



**Student Guild** | University of Western Australia

Submission to the Senate Standing Committee on Rural and  
Regional Affairs and Transport

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

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## ***Introduction***

The accessibility of Higher Education<sup>1</sup>, in particular the accessibility for those from rural, regional and remote areas, over the last decade has been of significant concern to the UWA Student Guild. Because of this we welcome the establishment of the *Senate Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities*.

Our submission to this inquiry, at the moment proposes three courses of action:

1. Demanding a change in the 2010 implementation date for the workforce participation criteria changes (pushing back to January 1st 2011).
2. Putting forward a long-term solution for rural and regional students post 2010/2011.
3. Student services fees are essential for rural and regional retention at both rural and regional and metropolitan campuses. The Voluntary Student Unionism legislation should be repealed to restore a vital and inclusive campus life and effective mechanisms for the representation of rural students.
4. More support for Rural and Regional Campuses

As a University with a significant student community from rural and regional areas, the UWA Student Guild believes that improving the accessibility of Higher Education for these students is crucial to strengthening rural and regional communities and the nation as a whole.

With many of these communities underpinning the national economy, there is no reason to continue to treat rural and regional students as second class citizens.

## ***Disadvantages facing Rural and Regional Students***

Rural communities face disadvantage according to almost every social and economic indicator: income, service provision, internet access, public transport, lower rates of Year 12 school completion and access to higher education. This is despite the last Australian Bureau of Statistics Census finding that 25.4% of Australians lived in regional areas and 2.5% lived in remote areas.

In 2008 the Education Minister, Julia Gillard, commissioned a panel of higher education experts, chaired by former University of South Australia Vice Chancellor, Denise Bradley, to conduct a review of the whole higher education system.

The Bradley Review committee looked at the access rates and participation rates of students of regional and remote backgrounds.

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<sup>1</sup> Due to our constituent base (University students), this submission will not cover issues relating to Secondary Education in any depth. A number of the issues relating to University Education are also prevalent amongst those students going into Vocational Education.

The Bradley review committee found that regional students make up only 19% of first year enrolments at Australian universities. Students from remote areas make up only 1.1% of enrolments (a 56% under representation).

The committee also found that the access and participation rates have been deteriorating for the period examined (2002-2007). For example the retention rate for remote students is 13% below other students and this been steadily getting worse since at least 2002.

## ***Financial Issues Facing Regional and Rural Students***

The typical patterns of costs and income support for typical rural students are substantially different from typical urban students.

A much higher proportion of rural students than urban students need to travel more than 100 km to study at university. This means that many have to move away from the parental home, often to a distant city or town.

According to the Universities Australia's *National Survey of Student Finances 2006*, a full-time undergraduate's mean income is \$12,560, with mean expenditure of \$15,950, a deficit of 27%.<sup>2</sup> The report unfortunately did not disaggregate rural students from urban students.

In Naomi Godden's 2007 study of regional students<sup>3</sup>, the participants estimated that it costs \$15-20,000 per year for a rural young person to study away from home, plus other start-up and relocation expenses of \$3-6000 (not including a vehicle).

Expenses for rural students include:

- **Start-up expenses** (\$3-6000 plus a vehicle): Travel and accommodation to enroll, attend Orientation Week, and source accommodation; bond; computer; moving costs; setting up a house; and a vehicle.
- **Living Expenses** (\$250-400 per week): Private accommodation – rent, utilities, and food; Residential Accommodation - fees (up to \$12,000 a year), and parking fees. Expenses for all students include: phone; transport (car, fuel, car maintenance, registration and insurance, and/or public transport); clothing; sporting fees; work uniform and travel; health; socialising; and unexpected expenses.
- **Study-related expenses**: printer; internet connection; stationary; lecture notes; textbooks; short courses; and student association fees.

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<sup>2</sup> James, R., Bexley, E., Devlin, M. & Marginson, S. (2007), *Australian University Student Finances 2006: A Summary of Findings from a National Survey of Students in Public Universities*, Universities' Australia, Canberra.

<sup>3</sup> Godden, N. (2007) *Youth Allowance and Regional Young People: Access to Tertiary Education* (online). Available [www.csu.edu.au/research/ilws/research/docs/youthallowance.pdf](http://www.csu.edu.au/research/ilws/research/docs/youthallowance.pdf) [25 July 2008].

- **Travel home:** Bus, train, aeroplane or car travel; and travel and accommodation costs for family to visit children.
- **Fees:** upfront TAFE fees; or HECS-HELP fees if not deferred.

