



# Access to Education for Rural Students





VICTORIA

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Victorian  
Auditor-General

# Access to Education for Rural Students

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The Hon. Bruce Atkinson MLC  
President  
Legislative Council  
Parliament House  
Melbourne

The Hon. Christine Fyffe MP  
Speaker  
Legislative Assembly  
Parliament House  
Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my report on the audit *Access to Education for Rural Students*.

The audit assessed the effectiveness of the Department of Education and Early Childhood Development's (DEECD) activities to ensure that Victorians in rural areas have access to a high-quality education.

I found that there is a persistent gap in achievement and outcomes between rural and metropolitan students. DEECD supports schools and vocational education and training providers to assist them in delivering education in rural setting. However, it has not developed a targeted and comprehensive strategy to overcome commonly understood barriers to rural students participating and achieving in education.

DEECD is developing a Rural and Regional Plan to address outcome gaps, however, it is now delayed. DEECD and Public Transport Victoria are progressively implementing reforms to the School Bus Program to better utilise bus capacity and ease administrative burden on schools.

Yours faithfully



John Doyle  
*Auditor-General*

3 April 2014



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# Auditor-General's comments



**John Doyle**  
*Auditor-General*

A high-quality education gives people the best opportunities in life.

In Victoria, a person's right to access education is enshrined in legislation. Our laws state that—irrespective of the institution attended, where people live or their social or economic status—Victorians should have access to a high-quality education that realises their learning potential and maximises their education and training achievement.

My audit has found that this is not the case. Students in rural areas have, for a long time, not performed as well as their metropolitan peers. They face barriers to accessing education that the Department of Education and Early Childhood Development (DEECD) has not managed to overcome, and there is no sign that the gap in performance is likely to narrow. Indeed, in some areas of performance, the gap is getting wider.

That does not mean that DEECD has not taken any action to improve access, or that its actions are not well intended. Rather, its actions to date appear to have had little impact.

Importantly, as I have reported in other recent audits, DEECD has a limited understanding of the impact of actions it takes. Many of the programs that deliver support to rural students are in fact provided to students across all parts of the state. However, the program evaluations rarely consider the specific impact on rural students.

The issues and barriers that prevent students in rural areas from getting the most out of their educational opportunities cross both the school and the further education sectors. Unless DEECD adopts a cohesive and targeted strategy, it is unlikely that outcomes will improve.

I am pleased to see that DEECD has started to develop a new Rural and Regional Plan. The plan is due to be completed in the next few months. However, given the lack of progress to date and the limited project planning that has been done, I have little confidence that it will be the kind of game-changing plan that will make a difference for rural students. It is critical that DEECD get this plan right, and I have made recommendations in the report that will help it to do so.

I am also encouraged that DEECD has outlined the actions it has planned to address my recommendations. I look forward to reviewing its progress in implementing these actions and seeing improved access to education for students in rural areas of Victoria.

## Audit team

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*Engagement Quality  
Control Reviewer*

I would like to thank the staff of DEECD and Public Transport Victoria for their assistance and cooperation during this audit.

A handwritten signature in black ink that reads "John Doyle". The signature is written in a cursive style with a large, looped initial "J".

John Doyle  
*Auditor-General*

April 2014

# Audit summary



Rural populations in Victoria suffer from a disproportionate level of disadvantage. Students from rural Victoria represent about 30 per cent of the total school student population, but far fewer go on to attend university or study at a Certificate IV level or above. People in rural areas are likely to have less access to health and social services and may have to travel considerable distances to reach services and educational institutions. Research also indicates that educational aspirations and outcomes are lower in rural areas. More than half of Victoria's Indigenous population lives in rural Victoria and one-third of the Indigenous population is under 15 years old.

These factors create a unique and complex challenge for government agencies working in rural Victoria. Successfully engaging rural students to achieve at a high standard requires commitment and a multifaceted, long-term approach.

The Department of Education and Early Childhood Development (DEECD) is responsible for providing all students with access to a high-quality education. It has committed to raising standards of learning and development, and increasing the number of people participating in education. To be truly effective in achieving these objectives, DEECD will need to address the barriers and challenges that continue to have a negative impact on rural students. While some barriers are not within DEECD's direct control, there is still enormous potential for its funding and programs to positively influence and improve rural students' educational outcomes.

Providing high-quality, readily accessible education to rural students is a challenge that is not unique to Victoria. Other Australian jurisdictions—including those faced with far more significant geographic challenges and lower population density, such as Queensland and Western Australia—are grappling with these same issues with varying degrees of success.

This audit assessed the effectiveness of DEECD's activities to ensure that Victorians in rural areas have access to a high-quality education and that outcomes for these students are maximised. The audit focused on the provision of government school education and vocational education and training (VET).

## Conclusions

DEECD has not provided access to high-quality education for all students. The gap in performance between rural and metropolitan students in Victoria has persisted and shows no sign of narrowing. While DEECD undertakes many activities that assist rural educators and students, these have not resulted in a significant improvement in performance.

DEECD does not understand the impact of its funding and programs on the major barriers to rural students' achievement. Its programs have not been developed as part of an informed strategy.

Participation in VET has increased across the state since 2008. However, growth in rural areas has been slower than in metropolitan Melbourne. DEECD has made a series of subsidy adjustments in the VET sector over the past two years, designed to correct an oversupply of training. This is significant in rural Victoria where there are fewer training options and student aspirations are lower. Recognising that rural VET providers continue to face an inconsistent competitive environment, DEECD increased funding for rural providers. However, it remains unclear how rural training options will be affected in future.

While the schools interviewed as part of this audit indicated that Commonwealth and state funding is making a difference, DEECD lacks empirical evidence to support this.

Reviews and research published over the past decade have identified common barriers to accessing and participating in education for people in rural areas. DEECD understands what these barriers are but has not adopted a comprehensive, research-based approach to address them. It has:

- administered additional funding to rural schools
- supported and promoted a range of small programs, mainly targeted at reducing disadvantage
- implemented significant reforms in the VET sector.

This combination of funding, programs and reforms has enabled education providers in rural Victoria to offer more targeted, localised programs and services, and DEECD is beginning to address the barriers faced by rural students by developing a new Rural and Regional Plan. However, the plan is now behind schedule. If this plan is going to make a difference for rural students, prior to finalising it, DEECD needs to:

- comprehensively analyse its current approaches and research a broad range of alternatives
- engage with rural communities and stakeholders to ensure the plan is well targeted and achievable
- identify and articulate long- and short-term objectives and funding, and strategies to address these objectives
- commit to adopting interim and long-term performance measures that allow it to periodically assess successes, challenges and progress against its objectives.

## Findings

### Outcomes and barriers

Rural students are behind their metropolitan peers on academic achievement, attendance, senior secondary school completion and connectedness to their school. While the gaps in performance are not always large, they have changed little over time and show no signs of improving.

Research into rural education has identified that there are socio-cultural factors, such as socio-economic status and lower parent and student educational aspirations, that impact on student outcomes. Financial constraints, distance and availability of public transport also impact on student access to and participation in education. These barriers affect student attendance, engagement and performance, with the consequence that rural students are considerably less likely to complete school and go on to further education.

DEECD is aware of the barriers to rural students' participation and achievement in education. Primarily, DEECD supports rural students by providing additional funding to rural schools through their school budgets. It also provides a range of, often small, programs to address these barriers. However, DEECD has limited understanding of the effectiveness of its activities in supporting and engaging rural students and their families.

VAGO examined the delivery of the School Bus Program, which is jointly operated by Public Transport Victoria (PTV) and DEECD, as one of the major levers available to support rural students. The School Bus Program is critical for rural students and schools. PTV regularly reviews school bus routes and has recently completed a joint review with DEECD that identified:

- that managing the program is administratively onerous for schools
- spare capacity across the service
- revenue losses resulting from administrative shortcomings.

PTV and DEECD are also addressing a major concern for schools—that schools are responsible for determining and enforcing eligibility requirements for the School Bus Program for their students. This administrative burden places school principals in a difficult position where they are potentially responsible for denying people access to services. During the course of this audit, PTV and DEECD advised that they are progressively implementing reforms to address this issue.



## Implementing local solutions

In recent years and in line with government policy, DEECD has aimed to make the government school sector increasingly autonomous. DEECD expects its schools to take greater responsibility for dealing with problems and to create local solutions to them. In pursuit of this strategy DEECD encourages school participation in professional networks and has restructured its regional offices to create four offices each covering both metropolitan and rural areas.

Letting schools decide when and on what basis to collaborate with each other can lead to a more targeted and efficient use of school resources. It also broadly accords with research and feedback on addressing barriers to access for rural students. However, the schools interviewed as part of this audit emphasised the important role that DEECD's regional offices played in helping them to collect and analyse student data. DEECD must find ways to continue to support schools on these matters.

DEECD is currently developing a new framework for school performance reporting. The framework will draw upon the school networks to allow performance to be measured and reviewed at a local level. DEECD needs to establish this framework in a clear and timely manner to ensure that the new school networks are set up and functioning, that schools do not become isolated and that underperformance is not neglected.

## Planning to improve performance and outcomes

DEECD has begun developing a new Rural and Regional Plan aimed at reducing learning and development outcome gaps between rural and metropolitan Victorians. The plan is to be informed by research into the effectiveness of existing Victorian funding arrangements for rural schools and VET providers. However, a key piece of research has been delayed.

The plan was originally scheduled to be completed by May 2014. However, this target has been revised to June 2014, and at the current rate of progress there is no certainty that it will be finished by this time, or that it will be sufficiently robust to make a difference to rural student outcomes.

## Recommendations

Number	Recommendation	Page
	That the Department of Education and Early Childhood Development:	
1.	comprehensively evaluates the impact of its current activities to support rural students, including its funding arrangements and specific programs	34
2.	completes its Rural and Regional Plan, ensuring that it is comprehensive, outcomes focused, contains detailed and time bound actions, and is informed by high-quality research and stakeholder engagement	34
3.	develops and implements a method to systematically monitor performance of schools, identifies good practice schools and disseminates this information across its rural school networks	34
4.	provides more targeted information on pathways into further education to assist rural students and parents to make informed educational choices	34
5.	continues to closely monitor changes in the rural VET market, supports VET providers in transition and evaluates the impact of changes to VET market settings on rural provision.	34

## Submissions and comments received

In addition to progressive engagement during the course of the audit, in accordance with section 16(3) of the *Audit Act 1994* a copy of this report was provided to the Department of Education and Early Childhood Development and Public Transport Victoria with a request for submissions or comments.

Agency views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report. Their full section 16(3) submissions and comments are included in Appendix B.





# 1 Background

## 1.1 Introduction

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Providing access to local, relevant and high-quality education and training opportunities is critical to retaining rural students' participation and engagement in education. Educational attainment is an important predictor of future health, employment and welfare prospects and plays an important role in tackling disadvantage. Young people who have gained an education are better able to participate in social, community and political life and make informed, balanced choices. Conversely, young people who have not completed a secondary education are almost four times more likely to report poor health, have mortality rates up to nine times higher than the general population and are more likely to require welfare support and government subsidised services.

This audit assessed the effectiveness of government activities to ensure that Victorians in rural areas have access to a high-quality education.

## 1.2 Rural students

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Almost half—710 out of 1 529—of all government schools are in rural Victoria. However, these schools are collectively responsible for 29 per cent, or 158 093, of the students in government schools.

