Educational Policy Institute

Student Support in Australia

When Will the Government Improve It?

Ian R. Dobson

December 2005

Australasian Education Report Series

Educational Policy Institute

Educational Policy Institute, Inc. (EPI) is a non-profit, non-partisan, and non-governmental organization dedicated to policy-based research on educational opportunity for all students. With offices in Virginia Beach, Virginia, Toronto, Ontario, and Melbourne, Australia, EPI is a collective association of researchers and policy analysts from around the world dedicated to the mission of enhancing our knowledge of critical barriers facing students and families throughout the educational pipeline.

The mission of EPI is to expand educational opportunity for low-income and other historically-underrepresented students through high-level research and analysis. By providing educational leaders and policymakers with the information required to make prudent programmatic and policy decisions, we believe that the doors of opportunity can be further opened for all students, resulting in an increase in the number of students prepared for, enrolled in, and completing postsecondary education.

For more information about the Educational Policy Institute, please visit our website:

www.educationalpolicy.org

EPI International
2345 Valle Rio Way
Virginia Beach, VA 23456
(540) 288-2322

EPI Canada
20 Maud Street, Suite 300
Toronto, ON M5V 2M5
(416) 848-0215

EPI Australasia
174 Wingrove St, Fairfield, 3078
Melbourne, Australia
61 3 9486 1334

email: info@educationalpolicy.org

About the Author

Ian R. Dobson, Ph.D., is the director of EPI Australasia. Dobson is well known for his analysis and commentary on educational opportunity for students in Australia, and has been published widely. Prior to joining the Educational Policy Institute, his career had been in university administration, spending many years in university planning, statistics and institutional research. In more recent years, he served as as a policy adviser to Monash University's deputy vice-chancellor, later vice-chancellor, Professor Peter Darvall. Dobson maintains his links with Monash, in the role of honorary research fellow with the Centre for Population and Urban Research.

He is co-editor of the Journal of Higher Education Policy and Management, published by Taylor and Francis under their Routledge imprint and provides an English editing service for a number of higher education clients in Finland.

Suggested Citation:

Dobson, Ian R. (2005). *Student Support in Australia: When Will the Government Improve It?* Melbourne, Australia: Educational Policy Institute.

TABLE OF CONTENTS

INTRODUCTION

The report of the Senate Education, Workplace Relations and Education References Committee, Student Income Support (described hereafter as the 'Report') was released in June 2005. The review was an examination of students' living costs and the ways and means of support payments. Such a high-level review was long overdue. The Report's preface states:

> [T]he committee is concerned that there has not been a Government-initiated review of the student income support system since 1992. Over the last decade the student income support system has operated in a policy vacuum. It is now showing the signs of this neglect (Senate, 2005, p. xv).

The Committee's deliberations were based on the members' digestion of 140 submissions, and evidence given at public hearings in Melbourne, Adelaide, and Canberra. The Committee comprised two Government senators (Liberal Party), three from the Australian Labor Party, and one from the Australian Democrats (Senate, 2005, p. iii).

The Terms of Reference of the inquiry were to examine issues relating to:

> "[T]he living costs of students enrolled in full-time and part-time courses and, in particular:
>
> (a) current measures for student income support, including Youth Allowance, Austudy and Abstudy, with reference to:
>
> > (i) the adequacy of these payments,
> >
> > (ii) the age of independence,
> >
> > (iii) the parental income test threshold, and
> >
> > (iv) the ineligibility of Austudy recipients for rent assistance;
>
> (b) the effect of these income support measures on students and their families, with reference to:
>
> > (i) the increasing costs of higher education,
> >
> > (ii) students being forced to work longer hours to support themselves, and
> >
> > (iii) the closure of the Student Financial Supplement Scheme;

(c) the importance of adequate income support measures in achieving equitable access to education, with reference to:

(i) students from disadvantaged backgrounds, and

(ii) improving access to education; and

(d) alternative student income support measures.

With no intention to diminish the importance of the other Terms of Reference, the issues are addressed in this paper focus primarily on terms of reference (a) (i), (ii) and (iii), (b) (ii) and (c).

The Report notes that:

> [T]he committee was struck by the consistency and force of the recommendations made by student associations and university administrators across the range of issues addressed in its terms of reference. The committee interprets this response as conclusive evidence that the income support system is in a serious state of disrepair and that nothing short of a major policy review and overhaul of the system is required (Senate, 2005, p. 1).

