

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into student income support**

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**Submission no:** 130

**Received:** 3/09/2004

**Submitter:** Ms Naomi Godden

**Organisation:**

**Address:** St Georges College  
Mounts Bay Road  
CRAWLEY WA 6009

**Phone:**

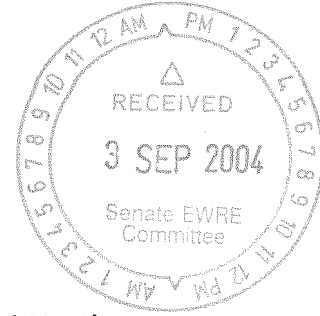
**Fax:**

**Email:** [naomi\\_godden@hotmail.com](mailto:naomi_godden@hotmail.com)

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## Regional Tertiary Students and Youth Allowance

### Naomi Godden



#### Summary of Submission:

##### *Background:*

In 2003, I was a member of the National Youth Roundtable. The National Youth Roundtable was established by the Federal Government to create a direct dialogue with young Australians and to ensure that their views are taken into account in policy-making processes (for more information see [www.thesource.gov.au](http://www.thesource.gov.au)). I was part of the issue team Transitions to Independence, and focussed my two projects on the transition to tertiary education for regional young people.

One of my projects was a study of the current Youth Allowance in relation to regional young people. I conducted a national survey and received 180 case studies from regional young people, outlining their experiences with the Youth Allowance system.

Regional research was analysed to compare metropolitan and regional students participation in tertiary education, assess a regional students realistic cost of living away from home, comparing deferral statistics (between high school and tertiary education) of regional and metropolitan students and assessing the reasons for higher regional deferral rates. The research aims to reveal why regional students need a better system of income support to encourage and enable them to study.

The research and an analysis of the case studies were compiled into this report, Regional Tertiary Students and Youth Allowance.

The report addresses the financial inequities felt by regional young people in their transition to tertiary education (university and vocational training) in comparison to our city-born and bred peers. It particularly focuses on issues of eligibility to Youth Allowance, and the inadequacies of eligibility, payment and support. It also touches on some other financial areas such as scholarships and employment in connection to Youth Allowance, and as separate supportive entities.

##### *This submission includes:*

- 180 case studies of regional young people and their experiences with the Youth Allowance system (appendix 3, page 59)
- analysis of the case studies, including:
  - o the issues raised from the case studies (pg 19) including:
    - Youth Allowance eligibility
    - Youth Allowance rates
    - Scholarships
    - Centrelink
- 200 of the case studies' recommendations for change (appendix 4, page 93)
- Explanation of the current Youth Allowance system for students (page 10)
- Regional research, which gives a background to higher education issues for regional young people, and an explanation of income support as one reason for low regional higher education participation, including:

- A realistic annual budget for first year university student from regional area leaving home to study (pg 27)
- Case study of the Shire of Augusta-Margaret River (regional WA) – (page 29) and participation in tertiary education, with reference to income support
- Department of Education, Science and Training statistics for *university participation rural v metropolitan* for Augusta-Margaret River, Western Australia, and Australia – 1996, 2001 and 2002 (page 32)
- University of Western Australia International Research Unit deferral Statistics (page 36) - shows how regional students are more likely to defer university, a large reason being to work for Youth Allowance eligibility
- Western Australian School Leaver Program comparing destinations of metropolitan and regional students in the year after high school (page 40) – again to show the regional students with a higher rate of deferral, often to work for Youth Allowance eligibility
- Recommendations for changes to the Youth Allowance system (page 46) including recommendations for:
  - Methods of consultation
  - Access to information
  - Youth Allowance eligibility
  - Student income levels
  - Scholarships
  - Centrelink

**Naomi Godden**

Member National Youth Roundtable 2003

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## INTRODUCTION:

### *Case Study 41:*

*A mother lives in Bridgetown, WA. Her children's chosen place of study is 280 km from the family home. Her daughter went to university straight from high school and was not eligible for any financial assistance from Youth Allowance. It cost her family an estimated \$10 000 per year for four years to support her. Her son went to TAFE in Perth, and then dropped out and worked for 18 months to be eligible for Youth Allowance through Workforce Participation. It now costs his mother a lot less. A lot of her friends encourage their kids to work first to then collect youth allowance while studying-if you have several kids and are slightly above the threshold you have no choice! This means that, in her opinion, a proportion of students from regional Australia who qualify for university will never attend.*

This is one of 180 case studies collected to accentuate some issues with the current Youth Allowance system for young students and their families in Regional Australia. For the purpose of this study, Regional Australia includes regional, rural and remote Australia.

My name is Naomi Godden and I am a member of the National Youth Roundtable 2003<sup>1</sup>. I live in a town called Margaret River in WA, which is situated 300 km south of Perth. The population of my Shire is 10 000 people. This research project stemmed from a realisation several years ago that if myself and other young people in regional areas of Australia want to further our education with tertiary study, we would encounter huge financial difficulties, as most of us, without much choice have to leave home to study. In comparison, many of our peers in the city have the option to live with their families while they participate in tertiary study. This difference has been recognized throughout Australia as a very significant issue. However, government legislation does not *completely* reflect the differences, in particular, with Youth Allowance.

Many young people in regional Australia town are not pursuing tertiary education, and a significant reason is because they recognise that further study beyond high school is expensive and difficult to finance if they must leave home to study. As a result, a large proportion of young people with enormous potential are not undertaking or completing tertiary education, and therefore regional areas are suffering.

This is reflected in tertiary education statistics from the Department of Education, Science and Training (compiled 2003). In 2002, there were 118 632 tertiary students from regional areas of Australia, comprising 19.4% of the tertiary students population. The 2002 number of students is a 5.4% increase since 1996, and 0.9% increase from 2001. In comparison, there were 492 930 tertiary students with a metropolitan background, comprising 80.6% of tertiary students population. The number of 2002 metropolitan students is an 8% increase from 1996, and 2.4% increase from 2001. However, in the 2001 census, approximately 33% of Australians were identified as living outside of a metropolitan area (therefore regional). Yet in 2002, only 19.4% of Australian university students were regional. Regional students are underrepresented in university education, and in addition, the rate of increase in students numbers is slower with students with a regional background than it is with students with a metropolitan background from regional Australia is slower. These alarming statistics are further developed in Regional Tertiary Students Research chapter, Page 23.

<sup>1</sup> The National Youth Roundtable was established by the Federal Government to create a direct dialogue with young Australians and to ensure that their views are taken into account in policy-making processes. For more information see [www.thesource.gov.au](http://www.thesource.gov.au)

There are many reasons why regional young people are not pursuing tertiary education. A study entitled Rural and Isolated School Students and their Higher Education Choices (1999) by the National Board of Employment, Education and Training Higher Education Council found that the reasons included:

- Family socioeconomic background
- attitude towards university education, including:
  - o rural students, particularly those from a low socio-economic background, are less likely than urban students to believe that:
    - a university career would give them the chance of an interesting and rewarding career
    - their parents want them to do a university course
  - o rural students are significantly more likely to believe that:
    - a university qualification is not necessary for the jobs they want
    - their family cannot afford the costs of supporting them at university
    - the costs of university fees may stop them attending
    - there is no point in them going to university
- rural students are more likely than urban students to perceive discouraging inhibitors and barriers such as cost of living away from home, and less likely than urban students to perceive encouraging factors, such as parental encouragement or the belief that a university course will offer them an interesting and rewarding career.
- The cost of higher education, including fees and living expenses associated with leaving home are serious inhibitors for rural students. Many rural students and their families face a difficult decision assessing the costs versus the benefits of higher education
- Lower high school completion rates for students from rural areas.

This report, Regional Tertiary Students and Youth Allowance, assesses the financial factors that inhibit Regional Australians from tertiary education. It aims to educate Australians on some of the difficulties faced by regional young people in relation to the Youth Allowance system. For the report, I conducted a nationwide survey, asking for case studies from regional young people and families who felt they had encountered some form of inequity with the system, in comparison to their city peers. The results were then analysed, with statistical data and other research to support the theory that *young people from regional Australia encounter financial difficulties when pursuing tertiary education, and the Federal government, in particular the Youth Allowance system, does not adequately address these difficulties.*



## **EXPLANATION OF CURRENT FEDERAL SOCIAL SECURITY SYSTEM FOR STUDENTS**

### **YOUTH ALLOWANCE:**

Youth Allowance is a Commonwealth allowance for eligible young people who are:

- Unemployed
- Temporarily unable to look for work or study
- Studying, training, or doing a combination of activities including work and study

### **Eligibility:**

If you apply for Youth Allowance, you will be assessed to see if you are considered independent or not. If you are considered independent, the parental income and family actual means test will not apply. If you are considered dependent, a Parental Income Test and a Family Actual Means Test may be taken into account when working out how much you get paid.

### **Independent**

You are considered independent if you are aged 16 years or over and :

- have been out of school at least 18 months and earned at least \$15 990 in an 18 month period before lodging a claim (this amount is 75 per cent of the Commonwealth Training Wage); or
- have worked to support yourself for at least 18 months, working full-time at least 30 hours a week during the preceding two years (or for a period or periods of 12 months if you are considered disadvantaged); or
- have worked part-time for at least 15 hours a week for at least two years since last leaving school; or
- are 25 or more and a full-time student (in special circumstances).

You are also considered independent if you are aged 15-24 and :

- are above school leaving age in your state or territory; and
- are a refugee, an orphan or it is unreasonable for you to live at home; or
- are in state care, or only stopped being in state care because of your age;
- have, or have had a dependent child;
- are or have been, married , including living in a marriage-like relationship for 12 months or more, or six months (in special circumstances);
- have parents who cannot exercise their responsibilities.

### **Dependent**

#### **1. Parental Means Test**

If parent/s get an income support payment, the parental income and assets tests do not apply, although the Family Actual Means Test may apply. If parent/s have a low-income Health Care Card, the Parental Income test does not apply, but the Family Assets and the Family Actual Means Tests may apply.

#### **Parental Income Test**

If your parent's taxable income for the 2001 - 2002 financial year is \$27 400 or less (plus additional amounts for each dependent child other than yourself), your payment will not be affected by the income test.

If your parent/s have other dependent children, their taxable income can increase by the following amounts before it affects your payment:

- \$1230 for the first other dependent child under 16;
- \$2562 for each subsequent child under 16;
- \$3792 for a dependent child who attracts a boarding allowance or a second home allowance under the Assistance for Isolated Children Scheme;
  - aged 16 to 24 and in full-time study;
  - aged 16 to 20 and gets Youth Allowance, Assistance for Isolated Children, ABSTUDY, Veteran's Children Education Scheme or Aboriginal Overseas Study Assistance Scheme;
- \$3792 for a dependent full-time student aged 16 to 24 years.
- \$7585 for a tertiary student getting living away from home rate of Youth Allowance where there are two such children in the family.

The rate of payment payable is reduced by \$1 for every \$4 of income over these amounts. After applying the parental income test, a personal income test is applied.

In some circumstances (where parental income decreases/increases substantially) parent/s income in the current tax year is used.

### **Family Assets test**

If the young person is not independent, the family asset test applies. No payment can be made if the family's assets exceed \$477 500. A 75 percent discount for farm/business assets applies to the family assets test.

If the young person is assessed to be independent:

- Homeowners undertake an asset test for homeowners
- Non-homeowners undertake an asste test for non-homeowners
- Payment may be deferred when liquid assets exceed \$2500 (single) or \$5000 (couple or single with dependents).
- Hardship provisions may apply to the personal assets test.

