



# Submission

to the

## **Australian Universities Accord Interim Report**

from the

**Federal Council**

of the

**Isolated Children's Parents' Association of Australia Inc.**

**ICPA (Aust)**

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The Isolated Children's Parents' Association of Australia (ICPA Aust) welcomes the opportunity to contribute to the Australian Universities Accord Interim Report, highlighting the key issues and challenges rural and remote students face when accessing tertiary and training education and responding to the recommendations and priority areas from the Interim Report.

Engaging in tertiary education at an institution of their choice, should be an option for all young Australian students who have the ability, ambition, motivation and desire to fulfil their goals regardless of their socio-economic status or geographic location. Currently the aspirations of rural and remote young people are being driven and dictated by their ability to access financial support to assist with relocation and living costs while they study. ICPA (Aust) seeks to ensure that students from rural and remote areas have access to tertiary education options which will enable them to pursue the career path of their choice.

ICPA (Aust) acknowledges and appreciates the initiatives and changes that have been introduced in recent years to assist and increase participation in higher education which have had a very positive impact on rural and remote students. However, ICPA (Aust) believes that the following issues must be addressed for rural and remote students to ensure equity of access to a tertiary education, improve the educational outcomes and the participation and completion rates and these students have access to a high-quality tertiary education commensurate to their needs and aspirations.

ICPA (Aust) includes higher education students and training students including apprentices when referring to 'tertiary' students in this submission.

#### **PRIORITY ACTION 1**

Extend visible, local access to tertiary education by creating further Regional University Centres (RUCs) and establish a similar concept for suburban/metropolitan.

### **REGIONAL UNIVERSITY CENTRES (RUC)**

#### **RECOMMENDATION**

- 1. Regional University Centres continue to be available for rural and remote students as an option for access to tertiary education.**
- 2. Online learning continues to remain an option for rural and remote students and internet services are reliable, effective and efficient to support this mode of delivery.**

The opportunity to partake in face-to-face campus, social, sporting, cultural and academic life is seen by many students as a vital component of tertiary studies. Contact with both academics and peers is a critical element of relationship building, gaining communication skills and personal development.

ICPA (Aust) has welcomed the implementation and supports the expansion of the Regional University Centres and the provision of greater access to study support and infrastructure to higher education in rural and remote Australia for students who choose not to relocate to access tertiary education. The provision of campus-like facilities and support including study spaces, break out areas, video conferencing, adequate internet access, administrative and academic support and pastoral care as an option has allowed students to remain in their local community and study online a tertiary or VET course of their choice. The benefits for rural and remote students utilising RUCs include affordability, choice, ease of access, peer and supervisor support and the ability to better balance work and family demands due to flexibility in course delivery options.

However, it must be remembered that most students who live in rural and remote areas would still be required to relocate considerable distances even if they chose to study at a RUC or regional university and bear the associated high costs.



#### **PRIORITY ACTION 4**

Provide funding certainty, through the extension of the Higher Education Continuity Guarantee into 2024 and 2025, to minimise the risk of unnecessary structural adjustment to the sector. Interim funding arrangements must prioritise the delivery of supports for equity students to accelerate reform towards a high equity, high participation system.

The proposed increased support, 'improved academic advice and learning support, wraparound support and services (such as mental health services), scholarships or other equity related services' would benefit rural and remote students.

#### **RURAL AND REGIONAL ENTERPRISE SCHOLARSHIPS (RRES) PROGRAM**

**RECOMMENDATION: The continuation of these scholarships or similar program to improve access to educational opportunities for rural and remote students.**

ICPA (Aust) was very grateful for the RRES program that supported undergraduate, postgraduate and higher-level vocational education and training students in rural and remote areas with the financial costs of undertaking their chosen course at a university or vocational education and training institution. ICPA members have requested the RRES program be reinstated or the implementation of a similar program to continue this invaluable support.

#### **CONSIDERATION FOR CHANGE**

Creating specific higher education participation targets for students from under-represented backgrounds and equity groups to achieve parity by 2035. These groups will include students from low socio-economic, regional, rural and remote backgrounds, and students with disability.

#### **UNDER-REPRESENTATION OF RURAL AND REMOTE STUDENTS**

The recognition that rural and remote students are under-represented, have lower participation and completion rates compared to their metropolitan counterparts and the targets of increasing the participation and completion rates of this cohort are welcomed by ICPA (Aust). Tertiary students and their families from geographically isolated locations face unique disadvantages including costs of relocation, tuition and living expenses, socio-economic status, distance from tertiary education institutions and preparedness.

