



Our Ref ES09/00925

Mr John Carter
Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Carter

Re: Inquiry into the Higher Education Support Amendment (2009 Budget Measures) Bill 2009

I am pleased to provide a joint submission from the Department of Education, Employment and Workplace Relations and the Department of Innovation, Industry, Science and Research, to assist in the Inquiry into the *Higher Education Support Amendment (2009 Budget Measures) Bill 2009* (the Bill). This submission only addresses the provisions of the Bill set out in Schedule 1, Item 5 as per the instructions on the Parliament of Australia Senate website http://www.aph.gov.au/Senate/committee/eet_ctte/higher_ed_amend/info.htm.

The following points need to be considered in relation to the Bill.

1. Reduction in Commonwealth Education Costs Scholarships

All university students receiving student income support provided through Youth Allowance, Austudy and ABSTUDY will be entitled to the new annual Student Start-up Scholarship, except for those already receiving a Commonwealth Education Costs Scholarship (CECS). The Student Start-up Scholarship is valued at \$2254 in 2010, which will be equivalent to the value of the CECS. Students will receive the Student Start-up Scholarship for each year they receive student income support while studying at university. This change to student income support entitlements will benefit approximately 146 600 students in 2010, increasing to approximately 172 600 by 2013.

This reform significantly increases the number of Student Start-up Scholarships that will be available compared with existing Commonwealth Scholarship arrangements. Table 1 shows that 133 700 more students will receive a scholarship in 2010 to assist with their course-related expenditure than under current arrangements.

Table 1: Numbers of additional scholarships in 2010 for education costs

Year	New CECS Forecast*	Total Student Start-up Scholarships Offered	Grandfathered CECS Recipients^	Total Start-up Scholarships and CECS for 2010	Increase over previous CECS Allocation
2010	12 900	146 600	20 345	166 945	133 700

* Expected grants to new university students in 2010, if not for the closure of this program to new entrants and its replacement by the Start-Up Scholarship.

^ Continuing university students who will continue to receive a CECS under grandfathering arrangements.

In the past, the number of CECS available fell well short of student demand. By contrast, from 1 January 2010 this reform introduces an automatic annual entitlement to the Student Start-up Scholarship for university students who qualify for Youth Allowance, Austudy or ABSTUDY.

2. Reduction in Commonwealth Accommodation Scholarships

Students receiving Youth Allowance or ABSTUDY who need to move away from home to attend university may also be eligible for a Relocation Scholarship of \$4000 in the first year and \$1000 in subsequent years. They may also receive Rent Assistance to assist with the cost of private rental, including university college accommodation.

The Relocation Scholarship replaces the current Commonwealth Accommodation Scholarship (CAS) and will support dependent Youth Allowance or ABSTUDY recipients who have to move away from home to attend university. It will also assist university students receiving Youth Allowance or ABSTUDY as 'independents' who cannot live at home because of family circumstances and particular disadvantage.

Significantly more students will receive the Relocation Scholarships to assist with the costs of accommodation than under the current CAS arrangements. Table 2 shows that an estimated 6100 more students will receive a scholarship in 2010 to assist with the costs of establishing accommodation away from the family home. This represents a 28 per cent increase in the number of accommodation-related scholarships that will be available to students living away from home. Students will receive this in addition to the new Student Start-up Scholarship.

Table 2: Numbers of additional scholarships in 2010 for accommodation/relocation

Year	New CAS Forecast*	Total Relocation Scholarships Offered	Grandfathered CAS Recipients^	Total Relocation Scholarships and CAS for 2010	Increase over previous CAS Allocation
2010	8100	14 200	13 633	27 633	6100

* Expected grants to new university students in 2010, if not for the closure of this program to new entrants and its replacement by the Relocation Scholarship.

^ Continuing university students who will continue to receive a CAS under grandfathering arrangements.

The new Student Start-up Scholarships and the new Relocation Scholarships introduce flexibility for students in determining which university they attend and which course they study. The new scholarships will also be paid on a more timely basis as payment attaches to enrolment and will be delivered through Centrelink.

3. Continuation of Commonwealth Scholarships

All existing CECS and CAS recipients will continue to receive the scholarships under the current arrangements until the relevant entitlements are consumed.

On advice from the Indigenous Higher Education Advisory Council, the Bradley Review of Australian Higher Education indicated that Commonwealth Scholarships for Indigenous students should continue to be delivered by higher education providers in recognition of the special needs of the students, and to allow universities to make individual assessments of students in a culturally appropriate manner.

The Commonwealth Scholarships program will continue to support Indigenous students under the current provisions, with scholarships being administered by higher education providers. Indigenous Enabling CECS and CAS Scholarships and the Indigenous Access Scholarships will continue, and recipients will be entitled to receive a CECS or CAS.

An appropriation is provided in the Bill to cover the existing Commonwealth Scholarship recipients, and to provide for Commonwealth Scholarships for Indigenous students in the future.

4. Australian Postgraduate Award Stipend Increase

The Australian Government is committing to increase the Australian Postgraduate Award stipend by over 10 per cent, to \$22 500 in 2010 through the Postgraduate Research – Student Support budget measure. This addresses a key concern identified in submissions to the Cutler Review of the National Innovation System that the stipend may fall below the Henderson Poverty Line. This increase in the living allowance is expected to benefit approximately 7000 of Australia's best and brightest research students in 2010.

I trust that you will take these considerations on board when preparing the Senate Committee report.

Yours sincerely

Fiona Buffinton
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Department of Education, Employment and Workplace Relations

June 2009