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Submission to House of Representatives Standing Committee on Primary Industries and Regional Services

Inquiry into infrastructure and the development of Australia's regional areas

Introduction

The Department of Education, Training and Youth Affairs (DETYA) supports the Commonwealth Government's commitment to respond in an integrated and balanced way to the education and training needs of all Australians. This is achieved both directly and through the States and Territories.

Our submission highlights a number of key issues for the Commonwealth. We have also given references to reports which can provide additional detail should the Committee require it (Annexe A.). Consistent with the Terms of Reference of the Inquiry, we have maintained a focus on regional infrastructure development, with minimal coverage of more general issues associated with the provision of education in rural and remote Australia.

The submission begins with an outline of Commonwealth support for education of people in rural and remote regions for each educational sector. This provides a context for comments and issues included later.

Commonwealth's role in the delivery of education

The Commonwealth has a limited role in the delivery of education although significant Commonwealth funds are provided to the sector.

Under the Constitution the State and Territory Governments are responsible for the provision of government education in their jurisdiction. The Commonwealth Government provides funding for government and non-government schools. These include funds to assist with recurrent and capital costs for specific areas of disadvantage and to achieve specific national objectives.

In vocational education and training (VET), the Commonwealth provides funds to the Australian National Training Authority (ANTA) for allocation to the States and Territories, in order to support a national system of vocational education and training which has nationally agreed objectives, strategies and planning processes. States and Territories are responsible for their own training systems, including management and funding of Technical and Further Education Institutes and other infrastructure.

In higher education, the Commonwealth's objective (in co-operation with government and non-government education authorities, higher education institutions and the private sector) is to use higher education resources effectively to address Australia's social, cultural, economic and labour market objectives.

The Commonwealth provides block operating grants to public higher education institutions each calendar year on a rolling triennial basis for a specified level of student load within the context of an agreed educational profile covering teaching and research activities. In addition, funds are set aside to achieve specific objectives through programmes such as the Higher Education Innovations programme and the Higher Education Equity programme. The Commonwealth also administers funding arrangements which support the research activities of higher education institutions.

Sectoral information on education provision in regional areas

The following sections provide information on some of the current initiatives provided by the Commonwealth in each educational sector that assist people living in regional areas.

Schools

Country Areas Programme and Assistance for Isolated Children

The Country Areas Programme (CAP) aims to ensure that primary and secondary students in rural and geographically isolated areas continue to have access to education which will assist them to achieve outcomes and participation rates equal to students in urban or less isolated areas.

Through CAP, the Commonwealth provides an additional $17.7 million annually to government and non-government education authorities to assist primary and secondary students in rural and geographically isolated areas of Australia. These education authorities determine how best to allocate the funds to schools and are responsible for ensuring that they are allocated according to programme guidelines. CAP assists parents, administrators, teachers and members of the community to work cooperatively to improve the delivery of primary and secondary educational services to students in rural and geographically isolated areas.

Funding is provided for projects which:

- focus on pooling and sharing activities involving communities and clusters of schools;
- support educational participation, including integrated assistance to individuals and other agencies and groups;
- foster curriculum appropriate for the experiences and interests of isolated students;
- support secondary students in making the transition to work;
- focus on using technology to overcome distance barriers to education; and
- support the documentation, evaluation and dissemination of programme activities.

The Commonwealth also provides funds under the Assistance for Isolated Children (AIC) Scheme to help the families of students who are unable to attend an appropriate school daily, primarily because of geographic isolation. An appropriate school is a government school that offers the student's level of study, or if the student has special health-related or educational needs, one that provides access to the facilities, programmes and/or environment required for those needs.

To qualify for assistance, students must be enrolled in full-time primary, secondary or, in limited cases, tertiary studies in Australia. In most cases, they must have reached the minimum primary school entry age and be under 19 years of age at the beginning of the year of study. Isolated students undertaking tertiary (eg. TAFE) studies are eligible for AIC only until they turn 16.

