

UNSW



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PRO-VICE-CHANCELLOR
(STUDENTS) AND REGISTRAR

6 October 2009

Committee Secretary

Senate Rural and Regional Affairs and Transport References Committee

PO Box 6100

Parliament House

Canberra ACT 2600

Dear Jeanette,

Please find below a submission from UNSW with respect to changes to the Income Support for Students Bill 2009.

The University believes that in general the changes are very positive and are encouraging for students from LSES backgrounds.

Specific points are:

- In equity terms the proposed changes represent a step in the right direction in addressing the financial impact of higher education for LSES families.
- There may be some families who are disadvantaged in the short term by the changes to the 'gap period' and this is unfortunate. There are long term benefits to all LSES families and students from the changes.
- The changes represent generous increases and measures in income and asset eligibility tests in relation to youth allowance. These changes enable a greater potential for earned income for students in receipt of youth allowance. This in turn reduces the pressure on LSES families.
- The changes to how income from scholarships is assessed for Centrelink purposes are significant and welcome. This will benefit all students in receipt of Centrelink income support and it provides a newly valuable incentive for school students to aspire to do their best in order to gain scholarships. Students in receipt of youth allowance can receive a scholarship as a true bonus without it impacting on their capacity to earn income from work. Also students in receipt of benefits can now earn almost double what they could previously before their entitlement is affected.

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- The scholarship changes will allow universities to offer meaningful scholarships to LSES students.
- The start up scholarship will provide valuable funds for students to purchase expensive items such as text books which current students have identified as a major cost.

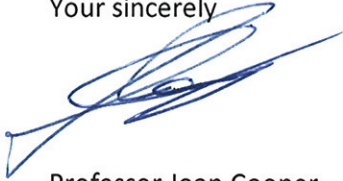
Outstanding issues:

- A remaining issue is the question of adequacy of measures to help low income families to support their children through school adequately that they may qualify for a higher education place in the first place. The greatest concern is long term income poverty in low income families which has the deepest impact on children's life chances.
- Of great concern is the inadequacy of family benefits for the most disadvantaged. Under new arrangements Family Tax Benefit B provided to low income families (unlike Family Tax A which is paid to all families with incomes up to \$160,000), will no longer indexed to pension rates which will reduce that value of family tax benefits for low paid and jobless families over time. Until now family tax benefit part B has been indexed to keep pace with pensions which are indexed to wages. This is especially pertinent to low income and jobless families, 60% of who are sole parent families.
- Greater measures through education should be introduced to support students from LSES backgrounds over from primary school through secondary to through to higher education. This could be achieved by targeting family tax benefits only to families with incomes below \$100,000 and instituting educational payments for children in families with low incomes to enable them to pay for basic school expenses and extracurricular activities.
- Social exclusion begins for poor children as soon as they attend school and realise that they are unable to participate fully in school activities and events that are often celebrated as hallmarks of school achievement. These may include inability to participate in ordinary school excursions through to playing in the school band or other cost bearing extracurricular events and activity in and around schools.
- A suggestion could be that schools could be paid an allowance for every child who is in a family in receipt of Family Tax Benefit B that goes to invisibly fund important school expenses (books, extra curricula activities etc). In doing so stigmas could be removed and experiences enhanced.
- Current tax measures such as the education benefit for families to purchase computer and internet technology are only available to those who work and have sufficient income to outlay to pay these items in the first place. Youth allowance changes whilst moving in the right direction do not address the issues related to deep long term poverty and income insecurity.
- There is a lack of clarity on Centrelink's management of Commonwealth Scholarships and what impact this will have on universities reporting requirements to Centrelink/DEEWR.
- Under current arrangements, UAC assess the suitability of candidates for Commonwealth equity scholarships in New South Wales. If this arrangement ceases to continue it will put an additional significant administrative workload on our University scholarships office and likewise for other New South Wales Universities.
- From an equity point of view it is clear that the workforce participation criteria has been of particular benefit to some HSES families rather than LSES families with a reported 36% of independent youth allowance recipients live at home in families with incomes in excess of \$100,000 per annum and a further 18% of whom earn more than \$150,000 and 10% who are

earn above \$200,000. However, this still leaves a large proportion of students who receive this payment in order to support themselves through university and the change of the criteria could have a major impact on students' decisions to undertake higher education.

We thank you for the opportunity to be able to contribute to these issues.

Your sincerely

A handwritten signature in blue ink, appearing to be 'Joan Cooper', written in a cursive style.

Professor Joan Cooper