

Submission

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Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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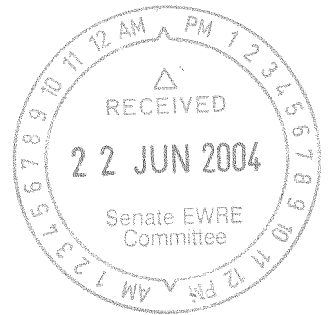
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A Submission by the
National Indigenous Postgraduate Association Aboriginal
Corporation
(NIPAAC)

to the

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND
EDUCATION COMMITTEE INQUIRY INTO STUDENT INCOME
SUPPORT**

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INTRODUCTION

The National Indigenous Postgraduate Association Aboriginal Corporation (NIPAAC) welcomes the opportunity to contribute to the Senate Employment, Workplace Relations and Education Committee Inquiry into Student Income Support.

NIPAAC is a national organisation representing Aboriginal and Torres Strait Islander postgraduate students in Australia. Our capacity to act as a representative Indigenous voice in a project of this nature is underpinned by NIPAAC's position as a peak consultative, advocacy and research body. NIPAAC works closely with the Council of Australian Postgraduate Associations (CAPA), which is a peak national representative organization for Australian postgraduate students. NIPAAC's submission primarily addresses the Terms of Reference with regard to student income support issues for Aboriginal and Torres Strait Islander postgraduate students, but reference is also made to major income support issues affecting Indigenous-Australian undergraduate students.

NIPAAC's contributions to Indigenous education are informed by exploration into the qualitative, as well as quantitative measures of educational disadvantage and of equitable and appropriate education strategies. The content of this submission is based on statistical and qualitative secondary research, as well as anecdotal evidence sourced from consultation with ABSTUDY recipients in the Indigenous Postgraduate student community.

Our organization also welcomes the recent news that the Department of Education Science and Training (DEST) will review the impact of the year 2000 changes to ABSTUDY later in the year. A focus of this submission will be on demonstrating the negative impacts not only of the year 2000 reforms, but also of changes introduced in 1998, and to this end we advocate that the Government extends its review to investigating the impact of both sets of recent changes.

EXECUTIVE SUMMARY

Indigenous-Australian student income support measures - particularly ABSTUDY and those components of the scheme tailored to the specific circumstances of Aboriginal and Torres Strait Islander students - have been vital to assist Indigenous-Australians to participate in tertiary education. The increase in Indigenous-Australian undergraduate and postgraduate student numbers since the 1970s is, in part, attributable to the availability of targeted income support.

For Indigenous-Australian student participation to continue on a path towards parity with non-Indigenous participation, however, rates of ABSTUDY must be lifted and access to ABSTUDY must be broadened, in terms of both entitlement criteria and service delivery.

Currently, ABSTUDY living allowance rates for Indigenous Australian postgraduate and undergraduate students are set at barely survival wage and do not provide adequate assistance for students to survive financially while living healthily and studying successfully. Many students on ABSTUDY have to work to survive, but can only work a limited number of hours per week while maintaining their candidature and their study progress. In essence, poverty does not create good students, researchers or academics.

In addition, recent changes to ABSTUDY have corresponded with a decrease in the number of Indigenous-Australian students at all course levels, and impacted severely on the growth rate of Indigenous-Australian student participation. Data shows that Indigenous-Australian student participation has still not recovered since the changes. NIPAAC advocates strongly that many of these changes be reversed with a view to ameliorating rather than decimating targeting Indigenous-Australian income support schemes.

LIST OF RECOMMENDATIONS

- That a body of stakeholders be formed to nominate ABSTUDY guidelines for implementation. The stakeholders MUST consist of Indigenous-Australians who are: Higher education research postgraduates; other higher education postgraduates; undergraduates; TAFE, VET, and high school students; high school student, primary school, and preschool parents/caregivers. Representatives from Indigenous-Australian study support centres and the Local Aboriginal Education Consultative Groups (LAECG) governing body must also be included. The groups primary role will be to ensure ABSTUDY changes DO NOT disadvantage the recipients and to review ABSTUDY to recommend changes that will end the disadvantage of recipients and make it more user friendly.
- That all ABSTUDY debts be cancelled/written off, due to the unique economic, social and educational disadvantage experience by Indigenous-Australians.
- That ABSTUDY recipients have an independent avenue of appeal against Centrelink decisions. This MUST not include the ABSTUDY/Centrelink Office or staff who processed the original case.
- That ABSTUDY rates be raised substantially to provide a form of practical reconciliation that will offer more encouragement for education and which will ultimately lead to an improvement in the standard of living and representation for all Indigenous-Australians.
- That the amount of ABSTUDY Incidentals Allowance be increased, and further that the allowance be made available for a broader range of course-related costs.
- That ABSTUDY living allowances be increased to a real living wage that is considerably above the poverty line, to allow an unimpeded scholastic progress.
- That the age of independence be dropped to 18 years in line with the nationally accepted age of adulthood.
- That a minimum of 2.2% of all scholarships (including Australian Postgraduate Awards and university postgraduate and undergraduate scholarships/awards) be designated for Indigenous-Australian students in an effort to raise participation to levels that are consistent with their current level of the overall population. These scholarships/awards can be re-allocated if not taken up by Indigenous-Australians soon after the commencement of the academic year at the various institutions.
- That a minimum of 2.2% of all TAFE, VET and school scholarships be designated for Indigenous-Australian students to help raise participation to levels that are consistent with their current level of the overall population. These scholarships/awards can be re-allocated if not taken up by Indigenous-Australians soon after the commencement of the academic year at the various institutions.
- That the Aboriginal Tutorial Assistance Scheme be made available to ALL Indigenous-Australian students regardless of their level of education or financial status. Due to Indigenous-Australians social, economic and educational disadvantaged backgrounds the group as a whole needs to aspire to, and be enabled to achieve elite levels of achievement. Thereby increasing the status, potential and voice of Indigenous-Australians as a whole. This should be seen as a real act of practical reconciliation.
- That isolated, regional and rural Indigenous-Australians receive more flexible and equitable ABSTUDY service.

- That the policy travel on compassionate grounds return to its pre-1997 status, in light of reconciliation and an Australian community desire to accommodate Indigenous-Australian cultures.
- That ABSTUDY be developed to deal more appropriately with the family and community commitments that Indigenous-Australian students have.
- That DEST and Centrelink investigate strategies to increase Indigenous-Australian male participation and retention in higher education postgraduate studies.
- That rent assistance be made available to ABSTUDY Masters and Doctorate students, without an increase to the rates of the Masters and Doctorate living allowance.
- That students in share accommodation be allowed to access the full rate of rent assistance available to students in non-share accommodation.
- That travel concessions be made available to all Indigenous-Australian postgraduate students. Further that travel concessions be introduced universally throughout Australia.
- That there no longer be a distinction between heterosexual and homosexual partners and/or parents/caregivers.
- That the rates of ABSTUDY incidental allowances reflect actual course costs. Further that the unique needs of Indigenous-Australian postgraduates are taken into account in the development of new incidental allowance criteria. Supervision and research costs MUST be included so that the student can successfully complete their studies.
- That a differentiation between TAFE and higher education ABSTUDY no longer be made, so that Indigenous-Australians can make their choices based on career/ education interests and not on the least potential for financial hardship.
- That DEST be instructed to make their statistics uniform, consistent, user friendly, transparent and accountable.
- That the income tax levy be removed from ABSTUDY due to the economic, social and educational disadvantage of the Indigenous-Australian community, in order to create an equitable incentive for Indigenous-Australian participation in study.
- That partner and parent income and means tests be removed from the assessment criteria for ABSTUDY rates.
- That the 1998 changes by which ABSTUDY was limited to the duration of one undergraduate and two postgraduate degrees be reversed. This is so that Indigenous-Australians no longer be limited in their career choices, or hindered in career direction changes.
- That courses comprised wholly or substantially of away from base components be re-approved for ABSTUDY, for equitable and cultural reasons.
- That the 1998 changes to the Away from Base (AFB) component of ABSTUDY be reversed so that AFB allowances are consistent across recipients, and can meet course requirements. Further, that the upper limit of \$2,080 be reviewed.

- That an equitable and adequate student living allowance be the replacement for the Student Financial Supplement Scheme. Further, that in the absence of an immediate replacement of the Student Financial Supplement Scheme, an interest-free loan scheme be implemented to provide students with some support in the current context of student financial hardship.
- That all Indigenous-Australian student financial assistance scheme loans be cancelled due to the unique economic, social and education disadvantage faced by Indigenous-Australian students.
- That more ABSTUDY drop-in centres be opened and the proposal to close just under three quarters of the existing centres (10 out of the 14) be immediately rescinded.
- That ALL higher education courses, including enabling courses, be approved for higher education ABSTUDY benefits and living allowances. Further, that higher education courses be assessed with the intention of creating consistency and transparency in decision making.
- That ALL ABSTUDY staff be better trained in ABSTUDY policy and procedures. Further, that a percentage of general staff in **every** Centrelink office, including all phone inquiries staff, be trained to the basic level in ABSTUDY procedures, guidelines, knowledge, understanding and competency.
- That Merit-based Equity Scholarships be re-introduced.
- That scholarship guidelines that are more applicable to Indigenous-Australians be developed. Further, that NIPAAC be consulted by universities and the Government in the development of scholarship guidelines that are more equitable and appropriate.
- That a number of APA's be designated for Indigenous-Australian postgraduate students at each higher education institution.
- That designated Indigenous-Australian scholarships be awarded at the institutions that have them, which may require a directive from the government, ABSTUDY and/or the Senate. This may mean that institutions have to actively advertise the scholarships and pursue applicants, which NIPAAC considers a small price to pay to actively increase the overall knowledge base and education standing of Indigenous-Australians.
- That the DEST review of the impact of the year 2000 changes to ABSTUDY that is to be conducted later in 2004 be extended to include a review of the 1998 changes to ABSTUDY.
- That NIPAAC be invited to participate in further aspects of the student income support Senate Inquiry, and subsequent national income support inquiries.

1. Indicators of inadequacies in Indigenous-Australian student income support

The low rates of participation for Indigenous-Australian students and, in particular, the decline in Indigenous-Australian student enrolments corresponding with the recent ABSTUDY changes are strong indicators that student income support schemes are currently inadequate. High levels of student debt and a strong indication that insufficient income interferes with student performance are other indicators that the amount of income support for Indigenous-Australian students needs to be extended and increased.

1.1 Aboriginal and Torres Strait Islander student participation¹

Data available from DEST indicates that Aboriginal and Torres Strait Islander undergraduate and postgraduate participation rates continue to be well below those of non-Indigenous students, with little progress, since 1997, towards the DEST-nominated benchmark of 2.5% participation rate.²

In 2003 Indigenous-Australian undergraduate students were participating at 1.26% of the total undergraduate domestic student population. That is just over half of the corresponding reference value of 2.2%, which is the proportion of Indigenous-Australian Peoples in the Australian population.³

For postgraduate students, the gap between Indigenous and non-Indigenous participation is even wider than for undergraduate students. In 2003, there were 1,079 Indigenous-Australian postgraduate students, out of a total of 170,438 Australian domestic postgraduates.⁴ Those figures put Indigenous postgraduates at 0.63% of the overall domestic postgraduate student population. Where 7.6% of all Indigenous-Australian students were undertaking Master's and Doctorate degrees in 2001, non-Indigenous domestic students in Master's and Doctorate degree courses comprised 15.3% of the non-Indigenous domestic student cohort.⁵

Higher education policy clearly has a considerable inequality gap to overcome to bring Indigenous-Australian postgraduate student participation to a level of formal equality with that of non-Indigenous students. Improvement in student income support schemes has a strong role to play in encouraging greater student participation. This is particularly the case for Indigenous-Australian postgraduates who tend to be older in age than their non-Indigenous counterparts and are therefore more likely to have financial responsibilities that impact on their ability to shoulder living costs while undertaking a postgraduate degree.