Depending on the student's circumstances, AIC provides boarding, second home or distance education allowances or a Pensioner Education Supplement, all of which are free of income and assets tests. An additional boarding allowance is available on an income-tested basis.

In 1998 AIC assisted approximately 12,200 students at a cost of $28.0 million.

In 1999 the AIC's basic boarding allowance increased from $2,900 to $3,500 and is to be indexed in future years. Also the maximum that can be received under a combination of the basic and additional boarding allowances increased to $4,377 for both primary and secondary students. This is in line with the Government's 1998 pre-election commitment.

These Commonwealth programmes are important in helping with the viability of government and non-government schools in regional areas and the boarding institutions that support these schools and improving the educational outcomes of students from rural and remote areas.

Vocational Education and Training

The Australian National Training Authority (ANTA) funds the Centre for Research and Learning in Regional Australia at the University of Tasmania. The Centre conducts research into the process and outcomes of learning in rural and regional Australia. It has a focus on rural VET for learners, trainers, businesses, funding bodies, policy makers and local communities. The Centre has just begun a research project, *The Role of VET: How does vocational education and training contribute to the social and economic outcomes in regional Australia*. The Centre's website is http://www.educ.utas.edu.au/CRLRA/

ANTA has also funded the development of Training Packages for rural industries. These include the Agriculture Training Package, Horticulture Training Package and the Veterinary Nursing Training Package.

DETYA-managed initiatives to improve access by people from rural and remote areas to VET, include:

- Funding under the New Apprenticeships Strategic Intervention Programme (and the former Training Projects Grants Programme) to the Rural Training Council of Australia to:

    - develop, trial and validate assessment and Recognition of Prior Learning instruments for Agriculture and Horticulture Training Packages. These materials will be particularly important in the diverse rural sector where many employers have not previously been involved in training and/or assessment, and

    - develop Learning Guides for the Agriculture Training Package. The Learning Guides are essential for flexible delivery of the Agriculture Training Package/New Apprenticeships and will open up opportunities for people in rural and remote areas to access on-the-job training.

- DETYA and ANTA funding for the development and trialing of coordination models between New Apprentices, employers and support agencies to assist young people who may be 'at risk' of not completing a New Apprenticeship. The project will include a focus on the rural industry. Those 'at risk' young people may include those with lower levels of education, a history of long-term unemployment and Indigenous people.

- The Rural and Regional New Apprenticeships incentive which was introduced from 1 January 1999, to boost much needed training in rural and regional Australia. The Rural and Regional New Apprenticeships incentive provides an additional progression incentive of $1,000 to employers of New Apprentices in defined trades and occupations experiencing skill shortages in non-metropolitan areas. This initiative will strengthen the skills base in regional and rural Australia thereby supporting local communities, business and regional jobs growth.

- The Workplace English Language and Literacy (WELL) Programme which aims to provide workers with English language and literacy skills that are sufficient to enable them to meet the demands of the current and future employment and training needs. WELL has targeted the industries of Forestry, Agriculture and Fishing as among those most likely to benefit from the introduction of English language and literacy training in the workplace, integrated with workplace based or vocational education and training. Around $780 000 was distributed in the areas of Agriculture, Forestry and Fishing, while a further $855 000 was spent on activities in the area of mining in 1998.

- Access to assistance for young school leavers to smooth the transition from school to the world of work under the Jobs Pathway Programme (JPP). This assistance is delivered by brokers selected through an open and competitive tender process. For 1998-99, there are 93 projects, with 46 operating in non-capital city population centres (14 in centres where the population is less than 10,000, 17 where the population is less than 25,000 and 11 where the population is greater than 25,000 – there are four projects in centres regarded as "other metropolitan"). Notwithstanding this spread of projects, there remain regional areas that are experiencing high levels of youth unemployment and low rates of school retention in which no JPP brokers are operating (eg. Tamworth – a large rural centre, Port Augusta – a small rural centre). A tender process is currently in progress to select service providers for 1999-2000.

