation Scholarship was introduced to assist students from some non-metropolitan areas with the costs associated with moving away from home to attend university, and eligibility for Youth Allowance was changed. Within the context of these policy changes, this briefing examines changes in deferral rates among Victorian school leavers who received an offer to university.
The key findings of this analysis are:

- University deferrals are disproportionately concentrated among low SES young people from non-metropolitan areas.
- There was a substantial decline in the proportion of deferrals in the year the increased support was introduced.
- Between 2009 and 2010 the proportion of non-metropolitan deferrers stating that they were waiting to qualify for Youth Allowance before they enrolled decreased by more than 20 percentage points.
- While changes to support appear influential in lowering deferral rates, there were different patterns within Victoria, whereby regions without a relatively large ‘local’ university campus continued to have higher deferrals.
- The influence of increased financial support for young people in non-metropolitan areas to attend university is clearly apparent in the recent deferral trends. However, socioeconomic disadvantage continues to play a role in restricting access, and broader issues of proximity to campuses cannot be resolved simply through financial support.
Changing deferral patterns

Background and context

Deferrals from Australian universities

The deferral of university places is an issue that receives little attention when it comes to exploring disadvantage and access to university. While there is certainly a role for this option, it often seems that deferral as a concept is misconstrued as simply a mechanism for ‘rich kids’ to secure a university place before heading off around the world for a ‘gap year’. However, as Polesel and colleagues have highlighted over recent years, deferral is a more serious issue for many young people, especially in relation to the university ambitions of students from non-metropolitan areas (Polesel, 2009; Polesel, Malgorzata, & O’Hanlon, 2009). For these young people, deferral has often been necessary in order to save and prepare for the costs related to accessing university. In Victoria, those who completed Year 12 in 2011 at a school in a non-metropolitan region were more than twice as likely to have deferred tertiary study as were those who completed Year 12 at a school in a metropolitan region in 2012 (Rothman & Underwood, 2012).

In essence, students who are geographically disadvantaged are much more likely than other applicants to defer university after receiving an offer, and importantly, almost one-third of these deferrers from non-metropolitan areas do not end up enrolling in university following the deferral (Polesel, 2009). This research also shows that among the non-metropolitan deferrers, there is a high concentration of young people from low SES backgrounds.

The reasons given by these young people for deferring are generally related to financial hardship associated with attending university (explored further in this JTD briefing and highlighted in Polesel, 2009). Essentially those applicants from non-metropolitan areas who defer have ‘earned’ their spot at university, but many will never attend a lecture due to the barriers of accessibility. For a system that has been trying to increase the representation of students from low socioeconomic areas, resolving issues around accessibility is fundamental to increasing the likelihood of a university offer translating into an enrolment.

Student finance support – a brief context

In 2010, the Australian Government introduced a number of reforms to the Youth Allowance to increase student enrolment in further study as a response to the Bradley Review. A major reform was in the eligibility criteria, particularly for young people who were still dependent on their parents for financial support. Workforce participation criteria were eased as was the parental income test, allowing more young people to be eligible for Youth Allowance, particularly to support post-school study.

Specific reforms were also introduced to assist more young people experiencing geographic disadvantage in attending tertiary education. An important reform in this regard was the Relocation Scholarship. This financial assistance was aimed at young people from areas designated as Outer Regional, Remote or Very Remote so they could commence university study. The scholarship was intended to ensure that the expense of relocation and the cost of living away from home were not impediments to university enrolment. The Relocation Scholarship began in 2010 and offered higher education students from the Outer Regional and Remote areas financial assistance of $4121 in their first year and $1031 in subsequent years.

In the year following the introduction of a number of these reforms, Professor Kwong Lee Dow chaired a Review of Student Income Support Reforms (2011). This Review was limited in its analysis due to the fact that it was undertaken so soon after the implementation of many of the reforms. However, within its scope it was able to conclude that:

The measurable impact of the reforms has been consistent with the policy intent: more students are able to qualify for assistance, higher levels of support are being provided to eligible individuals than under previous arrangements, and the available resources are concentrated at low- to middle-income families. Furthermore, not only have rural and regional families benefited from these reforms, the positive impact for these families appears to have been greater than the positive impact for families from major cities. Closely related to this is a growth in the numbers of young people who need to live away from home being able to access student income support and the greater levels of assistance available to this cohort. (Lee Dow, 2011, p. x)
The Review recommended a number of changes to the reforms, including an increase in the Relocation Scholarship and a greater weighting of funding, particularly in the first few years of relocation. In general the Review’s recommendations relating to the Relocation Scholarship were adopted by the Federal Government.

By 2013 the eligibility requirements for the Relocation Scholarship applied to students from any geographic location who needed to move to commence study, with slightly higher payments for students originating from Regional or Remote areas.

The analysis that follows explores the impact of these changes further and identifies the extent to which the new financial incentive – the Relocation Scholarship and the changes to eligibility criteria for Youth Allowance – have influenced the rates of deferral for students from non-metropolitan areas.