1.2 Changes in Indigenous-Australian participation

Notably, the most significant growth in Indigenous-Australian student participation levels over the past decade occurred between 1992 and 1997, which was prior to the most recent fundamental ABSTUDY changes. For Indigenous-Australian postgraduate students, numbers reached a high, in absolute and

¹ The source for all statistics in this section of our submission, including the tables, is the Department of Education, Science and Training Selected Higher Education Statistics that can be found at:
<<http://www.dest.gov.au/highered/statpubs.htm#studpubs>>

² *Achieving Equitable and Appropriate Outcomes: Indigenous Australians in Higher Education*, DEST, August 2002, p.3. The 2.5% figure is the proportion of Aboriginal and Torres Strait Islander people in the Australian population aged below 65. (It is an age-specific reference value that takes into consideration the young profile of the Indigenous population).

³ According to the 2001 Census count, Australian Bureau of Statistics.

⁴ This figure does not include overseas enrolments so that the proportion of Indigenous students can be compared to the proportion of Indigenous Peoples in the Australian population.

⁵ This category includes Higher Doctorates, Doctorates by Research, Doctorates by Coursework, Master's by Research and Master's by Coursework.

relative terms, of 791 (out of a 117,435 domestic total) in 1998. Enrolments then decreased by 3.7% and 11.5% in 1999 and 2000 respectively. In 2001, Indigenous-Australian postgraduate student numbers were still lower than in 1997. (See Table 1). The most significant decrease in commencing postgraduate student numbers was a 15.2% decrease in students commencing Master's and Doctorate courses in 2000. As noted in the DEST Issues Paper, *Achieving Equitable and Appropriate Outcomes: Indigenous Australians in Higher Education*, much of the decrease was concentrated in Master's by Coursework programs. Between 2000 and 2001 the number of students enrolled in Master's by Coursework also dropped by 12.6%.

In 2002 DEST altered its formula for collecting student statistics, which has resulted in a large increase in the reported number of all students. The change in counting method has made consistent analysis of student growth across the whole decade difficult. In 2002 and 2003 there were 1,029 and 1,079 Indigenous-Australian postgraduate students respectively, but it is difficult to assess with the new formula whether this represents a recovery in Indigenous-Australian student enrolment to levels prior to their decline in 1999. NIPAAAC would like an explanation for the changes to the data collection methods, given that it has made time series data less transparent.

Table 1: All Indigenous and non-Indigenous domestic postgraduate students by Level of Course, showing increase in Indigenous student participation relative to overall growth in student population and in Indigenous population 1993 – 2003

| Course | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Indigenous | | | | | | | | | | | |
| Higher Degree | 189 | 241 | 314 | 332 | 412 | 457 | 478 | 425 | 433 | 638 | 683 |
| Other PG | 225 | 265 | 267 | 306 | 310 | 334 | 284 | 249 | 283 | 391 | 396 |
| Total PG | 414 | 506 | 581 | 638 | 722 | 791 | 762 | 674 | 716 | 1029 | 1079 |
| Non-Indigenous | | | | | | | | | | | |
| Higher Degree | 54,605 | 59,793 | 64,222 | 67,327 | 70,826 | 71,419 | 72,413 | 71,871 | 76,023 | 100,884 | 109,309 |
| Other PG | 45,372 | 46,331 | 47,420 | 50,383 | 49,394 | 45,225 | 42,954 | 40,692 | 41,294 | 58,252 | 60,619 |
| Total PG | 99,977 | 106,124 | 111,642 | 117,710 | 120,220 | 116,644 | 115,367 | 112,563 | 117,317 | 159,136 | 169,928 |
| All PG students (Indig. and non-Indig.) | 100,391 | 106,705 | 112,223 | 118,348 | 120,942 | 117,435 | 116,129 | 113,237 | 118,033 | 160,165 | 170,438 |
| Indigenous % HD | 0.34 | 0.40 | 0.49 | 0.49 | 0.58 | 0.64 | 0.66 | 0.59 | 0.57 | 0.63 | 0.62 |
| Indigenous % | 0.41 | 0.47 | 0.52 | 0.54 | 0.6 | 0.67 | 0.66 | 0.6 | 0.61 | 0.64 | 0.63 |
| Indigenous % of population | 1.6 | | | 2.0 | | | | | 2.2 | | |

Similar trends are noticeable amongst Indigenous-Australian undergraduate student rates, which declined a dramatic 8.2% in 2000. A small decline of 0.1% in total Indigenous participation was also evident in 2001, mostly due to large decreases in Enabling and non-Award course participation. In 2001 Indigenous-Australian undergraduate student enrolments were less than in 1999, and the change in data collection makes it difficult to assess the actual rate of growth in 2002 and 2003.

Table 2: All Indigenous and non-Indigenous domestic students by Level of Course (includes Enabling and non-Award courses) 1993 – 2003

| Course | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Indigenous students | | | | | | | | | | | |
| Postgraduate | 414 | 506 | 581 | 638 | 722 | 791 | 762 | 674 | 716 | 1,029 | 1,079 |
| Undergraduate | 4,152 | 4,523 | 4,909 | 4,919 | 5,274 | 5,463 | 5,770 | 5,596 | 5,697 | 6,496 | 6,650 |
| Enabling/ Non-Award | 992 | 1221 | 1303 | 1399 | 1464 | 1535 | 1469 | 1077 | 928 | 1,346 | 1,259 |
| Total | 5,558 | 6,250 | 6,793 | 6,956 | 7,460 | 7,789 | 8,001 | 7,347 | 7,341 | 8,871 | 8,988 |
| Non-Indigenous students | | | | | | | | | | | |
| Postgraduate | 99,977 | 106,124 | 111,642 | 117,710 | 120,220 | 166,644 | 115,367 | 112,563 | 117,317 | 158,107 | 169,359 |
| Undergraduate | 426,861 | 426,590 | 432,656 | 448,944 | 461,342 | 468,307 | 472,297 | 471,406 | 479,794 | 525,031 | 522,753 |
| Enabling/ Non-Award | 6,068 | 6,329 | 6,898 | 7,296 | 6,831 | 6,930 | 7,491 | 8,561 | 9,624 | 18,525 | 18,455 |
| Total | 532,906 | 539,043 | 551,196 | 573,950 | 588,393 | 591,881 | 595,155 | 592,530 | 606,735 | 702,692 | 710,567 |
| Indigenous UG % of UG total | 0.96% | 1.05% | 1.12% | 1.08% | 1.13% | 1.15% | 1.22% | 1.19% | 1.17% | 1.22% | 1.26% |
| Indigenous % of total | 1.03% | 1.15% | 1.22% | 1.20% | 1.25% | 1.30% | 1.32% | 1.22% | 1.21% | 1.25% | 1.25% |

In relative terms, the growth in Indigenous-Australian participation in higher education has not kept pace with growth overall of the Indigenous-Australian population. In 1992, there were 344 postgraduate students, making up 0.37% of the domestic postgraduate population. Indigenous-Australian Peoples made up 1.4% of the Australian population.⁶ In 2001 Indigenous-Australian postgraduates were 0.61% of domestic postgraduate enrolments, and the proportion of Indigenous-Australian Peoples in the Australian population had grown to 2.2%. Indigenous-Australian participation rates in 2001 were actually further from reflecting their appropriate reference value than they were in 1991.

Table 3: Growth rates for Indigenous and non-Indigenous domestic students, relative to growth of Indigenous population by Broad Level of Course, 1993 – 2003.

| Course Level | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|-----------------------|--------|--------|-------|--------|-------|-------|--------|--------|--------|-------|
| Indigenous | | | | | | | | | | |
| Postgraduate | +22.2% | +14.8% | +9.8% | +13.2% | +9.6% | -3.7% | -11.5% | +6.2% | +43.7% | +4.8% |
| Undergraduate† | +8.9% | +8.5% | +0.2% | +7.2% | +3.6% | +5.6% | -3.0% | +1.8% | +14.0% | +2.4% |
| Enabling/Non-Award | +23.1% | +6.7% | +7.4% | +4.6% | +4.8% | -4.3% | -26.7% | -13.8% | +45.0% | -6.6% |
| Total* | +12.5% | +8.7% | +2.4% | +7.2% | +4.4% | +2.7% | -8.2% | -0.1% | +20.8% | +1.3% |
| Non-Indigenous | | | | | | | | | | |
| Total | +1.2% | +2.3% | +4.1% | +2.5% | +0.6% | +0.6% | -0.4% | +2.4% | +15.8% | +1.1% |

† Undergraduate growth rates do not include Enabling and non-Award Courses

* Totals include Enabling and non-Award courses

Growth rates relative to Indigenous-Australian population growth and overall domestic student growth declined most drastically in the second half of the last decade. The overall growth rate for Indigenous-Australian students between 1996 and 2001 was 5.5%, compared with an Indigenous-Australian population growth of 16.2%. Between 1991 and 1996, Indigenous-Australian student growth was 36.8%, just higher than Indigenous-Australian population growth of 33%. In 2002 and 2003 there has been some growth in Indigenous-Australian student participation, with Indigenous-Australian postgraduate students now at 0.63% of the overall non-overseas student population. This rate is still lower than the participation rate of 0.67% in 1998. Examining Indigenous-Australian student growth rate relative to non-Indigenous domestic student growth shows the decline in participation from 1999 to be specific amongst Indigenous-Australian students. Non-Indigenous student participation dropped by 0.4% in 2000 and recovered the following year, which was a small decline in comparison to Indigenous rates.

Table 4: Inter-censal growth rates of Indigenous and non-Indigenous domestic students, compared to growth rate of Indigenous population, 1991 – 1996 and 1996 – 2001.

| Broad Level of Course | 1991 - 1996 | 1996 - 2001 |
|-----------------------|-------------|-------------|
| Postgraduate | + 85.5% ** | + 5.5% |
| Undergraduate | + 23.2% | + 15.8% |
| Enabling/ Non-Award | + 86.8% | - 33.7% |
| Total | + 36.8% | + 5.5% |
| Non-Indigenous Total | +10.9% | + 5.7% |
| Indigenous Population | + 33.0% | + 16.2% |

** Growth rates are from 1992 to 1996 because 1991 data is not available.

NIPAAC is disappointed that the Government has failed to engage in a meaningful analysis of the reasons for the severe decline in Indigenous-Australian student participation between 1998 and 2000. The most significant decreases coincided with the implementation of changes to ABSTUDY in 2000. These changes

⁶ Population at 1991 Census. See *Achieving Equitable and Appropriate Outcomes: Indigenous-Australians in Higher Education*, DEST, August 2002, p.3.

resulted in reductions of income assistance to the majority of Indigenous-Australian students. Decreases at certain course levels, such as Master's by Coursework, coincided with the changes to ABSTUDY implemented at the beginning of 1998. The 1999 decreases coincided with the announcement that changes would be made in 2000. A more in-depth analysis of the enrolment declines in relation to the ABSTUDY changes is provided in Section 4.2.

