

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

**Monash University Gippsland Student Union
Submission**

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Introduction

As a regional student association, MUGSU Inc. is dedicated to the improvement and the student experience for those undertaking higher education. As such, the key points addressed within this submission are:

- Implement proposed changes to 2011
- Gap Year
- Age of independence
- Workplace Participation Criteria
- Scholarships
- Means test

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

Students attending metropolitan universities are faced with the financial strain of travel, work and living expenses.

The proposed change to remove the criteria of earning \$19k over the 18 months to having to work 30 hours a week for 18 months to meet eligibility for the Independent rate for Youth Allowance adds to the financial strain of regional students as students may potentially be going to university straight out of Year 12 without any money or support from families. This is especially an issue for students who are currently working in their gap year in 2009, who may not be eligible for the Independent rate if the changes are to be implemented in 2010. This is supported by the Education and Training committee (2009) who have reported that around 30,700 students prospective claimants will no longer qualify for Youth Allowance in 2010.

This not only disadvantages regional and metropolitan students financially and otherwise, but will also put added strain on regional families to be able to support their children if they wish to move out of home and study at a metropolitan University, or TAFE.

Regional families also face many financial difficulties when faced with a child wanting to pursue a university degree, especially if they technically earn too much money or have a high level of assets which affects whether their child can be eligible for Youth Allowance straight out of High school. When adding in extra necessary purchases such as textbooks, lab coats, readers, unit guides, and other ancillary costs, the financial impact of attending higher education is great.

b. the education alternatives for rural and regional students wanting to study in regional areas;

Regional students wanting to study in regional areas have few education alternatives. Options for further education include Monash University Gippsland or as an alternative to university, GippsTAFE.

However, to live in a regional area when not living with their parents or not be supported by their parents, there are financial difficulties. If students are coming straight to University from Year 12, as indicated by Corries & McKenzie (2009) being that "university is consistently the most common destination" for Year 12 students (pg 3), without extra financial Government support, families may not be able to support their children, especially if there is more than one child in the family. While studying in a regional area may be less costly in comparison to metropolitan areas, if students are unable to support themselves, or be supported, university is not going to be a viable option for them, unless they are able to receive financial benefits, such as Youth Allowance.

Opportunities such as traineeships or apprenticeships are an alternative for students; however these positions are often limited in the Gippsland region, which may rule these out as an option also.

In order to provide support for Gippsland students who wish to enter a university place and complete their degree with less financial difficulty, the age at which independence can be claimed should be decreased. An alternative age would be 18, which would accurately reflect the current practice of Australian students who attempt to enter the workforce or university sector straight out of Year 12. There are many benefits to be gained if more university students were able to go directly from high school to university without having to take up to 2 years off to secure Youth Allowance. More students would obtain their degree sooner, leading them to be less of a burden to society but rather engaged tax payers who contribute to economic growth in regional areas as skilled professionals.

MUGSU Inc recommends that the Age of Independence is decreased to 18 years old, to allow more students access to Youth Allowance.

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

Current

Currently, students are struggling to gain independent status, due to a number of factors. Many students are coming straight out of Year 12 and heading straight to university, which does not give them the opportunity to be able to work enough to be able to earn over the \$19k threshold to be able to gain Youth Allowance. For many, being able to find part time, or casual work throughout their first year of university doesn't allow them to earn the amount to be eligible for Youth Allowance. This is especially true for regional students, where the amount of work available is limited, and there are not many options for how many hours can be worked. This means students may face a year or a semester without any financial income whilst awaiting the end of the 18 month time restriction.

Many students also live at home, and while this may seem to indicate that they are being financially supported, this is not always the case, with many paying for board, utilities, food, and other regular payments.

The cost of living is much higher for students who elect to move out of home to pursue further education, with current expected costs for a rural student to be between \$15-20k per year, plus relocation expenses of \$3-6k, which is higher than the costs for metropolitan students (Godden, 2007).

There are also the students who have taken a gap year, and are unable to receive their Youth Allowance when they begin university as the 18 month timeframe has not passed yet. This means that students often need to utilise many different forms of assistance to be able to live, such as loans through University, using up savings earned throughout the gap year, assistance from parents who may not be able to afford it, and many other less attractive options, such as going without necessities such as food, and finding alternative housing, all of which are issues which are dealt with by the Health,

Wellbeing and Development department at Monash University Gippsland, especially in regards to first year students.

