

5 February 2010

Mr Jason Coutts

Branch Manager

Equity, Performance and Indigenous Branch

Department of Education, Employment and Workplace Relations

Dear Jason

Innovative Research Universities (IRU) welcomes the opportunity to provide comment on the Discussion Paper relating to Measuring the Socio-economic Status of Higher Education Students.

Need for change

IRU agrees that a more robust measure of socio-economic status (SES) is required. While the current postcode method has provided an inexpensive and non-intrusive approach to measuring socio-economic status at an aggregate level, IRU agrees that a more robust measure of SES is required. Research has demonstrated that it is not a particularly valid measure, especially for socially heterogeneous areas.

IRU supports the view that measures of SES are most useful if they include some indication of the circumstances of individual students, rather than relying solely on aggregate measures based on geographic location.

Fitness for purposes: balancing costs and benefits

As outlined in the Discussion Paper, studies demonstrate that a range of factors impact on student participation rates and that the factors displaying most impact are themselves highly inter-correlated. The research nevertheless suggests that any one factor can influence participation rates, over and above the other factors.

We need measures, however, that are 'fit for purpose' and statistically valid, not ones that are statistically perfect. There is a risk of introducing expensive and administratively burdensome measures for little additional value in terms of accuracy.

For this reason, IRU recommends that all data utilised for the purposes of measuring SES be based on existing ABS census data or on relatively simple measures collected at student enrolment. We do not support the suggestion, for example, of introducing a survey to collect information about the occupation, education and income levels of students' parents. In addition to the expense, there is already an issue with the over-surveying of students and survey fatigue.

Mature students

While there are references within the Discussion Paper to mature age students, the detailed proposals suggest a focus on school leavers. The Department's 2008 student statistical collection indicates that only 58 per cent of domestic commencing undergraduate students are aged 19 years or younger. Much of the national potential for increasing low SES educational attainment will be realised by working with disadvantaged communities to enhance educational aspirations for both mature-aged and school leaver generations.

The funding allocation method for the 'widening access for students from disadvantaged backgrounds' program administered by the Higher Education Funding Council for England includes separate elements for 'young HE participation' and 'adult HE participation'¹. This serves to make explicit that widening access is not just about school-leavers.

It is highly desirable that measures for school-leavers and mature students be as consistent as possible, however, there may be a need for slight adjustments to the collection method to better match the student group.

Geographic indicator

IRU sees benefit in retaining a more fine-grained geographic indicator, possibly as part of a multivariate SES index. Evidence from the UK suggests that the types of areas used for participation measures need to be considerably smaller than the equivalent of Australian postcode areas². We support the work of the Department in investigating the feasibility of coding students to Census Collection Districts (CD) on the basis of their address details.

It will be important to look for solutions to the current problem where students move away from home to study and then report their term address as their home location. The Discussion Paper's proposal to ask students to provide their address of five years ago is one option. Another would be to ask students under a specified age to provide their address in their last year of schooling. For mature students, the CD of their current address would be an appropriate measure.

We note that, at this stage, the CD work being undertaken is based on address details available for Commonwealth Assisted students only. While the current national policy focus is on increasing participation of low SES students at the undergraduate level, the government and the sector should ideally be in a position to analyse the socio-economic profile of all higher education students.

¹ Refer <http://www.hefce.ac.uk/widen/fund/postcode.htm>.

² Higher Education Funding Council for England (HEFCE) (2005), *Young Participation in Higher Education*, 2005.

Commonwealth Assisted students, for example, do not include postgraduate research students or postgraduate coursework students who do not take out a FEE-HELP loan. If the CD measure proves to be feasible, it would be desirable to eventually extend it to all students.

Parental education

There is clearly a body of evidence demonstrating that parental education is a valid predictor of the likelihood of higher education participation. We also note that one of the studies³ referenced in the Discussion Paper concluded that parental education levels – particularly father’s education – reveal greater differences in students’ financial circumstances and larger differences in the effects of finances on the capacity to study compared with parental occupation or postcode.

For students from non-traditional family structures, the identification of ‘parents’ or ‘guardians’ for the purpose of providing information about parental education may not always be straightforward. The inclusion of the two new elements in the 2010 student statistical collection will provide an opportunity for universities to provide feedback to the Department about the adequacy of the element descriptions and their application in university enrolment processes.

We support the need for further research to determine if such a measure is appropriate for mature students.

The initial results from the 2010 student statistics collection will enable further exploration of the effectiveness of parental education as a measure of SES.

Parental occupation

In our view, the collection of information about the parental occupation of students will carry a high administrative burden for little additional value over and above geographic location and parental education. We also believe there would be a high margin of error in the reporting and coding of parental occupations.

Economic resources

Our view is that it would be challenging to collect parental income data. As suggested by the research, students would either be unable or unwilling to provide the information. There would be significant privacy issues in accessing parental income through the Australian Taxation Office. Presumably, this would require universities to request students to provide the tax file numbers of their parents. Also, taxable income does not always accurately reflect levels of wealth.

³ Centre for the Study of Higher Education (CSHE) (2008), Participation and Equity: A review of the participation in higher education of people from low socio-economic backgrounds and Indigenous people, Paper prepared for Universities Australia, March 2008.

In principle, a measure of economic resources would be more feasible for mature aged students who could report their own income.

Community

Given the research evidence in relation to cumulative disadvantage in particular geographic areas, we support further exploration of the potential value of using alternative SEIFA Indices, particularly the Index of Relative Socio-economic Advantage and Disadvantage, for application at the CD level.

While the socio-economic classification of schools for recent school-leavers represents an option for further investigation, we believe there would be greater benefit in investigating the practicalities of using individual measures of SES which are collected by school systems. However, a different measure would be required for mature students.

Proposed interim measure

As noted earlier, IRU does not believe that the postcode measure of SES is valid and strongly supports the need for a more robust indicator to be developed.

The inclusion of Centrelink recipients in the proposed interim measure of SES is problematic in our view, for two reasons.

First, the larger group of students falling into this category (i.e. dependent Youth Allowance recipients) include only full-time students. This excludes large numbers of students studying part-time.

Second, the Bradley Review⁴ demonstrated that current student income support is very poorly targeted with a significant percentage of recipients coming from households with annual incomes above \$100,000.

An Index of SES?

It is important for the measure of SES to be transparent and easily understood, especially as it underpins a significant reform agenda.

Consideration could be given to utilising a number of readily available indicators if it is demonstrated that greater accuracy can be achieved. A key issue will concern the way in which the indicators are combined.

⁴ Department of Education, Employment and Workplace Relations, *Review of Australian Higher Education*, 2008. (p.53)

We look forward to working further with the Department in the development of an effective measure of SES. Please contact me if you wish to discuss our submission further.

Yours sincerely



Lenore Cooper
Director