1.3 Indigenous-Australian student performance

Analysis of student performance using statistical data shows rates of course completion and course progress to be lower amongst Indigenous-Australian students than amongst non-Indigenous students. It also shows that course completion rates started to decline in 1999, immediately after the first set of recent changes to ABSTUDY were implemented. Indigenous-Australian student completion rates declined in absolute terms in 1998, from 1,142 to 1,029 the following year. This represented a significant drop relative to non-Indigenous student completion rates, from a high of 0.84% of total award course completions in 1998 to 0.76% in 1999. The most significant declines were in the postgraduate sector. Relative to non-Indigenous student completion rates, Indigenous-Australian award course completions continued to decline in 2001, and were at 1996 levels in 2002.⁷

Table 5: Award Course Completions for Indigenous and non-Indigenous domestic students, 1995 – 2003

| Students | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Indigenous | 862 | 949 | 1,070 | 1,142 | 1,029 | 1,031 | 1,045 | 1,128 |
| Non-Indigenous | 126,135 | 127,029 | 133,090 | 135,281 | 135,131 | 135,085 | 144,908 | 150,427 |
| Total | 126,997 | 127,978 | 134,160 | 136,423 | 136,160 | 136,116 | 145,953 | 151,555 |
| Indigenous % | 0.66% | 0.74% | 0.80% | 0.84% | 0.76% | 0.76% | 0.72% | 0.74% |

According to data presented in the DEST Issues Paper, *Achieving Equitable and Appropriate Outcomes: Indigenous Australians in Higher Education*, there has also been no improvement over the last seven years on Indigenous-Australian progress rates or on Indigenous-Australian student progress relative to that of non-Indigenous students.⁸ Also of significant concern are the national retention and progress rates for undergraduates, which demonstrate that Indigenous-Australian students in 2000 were about three quarters as likely as non-Indigenous students to successfully complete the units they undertook each year and to return to the next year of study.⁹

Recent data on attrition rates for Indigenous-Australian students has been ordered by NIPAAAC but was not supplied in time for the completion of this submission.

Anecdotal evidence collected from members of the Indigenous-Australian postgraduate community show low rates of retention and progress for Indigenous-Australian students to be strongly connected with student poverty, which impacts directly on student performance and which also impacts indirectly by affecting the health and well-being of students. NIPAAAC can confirm that Indigenous student performance suffers as a result of the following effects of economic hardship, as outlined in the Senate Inquiry Report into Poverty and Financial Hardship:¹⁰

⁷ The latest available data for Award Course Completions is from 2002.

⁸ *Achieving Equitable and Appropriate Outcomes: Indigenous Australians in Higher Education*, DEST, August 2002, p.14.

⁹ *Indigenous Participation in Higher Education*, Higher Education Division Occasional Papers, DETYA, 2000, p.13.

¹⁰ See *A Hand Up Not a Hand Out: Renewing the Fight Against Poverty*, Senate Inquiry into Poverty and Financial Hardship, Community Affairs References Committee, p.298. The Senate Report will be hereafter referred to as '*A Hand Up Not a Hand Out*'.

- poor academic performance as financial concerns and the need for work distract students from their studies;
- regular absence from lectures and tutorials due to the pressure of work or the un-affordability of childcare;
- withdrawal from study;
- inability to purchase essentials such as textbooks and equipment;
- inability to afford adequate or suitable accommodation;
- students not eating adequately or going without food;
- being unable to afford heating;
- selling essential items to pay bills;
- experiencing severe stress and poor psychological health; and
- inability to afford medical and dental care.

1.4 Student debt

High levels of student debt are another measure of the inadequacies in ABSTUDY and other forms of student income support for Indigenous-Australian students.

The 2004 Senate Inquiry into Poverty and Financial Hardship found high student debt levels to be indicative of insufficient student income support amounts, with students who rely on income support about three times more likely to take out a loan to continue their studies.¹¹ They reported that students from equity groups are most likely to take out a loan.

In its submission to the DEST Issues Paper, *Achieving Equitable and Appropriate Outcomes: Indigenous-Australians in Higher Education*, the Australian Vice Chancellor's Committee (AVCC) demonstrates that Indigenous-Australian students clearly rely on loan schemes to cover education and living costs while studying. The AVCC reported that in 2001, 21.1% of Indigenous-Australian students had taken out a repayable loan, more than twice the average of 10.5% for non-Indigenous students.¹²

Additional information about Indigenous-Australians and student loans is provided in Section 4.2 9.

NIPAAAC has observed a tendency for DEST to focus on the issue of student debt as a phenomena arising from ABSTUDY overpayments or the failure of students to inform their institution of study about withdrawals. The emphasis that DEST places on maximising the financial position of Indigenous-Australian students by reducing ABSTUDY overpayments over-shadows the more important issues of high costs of education and lack of income support leading to high levels of student debt.

1.5 Employment and student performance

The number of hours that Indigenous-Australian students need to work in order to supplement their student income is further indicative of inadequacies in ABSTUDY and other income support schemes. The Senate Inquiry into Poverty and Financial Hardship found that a majority of students (Indigenous and non-Indigenous) undertake part-time work to supplement their income and reported the following:

A study by the Department of Education, Science and Training indicated that on average, full-time students are working 15 hours a week. 40 per cent work more than 16 hours per week, while 18 per cent work in excess of 21 hours per week. Two-thirds of the students surveyed said they had to work just to meet their

¹¹ *A Hand Up Not a Hand Out*, p.296.

¹² Submission by the Australian Vice-Chancellor's Committee to the DEST Issues Paper, *Achieving Equitable and Appropriate Outcomes: Indigenous Australians in Higher Education*, p. 39.

basic needs. The number of first year students reporting that employment was their main source of income increased over the decade: 26 per cent in 1994 and 37 per cent 1999.¹³

According to the AVCC report, non-Indigenous students are more likely to be employed than Indigenous-Australian students. (76.2% compared to 65.3% were in paid employment during semester in 2000). However, Indigenous-Australian students on average work more hours per week than non-Indigenous students. In 2000, mean hours of paid employment for Indigenous-Australian students during semester were 22.5 per week, compared to 19.4 per week for non-Indigenous students.¹⁴

In addition, the AVCC report found that Indigenous-Australian students were more likely than non-Indigenous students to have their study adversely affected by work commitments. The following tables show percentages of undergraduate students who reported missing classes due to work in 2000, and in all cases the incidence is higher amongst Indigenous-Australian students. Most significant is the number of students who reported that their study is adversely affected 'a great deal' due to work during semester – 23.8% of Indigenous-Australian students compared to 19.1% of non-Indigenous students.

Table 6: Missed class 'frequently' or 'sometimes' due to work: All students¹⁵

| | Full-time % | Part-time % | Male % | Female % | All % |
|-----------------------|-------------|-------------|--------|----------|-------|
| Indigenous | 20.8 | 54.0 | 26.7 | 30.4 | 29.3 |
| Non-Indigenous | 24.1 | 41.8 | 28.4 | 28.2 | 28.3 |

Table 7: Students adversely affected 'a great deal' due to work: Students who work during semester¹⁶

| | Full-time % | Part-time % | Male % | Female % | All % |
|-----------------------|-------------|-------------|--------|----------|-------|
| Indigenous | 18.9 | 33.2 | 10.5 | 28.4 | 23.8 |
| Non-Indigenous | 15.0 | 29.9 | 20.8 | 17.9 | 19.1 |

Table 8: Students adversely affected 'a great deal' due to work: All students¹⁷

| | Full-time % | Part-time % | Male % | Female % | All % |
|-----------------------|-------------|-------------|--------|----------|-------|
| Indigenous | 12.5 | 25.5 | 5.9 | 20.4 | 16.1 |
| Non-Indigenous | 11.0 | 26.1 | 15.4 | 14.0 | 14.6 |

¹³ *A Hand Up Not a Hand Out*, p. 292.

¹⁴ Michael Long and Martin Hayden, *Paying Their Way: A Survey of Undergraduate University Student Finances*, Australian Vice-Chancellor's Committee, October 2001, p.99 – 102. The report will be hereafter referred to as '*Paying Their Way*'.

¹⁵ Source: *Paying Their Way*, p.111.

¹⁶ Source: *Paying Their Way*, p.115.

¹⁷ Source: *Paying Their Way*, p.121.

The fact that a greater percentage of Indigenous-Australian students reported that their study was adversely affected by work commitments is possibly a result of the longer hours worked on average by Indigenous-Australian students. It is also possibly indicative of the fact that many Indigenous-Australian students enter university from a position of educational disadvantage and need to dedicate more time than non-Indigenous students to their studies. Income support schemes should take into consideration the difficulties Indigenous-Australian students' face in trying to balance work and study by providing a livable wage that does not require supplementary income.

Data on postgraduate work hours was not been collected for the AVCC Report (*Paying Their Way*), but anecdotal evidence and NIPAAAC membership data suggests that large numbers of Indigenous-Australian postgraduates work while studying. This is partly a factor of the increased financial responsibilities with which Indigenous-Australian students commence postgraduate studies, because they tend to enter study at a mature age and are more likely than non-Indigenous students to have financial commitments to community and family. It is also partly because Indigenous postgraduate students are unlikely to have study or living costs supplemented or paid for by their family, or have savings on which to rely, and will have had to enter the workforce in order to supplement living costs while undertaking their first degree. Furthermore, debt aversion and the desire for a reliable income are more likely to be issues amongst Indigenous-Australian students, where those students have come from lower socio-economic backgrounds and are reluctant to remain in a position of poverty.

It is recognised that there are some benefits of undertaking work while studying, particularly for Indigenous-Australian postgraduate students who are working in their field of study, and can broaden future employment opportunities and establish networks. However, where work commitments are having an adverse effect on the study of a large number of Indigenous-Australian students, the need to work should be viewed as indicative of inadequacies in student income support; for most Indigenous-Australian students, working while studying is a necessity not a choice.

1.6 Other measures of student poverty

The AVCC report also found that undergraduate students' inability to cover the travel costs to their place of study was an important measure of student poverty. Using this measure, there is a strong indication of inadequacies in student income support for Indigenous-Australian students, with 37.8% of Indigenous-Australian undergraduates reporting that they miss class 'frequently' or 'sometimes' because they cannot afford to travel to campus. Indigenous-Australian undergraduate students are more than twice as likely as non-Indigenous students to miss classes because they cannot afford the travel costs.¹⁸ The high rates for Indigenous-Australian students on this indicator are related to greater levels of economic hardship, compounded by the longer average distances that Indigenous-Australian students are required to travel. (A large percentage of Indigenous-Australian students live in rural, remote and isolated areas).

Table 9: Students who miss class 'frequently' or 'sometimes' because they cannot afford to travel to campus: All Students¹⁹

| | Full-time % | Part-time % | Male % | Female % | All % |
|-----------------------|-------------|-------------|--------|----------|-------|
| Indigenous | 44.5 | 30.7 | 26.6 | 40.6 | 37.8 |
| Non-Indigenous | 27.0 | 16.7 | 14.4 | 23.8 | 20.4 |

¹⁸ *Paying their Way*, p.141

¹⁹ Source: *Paying Their Way*, p.142.

Again, data was not collected in the AVCC report for postgraduate students, but anecdotal evidence confirms that the situation is the same, if not worse at higher course levels. In addition to receiving inadequate income support, postgraduate students at certain course levels in some states, such as Victoria, are not eligible for travel concessions. This applies to Indigenous-Australian students undertaking Masters and Doctorate courses and students at some other postgraduate course levels. For those students, expensive travel costs make university attendance difficult, and also restrict the amount of local travel that students are able to undertake for their research. Problems are exacerbated by the fact that Indigenous-Australian researchers often need to travel longer distances for research purposes.

One NIPAAAC member commented: "When I get to interviewing participants, costs will become an issue. The out of city university that will be involved can be classed as a field trip so will be OK. The city university will not fit into any guidelines for funding but costs \$13 a return trip on public transport."

1.7 Differences in participation by gender

The table below demonstrates that at least since 1998 and until 2001, Indigenous-Australian male postgraduate participation rates have been decreasing in absolute terms, and relative to female Indigenous-Australian students. Data for previous years and since 2002 has not been analyzed by NIPAAAC.

