



**Isolated Children's Parents' Association of Australia (Inc)**  
**"Access to Education"**

**Submission**

**to the**

**Senate Education and Employment Legislation Committee**

**on the**

**Inquiry into Higher Education and Research Reform**  
**Amendment Bill 2014**

**from the**

**Federal Council**

**of the**

**Isolated Children's Parents' Association of Australia Inc**

**ICPA (Aust)**

**September 2014**

The Isolated Children's Parents' Association of Australia, ICPA (Aust), is a voluntary, parent body, dedicated to ensuring all rural and remote students have equity of access to a continuing and appropriate education. This encompasses the education of children from early childhood through to tertiary. The majority of member families of the association reside in geographically isolated areas of Australia and all share a common goal of access to an appropriate education for their children and the provision of services required to achieve this. Children may be educated in small rural schools, by distance education, attend boarding schools or school term hostels and sometimes have access to early childhood services. Tertiary students whose family home is in rural or remote Australia frequently must live away from home to access further education.

ICPA (Aust) welcomes the opportunity to again highlight issues raised by ICPA since the announcement of changes to the Higher Education and Research Reform Amendment Bill 2014. ICPA (Aust) believes every Australian who has the ability and desire to success in tertiary studies, should be able to pursue their goal regardless of their socio-economic status or geographic location.

Our association sees many of the changes proposed as presenting further deterrents to accessing tertiary education for rural and remote students who already have disproportionate low enrolments in tertiary institutions when compared to metropolitan students.

#### Changes to Student Payments

Students who make an effort to work to support themselves by adding to their Youth Allowance payments will be greatly disadvantaged by the move to freeze the indexation of the personal income free area of student payments (currently \$415 per fortnight) and the student income bank (currently \$10,300) from 1 January 2015 for three years. During this time, living costs will continue to rise yet students will be penalised in their efforts to increase their savings to enable them to meet their financial commitments while studying if they attempt to work any additional time to cover increased living costs.

Current students planned and entered tertiary study under the current Youth Allowance and scholarship rules, knowing what their entitlements would be. Removing the grandfathering of payments of the Student Start-up Scholarship from 1 January 2015 will affect decisions students have already made with regard to managing their financial situation. It allows little time for students to review and make other financial arrangements to minimise the impact of these changes on their individual situations if they do not wish to incur an increased debt load by undertaking a Start-up Loan. Continuing to add to student debt is making tertiary study less appealing to students who worry about their ability to pay and take on debt.

#### Deregulation of University Fees

The Senate must ensure that the proposed deregulation of university fees does not adversely impact on and consequently result in, tertiary education becoming more unattainable for rural and remote students. This cohort is already disadvantaged by the need to relocate to take up tertiary study which results in high travel and accommodation costs being incurred. Some students have quoted up to \$12,000 in relocation and set-up costs including rent, bond, power, phone, internet and fuel. The proposed deregulation

costs resulting in increased fees and increased HECS/HELP debts threaten to reduce access to tertiary education for rural and remote students who have disproportionately lower enrolments in tertiary institutions than metropolitan students. These increased costs are another barrier and risk to their option to attend university.

#### Commonwealth Scholarships Scheme

ICPA welcomes the introduction of the Commonwealth Scholarships scheme and believes it could address some of the financial issues around affordable access for our members. Gathering accurate data to examine the key factors that limit the ability of rural and remote students to access tertiary education, was seen as critical in ICPA's continuing quest for equity of access to education for these students. The research conducted by ICPA, [Tertiary Access Research, ICPA May 2013](#), strongly supports the need for increasing assistance.

It is important that students from rural and remote locations are classified as a disadvantaged group within the Commonwealth Scholarship scheme criteria so that assistance is provided to those most in need. Given the high costs that come hand in hand with relocation, it would seem obvious that this group who need to relocate, should then be automatically considered as a separate disadvantaged group requiring assistance to access tertiary education when the qualifying criteria for this scheme is decided on by individual universities.

#### Start-up Scholarships

ICPA Australia opposes the proposed federal legislation to convert the Student Start-up Scholarship to a Student Start-up Loan. Access costs are a major reason why rural and remote students are not participating in tertiary education at the same rate as their metropolitan peers who can often live at home while attending university, at a much lower cost than living costs for rural students who need to move away from home to access a tertiary institution. Many of these students cannot qualify for the Relocation Scholarship, currently available to students receiving Youth Allowance at the dependent rate. Students receiving independent Youth Allowance, still have to relocate to attend university and live independently of their parents. Passing this legislation will further increase the cost of accessing tertiary education for rural students, increase the level of debt of our graduating students and further widen this gap in the participation rate in tertiary studies by rural students.

If the Student Start-up Scholarships convert to a loan, ICPA requests that existing rural and remote tertiary students are grandfathered and they retain the Start-up Scholarship for the duration of their course. Rural and remote students accessing a tertiary education are already financially disadvantaged and have welcomed the existing Start-up Scholarships to alleviate the burden of purchasing much needed books and other start-up costs related to their chosen course. They should not be further financially weighed down by having to allow for this change over to a loan from 2015 onwards.

#### HECS/HELP Loan Repayment

Changes to the HECS /HELP loan structure will become too great an impediment for some rural and remote students to give consideration to going to university. This proposal to change the HECS payment to a loan is a regressive one.

The change to the calculation of interest on these HELP debts so that interest is indexed at the Treasury 10 year bond rate (to a maximum of 6.0% per annum) rather than the Consumer Price Index (CPI), will act as an inhibitor to those wishing to take on tertiary study, not as an encouragement. Knowing that the debt will be incurring real time interest (capped at 6%), will only add to the pressure students face while they are undertaking study.

Often students return to rural areas to help strengthen their communities with the knowledge they have gained in their chosen fields e.g. in the areas of medicine - country GPs and veterinary science. Some of these young adults find employment difficult due to periodic regional downturns or they may have to wait for some time before securing a position in the bush and while working towards employment, their HECS/HELP debt would be increasing even though they may have limited income. One consequence is likely to be the loss of these young people to the urban centres where they can earn more and pay off their debt sooner. Young women taking time off from the workforce to start a family, would find their debt continuing to increase while they are not in a position to reduce it.

As an incentive to repay a Commonwealth supported place debt in a timely manner, the government must consider the reintroduction of the 20% discount applying to the up-front payments of HECS. This is a win-win situation for both the government and students as it would provide an incentive for students to pay their HECS when they are studying if they are in a position to do so and thus provides the government with cash flow. Without an incentive, there is nothing to encourage a student to pay their HECS debt while still undertaking study.

ICPA (Aust) thanks the Senate Education and Employment Legislation Committee for the opportunity to submit to the Inquiry into the Higher Education and Research Reform Amendment Bill 2014 and urges all committee members to consider the necessity of enabling rural students, wherever their family home, the ability to access an appropriate tertiary course. ICPA (Aust) would be pleased to offer further information on the impact additional costs will have on students from rural and remote Australia.