The Report contains 15 recommendations (see Appendix), none of which could be seen as radical. Most of the recommendations, in fact, seem like common sense, and one must wonder why it should have taken a Senate inquiry to state the obvious. However, Government senators registered their dissent to eight of the recommendations with the statement: "Government senators do not agree with this recommendation."

Most of the recommendations, in fact, seem like common sense, and one must wonder why it should have taken a Senate inquiry to state the obvious.

Youth Allowance: Description and Commentary

"Youth Allowance is a payment for young Australians who are studying, training, looking for work, or who are temporarily incapacitated" (Centrelink, 2003, p. 2). So far as students are concerned, Youth Allowance can be described as being a tightly means-tested income support scheme available to **eligible** students aged between 16 and 24 attending educational institutions. The scheme was introduced on 1 July 1998. It replaced several other welfare programs for young people, including Austudy for students aged less than 25 years, and schemes for unemployed young people[1]. Youth Allowance also introduced the 'income bank,' whereby a student could average their additional earnings over the year, rather than the previous practice of reducing payments immediately after a period of unexpectedly high earnings. In the Department of Family and Community Services' words,

> [F]ull-time students ....have access to the student income bank, which allows them to keep more of their income support where they earn income over short periods – like vacation employment. Any unused part of their [weekly income-free area of $118 per week] is accumulated in the income bank, up to a maximum of $6,000. The student income bank balance is then used to offset the effect of casual earnings over the income free area (FaCS, 2004: 24).

Long and Hayden (2001) summarised the change thus: "Youth Allowance replaced five different income-support schemes for young students and job seekers. The consolidation of educational and labour market income-support programs was designed…to encourage young people to participate in full-time study or training" (p. 33). For students, the Youth Allowance scheme superseded Austudy, which itself replaced TEAS, the Tertiary Education Assistance Scheme, in 1983. The name 'Austudy' survived, however. It became the name of the system of student support for students commencing studies at age 25 or older. TEAS had been introduced in 1974, a Whitlam Government reform to replace the old Commonwealth Scholarship scheme.

There are at least two basic problems with the Youth Allowance scheme as it stands at present. First, under the strict regime of means testing, too few students, including students of limited financial means, are eligible. Means-test levels for income are set far too low, and too many students are assessed for eligibility according to their parents' income and assets rather than their own. For Youth Allowance eligibility, the automatic age of independence (whereby a student will be assessed according to her or his own means) is 25 years. It is unreasonable to assume that a person approaching 25 years of age will still be dependent on their family, but that is an over-riding presumption of the Youth Allowance scheme. The Australian Council of Social Services stated in its submission to the Senate inquiry that

It is unreasonable to assume that a person approaching 25 years of age will still be dependent on their family, but that is an over-riding presumption of the Youth Allowance scheme.

[1] At the time of the announcement of the inquiry into student income support, Youth Allowance was administered through a Commonwealth Government agency known as Centrelink, the responsibility of the Department of Family and Community Services (FaCS). Following the federal election in October 2004, restructuring has seen responsibility for Youth Allowance for students move to the Department of Education, Science and Training. Youth Allowance for unemployed young people has moved to the Department of Employment and Workplace Relations. The Centrelink agency has moved to the new Department of Human Services.

setting the age of independence for students so high is unfair, and out of step with assessments for other support payments (ACOSS, 2004, p. 22).

It is possible to be considered 'independent' on grounds other than age. These grounds are considered later. Austudy recipients (for students commencing their course at age 25 or older) are considered to be independent by virtue of their age.

To be eligible, a dependent student must come from a family with extremely low levels of income and assets. An only-child student will receive the full allowance only if their family's combined parental income does not exceed $28,500. The income threshold is slightly higher for students with dependent siblings[2]. If family earnings are above this level, the student's Youth Allowance payments are reduced by $1 for every $4 over that level (Centrelink, 2005). It should be noted, however, that the income limit for a one-child family for Youth Allowance purposes represents less than half the Australian average. According to the Australian Bureau of Statistics, the median parental income for families aged 0 – 17 years was $60,684 (ABS, 2004).