## ***Current Student Income Support Arrangements***

### *Assets Test*

Students who have been determined by Centrelink to be ‘independent’ are subject only to a personal income test in order to determine their eligibility for Youth Allowance/Austudy/Abstudy and also their level of payment. Students can earn up to \$6,000 from paid work before they have their benefits reduced.

Students who have not been determined by Centrelink to be ‘independent’ are also subject to a family income and assets tests to determine eligibility and level of payment. The family assets test is particularly significant for students from regional and remote backgrounds because of the high number of families who own farms or small businesses.

For rural students who are dependent on their parents, the family assets test applying to dependent Youth Allowance recipients takes account of current market values, net of business or farm related debt (this valuation disregards the principle family home and up to two hectares of surrounding land). The limit is currently set at \$571,500 for most families and is indexed annually.

Also, a 75% discount is applied when assessing business assets (including farm assets). This means that at least a partial Youth Allowance and ABSTUDY can be received by dependent young people from small business and farming families with assets up to the value of \$2.286 million.

Families in drought affected areas, who are in possession of a drought relief exceptional circumstances certificate, in receipt of the Exceptional Circumstances Relief Payment, and also are receiving a payment under the *Farm Household Support Act 1992*, can be exempted from the application of the family income and assets tests for student income support payments.

### *Workplace Participation Criteria and the Gap Year*

Students can avoid the family income and assets tests by fulfilling CentreLink’s definition of independent status. For most students this is achieved through demonstrating economic independence via the workplace participation criteria.<sup>4</sup>

Students can currently qualify for the Independent Rate of Youth Allowance through workplace participation eligibility criteria by:

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<sup>4</sup> A full list of independence criteria is at:  
[http://www.centrelink.gov.au/internet/internet.nsf/payments/ya\\_independent.htm](http://www.centrelink.gov.au/internet/internet.nsf/payments/ya_independent.htm)

- working for at least 15 hours a week for two years since leaving school;
- earning over \$19,352 a year (75% of maximum rate of Wage Level A of Australian Pay and Classification Scale) over an 18 month period;
- working for 30 hours a week for 18 months in a two year period.

This is the principal mechanism by which rural students achieve independent status and are able to access the full rate of Youth Allowance and rent assistance.

The Universities Australia *National Survey of Student Finances 2006* found that 21.9% of all undergraduate students had deferred and taken a gap year before starting university. 12.4% of the full time undergraduates who deferred indicated that they had done so to establish independent status for CentreLink. Another survey conducted in 2004 found that 43% of deferring students in the survey were from rural backgrounds.<sup>5</sup>

#### *Commonwealth Accommodation Scholarships*

The Commonwealth Accommodation Scheme was introduced by the Howard Government to support low SES students who needed to re-locate from a regional or remote area in order to study.

The scheme provides scholarships of up to around \$4,400 for up to 4 years. However, the number of scholarships available was rather limited and were allocated by the universities. In some cases the scholarships were allocated to recruit high achieving students rather than on a needs basis.

#### *Commonwealth Education Scholarships*

The Commonwealth Education Cost Scholarships (currently \$2,207 per annum for up to 4 years) were a measure introduced by the Howard Government to help some disadvantaged students to meet the costs of study such as textbook and course materials. The Rudd Government's first budget doubled the number of scholarships.

#### *Other Income Support*

Dependent rural students receiving Youth Allowance may qualify for the higher "away-from-home" rate of Youth Allowance payment (a maximum of \$486.60 compared to the "at home" rate of \$371.40).

The criteria for receiving the for the Dependent Living Away From Home rate: (only for full-time tertiary students) are that:

- the travelling time is excessive. For the purposes of Youth Allowance excessive travelling time is where the time it takes for the young person to

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<sup>5</sup> Department of Education Science and Training, The first year experience in Australian universities: findings from a decade of national studies (Krause K, Hartley R, James R and McInnis C, Centre for Study of Higher Education, University of Melbourne), Jan 2005

travel by public transport from their parent's home to an the place of study exceeds 90 minutes including walking and waiting times. Restrictions due to lack of, or deficiencies in public transport can also be taken into account. OR

- they choose to study at an institution away from the parental home, OR
- there is a compulsory requirement to reside at the institution while studying, OR
- they are undertaking part of their Australian approved course at an overseas institution.

However this is still subject to family income and assets test so in most cases the support received in most cases would be lower than if the student had been able to establish 'Independence'.