### **Youth Allowance for Students**

Eligible young tertiary students can receive youth allowance. The rate of assistance depends on if the student is living away from home or at home while studying, and if the student is Independent or not. Students who have to live away from home to study will receive the higher living away from home rate of Youth Allowance and Rent Assistance. Rates will also depend on family annual income (if the student is not independent), personal liquid assets, weekly wage, cost of rent, marital status and number of dependent children.

A single student, who is classified as an independent, living away from home, can receive a maximum of \$310.10 a fortnight, plus rent assistance. Rent assistance is an additional amount, based on weekly rent costs. If rent is below \$82.80 a fortnight, young people will receive no rent assistance. As the rent increases, so too does Rent Assistance, with the maximum rent assistance available being \$93.20 a fortnight, if rent is \$207 or above a fortnight.

**Youth Allowance rates (for an independent)**

Status	Allowance Paid Per Fortnight
<b>Single, no children:</b>	
Under 18, at home	\$169.70
Under 18, away from home	\$310.10*
18 and over, away from home	\$310.10*
18 and over, at home	\$204.20
Single, with children	\$406.40*
Partnered, no children	\$310.10*
Partnered with children	\$340.60*
<b>Special rate for long-term unemployed or migrant english students 21 years or over commencing full-time study:</b>	
Single, living at home	\$250.70
Single, living away from home	\$376.70
Partnered, no children	\$340.60

If you are eligible as a dependant for Youth Allowance, your payments may depend on how much your parents earn. Full payment information is available on FaCS website: [www.facs.gov.au](http://www.facs.gov.au)

**Fares Allowance**

Fares Allowance is also available for eligible young people who are studying away from home. Young people who receive youth allowance can apply to have 1 trip from home to their institution at the commencement of study and 1 trip from their institution to their home at the end of study paid by FaCS, by the least expensive and practical form of transport.

**Youth Allowance advance**

Youth Allowance recipients are eligible for a \$500 advance to assist with one-off costs. This will then be deducted from future fortnightly Youth Allowance payments.

**Statistics:****Family and Community Services Portfolio Budget Statements 2003-2004**

- At June, 2002, it is estimated there were 2, 452, 700 young people aged 16-24 in Australia.
- The Federal Government spent \$2.3 billion annually on Youth Allowance benefits in 2002-2003, supporting an estimated 364, 000 clients.
- Number and percentage of Youth Allowance clients who achieved independence through workforce participation: estimate 74, 600; 18.7%
- Number and percentage of Youth Allowance clients undertaking full-time or part-time study/training: estimate 310, 800; 77.9%
- Number and percentage of full-time students aged 16-24 years receiving Youth Allowance: 309, 300; 31.9%

- Currently, 61.6% of young people who live in a city area receive youth allowance, while only 28.2 % of young people from a rural or remote area receive youth allowance.<sup>2</sup>

**n.b. The Youth Allowance information was compiled in consultation with Family and Community Services, and from the Centrelink website.**

#### **ASSISTANCE FOR ISOLATED CHILDREN:**

Assistance for Isolated Children (AIC) allowance are matched to the circumstances of the students who do not have daily access to appropriate education. It is Department for Science, Education and Training funded assistance.

#### **Eligibility:**

High school students are eligible for AIC if:

- your family home is considered to be geographically isolated from an appropriate government school; or
- the student has a proven special health-related or educational need that cannot be catered for locally; and
- the student must board away from home in a school, hostel or privately;
- your family maintains a second home so that a student can attend school daily;
- the student is enrolled in full-time studies at an approved distance education institution; or
- your family has a primary (or equivalent ungraded level) student who is getting certain income support pensions or payments and boards away from home, lives in a second home or is enrolled at an approved distance education institution.

#### **Benefits:**

- A Boarding Allowance is available for students who board away from home at a boarding school, hostel or in a private arrangement. There are two components of Boarding Allowance:
  - a Basic component which is not income or assets tested worth \$4329 pa
  - an Additional component which is payable subject to a parental income test and the actual boarding costs worth up to \$1016 pa
- A Second Home Allowance is available for students who live in a second family home which is maintained by the family so that their child(ren) may attend school daily. This allowance is not income or assets tested. \$166.04 pf per student (limited to a maximum of three students in a family)
- A Distance Education Allowance is available for students who undertake a State or Territory approved distance education program. This allowance is not income or assets tested. Primary students - \$1208 pa, Secondary students- \$1811 pa (Secondary rate is payable for secondary students, primary students and ungraded students aged 13 years and over, and tertiary students under 16 years.)
- A Pensioner Education Supplement is available in lieu of one of the above allowances where an isolated student is supported by a Disability Support

<sup>2</sup> Correspondence, Senator Ross Lightfoot

Pension or Parenting Payment (Single) and is studying at primary or equivalent ungraded level.

**n.b. This information about Assistance for Isolated Children was compiled from the Centrelink website.**

## ANALYSIS OF YOUTH ALLOWANCE QUESTIONNAIRE RESULTS

177 people from many areas of Australia submitted case studies in the Youth Allowance Questionnaire.

### Youth Allowance Survey questions:

- Name (optional)
- Age
- Area/town where your family lives
- Distance of your town from your chosen place of study (i.e. uni, TAFE etc)
- Current occupation: (please specify if at high school or tertiary education, working, unemployed, apprentice, etc)
- How has the Youth Allowance system treated you and/or your family unfairly?
- Do you have any recommendations for changes to the system?
- Anything else?

### Survey results:

#### Age of case studies:

Age of case studies	Frequency of the age
15	6
16	26
17	39
18	31
19	14
20	15
21	9
22	6
23	10
24	4
25	0
25-30	3
30 and above	1
Parents	13

- 160 young people aged 15 to 25 submitted case studies.
- 3 people between 25 and 30 submitted case studies.
- 13 parents submitted case studies

- 1 Centrelink worker submitted a case study

The low age of the younger participants (15 and 16 years old), of whom the Youth Allowance issues for tertiary study will not affect for several years, indicates that issues with Youth Allowance are becoming obvious even before young people still at high school from regional areas encounter the system. Planning for eligibility for Youth Allowance (in terms of Workforce Participation) is occurring as young as 15. The low age of many of the participants is also because many high schools gave the Youth Allowance surveys to their senior students, because it questions issues they will face in the near future.

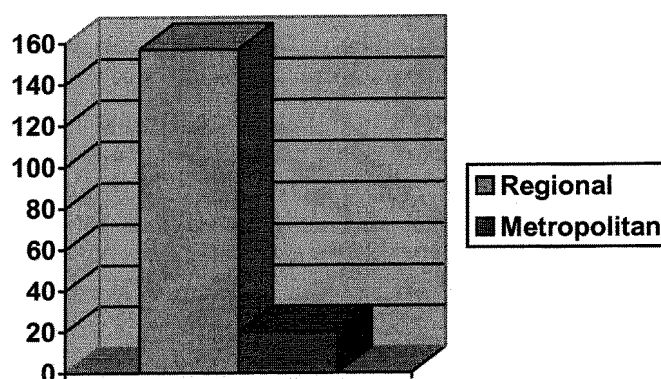
The fact that parents also submitted case studies illustrates that issues with Youth Allowance do not just affect the young person, but also their family.

**Demography of case studies:**

20 participants (11%) had families that lived in a metropolitan area

157 participants (89%) had families that lived in a regional area

**Area of Case Study's family home**



**Distance from your town to your chosen place of study:**

Distance was recorded as either minutes or kilometres.

Distance from town to place of study (km)	Frequency
Less than 50 km	16
51-100 km	16
101-200 km	15
201-400 km	78
401-600 km	15
601-800 km	13
801-1000 km	6
1001-1500 km	6
1501-2000 km	4
2001-2500 km	0
2501-3000 km	1
More than 3001 km	1
Did not indicate	11

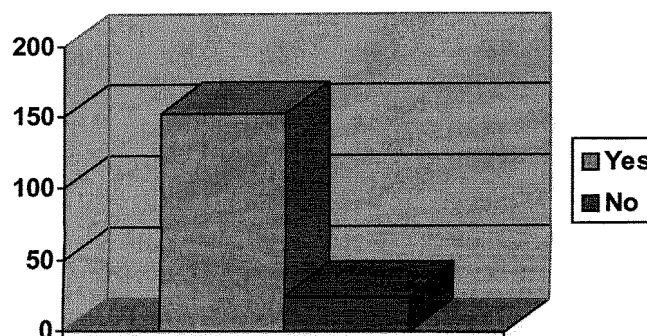
The distance from the Case Studies family home to their chosen place of study ranged from 5 km to 4000 km.

The median distance from chosen place of study to their family home was 201-400 km.

**Unfairness of the Youth Allowance System:**

Only 25 of the 182 participants specifically indicated that they thought the Youth Allowance system had *not* treated them unfairly. The significant majority (152 of 177 case studies) who did not specifically indicate that they thought the system was not unfair indicates anger and frustration with the current system. A majority of that frustration is felt by case studies who were not eligible for Youth Allowance but their families were struggling to support them while they studied. Other frustrations were in relation to the comparison to metropolitan students who had the option to live at home while studying.

**Do you think the Youth Allowance system treated you unfairly?**





**Recommendations for change:**

206 recommendations for change were submitted between the 177 Case Studies.  
(Please see **Appendix 4: Case Studies Recommendations for Change**. Page 38)

**Other figures:**

- 89 of the case studies indicated that they were not eligible for Youth Allowance due to their parents income or assets. However, of those case studies, at least 48 case studies indicated that it was difficult for their parents to support them. A further 5 Case Studies indicated that their parents were definitely not able to financially support them.

This therefore indicates that the government threshold for Youth Allowance eligibility based on the Parental Means Test does not reflect the needs and situations of regional families.

- 6 case studies indicated that they had left tertiary education before completion due to financial difficulties.

This indicates that the financial situation can become so difficult for some regional students that they actually leave tertiary education because they simply cannot afford to live and study. Many of these students then completed Workforce Participation to be eligible for youth allowance benefits, but at least 2 of the 6 students did not return to their studies. This is a big issue.

- 38 of the case studies indicated that they had difficulties with, or experience problems within the Centrelink system (eg conflicting information, incorrect payments).

This indicates that Centrelink is not adequately working with the system, perhaps due to the complexities of the system. There are 25,000 Centrelink workers in Australia, and it is not believed that there is a shortage of staff; rather, an inefficient system.

- 25 of the participants did not know anything about the Youth Allowance system. They were all high school students and were aged 15-17.

This indicates that Centrelink is not providing high school students with enough information about Youth Allowance. This is an issue because if students intend on pursuing tertiary education, and they require some income support to do so, they are not being informed at an early stage of eligibility requirements (which may in turn affect their choice in making decisions for after high school – whether to complete Workforce Participation for 18 months etc).

**Issues with system:**

Each participant was asked to explain how the system had treated them unfairly. The issues that have been identified, through prior research, personal experiences and the study are listed in the next section.

## ISSUES RAISED FROM YOUTH ALLOWANCE SURVEY

There are a number of relevant issues that arose from the system for regional students who must leave home to study higher education:

### Eligibility for Youth Allowance:

#### Workforce Participation:

1. Many regional young people are forced to complete Workforce Participation to be eligible for youth Allowance.
2. The definition of *independent* in the Youth Allowance system does not reflect true independence.
3. Workforce Participation criterion means that many regional young people have limited opportunities after high school.
4. The 18-month Workforce Participation period has negative effects on regional students who must move away from home to study.
5. A comparison of country students and metropolitan students reveals some obvious inequities with reference to Workforce Participation.
6. Some tertiary courses cannot be deferred, creating difficulties for regional students who need financial assistance while they study if they move away from home.
7. Not all regional young people are able to complete Workforce Participation.