Second, the base amount paid to recipients is too low. The Report noted that "[T]here was broad agreement among the witnesses that the base rate of payment should be increased to a level which is at least comparable with the Henderson poverty line3" (Senate, 2005, p. 1). As at March 2004, the defined 'poverty line' for a single person was $214.63, excluding housing, or $318.92 (including housing) (Melbourne Institute, 2005). Weekly Youth Allowance payments for the were about $106 for a student aged 18 – 24 living at home and up to $212.85 if the student was living independently and eligible for the maximum rent allowance of about $50. Thus, students eligible for the maximum payments (whether living at home or away) are faced with a 'poverty' gap of over $100 per week. However, many students are not eligible for the maximum allowance. It is not possible for independent researchers to calculate the number of students earning less than the maximum payment under the Youth Allowance scheme, as Centrelink have not made this critical information available to researchers, or published those data itself.

Students eligible for the maximum payments are faced with a 'poverty' gap of over $100 per week. However, many students are not eligible for the maximum allowance.

[2] $1230 for the first other dependent child aged under 16; $2562 for each additional dependent child aged under 16; $3792 for each dependent child aged between 16-24 in full-time study *or* aged between 16-20 and seeking employment. (http://www.centrelink.gov.au/internet/internet.nsf/payments/youth_allow.htm)

[3] "Poverty lines are income levels designated for various types of income units. If the income of an income unit is less than the poverty line applicable to it, then the unit is considered to be in poverty. An income unit is the family group normally supported by the income of the unit" (Melbourne Institute, 2005.

If Youth Allowance under-provides for students on the full allowance so as to leave them over $100 per week under the poverty line, it is obvious that the shortfall will have to be made up from other sources. Students who do not have families to provide them with support will have to obtain additional funding from loans or part-time work. Part-time employment makes up the difference for the majority of students. Students eligible for Youth Allowance with part-time jobs can earn a maximum of $6,136 per year, or $118 per week. This is the limit established for the previous student support scheme in 1993, and in contrast with other elements of the Youth Allowance formula, it is not indexed to inflation. The Consumer Price Index (CPI) All Groups index for the March Quarter in 1993 and 2005 were 108.9 and 147.5, respectively (ABS, 2005). Had the 1993 income limit of $6,136 per annum been adjusted against this index, a student would now be permitted to earn $8,311 before penalty deductions to Youth Allowance payments cut in. As has been noted before, "The penalties for earning above the threshold are savage: 50 per cent of the first $40 per week earned, and 70 per cent thereafter. The paltry sum a Youth Allowance recipient can earn without losing benefits has also most certainly driven many student workers into the black economy. As a result of the low threshold of only $118 per week on top of Youth Allowance before financial penalty, many students find 'cash' jobs highly attractive. Many of the jobs in the hospitality industry, including waiting, bar work, and home delivery services are paid for in cash" (Dobson, 2004, p. 55-56). The senate committee was similarly perplexed: "The committee does not understand why the $6,100 figure has not been indexed against inflation since 1993: (Senate, 2005, p. 39).

The penalties for earning above the threshold are savage: 50 per cent of the first $40 per week earned, and 70 per cent thereafter. The paltry sum a Youth Allowance recipient can earn without losing benefits has also most certainly driven many student workers into the black economy.

Should anecdotal claims be true, students receiving Youth Allowance whilst continuing to earn more than the un-indexed maximum by working in the cash economy expose themselves to the risk of being accused of welfare fraud.

According to FaCS, of all Youth Allowance recipients (university and other students) who reported earnings in 2003, 36 per cent reported income of less than $2000 a year and 30 per cent between $2000 and $5000 per year (FaCS, 2004, p. 24). "These earnings levels seem to be very low when combined with the low Youth Allowance rates, given the day to day living costs which students face. They imply that the black economy is an important source of earnings of university students. This situation raises an important social and moral issue. Some employers may be avoiding tax and there could be instances of student wage exploitation. Cash strapped students will stay out of the Pay As You Earn (PAYE) economy if entering it will cause the loss of a substantial portion of the Youth Allowance " (Dobson, 2004, p. 56).

The most thorough examination of student income and expenditure was a private undertaking under the auspices of the Australian Vice-Chancellors' Committee. The AVCC survey built on four earlier surveys, all of which had been funded by government departments. Nineteen universities agreed to participate, and these universities provided the funding to do so (Long and Hayden, 2001, p. 2). It was a pity that the government did not perceive such a survey to be of sufficient importance to fund a full national survey. It was also unfortunate that not all universities agreed to participate. Within the mix of metropolitan, regional, Group of Eight, and technical universities involved, technical universities were over represented, in terms of both numbers of university and numbers of students (Long and Hayden, 2001, p. 2-4).

