



Senate Rural and Regional Affairs and Transport References Committee

Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009

The Australian National University (ANU) welcomes the opportunity to make a submission to the Senate Rural and Regional Affairs and Transport References Committee on this Bill.

ANU plays a special role in its immediate geographical region and in providing broader access to higher education opportunities for rural and regional students across Australia. *The Australian National University Act 1991* (Cth) at section 5(2) provides that, in the performance of its functions, the ANU "must pay attention to its national and international roles and to the needs of the Australian Capital Territory and the surrounding regions."

Expanding educational access in rural and regional areas will be key to meeting the Australian Government's new participation targets, given the underrepresentation of rural students at university (only about 18 per cent of 18 to 20-year-olds from rural and regional areas attend university, compared with 25 per cent for metropolitan areas: *The Australian Higher Education Supplement*, 17 June 2009).

ANU commends the Government for aspiring to a goal of 40% of Australians aged 25 to 34 years holding a qualification at Bachelor level or above by 2025. Such commitments are central to the nation's long-term prosperity. If the objective is to be realised, however, the participation and completion rates of students from rural and regional areas will need to increase significantly. Reducing the age at which a person is automatically considered independent for Youth Allowance purposes is one important way of assisting participation and will help the Government to achieve its goals.

The changes to student income support announced in the May 2009 Budget, taking effect from January 2010, should generally benefit students residing in rural and regional areas, many of whom come from low SES backgrounds.

A single student with no dependents on maximum Youth Allowance who relocates to undertake study might be eligible for the \$371.00 per fortnight in Youth Allowance; \$74.00 a fortnight in rent assistance and can earn up to \$400 per fortnight without reduction in Youth Allowance. Combined with the new Start-up and Relocation Scholarships as an automatic entitlement for eligible Youth Allowance recipients, such a student would have an income equivalent to the income estimated by ANU required for a student to live independently, if very modestly.

While not all students will be eligible for the maximum levels of support assumed in this scenario, nonetheless the student income reform package should improve the level of support available to low SES students, many of whom reside in rural and regional Australia, who genuinely need public support to access educational opportunities. In the case of ANU, it will assist more disadvantaged students to access an ANU education by facilitating relocation to Canberra and providing living support while away from home.

The move to exempt merit and equity based scholarships from the income test under social security and veterans' entitlements will clearly increase the income of scholarship recipients and enhance the support provided to them.

ANU commends the Australian Government for establishing the new of Relocation scholarships in the May 2009 Budget. These scholarships will assist with the costs associated with relocating to pursue higher education for those students with insufficient family means who have to move away from home to get to university at all, or to access the course of their choice.

Consideration should be given to making the Relocation scholarships available to students wishing to move to undertake an Honours year of study. This would facilitate access to specialised resources at the nation's major research institutions for some of the nation's brightest students.

The ANU broadly supports the package of student support measures announced in the 2009 Budget: they improve significantly on existing policy frameworks and represent a fairer and more equitable system.

1 October 2009