#### Parental Means Test:

8. Business income and agricultural assets limit regional families to Youth Allowance assistance.
9. Inconsistent regional family income has an effect on Youth Allowance assistance.
10. The Liquid Assets criteria is limiting access to Youth Allowance.
11. Individual student's liquid assets restrict Youth Allowance assistance.

#### Other eligibility issues:

12. Some young people encounter exceptional circumstances that are not considered by Youth Allowance when applying.

### Youth Allowance rates:

13. Youth Allowance payments do not meet living costs, and the income restriction of \$118 a week limits financial opportunities for regional young people.
14. Youth Allowance payments are not enough to cover college fees.
15. Many regional families / students have large personal loans to cover living costs.
16. Travel home and long distance phone calls are an extra cost that apply to tertiary students who cannot live at home and study.
17. Students who move away from home also encounter associated costs of setting up a new home.
18. Many regional young people leave tertiary education due to financial difficulties.

### Scholarships:

19. Most scholarships cannot be deferred and many regional students must reject them to work for Youth Allowance Eligibility.
20. Scholarships are considered income for students, thus restricting Youth Allowance assistance.

**Centrelink:**

21. Many regional young people experience difficulties with the Centrelink system.
22. There is a lack of education and awareness of the Youth Allowance system.

**EXPLANATION OF ISSUES:**

**Eligibility:**

**Workforce Participation:**

*Many regional young people are forced to complete Workforce Participation to be eligible for Youth Allowance.*

Unless a regional young person's parents can financially support them while they study, or they already receive Youth Allowance, regional young people must take 18 months and complete Workforce Participation to earn eligibility as an *Independent* for Youth Allowance because otherwise they would not have any support while living away from home. Alternatively, students whose families live in the city have the option to begin tertiary education straight after high school, due to the comfort of the knowledge that they can live with their parents for as long as required or desired. For a personal experience of this issue please see Case Study 54.

*The definition of independent in the Youth Allowance system does not reflect true independence.*

It appears to be very unfair and ironic that students who live with their parents in the city have been classified as independent due to their Workforce Participation for Youth Allowance eligibility, yet are not really independent as they still live at home with their family. However, someone from a regional area who must move away from home to study but has not taken a gap year to earn his or her eligibility for Youth Allowance through Workforce Participation is seen within the system as therefore not independent. For a personal experience of this issue please see Case Study 24 and Case Study 26

*Workforce Participation criterion means that many young people have limited opportunities after high school.*

Many tertiary education courses cannot be deferred for more than one year, so if a student needs to receive Youth Allowance while studying, and is not yet eligible due to the family income, then they would not be able to participate in programs such as a Rotary Exchange because they need to spend 18 months completing Workforce Participation for independence criteria for Youth Allowance benefits. Or, alternatively, if the young person does decide to participate in such programs, their family must suffer the financial difficulties associated with supporting their child while they are studying. For a personal experience of this issue please see Case Study 5.

*The 18-month Workforce Participation period has negative effects on regional students who must move away from home to study.*

The figure for independence through Workforce Participation must be earned over 18 months, and therefore the student does not receive payments until halfway through their first year of study, or they must defer tertiary education for two

years. The student must therefore rely on their parents or work to cover their living costs in the first 5 months, which is difficult when studying full time. Additionally, some of the biggest costs are presented in the first month of study, for example Amenities fees, books, sports fees, Guild fees etc, and students often have no means by which to pay them. A \$500 advance is available for Youth Allowance recipients, but until the 18-month Workforce Participation is fulfilled, students cannot receive it. For a personal experience of this issue please see Case Study 85.

*A comparison of country students and metropolitan students reveals some obvious inequities with reference to Workforce Participation.*

Even if a city student takes a year off to complete Workforce Participation and earn their independence eligibility, they can still live at home once they begin studying, and their youth allowance payments may be used for more leisure items and socialising, because their living costs are so low. These young people also have the opportunity to work part-time during their first 18 months of their course while studying to meet Workforce Participation requirements, at the same time, *living with their families at home*. In comparison, students from regional areas living in the city struggle financially and many have a part time job to cover the extra living expenses that the Youth Allowance does not meet. For a personal experience of this issue please see Case Study 100 and Case Study 101: a comparison of two cousins from a regional and metropolitan area.

*Some tertiary courses cannot be deferred, creating difficulties for regional students who need financial assistance while they study if they move away from home.*

Some tertiary courses cannot be deferred, placing a difficult burden on country students as they must either reject the offer hoping to be accepted the following year so that they can complete Workforce Participation, or enrol and rely upon their parents and/or a loan to support their living costs when they move away from home to study. For a personal experience of this issue please see Case Study 74

*Not all regional young people are able to complete Workforce Participation.*

Many young people from rural and remote areas of Australia have never had any work experience due to having to attend boarding school for their 5 or 6 years at high school, and therefore find it very difficult to find enough work to complete Workforce Participation and be eligible for Youth Allowance when they begin studying. The isolation of many rural families also offers few employment opportunities for Workforce Participation, and it is difficult to find enough employment in country towns. For a personal experience of this issue please see Case Study 87.

**Parental Means Test:**

*Business income and agricultural assets limit regional families to Youth Allowance assistance.*

It is an unfair burden for parents to support the living costs of their offspring at tertiary education as often the costs are beyond what the family can afford, even if their annual income is above the maximum quota for eligibility for Youth Allowance. Often the family income is tied up in business costs (especially in a regional and rural area where agriculture is often the primary family support), and while their income may appear to be quite high in theory according to the Family Assets Means Test, in reality, the business needs result in the family requiring some assistance for their children. For a personal experience of this issue please see Case Study 23.

*Inconsistent regional family income has an effect on Youth Allowance assistance.*

Many families with small businesses or farms have an unstable annual income. During one year, according to the Family Asset Means Test (FAMT), a family may be eligible for Youth Allowance but the next year they may not. The instability creates difficulties as the children are sometimes forced to complete Workforce participation in case they are one day ineligible for Youth Allowance due to the FAMT. It is also very difficult for farmers to predict their annual income for the next year, and if they are incorrect their Youth Allowance eligibility may change, causing problems with how to support their children while they study.

*Liquid Assets criteria is limiting access to Youth Allowance.*

Many country families, particularly farming families have liquid assets saved in case of emergencies (such as drought). However, the FAMT deems that the family is able to support their children while they study and therefore are not eligible for Youth Allowance. When a situation such as the current drought occurs, the family is forced to use their savings and are not able to support their children, but the FAMT deems they are. For a personal experience of this issue please see Case Study 49.

*Individual students liquid assets restrict Youth Allowance assistance.*

Many regional students save their money from Workforce Participation to supplement the Youth Allowance payments as the system does not cover all living costs. However, Youth Allowance recipients are only allowed to have a certain amount of money in their banks before Youth Allowance payments are decreased, and therefore the students must find extra work or money to support themselves.

#### **Other eligibility issues:**

*Some young people encounter exceptional circumstances that are not considered by Youth Allowance when applying.*

Some special circumstances such as sickness/emotional difficulties during one's gap year of Workforce Participation, or particular family financial circumstances are not taken into account when applying for Youth Allowance, and some clients therefore must defer their studies for a further year to complete Workforce Participation or find another means of financial support while they study (which can place a huge burden on their parents, or give them a massive debt). For a personal experience of this issue please see Case Study 12 and Case Study 33.

#### **Youth Allowance rates:**

*Youth Allowance payments do not meet living costs, and the income restriction of \$118 a week limits financial opportunities for regional young people.*

The Youth Allowance payment is not enough to cover living costs. As a result, the students need to work often 10-15 hours a week to cover the fees BUT the system does not allow students to earn more than \$118 per week. As a result, often the student does not enough money to live comfortably. Many students' juggle 3-4 part-time jobs a week and their studies suffer as a result. (please see page 20 for living costs estimates). For a personal experience of this issue please see Case Study 28.

*Youth Allowance payments are not enough to cover college fees.*

The Youth Allowance payment is not enough to cover college fees. Colleges are often an option taken by country students in order to meet new people and have the comfort of acclimatising with more ease to the city. Students who are eligible for Youth Allowance but cannot receive financial support from their family, or cannot earn enough money to cover the remainder of college fees therefore do not have the option to live at college while participating in tertiary education. For a personal experience of this issue please see Case Study 79.

*Many regional families / students have large personal loans to cover living costs.*

Many country students and families are taking loans to pay for extra living costs that Youth Allowance does not cover because the family or students cannot afford the living costs, and therefore some students leave tertiary education with significant HECS debts as well as another bank debt. For a personal experience of this issue please see Case Study 21.

*Travel home and long distance phone calls are an extra cost that apply to tertiary students who cannot live at home and study.*

Due to the distance from their family home, there are travel costs for country students that are not applicable for city students. Students from the country will more often than not return home at least one or more times in a year. However, they do not have the money to spend on travel expenses, especially expensive plane tickets to remote areas. A Fares Allowance is offered to Youth Allowance clients, but other country students who do not receive the benefits are not eligible. Nor does it assist with expenses such as long distance phone calls home. For a personal experience of this issue please see Case Study 73

*Students who move away from home also encounter associated costs of setting up a new home.*

The costs of setting up a home for country students who wish to rent is markedly expensive. Aside from furniture and appliances, there are other needs such as a computer, Internet connection for study purposes etc. Students who remain at home with their family while studying are not faced with the same difficulties. For a personal experience of this issue please see Case Study 81.

*Many regional young people leave tertiary education early due to financial difficulties.*

Many young people are actually leaving tertiary education before completion due to financial difficulties – they simply cannot afford the living costs associated with moving away from home to study if they are not eligible for Youth Allowance. For a personal experience of this issue please see Case Study 10 and Case Study 13.

*Youth Allowance assistance is less than unemployment benefits.*

Government unemployment benefits are more than Youth Allowance, yet students are studying to improve their employability. Many students perceive this as a huge inequity. For a personal experience of this issue please see Case Study 72.

*Austudy recipients are not eligible for Rent Assistance*

Austudy aids students aged 25 and above. They are not eligible for Rent Assistance, despite the fact that they are even more likely to live away from home and study than a younger person on Youth Allowance. They are therefore faced with increased financial issues, and will need to participate in more part-time work for income support, or rely on income from some other source (eg a loan, family, scholarship).

### **Scholarships:**

*Most scholarships cannot be deferred and many regional students must reject them to work for Youth Allowance Eligibility.*

If a country student is awarded a scholarship for course fees, they must attend university/TAFE the year after high school graduation, as most scholarships cannot be deferred. These students are not supported for living costs and therefore must rely on their parents (or a substantial loan) for living costs support, or reject the scholarship and spend that year working for Youth Allowance eligibility through Workforce Participation. For a personal experience of this issue please see Case Study 1.

*Scholarships are considered as income for students, thus restricting Youth Allowance assistance.*

The Youth Allowance system decreases Youth Allowance payments when personal income exceeds \$118 a week. Scholarships for living costs are counted as income. As a result, scholarship recipients will not be eligible for Youth Allowance assistance, and if their parents are unable to financially support them, they are in a very difficult situation. They often have to take a large personal loan to cover living costs, and still leave university with a significant debt. Otherwise, they must reject the scholarship. It is important to note that the 2003 Higher Education reforms included changes to scholarships and income testing. If a student receives a scholarship for tertiary education fees, then it will not be income tested. However, any scholarships for study / living costs will still be considered a form of income.