The 2000 AVCC survey also found the scheme to be restrictive and payments too low:

> Students who received government income support found it invaluable. There was concern, however, about the level of support provided and about the restricted nature of access to it…The rules governing the receipt of Youth Allowance or Austudy mean that there are strong financial disincentives for students who want to work more than about a day a week. Even with the Centrelink 'income bank', students could reach the threshold at which their benefits begin to erode just by working full time during the semester break. The total income from the limited part-time work that a student can undertake before encountering these disincentives, together with the money from the income-support programs, leaves participants in these programs financially vulnerable – especially in the context of the costs of undertaking university education (Long and Hayden, 2001, p. 45).

The ultimate problem becomes one that students are forced to spend too long in the part-time work force to meet their basic living expenses, to the detriment of their studies. More students today work than was the case in the past, and they work longer hours. As Long and Hayden report: "[I]n 1984, about 50 per cent of all full-time undergraduate students were in paid employment during semester, and the average number of hours worked during semester by those in paid employment was about five hours per week. In 2000, 72.5 per cent of all full-time students are in paid employment during semester. The average number of hours worked during semester by these students was 14.5 hours per week (about two days of full-time work per week) (Long and Hayden, 2001, p. xiii). Some students also reported that

The ultimate problem becomes one that students are forced to spend too long in the part-time work force to meet their basic living expenses, to the detriment of their studies.

work 'adversely affected their study, and others reported that they missed classes because of work commitments (Long and Hayden, 2001, p. ix).

That student income support should be of concern came out of a recently published international study of university affordability and accessibility. This study placed Australia 12th (least affordable) out of the 16 countries examined. Only in the USA, the UK, New Zealand, and Japan was higher education 'less affordable' than Australia. Students in Scandinavia, Austria, Belgium, Canada, France, Germany, Italy, and the Netherlands all came out ahead on the affordability ranking. The rankings were based on a range of education and living cost factors, and 'grants' received by students (Usher and Cervenan, 2005, p. 2).

Dependent or Independent?

As noted earlier, the Youth Allowance regulations presume a person to be 'dependent' until the age of 25. The age of independence had been reduced to 21 years in the mid 1990s, but was raised again to 25 in 1997. For many students from relatively modest backgrounds, but not the low income levels of family income used for assessing Youth Allowance eligibility, the best solution is to be assessed according to one's own means (as an independent), rather than those of one's family. Students moving into tertiary education after Year 12 with an eye to gaining eligibility for Youth Allowance payments can organise themselves with a little pre-planning. Perhaps the simplest way for a student going on to tertiary education to become 'independent' for Youth Allowance purposes is to be able to declare earnings of about $17,000 in the eighteen month period after leaving school (see Centrelink, 2003, p. 9).

For many students, gaining the 'independence' tag will be a grind. It is believed that some post-school students defer their entry into university, or start their studies as a part-time student, in order to be able to earn the required amount to be declared 'independent.'

It is believed that some post-school students defer their entry into university, or start their studies as a part-time student, in order to be able to earn the required amount to be declared 'independent.'

Of course, a minority of students might be able to prove their 'independence' rather more easily than others. For example, a student from a family with its own business could 'work' for that business, doing real or imaginary paid work, and easily meet the income criterion. By being paid an average of about $218 a week for the 18 months after the end of Year 12, a student could attain independent status in the minimum time. Perhaps the work could be 'real' work, but it would also be possible for that family to pay their student children pocket money through the business's books at little additional cost above standard taxation and accountability requirements. For such a family, this would represent an excellent return on investment. By paying the student child $17,000 over 18 months (about $11,330 per year), that student, if living at home, would become eligible for Youth Allowance of about $5,500 per year, a return on investment of almost 50 per cent over a three-year course. For a student living away from home, the return on investment would be closer to 75 per cent.

Why Can't We Properly Assess the Adequacy of Youth Allowance?

Monash University's Centre for Population and Urban Research (CPUR) has sought and received Youth Allowance data from Centrelink on a number of occasions. However, the data which Centrelink have been willing to release have not been sufficiently detailed to permit analysis to the extent necessary for informed policy decisions to be taken. To undertake the necessary analysis to assess the effectiveness of the Youth Allowance scheme requires a distribution of the number of Youth Allowance recipients between school, TAFE and university, each of which must be broken down according to:

- the proportion of recipients receiving less than the full amount of the Youth Allowance, and some sort of breakdown of how many receive how many (few) dollars; and
- the number of students receiving Youth Allowance who were assessed as either dependent or independent;
- the age of Youth Allowance recipients;
- whether recipients were 'at home' or 'away from home'.