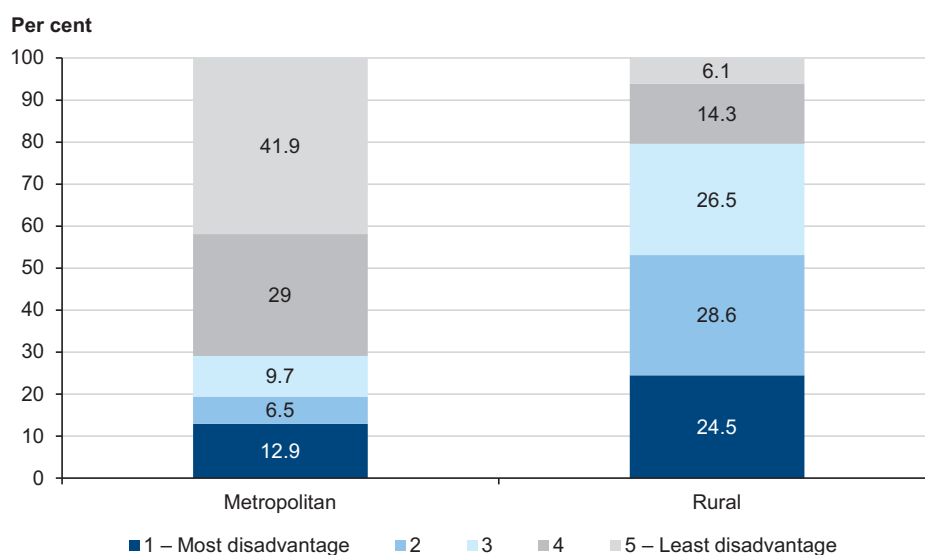
In terms of educational attainment, rural children and young people lag behind their metropolitan peers in several ways:

- Absence rates are higher, with the disparity more pronounced in secondary years.
- A lower percentage of students meet the national minimum standards for reading and numeracy.
- Fewer students complete Year 12.
- The proportion of 15–24 year olds with a Certificate IV qualification or higher is much lower and far fewer students go on to attend university.

Disadvantage can be measured by determining the prevalence of low household income, limited parental education, jobs in unskilled occupations and high unemployment across geographic areas.

Figure 1A compares socio-economic disadvantage in Victoria to give some context to these educational outcomes. Rural Victoria has double the proportion of people experiencing a high level of disadvantage—24.5 per cent compared with 12.9 per cent in metropolitan Melbourne—and a much smaller proportion of people experiencing minimal disadvantage—6.1 per cent compared with 41.9 per cent.

**Figure 1A**  
**Socio-economic disadvantage in metropolitan and rural Victoria, 2006**



Source: Australian Bureau of Statistics, Socio-economic indexes for areas, 2006.

## 1.3 Access

Access to services is a persistent problem in rural areas, as lower demand due to smaller populations makes it difficult to sustain the range of services and opportunities that are available in metropolitan areas. As a consequence, people often need to travel further to access basic services, or do without these options.

Access to education services across rural Victoria varies depending on whether it is:

- compulsory schooling—prep to year 10
- post-compulsory schooling—year 10 to year 12 or equivalent
- further education—including vocational education and training (VET) and university.

The Department of Education and Early Childhood Development (DEECD) is required to provide school facilities for compulsory schooling years on an equal basis in metropolitan and rural areas. Where there is significant distance involved, eligible students can travel for free on school buses.

Access to further education in any community depends on sufficient student demand and the supply of qualified teachers for Technical and Further Education (TAFE) institutions and private VET providers.

## 1.4 Research and reviews

Differences in education participation and outcomes are not a recent phenomenon and are a problem faced by many jurisdictions.

Considerable effort has been directed towards understanding the drivers of these differences, and the barriers that individuals in rural areas face.

Since 2006, many investigations into rural education and rural youth pathways have taken place, including:

- three Victorian Parliamentary inquiries
- a Commonwealth Senate inquiry
- several Victorian Government-commissioned reviews.

Some of these investigations focused on broader rural issues and considered education in this context. Others focused exclusively on education. Collectively, these pieces of work have produced a strong pool of knowledge on the barriers to participation in education and the outcomes associated with these barriers.

**Figure 1B**  
**Rural education barriers and related outcomes:**  
**research and review findings**

Inquiries and reports	Key findings
Victorian Parliament Rural and Regional Services and Development Committee— <i>Inquiry into Retaining Young People in Rural Towns and Communities</i> (2006)	<ul style="list-style-type: none"> <li>• Rural students who need to travel to metropolitan centres to participate in further education face financial and social barriers.</li> <li>• Students who wish to access opportunities in their local communities are disadvantaged because provision is not of the same quality as in metropolitan areas.</li> <li>• As a result, local education and training is an important influence on keeping young people in rural communities.</li> </ul>
Commonwealth Senate Standing Committee on Rural Affairs and Transport— <i>Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities</i> (2009)	<ul style="list-style-type: none"> <li>• For rural students, tertiary education typically means moving away from home and incurring considerable financial costs.</li> <li>• Rural students who have completed year 12 defer the offer of a tertiary education place at a rate two and a half times that of metropolitan students.</li> </ul>
Victorian Parliament Education and Training Committee— <i>Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education</i> (2009)	<ul style="list-style-type: none"> <li>• Poor rural participation in further education is influenced by higher costs to attend university and different ambitions and aspirations.</li> <li>• Fewer rural school leavers apply for university, fewer are offered places and fewer accept the places they are offered.</li> <li>• One in three rural school leavers defer their university offer, compared with one in 10 metropolitan school leavers.</li> </ul>

**Figure 1B**  
**Rural education barriers and related outcomes:**  
**research and review findings – *continued***

Inquiries and reports	Key findings
Victorian Parliament Rural and Regional Committee— <i>Inquiry into the Extent and Nature of Disadvantage and Inequity in Rural and Regional Victoria</i> (2010)	<ul style="list-style-type: none"> <li>A lack of alternative education models in rural areas can lead to people disengaging from school and ongoing marginalisation from education.</li> </ul>
Department of Education and Early Childhood Development— <i>The state of Victoria's children report 2011: A report on how children and young people in rural and regional Victoria are faring</i>	<ul style="list-style-type: none"> <li>Absence rates were higher in rural schools—the disparity was more pronounced in secondary years.</li> <li>A lower percentage of students in rural Victoria meet the national minimum standards for literacy and numeracy.</li> </ul>
Regional Policy Advisory Committee— <i>Research into Education Aspiration for Regional Victoria</i> (2013)	<ul style="list-style-type: none"> <li>Lack of educational aspiration can prevent achievement at all levels of education.</li> <li>Educational aspirations begin to form early in life, and are influenced by various factors including peers, family, socio-economic status and early experiences of education.</li> </ul>

Source: Victorian Auditor-General's Office.

## 1.5 Legislation and policy

### 1.5.1 *Education and Training Reform Act 2006*

The *Education and Training Reform Act 2006* describes the legislative framework for education and training in Victoria. A core principle underpinning the Act is that:

'all Victorians, irrespective of the education and training institution they attend, where they live or their social or economic status, should have access to a high quality education that—

- (i) realises their learning potential and maximises their education and training achievement;
- (ii) promotes enthusiasm for lifelong learning;
- (iii) allows parents to take an active part in their child's education and training'.

### 1.5.2 Victorian policy

The Victorian education system has been reformed over the past decade to give government schools greater autonomy over decision-making. DEECD has shifted away from an interventionist role towards a role more focused on policy setting and oversight. Schools are expected to deliver services and programs that cater for the specific needs of their community from within their annual school budget.

## *Towards Victoria as a Learning Community*

*Towards Victoria as a Learning Community* is a government policy released in 2012 that sets out school reforms and the government's expectations of professional trust, autonomy, accountability and support. *The Compact: Roles and Responsibilities in School Education* is an agreement between schools and DEECD that was released in March 2013 to accompany *Towards Victoria as a Learning Community*. It articulates respective accountabilities and commits DEECD to targeting underperforming schools and intervening to address issues.

## *Professional practice and performance for improved learning: school accountability*

Released in November 2013, this policy follows the *Towards Victoria as a Learning Community* reform agenda by setting out new requirements for performance planning, self-evaluation and review, and performance reporting tools for schools. Its key objectives are to support collaboration and networking amongst schools and to maximise access and inclusion to engage the most vulnerable and disadvantaged students.

As part of this policy DEECD is developing a new framework for school performance reporting which will allow performance to be measured and reviewed for specific places and cohorts.

## Vocational training policy

In 2012 as part of the strategic direction outlined by the policy document *Refocusing Vocational Training in Victoria*, the government changed the level of subsidies provided for different vocational courses, to better target areas of greatest public benefit and future jobs growth. Caps on course fees were removed and providers are now free to set their own prices.

DEECD's 2013 document *Next Steps for Refocusing Vocational Training in Victoria—Supporting a Modern Workforce* commits \$200 million to contestable grants for structural adjustment. The funding is intended to support innovation, collaboration, structural reform and business transformation to ensure regional TAFEs ongoing financial sustainability. Providers are expected to develop Business Transition Plans to demonstrate how they will manage the transition.

## Rural education policy

The *DEECD 2013–17 Strategic Plan* highlights the difference in educational outcomes between rural and metropolitan Victoria. It states that 'there is an unacceptable degree of variation in outcomes between different parts of Victoria (rural, regional and within metropolitan areas), and in access to services from early childhood through to higher education'.

In October 2010 the Victorian Government released *Victoria's Rural Education Framework* which sets out a number of initiatives to improve rural education outcomes through stronger leadership, a stronger workforce, a 21st century curriculum and partnerships. The framework has not been applied since the change of government in November 2010. No new policy direction has been established to replace it.

*Opening doors for all Victorians: the Tertiary Education Access Plan*, a policy aimed at improving tertiary attainment by rural students, was also released before the election in 2010. Elements of the policy were retained, however, the plan ceased to be government policy from November 2010.

## 1.6 Roles and responsibilities

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### 1.6.1 Department of Education and Early Childhood Development

#### Overview of role

DEECD manages, coordinates, implements and oversees government school education across Victoria and is responsible for the delivery of the government's intended policy outcomes.

DEECD is also responsible for educational policy development and the high-level administration of VET. DEECD monitors the quality, price and competitiveness of the training market and funds training providers to deliver government subsidised training. In 2013 DEECD released a new annual report, *Vocational Training: Victoria's Regional Report 2012*. This report provides regionally-specific data on student cohorts, enrolments and fee changes, together with prospects and challenges for rural training and employment.

#### Role in distributing funding to rural schools and training providers

Both the state and Commonwealth governments fund additional support for disadvantaged and disengaged student cohorts, of which rural Victoria has a large proportion.

Victoria provides funding for schools through the Student Resource Package. In 2013 DEECD provided \$58 million in loadings—specific funding administered through the Student Resource Package—that comprises of the following:

- **rural school size adjustment factor**—for eligible small primary, secondary and prep to year 12 schools
- **Country Areas Program**—calculated according to the school's distance from Melbourne and nearest provincial centre
- **location indexed funding**—which involves a base allocation and per student allocation based on distance.

From 2010 to 2013 the *Commonwealth National Partnership on Youth Attainment and Transitions* provided DEECD with \$97 million in funding that was allocated to:

- School Business Community Partnership Brokers
- Workplace Learning Coordinators
- Apprenticeship Support Officers
- Career Development Services
- Koorie Transition Officers.