*Commonwealth Learning Scholarships:*

The introduction of Commonwealth Learning Scholarships in 2004 will have a direct effect on regional young people and costs associated with accommodation and university expenses. The scholarships will not be included as a form of income for Centrelink payments, but are additional income. While this is a significant step forward, it is still not adequate. DEST has committed \$327 million to provide nearly 40,000 scholarships over the next five years<sup>3</sup> - but there are a significant number of students who will not receive a scholarship, due to limited numbers. Those who receive a different scholarship for living costs (for example, a university scholarship) will still have the amount included as a form of income for social security income testing. This ironic inequity does not meet the needs of students, and should be addressed.

**Centrelink:**

*Many regional young people experience difficulties with the Centrelink system.*

Centrelink appears to have poor organisation and insufficient clientele satisfaction in terms of:

- Names and details mistakes within form lodgement (For a personal experience of this issue please see Case Study 9)
- Centrelink payments amounts fluctuate and breaching occurs (For a personal experience of this issue please see Case Study 60)
- Inefficient customer service (long lines, sometimes harried and unhelpful staff)
- Back-pay and initial payments are often very slow through the system
- TAX and PAYE rates are often not well explained to Youth Allowance clients, and many receive a large tax bill which they are unable to pay (For a personal experience of this issue please see Case Study 35)
- Centrelink forms are difficult to fill out (For a personal experience of this issue please see Case Study 68) This stalls the process of supporting students as they encounter difficulties with their payments

*There is a lack of education and awareness of the Youth Allowance system.*

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<sup>3</sup> 11 May 2004 - Joint media release from Minister for Education, Science and Training the Hon Dr Brendan Nelson, and Minister for Family and Community Services, Senator the Hon Kay Patterson: 'Scholarships Exempt From Social Security Income Tests'

There is a notable lack of education of the Youth Allowance system and the benefits for tertiary students, and the eligibility criteria for young people. For a personal experience of this issue please see Case Study 135 and Case Study 140.



## REGIONAL TERTIARY STUDENT RESEARCH

Young people in regional Australia experience a completely different culture and environment to young people in metropolitan Australia. They live in areas with small supportive communities, often limited employment and further education opportunities, and sometimes a noticeable lack of motivation among young people. National research shows that rural males have the lowest education results and retention rates among all young people. National research also shows that the Australian population is gradually migrating towards the city areas, and rural decline is becoming more prevalent.

In March 2002, Hon. Larry Anthony, Minister for Youth said:

*"The future of rural regional communities is in the hands of their young people... Our young people need to be encouraged to stay in education and training to increase their own opportunities and for the future of their communities."*<sup>4</sup>

The Federal government has already developed several programs and policies to support regional Australia. For tertiary students, there are now significant scholarships for rural Medical students (RAMUS) who intend to return to work in regional Australia upon completion of their studies. There are higher wage rates for teachers, nurses and many other health professionals who work in remote areas. The 2003 Higher Education reforms included the introduction of Commonwealth Learning Scholarships to support students with costs associated with accommodation and education expenses, which are exempt from social security income testing<sup>5</sup>. These scholarships are only really eligible for students who are recipients of Centrelink benefits. However, the difficulty among many regional young people is actually getting to tertiary education in the first place.

Regional young people are not less intelligent than metropolitan young people. Nor are they lazier. They just have significant adverse circumstances that result in the low participation and retention rates in tertiary education.

These circumstances can include:

- Limited secondary school resources in regional areas
- Limited access to cultural, sporting and social experiences that metropolitan young people take for granted, such as
  - multi-cultural awareness
  - access to programs to develop sporting/artistic/academic talents

Other issues:

- Regional young people have to carefully plan their future, because the path of tertiary education is full of hurdles, boundaries and difficulties. Unlike many young people from metropolitan Australia, most regional young people cannot casually decide to commence tertiary education. Issues such as living arrangements, financial support and the emotional transition from their family and community (if the student is moving away from home) have to be carefully considered and evaluated. There is a considerable lack of choice, as the financial constraints mean that many tertiary-bound young people need to complete Workforce participation before they can receive financial benefits through Youth Allowance from the Government while they study.

<sup>4</sup> Press Release – Minister for Children and Youth Affairs, **Youth the Future of Regional Communities**, 5 March 2003.

<sup>5</sup> Press release – Minister for Education, Science and Training and Minister for Family and Community Services, **Scholarships Exempt From Social Security Income Tests**, 11 May 2004

- Young people from rural areas, particularly those from a farming background, may be the first person or generation in their family to pursue a tertiary education. Breaking the family cycle and following an unknown path is often very difficult, and the constraints of the financial and emotional difficulties may have a detrimental effect on the young person's commencement and completion of tertiary education. If young people do not pursue tertiary education due to the difficulties they face, then we are potentially breeding a cycle of less educated Australians. Regional progress will be difficult to sustain, because less young people will not participate in the education than their metropolitan peers, forming a great divide between regional and metropolitan Australia.
- It is commonly thought that if young people *want* to further their education, then they will persist with it, irrelevant of the boundaries that arise. This may be the case for some young people, but the question we then ask is: even if they *do* actually commence tertiary education, without the required emotional and financial support networks how many of them will actually complete their studies? Will the situation be so difficult that many will leave before completion, never to return to tertiary education again?
- The family is a vital support network for young people, particularly in the stressful and challenging period of post-secondary education. Young people who move away from home to study may experience disconnectedness from their family, and have limited emotional support while they study. When compounded with financial struggle, regional students may find the tertiary situation much too strenuous, and fail to complete their studies. Students who live with their families and study, or live in the same area as their family while studying have a greater sense of support.

***Living costs for full time internal study:***

St George's College, at the University of Western Australia<sup>6</sup>, estimates the following living costs:

College: 34 weeks at college, 18 weeks at home:	\$10,673
Renting: 52 weeks renting	\$9,984
Living at home:	\$5,369

These costs do not take into account travel costs to and from the family home that apply to regional students. This can vary from a \$50 tank of petrol to a \$400 plane ticket.

Students that move away from home have living costs that can be almost double those of students who live at home and study. While many metropolitan-based students have the option to live with their family and study, and therefore have minimal living costs, regional students who *must* move away from home to study have at least two times the living costs.

I have personally moved from Margaret River WA (a regional town 300 km from Perth) to Perth for first year university. My budget exceeds the St Georges College estimate for living costs:

I have outlined my yearly and weekly expenses and income, and my current financial situation.

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<sup>6</sup> St Georges College, Prospective Students Handbook

REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

<b>Yearly expenses: March to December</b>		<b>Income</b>	
University books (semester 1 and 2)	\$700	Youth Allowance: \$410 a week, beginning 1 May – Approx. figure	\$7200
Computer	\$1600	Casual work during study breaks (semester 1)	\$1000
Car registration	\$400	\$1000 College scholarship	\$1000
Car insurance	\$200	Tax return – estimate	\$500
Car maintenance including services	\$800		
Semester 1 and 2 college fees (if paid per semester)	\$8532		
Introductory college fee	\$500		
University amenities fees	\$100		
Other fees (eg sporting, club fees)	\$200		
Miscellaneous (including clothes, medicines, entertainment)	\$600		
<b>Total yearly expenses</b>	<b>\$13 632</b>		<b>\$9 700</b>

<b>Weekly Expenses</b>		<b>Weekly Income</b>	
Petrol for car	\$10	Casual work (depends if work is available or not – this figure can rise and fall)	\$30
Other costs (including laundry, food, stationary, clothes, social etc)	\$20		
<b>Total</b>	<b>\$30</b>	<b>Total</b>	<b>\$30</b>

Yearly expenses (\$13 632) plus 52 weeks of weekly expenses (\$1, 560) equals approx \$15 192 of total costs in 2004, with a total income of \$11 260

I will also work during my semester 2 study break and the summer holidays to earn some more money to try and cover these costs.

**Current financial situation:**

I only began receiving Youth Allowance payments at the start of May, when the 18-month period of Workforce Participation for Youth Allowance eligibility ended. As a result, I have a large credit card debt of \$1200 (which was previously \$1600 until I began paying it back) for costs including:

- Computer
- University books / stationary

My parents paid my first semester college fees with a loan, and I owe them approx. \$4500.

My current debt is:

- \$4500 for semester 1 college fees
- \$1200 credit card bill

I also now need to find funds for semester 2 college fees (valued at approx. \$4000)

This budget is not uncommon among first year university students who move from a regional area to the city for study.

## **CASE STUDY OF THE SHIRE OF AUGUSTA-MARGARET RIVER**

### **GENERAL COMMUNITY PROFILE:**

#### **Introduction:**

"The Shire of Augusta-Margaret River occupies the south-western corner of Western Australia, 283 km from Perth. It is 61 km from north to south and 62 km from the west coast to the eastern boundary. Approximately one third of the land is freehold. Rateable land is approximately 29 km wide and primarily in the area parallel with the western seaboard. The district occupies 2370 km<sup>2</sup> of which 998 km<sup>2</sup> is state forest and national park. National Parks include the Scott River and Leeuwin Naturaliste, with the Margaret River National Park to be gazetted in 2002.

There are two major towns, Margaret River and Augusta, as well as the hamlets of Cowaramup, Gracetown, Witchcliffe, Rosa Brook and Karridale. Council Chambers are located at Margaret River, and Council maintains administration offices and public libraries at Margaret River and Augusta.

Predominant land use is state forest, agricultural pursuits such as dairy and beef cattle and sheep, horticulture, and viticulture. The shire is a popular tourist destination where people are attracted to the rugged coast for surfing, to artists and artisans galleries, vineyards, and the magnificent rivers and forests."<sup>7</sup>

#### **Population:**

The population of the shire is approximately 9851

- |   |      |
|---|------|
| ○ Male  | 5072 |
| ○ Female  | 4779 |
| ○ Aged 15 years & over  | 7642 |
| ○ Aged 65 years & over  | 1040 |
| ○ Margaret River town approximately 5,500 (6.9% growth)   |      |
| ○ Augusta town approximately 1,500 (3.8% growth)  |      |
| ○ The current (Census 2001) shire population represents a 22% growth since 1996, and 67% since 1991 |      |

*Rate of Shire population change:*

Approximately 5.5% growth (WA average 1.2%, National average 1.4%)

#### **Age and gender**

Median age: 35 years

<sup>7</sup> Shire of Augusta-Margaret River Community Profile, author: Sally Hays

REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

AGE	MALE	FEMALE	PERSONS
0-4	334	325	659
5-9	398	376	774
10-14	405	345	750
15-24	631	513	1144
25-49	2006	1953	3959
50-64	693	651	1344
65+	505	708	1026
<b>TOTAL</b>	<b>4972</b>	<b>4871</b>	<b>9843 (plus visitors)</b>

**Families and networks**

Enumerated in private dwelling	9508
Enumerated elsewhere	343
Married people	51%
Separated / divorced people	11.2%
Single people never married	34%

**Education and Training:**

EDUCATION, ATTENDANCE	INSTITUTIONAL	MALES	FEMALES	PERSONS
Pre School		94	81	175
Primary		530	501	1031
Secondary		317	268	585
TAFE		113	157	270
University or other Tertiary		44	92	136
Not attending		3606	3326	6932
Other		370	353	723
<b>TOTAL</b>		<b>5074</b>	<b>4778</b>	<b>9852</b>

**Housing and accommodation:**

WEEKLY RENT - Occupied private dwellings	REAL ESTATE AGENT	STATE HOUSING AUTHORITY	OTHER	TOTAL
\$1-99	12	42	135	189
\$100-199	269	19	392	680
\$200 or more	44	3	158	205

**Income patterns**

Median weekly income for people aged 15 years & over: \$300-399

<i>WEEKLY INDIVIDUAL INCOME</i>	<i>15-24 years</i>	<i>25-54 years</i>	<i>55years +</i>	<i>Total</i>
\$0-119	345	426	162	933
\$120-199	99	434	379	912
\$200-599	525	2075	855	3455
\$600-999	58	973	171	1202
\$1000+	6	401	86	493
Other / not stated	153	330	166	649
<b>TOTAL</b>	<b>1186</b>	<b>4639</b>	<b>1819</b>	<b>7644</b>

Contrary to its unrealistic reputation of wealth, ABS statistics from the 2001 census show that:

- the average wage in Augusta-Margaret River is \$350 a week
- the average cost to rent a house is \$200 a week.
- Unemployment: Averages 2% above WA (currently at 5.5%)

The Shire of Augusta-Margaret River has an economic profile ranging from poverty to very wealthy, with the average family having low-income status.