Anything less than this and the necessary analysis is not possible.

These days, it seems that independent analysts are often told that the detail of data they have requested would breach of privacy legislation. Sometimes this allegation seems to be a matter of convenience for an agency which does not want independent analysis.

The submissions to the Senate inquiry from the FaCS (as the department responsible for Centrelink) also failed to provide the depth of information which was required by members of the Senate inquiry. Quantitative data presented in its submission were too 'global' to permit any fine analysis by the Senate Committee, and much of the content of the forty-plus page submission is a reiteration of basic information from the Centrelink web site. Considering that FaCS has at its disposal ALL data relating to Youth Allowance applicants and recipients, it is difficult to understand why they didn't provide a submission with a little more meat. In its submission, FaCS provides several tables of statistics for the period 1999 to 2003, including the average number of persons receiving Youth Allowance (p. 7), the number of recipients by age (p. 10) and by home and away from home/ dependent and independent (p. 11). However, there was no breakdown of recipients as job seekers or students, nor of students according to education sector (FaCS, 2004). Cross tabulations of sector, age, home or away, dependent or independent were also needed. If FaCS found itself unable to undertake appropriate analysis, there were others who could have assisted them.

The paucity of information was confirmed in the Report:

> …the information required to highlight the deficiencies of the current system in a convincing way has not been made publicly available. The committee does not believe that the lack of information is a sound reason for government inaction. Anecdotal and empirical evidence on the state of student finances has been available for a number of years (Senate, 2005, p. 14).

Why isn't the Inadequacy of Student Support Discussed More Widely?

Based on anecdotal evidence, not to mention the shortfall against the poverty line, it is clear that the provisions made by the Government for student support are low. In spite of this, it has been difficult to get the topic of student poverty onto the national agenda.

Based on anecdotal evidence, not to mention the shortfall against the poverty line, it is clear that the provisions made by the Government for student support are low.

In her submission to the inquiry, Bessant suggested four main reasons which might explain this situation:

- first, the comparatively low social and political status of students gives them minimal political clout;
- second, students experiencing financial hardship do not have the *victim* status that is assigned to other youth issues;
- third, student poverty is not generally seen to constitute an immediate social threat that warrants a corrective policy response

in the same way that other youth issues such as substance abuse or juvenile crime do; and

- fourth, students are often referred to as a privileged group, a characterisation which works against students in terms of public sympathy (Bessant, 2003, paraphrased from Senate, 2005. p. 17)

In the report, the committee noted that "…while poorer students are the most deserving of Commonwealth financial support, the current system conspires against them. The committee is particularly concerned by evidence that the current system discourages young people from entering university at a time when the government is trying to maximise the skill level of the workforce" (Senate, 2005, p. 7).

It is clear that the Government does not see student income support as being an issue of concern. Therefore, is there any hope for impoverished students in the future?

In the report, the committee noted that "…while poorer students are the most deserving of Commonwealth financial support, the current system conspires against them.

Is There Evidence that Current Student Support Measures Fail to Meet Their Mark?

Partial analysis published in late 2003 shows that it is younger students that are losing out. The analysis was 'partial' because of Centrelink's refusal to provide disaggregated data, or to undertake the analysis themselves.

As summarised in the Report,

> …[those] studies have found that young people from lower middle and working class backgrounds are under-represented in the higher education system. The number of full-time students aged over 19 is growing much more rapidly than those aged 19 or younger. The figures show that very few students who move from school to university are eligible for Youth Allowance. By 2001, only 21 per cent of students aged younger than 19 who were studying full-time received Youth Allowance. Of these students, about a quarter did not receive the full rate because their family income was above the income threshold. Analysis of unpublished Centrelink data shows that the overall increase in the number of people in receipt of Youth Allowance since 1998 masks movements up and down the scale according to age. The outcome is a

> product of reduced access for young students and improved access for older students. In the case of young students (aged younger than 19) [the data] shows that the recipient rate has declined significantly from 33 per cent in 1998 to 21 per cent in 2001. On the other hand, recipient rates have generally increased for older students" (Senate, 2005, p. 24, citing Birrell et al., 2003).