Table 10: Gender of all Indigenous postgraduate students, 1998 – 2001²⁰

| | 1998 | 1999 | 2000 | 2001 |
|----------------------------|-------|------|-------|-------|
| Female | 485 | 465 | 421 | 459 |
| Male | 306 | 297 | 254 | 252 |
| Indigenous Students | 791 | 762 | 675 | 711 |
| Female % | 61.3% | 61% | 62.4% | 64.6% |
| Male % | 38.7% | 39% | 37.6% | 35.4% |

An analysis of participation by gender for Indigenous-Australian postgraduates is an important indicator of the inadequacies in student income support because men in Indigenous society tend to be the main wage-earners for their immediate and extended families. Decisions to stop working in order to undertake a postgraduate degree are weighed up against the need to have a livable wage for themselves and their families. Due to the fact that income support is insufficient for the support of students, dependent children and other family members, Indigenous-Australian men are less likely than their non-Indigenous counterparts, and than Indigenous-Australian women, to enter postgraduate study.

2. The importance of adequate income support measures in achieving equitable access to education

ABSTUDY and other forms of targeted Indigenous-Australian income support are intended to offer a form of practical reconciliation with real outcomes. They therefore, necessarily differ from mainstream income support schemes because they recognize the unique needs and socio-economic disadvantage of Indigenous-Australian students. Unfortunately, recent ABSTUDY reforms and other changes to Indigenous-Australian education assistance schemes have aimed to mainstream targeted Indigenous-Australian education programs. As outlined below, such changes are not warranted in the context of ongoing high levels of Indigenous-Australian poverty and student demographic factors that increase the financial barriers to study.

²⁰ Source: Students 2001: Selected Higher Education Statistics, DEST, 2002, <<http://www.dest.gov.au/highered/statpubs.htm#studpubs>>.

2.1 Indigenous poverty

According to the Senate Inquiry Report into Poverty and Financial Hardship, "Indigenous-Australians remain the most disadvantaged and marginalised group in Australia. On all the standard indicators of poverty and disadvantage, Indigenous people emerge as the most socially and economically deprived."²¹ We refer readers to the *A Hand Up, Not a Hand Out* report for a detailed overview of Indigenous economic disadvantage. For the purposes of this submission, however, it is worth noting that the approximate average income for Indigenous-Australian People in 2003 was 30% below the rest of the population.²²

Poverty levels amongst Indigenous-Australian people are compounded for some Indigenous-Australian students, by the fact that students in general have a significantly lower income when compared to the general Australian population. According to the *A Hand Up, Not a Hand Out Report*, in 2000, the mean annual income for students was \$12,513. This amount is the total sum of all sources of income, including paid employment, student income support payments, other Centrelink support payments (for example Family Allowance) and other forms of regular and irregular payments (for example allowance from parents). This was approximately a third of the average Australian income of \$33,800 in 2000.²³

It is also worth noting that the disparity between Indigenous and non-Indigenous people increased noticeably in relation to individual income over the decade 1991 – 2001. The Centre for Aboriginal Economic Policy Research has estimated that median individual income for Indigenous-Australian adults, expressed as a ratio to non-Indigenous adult income, fell from 0.70 in 1991 to 0.59 in 2001 (where 1.0 indicates a situation of equality or parity).²⁴

Indigenous-Australian incomes relative to the rest of the Australian population are therefore significantly low, and on the decrease at the same time as study and living costs are rising. This sort of economic inequality cannot fail to impact on the ability of Indigenous-Australian students, and their families to support themselves, or their children, while studying. Indigenous poverty levels point to very real reasons for Indigenous-Australian students to receive targeted income support and for this income support to be significantly increased.

2.2 Indigenous-Australian student demographics

A number of factors in Indigenous-Australian student demographics, particularly amongst postgraduate students, point to the need for targeted income support that compensates for the general low socio-economic status of Indigenous-Australian People, as well as increased living and study-related costs associated with specific Indigenous student demographics. These are outlined below.

Geography

In 2001, 47.2% of Indigenous-Australian students were classified as rural and isolated, compared to 19.7% of non-Indigenous students. For those students who live at home while studying, and attend university on block release, there are large costs associated with travel, out-of-home meals and short-term accommodation. For those who attend university on a daily basis, costs of travelling longer distances can take a considerable portion of weekly income. Finally, for those students who move from their home-place to

²¹ *A Hand Up Not a Hand Out*, p.301

²² Senate Hansard, 20 August 2003, p.14054

²³ *A Hand Up Not a Hand Out*, p.289.

²⁴ Source: *A statistical overview of Aboriginal and Torres Strait Islander Peoples in Australia*, Human Rights and Equal Opportunity Commission, 2002, <http://www.humanrights.gov.au/social_justice/statistics/index.html>

be closer to university, relocation costs and the costs of returning home for family and community time can be massive.

A study recently conducted by James Cook University which analysed the aspirations and expectations of Year 10 to 12 students (Indigenous and non-Indigenous), teachers and parents in 15 regional areas found many school students believed the cost of studying was too high. The reality for students in regional areas is that they are being priced out of education by increasing study and living costs.

Age

Indigenous-Australian Peoples tend to enter university later in life than their non-Indigenous counterparts, particularly when undertaking a postgraduate degree. In 2001, 76.3% of Indigenous-Australian postgraduate students were 30 years and over, compared to 64.6% of non-Indigenous postgraduate students. The older average age of Indigenous-Australian students has implications for student income support in terms of mature age students being more likely to have dependent children and other financial responsibilities, including supporting extended families.

Mode of attendance and type of attendance

A higher than average rate of part-time and external attendance at universities is associated with the mature age and rural/isolated demographic of Indigenous-Australian students. The ability to attend part-time at universities and receive levels of income support that are equivalent to those of full-time students is very important. This will be discussed in more detail below in relation to the major implications of ABSTUDY being unavailable to many part-time students.

Similarly, it is important for Indigenous-Australian students to be able to attend university as external or multi-modal students. This has implications for the way in which recent ABSTUDY reforms have decreased access to allowances for study-related travel and accommodation.

2.3 Family and community commitments

In their article *Indigenous Australian Participation in Higher Education: The Realities of Practical Reconciliation*, Wendy Brabham and John Henry succinctly describe the challenges of living bi-culturally and participating in the Western education system for Indigenous-Australian students:

"Most Indigenous students are pioneering students in the sense that they are the first in their families to go to university. The majority have not been adequately prepared for higher education academic study via their secondary school educational experience. Now add these considerable barriers to potential success of family, cultural and community responsibilities. The vision of the individualistic uni student 'doing their own thing' has to be tempered for many Indigenous higher education students with the realisation that they must be a student while continuing to be a significant figure in their own family. Family business continues unabated."²⁵

NIPAAC would like to note, by virtue of being the first in their family to attend university, many Indigenous-Australian students are positive role models for their families and communities. This puts added pressure on students to perform well, and adequate income support is essential to good student performance. The fact that there will be a positive flow-on effect to Indigenous communities offers an added incentive for Governments to provide adequate student income support to Indigenous-Australians.

²⁵ Source: *Australian Universities Review*, Vol.145, No.1, p.14.

Requirements to attend to 'at-home' family and community commitments increase travel costs for students, and necessitate flexible student income support schemes that can accommodate breaks in study, part-time study and external study.

Furthermore, it is a reality of Indigenous economic disadvantage and of Indigenous cultural attitudes to financial issues within families that ABSTUDY payments often supplement family incomes. As a result, students are more heavily affected by decreases in student income support, such as those resulting from the changes to ABSTUDY in 2000 or from Centrelink breaching mechanisms.

The AVCC Advisory Group on Indigenous Higher Education reported in 2002:
*... the number of individuals supported at least in part by an ABSTUDY (or similar) grant is often greater than just the student concerned. The AVCC Group has shown that family members, other than just the student, also "live" from the ABSTUDY grant, at least in part. [A] decline in the amount of ABSTUDY support... is often of significance to the family group concerned and becomes the trigger which necessitates the withdrawal of the student from the course of study.*²⁶

In addition to commitments to existing family and community, many Indigenous-Australian students are also raising a new family, and are more likely than non-Indigenous students to have childcare responsibilities. In 1999, 22.1% of Indigenous-Australian students reported having dependent children, compared with 11.7% of non-Indigenous students.²⁷

The high number of Indigenous-Australian students with dependent children has implications for income support schemes in terms of their capacity to cover the costs of raising children, as well as providing adequate assistance to pay for childcare while studying. The following table demonstrates that income support for Indigenous and non-Indigenous students is clearly insufficient to pay for childcare, with Indigenous-Australian students at a greater disadvantage.

Table 11: Students who miss classes 'frequently' or 'sometimes' because they are not able to afford childcare: Students with dependents²⁸

| | Full-time % | Part-time % | Male % | Female % | All % |
|-----------------------|-------------|-------------|--------|----------|-------|
| Indigenous | 44.5 | 30.7 | 26.6 | 40.6 | 37.8 |
| Non-Indigenous | 27.0 | 16.7 | 14.4 | 23.8 | 20.4 |

3. Increasing pressures on Indigenous-Australian students

3.1 Increasing living costs

The rising cost of living, and the fact that it is not being matched by increases in student income support for students at certain ages is putting increasing pressure on Indigenous-Australian students. The table below matches poverty line data with ABSTUDY rates over a four-year period and shows that an increase in base living costs corresponds with a decline in income support for students in the 18-20 years at home category.

²⁶ Submission by the Australian Vice-Chancellor Commission Advisory Group on Indigenous Higher Education to the Ministerial Discussion Paper, *Higher Education at the Crossroads*, June 2002, p. 2.

²⁷ *Paying their Way*, p.127

²⁸ Source: *Paying Their Way*, p.130.

Students who are single, away from home and 21 years and over receive a rate of ABSTUDY that has been consistently low in comparison to basic living costs.

Table 12: Henderson Poverty Line amounts compared with ABSTUDY rates for 2000 – 2003²⁹

| Amount | 2000 | 2001 | 2002 | 2003 |
|---|----------|----------|----------|----------|
| Poverty Line \$ per week | | | | |
| Single person (in work) | \$186.08 | \$197.35 | \$198.34 | \$203.55 |
| ABSTUDY \$ per week | | | | |
| Student (at home, 18-20 yrs) | \$92.50 | \$95.45 | \$99.30 | \$102.10 |
| Difference | \$93.58 | \$101.90 | \$99.04 | \$101.45 |
| Student (single, away from home, 21 yrs and over) | \$172.40 | \$178.90 | \$184.50 | \$190.05 |
| Difference | \$13.68 | \$18.45 | \$13.84 | \$13.50 |

It was reported in *A Hand Up, Not a Hand Out* that "... while there have been increases in costs of food, utilities and travel, it is accommodation and the cost of books and equipment which has had the most severe impact... Rents in inner city areas have increased substantially. This has created great difficulties in accessing accommodation near to educational institutions for many students. While moving to an outer suburb may appear to be an option, the increased costs of travel and the impacts on time for work and study make it untenable... In Melbourne, a two-bedroom apartment that could be rented for \$154 a week in 1981, cost \$250 in 1999."³⁰

3.2 Increasing course-related costs

The cost of books and equipment account for a significant proportion of student budgets. The AVCC study of Australian Undergraduate University Student Finances found that full-time students spend around 10 per cent of their budget on course-related costs, or an average of \$1231 a year.³¹ Course readers are priced at up to \$30 each and textbooks average at around \$80 each.³²

²⁹ Henderson Poverty Line figures are from the December quarter of each year and ABSTUDY rates are effective from July of each year. Poverty line figures are from the 'other than housing category (ie. do not factor any accommodation costs) and, accordingly, ABSTUDY rates do not include rent assistance.

