

Submission to the Senate Education, Employment and Workplace Relations Committee



The University of Tasmania (UTAS) is pleased to make this submission in support of the proposed Social Security (Income Support for Regional Students) Bill 2010.

The bill will extend youth allowance payments to eligible students whose family home is located in 'Inner Regional Australia'. With all of Tasmania captured within this geographic classification, UTAS is acutely aware of the importance of the bill to Tasmania, and the significant benefit it will provide to Tasmanian higher education students.

Such a change would be consistent with existing Commonwealth policies to support the recruitment of health workers to areas classified as Inner Regional Australia. Many regional and rural areas experience shortages of health care workers including, among others, doctors, dentists, nurses, pharmacists and allied health professionals. The Government has recognised that concessions/incentives are appropriate to assist in addressing these shortages – an example is in the assistance provided to doctors, which includes incentives such as

- For overseas trained doctors, the ten year restrictions are reduced to nine years in Inner Regional localities;
- Under the HECS Reimbursement Scheme, the HECS debts will be repaid over five years in Inner Regional localities;
- The General Practice Rural Incentives Program provides the following incentives in Inner Regional localities –
 - Relocation grants: Doctors that relocate from the city to Inner Regional localities may be eligible for a relocation grant.
 - Retention grants: Doctors that practice in Inner Regional localities may be eligible for retention grants.

Of all the States and Territories, Tasmania has the lowest proportion of population with a Bachelor degree or higher. Whilst the figures have improved over recent years (from 13.9% in 2004), the 2010 result of 16.6% still lags well behind the national average of 23%.

The most recent (2009) data shows that UTAS has a participation rate of 30% for low socio-economic status (national average 15%) and 41% for regional status (national average 18%).

Some regions such as the North-West of Tasmania have among the lowest levels of educational participation in Australia. Ensuring that eligible students can receive financial assistance to support their tertiary studies is a key factor in increasing participation.

The principal financial impact on regional students attending tertiary education institutions is in many cases the physical relocation which must be undertaken, and the associated living away from home costs. These costs can be substantial, with annual living costs for a student living away from home conservatively estimated at \$20,000pa.

The economic benefits of increasing educational attainment are clear – if the average educational attainment of the working-age population were to rise by a year, real GDP should rise by eight percentⁱ.

A NATSEM-AMP (2009) Study using human capital analysis found from individual income data that each additional graduate earned \$1.5 million more over a lifetime than a school leaver. This represents \$500,000 in extra taxes. These economic impacts of increasing educational attainment need to be strongly promoted so that government, business, industry and the whole community become more engaged in increasing participation rates.

In light of the existing Government support provided to address workforce issues in Inner Regional Australia it would be consistent with existing Government policy and practice to extend the current eligibility criteria as noted in the *Social Security Amendment (Income Support for Students) Act 2010* to also include the Inner Regional zone of the Australian Standard Geographical Classification.

The University of Tasmania strongly supports the Social Security Amendment (Income Support for Regional Students) Bill 2010.

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ⁱ Dowrick, Steve (2002). 'The Contribution of Innovation and Education to Economic Growth.' Melbourne Institute Economic and Social Outlook Conference (April).