Current levels of student income support provided to some via Youth Allowance are inadequate. As noted by Birrell et al. (1999),

> [T]he inadequacy of student support is at the heart of the equity issue…The existence of equity targets and the well-meaning rhetoric about promoting opportunity emanating from university equity officers means little if students do not have access to funds sufficient for their living expenses.

CONCLUSION: THE SENATE COMMITTEE'S RECOMMENDATIONS

The Senate committee's recommendations are all sensible, and many might be considered to be obvious. What is hard to understand is why Government Senators dissented against 8 of the 15 recommendations. Several of the recommendations dissented against relate to the provision of information which would better inform policy development for student income support. In particular, what could the reasons be for objections to:

- regular meetings of interested parties, including the Government (Recommendation 5);
- assessing the effects of changing the age of independence, parental income thresholds, tax-free thresholds for student earnings, increased payments ((Recommendation 8);
- the conduct of five-yearly surveys of students (Recommendation 12); and
- a revamped Youth Allowance scheme for students (Recommendation 13)?

Sufficient evidence was presented via submissions to the inquiry and evidence at the hearings to make it clear that all was not well with the Youth Allowance scheme. Why avoid attempts to improve the scheme?

At least the recommendation that data at a sufficient level of disaggregation was universally accepted (Recommendation 2), so it is to be hoped that obfuscation will become a thing of the past. The recommendation that an independent expert panel to review the performance and effectiveness of student support be established was accepted (Recommendation 1), and that there be annual assessment of performance against clear policy objectives (Recommendation 4).

Australia's higher education sector has been based around 'user pays' principles since the re-introduction of fees for domestic undergraduates in 1989. The HECS (Higher Education Contribution Scheme) and its replacement, HECS-Help, allow for the payment of fees to be deferred until entry to the work force. Unfortunately it is not possible to defer living expenses. Students, particularly those of modest financial means, find themselves in a poverty trap. It would seem that their plight will continue.

REFERENCES

Australian Bureau of Statistics (ABS) (2004). *Family Characteristics Australia.* Accessed on 8 October at: http://www.abs.gov.au/.

Australian Bureau of Statistics (ABS) (2005). *Consumer Price Index*, Australia Accessed on 8 October at: http://www.abs.gov.au/.

Australian Council of Social Services (ACOSS) (2004). *Submission to the Senate Inquiry into Student Income Support.* Accessed 3 October, 2005.

Bessant, Judith (2003). The problem of Poverty Amongst Tertiary Students: Why it is Missing from the Policy Agenda. *Melbourne Studies in Education*, 44(2): 79-85.

Birrell, Bob, Dobson, Ian R., Rapson, Virginia, Smith, T. Fred (2003). *Higher Education at the Crossroads.* Centre for Population and Urban Research. Melbourne, Australia: Monash University.

Birrell, Bob, Dobson, Ian R., Smith, T. Fred (1999). The New Youth Allowance and Access to Higher Education, *People and Place*,7(3).

Centrelink (2003). *Youth Allowance* (brochure, 24pp). Accessed 8 October 2005 at: http://www.centrelink.gov.au/internet/internet.nsf/filestores/st002_0311/$file/st002_0311en.pdf.

Centrelink (2005). *Youth Allowance Payments*. Accessed on 8 October 2005 at: http://www.centrelink.gov.au/internet/internet.nsf/payments/pay_how_yal.htm.

Department of Family and Community Services (FaCS) (2004). *Submission to the Senate Inquiry into Student Income Support.* Accessed 3 October, 2005 at: http://www.aph.gov.au/senate/committee/eet_ctte/studentincome04/submissions/sublist.htm.

Dobson, Ian R. (2004). Youth Allowance: More Please! *People and Place*, 12(3): 52-57.

Long, Michael and Hayden, Martin (2001). *Paying their way: A survey of Australian undergraduate university student finances, 2000.* Canberra, Australia: AVCC.

Melbourne Institute (2005). Poverty lines: Australia. *March Quarter 2005.* (ISSN 1448-0530). Accessed 8 October at: http://www.melbourneinstitute.com/miesi/poverty.html.

The Senate Employment, Workplace Relations and Education References Committee (2005). *Student income support.* Commonwealth of Australia. ISBN 0 642 71533 5.