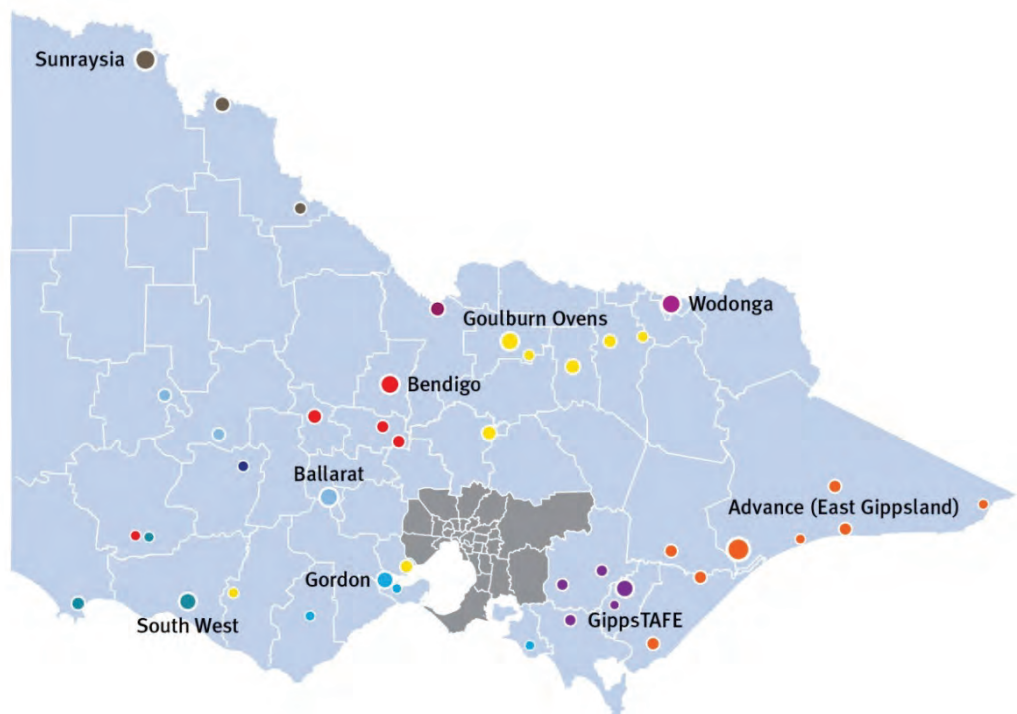
Under the *Smarter Schools National Partnership* the Commonwealth Government provided funding to Victorian schools for:

- low socio-economic status school communities—\$223.6 million for government schools from 2008–09 to 2014–15
- literacy and numeracy—\$86 million, of which \$38 million was provided to DEECD and government schools from 2008–09 to 2011–12
- improving teacher quality—\$74.2 million, of which \$33.4 million was provided to government schools from 2008–09 to 2012–13.

## 1.6.2 Vocational education and training providers

VET courses are provided to rural students by nine rural TAFEs and an increasing number of private providers. Five Victorian universities have rural campuses.

**Figure 1C**  
Location of rural TAFE campuses



*Note:* University of Ballarat is now Federation University Australia.

*Source:* Victorian Auditor-General's Office based on *TAFE Reform Panel—A strong and sustainable Victorian TAFE sector*.

TAFE institutes are government-owned entities but are independently governed by a board. TAFE institutes compete with private training providers in the training market for students and government funding.

DEECD recently increased the loading for rural VET students from 5 per cent to 10 per cent for all subsidised training delivered in a non-metropolitan area to recognise the additional cost of providing services in a smaller market.

### 1.6.3 Public Transport Victoria

Public Transport Victoria jointly delivers the School Bus Program with DEECD to facilitate access to education in rural areas. This program provides free bus transport to eligible primary and secondary students living in rural Victoria so that they can access their nearest school. The services are designed so that students are not travelling for more than one hour. School administrators determine student eligibility using established guidelines.

## 1.7 Audit objective and scope

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The objective of the audit was to assess the effectiveness of government activities to ensure that Victorians in rural areas have access to a high-quality education by determining whether:

- DEECD has identified barriers to rural students accessing education
- DEECD has adopted a comprehensive approach to providing education in rural areas of Victoria that targets improved outcomes for students and includes relevant programs and initiatives to support those with the greatest disadvantage
- rural students have access to a high-quality education, and whether their educational outcomes are improving over time.

The audit focused on DEECD as the government agency responsible for the provision of compulsory schooling and arrangements for the provision of VET in rural Victoria. All references to schools are government schools, unless otherwise indicated.

The audit report defines 'rural' as the area covering DEECD's former non-metropolitan regions—Barwon South West, Gippsland, Grampians, Hume and Loddon Mallee.

Across rural Victoria the audit team conducted interviews at:

- three primary schools
- four secondary schools
- two primary to year 12 schools
- one specialist school
- three VET institutions.

The audit also considered Public Transport Victoria's role in the provision of school bus services in rural areas.



## 1.8 Audit method and cost

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The audit was conducted under section 15 of the *Audit Act 1994*, and was performed in accordance with the Australian Auditing and Assurance Standards. Pursuant to section 20(3) of the *Audit Act 1994*, unless otherwise indicated any persons named in this report are not the subject of adverse comment or opinion.

Total cost of the audit was \$432 000.

## 1.9 Structure of the report

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The report is structured as follows:

- Part 2 examines outcomes for rural students
  - Part 3 examines addressing the barriers to accessing a high quality education.
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# 2 Outcomes for rural students

## At a glance

### Background

Educational attainment can drive better outcomes in health, employment and welfare. It can also play an important role in tackling disadvantage. Young people who attain higher levels of education are better able to participate in social, community and political life and make informed, balanced choices.

### Conclusion

Students from rural schools generally achieve poorer outcomes than those from metropolitan schools. Academic performance is poorer and students are less engaged with their education. This has led to lower rates of school completion and to fewer students going on to higher level study or training.

### Findings

- Students at rural government schools are considerably less likely to complete school than those who attend metropolitan schools.
- Students at rural schools perform consistently below their metropolitan peers in the National Assessment Program—Literacy and Numeracy (NAPLAN) tests.
- Students who achieved the national minimum standard in their Year 9 NAPLAN tests at a metropolitan school are more likely to complete Year 12 than their rural colleagues.
- Students at rural schools are more likely to commence an apprenticeship or traineeship or to be working, and less likely to be studying a bachelor degree in the year after they leave school than their metropolitan peers.
- Growth in vocational education and training enrolments has been slower in rural areas than metropolitan areas since 2008.

## 2.1 Introduction

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The *Education and Training Reform Act 2006* states that all Victorians should have access to a high-quality education that maximises their educational outcomes.

This Part examines the available evidence comparing student outcomes for metropolitan and rural Victoria.

## 2.2 Conclusion

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Despite only small negative differences in connectedness, attendance and educational performance measures, students attending rural schools are considerably less likely than students in metropolitan schools to finish school.

As a consequence, these students are also much less likely to attend university or go on to further study at a Certificate IV level or above. However, they are more likely to participate in apprenticeships and traineeships and to take up employment.

In 2013, the Department of Education and Early Childhood Development (DEECD) engaged a contractor to conduct a review of the disparities in rural and metropolitan education performance, including the measures reported on in this Part. However, this research has been delayed and has not advanced sufficiently to provide meaningful insight into the reasons for poorer rural education performance. DEECD is therefore not well placed to effectively target its resources and effort.

## 2.3 Realising potential and maximising achievement

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Using performance data to compare metropolitan and rural student cohorts is a powerful way to assess how barriers to education for rural students work and to monitor the impact of government activities. In this section we consider the following measures:

- student attendance
- senior secondary school completion
- connectedness
- academic achievement.

### 2.3.1 Attendance

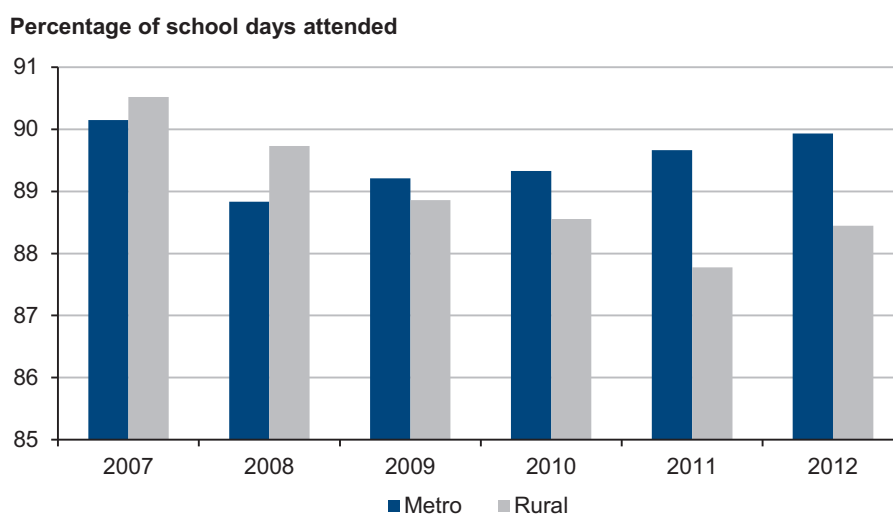
School attendance is a measure of how engaged students and their parents are with education and their school in particular.

Figure 2A shows that attendance at rural schools steadily declined from 2007 to 2011, before climbing slightly in 2012. By contrast, attendance at metropolitan government schools has remained constant at around 90 per cent when comparing 2007 and 2012.

On average, rural students are absent from school for around 22 days each year. However, this figure is likely to mask a range of extremes, such as children with very low attendance. Interpreting this data would be easier if it was possible to examine the outlying cohort. However, this information was not available.

Rural schools interviewed as part of the audit noted that attendance was a persistent challenge and they had used a variety of approaches to address this, including sending letters to parents and using community liaison officers.

**Figure 2A**  
School attendance of students in Years 7–10  
in Victorian government schools



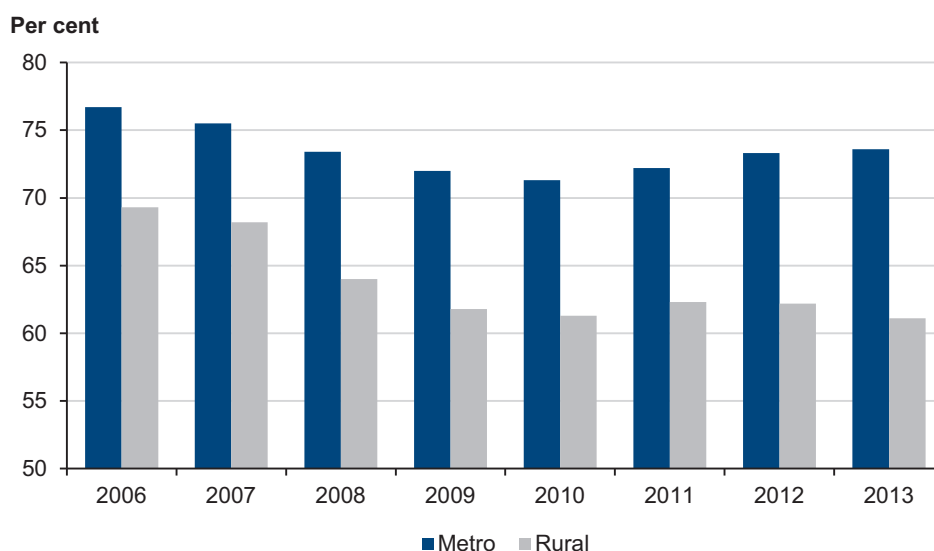
Source: Victorian Auditor-General's Office analysis of Department of Education and Early Childhood Development data.