**TERTIARY EDUCATION ISSUES:**

**Education:**

There is one high school in the Shire. Margaret River Senior High School has an annual student population of about 600 students, which is also growing considerably with the population growth rate.

There is a TAFE institution in Margaret River and Augusta, offering a number of courses, particularly viticulture related.

In 2004, the Margaret River Education Campus will open. It is a TAFE/Curtin University/Edith Cowan University campus, offering a range of courses according to the Shire's employment base, particularly viticulture related. There will be a limited number of university courses available. It is expected that in 2004, student enrolment number will not exceed 150 students

The other closest university campus is Edith Cowan University in Bunbury, 100 km from Margaret River. There are also TAFE campuses at Busselton and Bunbury. Many students move from home to pursue tertiary education in Perth, the closest capital city, as their particular course is not available at any of the closer institutions.

**Issues for Augusta-Margaret River young people in regard to tertiary education:**

Margaret River Senior High School ranks in the top ten country schools in the Tertiary Entrance Examination every year. The school performs brilliantly every year, and has a high success rate for students being accepted into their first choice for university study. Many year 12 graduates who wish to pursue tertiary education face the issues of where to study, moving away from home, how to financially support study, and how to cope with the move from the family. The

following information includes the enrolment statistics of young people from the Shire of Augusta-Margaret River in tertiary education.

**ENROLMENT FIGURES:**

(nb *internal* represents students studying at a campus; *external* represents students studying via distance education; *multi-modal* represents students studying using both methods)

**DEPARTMENT OF EDUCATION, SCIENCE AND TRAINING FIGURES:**

**Shire of Augusta-Margaret River:**

The statistics indicate that there has been a significant increase in the number of internal full-time students from the shire of Augusta-Margaret River in the past 7 years, from 55 in 1996 to 122 in 2002. There has only been an increase of 10 part-time internal students from 11 in 1996 to 21 in 2002, indicating that not many students are pursuing this as an option. This may be because part-time internal study is very difficult to complete, especially for regional students who therefore have to live away from their hometown for sometimes as long as 7 years.

More than a quarter of the students in 2002 are participating in external tertiary education, with a significant majority (91%) doing part-time study. 85% of the external students are aged 25 and above, reflecting that young people are not considering external study as an option, perhaps because support and motivation are lacking.

In 2001 there were 112 young people (aged 12-25) studying a university course from the Shire of Augusta-Margaret River. In 2002 there were only 93. This significant decrease in numbers is a great concern, as it obviously indicates that *less*, rather than more young people are participating in university education.

The overall number of students in 2002 was slightly lower than 2001, and this is a concern if the figures in 2003 are lower still. If this is the case, then the Shire is experiencing the issue of tertiary education decline rather than progress. A large reason is the financial difficulties associated with tertiary education. This is supported later in this chapter, with the school leaver university deferral rates of the Shire of Augusta-Margaret River compared to metropolitan deferral rates.

**Number of University Students from the Shire of Augusta-Margaret River, 1996, 2001 and 2002:** compiled by Department of Education, Science and Training

REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

	Internal			External			Multi-modal			Total
	FT	PT	Sub-total	FT	PT	Sub-total	FT	PT	Sub-total	
<b>1996</b>										
20 and under	30	2	32	0	1	1	2	0	2	35
21-24	13	2	15	0	8	8	1	1	2	25
25 and above	12	7	19	3	29	32	1	2	3	54
<b>TOTAL</b>	<b>55</b>	<b>11</b>	<b>66</b>	<b>3</b>	<b>38</b>	<b>41</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>114</b>
<b>2001</b>										
20 and under	74	1	75	0	3	3	2	0	2	80
21-24	19	2	21	2	7	9	2	0	2	32
25 and above	26	19	45	5	36	41	7	8	15	101
<b>TOTAL</b>	<b>119</b>	<b>22</b>	<b>141</b>	<b>7</b>	<b>46</b>	<b>53</b>	<b>11</b>	<b>8</b>	<b>19</b>	<b>213</b>
<b>2002</b>										
20 and under	65	0	65	0	1	1	3	0	3	69
21-24	21	1	22	3	4	7	2	1	3	32
25 and above	36	20	56	2	43	45	3	3	6	107
<b>TOTAL</b>	<b>122</b>	<b>21</b>	<b>143</b>	<b>5</b>	<b>48</b>	<b>53</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>208</b>

**Place of study for internal students 2002:**

	20 and under		21-24		25 and above		<b>TOTAL</b>	<b>% average</b>
	FT	PT	FT	PT	FT	PT		
City institution	58 (89%)	0	13 (62%)	0	14 (39%)	8 (40%)	93	65%
Regional institution:								
Bunbury	7 (11%)	0	8 (38%)	1	21 (58%)	12 (60%)	49	34.3%
Other	0	0	0	0	1 (3%)	0	1	0.7%
<b>TOTAL</b>	<b>65</b>	<b>0</b>	<b>21</b>	<b>1</b>	<b>36</b>	<b>20</b>	<b>143</b>	

The number of enrolments at a regional institution, particularly for young people aged Under 25 is significantly low (16 students out of 87 aged under 25). Most of the students in the data above who are Under 25 and attending university in Bunbury from the Shire of Augusta-Margaret River would live at home with their parents, and commute to university. 83% of the 87 young people aged Under 25 have moved to Perth or another city to study and therefore would require some form of financial assistance.



REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

According to the Youth Allowance statistics, 31.9% of full-time students in Australia receive Youth Allowance, therefore only 23 of the 71 students who have moved to the city to study would be receiving Youth Allowance. 48 families would therefore have to support their children financially while they study, impacting heavily upon the economic situation of a large proportion of Augusta-Margaret River families.

The comparison between rural and isolated Australia and metropolitan Australia university participation is also represented on a state scale:

**WESTERN AUSTRALIA:**

	Rural and isolated students	Metropolitan students
<b>1996</b>		
Number attending university	6831 (14.8% of student population)	46 254 (85.2% of student population)
Number increase from last known data	-	-
% increase from last known data	-	-
<b>2001</b>		
Number attending university	6486 (12% of student population)	47 371 (88% of student population)
Number increase from last known data	345 <i>decrease</i> from 1996	1117 <i>increase</i> from 1996
% increase from last known data	6% <i>decrease</i> from 1996	2.4% <i>increase</i> from 1996
<b>2002</b>		
Number attending university	6587 (11.6% of student population)	49 965 (88.4% of student population)
Number comparison with past data	244 people <i>decrease</i> from 1996, 101 people <i>increase</i> from 2001	3711 people <i>increase</i> from 1996, 2594 people <i>increase</i> from 2001
% comparison with past data	5.5% <i>decrease</i> from 1996, 1.6% <i>increase</i> from 2001	8% <i>increase</i> from 1996, 5.5% <i>increase</i> from 2001

The rural and isolated student participation percentages are startling. In 1996, the census data showed that approximately 27.2% of the population was from a regional area<sup>8</sup>. Yet the regional student population was only 14.8%. The regional student percentages have decreased significantly, to regional students only representing 12% of the total tertiary student population in 2001 (while the census data shows regional percentage of WA population as 27.4%), and a further decrease to 11.6% in 2002.

The decrease in participation percentages from 1996 to 2002 is also very significant. 5.5% decrease is very startling as it represents regression rather than progress for regional areas. In comparison, there is an 8% increase of participation in metropolitan WA between 1996 and 2002. In addition, the

<sup>8</sup> Statistical Snapshot of Western Australia, Regional Development Council Western Australia

REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

confronting difference between a 1.6% participation increase in rural and isolated WA and the 5.5% participation increase in metropolitan WA from 2001-2002 reflects a huge difference between regional and urban WA: while urban WA is progressing quite fast with rates of university participation, regional WA appears to be flailing, with a slight recovery from the past, but still not meeting enrolment figures of 7 years ago. This is evidence of a lack, and decline, of regional participation in university education.

On a national scale, the difference is still significant.

**AUSTRALIA:**

	Rural and isolated students	Metropolitan students
<b>1996</b>		
Number attending university	112 505 (20% of student population)	455 719 (80% of student population)
Number increase from last known data	-	-
% increase from last known data	-	-
<b>2001</b>		
Number attending university	117 569 (19.6%)	481 598 (80.4%)
Number increase from last known data	5 064 people <i>increase</i> from 1996	25 879 people <i>increase</i> from 1996
% increase from last known data	4.5% <i>increase</i> from 1996	5.7 % <i>increase</i> from 1996
<b>2002</b>		
Number attending university	118 634 (19.4%)	492 930
Number comparison with past data	6129 people <i>increase</i> from 1996, 1065 people <i>increase</i> from 2001	37211 people <i>increase</i> from 1996, 11 332 people <i>increase</i> from 2001
% comparison with past data	5.4% <i>increase</i> from 1996, 0.9% <i>increase</i> from 2001	8% <i>increase</i> from 1996, 2.4% <i>increase</i> from 2001

The proportion of students coming from a rural / isolated area is steadily decreasing since 1996. 20% of Australian university students were from a regional area in 1996 (while the census data gives a regional population of approx 30%). This has decreased to 19.6% in 2001 (with a regional population figure of approx 30%) and further slight decrease to 19.4% in 2002 (with a census regional population figure of 30%).

Between 1996 and 2002, there has been a 5.4% increase in rural and isolated students participation in university. Between 2001 and 2002m there was only a 0.9% increase. In comparison, between 1996 and 2002, there was an 8% increase in metropolitan student participation at university, and between 2001 and 2002 there was a 2.4% increase. The metropolitan 2001-2001 percentage increase is almost three times that of the rural and isolated increase. This

indicates that regional areas have a slower rate of increased university participation and represents the significance of rural decline in Australia.

Why are there such differences? People from regional Australia face hardship with tertiary education. There are limited support networks and systems, including limited financial support, and while university may be much more easily accessible for metropolitan people, regional people have to overcome huge hurdles to participate in tertiary education.

**UNIVERSITY OF WESTERN AUSTRALIA RESEARCH DEFERRAL STATISTICS:**

There is an alarming number of young people who do not enrol in their chosen course of study in the year after high school. This is an important area to consider, as it demonstrates how the Youth Allowance Workforce Participation requirements for Independence is impacting upon the potential, and choices, of regional Australians.

**Margaret River Senior High School Class of 2002:**

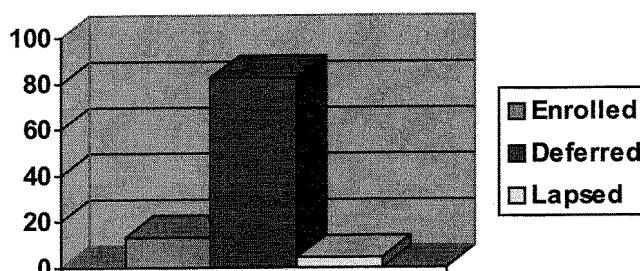
In 2002, there were 69 number of Year 12 students at Margaret River Senior High School. 38 students put in an application to TISC<sup>9</sup> for university entrance.

