

7 August 2009

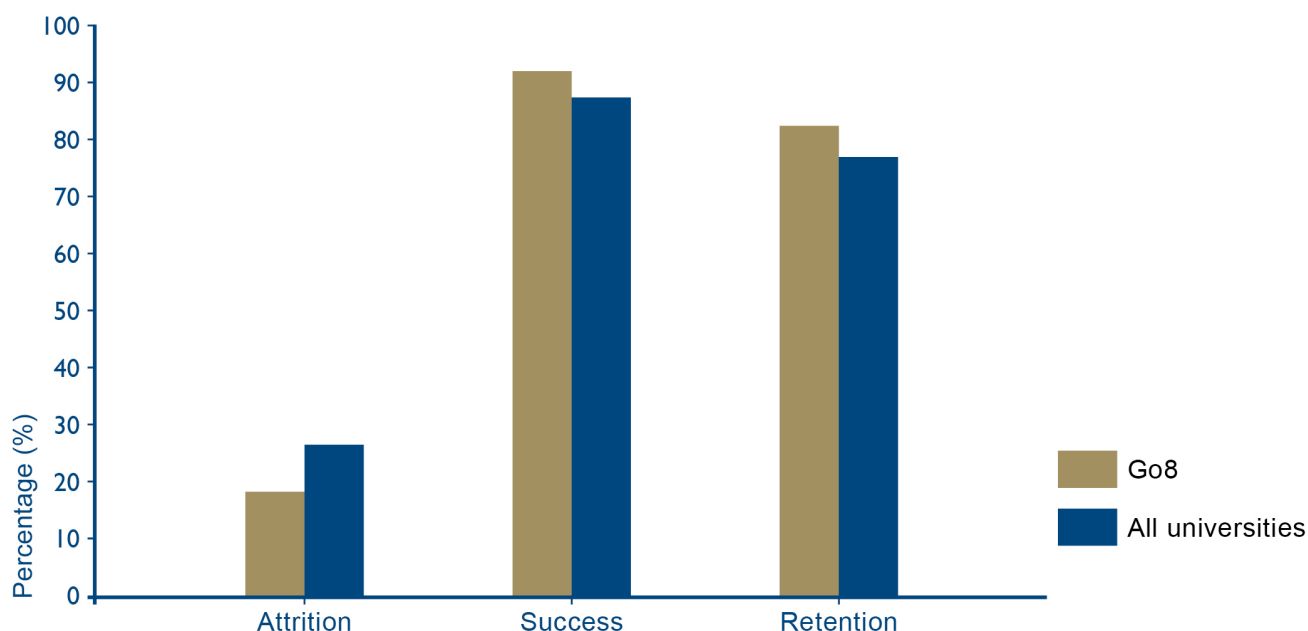
The Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Committee Secretary

The Group of Eight (Go8) appreciates the opportunity to provide input to the Senate Standing Committee on Rural and Regional Affairs and Transport's *Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities*.

Go8 universities enrol 16.8 percent of Australia's regional and remote student population, providing them with access to Australia's leading education and research training universities. Through additional scholarship opportunities and high level student support services these students thrive in our excellent learning environments, achieving lower attrition¹, and higher retention² and success³ rates than their peers in other universities (see graph).

Regional and remote higher education students, 2006



Source: Higher Education Student Data Collection, DEEWR

The Go8 welcomes the Government's proposed reforms to the student income support system. The Go8 believes these reforms will better target limited public funds to those most in need. The Go8 particularly welcomes the move to remove university and equity scholarships from the income test – which will mean more regional and remote students, who receive these scholarships, will not lose their access to much needed income support.

¹ **Attrition** is the proportion of students who commence a course, who neither complete nor return in the following year.
² **Success** measures the Effective Full Time Student Load (EFTSL) of units passed, as a percentage of all units attempted, for a particular group of students.
³ **Retention** measures the percentage of continuing students out of all students enrolled the previous year who did not complete their course in that year.

As the higher education system adjusts to provide better access to those from equity groups, in line with the Government's ambitious attainment and access targets, the Go8 supports government policies which direct finite resources towards those who are most deserving.

The Go8 supports students being admitted to learning environments where they are most likely to succeed. As well as providing direct entry for students who have demonstrated readiness, several Go8 universities have or are developing articulation arrangements to facilitate successful movement of students from other learning institutions and the workforce. The Go8 has a particular role in facilitating access to graduate studies for students from all backgrounds. The Government should encourage universities to provide support which leads to success, in its forthcoming Compacts formulation process.

Please find attached a media release for more details of the Go8's position on student income support.

We look forward to the successful passage of the income support legislation through the Parliament, to ensure a more equitable distribution of available income support in the near future.

Yours sincerely



Michael Gallagher
Executive Director

21 May 2009

Student income support measures will target those most in need

The Government's changes to student income support, announced in the Budget last week, will help to ensure public funding is targeted at those most in need, according to the Group of Eight.

Analysis of the 2009 Budget reveals that the changes to parental income tests and the treatment of equity scholarships will increase the number of low income students eligible for Youth Allowance and financial support from universities and private philanthropy.

"With a finite amount of public funding it is vital we target those students most in need," said Go8 Chairman, Professor Alan Robson.

"The Government has significantly increased the parental income test threshold for access to Youth Allowance. This measure will apply from January 2010 and will increase the number of eligible students by 17 per cent.

"For example, a family in which two students are living away from home will be able to earn up to \$140,729 (*figure updated based on revised income thresholds*) before those students lose their Youth Allowance payments.

"New start-up and relocation scholarships for all students on Youth Allowance will also make a big difference, especially for families in rural and regional areas.

"The Go8 particularly applauds the Government's decision to remove university and private equity scholarships from the income test.

"The Go8 has long advocated this measure. As far back as 2002 the Go8 highlighted the fact that treating equity scholarships as income was a major disincentive for their provision because most students on such scholarships would lose their Youth Allowance.

"I am confident this decision will result in a substantial increase in the number of university and private scholarships available to students from low SES backgrounds," Professor Robson concluded.

Examples of Family Situations and Parental Income Test Cut-out Points

Family Situation: Number of children on Youth Allowance by Age	Parental Income Cut-out Points	
	Current Arrangements	New Arrangements
1 Child aged 18 at home	\$58,288	\$75,937
1 Child aged 18 away from home	\$71,532	\$92,447
2 Children aged 16 and 17 at home	\$57,794	\$97,023
2 Children aged 18 and 20 at home	\$62,080	\$107,709
2 Children aged 17 and 21 away from home ¹	\$75,324	\$140,729
2 Children aged 19 and 23 away from home	\$79,117	\$140,729

NOTE: (1) Assumes 17 year old at school and 21 year old at university

Source: Australian Government, *Fact Sheet, Student Income Support – Parental Income Test, August 2009*
<http://www.deewr.gov.au/HigherEducation/Programs/FairerSupportforStudentsNewYA/Pages/default.aspx>

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