- VET in Schools programmes which are based directly on industry skill needs and involve substantial amounts of time learning in the workplace. They often involve real work particularly where students undertake part-time New Apprenticeships in conjunction with their senior secondary studies. Successful completion results in a qualification recognised by industry. The Commonwealth-funded Australian Student Traineeship Foundation (ASTF) supports particular initiatives to promote VET in Schools in primary industry and regional areas. Currently specific areas for ASTF funding include:
    - the Rural Industry SILO Project (SILO - Schools-Industry Links Outreach) developed by the National Farmers Federation and Rural Skills Australia aims to raise the profile and participation rate of school based rural industry work placement programs with primary producers in regional, rural and remote locations;
    - school-industry programmes, with two designated priority areas in 1999 and 2000 being Rural and Remote Communities and Indigenous Young People.

Higher Education

The Commonwealth has had a continuing commitment to equity in higher education. The Commonwealth provides funding for Indigenous students under the Indigenous Support Funding Programme. Commonwealth support aimed at improving the higher education participation of other equity groups is provided through the Commonwealth's Higher Education Equity Programme. Higher Education Equity Programme funding is intended as seed funding and is not intended to cover the full costs of institutions' equity initiatives. In 1999 $5.545 million will be provided under this Programme to assist institutions to provide appropriate programmes for equity target groups that include people from rural/isolated areas.

The Commonwealth is providing $25 million over 1997-2000 through the Rationalisation and Restructuring (R&R) Programme to assist universities with major restructuring initiatives, particularly those focused on developing communications and information technology infrastructure.

Regional institutions were given particular consideration in the assessment of grants and have been allocated 55percent of the funds. The grants recognised that the environment in which regional institutions operate is changing rapidly and that some institutions may not have had the capacity to finance major restructuring from their own resources.

In addition, since 1994 the Commonwealth's Capital Development Pool (CDP) has provided funding to universities for major capital development projects, mainly new campus developments in suburban growth corridors and regional centres. The CDP has also supported electronic delivery infrastructure in regional Australia. $38 million has been allocated in each year of the 1999-2001 triennium.

A large proportion of the funding has been directed to regional universities in recognition of their importance to local communities and the role they play in the regional economic development. Funding has also been provided to metropolitan institutions with regional campuses and access centres. The funding has increased opportunities for access to higher education in areas that have a history of lower than average participation in higher education.

Participation rates by sector

Students Completing Year 12

Data compiled for the DEETYA Annual Report for 1997-98 shows that in the 1997 academic year the proportions of rural and remote students remaining at school until Year 12 increased while the proportion of urban students declined, thus decreasing by a small amount the gap between the rate of retention for urban and remote students. The gap in 1997 was just two percentage points. In the preceding years it fluctuated between three and eight percentage points.

The available data on Year 12 retention or completion are summarised in the Table below.

Other data show that, while virtually all non-Indigenous Australian students progress through the school system to Year 10, 94 per cent of Indigenous Australian students progressed from Year 8 to Year 9 in 1997 and only 83 per cent progressed from Year 9 to Year 10 (as at the mid-year census).

Year 12 student retention and completion rates: 1991 to 1997 (selected years)

	1991	1993	1995	1996	1997
		retention rate (per cent)			
Males	66	72	67	66	66
Females	77	81	78	77	78
Indigenous Australian students					
#Year 10	82	79r	76	76	81
#Year 12	*	*	31	29	31
All students	**71**	**77**	**72**	**71**	**72**
	estimated completion (per cent)[1]				
High socioeconomic status[2]	79	78	77	76	73
Low socioeconomic status[2]	63	65	61	59	60
Urban	71	71	69	68	66
Rural	68	67	62	60	64
Remote	57	58	52	51	52
All students	**69**	**69**	**67**	**65**	**65**

* National data is not available

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[1] 1997 estimated completion data is preliminary based on 1996 estimated resident population.

[2] Socioeconomic status is derived from the *ABS Socioeconomic Indexes for Areas*.