³⁰ *A Hand Up Not a Hand Out*, p.294

³¹ *Paying their Way*, p.36.

³² *A Hand Up Not a Hand Out*, p.295

To add to the difficulties students face in terms of covering textbook expenses, on June 30 this year the Education Textbook Subsidy Scheme will expire. The ETSS was introduced to compensate students for the increased price of books when GST was imposed, and the closure of the scheme will result in price increases for textbooks of up to 10%.

Access to quality computing has been an ongoing problem for Indigenous-Australian students, many of whom cannot afford to own a computer. It is almost impossible now to attend university without owning or having reliable access to a computer, yet access to computers through university libraries or labs has become more and more difficult with increase in demand. The purchase of even an inexpensive computer is a big stretch for undergraduate students on an ABSTUDY income of around \$10,000.

Internet access is essential for studying away from base, by block release and in course work. It is also essential for research and supervisory contact. For many Indigenous-Australians, Internet access is an impossibility, even for those who own a computer, as the costs associated with Internet access are prohibitive. The problems for rural or regional students are even greater. Many Indigenous-Australian communities do not have Internet access and those who are lucky enough to have it, cannot afford the satellite costs.

It is imperative for postgraduate students to own their own computer but, on the Masters and Doctorate allowance, many students find it hard to find the money to purchase reliable computers given the high costs associated with studying as a mature aged student. One NIPAAAC member who is receiving the Masters and Doctorate living allowance and provides some support to her daughter who lives at home and also studies illustrates the difficulties of maintaining a computer on an ABSTUDY wage: "I think carefully about all expenditure. For example, the computer has been playing up for a couple of weeks – did everything I know to deal with naughty computers and then made a decision to pay household insurance a few days late so I could pay a technician to come and fix the computer."

In addition, postgraduates need an array of computer peripherals to complete their studies. These range from colour printers, memory sticks (to back up their thesis, for storing large graphics/database/sound files and to make the work more mobile), scanners, and digital cameras (depending on their area of study), to expensive specialised programs. Although income support policies do not see these as essential, they make working on and completing postgraduate studies far more productive and easy. Less valuable research or writing time is spent tracking down items that are in working order, so that necessary tasks can be completed as they arise. Few Institutions have these to loan to students, and regional/rural students, in particular, generally do not have the luxury of obtaining these from their institution.

3.3 Increasing education costs

In 2003 the Federal Government legislated a number of reforms to the higher education sector with the sum effect of substantially increasing higher education costs. The reforms are the latest in a long line of changes since the introduction of HECS that have seen escalating moves towards a user-pays education system. The impact of these changes is felt most keenly by equity groups, particularly Indigenous-Australian students, for whom equity measures such as scholarships provide inadequate band-aid solutions against increasingly prohibitive education costs. Corresponding with increasing costs over the past decade has been a decline in the growth rates of Indigenous-Australian student numbers, as shown in Tables 3 and 4.

For Indigenous-Australian students, some of the most damaging outcomes of the 2003 Backing Australia's Future reforms included the deregulation of HECS, an increase in the number of full-fee paying places, the surcharge on FEE-HELP loans for undergraduate students and the seven year learning entitlement. Prior to the implementation of the reforms Senator Trish Crossin noted:

*"A recent report by Phillips Curran and KPA Consulting concluding that most universities are likely to raise their fees under the new reform package of this government. While a marginal increase may not have a major impact, we are now in a situation where most students are feeling the financial strain and we could well find a new level of price sensitivity that will deter students from study. Clearly, this would impact on Indigenous students amongst the first of any groups."*³³

Senator Crossin's comments have been born out in real terms with most institutions raising fees the full allowable amount. The effect of HECS fees increases and other rising education costs will be to compound the negative effect of deficiencies in ABSTUDY and other forms of income support.

4. Inadequacies in current income support measures - ABSTUDY

NIPAAAC has categorised the problems that Indigenous-Australian students have identified with ABSTUDY into four main areas: inadequacies in the amount of ABSTUDY received by students, recent negative changes to ABSTUDY policy, existing problems with ABSTUDY and problems with the service delivery and administration of ABSTUDY.

4.1 Low rates of ABSTUDY

4.1.1 ABSTUDY rates for students with no children

The living allowance of ABSTUDY is aligned with Youth Allowance for Indigenous-Australian students under 21 years and with Newstart for Indigenous-Australian students 21 years and over. This means that Indigenous-Australian students 21 years and over receive slightly higher rates of payment than non-Indigenous students who are in receipt of Austudy, and some students also benefit from specific additional components that are not available to non-Indigenous students. The slightly higher rates of income support for Indigenous-Australian students 21 years and over are necessary to offset the significant economic disadvantage with which Indigenous-Australian students undertake higher education. Overall, however, the payment levels fail to provide adequate income support to attract and retain many Indigenous-Australian students in higher education and to ensure a decent quality of life for those who are studying.

The maximum ABSTUDY living allowance for single students 21 years and over, independent or away from home is \$194.60 per week. This compares with the Henderson poverty line figure for a single person (head not in workforce, including housing costs) of \$245.25 per week. The living allowance for ABSTUDY without rent assistance comes in \$50.65 under the poverty line.³⁴

Rent assistance is payable to some ABSTUDY recipients. The maximum rent assistance is \$47.70 per week, which means that ABSTUDY for students who are 21 years remains just below the poverty line, by approximately \$3. However, as with Youth Allowance recipients, ABSTUDY recipients living in share housing are not eligible for the full rate of Rent Assistance and the maximum they can receive is \$31.80 per week (single students). This leaves them at least \$18 below the poverty line.

For students who are 16 – 20 years and away from home, rates of ABSTUDY living allowance are even lower at \$159.25 per week. (\$82.50 below the poverty line). Even with the maximum rate of rent assistance, this leaves younger students \$38.30 below the poverty line. It is even more likely, though, for younger

³³ Senate Hansard, 20 August 2003, p.14054.

³⁴ The Henderson Poverty Line used in this section is the most recent. It is from the quarter ending December 2003.

students to be living in share accommodation, in which case they are \$54.20 below the poverty line on the maximum sharer rent assistance.

ABSTUDY living allowance rates for younger students seem to assume that those students are able to supplement their income through paid employment. However, despite the longer average hours worked by Indigenous-Australian students, they are less likely to be employed during semester for a number of reasons: Racism continues to make it difficult for Indigenous-Australian people to find employment; Indigenous-Australian students who come from a position of educational disadvantage need to dedicate extra time to their studies; and students from rural and remote areas have less job opportunities.

In addition, Table 12 shows that rates of ABSTUDY living allowance for certain groups of students have also declined in comparison to increasing costs of living.

According to an international comparison of annual student living costs, Australia now rates as the fourth most expensive country in which to study. The cost of studying at an Australian public university – including food, accommodation and tuition fees – is placed at around \$17,480 a year (based on HECS Band 3).³⁵ Taking out approximate annual HECS contributions of \$3768³⁶ per year, living costs are \$13,712. Approximate ABSTUDY living allowance rates for single students 21 years and over, independent or away from home come in at only \$10,120. Even including maximum rent assistance payments Indigenous-Australian students are on average left at least \$1000 short per year for basic living expenses.

The ABSTUDY Masters and Doctorate living allowance of \$353.50 per week is actually set above the Henderson poverty line figure of \$302.46 for a single person over 21 years (not in the workforce). However, the large costs associated with a postgraduate degree still make it difficult for students to enjoy a decent quality of life or save money for emergencies, and must live on basic necessities. One NIPAAAC member undertaking her Doctor of Education made the following comments:

"It is a treat for me to allocate \$15 (which includes \$7 for train fares) to go into the city and meet up with an ex-workmate for lunch and chat about what I am doing with the research project.... I suppose the biggest thing is the thought of what to do if household things break down. Washing machine went kaput and the only way to do anything about it was to rent a second hand one... "

4.1.2 ABSTUDY rates for students with dependent children

ABSTUDY living allowance rates for students with dependent children are particularly low. Henderson poverty line figures for single parents who are in the workforce, with one child, are \$388.30 per week. For single parents not in the workforce, with one child, they are \$331.04 per week. This compares with ABSTUDY living allowance rates of \$210.50 per week for single students, 21 years and over, with dependent children.

It is of concern to NIPAAAC that the rates of ABSTUDY for heterosexual partnered students with no dependent children are the same as for heterosexual partnered students with dependent children. On this point, NIPAAAC also notes that ABSTUDY, like Austudy and Youth Allowance, does not recognize homosexual partnerships, which we consider to be a discriminatory practice.

Similarly, living allowance rates for Masters and Doctorate students do not increase for students who have dependent children. They are also a flat rate whether partnered or not. This makes it generally very difficult

³⁵ Bruce Johnstone, *Student Loans in an International Perspective*. Quoted by Emmaline Bexley in Senate Hansard - References, 26 September 2003, EWRE – 21.

³⁶ Based on HECS Band 3 estimates with indexation for 2005.

to study and raise children on the Masters and Doctorate allowance, as well putting single parents who cannot rely on a second income at an unfair disadvantage in comparison to parents with (heterosexual) partners. The Masters and Doctorate living allowance is \$38.40 below the Henderson poverty line with single parents (in the workforce) with one child, and \$141 below the line for single parents (in the workforce) with three children.³⁷ One Indigenous-Australian student on the Masters and Doctorate living allowance commented: "The rate needs to take into account a person's circumstances – for instance, if I had young children I couldn't do this."

4.1.3 Additional Incidental rates

Masters and Doctorate students are entitled to an ABSTUDY Additional Incidentals allowance of \$2,080 per year. NIPAAC members have reported that this amount is too low to cover essential course costs, particularly when it comes to covering travel costs to research in geographically isolated or distant areas.

One NIPAAC member stated: "I cannot do my PhD research properly as I cannot afford to pay my rent, travel interstate, accommodate myself, sustain myself and afford the associated research costs. As a diabetic, missing meals is not an option, nor is eating cheap quick fix meals. Research in archives can be expensive, especially if you have a disability, which inhibits writing for long periods. Photocopying is high, prohibiting research in archives, with an A4 sheet costing up to 30c each. Public transport is not always accessible to every archive (especially in Queensland) and therefore the cost of private transport or taxis must be added to the research cost. Archives have a captive eating audience, and therefore charge accordingly. The universities are becoming increasingly impossible to get study/research/travel grants out of, as the government has dried up their money too. This means I will be submitting a second rate thesis due to financial inability, which really pisses me off."

In addition, the incidental allowance does not cover certain course-related costs, such as computers or computer maintenance. The following student illuminates the problems created by this exclusion:

"Abstudy also have provision for an extra incidental allowance based on actual expenditure over about \$700. This is said to be for things all students in the same course need. However anything related to computers is specifically excluded on the grounds that we can access this at uni or a local council library. I can hardly pop down to Armidale when I want to use the computer, or expect the local library to allow me to load something like Endnote on their computers. [I] funded the upgrade my computer needed through the \$500 advance available to all Centrelink clients and some help from my undergrad daughter who was also keen to have something better to work on at home - even though she is an internal student, she doesn't want to be at uni until 10.00 at night to access their computers".

A further issue is that often incidental costs are not paid by ABSTUDY up-front but are paid as a reimbursement, which is a problem for students because it is very difficult to find the money for larger costs in the first place.

4.1.4 Other income and ABSTUDY rates

The low rates of ABSTUDY living allowance make it very difficult for Indigenous-Australian students to survive on payments without supplementing their income through work or other means. We have shown above that work commitments interfering adversely with study presents a large problem for Indigenous-Australian students. Students clearly need to work despite the fact that the amount they are allowed to earn without affecting payments is very low.