Students may also be eligible for the Remote Area Allowance, Fares Allowance for up to two return trips home per year and other benefits such as the low-income Health Care Card and Pharmaceutical Allowance.

### ***Federal Budget and Bradley Review Changes***

This year's budget represented significant and positive change for Student Income Support, and have been long standing demands of the UWA Student Guild and the National Union of Students:

- The age of independence will be lowered to 24 on 2010, 23 in 2011 and 22 in 2012.
- Personal Income Test Threshold will be increased from \$236 to \$400 per fortnight.
- All masters by coursework students will be eligible to apply for Student Income Support
- Commonwealth Education Scholarship Scheme will replace with Student Start-Up Scholarships. The \$2,254 a year scholarships will be available to all students receiving Youth Allowance, Austudy or Abstudy.
- The Parental Income Test Threshold will increase from \$32,800 to \$42,559

### ***Negative Impacts on Rural and Regional Students***

There were two significant negative changes that impact on rural students.

Firstly, the Commonwealth Accommodation Scheme will be replaced with a Relocation Scholarship Scheme for Youth Allowance and ABSTUDY recipients who

need to relocate to study. They will receive \$4,000 in the first year and \$1,000 in subsequent years. This reduces the current benefits received after the first year and it is unclear as to how the new system will operate.

The most significant change for students is the removal of the Workforce Eligibility Criteria. According to Budget estimates, this change will equate to \$1.819 billion of savings for the Commonwealth.

The Government implemented the Bradley Review Committee recommendation which recommended the removal of two of the three workplace participation criteria for qualifying for Independent Rate of Youth Allowance - working for at least 15 hours a week for 2 years or earning over \$18K a year over an 18 month period. The only criteria remaining would be to work for 30 hours a week for 18 months in a two year period.

The Bradley Report and the Government argued that the criterion was being used as a 'rort' by students and families that did not need the support. While undoubtedly there are cases of 'rorting' within the system, the reality was that the criteria was an effective mechanism for students, in particular rural and low SES students, to support themselves while studying.

While students who have already qualified for independence through these mechanisms will be able to maintain that status there is the issue of the cohort of students who are doing their gap year this year.

The UWA Student Guild has been contacted with calls from families in rural communities who have been caught by this sudden policy change mid way through their Gap Year. Deferring their studies for another year in order to work, means that they may lose their spots at University (standard practice is to only allow deferrals for 12 months) and decide that it is all too hard.

## ***Recommendations***

- 1. Demanding a change in the 2010 implementation date for the workforce participation criteria changes (pushing back to Jan 1st 2011).*

The change in policy at the very least should not be a 'nasty surprise' for those students that have relied up in and deferred this year. With delays in the implementation of other changes to Student Income Support, we believe that this is only fair.

- 2. Putting forward a long-term solution for rural and regional students post 2010/2011.*

While there may be 'rorts' within the system as it currently stands, the answer is a more stringent approach to catching the 'rorts', rather than a wholesale 'slash and burn' approach to what is used by the majority of students as a valid means of qualifying for Student Income Support.



- 3. Student services fees are essential for rural and regional retention at both rural and regional and metropolitan campuses. The Voluntary Student Unionism legislation should be repealed to restore a vital and inclusive campus life and effective mechanisms for the representation of rural students.*

Rural students face significant disadvantage that Government and Universities often do not identify. Student organisations provide this representation and associated welfare services, as well as the social and cultural experiences that are crucial to a positive University experience.

#### *4. More Support for Rural and Regional Campuses*

A number of the issues identified with the old and new Student Income Support measures for students can be linked with the distance involved in attending Higher Education (a problem exacerbated in Western Australia due to our size).

UWA Student Guild believes that rural campuses facilitate an easier and convenient transition for rural students to Higher Education, and open accessibility to education for non-School Leaver students and those seeking to re-skill.

As evidenced by the UWA Albany Campus, in the South West of WA, a rural campus can flourish and add real value to a community – not just those that attend it. It also provides a tangible aspiration for students in the local area – that Higher Education is a possibility.

However with these campuses, infrastructure, attracting and retaining staff, funding and support services are huge problems and any support that the Government can give would be welcomed by students in the area and the UWA Student Guild.

### **Conclusion**

While the odds seem to be stacked against rural and regional students, many of them are succeeding through hard work and various Guild, University and Government support.

The issues facing them are not insurmountable and require the Government to reaffirm its commitment to open and accessible public education. Crucially, the Government must re-think its changes to the Workforce Eligibility Criteria and not punish the majority for the actions of a selfish minority.