- 23 students were offered a place at university.
- 15 were not offered a place at university.

Of the 23 students offered a place at a university:

- 3 of the 23 students (13%) who were offered a place enrolled at university for commencement in 2003.
- 19 of the 23 students (82.6%) who were offered a place at university deferred their course.
- 1 of the 23 students (4.4%) application lapsed.

**% of MRSHS Class of 2002  
University decisions for 2003**



Of the 82.6% of students who deferred their courses, one student is on exchange in Canada, and the remaining students are working within the Shire of Augusta-Margaret River or have gone elsewhere to work. Almost all of those working are completing Workforce Participation for independence eligibility for Youth Allowance when they attend university or other tertiary education in 2004 or later.

Of the 3 students who are enrolled and attending university in 2003, one is eligible for Youth Allowance benefits due to the Parental Means Test on her

<sup>9</sup> Tertiary Institution Service Centre, WA

mothers income. Of the other two students, one is financially supported by his parents, and the other's family has moved to Perth, and she is living with them.

Class of 2001:

The Margaret River Senior High School Class of 2001 has some similar results.

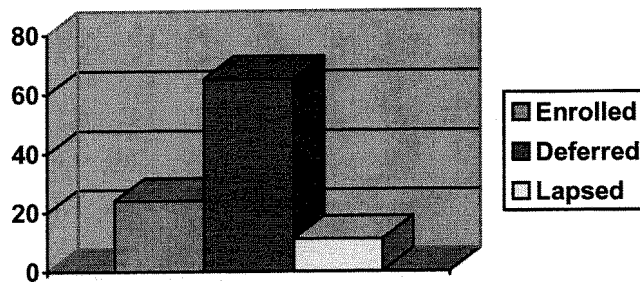
In 2001, there were 83 number of Year 12 students at Margaret River Senior High School. 50 students put in an application to TISC for university entrance.

- 37 students were offered a place at university.
- 13 students were not offered a place at university.

Of the 37 students offered a place at a university:

- 9 of the 37 students (24%) who were offered a place enrolled at university for commencement in 2003.
- 24 of the 37 students (65%) who were offered a place at university deferred their course.
- 4 of the 37 students (11%) application lapsed.

**% of MRSHS Class of 2001  
University decisions for 2002**



Between the Classes of 2001 and 2002:

- 18.5% of Margaret River Senior High School students who were offered a place at university enrolled at university
- 7.7% of Margaret River Senior High School students who were offered a place at university application lapsed
- 73.8% of Margaret River Senior High School students who were offered a place at university deferred

We will compare these statistics with those of two high schools in Perth, with a similar H index to Margaret River Senior High School. (H index is the Western Australian Department of Education and Training index of the level of socio-economic status of the school).

Kelmscott Senior High School:

In 2002, 102 students put in an application to TISC for university entrance.

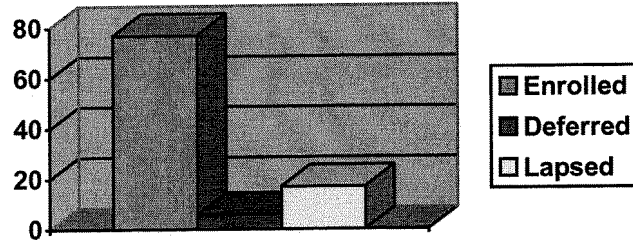
- 65 students were offered a place at university.
- 37 students were not offered a place at university.

Of the 65 students offered a place at a university:

- 50 of the 65 students (77%) who were offered a place enrolled at university for commencement in 2003.

- 4 of the 65 students (6%) who were offered a place at university deferred their course.
- 11 of the 65 students (17%) application lapsed.

**% of Kelmscott Senior High School Class of 2002 University decisions for 2003**



Governor Stirling Senior High School:

Another school with a similar H index is Governor Stirling Senior High School.

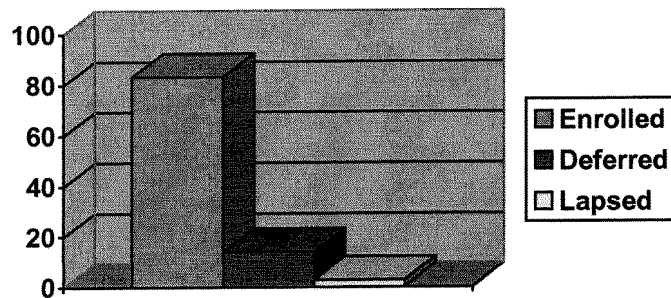
In 2002, 50 Year 12 students at Governor Stirling Senior High School put in an application to TISC for university entrance.

- 36 students were offered a place at university.
- 14 students were not offered a place at university.

Of the 36 students offered a place at a university:

- 30 of the 36 students (83.3%) who were offered a place enrolled at university for commencement in 2003.
- 5 of the 36 students (14%) who were offered a place at university deferred their course.
- 1 of the 36 students (2.7%) application lapsed.

**% of Governor Stirling Senior High School Class of 2002 University decisions for 2003**

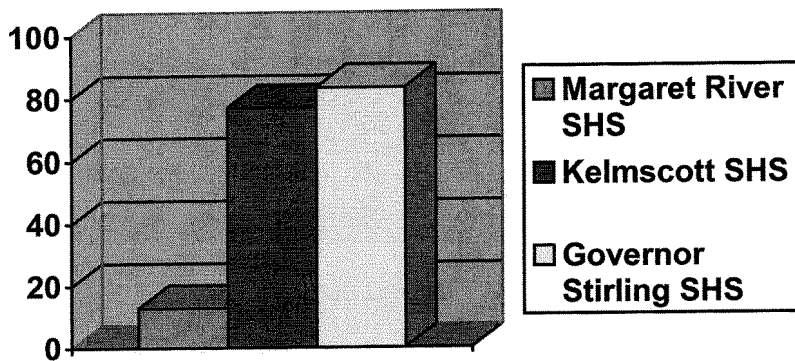


If we compare the statistics, in 2002:

Enrolments:

- 83.3% of students offered a place at university from Governor Stirling Senior High School Class of 2002 enrolled at university in 2003
- 77% of students offered a place at university from Kelmscott Senior High School Class of 2002 enrolled at university in 2003
- 13% of students who were offered a place at university from Margaret River Senior High School enrolled at university in 2003

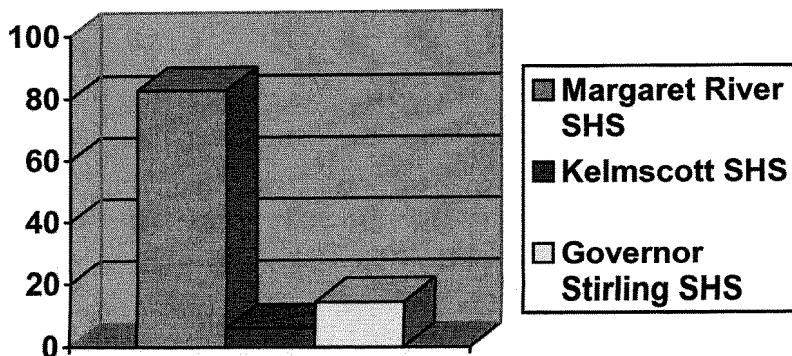
**Percentage of students who were offered a University place who enrolled at University in 2003**



Deferrals:

- 14% of students offered a place at university from Governor Stirling Senior High School Class of 2002 deferred their enrolment to university.
- 6% of students offered a place at university from Kelmscott Senior High School Class of 2002 deferred their enrolment to university.
- 82.6% of students who were offered a place at university from Margaret River Senior High School deferred their enrolment to university.

**Percentage of students who were offered a University place who deferred University in 2003**



There is a significant difference between the enrolment rates of the regional school (Margaret River Senior High School) and the two metropolitan schools (Kelmscott Senior High School and Governor Stirling Senior High School).

If we were to find out the living arrangements of all the enrolled *metropolitan* students, it would be safe to suggest that most of the students would be living with their families while studying. Therefore, they would not necessarily have the same living costs as a student from Margaret River Senior High School who must move to Perth to participate in tertiary education without the option to live with their family.

The situation is very obvious: most of the Margaret River Senior High School Class of 2002 students who deferred their course are completing Workforce Participation to have independence according to the Youth Allowance system, and therefore be eligible for assistance when they study. This is not an option, it is a *must*, as most families cannot completely support their children's living away from home costs in the city. The concern is, of course, that many of the students who deferred their course will never actually attend university – when moving away from home, the difficulty in the transition from full wages to limited financial support and the high cost of living in the city may influence the decision to participate in tertiary education. (For more information to support this theory, refer to Western Australia School Leaver Program data, page 32).

The statistics for Margaret River Senior High School are unusually high, according to University Of Western Australia International Research Unit.

"The proportion of rural applicants who receive an offer and then defer enrolment for a year has doubled in the last 5 years (from 16% to 32%), and is now approximately three times that of metropolitan applicants who receive an offer and defer for a year (metro 10% versus rural 32%)."

#### **RETENTION RATES:**

In addition, the retention rates for students from a regional area compared to students from a metropolitan area is also very telling.

Retention rates for University of Western Australia from first year into second year:

- Students from a metropolitan area have a 88% retention rate
- Students from a regional area have a 81% retention rate.
- This gap of 7% has increased from 2 years ago when the retention rates were 83% versus 81%.

#### **DEPARTMENT OF EDUCATION SERVICES, HIGHER EDUCATION STATISTICS:**

In Western Australian in 2002, 54.8 of every 1000 people in the Perth division participated in university study. In the regional divisions, only 20.7 of every 1000 people participated in university study.<sup>10</sup>

#### **WESTERN AUSTRALIA SCHOOL LEAVER PROGRAM:**

##### Introduction:

"The Western Australian Department for Education and Training annually conducts the School Leaver Program, to survey of Year 10, 11 and 12 students across Western Australia, for their *Intentions* for the following year, and then their actual *Destination*."

The 2001 School Leaver Program Survey Results has data for:

<sup>10</sup> Department of Education Services, Summary of Western Australian Higher Education Statistics 2002

- the Intentions of those Year 10, 11 and 12 students attending school in 2001 who participated in the program
- Students Destination in 2002
- A total of 172 school participated in the survey. This represents 149 government schools and 23 non-government schools
- A total of 47,168 students were contacted in 2001 as part of the program and invited to participate in the intention survey
- 37, 879 intention forms were completed
- Destination data for 41,480 students were identified

**Data:**

9,981 of Year 12 students in 2001 took part in the survey.

In 2001, 6,709 students who participated in the survey indicated that they were intending to leave school to seek further training and education (training and education includes university, TAFE or other training such as business college, private providers, pre-vocational courses). Employment includes part / full-time employment, apprenticeships and traineeships.

In 2002, 5825 of the students reached their destination of further education, training.

Option	Year 12 Intention	Year 12 Destination
Leave school ⇒ employment	2309 (24%)	2081 (21%)
Leave school ⇒ education/training	6709 (68%)	5825 (58%)

N.B. Destination percentages do not represent a percentage of the intended figures, but a percentage of the total cohort.

**Destinations 2002: Metropolitan and Country regions, WA.**

Metro region: East metro, North Metro, South East Metro and South West Metro.  
Total number of student destination participants for Metro regions:

Years 10, 11 and 12= 28,070 students

Country region: Peel region, Pilbara, Goldfields, Kimberley, Mid West, South West, Wheatbelt, Great Southern.