³⁷ The 'head in labour force' poverty line is used here because NIPAAC believes that full-time Masters and Doctorate students should not be expected to supplement their income through paid work.

Indigenous-Australian students are allowed to earn \$236 per fortnight before it affects their ABSTUDY payment. For every dollar earned between \$236 and \$316, ABSTUDY payments are reduced by 50 cents, and then by 70 cents in every dollar earned over \$316. Under this system, institutionalised penalties are imposed on students who strive to live beyond their most basic means or to save and pay off debts while studying. The greatest impact is on the poorest students who cannot rely on their families to supplement student income support, or pay for the costs of their education, and who do not want to graduate with education or living-related debts.

The amount of income students are allowed to earn before they start losing benefits has increased very little over the last six years since an abatement rate replaced a 'sudden-death' cut-off for ABSTUDY recipients earning other income. From 1998 to 1999, students were allowed to earn a flat rate of \$6000 per annum, with payments decreasing by \$1 for every \$2 earned over that amount. In 2000, the incremental system described above was introduced, and students can earn \$6,136 per annum without it affecting their payments. Essentially, in over 6 years there has only been an increase of \$136 in the amount students are allowed to earn before payments are reduced, despite a dramatic increase in living and education costs over that time.

4.1.5 Rent assistance

Rent assistance is not available to ABSTUDY Masters and Doctorate students, which is a problem considering that the living allowance rate is inadequate, as outlined in Section 4.1.1.

NIPAAAC is also opposed to the system of differentiating between rent assistance levels for share accommodation and non-share accommodation given that sharer rents can be as high as other living arrangement costs. The differentiation seems to be relatively arbitrary.

4.2 Recent changes to ABSTUDY policy

In addition to the introduction of an income-tax levy in 1996, ABSTUDY has recently undergone two major sets of changes. The combined effect of the changes has been to lower the level of income support available to Indigenous-Australian students and to reduce the number of students who are eligible to receive ABSTUDY.

The first set of reforms formed part of the 1997/98 budget, and included reductions in travel entitlements and the application of income tests to some students.

In January 2000, more changes to ABSTUDY were introduced which further aligned aspects of ABSTUDY with mainstream student income support provided by Youth Allowance, Austudy and Newstart Allowance. Prior to the changes, the Aboriginal and Torres Strait Islander Commission (ATSIC) conducted an *Analysis of the Proposed Changes to Abstudy on Indigenous Students*.³⁸ They concluded that the changes would benefit only a small proportion of the total ABSTUDY student population – the young and the single - while disadvantaging the vast majority of ABSTUDY recipients. In particular, they found that ABSTUDY changes would disadvantage Indigenous university and TAFE students who were:

- 21 years and older, independent, single or with a partner, with or without children (9,950 students in 1998);
and

³⁸ The report can be found at <http://www.atsic.gov.au/issues/disadvantage/education/abstudy_changes_1999>.

- in receipt of either a Sole Parent Pension, a Disability Support Pension or studying as part-time pensioner students (4,810 students in 1998). They determined that the changes to ABSTUDY would benefit 5.7% of Indigenous-Australian students, while 94.3% would be significantly disadvantaged.³⁹

These categories of students encompass the majority of Indigenous-Australian postgraduate students and, consequently, the changes are of particular concern to NIPAAAC.

The concerns raised by ATSIC were confirmed by a dramatic decrease in Indigenous-Australian student numbers at all course levels in 2000, with the decline at some course levels beginning in 1999. A detailed analysis of changes in student participation is provided in Section 1.2.

The Australian Universities Review summarised the problem succinctly in the following way:
*"... the Government rushed into changes to ABSTUDY which have become the 'straw that broke the camels back', in the sense that they have raised the level of risk for mature aged Indigenous students embarking on a university education to unacceptable levels. The message is now being clearly heard in Aboriginal communities – 'we really can't juggle study and families on the levels of ABSTUDY financial support'"*⁴⁰

DEST has tried to explain the student declines as statistical anomalies and/or as the result of an unsubstantiated movement towards Vocational and Educational Training. However, this myth was dispelled in 2002 with the following statistical report in an article in the *Campus Review*:

"Given growth in both sectors [higher education and VET] was strong up until 1999/2000, and the fact that growth slowed by the same rate across the two sectors for the same year [2000], and that both VET and higher education enrolments were growing between 1999/00, there can be no conclusion drawn other than that the changes to ABSTUDY impacted negatively on both VET and higher education enrolments, in both cases by around 12.5 per cent."

As the table below demonstrates, in 2000, the number of ABSTUDY recipients fell dramatically amongst both VET and Higher Education students.

Table 13: Numbers of ABSTUDY recipients, 1997 – 2003⁴¹

| ABSTUDY recipients | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Higher Education students | -- | 7,789 | 6,749 | 6,356 | 5,845 | 5,688 | 5,476 |
| VET students | -- | -- | 15,531 | 14,356 | 17,341 | 17,429 | 17,273 |
| Tertiary students (sub-total) | 19,038 | 20,304 | 22,280 | 20,712 | 23,186 | 23,117 | 22,749 |

-- indicates where information was not available.

³⁹ *Analysis of the Proposed Changes to Abstudy on Indigenous Students*, Aboriginal and Torres Strait Islander Commission, May 1999, p.1.

⁴⁰ Tracey Bunda and Greg McConville, 'Indigenous Higher Education: Myths, Cuts and Obvious Decline', *Campus Review*, May 29 – June 4, p.13.

⁴¹ Sources: (2001 – 2003 figures) Senate Legislation Committee – Questions on Notice 2003 – 2004, Supplementary Budget Estimates Hearing, DEST Question No. E650_04; (Other figures) Answer to a question on notice E81_01 By Kim Carr to DEETYA in 2001.

Table 13 shows that the number of ABSTUDY higher education recipients is still in decline. It is possible that subsequent to 2000, some Indigenous-Australian students have shifted to VET, explaining the large increase in VET ABSTUDY recipients in 2001. However, if this was the case, the reasons for the transition to VET need to be carefully examined in the context of increasing higher education costs, and the opportunities to obtain more income support for course in the VET sector than for courses in the higher education sector. NIPAAC suspects that Indigenous students are finding a more cost effective means of undertaking the bridging courses that assist entry to higher education, or are choosing VET instead of higher education because they are being priced out of universities.

The following section gives a brief summary of some of the ABSTUDY changes in 1998 and 2000 (as well as one in 1996) with the more deleterious effects on Indigenous-Australians.

4.2.1 Income-tax levy (1996)

In 1996 the Government introduced an income tax levy on the ABSTUDY living allowance for Masters and Doctorate students. Previously the entitlement had been tax-exempt, in line with the status of Australian Postgraduate Awards for full-time students.

Students who receive Masters and Doctorate allowances study full-time and do not have the time to undertake part-time work. As such, they rely on approximately \$300 per week, with no extra income for dependent students. For the large number of Indigenous-Australian postgraduate students who are mature aged and have the financial responsibilities associated with being an older student, \$300 a week is a very small income, particularly for raising a family. The paradox is that ABSTUDY is only available for full-time postgraduate students and yet the taxable status of the allowance makes the level of income support insufficient, forcing students to reduce their study to part-time while under-taking paid employment.

In addition, the income tax levy on the Masters and Doctorate allowance puts Indigenous-Australian students at a financial disadvantage to the recipients of Australian Postgraduate Award's (APA's), who enjoy tax exemption. Given that Indigenous-Australian students are very rarely Australian Postgraduate Award (APA) recipients, this essentially puts Indigenous-Australian students at an unfair disadvantage in comparison to non-Indigenous students.

4.2.2 Income tests – Personal (1998 and 2000)

In 1998 an abatement rate for ABSTUDY recipients earning extra income was introduced and then in 2000 it was modified to the system outlined in Section 1.4.3.

The introduction of an abatement system for ABSTUDY recipients in 1998 brought ABSTUDY into line with Austudy in this area, despite the fact that students have complained for a long time that abatement rates applied to Austudy are too restrictive. The current abatement rate is even more restrictive for Indigenous-Australian students who come from backgrounds of socio-economic disadvantage and are less likely than their non-Indigenous counterparts to have savings, assets or financial assistance from families to help get them through their study.

In addition, NIPAAC notes that the same income threshold of \$236 applies to ABSTUDY recipients across the board, whether they be living at home or away from home, partnered or single and with or without dependents. A system which fails to acknowledge the additional expenses associated with certain roles and living situations, disadvantages those students who are living away from home, are single and who have dependent children.

4.2.3 Income tests – Partner and Parental (1998 and 2000)

Under the 1997/98 changes, partner and parental income tests were first applied to the living allowance, dependent spouse allowance and supplementary benefits provided to Masters and Doctorate students. An income test was also applied to the 'at home' rate of school fees allowance.

In 2000, all ABSTUDY payments, including additional components, became subject to income and means tests, most of which are aligned with the income tests for Youth Allowance.

Currently, parental income tests are applied to students who are deemed to be dependent, and are aged 16 years and over. An ABSTUDY recipient's living allowance is affected if their parents' taxable income is \$28,150 or over per year. NIPAAAC considers the parental income threshold to be excessively low given current living costs, and particularly the costs associated with raising children.

If the parents have other dependent children, their taxable income can increase by only \$1230 for the first other dependent child under 16, and \$2562 for each additional dependent child under 16 before it affects ABSTUDY payments. These figures grossly underestimate the current real costs of raising a child and effectively make the parental income test more restrictive on ABSTUDY recipients with siblings.

In their submission to the Senate Inquiry into Poverty and Financial Hardship, one organisation also noted that the parental income test has not kept pace with changes in average weekly earning. When the Tertiary Education Assistance Scheme (TEAS) was introduced in the mid 1970s, around 70 per cent of full-time students were in receipt of some government assistance. By 1982, this had declined to 40 per cent. The level of parent income allowed before allowances were reduced had declined from 100 per cent of average weekly earnings (AWE) in 1974 to 63 per cent in 2003.⁴²

As of 2000, ABSTUDY recipients with heterosexual partners have also been required to have their income support tested according to their partner's income. Indigenous-Australian students under 21 are subject to the Youth Allowance partner income test. Once a partner's income exceeds \$713.86 per fortnight, the student's income support is reduced by 70c in the dollar. Indigenous-Australian students who are 21 years and over are subject to a variation of the Newstart partner income test, for which partner income limits are also low.

As well as being concerned about the problematic anomalies in the treatment of partner income (also see Section 4.1.2), NIPAAAC is strongly opposed to the existence of partner and parental income tests. We believe that students should be considered independent at the age of 18 and, as such, they should not be put in a position of being financially dependent on anyone else.

4.2.4 Age of independence

As with Youth Allowance policy, parental income tests are automatically applied to ABSTUDY recipients who are less than 25 years of age - whether or not they live away from home - unless they are able to prove their independence. There are a number of criteria through which all students can apply for independent status, and Indigenous-Australian students can be assessed against certain additional criteria that acknowledges cultural factors in defining status and roles relating to 'independence'. However, if students are not able to prove their 'independence', it is assumed they are, to some extent, dependent on their immediate family, regardless of whether or not their family provides financial support.

⁴² *A Hand Up Not a Hand Out*, p.291.

NIPAAAC strongly opposes the changes in recent years that have seen the age of independence increase to 25 years. In other areas of mainstream society, people are considered to be an adult at the age of 18 and, in Indigenous-Australian communities, independent status can be afforded to young people at varying ages below 25. Indigenous-Australian students are expected to have the responsibilities associated with being independent, such as living away from home to study, but are being denied the financial means – through restrictions imposed by the parental income test – to fully support themselves as independent students. This is particularly problematic for Indigenous-Australian students considering the large number who live away from home while studying. It is ironic that younger people are considered to be mature enough to vote in Australia at the age of 18 but, at the same age, they are not deemed mature enough to live independently from their parents whilst studying.