Source data

*On Track* is the annual post-school destinations survey conducted by the Victorian Department of Education and Early Childhood Development. The survey began in 2003 with only Year 12 completers in government schools and quickly expanded to include students from non-government schools, with separate surveys of early school leavers and those completing study in special schools. Since 2006, the survey consent rate has been close to 90 per cent; of those who consent, close to 80 per cent are successfully interviewed. There are some restrictions on who is considered in scope for the survey (for example, international students are not eligible). Overall, more than 70 per cent of Year 12 completers are successfully interviewed six months after receiving a Year 12 or equivalent certificate.

For *On Track*, each Year 12 completer is initially classified into one of nine destinations: Bachelor degree (at a university or another degree-granting institution); Certificate IV and above (including diplomas, advanced diplomas and associate degrees); Certificate I–III (including ‘unspecified’ certificates); Apprenticeship; Traineeship; Full-time employment; Part-time employment; Looking for work; and NILFET (not in the labour force, education or training). A tenth destination is then used for those who state, during the interview, that they have deferred entry into tertiary study. Under this separate set of groupings, Deferred is a destination, regardless of whether the young person is working, travelling or studying elsewhere. This reduces the number of school leavers in the employment-related and NILFET destinations. In both sets of groupings, a person is classified once and only once, with education and training destinations given higher priority than employment destinations. For those studying part-time and working full-time, the study classification is recorded as their destination. Separate analyses are reported for those who are working while studying.

From 2008 until 2012, all *On Track* participants’ home addresses were geocoded into census collection districts (CDs), where possible. These CDs were used to obtain the Socioeconomic Indexes for Areas (SEIFA) Index of Relative Socio-economic Disadvantage (IRSD) to assign each participant a level of socioeconomic status and a location under the Australian Standard Geography Classification (ASGC) remoteness structure.

The State of Victoria is unique in Australia in that there is no school in a Very Remote location under the ASGC (now replaced by the Australian Statistical Geography Standard – ASGS). There are 5 schools that offer secondary education in Remote locations. All other schools are in Outer Regional, Inner Regional and Major Cities locations. Of the 33 000 or so Year 12 completers who have participated in *On Track* each year, around 1500 respondents (between 4% and 5%) resided in Outer Regional or Remote locations. Close to 25 per cent were in Inner Regional locations. Geographic location in Victoria can also be classified according to geographic regions based on school location.

Each year, as part of the survey, participants who defer study are asked their reasons for deferral. From 2008 to 2011, the response options were consistent, with only minor changes. In 2012, however, the response options were reduced so that it is not possible to include that year in the analysis of reasons for deferral.
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Victorian school leavers deferring study

Using five years of On Track data, this analysis begins by focusing on student deferrals by geographic area, then looks more specifically at outer regional school leavers by socioeconomic status. In light of these analyses, further exploration of the reasons stated by young people for deferring university are examined and the briefing concludes with some thoughts on the relative impact of the Youth Allowance reforms and other issues that influence the deferral rate for university in Australia.

Differences in deferral by geographic location

As discussed in previous JTD Research Briefings, since 2009 there has been a substantial increase in the number of university offers being made in Australia. When exploring the figures specifically for Year 12 completers in Victoria, the increases in offers follow a similar trajectory to the national trend – this is apparent for both metropolitan and non-metropolitan school leavers.

Focusing specifically on deferral rates, Figure 1 shows that school leavers from metropolitan areas have been consistently less likely to defer studies than those from non-metropolitan areas. In this respect, the 2012 data show that the percentage of Year 12 completers from non-metropolitan schools who deferred was double the percentage of Year 12 completers from metropolitan schools who deferred.

Across this five-year time span, there was no meaningful change in the percentage of metropolitan school leavers who deferred. However, this trend was substantially different for the non-metropolitan school leavers (Figure 1). Between 2009 and 2010 the proportion of young people from non-metropolitan schools who deferred their university offer declined from 22 per cent to 15 per cent. At this broad level, this appears to be important given that 2010 was the first year in which the changes to Youth Allowance eligibility began and the Relocation Scholarship was introduced.

Figure 1

Percentage of Victorian Year 12 completers who received a university offer but deferred tertiary study, by geographic location, 2008–2012

Note: Geographic location is based on the location of secondary school attended.
Figure 2 shows that the changes in university enrolment and deferral were not uniform across the non-metropolitan areas of Victoria. Charting both the proportion of Year 12 completers enrolling in university and the proportion who received an offer but deferred, the data in this figure show that in the Major Cities (Melbourne and Geelong), there was a fairly steady increase in the percentage of school completers entering higher education and no change in the percentage deferring during the 2008 to 2012 period.

For Year 12 completers living in Inner Regional locations, there was also an increase in enrolments during this time. Meanwhile there was a small decrease in deferrals, with the proportion of students deferring an offer declining from 18 per cent in 2009 to 14 per cent in 2010.