Usher, Alex and Cervenan, Amy (2005). *Global Higher Education Rankings: affordability and accessibility in comparative perspective, 2005.* Toronto, Canada: Educational Policy Institute.

APPENDIX A:

Recommendations of the Senate Education, Workplace Relations and Education References Committee

Recommendation 1. The committee recommends that the Government commission an independent expert panel to review the performance and effectiveness of the student income support system. Such a review should include public consultation and any reports and findings should be tabled in the Parliament. The committee recommends that the panel include a nominee from each of the key stakeholder groups.

Recommendation 2. The committee recommends that the Department of Education, Science and Training and Centrelink coordinate the collection of data on income support measures and that disaggregated data on student income support payments be made publicly available.

Recommendation 3. The committee recommends that the Department of Education, Science and Training include in its exit survey of students a question about the level of income support and whether it was a factor in students withdrawing from university.

Recommendation 4. The committee recommends that the Department of Education, Science and Training develop clear policy objectives and performance indicators for the student income support system, and that Youth Allowance, Austudy and ABSTUDY be assessed against these annually. The committee recommends that the results of these assessments be reported in the Department's annual report on Higher Education.

Recommendation 5. The committee recommends that a National Partnerships Group, consisting of representatives from Centrelink, the Student Financial Advisers Network and other relevant groups, be reconstituted and meet on a regular basis to discuss changes and difficulties associated with student financial assistance and to make recommendations to the relevant ministers. *Government senators do not agree with this recommendation.*

Recommendation 6. The committee recommends that the Auditor-General be requested to conduct an audit of Centrelink's delivery of financial assistance to students, paying particular attention to service delivery issues. *Government senators do not agree with this recommendation.*

Recommendation 7. The committee recommends that the Department of Education, Science and Training undertake an analysis of the costs and benefits associated with reversing the Government's changes to the Away From Base Component of ABSTUDY in 1997 and 2000. *Government senators do not agree with this recommendation.*

Recommendation 8. The committee recommends that the Department of Education, Science and Training undertake an analysis of the costs and benefits associated with:

- reducing the age of independence from 25 to each of 24, 23, 22, 21 and18 years;
- increasing the parental income test threshold to a level that reasonably equates with annual average earnings;
- increasing the tax-free threshold for students; and
- increasing Youth Allowance, Austudy and ABSTUDY payments to the level of the age pension.

Government senators do not agree with this recommendation.

Recommendation 9. The committee recommends that Rent Assistance be made available for all recipients of Austudy, but not before a costing is undertaken by the Department of Education, Science and Training. The committee recommends that the costing be completed before the end of 2005 and reported to the Parliament.

Recommendation 10. The committee recommends that the Department of Education, Science and Training undertake an analysis of the costs and benefits associated with making the method of indexation for student income support payments consistent with the indexation of the pension.

Recommendation 11. The committee recommends that the Department of Education, Science and Training undertake an analysis of the costs and benefits associated with exempting university funded scholarships and scholarships funded by benefactors and philanthropists from the social security personal income test.

Recommendation 12. The committee recommends that the Government, in consultation with the Australian Vice-Chancellors' Committee and student organisations, undertake regular five-year surveys of student finances and work patterns as per the AVCC's *Paying Their Way* report (2001). These surveys must include a review of all ancillary fees. *Government senators do not agree with this recommendation.*

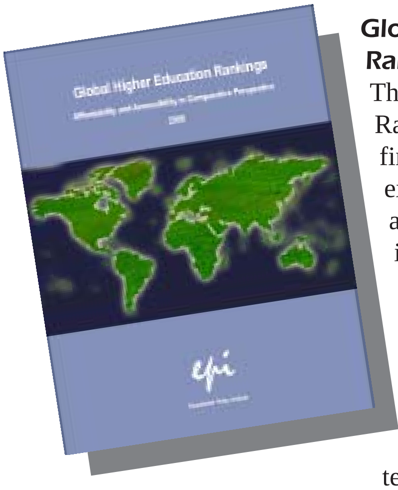
Recommendation 13. The committee recommends that the Department of Education, Science and Training undertake an analysis of the costs and benefits associated with a comprehensive student income support payment which is separate from the existing Youth Allowance and which provides financial assistance to students for the duration of their course. *Government senators do not agree with this recommendation.*

Recommendation 14. The committee recommends that the Department of Education, Science and Training examine a new income contingent loan scheme to replace the Student Financial Supplement Scheme. *Government senators do not agree with this recommendation.*

The Democrats acknowledge the benefits provided to students through the Student Financial Supplement Scheme, but believe it is not an appropriate model for further consideration.