Moreover, most Indigenous-Australian families are not able to financially support their children through tertiary study, even in minor ways, yet the parental income test assumes that they are providing some financial support until their children are 25.

While the possibility exists for students to seek classification as independent at a younger age, strict criteria under Centrelink regulations makes proof of independence difficult, and many students are discouraged from attempting in the first place.

4.2.5 Changes to approved ABSTUDY courses (1998)

The following changes to course eligibility for ABSTUDY were also made in 1998:

- a) Courses that are comprised wholly or substantially of away from base components such as residential schools and field trips would no longer be approved for ABSTUDY purposes.
- b) The availability of ABSTUDY was limited to one undergraduate and two postgraduate degrees.

The first change made is impossible for most Indigenous-Australians to study within their communities and thereby obtain the cultural and other significant support that is important to their study. It has forced students to leave home and move to metropolitan areas, or larger regional areas, in order to study. For many students who had never before lived in the city, the move and the distance from family and community often leaves them vulnerable and proves a stressful barrier to successful study.

The second change restricted the number of degrees that students could undertake while being supported on ABSTUDY, whereas before 1998 the number of degrees a student could undertake was unlimited. This policy is particularly problematic for Indigenous-Australian students who, due to educational, employment and life disadvantages, often arrive at study without a set career path, or a firm idea of the studies they wish to undertake. Under the limitations on undergraduate degrees imposed by this change, once a degree is completed, it is too late for students to discover that the career path they have chosen is not the one they wish to pursue.

With regard to the limitations on the number of postgraduate degrees, Indigenous-Australian students can do their Masters and a PhD, but they can no longer receive ABSTUDY if they wish to qualify at a postgraduate level in more than one field of expertise in their chosen career. Students who take longer than the designated time limit to complete their degree or postgraduate studies, must pay for these themselves, including fees and other university costs.

4.2.6 Limiting travel entitlements for ABSTUDY recipients (1998)

In 1998, the Government also limited the amount of travel assistance available for compassionate reasons to two return trips per year for full-time away from home students.

The limits were another step towards the mainstreaming of ABSTUDY and failed to take account of the cultural obligations for many Indigenous-Australian students to be amongst their family or community on occasions of death or serious illness.

4.2.7 Changes to the Away from Base component of ABSTUDY (1998)

NIPAAAC would like to draw special attention to recent reductions in the assistance available through the Away from Base (AFB) component of ABSTUDY.

AFB assistance is available to undergraduate and postgraduate students to enable them to access face-to-face teaching while mainly studying in their home communities. Indigenous-Australian Masters and Doctoral students use block release programs to liaise effectively with their supervisors and maintain important contact with their university of enrolment. The arrangements benefit students with jobs and enable Aboriginal and Torres Strait Islander Peoples to undertake education that is culturally appropriate in the sense that students can fulfil family and community commitments while studying. AFB is still the main pathway that rural, remote and isolated Aboriginal and Torres Strait Islander communities have to access higher education and it is the main pathway that communities themselves have to the knowledge, skills and expertise that graduates and postgraduates bring.

There are two main types of AFB, one available to Indigenous-Australian undergraduate and vocational and educational training students, and another available to Indigenous-Australian postgraduate students. The postgraduate AFB continues to be administered by ABSTUDY and is the program that was affected in the 1998 changes. Under the changes, AFB was limited to a maximum of 4 weeks away and 2 return trips per year. Other restrictions included:

- no interstate travel for students in enabling or certificate courses, except where these courses were not generally offered in their own state; and
- interstate travel allowed only where it is more cost-effective than intrastate travel.⁴³

Previously, AFB had been available for an unlimited amount of travel. The introduction of the limits did not coincide with changes to structure of courses which require students to travel to their places of study and, as such, they were introduced with the assumption that the students would be able to find the extra money for additional trips. Many course work programs still require students to attend university four times a year. Indigenous-Australian students generally do not have the money to supplement the unfunded trips and, consequently, many cannot fulfil their course requirements.

In addition, an upper limit of \$2,000 on the AFB for Masters and Doctoral students was set in 1995 and, apart from an \$80 increase in 1996 to compensate for the introduction of GST, has not since been raised in accordance with increasing living costs. Many NIPAAAC members have made it clear that they are finding increasingly difficult, often impossible, to pay for the travel, accommodation and food costs associated with AFB sessions on such a miniscule amount.

Case Studies – Coursework students

The following students are enrolled in Masters of Arts in Indigenous Social Policy at the University of Technology, Sydney.

STUDENT #1

I am 59 years old and a mature student. After I completed my undergraduate degree, I decided that I would like to complete the rest of my education before I get much older. So, here I am doing my masters, however

⁴³ Submission by the Australian Indigenous Higher Education Association Committee to the Inquiry into the capacity of public universities to meet Australia's higher education needs, May 2001, p.9.

I am finding it a bit of a struggle now, after only attending 2 block classes the travel, meal allowance and accommodation funds have run out. I have had to borrow the money I need to attend this block and the next one.

\$2080 is just not enough money to get us to class four times a year... To me it is a shame that we started this year with 26 students who wanted to complete their masters, and after 2 blocks we now only have 10 students left because funds have run out – It would be nice if we were treated on an even part as the undergraduate students.

STUDENT #2

My fellow students are from various places, such as Brisbane, Naroom, Cairns and Broome, just to name a few. We are required to attend four blocks per year for the duration of 5 days per block.

The \$2080.00 is required to cover each student for travel, accommodation and meal allowance. I put it to you to get some quotes for 20 night accommodation per year, 20 days and meal allowance per year and return tickets to some of those locations and I'm sure you'll come to the quick conclusion that \$2080 per year is not satisfactory.

Due to the facts that I have just pointed out, a number of the Masters students do not attend Blocks 3 & 4 and ultimately drop out of the course because they have missed lectures and vital classroom contact.

STUDENT #3

"I am currently doing my Master of Arts in Indigenous Social Policy. I started this course at the start of semester one this year and have been told that now in first block semester 2 that we are facing a shortage of funds which seems very unfair to us as students especially as we were told that our accommodation, meals and travel would be paid for by the government. In semester one we started off with 26 students in our course, now in semester 2 we have lost 16 of them because of insufficient funds."

Problems related to AFB assistance also extend to Masters and Doctorate research students who require AFB allowance for regular contact with their supervisors and their place of study. While not required to attend residential schools, they find the low level of monetary assistance and restrictions on the allowable number of trips particularly limiting. In addition, they are restricted by the inflexibility of AFB guidelines, which do not relate well to research student activities.

Case study – Research student

The guidelines related to away from base are largely written in relation to coursework studies. They cover block release res schools, prac placements and field trips.

Research degrees do not by nature have residential schools. I don't know about other institutions but the uni I am enrolled at requires on campus time of 54 days during the period of candidature. They are not inflexible on this: for example when my principal supervisor is in Brisbane we normally meet up for lunch and the uni will class that as a contact day. I firmly agree with the requirement as a way of ameliorating the academic loneliness of distance education.

Abstudy has difficulty with how to let me do this. The guidelines need to be revised. At this stage I have been in negotiation for a month to allow me to travel to the university in July for a week. They have agreed to the possibility of allowing consultation with supervisors and other academics - but require a detailed timetable of who and when. During the week that I plan to be there the library is running training on the use of Endnote software and research on the net. That is not an approved activity so the extra time I will need to spend in Armidale to attend these will have to be funded by me. Also not approved is any time spent in the library on research - how does a student access the reserve collection?

They are also proscriptive about where to stay. On campus colleges provide meals (of dubious origin I assure you) for an inclusive cost of \$64 per night at the best of them. I could get accommodation in town for \$30 a night - but Abstudy will not provide a meal allowance if I do this as the colleges provide meals. I could feed myself more than adequately on the \$34 difference in the two locations - but no.

I know one doctoral student who has totally given up on the process and funded his own trip from Broome to Armidale in April.

4.2.8 Changes to the Away from Base components of ABSTUDY (2000)

In January 2000, the Commonwealth Government also made changes to the Away-from-Base component that affects undergraduate and VET students. It is now administered under the Indigenous Education Strategic Initiatives Program (IESIP) and paid in block grants direct to institutions delivering ABSTUDY approved courses. The changes are summarized below by NTEU members involved in the administration of ABSTUDY:

- the number of funded return trips per year has been reduced to four, meaning that in many courses the number of residential schools has reduced correspondingly;
- whereas students released from their workplace on leave without pay to attend study could apply for benefits for the whole of the calendar year, they must now apply for each residence with a supporting letter from their employer and if under 25 years of age, must supply their parents details;
- if applicants for benefits work in the industry in which they study, (e.g. health), they are not entitled to the living allowance for block release;
- students approved for receipt of travel allowance and meals allowances are required to use accommodation provided by the university, or pay their own travel expenses. (e.g. a mature age student with two children who decides to stay with his or her mother is not entitled to accommodation assistance, but is entitled to meals allowances).⁴⁴

As with changes to AFB for higher degrees, course structures have not been altered in correspondence with the changes. Many courses require a standard of six block release intensives per year. As a result, undergraduate students are unable to fulfil the full course requirements, or are forced to borrow the money for travel, accommodation and food.

4.2.9 Closure of the Student Financial Assistance Scheme

NIPAAC recognizes the damaging effects of the ABSTUDY Supplementary Support Scheme, which encouraged students to trade-in part of their ABSTUDY allowance for a top-up loan, on a \$1 for \$2 basis. The most recent figures show that Indigenous-Australian students were \$320 million in debt after the 2001-02 financial year.

Although NIPAAC was concerned about the scheme's 'debt-trap' potential, it did offer an alternative for some between being an indebted student and not being a student at all, or being a student who has to work long hours in order to study.

The scheme should not have been closed without the introduction of an interest-free alternative. In 2002, 15.6 per cent of Student Financial Supplement Scheme loan recipients were Indigenous. Indigenous-Australian students have high student loan uptakes because they usually come from backgrounds of

⁴⁴ Submission by the National Tertiary Education Union Indigenous Tertiary Education Policy Committee to the 2001 Inquiry into the capacity of public universities to meet Australia's higher education needs, May 2001, p.11.

financial disadvantage, many live in rural and remote communities with high unemployment levels and many have financial responsibilities relating to family and community.

At the time of the loan closure, NIPAAAC condemned the Government for failing to provide an adequate alternative to the 4000 Indigenous-Australian students who were using the loan scheme to help continue their studies. The sudden closure of the scheme left many students in the lurch and compounded the financial factors that lead to low participation and high attrition levels for Indigenous-Australian students.

NIPAAAC was also concerned about the way in which the Student Financial Supplement Scheme was closed through a bureaucratic mechanism, despite strong opposition from students and in the Senate.

The Student Financial Supplement Scheme should be replaced for Indigenous-Australian students by raising ABSTUDY to a real living wage and reversing the ABSTUDY cuts that were made in 1998 and 2000. NIPAAAC also supports the NTEU's demand for the Federal Government to waive the debts of the Aboriginal students who owe money under the loan scheme.

4.3 Other problems with ABSTUDY policy

4.3.1 The unavailability of ABSTUDY for part-time students

It is of great concern to NIPAAAC that ABSTUDY is not available to postgraduate students who are studying part-time, and requires undergraduate students to be undertaking 75% or more of normal full-time student load to qualify for ABSTUDY. The basis for our concern is outlined in the Section 2.2, which demonstrates a strong need for courses and student income support to be flexible to the option of part-time study.

