

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

From the
Isolated Children's Parents' Association
of NSW Inc



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Introduction

The NSW State Council of the Isolated Children's Parents' Association, (ICPA-NSW), welcomes the opportunity to have input into the Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities.

ICPA -NSW is a voluntary parent body dedicated to ensuring all geographically isolated students have equity of access to a continuing and appropriate education. It encompasses the education of children from early childhood through to tertiary. Member families of the Association reside in rural and remote NSW and all share a common goal of access to education for their children and the provision of services required to achieve this. Members' children are educated in small rural schools, at boarding schools, school term hostels and by distance education. Students wishing to study at a tertiary level always need to live away from home to do so.

Access and affordability of tertiary education are one of the most pressing issues for our members. Members are reporting, with increasing desperation, the problems their children face when trying to access and afford tertiary studies. The difficulty in gaining income support and the inadequacy of income support measures whilst studying and living away from home, are the major obstacles deterring participation in tertiary studies.

Students from rural and regional Australia have the same aspirations as their urban counterparts when it comes to attaining a tertiary qualification. However, statistics show that they are completing tertiary studies at a much lower rate than students who live in an urban environment and remain living at home whilst attending a tertiary course of their choice. This fact has been well documented, with the inadequacy of income support measures cited as one of the main reasons they are not choosing and completing tertiary study.

It is ICPA-NSW's contention that for the majority of students from rural and regional NSW there HAS TO BE A RELOCATION to access any form of tertiary studies. This implies that the student HAS TO MOVE AWAY from their home and family. In doing so, the student lives independently of the family unit and makes day to day living, education, work and health decisions independently of their family. The student may not be entirely financially independent of their family but in the majority of cases, the student earns an income that partially supports them.

ICPA-NSW will address the Terms of Reference A, C, and E with respect to the adequacy of Government measures to provide equitable access to post-secondary educational opportunities to students from rural and regional communities.

ICPA-NSW believes all students, irrespective of where they live, should have the opportunity to *'receive the education they require to participate to their full potential in the social, economic, political and cultural life of the community'*.

ICPA-NSW looks towards to an equitable way forward that does not disadvantage rural and regional students in the pursuit of their educational goals. These students are the future of regional and rural Australia. Constructive changes to the income support mechanisms would enhance the opportunities available to them and improve the future human capital base of rural and regional NSW.

A. the financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE;

- It is documented that the cost of supporting a student, who has had to leave home to live in a metropolitan city whilst attending tertiary studies, is approximately \$20,000 p.a. This cost is slightly lower if the student lives and attends a tertiary institution in a regional centre. This is the cost of food and board, general living costs, travel, texts and other associated study costs. ('Youth Allowance and Regional Young People' by Naomi Godden)

The above figure equates to \$400 per week, \$800 per fortnight (net)

Assuming that the student can qualify for the full rate of Youth Allowance (YA) then YA as an income support payment provides \$371, and rent assistance of \$74, totals \$445 per fortnight. Thus, students need to be able to find part-time casual work (approx 20 hours at \$20/hr, nett) to raise additional funds to support themselves.

- The different study loads of courses often prohibit students from working the hours to supplement the income support they receive. Science/ medicine/ pharmacy/ veterinary science/ agriculture/ education courses often have 30 hours or more face-to-face lectures and tutorial time. Study time to complete set assignments and prepare for exams is additional. For these students, it is literally impossible to hold down a part-time job in order to support themselves. Many students live and study in an environment where there is little casual work available.
- A study of student engagement released by ACER (Australian Council of Educational Research) in April 2009 found that students from remote backgrounds report higher than average intentions of leaving tertiary study before completion of their course. Students are more likely to leave for financial reasons.
- The additional financial support needed by students to live independently from the family unit, many kilometres from home, is usually met by the family. There is the need to fulfil the educational aspirations of their children, and not believe that distance from a tertiary institution should influence the decision to follow a tertiary education pathway.