Sources: ABS *Schools, Australia 1997*, Cat. No 4221.0, and earlier related publications.
DEETYA (derived from data provided by State education authorities and the ABS).

Tertiary Sector Participation

National statistics show people from rural and remote regions, on average, have higher pass rates and completion rates than Australian VET students as a whole. In 1997, the participation rate for all people living and accessing VET courses in rural and remote regions was higher by 0.7 percentage points than the participation rate for Australians on average (*Australian National Training Authority Annual National Report, Volume 3, 1998*). These figures are based on the person's place of residence while undertaking the course and may reflect the limited options available to people in rural and remote regions, in that participation in certain courses of study requires migration for attendance at town or city campuses. The study described below, which controls for internal migration of young people to tertiary education, shows overall higher participation in VET by young people in metropolitan areas.

The study, which was recently undertaken by DETYA, focuses on regional patterns of participation in higher education and compares that participation to the distribution of student places. The primary purpose is to examine the variation in higher education participation and provision across regions. The study (a copy of which is at Annexe B.) also looks at the role that TAFE plays in the regional variation of tertiary education participation. The study will form the foundation for further work directed at assessing the importance of proximity of educational provision, relative to the socio-economic characteristics of regions, in determining regional participation rates.

In subsequent work DETYA will examine how participation relates to the socio-economic status of a region (income, occupation, educational qualifications) and the physical presence of universities. The latter has two dimensions - accessibility and size. We shall test whether a nearby large university has a larger impact on participation than a nearby small campus. Meanwhile, however, regional participation rates are derived and the geographic distribution of higher education resources mapped. The regional participation rates focus on the location of 19 to 21 year olds before they have left the parental home. Thus the study is concentrating on the importance of parents' locational decisions on educational participation and abstracting from the geographic mobility of young people.

The paper, a copy of which accompanies the submission, describes the data then discusses the regional structure used and presents a descriptive analysis of national, state/territory and regional participation rates.

The Data

Conventionally, estimates of education participation are based on permanent home address. This has a major difficulty; students may have permanently moved away from the parental home. Second, population benchmarks will also not be accurate because of population mobility. The paper takes a somewhat novel approach to overcome this problem by exploiting the Australian Bureau of Statistics (ABS) Population Census which collects data on place of residence five years earlier and by restricting the coverage to 19 to 21 year olds. This group is ideal because first, it covers the age groups where participation in higher education is high, and second, this group would have been 14 to 16 year olds five years earlier, ages at which it is reasonable to assume that most individuals have not left their family home.

Unpublished 1996 Census data were obtained containing type of educational institution attended classified by full-time and part-time students, including external or correspondence students. Data were obtained for:

- Technical or Further Educational Institutions (including TAFE Colleges); and
- University or other Tertiary Institutions;

for 19 to 21 year olds by place of usual residence five years previously (at 6 August 1991). Corresponding population data for 19 to 21 year olds was also obtained.

Participation at university or TAFE means that at Census Night, 6 August 1996, a person was attending a tertiary institution as defined above. The participation rate for a geographic area is the percentage of 19 to 21 year olds who are currently attending university or TAFE and who lived in that area five years ago. As the figures are point in time, it is expected that the number of participants over a whole year would be underestimated. (This is of particular relevance for TAFE participation.)

Information on student numbers at universities was obtained from the DETYA Higher Education Student Statistics. Individual institutions provided information on the location and size of campuses.

Definition of Regions

There is no accepted set of geographic regions for studying higher education issues. The study used the hierarchies of the Australian Standard Geographical Classification (ASGC) as the basis for defining a set of regions for examining higher education participation at the regional level. The aim was to use these hierarchies and to strike a balance between minimum population requirement and sensible aggregations in terms of similarity of regional characteristics. Ideally regions would be relatively uniform in population. However, due to the constraints in defining regions there is a considerable variation in the populations of the 290 regions.

