

Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities An ATN Submission

The Australian Technology Network of Universities (ATN) welcomes this opportunity to provide a submission to the Senate Rural and Regional Affairs and Transport References Committee inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities. ATN universities enrol 20% of the nation's students, 10% regional and remote students, 19% of low SES students, and 17% of indigenous students. Our retention rate across the ATN of disadvantaged students is above the national average. With more than 185,000 students studying at an ATN University across the nation, the ATN places a high priority on ensuring a university education is available to all whom seek it.

In making this submission the ATN as a network notes that individual ATN members may make their own more detailed submissions to the Inquiry. The comments that follow address the Terms of Reference **1, 3 and 5**. However, the ATN wishes to acknowledge that the issues referred to as affecting students in regional and rural areas also affect those students living in the outer metropolitan fringes, many of whom face the same disadvantage in accessing tertiary education.

Summary of Recommendations

- 1. The ATN recommends that the parental income test be reviewed consistent with the income level defining low socio-economic status, that is, the 25th percentile on family income.**
 - 2. The ATN recommends a transition arrangement for those on a formal gap year who are working towards the current independence benchmark.**
 - 3. The ATN recommends the work test encompass greater flexibility within the independence test to accommodate individual circumstances.**
 - 4. The ATN recommends that the Relocation Scholarship scheme be expanded to include part time students.**
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- 1. The financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE**

Rural and regional students have to negotiate and resolve a range of complex issues if they wish to participate in higher education, not the least being financial. Current estimates cite that the annual living costs for a student studying away from home range between \$18,000 and \$26,000 with relocation costs in the order of \$3000 to \$6000. Added to this is the burden of finding and maintaining suitable accommodation as well as securing part-time employment to support them in their living and study expenses. It is therefore not surprising that current literature confirms overwhelmingly that prospective students and their families cite financial resources as hindering pursuit of a tertiary education. Further, in making post secondary decisions, the impact of affordability has the potential to "stream" students into academic vs vocational pathways with the outcome of some students being unable to access their first choice.

Compounding the financial impact on rural and regional students who are attending (or seek to attend) university is the degree of overlap between the equity groups affected by financial hardship, that is a large percentage of rural and regional students are often members of other equity groups. Therefore the combination of ruralism, distance to campus and socioeconomic background further marginalises rural youth from participating in the global marketplace.

In addressing the issue of financial impact, **the ATN supports the government's overall package of changes to Youth Allowance** and acknowledges that more students, both urban and rural, will qualify for income support, however some aspects of the package have the potential to undermine the government's higher education attainment targets. In particular, the qualification aspects of the scheme as proposed are designed to force dependants with assessable family incomes to applying the family income test. While the family income test has been improved, it remains very harsh. It captures the very poor, but not the moderately poor, whether urban or rural. For families with one child, full youth allowance is available for incomes under \$42,000 (both at home and away from home) and partial youth allowance evaporates to zero at incomes of \$76,000 (at home) and \$93,000 (away from home).

3. The implications of current and proposed government measures on prospective students living in rural and regional areas

The changes proposed by the Federal government will **benefit** a greater number of students, and provide them with a higher level of income support as a collective, with 67,800 more students (nationally) being eligible for Youth Allowance and 34,600 existing recipients having their payments increased to the full amount. The increase of the personal fortnightly income test in 2011 is also welcome. In addition, the Government has proposed a new Student Start-up Scholarship of \$2 254 which will be paid to each student, each year they are receiving Youth Allowance. This is equivalent to around \$43 per week.

The changes to the family assets and parental income test (that has regard for those in receipt of the Exceptional Circumstances Relief Payment, and receiving a payment under the Farm Household Support Act 1992) have gone some way to addressing previous policy deficits for regional and rural families. However the ATN is of the view that the new "maximum rate" threshold for parental income of \$42k is still too low, for both urban and regional families.

The ATN recommends that the parental income test be reviewed consistent with the income level defining low socio-economic status, that is, the 25th percentile on family income.

To fund these measures, the workforce participation criteria for independence under Youth Allowance will be tightened. There are 30,700 students who will not be considered independent in 2010 under the new workforce participation arrangements. However, some of these will now be eligible for a part payment of Youth Allowance under the dependent income test because the parental income threshold has been increased, in some cases quite dramatically. A family with two "away from home dependent children" previously had to earn below \$79,117pa to get any type of Youth Allowance and they will now be eligible for a part-payment up to a cut-off of \$139,388pa.