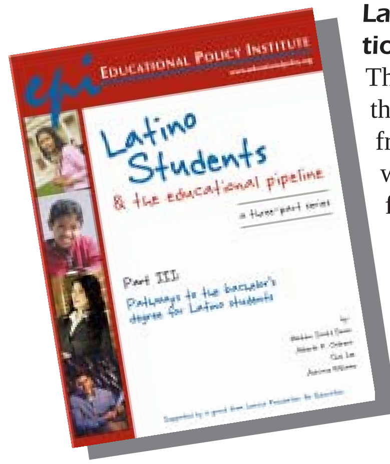
Recommendation 15. The committee recommends that the Department of Education, Science and Training undertake an analysis of the costs and benefits associated with restoring the Educational Textbook Subsidy Scheme. *Government senators do not agree with this recommendation.*

Recent Publications from the Educational Policy Institute



Global Higher Education Rankings 2005

The Global Higher Education Rankings 2005 represents the first systematic and rigorous exploration of the affordability and accessibility of higher education within an international comparative context. The rankings gather available, comparable data on student costs, resources, and opportunities in terms of higher education.



Latino Youth & the Educational Pipeline

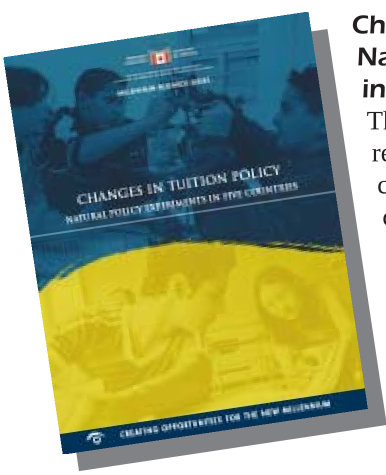
This report series documents the progress of Latino students from eighth grade to the workforce. EPI analyzed data from the National Educational Longitudinal Study (NELS), which first surveyed eighth-grade students in 1988 with followup surveys in 1990, 1992, 1994, and a final followup survey in 2000.

Value Added: The Costs and Benefits of College Preparatory Programs

This report considers issues related to the complex proposition that the cost of early intervention program delivery is directly and positively tied to the ability of programs to successfully enable students to get into college.

The Affordability of University Education

This report looks at the relative affordability of public university education in the United States and Canada, comparing all 50 US states and 10 Canadian provinces on postsecondary access, student financial aid, tuition and fee charges, and overall net cost of attendance for the years 1999-01.



Changes in Tuition Policies: Natural Policy Experiments in Five Countries

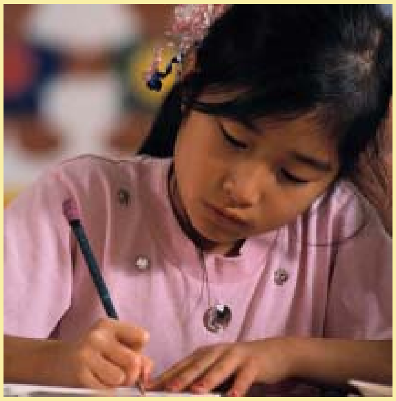
This international study reviews tuition and fee policy changes and strategies in 5 countries and 9 jurisdictions. Funded by the Canada Millennium Scholarship Foundation, this review provides insight into the impact of tuition policies on enrolment.

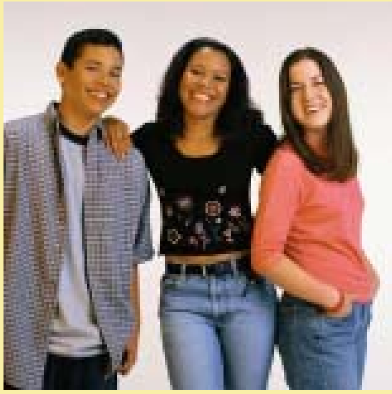
EPICenter/EPICentre

EPIcenter is a quarterly report by EPI which provides information on recent research conducted by EPI. A US/international version is distributed out of the DC office, while a Canadian *EPICentre* is distributed out of the Toronto office.

www.educationalpolicy.org

"Improving Educational Policy & Practice Through Research"



www.educationalpolicy.org