The major points to emerge from the study are:

- tertiary education participation rates are very much higher in metropolitan regions than in non-metropolitan regions;
- this pattern is evident for both university and TAFE participation, but the variation in regional university participation is much higher than in TAFE participation;
- in general, participation in TAFE at the regional level does not offset low university participation. The exception is Victoria where there appears to be some substitution.

Equalising university participation rates between metropolitan and non-metropolitan areas would make an important contribution to removing overall discrepancy in regional participation rates, but by no means would remove the discrepancies. Inequality across metropolitan regions is almost as important as those between metropolitan and non-metropolitan areas.

Impact of education technology

Information infrastructure is fundamental to Australia's competitiveness in the global Information Economy. It also provides access to worldwide information sources, facilitates regional, national and global collaboration for students, teachers and researchers, supports more flexible delivery of education and assists the development of industry-driven research, applications and services.

It is desirable to ensure that the benefits of Information and Communications Technologies (ICT) are accessible by all in education and training throughout Australia, particularly those from rural and regional areas. Most forms of what was termed distance education, but is now known as "flexible" or "open" learning, take advantage of a range of innovative technologies. These support cost-effective, high quality and equitable education and training outcomes for students who would be unable to access their education and training through conventional means, particularly at the tertiary level. However, teachers, students, researchers and industry personnel in regional areas continue to be disadvantaged by inadequate telecommunications services, lack of advanced information infrastructures, and appropriate skills, applications and services.

A major issue facing the schools sector is the absence of adequate telecommunications infrastructure and the high cost of Internet connectivity. Levels of connectivity vary across jurisdictions and vary significantly between metropolitan and rural areas. Many rural and remote schools do not have access to online services that enable the potential benefits of these services to be realised. In order to take advantage of the on line world, schools need more than a single connection via a modem and a standard telephone line. Ideally they need high speed permanent connections permitting multiple users to access the Internet at any one time. Such connections can be prohibitively expensive and in some remote areas the only access to online services is through costly satellite connections.

Many schools still have single dial-up connections while others have ISDN links but not the internal infrastructure to make full and proper educational use of the connections; and some schools still have no connections at all. Costs per student continue to rise as the bandwidth needed to support optimum classroom practice increases. Given the importance of equitable access to information and communications technology, consideration could be given to policies which promote access by all schools in Australia to appropriate telecommunications at an affordable price.

In the case of vocational education and training (VET), providers and industry require access to an advanced information infrastructure (including high bandwidth, cable, fibre optics, satellite and telecommunications) at reasonable cost, so that VET providers can maximise flexible vocational learning opportunities for all Australians, including those in rural and remote locations.

Similarly, higher education institutions lack the universal facilities necessary for teaching complex applications and for research projects which require high levels of dedicated bandwidth. This particularly affects students in regional Australia who are most dependent on open learning methodologies and the associated information and communications technologies.

The costs of providing and updating infrastructure and the associated operating expenses are high, particularly in rural and remote areas. The lack of Internet Service Providers (ISPs) within local call areas of rural and remote parts of Australia make Internet access exceedingly costly in comparison to regions with local access to ISPs. This affects a considerable proportion of the education and training community. Further limitations are imposed by the age of buildings and the associated lack of digital and/or electrical wiring.

Whole of state arrangements for putting schools online do not necessarily solve the problems of rural schools and distance education remote from the metropolitan areas. The costs for rural, remote schools are close to treble the cost to metropolitan schools. Governments aim for relatively high bandwidth at low cost in whole of state contracts. They can find the costs benefits reduced because they have to pay approximately treble the metropolitan price for a relatively small number of rural schools. All States and the Northern Territory face this problem. It has also to be kept in mind that in addition to the initial capital cost, there is also the recurrent cost, a charge which is repeated annually at a figure close to the initial capital outlay.

In summary, all parts of the education and training sector need access to advanced information technology infrastructure including high bandwidth at an affordable price and the establishment of reliable and sustainable infrastructure within education, training and research institutions. Both are critical to enable the industry to conduct its business efficiently and effectively. Current arrangements relating to infrastructure and equipment for the education and training sector and for research are key impediments to their full participation in the information economy. The lack of telecommunications infrastructure in Australia is a particular problem in regional and remote areas, as well as being of concern in metropolitan areas.