Total number of students destination participants for country regions:

Years 10, 11 and 12= 13,410

*Years 10, 11 and 12 Student destination figures for 2002 indicate that:*

**Years 10, 11 and 12 destinations to Employment:** (including Full and Part-time Employment, Apprenticeships and Traineeships):

Metro region: 1336 of the 28,070 surveyed metropolitan region students progressed to employment (6.3%)

Country region: 1380 of the 13,410 surveyed country region students progressed to full-time or part-time employment (10.3%)

Difference between metropolitan regional and country region is 4%.

**Year 12 destinations to University and TAFE 2002:**

N.B. 'enrolled' is defined as accepting an offer, enrolling or receiving a second-round offer for university or TAFE.



REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

**University:**

Metro region: 2321 of the surveyed Year 12 metropolitan region students enrolled in university (33%)

Country region: 580 of the surveyed Year 12 country region students enrolled in University (19%)

Difference between metropolitan region and country region is 14%.

**TAFE:**

Metro region: 2025 of the surveyed Year 12 metropolitan region students enrolled in TAFE (29%).

Country region: 710 of the surveyed Year 12 country region students enrolled in TAFE (23%).

Difference between metropolitan region and country region is 6%

*The School Leaver Program then compiled data with the intentions and destinations of 8 country regions and 4 metropolitan regions. Student indicated their intention and destination in reference to:*

Training = university, TAFE, other training (business college, private providers, pre-vocational/pre-apprenticeship courses)

Employment = Apprenticeship, Traineeship, employment

Return to school = Return to high school

Other = No preference, other (moved interstate/overseas, illness), Non participation.

Employment Assistance = referred/registered as a Joblink participant or referred/receiving other employment assistance. N.B. this was not an option in the intention survey.

**Year 12 participants intention and destination data for Country and Metropolitan Regions 2001-2002, Training and Employment.**

N.B. It is important to note that the number of students who participated in the intention survey did not necessarily participate in the destination survey.

**COUNTRY REGIONS:**

**Intention and Destination for Training:** Training includes university, TAFE, or other training (including business college, private providers, pre-vocational courses)

Region:	Peel Region	Goldfields Region	Kimberley Region	Mid West Region	Great Southern Region	Pilbara Region	South West Region	Wheatbelt Region
Number Yr 12 students participated	348	211	69	384	394	259	1007	443
Intention	66%	69%	43%	55%	64%	53%	61%	45%
Destination	51%	38%	18%	45%	62%	31%	49%	36%

REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

Average intention for TRAINING: 57%  
 Average destination for TRAINING: 41.25%

**Intention and Destination for Employment:** Employment includes full / part-time employment, apprenticeships, and traineeships

Region:	Peel Region	Goldfields Region	Kimberley Region	Mid West Region	Great Southern Region	Pilbara Region	South West Region	Wheatbelt Region
Number Yr 12 students participated	348	211	69	384	394	259	1007	443
Intention	27%	26%	45%	29%	25%	44%	29%	47%
Destination	23%	31%	36%	31%	19%	41%	30%	47%

Average intention for EMPLOYMENT: 34%  
 Average destination for EMPLOYMENT: 32.35%

*Compare these statistics with the metropolitan regions.*

**METROPOLITAN REGIONS:**

**Intention and Destination for Training:** Training includes university, TAFE, or other training (including business college, private providers, pre-vocational courses)

Region:	East Metro Region	North Metro Region	South East Metro Region	South West Metro Region
Number Yr 12 students participate	1149	2084	1388	1172
Intention	72%	75%	70%	73%
Destination	68%	70%	57%	60%

Average intention for TRAINING: 72.5%  
 Average destination for TRAINING: 63.75%

REGIONAL TERTIARY STUDENTS AND YOUTH ALLOWANCE

**Intention and Destination for Employment:** Employment includes full / part-time employment, apprenticeships, and traineeships

Region:	East Metro Region	North Metro Region	South East Metro Region	South West Metro Region
Number Yr 12 students participate	1149	2084	1388	1172
Intention	22%	19%	18%	19%
Destination	13%	16%	17%	17%

Average intention for EMPLOYMENT: 19.5%

Average destination for EMPLOYMENT: 15.75%

*Compare the averages for Country Regions to Metropolitan Regions:*

**TRAINING: average**

	Country Regions	Metropolitan Regions
Intention	57%	72.5%
Destination	41.25%	63.75%

**EMPLOYMENT: average**

	Country Regions	Metropolitan Regions
Intention	34%	19.5%
Destination	32.35%	15.75%

**ANALYSIS OF DATA:**

**Destination of Training:**

The percentage of surveyed country region students who progressed to training (university, TAFE, or other training, including business college, private providers, pre-vocational courses) in 2002 ranged from 18% to 62%.

The percentage of surveyed metropolitan region students who progressed to training (university, TAFE, or other training, including business college, private providers, pre-vocational courses) in 2002 ranged from 57% to 70%.

**Destination of Employment:**

The percentage of surveyed country region students who progressed to employment (full-time, part-time, apprenticeships or traineeships) in 2002 ranged 19% to 47%.

The percentage of surveyed metropolitan region students who progressed to employment (full-time, part-time, apprenticeships or traineeships) in 2002 ranged from 13% to 17%.

We can see a huge difference between the percentage of surveyed country region students and surveyed metropolitan region students who progressed to TRAINING. While an average of **41.25%** of the surveyed country students across the 8 regions progressed to further TRAINING, **63.75%** of the surveyed metropolitan students across 4 regions progressed to further TRAINING after completing year 12 in 2001. This is a difference of **22.5%**.

There is also a large difference between the percentage of surveyed country region students and surveyed metropolitan region students who progressed to EMPLOYMENT. While an average of **32.35%** of the surveyed country students across the 8 regions progressed to EMPLOYMENT, **15.75%** of the surveyed metropolitan students across 4 regions progressed to EMPLOYMENT after completing Year 12 in 2001. This is a difference of **16.6%**.

The TRAINING figures support the theory that many young people from country regions are not progressing to further study directly after completing Year 12. One of the main reasons for not doing so, as the Augusta-Margaret River Case Study and other Case Studies from the Youth Allowance survey support, is that many families cannot afford to financially support their children to move away from home to study, but are not eligible for Youth Allowance due to the Parental Means Test, and the child must therefore complete Workforce Participation to be eligible for Youth Allowance. This would also account for the higher EMPLOYMENT figures for students from country areas compared to metropolitan areas.

In comparison, the very high percentages of young people from Metropolitan regions progressing to TRAINING after high school may be due to the fact that many of these young people have the opportunity to live with their families while they study and therefore do not have the relocation issues and costs that young people from regional areas do. This will also account for the lower EMPLOYMENT figures when compared to students from country regions.

*The issue is obvious:*

Young people from country regions are have less options than students from metropolitan regions after Year 12, in that they cannot go to university directly after high school, because they need financial support if they leave home (which many are forced to do). Therefore many work. This is not necessarily a negative experience, BUT the question is:

*How many of the young people from country regions who begin Workforce Participation will actually begin further training once they are eligible for Youth Allowance?*

Many young people and families who live in Regional Australia perceive being almost *forced* to complete Workforce Participation as very inequitable (as outlined in many Case Studies from the Youth Allowance survey – please see page 51). This is because many young people who live with their families in the city have the *choice* to continue their studies directly from high school, and can live with their families and therefore have comparatively lower financial needs. In comparison, young people from Regional Australia do not have a choice if their families are unable to support them to live away from home, because they must complete Workforce Participation to be eligible for financial assistance of Youth Allowance from the government.



## **RECOMMENDATIONS FOR IMPROVEMENTS TO SYSTEM**

206 recommendations were received through the Youth Allowance Questionnaire. Through consultation with several interested young people, parents, government workers and Centrelink officers, analysis of the case studies and discussions with Youth Allowance in Canberra, the following recommendations for change have been developed.

### **CONSULTATION WITH REGIONAL TERTIARY STUDENTS:**

#### **ISSUE:**

Many regional young people feel that their needs are not being heard, as exemplified in the Case Studies. There is a need for consultation with regional tertiary students. Some slow regional development can be attributed to a lack of skills and education growth in the area. There is also an ageing population in regional Australia as young people and many families are moving away from home for opportunities.

#### **RECOMMENDATION:**

- The establishment of a Regional Tertiary Students Advisory Committee, representing a diverse range of young people from regional, rural and remote areas of Australia. With the Department of Family and Community Services Youth Allowance, Department of Education, Science and Training and Department of Transport and Regional Services, they can research the severity of regional tertiary issues, and the plausibility of the changes listed below.

#### **ADVANTAGES OF CHANGE:**

The advisory group will give regional tertiary students perspective to many departments, promoting inter-departmental cohesion and a commitment to development. It will also represent the regions, possibly having an impact on issues such as rural decline.

#### **ISSUE:**

Many young people from Regional Australia feel as if their needs and concerns with the current Youth Allowance system are not being heard.

#### **RECOMMENDATION:**

- The Regional Tertiary Students Advisory Committee is formed, representing the needs of regional students.
- A national regional tertiary students research program or forum is held to understand the extent of regional tertiary students issues.

#### **ADVANTAGE OF CHANGE:**

The advisory body would enable government and government policy to better reflect the needs of rural Australia, thus diminishing rural decline, the low regional tertiary education retention rates, and the level of regional dissatisfaction with the current system. It would also empower young people from regional Australia as they feel heard and involved in an integral part of government policy.

A national forum or research program would expand and further develop the findings of this report, giving some increased input from regional Australia to federal government policies and support for regional tertiary students

**ACCESS TO INFORMATION:****ISSUE:**

Many young people in regional areas of Australia are not aware or informed of the youth allowance entitlements that are available, and the criteria for eligibility.

**RECOMMENDATIONS:**

- Include government assistance and benefits information as part of careers information within high schools when young people are venturing into further study. This is especially important for students who are about to finish high school and are considering whether or not they will have a gap year.
- Ensure that each high school and tertiary study institution in Australia has a teacher or student services officer specifically trained with current knowledge about Youth Allowance and other Centrelink services to advise students. Or, make Centrelink officers readily available to students.

**ADVANTAGES OF CHANGE:**

Increased awareness and knowledge of government benefits available to young people will assist families about what is available from Centrelink, help young people prepare for making their choices for after high school, reduce the stresses that families feel when financially confused, and help develop young people budgeting skills.

**ELIGIBILITY FOR YOUTH ALLOWANCE:****ISSUE:**

Almost all of the case studies believe that all students should get government assistance while they study, regardless of their parents' income. Regional students, in particular, believe they should automatically be eligible for Youth Allowance if they move away from home to study.

**RECOMMENDATION:**

- Youth Allowance, in consultation with young people from all areas of Australia, including regional rural and remote, and the Regional Tertiary Students Advisory Committee, should **research the possibility of some changes to the system** such as:
  - Having a criteria that families that live more than 100 kilometres from their child's *chosen* place of study should automatically receive Youth Allowance
  - High school students who receive Assistance for Isolated Children allowance should automatically receive Youth Allowance when they pursue tertiary education, provided their family still lives in an AIC listed area.
  - The Family Assets Mean Test and Income Test levels should be increased to a more realistic level of the possibility of families to support their children while they study.
- Research is undertaken to establish a true reflection of a students cost of living, with several aspects:
  - The cost of living for a student who live with their family while studying in the city
  - The cost of living for a student who lives with their family while studying in a country area (either commuting to the institution or within their own community)

- The cost of living for a student who live away from the family home while studying
- Youth Allowance rates should change to better reflect living costs

**ADVANTAGE OF CHANGE:**

Research into these areas would give evidence if these changes are required for young people from regional Australia to access Youth Allowance.