Case Study – Part-time students and ABSTUDY

As an indigenous student I enrolled [in university] at the beginning of 2003, in the Graduate Certificate in Business Administration. I was enrolled on the basis of work experience, never having completed a degree. I was 33 and had not studied since 1989. I enrolled in 4 subjects (fulltime load) and started receiving ABSTUDY. My intention was to complete the MBA, but due to the fact I was gaining entry only on the basis of work experience, I had to successfully complete the Grad Cert before I would be permitted to enrol in the Grad Dip, followed by the Masters.

I received academic support through [the Indigenous Higher Education Centre] and gained 2 distinctions and a pass but unfortunately failed my weakest subject. As outlined above, I could not enroll in any other subjects until I had 'completed' the Grad Cert, which meant I could only enroll in one subject in semester 2. That is, I re-enrolled in the failed subject. Because I had reduced my load (involuntarily) to only one subject, I no longer qualified for any ABSTUDY and lost the payment.

This obviously resulted in financial hardship. I picked up as much extra casual work as I could, but even living with my mother I ended up having to borrow money to live week to week, so I was continually stressed with money worries. ABSTUDY is not enough to live on as it is and removing it from people who are struggling with a limited educational background just makes matters harder.

4.4 Problems with ABSTUDY service delivery

In 2003 NIPAAAC made a submission to the Joint DEST/Centrelink Review of ABSTUDY Service Delivery. We stated that "we consider the service delivery of the Aboriginal and Torres Strait Islander Student Assistance Scheme to fall well below a standard expected of welfare administration in Australia. Indeed,

NIPAAC constituents have reported that the poor quality of ABSTUDY service delivery has a tangible negative impact on Aboriginal and Torres Strait Islander participation levels and educational experiences."

Overwhelmingly, criticisms of ABSTUDY service delivery amongst NIPAAC constituents focus on administrative errors and delays that relate to the geographical location of Centrelink/ ABSTUDY offices and low staff numbers. Administrative problems generally result in overpayments, loss of income and unwarranted cessation of payments, thus contributing to financial difficulties for students and to disillusionment with the education system as a whole.

Student reports indicate that the problems outlined in NIPAAC's Service Delivery submission have not been addressed and, in some cases, have become more entrenched. Some of the issues are therefore, reiterated below, along with additional complaints that have since been raised by NIPAAC members.

In addition, NIPAAC is greatly concerned by recent reports that a planned restructure of ABSTUDY entails a proposal to reduce the number of administration centres responsible for assessing ABSTUDY claims from 14 to 4 nationally. The proposal pre-empts the Federal Government review into the impact of the year 2000 ABSTUDY changes to be conducted in July this year. The Government also failed to announce the proposal as part of other changes to Indigenous education support schemes in the 2004 Budget and a public announcement is still awaited. We condemn any 'back-door' restructure of ABSTUDY that does not involve extensive consultation with Indigenous-Australian People. Most concerning for NIPAAC is that the closure of ABSTUDY centres will exacerbate the myriad of existing ABSTUDY administrative problems that are outlined below.

4.4.1 Location of ABSTUDY/ Centrelink offices

ABSTUDY recipients cannot have most ABSTUDY-related questions answered by Centrelink staff in metropolitan and regional offices. ABSTUDY related inquiries must be directed to one of the few ABSTUDY service centres or, more commonly, by phone to a central ABSTUDY Office. Directing ABSTUDY business by phone generally results in delays and administrative errors. Similarly, delays occur in the posting of student documentation to the ABSTUDY Central Office.

NIPAAC members have reported that the absence of accessible ABSTUDY Service centres and/or ABSTUDY staff in Centrelink offices makes dealings highly inconvenient and convoluted. For example, ABSTUDY staff are not able to refer to relevant documentation while talking to the student. Explanations about complicated ABSTUDY issues are also more difficult when face-to-face customer service is not possible.

As most issues, including confidential and complicated issues, need to be referred to the ABSTUDY phone service, confidential, sensitive and delicate matters often have to be re-explained several times during the transfer process. This increases the potential for embarrassment and for confidentiality leaks, and commonly creates a lot of frustration. No one likes to repeat hurtful, embarrassing or confidential information, least of all Indigenous-Australians.

These problems are compounded by the fact that, in the end, there is NO guarantee of gaining an Indigenous-Australian ear to listen to, and assess, the problem. As such, there is NO guarantee of any cultural understanding.

Such problems are compounded for regional students who do not have access to a Centrelink Office where they can be assisted in contacting the ABSTUDY Office or have basic 'income bank' related questions answered by Centrelink staff. One student who does not live near a Centrelink Office that he can drop into reported having to incur the costs of faxing documentation a number of times to the ABSTUDY Office in another state. Such costs are not necessarily easily absorbed by students on ABSTUDY levels of income.

4.4.2 Staffing concerns

The expertise and accessibility of ABSTUDY staff were a common focus of other complaints by NIPAAC members. The general low level of trained staff and high turnover of staff mean that ABSTUDY recipients experience delays in all aspects of their ABSTUDY dealings. In particular, students reported difficulties in being able to contact ABSTUDY staff and delays in being assigned a case manager. On average it takes between 2 days and one week for case managers to return calls. Some students also reported that they are rarely able to discuss their cases with the same staff members and instead have to 'reinvent the wheel' with new staff members each time. Such problems, in turn, contribute to the high number of administrative errors, as new staff members take on cases with which they are not familiar and information is lost in the exchange between staff members.

In addition, the high staff turnover has an effect on the level of expertise in dealing with ABSTUDY cases, as new staff do not have an accumulation of on-the-job experience. This problem is compounded by what NIPAAC has identified as a general inadequacy in training for ABSTUDY staff who operate in a highly specialised area.

Concerns with staff familiarity with ABSTUDY policy have been raised by staff of Indigenous Higher Education Centres, particularly in relation to the application process for the Away from Base testing and selection programs. Inexperience amongst Centrelink staff results in inconsistent application of ABSTUDY policy between different student applicants. As such, the basis for selection of students tends to be fairly arbitrary and a large number of student applications are rejected. Inefficiencies in processing methods and miscommunication between Centrelink departments also contribute to large delays in the assessment and approval process. As a result, travel arrangements and funding for students to attend the programs tend to arrive very late, which contributes to stress for participants and leaves some students out-of-pocket while they wait for reimbursements for travel costs, and leaves others unable to attend the necessary event due to financial inability. Students have reported that, at times, approved reimbursements never end up arriving.

Case study

Student applies to Centrelink to attend the Testing and selection program 5 weeks before the due date. Centrelink date stamps the application the day it is submitted. Student follows up on how the application is proceeding and is told its okay. Student then calls closer to the due day to make sure travel is arranged. The student is told that she has not put in an application. The student informs them that she has a receipt to show that the application was made 5 weeks before, she is told that she cannot attend the program.

Student complains and goes before the tribunal and is approved for travel and accommodation. Student then informs Centrelink staff of the outcome. Student is again informed they will have to pay for their own travel and accommodation as their form has not been processed. Student is told that Centrelink will reimburse them on proof of attending the program.

4.4.3 Over-payments and under-payments

An amalgamation of the problems outlined above regularly result in students being mistakenly cut off ABSTUDY payments, or being underpaid. At the other end of the scale, students have also stated that when they have reported changes in their personal circumstances that should have lowered the level of their payments, the information is often overlooked, eventually resulting in massive over-payments. Similarly, some NIPAAC members reported a delay in the cessation of their payments long after they had told ABSTUDY that they were no longer studying.

In one case, an Indigenous-Australian postgraduate student recounted to NIPAAC that he completed his degree with a \$16,000 bill from ABSTUDY. The over-payment resulted from miscalculations on the student's

expected income assessment form that was completed by his workplace, due to the student not feeling confident to calculate expected income for himself. It took from 1997 until 2003 to pay off the debt. Reports from our members suggest that this is not an isolated case, and this type of problem is seen as a bad side effect of being on ABSTUDY.

4.4.4 Breaching

It has become increasingly common for Centrelink to use breaching penalties for more minor student errors, such as failures to report brief periods of work and missed appointments.

NIPAAC does not agree with the use of breaching penalties for ABSTUDY recipients, as they are a form of economic punishment that unfairly disadvantages students from lower socio-economic backgrounds. The majority of income support recipients live below or just above the poverty line, and have little recourse to cover basic living costs while enduring a breach. The effect is to push students into a downward financial spiral, as breaching can result in the loss of additional concessions, such as travel concessions in certain states, and students are likely to increase debt levels by seeking advance payments from Centrelink.⁴⁵

The major problems with ABSTUDY service delivery resulting in errors on behalf of Centrelink staff also contribute to the unfair application of breaching penalties on many students.

NIPAAC members have informed us that they are concerned there is no avenue of appeal for breaching that does not involve the local Centrelink Office. This is unacceptable - recipients need to be able to have their complaints assessed by an independent body. This will help alleviate the expectations of many recipients that if they complain they will suffer further problems, delays or difficulties with future applications. They need to feel that they are being heard and that their case is being dealt with in an unbiased manner.

5.0 Inadequacies in other income support measures – Scholarships

This section does not contain a detailed overview of NIPAAC's concerns with scholarship schemes because we have chosen to focus on ABSTUDY for the purposes of this inquiry. However, we would like to highlight a small number of issues. An ongoing concern regarding scholarships is that mainstream scholarship enticements are often not applicable to Indigenous-Australian researchers, given student demographics and the nature of their study. Mainstream scholarships also do not provide adequate income support given the additional financial burdens on Indigenous-Australians. NIPAAC would welcome the opportunity to elaborate on this point to the Senate Inquiry, and assist with the development of scholarship guidelines appropriate to Indigenous Australians.

5.1 Tax on part-time scholarships

NIPAAC concurs with the statements and recommendations in the CAPA submission pertaining to the issue of tax on APA's for part-time students. We agree that scholarships for part-time students should be tax-exempt. This recommendation is particularly important for Indigenous-Australian students considering the high number of students who need to study part-time.

5.2 Problems with the Commonwealth Learning Scholarships

NIPAAC considers that the new undergraduate Commonwealth Learning Scholarships, that were designed to offset the increased costs of education under the higher education reforms last year, do very little to

⁴⁵ *A Hand Up Not a Hand Out*, p.285.

ensure equitable access to higher education. The dollar amount of the scholarships, as well as the number of scholarships on offer is entirely inadequate.

With regard to the Commonwealth Education Costs Scholarships, a grant of \$2,000 per year is insufficient given that the scholarships will not even compensate for the HECS fee increases currently being introduced. Similarly, accommodation expenses for a year in most metropolitan areas would exceed the \$4000 per year offered under the Commonwealth Accommodation Scholarships.

The new Commonwealth Learning Scholarships are being allocated giving priority to full-time students – this excludes a large number of Aboriginal and Torres Strait Islander students who prefer or need to study part-time, for reasons such as family, community and employment commitments. The scholarships are also awarded to institutions on the basis of their proportion of full-time students, therefore penalising institutions with a high a proportion of part-time Indigenous-Australian students.

In addition, the scholarships are awarded only on the basis of 'priority' to students from low socio-economic and/or Indigenous-Australian backgrounds. They are not dedicated scholarships earmarked only for low socio-economic and/or Indigenous-Australian students and it is up to individual institutions to determine their own selection and allocation processes. This means that they are not necessarily being awarded to the students in most need.

5.3 Merit-based Equity Scholarships

NIPAAC concurs with the recommendation presented by the National Union of Students to re-introduce the Merit-based Equity Scholarships for undergraduate students. The Government abolished the scheme in 2000, and effectively removed an important form of income assistance, as well as a means of encouraging school leavers into higher education.