

SUBMISSION

To the

Senate Rural and Regional Affairs and Transport References Committee

For the

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

From

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The poor enrolment rate for rural and remote students in Tertiary Education is a cause for concern. The Government measures to provide equitable access to secondary and post-secondary education opportunities to students from rural and regional communities are currently inadequate and the proposed changes announced in the 2009 Federal Budget while addressing some issues have made others worse.

The financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE

Some of the costs of relocating away from home and from family support in order to access a tertiary institution to pursue their course of study include:

Upfront costs associated with accessing and securing accommodation (including time off work and travel costs to look for accommodation, large up front bond, relocation costs, rent costs, the cost of furnishing and setting up a house including telecommunication)

The increasing cost of daily living, such as food and fuel.

The costs of running and maintaining a household

A second set of ongoing telecommunication costs- internet and telephone. Most students need access to high speed internet for study purposes. This entails setting up a computer, telephone and / or internet connection in their new place of residence.

Costs associated with visiting home including travel and loss of income from time taken off from jobs.

Students from rural and remote areas need to attend colleges in regional towns and cities at various times as part of their traineeships or apprenticeships and find it difficult and expensive to find short-term accommodation especially during periods of accommodation shortage.

Students that continue to live in their parental home do not need to consider these costs. Students living away from home to study are constantly under financial stress, often live in inadequate accommodation and frequently have to economise on other expenditure.

The educational alternatives for rural and regional students wanting to study in regional areas

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

Student Income Support

Changes are needed to how student income support is targeted, with previously 36% of independent students living at home coming from families with incomes above \$100 000 (Bradley Review 2008). The proposed changes will potentially decrease the number of students from high income families that receive Youth Allowance payments and increase the numbers of students from low income families who can receive partial support through the dependent Youth Allowance. While it is projected that most students will receive access to student income support through the parental income test there will be many students who will be ineligible due to the assets test even though the family has a low income. This will disadvantage many rural and regional students as their only access to Rent Assistance is if they are eligible for Youth Allowance. Many of the students who become eligible for the dependent Income Support payments will not be eligible for the maximum payment as their parents' income will be above \$44165.

Assets Test

The proposed changes to the Assets Test will help some families but there will still be families whose business assets are too high to meet the eligibility criteria. Farming family businesses have expensive machinery assets and with the increasing size of farming properties required to achieve a scale necessary for a profitable business, land assets can be very large. In poor seasons or during periods of low commodity prices income can be low but assets remain high. Many families do not qualify for Exceptional Circumstances Relief Payment.

Work Requirements

Due to family circumstances some students need to meet the requirement for independence in order to receive any income support and rent assistance. Many students would rather qualify for income support payments as independent students so that they are not dependent on changes in their family's circumstances. The proposed work requirements of 30 hours per week for at least 18 months over a two year period will be very difficult for many students to meet. In small regional centres and in many remote areas opportunities for continuous full time employment are often limited or not available. School leavers are usually unskilled workers which reduces their chances of successfully competing for available jobs. The jobs they can secure are often low paid. Families still have to assist with the financial costs of the future student relocating and living away from home in order to meet the work requirements.

The report on 'Regional Young People and Youth Allowance: Access to Education' (Godden 2007), found that the strict eligibility criteria for Youth Allowance is the key barrier to accessing a tertiary education for rural young people. This proposed change to the work requirement to meet independent Youth Allowance eligibility will only make it

harder for rural and regional students to access a tertiary education.

An immediate problem with the proposed work requirements is the serious impact they will have students who completed Year 12 in 2008 and have already made future plans based on the expectation that they would be eligible for independence under the previous guidelines so they could commence university in 2010. Current Year 12 students may also be affected.

Student Start-Up Scholarships

It is pleasing to see that university students who qualify for an income support payment will have automatic entitlement to annual the Student Start-Up Scholarship. This scholarship needs to be available to both dependent and independent students.

