

SUBMISSION TO SENATE ENQUIRY INTO Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009

The new income support provisions for Uni students introduced in the recent budget include welcome simplifications but also some undesirable and very significant shortcomings. I would like to provide some feedback from the perspective of a rural parent of five, four of whom have started tertiary education 300 Km away in Perth between 2005 and 2008.

For any young rural person attempting to study in the City, the simple mechanics of living are absolutely central to their prospects for success. In their late teens people are just beginning to learn about the everyday logistics of adult, independent life and a degree of economic certainty can provide a crucial centre of security from which they can tackle all of the other issues with which they must deal.

PREDICTABILITY & STABILITY

Our family income is modest and, particularly in terms of disposable income has varied wildly over recent years due to the interaction of economic cycles, retrenchment, re-education and work force re-entry, carer responsibilities and inheritance. This has meant that predicting what level of support our kids may be entitled to has been tricky. We are fortunate to live in an area where there has been work for youth doing a gap year, and all of the kids have done this to establish their independence for Youth Allowance (YA) and thus enable them to have some economic certainty. In these circumstances system simplicity and stability, as well as a degree of generosity, in education assistance schemes are a great help for kids trying to plan and survive the transition from school to higher education. In this respect the simplicity of the new proposals, whereby all YA recipients are automatically eligible for the new University scholarships, is welcome.

OLDER SIBLING DISCRIMINATION

A complication still exists in the mechanism for assessing family income thresholds for YA whereby only kids involved in tertiary education are counted. This has the effect of discriminating substantially against older children in families where a string of younger siblings indiscriminately devouring refrigerator contents, family taxi services, sporting and other extra-curricular fees, and parental time are effectively regarded as cost free. Only when these younger children reach tertiary age does the older child potentially get any benefit to compensate for having to compete with them for family resources.

UNIVERSITY COST RELATIVITIES

The degree of support needed by students at different institutions varies significantly. Of the three of our children who have attended University two went to Murdoch Uni where on-campus accommodation is cheap and their circumstances were relatively comfortable. The third is at UWA where on-campus accommodation is far more expensive to the point where it consumes more or less all of his YA plus Rent Assistance plus Commonwealth Accommodation Scholarship (CAS). It remains just as expensive throughout the length of his stay, and I cant see any significant sense in the new arrangement whereby commencing students will get an extra ~\$1800 in year 1 via the Relocation Scholarship, but then ~\$1200 less in every subsequent year. It doesnt get cheaper to live and in my experience books etc only get more expensive in later years.

COURSE DURATION

Like the current CAS/CES assistance, the new proposals envisage assistance cutting out after 4 years. Several undergraduate courses such as Law and Medicine take 5 or more years and it would be reasonable for basic assistance to continue for the duration of such courses.

TAFE

Our other experience of Tertiary education in Perth involved one of our children undertaking specialized study at TAFE in a field for which she has a great talent. Due to the difficult rental market in Perth, the lack of on-campus accommodation, the absence of a CAS style scheme for TAFE, and the absence of a HECS type fee assistance scheme for TAFE she has really struggled financially and socially to the point where she has virtually abandoned her course it has all been too hard.

There is much to be done for TAFE.

RURAL VS URBAN

Apart from the above specifics, I have one major concern. The new policies discriminate substantially against prospective rural Uni students and tie their fate too closely to their family means without any account being taken of their different costs compared with their urban fellows. Regardless of the level at which income thresholds are set for dependent YA the urban student always has the option of camping at home. Rural students do not have this privilege and to remove barriers to participation by rural students, as is the stated aim, it must be made easier for them to afford to live in the city where they have to study. This is not a one-off cost that reduces in later years. It is not a peripheral issue. It is absolutely central to their participation on a basis equal to the urban students.

Why should rural families on say \$110,000 pa have to spend 13 19% of their after-tax income on support for their child student while their urban counterpart can just leave them in their bedroom and throw another cup of water in the soup?

While it will be good that all YA recipients can rely on Scholarship assistance, it is unfortunate that only YA recipients can get it. If they are not eligible for dependant YA the only option for rural youth (apart from the very well-to-do whose families can afford \$10,000 - \$15,000 per student per year) is to pursue independent status and that now takes, effectively, two years to establish (most courses dont have mid-year intakes).

Among several problems with this path are:

the possibility of the young person going off the boil after two years out of school and of having money in the pocket,

problematic availability of 30 hr/wk work over an 18 month period (especially given that twice as many youths will now be competing for such work as does exist),

difficulties with one year time limits for course deferrals and uncertainties arising if Tertiary applications are put off to accommodate such time limits.

Perhaps the accommodation assistance for rural students needs to be decoupled from, or expanded beyond, YA eligibility. It should certainly be extended to TAFE students.

I hope my comments are of interest.

Yours faithfully,

Hugh Warren