While the package of changes is supportable, the ATN acknowledges that the suddenness of the changes to the workforce participation criteria has cut across the plans of some prospective students who were working towards qualifying for the independent rate by taking a gap year and working.

In recognition of the fact that some students have deferred their studies for one year to work, in order to access the current independence test, it may be possible to provide “one year’s grace” for this cohort. This would take the form of allowing students who received an offer in 2009, but who deferred, and who wish to be considered for Independent Youth Allowance for 2010, to be considered under the current rules, not the proposed ones. This concession would be to acknowledge that their planning has been thwarted by the sudden change, and that the new benchmark cannot be reached in the remaining time.

The ATN recommends a transition arrangement for those on a formal gap year who are working towards the current independence benchmark.

5. The adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study

Evidence concludes the strong link between social inclusion and access to education and in this regard improving access for rural and regional youth to higher education will benefit the wider community in improved health, wellbeing and socio-economic status. As such the ATN supports the measures as discussed above as part of a wider package of reforms to be implemented by the Commonwealth in ensuring equitable access to education for ALL youth. The measures provided by the Commonwealth, while seeking to address the degree of financial disadvantage for rural and regional students, are not adequate i.e. it is not only financial factors that influence participation rates of rural and regional students in higher education. Students may also be affected by geographic isolation, a lower rate of secondary education, language barriers and lower socio-economic status. Therefore a suite of measures would be required to begin to address the issues that rural and regional students face, including: access to social networks (previously provided through student unions), access to affordable transportation and accommodation and opportunities/initiatives for English language improvement. The above factors may be outside the scope of this inquiry but nevertheless should be considered when examining the adequacy of government measures.

Overall, the **degree of disadvantage** likely to be experienced by regional and rural students as a result of the 2009-10 Budget will be off-set by provisions as stated above. That said, to gain independence from the parental income test, prospective students will now need to work increased hours per week to gain independence at a time of rising unemployment. This new test based on hours worked rather than dollars earned presents a greater challenge for rural and regional students as opportunities for what is essentially full-time work within their home communities are less than their metropolitan peers. Thus greater flexibility should be considered for those students who are unable to find full-time work. Including unemployment benefits, either in hours or dollars, is one such flexibility. Other adjustments may be necessary to accommodate the lack of employment opportunities available in the community in which the applicant lives.

The ATN recommends the work test encompass greater flexibility within the independence test to accommodate individual circumstances

Under the proposed scheme there is a significant increase in the number of students who are eligible for the Relocation Scholarship (formerly the Commonwealth Accommodation Scholarship). In 2010, it is estimated there will be 27,633 students on a CAS or a Relocation and Start Up scholarship compared to 15,639 in 2008. Combined with the Start Up scholarship, these students will receive \$6,000 in their first year, and \$3,000 each year after that. While these scholarship changes provide further support for rural and regional students they apply only to those students studying fulltime. A student studying part time and working to support their study still incurs the

same costs to relocate to a university or TAFE and therefore is still disadvantaged. Consideration needs to be given to providing some assistance to enable them to relocate for their study. There is a case for the Relocation Scholarship to also be available for part time students as well as fulltime to enable these students to realise their aspirations.

The ATN recommends that the Relocation Scholarship scheme be expanded to include part time students.

However many rural and regional students who under the current arrangements may have accessed a CAS regardless of their Centrelink status, are now totally reliant on receiving Youth Allowance in order to also access the CECS/CAS top-up payments. In addition, re-locating students who qualify for Youth Allowance will automatically get \$6254 in top-up payments, and those who don't qualify will receive nothing.

CONCLUSION

As a nation, and consistent with ATN graduate qualities, there is an expectation that students exit university prepared to be global citizens, yet there are national barriers that exist in accessing programs of choice. ATN universities have long recognised that affordability is a key factor in lifting recruitment and retention of those from low SES, rural and regional and indigenous populations and there is no doubt that rural students delay study at higher rates than urban students.

The ATN is firmly of the view that any changes to the income support package not jeopardise the overall package, as there are important reforms contained within which in the longer term improves access for the vast majority of low-income students, including those from regional communities.

The ATN strongly believes that Australia should focus on what it takes to produce a top 10 world class university system. A critical component of this is ensuring all prospective students have the opportunity to connect to national education and research networks. The issue of equity and access will become increasingly important as the sector faces a mission based funding model as proposed by the Commonwealth government that will potentially see greater numbers of students needing to relocate to undertake their program of choice. Government policy that opens the door and assists with costs for this cohort is policy that ultimately supports Australia as a world class university system.

5 August 2009