Relocation Scholarship

The increase in the number of rural and regional students who will be eligible to receive the Relocation Scholarship, the increased flexibility for the students to access learning institutions, a more timely payment of the scholarships and the amount received in the first year when the initial costs of establishing accommodation away from home are greatest is welcome. Unfortunately the reduction in the subsequent annual amount to \$1000 doesn't reflect the ongoing costs of accessing accommodation away from the parental home.

The relocation costs apply to all students who need to live away from home to access further education and training. This scholarship needs to be available at least to all dependent and independent students receiving income support and ideally to all students who need to live away from home.

Dependence vs Independence

Receiving the dependent income support leaves students vulnerable to changes in parental income or asset values. Students cannot be assured of receiving the same level of payment for the duration of their course. Receiving the independent income support lets the student have control over their own financial situation.

If a student receives income support because the family business is in "exceptional circumstances" they are not guaranteed of continued support for the period of study as the family circumstances could change.

The costs associated with leaving the family home to study are the same whether a student qualifies for dependent or independent income support. Similar levels of support should be offered to all students. Under the proposed changes dependent students will receive more support than independent students.

The short and long-term impact of current and proposed government policies on regional university and TAFE enrolments

Students who do not receive adequate assistance to leave home to attend university or TAFE are likely to opt out of further education. As some of these students would attend regional universities and TAFEs it is likely that in some instances enrolments will decline.

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

Student Income Support

Students who need to move away from the family home are seriously disadvantaged compared to students who can remain living in the parental home. The proposed maximum rate of income support payment, even with the addition of rent assistance, that is received by students if their parents' income is no more than \$44 165, is not adequate to pay for the extra costs associated with living away from the parental home. Families where students receive reduced rates due to higher parental income are even more disadvantaged.

Rent Assistance

The current rate of rent assistance is inadequate to cover the cost of associated with living in a University College or a private rental.

Income Bank

The current Income Bank level set at \$6000 does not allow students to put aside enough money during vocational work periods to adequately cover for the income shortfalls during study periods.

Fares Allowance

The allowance for up to two return trips home per year need to be available to both dependent and independent students.

The educational needs of rural and regional students

Rural and regional students need equitable access to education. Where possible this would mean access to a suitable educational facility that the student can access while living at home. If this isn't possible then adequate assistance needs to be provided to allow the students to access an appropriate educational facility that will enable the child to meet their individual needs and allow them to develop to their full educational potential. This assistance is especially important where local educational facilities offer limited programmes or limited opportunities for social development. This is a need at all levels of education – primary, secondary and tertiary.

A very basic necessity is access to affordable, good quality high speed telephone and internet services to enable students to access online courses through open learning and distance education.

The impact of government measures and proposals on rural and regional communities

The current inability of some students to access the AIC allowance to help them attend an appropriate school has a negative effect on rural and regional communities. Families leave their communities if they cannot afford access to an appropriate education for their children. This causes disruption to communities and some cases the families are not replaced causing a decline in the viability of the communities.

Students who are unable to access further education and training that suits their needs can become disengaged from education and if they are unable to find employment may lead to disruptive behaviour that creates social problems within their communities.

Other related matters

Students who need to leave the family home to study suffer from the loss of emotional and financial support that is normally provided by families. Students living at home often receive extra emotional and physical support during stressful periods such as periods of high work load and during exam periods. Without this extra support rural and regional students are more likely to withdraw from their course or take leave. This extends the time taken to complete course and extends the period of financial hardship.

By taking on the extra responsibilities of maintaining dwellings, organizing and paying bills, dealing with house mates and landlords, rural and regional students are required to become very independent regardless of whether or not they receive financial support from their families.

Most students receiving Youth Allowance need to work while studying so they can meet their financial commitments. These work commitments impact on the time they have available to visit home further reducing their access to support from families.

Conclusion

Work is still needed to ensure that all our rural and regional secondary and post-secondary students are able to receive an appropriate education. Students who need to move away from home to access further training or education need adequate support, including rent assistance, to give them some semblance of equity with their city peers who may remain in the family home. This support must not be linked to the eligibility requirements for Youth Allowance or any other Centrelink payments.