Through the Education Network Australia (EdNA), DETYA is involved in several initiatives to improve access to infrastructure in rural and regional Australia.

EdNA was initiated by the Commonwealth (in 1995) as a national process of collaboration involving all education and training sectors, focusing on ICT related issues. EdNA aims to:

- minimise duplication of effort by the Commonwealth, States/Territories, systems and sectors; and
- promote information sharing and communication between all systems, sectors, educators and students.

In December 1997, the Prime Minister announced in an industry policy statement, *Investing for Growth*, new information technology initiatives. Two of these measures are

- to donate high quality surplus Commonwealth Government computers and IT equipment to schools, and

- to provide a community access pilot in rural and socio-economically disadvantaged areas to ensure that all members of the educational community have access to, and understanding of, the uses of technology in education.

The EdNA Reference Committee, through its Schools Advisory Group, is managing the implementation of these initiatives across Australia. State and Territory based cross sectoral committees have been established to assist with their implementation.

In respect of the computers for schools project, the committees receive the computers and information technology equipment and distribute them equitably to schools, including schools in regional Australia. Each committee has policy guidelines in place to ensure that the equipment is given to those schools in greatest need and with structures in place to ensure the equipment will be used effectively.

Under the community access pilot all State/Territory committees have selected a school or cluster of schools who will make information technology equipment and specialist assistance available outside school hours. This ensures that groups that would otherwise be disadvantaged in their understanding of information technologies are given opportunities to familiarise themselves with these technologies.

The Department is also developing an Action Plan to take forward the education and training industry component of the Government's *Strategic Framework for the Information Economy* (December 1998). The *Strategic Framework* identifies the need to deliver the skills which Australians need to participate in the information economy as the second in a list of ten priority areas for action. The Plan has been developed in consultation with all sectors of education and training, through the Education Network Australia (EdNA) Reference Committee. Physical infrastructure has been identified as one of the key themes to be addressed in the education and training Action Plan.

Impact of new arrangements for income support

The effect of Income support is an important variable in the issue of whether families access education and particularly tertiary education. The Youth Allowance is the policy responsibility of the Department of Family and Community Services (FaCS). However, some information on the income support available to rural families is included at Annexe C, as a pointer to post-AUSTUDY benefits available to families participating in education.

Role of education institutions in promoting economic development

The Committee may receive evidence about whether the presence of educational institutions in regional areas can serve to promote economic development. In an April 1998 submission by the Department of Employment, Education, Training and Youth Affairs (DEETYA) to the Senate References Committee on Employment, Education and Training Inquiry into Regional Employment and Unemployment (copy attached), it was noted, page 37, that:

Although detailed analysis is difficult due to lack of regional data, it can be argued that the provision of government services largely follows (after a period of time) population movements that are caused by other factors, such as changes in demographics, consumer preferences and technology.

As such, changes to the level and composition of government services may not generally be the cause of an initial economic change to a region, but may be part of indirect effects that compound any initial economic change.

Daily physical proximity to a full education or training provider is no longer as necessary as it once was, provided that there is adequate reliable and cost effective telecommunications infrastructure to enable the flexible delivery of learning, including online learning opportunities, to take place, and provided that the learning methods are robust. These opportunities are already being developed, eg. through Victoria's Virtual University project.

Adequate reliable cost effective provision of telecommunications infrastructure could also assist in broader industry development. However, a greater understanding is needed about the critical success factors, eg. population density, infrastructure costs and ability to maintain it, the physical location of industries, education and training providers, necessary to make it work in Australia.