The financial impact on families educating other siblings at secondary and tertiary institutions is immense. Decisions to continue with further studies are often made on a financial basis, as the family unit cannot support the additional financial burden.

- The level of income support provided to full time students falls short of that provided under other benefits. The highest rate of payment that singles can receive from YA is \$371.40 per fortnight. This is well below the current Newstart allowance for singles of \$453.30 per fortnight. In these terms, YA can act, as a disincentive to encouraging young people to participate in higher education rather than seeking full time employment. This is counter to the Government's stated aim of increasing the participation of marginalised groups such as rural and regional young people in higher education.

- ICPA-NSW recognises the value of the Start-Up Scholarship, which students receive when they are in receipt of any YA payment, and the Relocation Scholarships for dependent YA recipients who must leave home to study at tertiary level. It needs to be recognised that students from rural and remote communities, who have relocated to attend a tertiary institution, have much larger day-to- day costs than students who live at home to attend tertiary institutions.
- Government needs to be able to differentiate between students who **MUST LEAVE HOME** to obtain a tertiary education, and those students who have been able to attain independent status for Youth Allowance **BUT** still reside in the family home.

C. the implications of current and proposed government measures on prospective students living in rural and regional areas;

- Current and proposed government measures dealing with the criteria for eligibility for Independent YA do not adequately provide for rural and regional students. These students need to be assessed as independent when they leave home to access tertiary studies.

The YA guidelines need to include a category that specifically isolates and identifies students who must leave home to study at tertiary level. ICPA-NSW proposes that such a measure could be the introduction of another category in the list of individual circumstances under which young people can establish independence. This new category could be *'must leave the family home to attend a tertiary institution'* and the home postcode (as in the criteria to qualify for the Commonwealth Accommodation scholarships), would verify that to attend a tertiary institution the student must leave the family home.

- Students, who have deferred university studies and are currently working to fulfil the workforce participation criteria, are being severely penalised by the introduction in January 2010 of the changed workforce participation criteria. The introduction of the proposed guidelines should be postponed so that young people, who were given advice and acted according to the guidelines and information received, are not adversely affected.

As grandfathering is offered to students already in receipt of Commonwealth Scholarships so should grandfathering be offered to those students who are currently attempting to qualify for independent Youth Allowance via the current workforce participation guidelines.

The majority of universities only permit deferral of select courses for one year. The implications for rural and regional students wishing to access universities courses are significant, especially in the light of changed funding arrangements for universities to be implemented by the Government.

These potential students may decide to postpone study indefinitely. The government has already stated that one of the aims of the Education Revolution is to increase the participation of students from rural and regional backgrounds. The immediate introduction of the changed workforce participation guidelines will hamper the attendance at tertiary institutions of students from rural areas, not increase it.

- The dependent rate of Youth Allowance is not an adequate income support measure for students who MUST leave home to enrol, attend and study a course of their choosing at a tertiary education provider.

A student may now qualify for some Youth Allowance payment under the relaxed family income guidelines but a portion of the dependent away from home youth allowance payment will not adequately support a student who is not living at home. It is misleading, as the amount of student income support received will be substantially less than the full

independent away from home rate.

If a student is deemed independent the maximum YA + Rent Assistance = \$445/ft

(The maximum Rent Assistance paid when sharing a house is \$74/ fortnight)

The \$445/fortnight is the rate for dependent, away from home, Youth allowance recipients if the parental income is at or below \$42 559 pa. Any increase in the parental income reduces the YA accordingly. It is a fallacy to imply that students are receiving the same amount of income support, as was previously available when the student was classified as independent. In fact, a small increase in family income causes the rate of YA payment to decrease dramatically, as shown in the table below.

(Assuming 1 student dependent at university)

Family Income	Income support + Rent Assistance per fortnight
40 000	445
50 000	400
60 000	323
70 000	246
80 000	169
90 000	92
100 000	0

- The proposed removal of the 2nd and 3rd elements of the workforce participation criteria will severely hamper the capacity of students from rural and regional areas to establish independence. This is unjust and inequitable.