### 2.3.2 Senior secondary completion

Figure 2B shows that senior secondary completion rates for both rural and metropolitan students fell between 2007 and 2013. However, this drop was more pronounced among rural students and the gap between rural and metropolitan students widened over time. As a result, students in rural schools are now significantly less likely to complete Year 12 than students in metropolitan schools.

In 2006 completion rates for students at rural government schools were approximately 7 per cent lower than for metropolitan students. By 2013 this gap had widened to 13 per cent.

**Figure 2B**  
**Government senior secondary completion rates for 19-year-olds**



Source: Victorian Auditor-General's Office analysis of Department of Education and Early Childhood Development data.

### 2.3.3 Connectedness

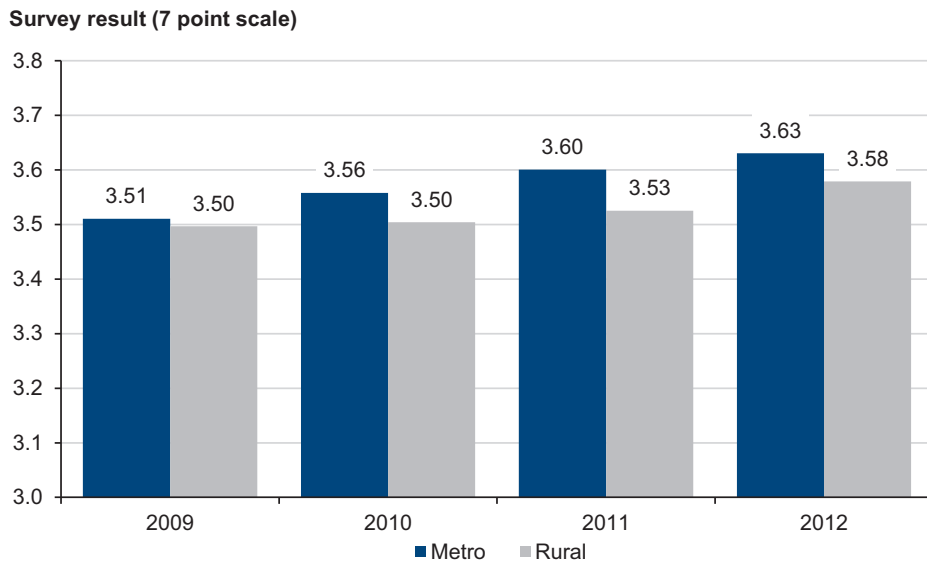
DEECD carries out four major annual surveys in government schools:

- Parent Opinion Survey
- Staff Opinion Survey
- Attitudes to School Survey for Years Prep–6
- Attitudes to School Survey for Years 7–12.

The surveys are important indicators of student and community engagement with education. There is a distinct difference in how connected teachers and parents feel compared with students—parents and teachers in rural areas are consistently more positive and engaged than parents and teachers from metropolitan areas.

However, Figure 2C shows that this is not the case for students. Students at rural schools generally feel less connected to their school than students attending metropolitan government schools.

**Figure 2C**  
**Attitudes to School Survey connectedness results for students in Years 7–12**



Source: Victorian Auditor-General's Office analysis of Department of Education and Early Childhood Development data.

### 2.3.4 Academic achievement

The National Assessment Program—Literacy and Numeracy (NAPLAN) examines student achievement in Year 3, Year 5, Year 7 and Year 9. The national minimum standard is an agreed acceptable level of knowledge and skills for that age group. Students who are not at the national minimum standard are likely to have difficulty making sufficient progress at school. It is a low benchmark. NAPLAN performance is commonly reported as the percentage of students who are at or above the national minimum standard.

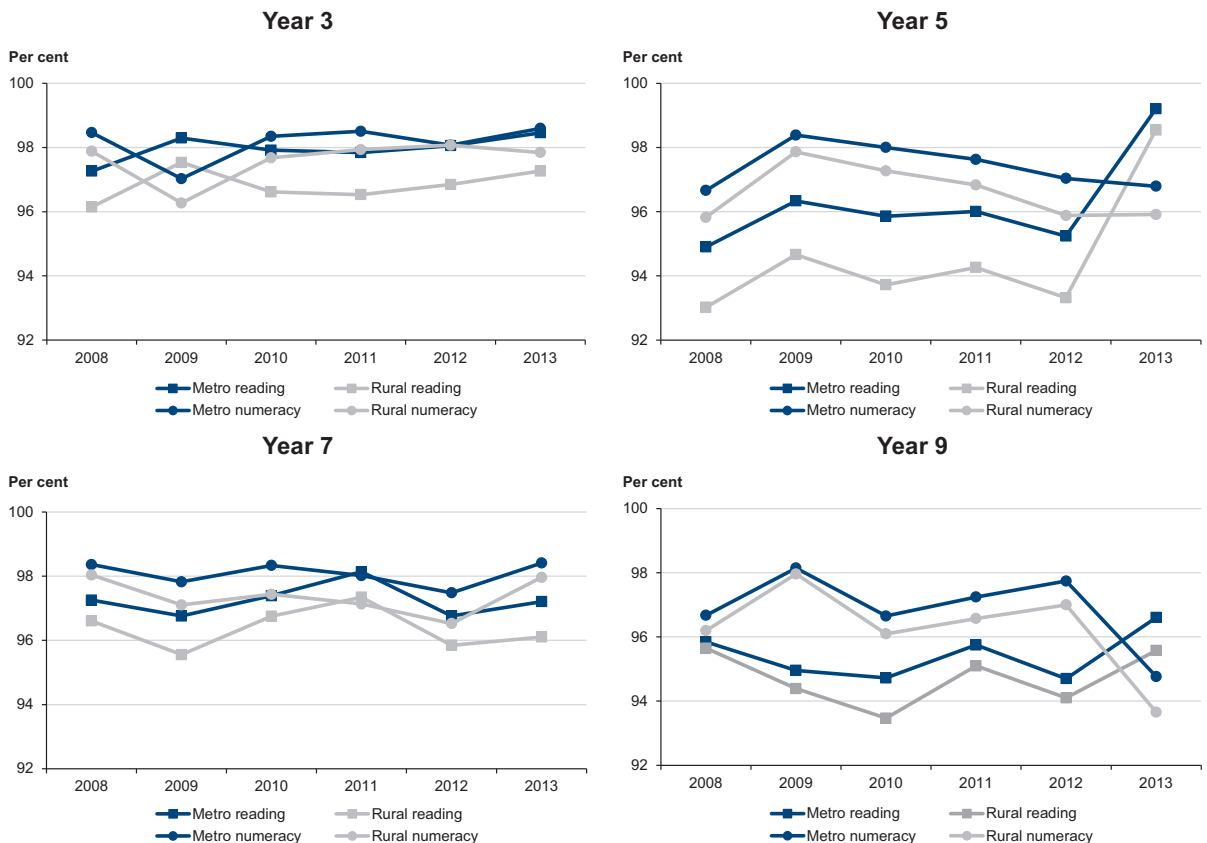


Figure 2D shows the percentage of students at the different year levels who are at or above the national minimum standard for NAPLAN measures. NAPLAN scores are published using four geographical descriptors. Some, remote and very remote, are less relevant for Victoria so the audit has instead shown the data as metropolitan and rural scores only.

Overall, students in rural schools have consistently performed below their metropolitan peers over the past six years.

The gap in performance between metropolitan and rural students is relatively small—in the region of 1 to 2 percentage points—however, a similar gap exists between the highest and lowest performing states in Australia. For example the rural-metropolitan gap for Year 3 reading in Victoria was 1.3 percentage points. The gap between the highest and lowest performing states on this measure was 2 percentage points. Given that rural students account for 29 per cent of students in Victoria, even a small redress of this underperformance would potentially improve Victoria's position relative to other states and territories.

**Figure 2D**  
**Proportion of Victorian students who are at or above the national minimum standard for their year level, NAPLAN results 2008–12**



*Note:* These results may vary slightly from results published by Australian Curriculum Assessment and Reporting Authority due to methodological differences.

*Source:* Victorian Auditor-General's Office analysis of Australian Curriculum Assessment and Reporting Authority data.



### Links between NAPLAN assessments and school completion

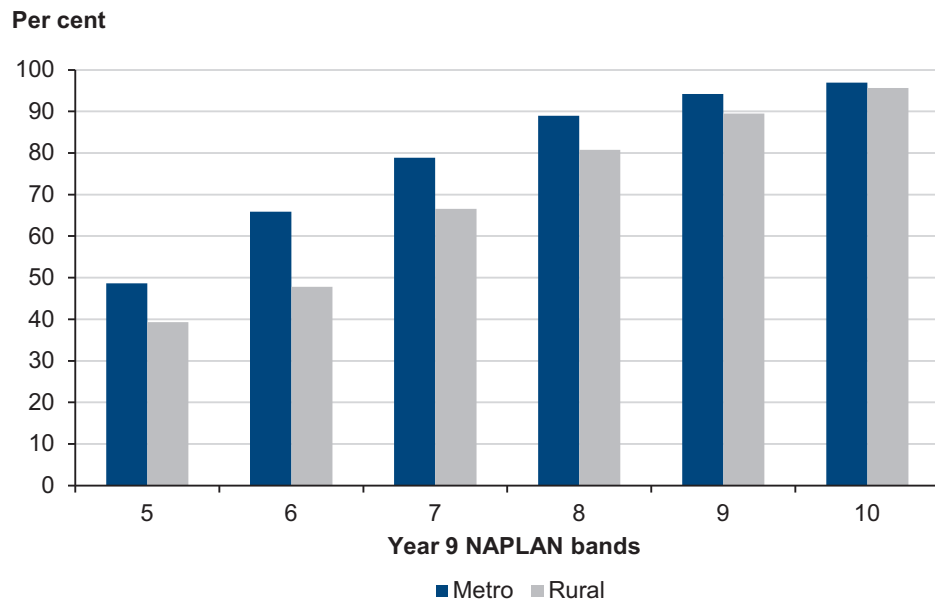
Figure 2E shows that the gap between metropolitan and rural students on school completion is widest for students at or just above the national minimum standard.

Attending a rural school has little apparent impact on the likelihood of high performing students completing school. In contrast, students in rural schools who perform poorly on Year 9 NAPLAN literacy tests are considerably less likely to complete school than students from metropolitan schools who perform poorly.

The gap between metropolitan and rural students was at its widest among students who achieved band 6—the national minimum standard in Year 9. Only 48 per cent of students from rural schools who achieved band 6 went on to complete a Year 12 qualification compared to 66 per cent of metropolitan students.

The same trend occurred for Year 9 NAPLAN numeracy results.

**Figure 2E**  
**Comparison of Year 12 completion rates in metropolitan and rural Victoria, by Year 9 NAPLAN reading result band**



*Note:* These results may vary slightly from published results due to methodological differences.

*Note:* This data includes all schools in Victoria, not just government schools.

*Source:* Victorian Auditor-General's Office analysis of Australian Curriculum Assessment and Reporting Authority data.

