

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2010-2011**

Outcome 3 - Higher Education

DEEWR Question No.EW0043_11

Senator Back provided in writing.

Question

COST OF TERTIARY EDUCATION

Why is the cost for accessing a tertiary education higher for country students than metropolitan students? If a family does not have the means to pay for access to a tertiary education for their student, what assistance is available if it is farm assets?

Answer

Rural and regional students may need to move away from home to access secondary and tertiary education opportunities because of the location of their family home in relation to the educational institution where they intend to study.

Student income support payments (primarily Youth Allowance and ABSTUDY) provide financial assistance to young people from low to middle income backgrounds, including in rural and regional areas, to support their participation in education and training.

Eligible students, who need to live away from home to access education, receive the higher 'away-from-home' rate of payment. For Youth Allowance recipients, the away from home rate is up to \$377 per fortnight compared to an 'at home' rate of up to \$248.10 for students aged 18 years and over, and up to \$206.30 for students aged 16-17 years. ABSTUDY recipients aged 16-20 years and living away from home can receive up to \$377 per fortnight compared to an 'at home' rate of up to \$248.10 for students aged 18-20 years and up to \$206.30 for 16-17 year olds. Eligible students may also be able to access Rent Assistance to assist with the cost of private rental, including university college accommodation.

Commencing 1 April 2010, the Relocation Scholarship assists dependent students receiving Youth Allowance or ABSTUDY and who move away from home to study at university with the costs of establishing accommodation. The Relocation Scholarship provides \$4,000 in the first year of study and \$1,000 in subsequent years (annually indexed by CPI).

A Remote Area Allowance, Fares Allowance for up to two return trips home per year, the low-income Health Care Card and Pharmaceutical Allowance may also be available to eligible students.

For rural students who are dependent on their parents, the family assets test applying to dependent Youth Allowance recipients takes account of the current market value of assets, net of business or farm related debt. This valuation disregards the principal family home and up to two hectares of surrounding land. The limit for the family assets test is \$580 000 and is indexed in January each year.

In addition, a 75 per cent discount is applied when assessing business assets, including farm assets. This means that Youth Allowance and ABSTUDY can be received by dependent young people from small business and farming families with assets up to the value of \$2.32 million net of debt.

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 receiving a payment under the *Farm Household Support Act 1992*, are exempted from the application of the Parental Income and Assets Tests for student income support payments.

Payment rates and assets test limits as at 1 July 2010 have been used in answering this question.