27 July 1999

ADDITIONAL REPORTS WHICH CAN BE PROVIDED

"Regional participation in higher education and distribution of higher education resources across regions (Occasional Paper Series – forthcoming)

Excerpts from "Equity in Higher Education" (99-A Occasional Paper Series)

"Report of the Working Party on Post-Secondary Rural Education" (Commonwealth Tertiary Education Commission with the Department of Primary Industries and Energy 1998)

"Branch campus models in Australian higher education" Graham R Davidson, John Dekkers & Clive Booth (EIP 1994)

"Tertiary access and equity initiatives: A handbook for evaluative research", Deidre M. Cobbin & Allen R Barlow (EIP 1993)

"Creating economic growth through enterprise generation and industry research partnerships" Paul D Twomey (EIP 1993)

"An investigation of a proposal to create a university college in Kalgoorlie" L J Mooney (EIP 1993)

"Educational and vocational training needs of the Aboriginal labour market in rural and remote areas of the Northern Territory" Patricia Coles (EIP 1993)

"The Pipeline Project: an investigation of local infrastructures to educate Aboriginal professionals for community, professional and industrial organisations in the Illawarra and surrounding regions" Russell Gluck and Kim Draisma (EIP 97/6)

Regional Participation in Higher Education and Distribution of Higher Education Resources across Regions

A copy of Annexe B is available from Department of Education, Training and Youth Affairs by contacting Ms Lorraine Haslem on phone 02 – 9240 8729.

Impact of new arrangements for income support

Information on the income support available to rural families

Rural families with farms or other businesses, whose full-time student children aged 16-24 years were considered dependent for AUSTUDY, and are now dependent for Youth Allowance purposes, have:

- **access to a 50 percent discount on farm/business assets under the Family assets test**. This concession has existed since the introduction in 1989 of an assets test under AUSTUDY. It does not apply to assets tests under other social security programs such as age pensions and family payments. In 1999, families with farms or other businesses can have assets net of debt of up to $820,000 and still receive Youth Allowance (subject to the application of the other means tests);

- **waiving of, or concessions in respect of, the Family assets test** in cases where families are receiving certain social security assistance because of drought, hardship, or similar exceptional circumstances.

- **more reasonable access to assistance under the Family Actual Means Test**. Following the Government's review of the AUSTUDY actual means test in 1997, a number of changes were made which were of particular benefit to families with farms or other businesses. These changes, which continue to apply under Youth Allowance, include more generous exclusion of business-related expenditure and removal of the need to estimate expenditure in advance.

Families with young people aged 16-24 needing to live away from home to study have:

- **access to higher cut-offs under the Parental income test**. From the beginning of 1998, the Government addressed concerns of larger families whose tertiary children had to live away from home to study by providing a higher 'adjusted family income' for AUSTUDY purposes. This concession, which continues to apply under the Youth Allowance, allows 'dependent student' deductions of twice the normal rate where there are two or more eligible tertiary students living away from home to study;

- **access to improved levels of assistance under the Youth Allowance**. Under YA, the rate payable for young people under the age of 18 who need to live away from home to study (or, if exempted from the full-time study requirement, to undertake an approved alternative activity) has been increased to the same level as that applying to those aged 18 and over;

- **access to Rent Assistance.** Under the Youth Allowance, rent assistance is available for the first time to full-time students. This is particularly beneficial to families whose children need to live a way from home to study, regardless of whether they are accommodated privately, in hostels, student residences, or boarding schools. Young unemployed Youth Allowance beneficiaries aged under 20 who need to live away from home continue to be eligible for rent assistance;

- **access to Fares Allowance.** Fares allowance is payable to tertiary students who need to live away from their permanent home.

[Note that the provisions described are available to all families with children needing to live away from home, not just those from rural areas.]

Families with student children, particularly those who have left secondary school, have:

- **easier access to independent status under Youth Allowance.** Under YA, young people who have left school can be considered independent (ie. not subject to parental means tests) if they meet certain workforce criteria. These criteria allow the young person to count earnings and periods of employment in a family company or business, including the family farm.

Students from rural areas also have:

- **access to Remote Area Allowance**, for the first time, under Youth Allowance.