## 2.4 Access to learning opportunities after school

Student participation in higher education and training is effected by a range of factors, including but not limited to:

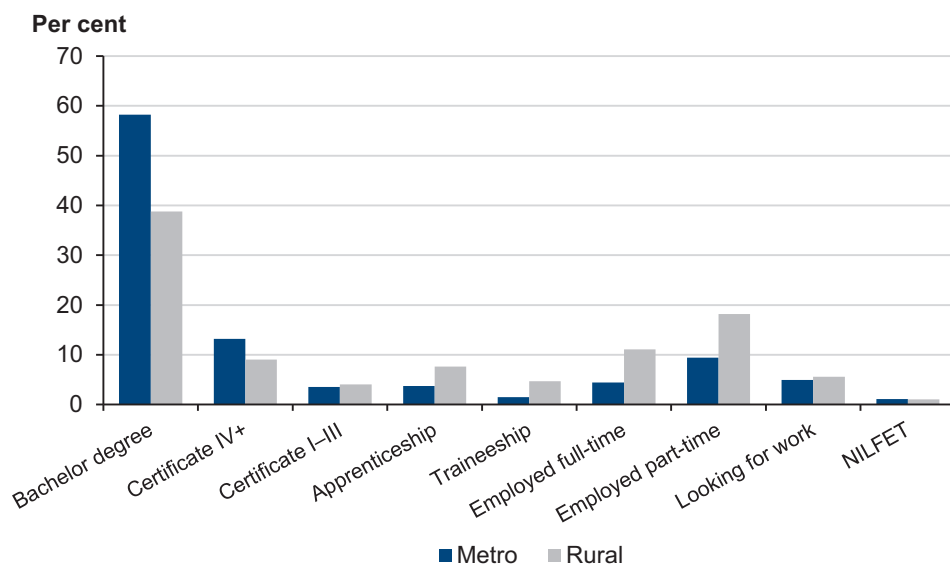
- academic aptitude and achievement
- individual, cultural and familial aspirations
- local skills demand
- availability of accessible, affordable courses.

### 2.4.1 School leaver destinations

Together, small negative differences in connectedness, attendance and educational performance appear to combine to magnify the likelihood that students in rural areas will not complete school.

Figure 2F, which uses data from DEECD’s On Track Survey, shows the outcome of this disengagement, with fewer rural students attending university or participating in higher levels of post-compulsory education. The On Track Survey collects destinations data from students willing to participate six months after they leave school. Sixty-three per cent of school leavers were surveyed in 2013.

**Figure 2F**  
**Destinations of students who completed Year 12, 2013**



*Note:* NILFET stands for 'not in the labour force, education or training'.

*Source:* Victorian Auditor-General's Office analysis of Department of Education and Early Childhood Development data.

The data shows that students from rural schools are more likely to move into full or part-time employment, or work-related training such as apprenticeships and traineeships, compared to metropolitan students. Students from rural schools are also less likely to participate in higher level certificate courses—Certificate IV and above—than their metropolitan peers.

The Victorian Parliament's 2009 report *Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education* found that lower participation was a result of:

- the high cost of university for rural students—particularly associated with living away from home
- differences in the ambitions and aspirations of students and their families
- differences in school completion and academic achievement.

## 2.4.2 Government subsidised vocational education and training enrolments

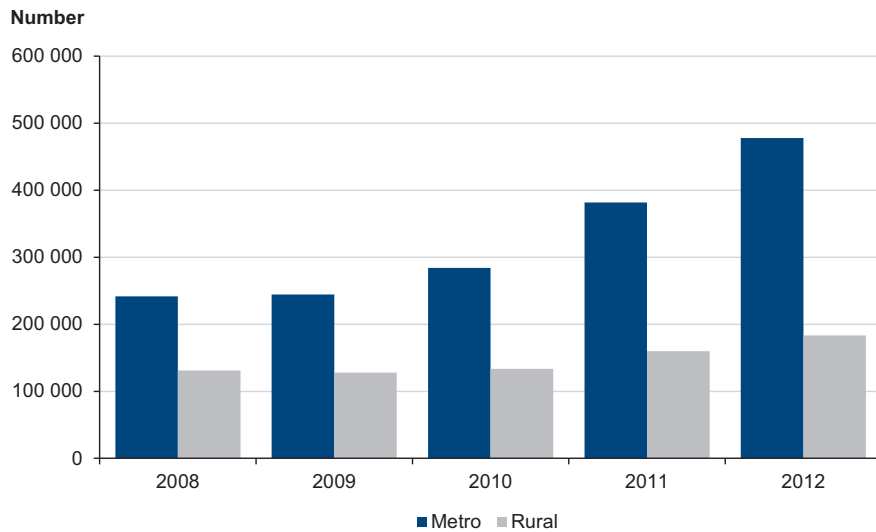
The number of government subsidised enrolments in vocational education and training (VET) courses is one indicator of the difference between metropolitan and rural student higher education participation levels. DEECD does not collect data about student enrolments in courses provided at private training organisations that are not subsidised, so it not possible to understand how much of the rural market share these training providers hold, or how this may change in future.

In 2009 the state government introduced the Victorian Training Guarantee which fundamentally changed the VET market in Victoria. The policy allows all eligible students to enrol in VET at approved public and private training organisations in Victoria, creating a demand-driven model. Prior to 2008, the Victorian Government bought a set number of training places at public training providers each year.



Since 2008 government subsidised enrolments in VET have increased by over 75 per cent. Figure 2G shows that metropolitan enrolments have grown significantly—almost doubling in five years—compared to only 40 per cent growth in enrolments with rural providers.

**Figure 2G**  
**Government subsidised VET enrolments, 2008–12**



Source: Victorian Auditor-General's Office analysis of Department of Education and Early Childhood Development data.

In response to the significant growth in enrolments causing an oversupply of course provision, the state government made a number of changes to the subsidy levels of some VET courses during 2012 and 2013. Enrolment patterns across the state can be affected by these changes as well as a range of variables, including individual provider performance. Further fluctuations are expected following the most recent subsidy measures, including a tightening of eligibility requirements for foundation courses and recognition of prior learning, announced in October 2013.

Comparing the most recently published enrolment data, from the third quarter of 2013, with enrolments since 2011 shows that rural training providers have experienced moderate growth of 13 per cent overall. However, Figure 2H shows that the reduction in enrolments between the third quarter of 2012 and the third quarter of 2013 was more significant for rural training providers than their metropolitan peers. Performance varied across all regions.

**Figure 2H**  
**Changes in government subsidised VET enrolments, 2011–13**

	2011–12	2012–13
Change in enrolments at metropolitan training providers	37 per cent	-8 per cent
Change in enrolments at rural training providers	25 per cent	-10 per cent

Source: Victorian Auditor-General's Office analysis of Department of Education and Early Childhood Development data.

# 3 Addressing the barriers to accessing a high-quality education

## At a glance

### Background

There are a variety of barriers to access to education in rural Victoria which have had a negative impact on students' educational achievements.

### Conclusion

The Department of Education and Early Childhood Development (DEECD) is aware of the barriers to rural students' participation and achievement in education. However, it does not understand the effectiveness of its activities to support and encourage rural students and their families to better engage in education and achieve better educational outcomes. Despite doing some modelling of the rural impacts of subsidy adjustments, DEECD does not know how the breadth of training options in rural areas will change. DEECD is developing its Rural and Regional Plan to address what it identifies as an unacceptable degree of variation in outcomes between different parts of Victoria. However, progress on this plan has been slow and needs to accelerate.

### Findings

- Major barriers to access include individual aspirations, socio-cultural influences, financial issues and the availability of education services.
- DEECD provides funding and targeted programs to support rural students and educators but does not understand if these are effective or efficient.
- DEECD is developing a Rural and Regional Plan, but progress has slowed and its likelihood of success is unclear.

### Recommendations

That the Department of Education and Early Childhood Development:

- comprehensively evaluates the impact of its current activities
- completes its Rural and Regional Plan
- develops and implements a method to systematically monitor school performance
- provides more targeted information on pathways into further education
- fully evaluates the impact of changes to vocational education and training market settings on rural provision.

## 3.1 Introduction

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Education and training has profound social and economic benefits for individuals, and increasing educational participation and attainment is a critical goal for government. Achieving this goal requires a good understanding of the barriers that impede access to a high-quality education, an evidence-based, comprehensive plan to address the barriers, and ongoing monitoring, evaluation and continuous improvement.

There is a large body of research that identifies the barriers that diminish educational outcomes for rural students. Major barriers identified repeatedly through research and reviews include individual aspirations, socio-economic influences and the proximity and quality of education services.

Outcomes data shows that rural students are less likely to realise their learning potential and maximise their educational achievement. The Department of Education and Early Childhood Development (DEECD) identified in the *DEECD 2013–17 Strategic Plan* areas where outcomes fall short of its expectations, including that ‘there is an unacceptable degree of variation in outcomes between different parts of Victoria (rural, regional and within metropolitan areas)’.

This Part examines DEECD's progress in understanding and addressing the barriers contributing to poorer student outcomes in rural areas.

## 3.2 Conclusion

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DEECD is aware of the barriers to rural students accessing a high-quality education and has commissioned research to provide it with a better understanding of these barriers. While a range of Commonwealth and state programs aim to address these barriers, they are not part of a comprehensive, evidence-based, evaluated strategy.

The proliferation of initiatives and inconsistent evaluation in this area make it difficult to determine what has been achieved and highlight the urgent need for DEECD to complete its foundational research and develop and properly implement a comprehensive plan for rural education.

The Victorian Training Guarantee has expanded access to vocational education and training (VET) and to the choice of providers available across the state. DEECD monitors government subsidised training activity and modelled the likely impacts on students and training providers before adjusting subsidies. However, without understanding the range of fee-paying courses available, DEECD cannot comprehensively evaluate the impact of funding adjustments on course provision in rural areas, where student educational aspirations are already low.

Progress towards completion of the Rural and Regional Plan has slowed. Its project board has not met since October 2013, the research is running late and DEECD could not provide us with a detailed project plan setting out definite time lines and deliverables.

Accordingly, our recommendations focus on DEECD renewing its efforts to put in place these key building blocks and making measurable progress in methodically addressing the barriers that rural students face in accessing a high-quality education.

### 3.3 Identifying barriers to access

Barriers to rural students' participation and achievement in education can be grouped into four key themes. These are summarised in Figure 3A. These barriers apply to both school and VET, although the solutions for each differ.

**Figure 3A**  
**Key barriers to rural students' participation in education**

Key theme	How this acts as a barrier
Educational aspirations	<p>An individual's personal educational aspirations play a significant role in their ongoing participation in school and further education. Aspirations are influenced by:</p> <ul style="list-style-type: none"> <li>• peers and family members' attitudes to education</li> <li>• socio-economic status</li> <li>• local availability of education options.</li> </ul> <p>Low aspirations in the early years of schooling can have a lasting impact, which in turn can introduce further barriers later. For example, low aspirations can lead to absences from school, early disengagement from school and more difficulty re-entering the training system at a later stage.</p>
Proximity to educational institutions	<p>The lack of availability and access to quality education facilities in close proximity to rural populations impedes participation and achievement for rural students.</p> <p>This barrier applies across all sectors but is particularly pronounced in post-compulsory education, as higher education options in rural areas are limited.</p> <p>Provision of public transport links to education facilities is a related consideration which has the potential to relieve this barrier.</p>
Quality of education	<p>Quality education is essential for achieving positive outcomes. Rural areas face additional challenges to providing quality education through:</p> <ul style="list-style-type: none"> <li>• difficulty attracting and retaining a skilled teaching workforce</li> <li>• difficulty providing a breadth of subjects and a range of education models to suit all learning types.</li> </ul>
Financial issues	<p>Rural students face considerable additional costs to participate in education compared with their metropolitan counterparts. Additional costs can relate to:</p> <ul style="list-style-type: none"> <li>• transport</li> <li>• relocation expenses</li> <li>• ongoing housing costs when living away from home to access education.</li> </ul> <p>These additional costs are perceived to be a driver for the high rates of deferral amongst rural students.</p>

Source: Victorian Auditor-General's Office.