Proposed

There is potentially the same issue of no income whilst at university, as the limitations of hours to be worked within the 18 month time frame is still to be utilised. This will still mean that students will have to miss out on assistance for the beginning of their semester if they are beginning university after completing a gap year or for a year or more if they are students straight out of Year 12. Neither option is preferable.

The impact of the proposed workforce participation changes will further hinder opportunities for regional students, with the expectation that 30 hours of work a week within 18 months, or 15 hours a week within 2 years is to be completed.

The removal of the \$19k to be earned seems to be unnecessary, as students will not be electing to not work once they have reached the threshold, as they will need to continue to work to ensure that they can cover their finances until they are eligible to receive Youth Allowance, which may not be until the end of their first semester at University. Further more, by bringing in these changes in 2010, it will leave those students who are currently taking a gap year without eligibility for youth allowance, as they may have earned over \$19,000, but have not completed more than 30 hours a week in the 18 month period time frame.

In line with this, MUGSU Inc. supports the Greens suggestion that if the proposed changes are accepted, they should be put in place no sooner than 2011.

MUGSU Inc. also recommends that the 18 month period is shortened to a 12-18 month option to fit in with the University calendar, and to ensure that prospective University students will not miss out on essential financial aid.

There is also the possibility that students will be foregoing university to gain paid employment which is hard to find in regional areas. In this case, students may prefer paid employment to the perceived 'poor uni student' lifestyle and elect to stay in the workforce rather than go to university. This would mean fewer students would be undertaking courses which are vital to regional areas, such as nurses, doctors, engineers, teachers, psychologists and accountants, all of which are achievable through degrees which are available at Monash University Gippsland.

While there is the option of traineeships or apprenticeships, there are not many positions available in regional areas, which means that students, or possible tradespeople will be forced to consider a different job or career path meaning they may return to university later in life; however there will be a lower number of young, qualified professionals in regional areas, which are ageing rapidly.

d. the short- and long-term impact of current and proposed government policies on regional university and TAFE college enrolments;

Short Term

In the short term, the Government will be saving money, in regards to the amounts being given out to students. Youth Allowance payments have not increased, however, there will be a reshuffling of the scholarships available to students who receive Youth Allowance. These are currently the Commonwealth Education Costs Scholarships (\$2,612 p/a) and the Commonwealth Accommodation Scholarship (\$4,324p/a). The Education Costs Scholarship is to be replaced by the Education Start Up Scholarship (\$2554 for the first year, \$1,000p/a for the years after). This benefits the students who have not previously received a scholarship, but will disadvantage those who had done prior research and were eligible for the previous scholarships, as they will be losing out on a large portion of money each year. This benefits the Government, as they will be saving money, but will appear to be giving more out.

Socially, the communities will not benefit, as the numbers of students who attend regional universities will decrease due to lack of enrolments.

Long term

While there is a possibility that enrolments would increase in Gippsland as regional students choose to live closer to home at a lower cost, this will more than likely be overwhelmed by students' financial constraints, which will mean enrolments in both regional and metropolitan universities will decrease. This has the effect also of reducing course sizes and options for students.

In the long term, the Government and the economy will suffer by the choice not to back students earlier on in their education, as there will be less skilled employees in the workforce, due to students not attending university. There will be fewer career options in the regions, which will affect the local economy, and will damage community pride and support for regional communities. Graduates will also neglect to stay in the region due to lack of work, instead electing to move to metropolitan areas where there is more perceived 'opportunity'. Students may also be lured by the money available in the non-skilled workforce if they are forced to participate in it for longer, instead of securing qualifications and better long-term prospects through higher education.

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

Students required to leave home for tertiary studies straight out of year 12, are not only faced with the hassles and costs of relocation, accommodation, travel costs, living costs as well as regular study costs, but students are also faced with the issue of finding income and financial support.

How can students straight out of Year 12 afford to live away from home if they are ineligible for the Independent rate of Youth Allowance? The 18 month period alone would be the major issue, as these students would not have the opportunity to be able to work enough hours to be able to gain Youth Allowance before they finish their degree.