However, the pattern for those in Outer Regional locations in Victoria was different. For these areas there was a notable increase in the proportion of school leavers entering higher education, especially between 2009 and 2010. Importantly, there was also a substantial decline in the proportion of deferrals coming from these areas in 2010, with a decline from 22 per cent in 2009 to 15 per cent in 2010. However, since 2010 the percentage entering study has remained steady while the percentage deferring has increased.
Within Victorian non-metropolitan regions there were further differences. Two of the five non-metropolitan regions had higher rates of deferral when other factors, such as SES and prior academic achievement are held constant. Year 12 completers who had attended schools in the Gippsland and Hume regions were more likely than those who had attended schools in Barwon South Western, Grampians and Loddon Mallee regions to have deferred study.

These differences by specific non-metropolitan region suggest that changes to Youth Allowance and/or the introduction of the Relocation Scholarship alone do not explain changes in deferral rates. Areas classified as Outer Regional are located across all non-metropolitan regions. The non-metropolitan regions with higher deferral rates – Gippsland and Hume – stand out, as they do not have a major university campus, limiting the range of study options (see Map). Deakin University is located at Geelong in Barwon South Western region; the University of Ballarat (now Federation University) is located at Ballarat in Grampians region, as is a campus of the Australian Catholic University; and La Trobe University has a major campus at Bendigo in the Loddon Mallee region. Completers who had attended schools in these three regions more frequently enrolled at university in the first year after completing school compared with those from other non-metropolitan regions.
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**Differences in Outer Regional areas by socioeconomic status**

Further exploration of the Outer Regional group of students shows that the pattern of deferral for those who were from lower SES backgrounds changed more notably than for those from higher SES backgrounds (Figure 3) between 2009 and 2010.

In 2009 almost one in every four (24%) Year 12 completers from an Outer Regional area who were also from among the lowest 50 per cent of households by SES had received an offer to university and deferred that offer. In 2010 this figure had declined by nine percentage points to 15 per cent. At the same time the difference in deferral rates among students from the highest 50 per cent of households by SES declined only marginally.

**Figure 3** Proportion of Victorian Year 12 completers from Outer Regional locations enrolling in a Bachelor degree or deferring tertiary study, by SES quartile, 2008–2012

Note: Completers from the highest SES quartile were combined with completers from the upper-middle quartile because of small numbers each year. Group sizes for each year are between 400 and 500.
Reasons for deferring study

Analyses of *On Track* responses examining the reasons given by young people for deferring study are explored below to further investigate these initial findings. Since 2009, those who have deferred their studies have been asked specifically why they had deferred. Respondents are given ten reasons for deferring and asked whether they agree with each of them, allowing individual respondents to provide multiple reasons for deferral.

Among Year 12 completers who deferred, waiting to qualify for Youth Allowance was the most commonly cited reason in 2008 and 2009. Interestingly, agreement with that response between 2009 and 2010 decreased by more than 20 percentage points among those from Outer Regional areas and close to 20 percentage points among those from Inner Regional areas (see Figure 4, panel a). In other words, for school leavers from these areas, waiting to qualify for Youth Allowance became a significantly smaller influence than in previous years.

By 2011, the most commonly cited reason for deferral among this group was the need to move away from home. This suggests that for those who defer study, the vast range of issues associated with relocation continue to be strong influences on a young person’s decision to enrol for bachelor degree study, even though they may be eligible for Youth Allowance and the Relocation Scholarship.

Within the context of the Youth Allowance and the ‘need to move’ reasons for deferral, over the same period, there was little change in the percentage of completers who said they had deferred because of financial pressure on the family (Figure 4, panel b). This response relates more to long-term financial pressure than to the immediate costs of relocation. While there was some decrease in the percentage of deflecters from Outer Regional locations giving this as a reason from 2010 to 2011, this and moving away from home remain the major obstacles for young people from both Inner and Outer Regional locations when considering higher education.

In the context of the differences between regional areas, deflecters from the Gippsland and Hume regions more frequently stated that travel and the need to move away from home – and the associated financial pressure this would put on their families – were given as reasons for their decision, compared to deflecters from other regions. It is possible that Year 12 completers from the Gippsland and Hume regions would take up a tertiary place if there were more study options available closer to home. This was consistent across all years of available data – these differences were evident in 2010 and 2011, as well as in 2009 before changes to Youth Allowance and other eligibility requirements.

![Figure 4](image-url) Reasons for deferring tertiary study, by remoteness area, 2008–2011
Conclusion

The outcomes extracted from the *On Track* survey here suggest that there was a distinct change in deferral patterns between 2009 and 2010; that these changes were much more pronounced in non-metropolitan areas than Melbourne; that within non-metropolitan areas, the rates of deferral were more likely to have declined among students from Outer Regional areas and, within this group, those from low SES backgrounds.

These findings suggest that the changes to Youth Allowance eligibility and the introduction of the Relocation Scholarship may have had an influence on these changes between 2009 and 2010. However, there is also some suggestion that the dynamics of deferral are more nuanced than this, with the data for some non-metropolitan regions appearing more favourable than others, and that proximity to a university campus may be a continuing influence on both deferral and enrolment.

References