There is significant scope for DEECD to influence these barriers. Major barriers such as lack of proximity to schools can be influenced by providing a cost-effective, timely and efficient school bus service. Likewise, teacher training and recruitment programs can attract new teachers to rural communities, and effective communication with students, parents and community leaders can have a positive influence on students' aspirations.

Schools and training providers interviewed for this audit drew particular attention to the impact of transport and financial barriers on students' willingness and ability to participate in further education. One of the schools interviewed as part of this audit had attempted to partner with a university in the region to encourage its students to aim higher and make the leap into higher education. However, students could not easily reach the campus and the partnership did not proceed. Among schools and further education providers interviewed as part of this audit, the lack of regular public transport to educational campuses was identified as one of the biggest barriers to students participating in further education and training.

## 3.4 Understanding barriers to access

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DEECD has attempted to better understand these barriers in recent years. Its *The state of Victoria's children report 2011* examined the incidence of developmental and socio-cultural disadvantage in rural Victoria. This report provided a wealth of information about the challenges faced by young people in rural Victoria, and the impacts of these challenges on their educational outcomes. While this is an encouraging start, DEECD has been slow to further develop this work to understand the impact of its funding and programs on rural student outcomes.

In May 2013, DEECD started work on a new Rural and Regional Plan. To inform this plan, DEECD will utilise three major pieces of research. The most significant piece of research—the review of rural education in Victoria—has been delayed.

- **Review of rural education in Victoria**—This foundational review will examine performance in rural schools in Victoria. It will consider the types of issues that schools face and the extent to which these are being addressed through funding and policy setting. Due in November 2013, this review has been delayed and DEECD has not been able to advise when it will be available.
- **Review of digital learning in curriculum provision**—This review recommended that DEECD expand the use of digital technology in schools while ensuring that all students maintain a degree of face-to-face contact with teachers.
- **Reviews of vocational education and training settings**—An analysis of the impacts of market settings on student training patterns, training markets and structures, including in rural vocational training markets, is being completed. This incorporates analysis of VET fees and charges, training delivery costs and cost drivers.



The first piece of research is fundamental to the development of DEECD's rural plan. Without it, DEECD's understanding of barriers to accessing education and how its activities can address these barriers will be limited.

DEECD has also attempted to better understand specific rural skill needs and publishes a range of skills information to assist providers and students with decision-making. However, it may need to consider differentiated and more targeted approaches to informing rural students and encouraging them to undertake higher levels of education.

## 3.5 Addressing school barriers

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### 3.5.1 School funding

Both the Victorian and Commonwealth Governments provide financial support to schools to assist with disadvantaged and disengaged students. While there is some evidence that the Commonwealth funding is resulting in improved school performance, DEECD does not require schools to show that the additional rural funding it provides has been spent in an efficient and effective way.

#### Victorian Government funding

Most state funding is provided through school budgets and can include funding based on location, school size and socio-economic status. In 2013, DEECD distributed \$58 million in specific funding for rural schools—approximately \$80 000 per school. Schools can use these funds in any way that they determine best meets the needs of their student population. DEECD does not require schools to account for how this funding is spent, or report on the outcomes they have achieved with it. DEECD has not evaluated the impact or value for money being delivered from this investment.

Additional school funding is provided through two other programs:

- DEECD's Managed Individual Pathways program for students at risk of disengaging distributed \$4.9 million to rural schools in 2013. This represented 30.4 per cent of Managed Individual Pathways funding for that year. Twenty-nine per cent of Victorian students attend rural schools.
- The Regional Growth Fund provides for the Local Solutions Year 12 Retention Fund, which is popular with schools, and there is some evidence of improved attendance. However, this funding program is due to end 31 December 2015.

## Commonwealth Government funding

Under two National Partnership Agreements, the Commonwealth Government recently contributed \$392 million to Victorian schools. These programs were administered by the state government and implemented in schools across the state. This funding was not targeted specifically at rural schools. However, rural demographics mean that rural schools received a considerable share of funding from these two programs:

- **National Partnership on Youth Attainment and Transitions (NPYAT)**—provided \$97 million funding over four years, 2010–13, to programs to improve secondary school attainment rates and transitions. NPYAT programs provided increased resources for students at risk of disengaging. Schools interviewed as part of this audit were positive about the impact of this funding. However, data on school leaver destinations is not sufficiently robust to show the impact that NPYAT activities may have had in supporting students in their post-school transition. While an external evaluation noted that the funding helped improve coordination of initiatives and information sharing, there is no evidence that this program has improved the likelihood of rural students going on to further education and training.
- **Smarter Schools National Partnership (SSNP)**—providing \$295 million to DEECD and government schools over eight years, 2008–15, for programs for low socio-economic areas, which aim to improve literacy, numeracy and teacher quality. Schools interviewed as part of this audit indicated that SSNP funding has made a difference, allowing them to better target resources to students at risk of disengaging from school. Specifically, they indicated that this funding had improved oral language skills in Indigenous students and the capacity of teachers to work with disadvantaged students. An evaluation of SSNP reported that students had improved experiences in their learning environment and that teacher effectiveness was at substantially higher levels. Teachers also reported higher opinions of their teaching practice as well as higher support from school leaders. Victoria, however, was judged as ineligible for the total reward payments available.

### 3.5.2 School networks and delivering local solutions

The government's 2013 policy *Professional Practice and Performance for Improved Learning: School Accountability* was developed to support greater collaboration between schools, maximise student access and inclusion, and engage the most vulnerable and disadvantaged students. This policy accords with research about barriers to rural access to education. However, further work remains for DEECD to fully articulate how it will monitor, support and guide schools towards evidence-based, effective solutions.

With this policy, DEECD restructured its offices, reducing its nine offices to four. Each of the new offices covers both metropolitan and rural areas. Rather than collaborate within pre-defined groups set by DEECD, schools are now encouraged to form their own networks based on issues such as curriculum provision and performance outcomes.

Letting schools decide when and on what basis to collaborate can mean a more directed and efficient use of time, and clearly accords with research and feedback on addressing barriers to access for rural students.

However, the value that a school will get from collaboration depends on the composition of the group and the motivation of the schools leadership to be involved and seek outcomes. Schools interviewed as part of this audit emphasised the important role that DEECD's regional offices played in helping them to strengthen their capacity to collect and analyse student data.

DEECD is developing a new framework for school performance reporting to support this policy. It hopes that schools will use peer reviews to better understand their performance and work together to solve common problems and share evidence across the school system.

However, schools interviewed as part of this audit identified that they feel like they now have less access to school improvement data, despite DEECD providing it online. One school noted that it is no longer held to account for school improvement. DEECD will need to monitor the introduction of the framework closely to ensure that it does not have a negative impact on the availability of school performance information.

The school peer reviews should provide a useful opportunity for rural schools to openly explore the challenges they face in engaging and retaining students. However, DEECD has not identified outcome targets for this new framework, and how it will determine the effectiveness of these peer reviews remains unclear.

### 3.5.3 Dedicated programs

The Victorian Government has a number of small programs that are specifically designed to assist rural schools, and there are other statewide programs that have a rural component. DEECD has made a concerted effort to improve access for rural students to science and maths specialists, science laboratories and language subjects. These programs are described in Appendix A.

DEECD believes that its programs, together with those funded by the Commonwealth, are having some localised impact. However, few of its evaluations draw conclusions about impacts on rural schools and the programs have had a negligible impact on aggregate outcomes for rural students. Improved data collection and evaluation of these programs would allow DEECD to better understand their impact on rural students.

Apart from the School Bus Program, the short-term nature and variable funding models associated with these programs make it imperative that DEECD properly evaluates their collective impact and uses this understanding to determine the future of these programs and to inform its new Rural and Regional Plan.



## The School Bus Program

The School Bus Program is the largest dedicated program to support rural students. DEECD funds schools to coordinate the program and Public Transport Victoria (PTV) funds the cost of running the buses. This section examines the delivery of this joint program as one of the major levers available to support rural students.

While it is not without its problems, the School Bus Program is critical for rural students and schools. PTV regularly reviews school bus routes and, in conjunction with DEECD, is taking action to address the findings of recent reviews of the efficiency and effectiveness of school bus services. PTV and DEECD need to continue working with schools to ease the administrative burden on schools and to better communicate on key issues such as eligibility criteria.

**Figure 3B**  
**Overview of the School Bus Program**

The School Bus Program has been in place since the 1940s and currently provides transport for about 70 000 students on 1 500 individual bus routes. It plays an important role in facilitating access to school for rural students who are geographically isolated, unable to access public transport or have limited private transport options.

Travelling on the school bus is free for students who are enrolled in their nearest government or non-government school and live more than 4.8 kilometres away. Students who are attending a school that is not their nearest school in order to study specific subjects in Year 11 and Year 12 are also entitled to free travel. Other students—such as those who live closer than the 4.8 km boundary or those not attending their nearest school for reasons other than subject choice—are also able to access the service on a fee-paying basis.

The School Bus Program costs approximately \$200 million per year to run and generates approximately \$190 000 in revenue from fee-paying students.

### **Operation of the School Bus Program**

The School Bus Program involves cooperation between multiple agencies, specifically:

- **DEECD**—which develops guidelines for its operation and provides coordination funding
- **schools**—which determine eligibility, collect fares and contribute to route planning
- **PTV**—which plans routes, manages and funds service contracts, monitors operations and reviews effectiveness both at the service level and program-wide.

While DEECD's eligibility guidelines apply to all school bus services across the state, they give school principals discretion around several aspects of operation. Principals can decide whether to take a strict or flexible approach to enforcing eligibility requirements. This potentially allows more students onto school bus services, as well as members of the public and people attending vocational education and training or higher education. Principals can also decide whether to collect fares from these passengers, balancing considerations like enabling access for all students with other considerations like efficiency and duty-of-care to students. As a result, there are differences in the way that individual bus services are run.

**Figure 3B**  
**Overview of the School Bus Program – *continued***

DEECD also provides a conveyance allowance—financial assistance to families in rural Victoria to assist in the cost of transporting their children to the closest appropriate school. In the 2013–14 State Budget, DEECD committed to supporting 10 500 government school students and 33 000 non-government school students through the conveyance allowance at a total cost of \$27 million. This allowance is provided in recognition of the often limited public services offered outside of metropolitan Melbourne. The allowance is not intended to cover the full cost of transporting children to and from school but to assist with fares and petrol costs.

Source: Victorian Auditor-General's Office.

Schools interviewed as part of this audit understand that the School Bus Program is integral to enrolment, student access and attendance. However, they voiced concern about aspects of the program which are perceived to impose rather than alleviate barriers to access. A major concern for schools is that principal discretion in applying guidelines means that it falls to schools to determine and enforce an approach to eligibility. This creates an administrative burden as well as placing schools in the difficult position of potentially having to deny people access to services.

When principals make the well-intentioned choice of broadening eligibility for free transport, this can represent a loss of revenue and create inequities between schools, which can in turn impact on school enrolments. To address this issue, administrative changes will be progressively rolled out to schools. Parents will be able to apply directly to PTV for a determination on eligibility, taking the onus off schools. It is hoped that this will also lessen the administrative burden for schools.