The capacity to find 30 hours per week work for at least a period of 18 months in small rural communities is limited and in many communities non-existent. Seasonal agricultural work is more readily available, often during harvest. Access to this form of employment enabled young people from rural areas to become eligible for independent youth allowance. Employment during holiday periods, whilst living back at home, enabled students to save and support themselves during university semesters.

- The proposed increase in the personal income test threshold is positive. This measure should be introduced from 1 January 2010. This will then align with other changes the Government is proposing. As the base rate of YA is below the poverty line, the increased threshold will enable students to benefit from increased earning capacity and not be penalised.

E. the adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;

- ICPA-NSW represents students who have to move away from the family home to attend any form of tertiary study. As such, its focus point is on independent students who must live away from home. The contention is that a student is not independent if still living at home, with all the advantages that living at home provides.

The possibility exists that the independent criteria for Youth Allowance should only apply to young people who do not live in the family home, and have had to relocate to access tertiary studies. Young people who are renting, paying utility accounts, managing a house, cooking, cleaning, shopping, and managing their personal affairs and finances are independent of their parents.

These young students need income support. As stated previously, the majority of students attempt to support themselves financially but due to course commitments, this is not possible.

- The Government has stated that the increase in the Parental Income Test threshold will increase the number of families receiving support. This may be true but the level of support will taper off as family income increases. The income support available to dependent students, unless family income is at or below \$42 559, is significantly below the income support provided if the student is classified as independent.

There are many families who do not have incomes below the FTB A, but whose student members need to be in receipt of the full rate of income support (YA) as they require financial assistance to attend university.

A partial payment of Youth Allowance is not adequate to provide income support to students whilst studying, especially when the student has had to relocate to enrol in a tertiary course.

- All students who must move away from the family home to study should qualify for the Relocation Scholarship. The Government has stated that this scholarship is to provide assistance with the *'costs of establishing new accommodation in order to attend university'*, and that its *'...objective is to remove financial barriers to the educational participation of students from low SES backgrounds, particularly those from regional and remote areas.'*
- Youth Allowance basic rate only rises with the CPI each year. A significant increase needs to be applied to the base rate to make this a true income support measure. The real value and purchasing power of the average income support payment has declined significantly in the last five years, as illustrated in the Bradley review (p.55)

Summary and Recommendations:

Most students from rural and remote Australia have to move away from their family and earn an income while accessing their preferred tertiary course of study. Current and proposed changes to Youth Allowance will not support many of these students without a significant contribution from family members and a part time job.

Recommendation 1. That the Youth Allowance guidelines include an additional category, in the list of individual circumstances under which young people can establish independence that specifically identifies students from rural and remote areas who must leave home to study at tertiary level.

Government needs to be able to differentiate between students from rural and remote areas who must leave home to obtain a tertiary education, and those students who have been able to attain independent status for Youth Allowance but still reside in the family home. Postcodes could be used, as they were for the selection of Commonwealth Accommodation Scholarship recipients.

Recommendation 2. That students from rural and remote Australia who have to leave home to study at a tertiary institution are eligible for the independent rate of Youth Allowance.

Young people in full time study, who do not live in the family home and have had to relocate to access tertiary studies, should receive the independent rate of Youth Allowance..

Recommendation 3. That Relocation Scholarships be provided to all Youth Allowance recipients who have to relocate to study.

The fact that Relocation Scholarships are only available to dependent YA recipients who leave home to attend a tertiary course of their choice is inequitable. Relocation is a necessary step for most rural and regional students, whether they are classified as dependent or independent for YA purposes.

Recommendation 4. That students who are currently attempting to qualify for independent Youth Allowance via the current workforce participation guidelines, be assessed under the current criteria.

Students who have deferred tertiary studies and are currently working (2009) to fulfil the workforce participation criteria are being severely penalised by the changes proposed for 2010. These students postponed their study options according to the guidelines in force at the end of 2008, and will now be severely disadvantaged.