And if they are unable to gain the Independent rate and their parents are unable to support them then they are forced to find employment. MUGSU has found that a large number of students that face potential exclusion at Academic Progress Committee hearings due to their poor academic results report “financial problems” as a major contributing factor to their academic struggles. Often these students are granted another opportunity to continue at university which means that their length of their degree is extended beyond the standard, meaning students are possibly spending longer at university due to financial constraints.

If students had financial support earlier on in their university careers they would be more likely to successfully complete all of their enrolled units first time, meaning they would be receiving benefits for a shorter period of time, completing their degrees quicker, and more likely to be entering the workforce earlier, meaning they would be able to return to their regional homes and contribute to their regional economy and professional workforce.

To be able to achieve this, the age of independence should be lowered, preferably to 18, the 18 month period could start earlier with the requirement being 10-15 hours of employment per week, and most importantly the means test should be further assessed.

The means test should place more emphasis on the students’ costs rather than on parental income, for example, study load and work requirements etc, and more focus on the family situation, for example, how many children, and where the income goes, to determine a student’s eligibility.

The increase to the threshold of parental income for students to be eligible for the dependant rate of Youth Allowance is a good start, but other factors need to be considered more in deciding this level. We have empirical evidence from Health Wellbeing and Development in Gippsland that some Youth Allowance recipients have to support children themselves or subsidise small business. The current measure of an increase in the threshold by around \$1200 for each child is inadequate.

While we welcome a gradual reduction in the age of Independence, we believe there is little reason not to lower it, and a substantial cost to the Government should not be a reason to not lower the age, for example, to the age of adulthood, namely 18.

In terms of changes to the scholarships available, namely the *Commonwealth Accommodation Scholarships* and *Commonwealth Education Costs Scholarships*, they appear to be beneficial overall, and positive.

However, changes to the Accommodation Scholarship mean they are cutting down the amount from \$4,000 pa to \$4,000 in the first year and then \$1,000 for each year after that. The scholarships are also not focused on regional students, apart from 1 criteria in the Equity Groupings for the Education scholarships, which does not target those most in need.

All these positive changes don't, however, address the issues in fulfilling the stricter workforce participation criteria, which have a particular impact on rural and regional students due to the lack of work opportunities.

f. the educational needs of rural and regional students;

Education is critical for all young people regardless of demographic. However it could be argued that a professional university education is more important in regional areas to ensure that professional jobs are being filled and maintained.

Metropolitan areas have more to offer in terms of employment, housing and schools, which would be more attractive to qualified professionals than regional areas.

So why not support regional students being 'up skilled' so they can stay in their home areas?

g. the impact of government measures and proposals on rural and regional communities; and

Communities would be dramatically impacted by the Government's proposed changes to Youth Allowance in a number of ways including: fewer students being attracted to the regional area, meaning fewer potential employees and customers to local businesses, decreased visitors to the area due to fewer students bringing and/or introducing family and friends to the area which would lead to a decreased economy. Decrease in professionals in the area which could lead to an increase in the number of people moving out of or away from the community for their family's sake (i.e. fewer doctors, teachers, lecturers etc). If there are fewer students at the Gippsland campus for example, it is likely that many employees would become retrenched which could lead to a decrease in community pride.

h. other related matters.

Another direct matter is the potential impact of these proposed Youth Allowance changes to the Monash University Gippsland Student Union. The main issue would be the fact that the number of students on campus would slowly decrease, as more students will change their study mode to part time and off campus so that they are able to work to support themselves and put them through university. There is also the issue of fewer students having spare time to be able to work with and be a part of the union due to work commitments due to financial pressure. This would negatively impact their student experience and engagement with the university, which in turn would lead to Monash University Gippsland students not having a well rounded university experience which is essential to the development of strong graduates. It is well accepted that a university degree should entail a significant component of extracurricular non-academic activity, as this assists students to succeed in their coursework and to make them more rounded and

potentially more successful individuals in the work force and in society upon completion of their degree. If MUGSU is unable to provide this, the student experience and engagement with the university and the university community would be decreased which would decrease satisfaction all around.

References

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