PTV works to ensure that the School Bus Program is effective by regularly reviewing routes, with input from participating schools. Together with DEECD, it has also undertaken ad hoc reviews into specific aspects of the program. The most recent review was completed in June 2013 and sought to identify changes required to ensure the program is appropriately targeted and financially sustainable.

This review identified that poor adherence to the eligibility guidelines by schools resulted in revenue losses as a result of administrative shortcomings, and schools not charging ineligible students for their passage. It also found that there is spare capacity across the network which could be harnessed to expand services. It made a range of recommendations, including that aspects of administration currently at the discretion of principals be standardised, and that schools explore better use of assets. In response to these recommendations, PTV and DEECD are testing new arrangements to improve administration and make greater use of buses in non-school hours.

Effective management of the program depends on striking a careful balance between enabling access for students while achieving administrative efficiency and maximising the earning capacity of the assets.

## 3.6 Addressing vocational education and training barriers

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Subsidised funding for training under the Victorian Training Guarantee—introduced in 2009—has expanded access for students wishing to enrol in VET.

DEECD will need to monitor the VET market in rural areas closely, to understand the impact of these reforms over time and to determine if further intervention is required to ensure that rural students are not disadvantaged by a lack of choice. Providers will need assistance to carefully manage the financial implications of the recent adjustments and to model the impacts on student demand.

### 3.6.1 Vocational education and training system reforms

The Victorian VET system was reformed in 2008. This changed the eligibility requirements for government-funded training and allowed students a greater choice of training provider. These reforms have led to more training taking place within private training organisations, rather than publicly-owned TAFE institutes. In 2012, 42 per cent of all VET enrolments were in TAFE institutes, down from 66 per cent before the reforms were introduced. In rural Victoria in 2012, private training represented 33 per cent of the training market, compared with 57 per cent in metropolitan areas.

Two policy documents describe the new market settings and DEECD's support for providers during the transition phase:

- *Refocusing Vocational Training in Victoria*
- *Next Steps for Refocusing Vocational Training in Victoria—Supporting a Modern Workforce.*

VET providers decide what courses to offer students and at what level of fees should be set. It is difficult to anticipate how providers will respond to subsidy and other adjustments. Providers indicated that courses with no or little subsidies are still relevant to local rural economies and where possible, they continue to offer them. While these reforms initially led to students having access to a greater choice of training providers, DEECD does not capture private, fee-based training activity and does not yet properly understand the impact of these reforms on:

- the breadth of course options available to students in rural areas
- the availability of courses that match regional skills needs.

### 3.6.2 Monitoring and managing the training market

Part of DEECD's responsibility is to monitor the quality, price and competitiveness of the training market. Over the long term, this information should assist decision-makers to make sustainable choices about course provision. Repeated adjustments to student eligibility criteria and government subsidies for training in the past 18 months have made it more challenging for providers to conduct business and financial planning with any certainty. Providers will need to make good use of DEECD planning assistance and grant funding to remain competitive.

- The Industry Participation Model, released in 2012, articulates how industry can link to government through regular meetings to provide information on skills needs. The Industry Skills Consultative Committee is expected to advise government on instances where the market fails to respond to industry needs. The government has provided \$6 million for interventions to address market barriers.
- The *Vocational Training: Victoria's Regional Report 2012*, released in 2013, provides regionally specific data on student cohorts, enrolments and fee changes, together with prospects and challenges for regional training and employment.

Rural training information, together with advice from industry representatives, should be used to help providers and government assess where skills and training shortages exist, anticipate training market failures and plan to address shortages and gaps in provision.

### 3.6.3 Student engagement with vocational education and training

DEECD has worked to monitor and better understand changes to VET participation in rural areas. Specifically, its 2012 report *Client Choices in Vocational Education and Training* found that rural students:

- were less likely to have attended open days, used the Victorian Tertiary Admissions Centre guide or job seeker websites
- more commonly reported that they had not used any information source
- more commonly cited their parents as influential
- were less likely to aspire to university than metropolitan students
- were twice as likely to have difficulty finding information on course costs
- more commonly rated cost as an influence on their decision.

Individual VET providers are responsible for attracting students and engaging them in their courses. However, if DEECD wants to build aspirations and encourage more students into higher levels of education, it needs to reconsider its approach to informing and engaging rural students and their families about VET.

DEECD's approach has been to make lots of information on course location, flexibility and completion rates available—particularly through the Victorian Skills Gateway website. Schools also play a critical role in providing informed careers guidance and encouraging students on to appropriate career pathways.

Information on course location, flexibility and completion rates is key for rural students who are deciding what educational pathway to pursue. Better provision of this type of information can help build the case for a student to consider moving for study.

## 3.7 Developing a strategic approach to rural education

---

DEECD is in the process of developing a new Rural and Regional Plan following an extended period of time without one. Early scoping documents suggest that this plan has the potential to improve access to education in rural areas by addressing the barriers outlined in this report. However, research to inform the plan has been delayed and its development has slowed.

### 3.7.1 Key elements of a rural plan

Overcoming the chronic disparity between rural and metropolitan student outcomes depends on DEECD developing and implementing a more strategic approach that recognises the multiple factors that influence the gap in educational achievement. The plan will need to account for:

- the number of small programs and incentives currently in place
- changing Commonwealth funding arrangements
- a rapidly changing VET sector.

DEECD's Rural and Regional Plan has the potential to be a major element of this strategic approach. To do so, it must comprehensively recognise the broad factors that influence rural education outcomes, while targeting action to those that are within DEECD's influence. The plan also needs to link to communities, families, and local decision-making on transport, youth and disadvantage.

It is unlikely that the full potential of DEECD's Rural and Regional Plan will be realised unless it has the following key elements:

- sound project planning
- comprehensive research into the barriers to access faced by rural students
- timely and up-to-date information on the activities of students, schools and other education providers
- broad and meaningful engagement with students, parents and education providers about what has and has not worked in the past, the challenges they face and their capacity to change
- clear, time-bound outcomes and targets
- activities and programs it will implement to achieve these outcomes, with associated time lines and funding arrangements



- performance measures and mechanisms for measuring progress against outcomes
- processes for reviewing and updating the strategy in response to actual outcomes achieved.

### 3.7.2 Previous rural plans

DEECD launched *Victoria's Rural Education Framework* in 2010, linked to the Victorian Government's flagship regional development policy, *A Blueprint for Regional Victoria*.

This framework was DEECD's first attempt to develop a coordinated approach to addressing barriers to rural participation and achievement. It committed to 14 actions under the four 'domains' of leadership, workforce, 21st century curriculum and partnerships. These actions included:

- providing financial support for rural teachers to participate in professional development
- increasing opportunities to learn languages other than English in rural schools through online programs
- piloting the development of 'community education plans', with input from local networks comprising community members, education providers, local government and other key stakeholders.

One of the key principles guiding the framework was the recognition that improving education outcomes needs a wide-ranging approach, incorporating action at the school, family, community, network, region and system levels.

A change of Victorian Government in late 2010 meant that *Victoria's Rural Education Framework* and many of the actions committed to within it were not pursued. As a result, DEECD's approach to overcoming barriers to rural students' participation and achievement in education remains fragmented, comprising stand-alone programs that do not comprehensively cover all barriers.

### 3.7.3 Current draft rural plan

In May 2013, DEECD started work on a new Rural and Regional Plan. Progress on this plan has been slow. At this stage, DEECD has:

- contracted three major pieces of research to inform its plan—two have been completed, but the final piece of research, due in November 2013, has been delayed
- documented a clear rationale and purpose for the plan, listing objectives and the policy levers it will use to achieve these objectives.

However, at this stage, DEECD has not provided specific detail of how these policy levers will be applied, and the specific actions the plan will contain.

As of February 2014, nine months into the implementation of this project, DEECD has not:

- developed detailed and comprehensive project planning documentation
- identified and documented the full range of information it intends to use to inform its plan
- engaged with stakeholders or developed a detailed stakeholder engagement plan
- established the main actions and activities that the plan will use to drive improvements in rural outcomes.

The plan was originally scheduled to be complete by May 2014. However, this target has been revised to June 2014 and at the current rate of progress there is no certainty that it will be finished by June or that it will be sufficiently robust to make a difference to rural student outcomes.

## Recommendations

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That the Department of Education and Early Childhood Development:

1. comprehensively evaluates the impact of its current activities to support rural students, including its funding arrangements and specific programs
  2. completes its Rural and Regional Plan, ensuring that it is comprehensive, outcomes focused, contains detailed and time bound actions, and is informed by high-quality research and stakeholder engagement
  3. develops and implements a method to systematically monitor performance of schools, identifies good practice schools and disseminates this information across its rural school networks
  4. provides more targeted information on pathways into further education to assist rural students and parents to make informed educational choices
  5. continues to closely monitor changes in the rural VET market, supports VET providers in transition and evaluates the impact of changes to VET market settings on rural provision.
-

## Appendix A.

# Programs in rural schools and vocational education and training institutions

The Department of Education and Early Childhood Development (DEECD) is involved in funding and delivering many activities that influence rural education. Some activities focus exclusively on rural education provision, while others take a statewide focus and impact on rural education as part of this broader coverage.

**Figure A1**

### Programs in rural schools and vocational education and training institutions

Programs and initiatives	
<b>Bastow Institute of Educational Leadership</b>	
DEECD provides the Bastow Institute of Educational Leadership with funding to offer professional development programs to principals and teachers.	
<b>Objective</b>	Increase the skills of school staff
<b>Total funding</b>	\$931 273 in 2013
<b>Funding source</b>	DEECD
<b>Coverage</b>	Government schools across Victoria
<b>Barrier being addressed</b>	Quality of education
<b>Outcomes/impact</b>	An evaluation found that the majority of participants had a positive experience, improving their capabilities. Rural participation was strong. It was recommended that site visits better suit rural participants.
<b>Strategies to attract and retain quality teachers</b>	
Specialist teaching positions can be hard to fill. DEECD has developed strategies to encourage teachers—particularly those with cultural expertise, those willing to work in rural areas and teachers of specialist subjects—to accept positions in government schools.	
<b>Objective</b>	Attract student teachers and qualified teachers to hard-to-fill vacancies in rural schools
<b>Total funding</b>	Total DEECD funding was \$1.2 million in 2012–13 Total Commonwealth funding was \$352 733 in 2012–13
<b>Funding source</b>	State and Commonwealth funding
<b>Coverage</b>	Government schools across Victoria
<b>Barrier being addressed</b>	Quality of education
<b>Outcomes/impact</b>	It is unclear how successful DEECD's strategies have been. A review of teacher incentive programs found they are most effective when part of a coordinated strategy.