**ISSUE:**

Young people from regional Australia who would like to leave home to attend university straight after high school do not have the choice to do so if their parents cannot support them and are not eligible for Youth Allowance through the Parental means test. They *must* take a gap year to earn Youth Allowance eligibility.

**RECOMMENDATION:**

➤ **Research the plausibility of:**

- An amended Youth Allowance system that bases Youth Allowance eligibility on the degree of need of young people living and studying *away from home*, rather than those who have the option to live with their family, due to
  - Limited tertiary opportunities in the community
  - Unreasonable family circumstances
  - Chosen place of study
  - Distance from family home to place of study
- Awarding automatic Youth Allowance status to regional students, who wish to attend university straight after high school.

**ADVANTAGE OF CHANGE:**

This strategy would see regional young people continue their studies, ensuring greater return for their regional communities. Importantly, highly capable students are part of the cohort who take a gap year and some of these students never return to study, thus diminishing the potential of regional Australia.

**ISSUE:**

Young people who are not very motivated or unsure about tertiary education, and those who did not particularly well at high school, often take a gap year and are then lured by the advantages of a steady income. Many do not decide to return to study, thus maybe wasting an opportunity and restricting their potential.

**RECOMMENDATION:**

- Establish encouragement scholarships for young people from regional Australia to continue their studies, worth a certain cash amount and automatic full Youth Allowance benefits.

**ADVANTAGE OF CHANGE:**

Receiving an award such as this is a very encouraging and persuasive factor in helping young people realise their potential. This would get more young people from regional Australia attending tertiary education, and potentially, a greater number of graduates from regional areas.

**ISSUE:**



Young people who participate in an overseas exchange during the year after high school graduation are not eligible for Youth Allowance when they return home. If they must leave home for further study, and their parents cannot support them and they are not eligible for Youth Allowance through the parental means test, they must take another 18 months off to earn Youth Allowance eligibility.

**RECOMMENDATION:**

- Allow for exceptional circumstances for Youth Allowance eligibility such as the situations of
  - being unable to defer their chosen course
  - a sickness or other difficulty during ones gap year
  - involvement in an exchange overseas during a gap year.

**ADVANTAGE OF CHANGE:**

The exceptional circumstances would see more young people participating in tertiary education at an earlier age, or alleviating the stress upon their families to support them. It would also encourage more young people to participate in international exchange programs, as an ambassador for their country.

**ISSUE:**

Young people who choose (or are *forced*) to spend 18 months in employment to gain Youth Allowance eligibility must either take two years off before they study, or spend 6 months of the eligibility period studying with no government support. They therefore must save heavily to support themselves for those 6 months, rely on their parents for support, take a student loan, or juggle full-time work and study in order to survive. This has often resulted in many first year students from regional areas dropping out because they cannot handle the struggles of study, dislocation, financial difficulties and different social surrounding.

**RECOMMENDATION:**

- 1. The Youth Allowance system should allow for young people to elect their chosen period for eligibility-they should be given a choice of 12 months or 18 months to be employed and earn 75% of the Government Award wage.
- 2. Or, alternatively, the period for independence eligibility should be reduced to 14 months for all young people. (14 months is the general length of time from completion of high school to beginning of tertiary education for student who take a gap year after high school)
- 3. Or, alternatively, young people should be eligible for Youth Allowance as soon as they have earned the amount required for eligibility (therefore a student who earns the amount in 6 months can receive Youth Allowance as soon as they begin studying).
- 4. Or, alternatively, a young person who is able to prove employment for a significant period (ie 12 months) should be eligible for Youth Allowance even if they haven't earned the required amount.

**ADVANTAGE OF CHANGE:**

1. The opportunity to elect a period of employment for eligibility would accommodate students who want to return to study after one year (therefore only working for 14 months and receiving Youth Allowance upon beginning study), and students who study and work part-time will be able to earn the required amount in 18 months.
2. Young people who work for 12 months for youth allowance eligibility will not have to suffer during their first few months of study. They will be in a better frame of mind because they will not have to worry about their

financial circumstances as much as they do in the current system. They will also not have to rely upon their parents for assistance, nor build a substantial additional loan that cannot be paid back for several years.

3. Changing the eligibility criteria to when the required amount has been earned would enable students who earn a significant amount of money in, for example, their summer break or in 6 months while studying, to receive Youth Allowance when they study, without having to wait for the 18 month period to end. It would also enable students who work over several years while studying to receive Youth Allowance when they earn the required amount, without a limitation of a time limit.

## **STUDENT INCOME**

### **ISSUE:**

Students who are eligible for Youth Allowance are limited to earn \$118 a week with employment, and if they earn any more, their Youth Allowance will decrease. That means that students have an income cap, and even if their living costs exceed their available Youth Allowance income and maximum employment income, they cannot earn anymore money. For example, if a student is living in a college that costs \$350 a week, and are eligible for the full rate of Youth Allowance and earn the maximum amount allowed through employment, they still cannot earn enough to pay their living costs.

### **RECOMMENDATION:**

- Increase the allowable amount of weekly income from employment without affecting Youth Allowance to better reflect living costs of students that is a reasonable amount (and that better reflects the added costs for students such as car costs, that exceed the amount of income allowed to earn)
- Or, alternatively, do not have any limitation on income levels for recipients of Youth Allowance.

### **ADVANTAGES OF CHANGE:**

Many students are working while studying to pay very high living costs (including college fees), to pay their HECS bill, to pay or save for a car, or other circumstances, yet their available income to earn is restricted to \$118 a week. Increasing this amount, or not having a maximum level at all, would enable students to work while studying to save / pay for extra costs not being met by Youth Allowance payments and the maximum income allowed.

## **SCHOLARSHIPS**

### **ISSUE:**

Young people from regional Australia who leave home for further study are faced with accommodation issues and expensive costs. Colleges, often an option for young people who have lived in a city for the first time and require the security offered, are an expensive option, and fees cannot be met with the current rates of youth allowance. As a result, often wealthier families that send their children to college.

### **RECOMMENDATION:**

- Establish government-subsidised colleges in each capital city for regional students.
- Or, alternatively, create colleges for young people from regional areas that have fees equivalent to Youth Allowance.

- Establish several government scholarships for regional students for accommodation at college campuses in each state. Include the 'gift' as a source of income for youth allowance independence eligibility, or include youth allowance eligibility as part of the package, but the gift does not impact upon rates of Youth Allowance assistance. (n.b. this recommendation has been somewhat met with the Commonwealth Learning Scholarships introduced with the 2003 Higher Education reforms).
- Universities should research and attempt to source funding for more college scholarships for regional young people
- Regional Local Governments and businesses should create scholarships for young people in their community to assist with the *living costs* of tertiary education, to promote regional development.
- Scholarships should be included as income for Youth Allowance eligibility.

**ADVANTAGE OF CHANGE:**

Some of the talented and future regional leaders will have the choice to actually continue their tertiary studies immediately after high school if the scholarship recommendations are implemented. In addition, the Government-subsidised colleges would create a stronger support network for regional students moving to the cities for the first time.

More university college scholarships would encourage young people from regional Australia to move away to study because there is a support network for them that is not overly expensive.

Local Government scholarships for tertiary education living costs for regional students in the community will promote regional development and potentially encourage young people to return to regional Australia after completing tertiary education.

**ISSUE:**

Most scholarships cannot be deferred, so students who need to complete Workforce Participation to be eligible for Youth Allowance while studying must reject scholarships.

**RECOMMENDATION:**

- University institutions and tertiary education providers should give young people the option to defer scholarships, particularly regional student specific scholarships, recognising the financial difficulties in moving away from home to study.
- The institutions should provide country students with scholarships of lump sums of money for the use of the student at his or her discretion, so that students can use the money for living expenses if need be.

**ADVANTAGE OF CHANGE:**

If tertiary institution providers recognise issues with living away from home and the associated costs, and make some changes to scholarship programs, will give more regional young people access to scholarships.

**ISSUE:**

Scholarships are considered as income support by Youth Allowance, and Youth Allowance payments are decreased as a result. Even if the scholarship is a course fees supplement, the Youth Allowance decreases, putting the student in even more financial difficulty.

**RECOMMENDATION:**

- Youth Allowance changes the ruling so that scholarships do not affect Youth Allowance payments.

**ADVANTAGES OF CHANGE:**

The change will encourage more young people to apply for scholarships and awards programs, and therefore more young people will be financially assisted while studying. N.B. This recommendation was somewhat implemented with the 2003 Higher Education Reforms, however, it only applies to scholarships for course fees.

**CENTRELINK:**

**ISSUE:**

Many of the case studies mentioned that there is too much paperwork, unnecessary phone calls and mistakes within the Centrelink process.

**RECOMMENDATION:**

- Centrelink paperwork is constantly reviewed and revised to simplify the process of application.

**ADVANTAGES OF CHANGE:**

Review and revision will enable better service provision to the community.

**ISSUE:**

If a young person does not report their income on time, they will not receive their youth allowance payments for that fortnight.

**RECOMMENDATION:**

- Paperwork should be lodged at the end of every month, rather than every fortnight
- Or, alternatively, online lodgement should be developed, and accessible for all Youth Allowance recipients. N.B. online lodgement has been developed, however, it is only accessible to student with a steady income. Students with casual employment which might not be fortnightly are not able to utilise the service.

**ADVANTAGES OF CHANGE:**

Young people will have less opportunity to be breeched or miss payments, giving them better financial security and support.

**ISSUE:**

Many young people from regional areas have difficulty accessing Centrelink offices, and when they access the offices in the city, there are often long lines and they have to wait a long time. In addition, many Centrelink workers, in the cities and in regional areas, appear to be harried and overworked. It seems that there is a shortage of staff and offices.

**RECOMMENDATIONS:**

- Centrelink should employ more workers, and open more offices in regional and city areas, or develop better processes for efficiency and service delivery
- Centrelink forms should be able to be lodged online.

**ADVANTAGES OF CHANGE:**

Better efficiency will deliver better services to the community. Online form lodgement will relieve Centrelink staff.

**ISSUE:**

Often, young people are given opposing advice from different Centrelink officers, confusing the client and creating more problems with the already difficult situation.

**RECOMMENDATION:**

- All Centrelink officers undergo a streamlined training of the system

**ADVANTAGES OF CHANGE:**

Streamlined training will give the community better information about assistance, because there will not be as much confusion between various officers.

**ISSUE:**

Many of the case studies mentioned the high cost of travelling from their institution to their family home during holidays and breaks. This cost is not applicable for students who live with their families and attend tertiary education. There is a Fares Allowance available for Youth Allowance recipients for travel home twice a year.

**RECOMMENDATION:**

- Fares Allowance is more well-known among Youth Allowance recipients
- Students from regional areas who do are not eligible for Youth Allowance should still be eligible for Fares Allowance

**ADVANTAGES OF THE CHANGE:**

Travel subsidies will help keep the students in touch with their family and original community. In a time when rural decline is a very prevalent issue, assistance like this will encourage young people to return to their community, maintaining a relationship with their family, maintaining a link with their regional background, and keeping in touch with regional issues and developments. Consistent visits home may potentially encourage young people to return to their regional town once they finish their studies to pursue their chosen career, thus diminishing rural decline.

*It is recommended that the Department for Family and Children Services, Centrelink, all Australian tertiary education providers and regional local governments review these recommendations, and assess if they are able to make any possible changes to assist regional young people and regional families in tertiary education.*