**Figure A1**  
**Programs in rural schools and vocational education and training institutions**  
**– continued**

Programs and initiatives	
<b>Maths, science and languages initiatives</b>	
DEECD seeks to increase uptake of and engagement with these subjects through a range of activities including scholarships, teacher training and technology-linked initiatives.	
<b>Objective</b>	Improve access to and engagement with specialist subjects
<b>Total funding</b>	Total funding for maths and science initiatives targeting rural schools was \$10.6 million in 2012–13 Total funding for language initiatives was \$2.2 million in 2012–13
<b>Funding source</b>	DEECD
<b>Coverage</b>	Selected metropolitan and rural schools
<b>Barrier being addressed</b>	Quality of education
<b>Outcomes/impact</b>	The impact on rural students' participation and performance in maths, science and languages has not yet been assessed.
<b>Blended learning</b>	
DEECD encourages schools to adopt blended learning techniques which combine traditional face-to-face teaching with virtual learning models to increase options available at rural schools.	
<b>Objective</b>	Increase subject options for small schools and small classes
<b>Total funding</b>	Total DEECD funding for blended learning was \$1.7 million in 2012–13
<b>Funding source</b>	State and Commonwealth funding
<b>Coverage</b>	Selected metropolitan and rural schools
<b>Barrier being addressed</b>	Educational aspirations, access to education, quality of education
<b>Outcomes/impact</b>	A review found that blended learning should be expanded and include a proportion of face-to-face teaching.
<b>Local Solutions Year 12 Retention Fund</b>	
The Local Solutions Year 12 Retention Fund provides funding to schools to provide support for students at risk of disengaging. Schools can provide flexible learning options and access to vocational education and training where a student is not performing well in a traditional school setting.	
<b>Objective</b>	Improve pathway options for disengaged rural students
<b>Total funding</b>	\$5 million over four years until 2015
<b>Funding source</b>	Regional Development Victoria
<b>Coverage</b>	Eligible rural government and non-government schools
<b>Barrier being addressed</b>	Educational aspirations, quality of education
<b>Outcomes/impact</b>	A review found that this program has led to localised improvements in school attendance and retention to Year 12.

**Figure A1**  
**Programs in rural schools and vocational education and training institutions**  
 – *continued*

Programs and initiatives	
<b>Learn, Experience, Access Professions (LEAP)/School University Liaison Officers</b>	
The LEAP program encourages students in low socio-economic status parts of Victoria to consider university education. School University Liaison Officers (SULO), which are based in each of DEECD's regional offices, support Commonwealth higher education activities in eight Victorian universities and support student participation in the LEAP program.	
<b>Objective</b>	Promote university study to students from low socio-economic status schools
<b>Total funding</b>	Total DEECD funding for SULO is \$2.7 million from 2012 to 2013
<b>Funding source</b>	The Commonwealth Government funds LEAP while DEECD funds SULO
<b>Coverage</b>	Low schools across the state
<b>Barrier being addressed</b>	Transition to further education, educational aspirations
<b>Outcomes/impact</b>	46 per cent of participating schools are in rural areas.
<b>Regional Pathways Facilitation Fund</b>	
This program aims to increase alliances between higher education institutions and training providers to improve higher education pathway options for rural students.	
<b>Objective</b>	Improve pathways from vocational education and training (VET) to university in rural areas
<b>Total funding</b>	\$20 million
<b>Funding source</b>	Regional Development Victoria
<b>Coverage</b>	Metropolitan and rural VET providers and universities
<b>Barrier being addressed</b>	Access to education, quality of education, educational aspirations
<b>Outcomes/impact</b>	There were 700 enrolments from round one, including from disadvantaged cohorts and 40 pathways are in development.
<b>Technical and Further Education (TAFE) Structural Adjustment Fund</b>	
Through the TAFE Structural Adjustment Fund, DEECD made funding available to all TAFEs to consolidate and streamline resources. Funding is provided on a competitive basis, and successful recipients were announced in February 2014.	
<b>Objective</b>	Assist TAFE institutes to adapt and remain competitive in a market-driven VET funding model
<b>Total funding</b>	\$200 million from 2014 to 2018
<b>Funding source</b>	DEECD
<b>Coverage</b>	Open to all metropolitan and rural TAFEs
<b>Barrier being addressed</b>	Access to education, quality of education
<b>Outcomes/impact</b>	This is a new initiative, and therefore there has been no review or evaluation of the impact of this fund.

Source: Victorian Auditor-General's Office.



## Appendix B.

# *Audit Act 1994* section 16— submissions and comments

### Introduction

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In accordance with section 16(3) of the *Audit Act 1994*, a copy of this report was provided to the Department of Education and Early Childhood Development and Public Transport Victoria.

The submissions and comments provided are not subject to audit nor the evidentiary standards required to reach an audit conclusion. Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses were received as follows:

Department of Education and Early Childhood Development.....	40
Public Transport Victoria .....	43

**RESPONSE provided by the Secretary, Department of Education and Early Childhood Development**



**Department of Education and  
Early Childhood Development**

Office of the Secretary

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GPO Box 4367  
Melbourne, Victoria 3001

COR002769

Mr John Doyle  
Auditor-General  
Victorian Auditor-General's Office  
Level 24, 35 Collins Street  
MELBOURNE 3000



Dear Mr Doyle

Thank you for your letter of 17 March 2014 providing the opportunity to comment on the proposed report for your audit titled Access to Education for Rural Students.

The Department is committed to improve the opportunities for all learners – children, young people and adults – to achieve their potential, regardless of where they live. We recognise that there are specific challenges to providing a high quality education in rural and regional Victoria and that there is a substantial variation in outcomes between different parts of Victoria. A new rural and regional plan is currently in development to support improved provision and outcomes for rural and regional learners at all stages of life.

The Department accepts the recommendations. However, I am concerned that the report contains findings that are based on unrealistic or absolute standards. I look forward to discussing this with you in the near future.

Enclosed with this letter is the Department's plan to address the recommendations. These responses have been the subject of consultation with your office.

The recommendations will be monitored via the Department's internal audit tracking registers and reviewed regularly by the Executive Board and the Portfolio Audit and Risk Committee, as part of the Department's standard procedures.

Should you wish to discuss the content of this response further, please contact Melissa Dwyer, Director, Audit and Risk, Department of Education and Early Childhood Development, on 9637 3650 or by email: [dwyer.melissa.j@edumail.vic.gov.au](mailto:dwyer.melissa.j@edumail.vic.gov.au).

Yours sincerely

Richard Bolt  
Secretary

31/3/2014

Encl.

This original has been printed in black and white on recycled paper to reduce cost and environmental impact.





**RESPONSE provided by the Secretary, Department of Education and Early Childhood Development – continued**

**VAGO Report – Access to Education for Rural Students**

The Department welcomes the opportunity to comment on the audit report and accepts the recommendations. The Department's specific management response for each recommendation is outlined below:

Recommendation #	Action(s)	Indicative Timeframes
<p>1 That the Department of Education and Early Childhood Development should comprehensively evaluate the impact of its current activities to support rural students, including its funding arrangements and specific programs.</p>	<p><b>Accept</b></p> <p>The Department accepts the recommendation noting that evaluation of programs will be staggered in line with program commencement and completion dates, namely:</p> <ul style="list-style-type: none"> <li>• The evaluation of the Regional Partnership Facilitation Fund is scheduled to be commissioned mid-2014 and completed by 2015. This timing is driven by the commencement of the second and final round of grants in July 2013 and the scheduled completion of the program in December 2015. These dates are agreed with the program funder being Regional Development Victoria.</li> <li>• The Local Solutions Fund has an evaluation in place that is due for completion in 2015. This timing is driven by the conclusion of the second and final round of grants in 2015.</li> <li>• The School University Liaison Officers (SULO) Program evaluation is scheduled to take place during 2014. This timing is aligned to the conclusion of the SULO program at the end of 2014.</li> <li>• Additional research into the impact of current rural loadings in school funding models is planned to be completed in 2015.</li> </ul> <p>The Department's programs and initiatives are routinely evaluated by external contractors with expertise in data analysis and evaluation of programs in the public sector. Additional to current practice, the Department will ensure that future evaluations consider outcomes for rural students as a distinct student cohort.</p>	<p>Final completion Dec 2015.</p>
<p>2 That the Department of Education and Early Childhood Development completes its Rural and Regional Plan,</p>	<p><b>Accept</b></p> <p>The Department accepts the recommendation noting that:</p> <ul style="list-style-type: none"> <li>• The development of the Rural and Regional Plan is well underway and will continue to build on stakeholder input to inform appropriate</li> </ul>	<p>End of 2014</p>

**RESPONSE provided by the Secretary, Department of Education and Early Childhood Development – continued**

ensuring that it is comprehensive, outcomes focused, contains detailed and time bound actions and is informed by high quality research and stakeholder engagement.	<p>actions and outcomes</p> <ul style="list-style-type: none"> <li>The plan is intended to be endorsed by Government and therefore decisions of timing and focus will reflect Government priorities.</li> </ul>	
3 That the Department of Education and Early Childhood Development should develop and implement a method to systematically monitor performance of rural schools, identify good practice and disseminate this information across its rural school networks.	<p><b>Accept</b></p> <p>The Department accepts the recommendation noting that:</p> <ul style="list-style-type: none"> <li>Implementation of the School Performance Framework will ensure the Department has the capacity to monitor the performance of all schools in the state, including those in rural areas to determine where additional resources and support are required, as well as the identification of good practice.</li> <li>The Department will conduct exemplary practice reviews to document quality practices to be shared and adopted statewide.</li> </ul>	Ongoing
4 That the Department of Education and Early Childhood Development should provide more targeted information on pathways into further education to assist rural students and parents to make informed educational choices.	<p><b>Accept</b></p> <p>The Department accepts the recommendation noting that:</p> <ul style="list-style-type: none"> <li>The Department will incorporate a regional focus into the upcoming Victorian Skills Gateway promotional campaign in 2014, and support awareness raising in the regions with the provision of tailored information packs for schools and libraries.</li> <li>Regional information will also be developed and provided to Careers Practitioners in 2014 for use in their discussions with students and their parents.</li> </ul>	End of 2014
5 That the Department of Education and Early Childhood Development should continue to closely monitor changes in the rural VET market, support VET providers in transition and	<p><b>Accept</b></p> <p>The Department accepts the recommendation noting that extensive monitoring and support arrangements are in place, including:</p> <ul style="list-style-type: none"> <li>The Market Monitoring Unit (as described in the RVT statement and other documents provided to VAGO). In line with the recommendation, the Unit's first annual analysis of the vocational</li> </ul>	Ongoing

**RESPONSE provided by the Secretary, Department of Education and Early Childhood Development – continued**

evaluate the impact of changes to VET market settings on rural provision.	<p>training markets settings, to be completed in 2014, will give specific consideration to the market structure and relative cost structures in metropolitan and region areas.</p> <ul style="list-style-type: none"> <li>Quarterly reports on subsidised regional training activity (examples have been provided to VAGO).</li> <li>An annual report on Victorian training market performance and responsiveness to businesses across Victoria's regions (an example has been provided to VAGO)</li> <li>The TAFE Transition Taskforce, whose role includes actively facilitating strategic transition proposals by regional TAFEs and administration of the TAFE Structural Adjustment Fund (as set out in the summary of the TAFE Structural Adjustment Fund process provided to VAGO).</li> </ul>	
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**RESPONSE provided by the Chief Executive Officer, Public Transport Victoria**



DOC/14/51503

Mr John Doyle  
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Australia  
Telephone 1800 800 007  
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Dear Mr Doyle

**ACCESS TO EDUCATION FOR RURAL STUDENTS**

Thank you for the opportunity to provide comment on the Access to Education for Rural Students Audit Report.

As the report notes, a PTV review has identified that some of the rural school bus system has spare capacity.

As the report also notes, PTV has identified administrative shortcomings in how the system has been managed at a school level, and that a trial of an alternate administrative system will be run by PTV in the near future which is intended to address these shortcomings.

PTV notes that it is not a direct respondent to any of the recommendations in the report.

Nonetheless, PTV will continue to work with DEECD in implementing changes to the system with a view to improving the administration of the system, addressing any inequities in the system, and maximising the use of bus assets.

PTV acknowledges the importance of the school bus program to rural students and schools.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark Wild".

**MARK WILD**  
Chief Executive Officer

21/3/2014



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Report title	Date tabled
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