#### **POTENTIAL FOR CHANGE**

Reducing barriers and increasing access to financial support:

- changing income support payment arrangements, including eligibility tests around independence, part-time study and unpaid work placements.
- exploring the advantages and disadvantages of ICLs to help students meet living expenses.
- reforming the Higher Education Loan Program to ensure students do not experience long-term financial burden.
- reducing the cost of living barriers to higher education through improved income support measures and more opportunities for part-time study.



- revising student contribution amounts and HELP repayment arrangements to ensure students are not being overly burdened with debt and that repayment arrangements are fair and integrate more effectively with the wider tax and social security system.
- improving WIL (Work Integrated Learning) and placements by providing participating students with better incentives and financial support.

## FINANCIAL ASSISTANCE

The high cost of accessing a higher education and the lack of adequate financial means to fund the access has the greatest impact on rural and remote student's ability to attend further education. These students frequently must relocate from their homes and their families in order to access most tertiary or training institutions and the substantial upfront costs are often beyond the financial means of students and their families.

High up-front costs of relocating (bond, travel to place of study) along with on-going costs (rent, bond, electricity, phone, internet and fuel) which are currently amplified by the recent rising inflation and basic living commodities away from home, all impact on rural and remote student access.

The following recommendations would ease these financial pressures:

### TERTIARY ACCESS PAYMENT (TAP)

**RECOMMENDATION: Enhancements to the TAP to ensure it meets the needs of rural and remote students who need to relocate to access tertiary study.**

ICPA (Aust) is appreciative of the TAP and welcomed the criteria changes which commenced in 2022 including the extension of eligibility criteria to include eligible inner regional students and Services Australia administering TAP for all applicants.

ICPA (Aust) continues to advocate for the alignment of the TAP with the Relocation Scholarship payments, which would benefit Youth Allowance students qualifying as an independent as well as students who are not eligible for Youth Allowance at all.

ICPA (Aust) recommends that the provision of this allowance should:

- be an annual payment for the duration of the student's full-time course
- be available to all rural and remote students including those who have taken a gap year
- be equivalent to the Relocation Scholarship (2023 - \$5,080 in the first year, \$2,541 in the second and third years and \$1,269 in the fourth or subsequent years)
- not be classed as income and hence not jeopardise the student's eligibility for existing support payments such as Youth Allowance
- be a non-means tested allowance.

These would address the continued disparity in the level of financial support provided to assist with relocation costs for rural and remote students who have qualified for independent Youth Allowance or are ineligible for Youth Allowance compared to dependent Youth Allowance recipients.

### RELOCATION SCHOLARSHIPS

**RECOMMENDATION: The criteria for the Relocation Scholarship be extended for all those rural and remote students who must relocate and live away from home to access a tertiary education and not be contingent on the receipt of dependent Youth Allowance.**



The introduction of the Relocation Scholarship was an acknowledgement by the Federal Government that students who need to relocate to larger centres to access higher education face much higher costs than those who can reside in the family home. However, currently the Relocation Scholarship is only available for recipients of dependent Youth Allowance. Rural and remote students who receive independent Youth Allowance or are not eligible for Youth Allowance at all, still incur high costs to relocate. The high up-front costs associated with relocation are identical to those eligible for dependent Youth Allowance. Many of these costs are borne not only in the first year of a student's course but are recurrent over the duration of tertiary education.

While ICPA (Aust) acknowledge the TAP has been implemented to assist with relocation costs, it is important to note that it only assists rural and remote students with relocation costs in their first year of tertiary study and only for those students who embark on study immediately after completing year 12.

Extending the Relocation Scholarship to all rural and remote students who must relocate the family home to access higher education, along with aligning the TAP with the Relocation Scholarship would support all rural and remote students with the significant relocation costs over the duration of their tertiary education.

Students also need easier access to clearer information about financial assistance, including income support and scholarships.

## YOUTH ALLOWANCE FOR TERTIARY STUDENTS

**RECOMMENDATION: Support payments and adjunct payments must be appropriate and commensurate with the costs incurred by rural and remote students who have to live away from the family home to access a tertiary education.**

Changes to the criteria of Youth Allowance would enable a larger number of geographically isolated students the option to take up tertiary studies the year after finishing school and reduce the risk of them not returning to study after deferring.

Students who must relocate from rural and remote areas to larger centres to access tertiary education must have a predictable, straightforward pathway to financial assistance. Qualifying criteria for Youth Allowance should recognise that for these students, there are significant limitations on their ability to work due to study load. Semester breaks and returning home do not always allow for sufficient employment opportunities due to relatively short working periods provided by semester breaks, isolation and small towns often presenting few work opportunities.

## INDEPENDENT YOUTH ALLOWANCE ELIGIBILITY CRITERIA

**RECOMMENDATION: That changes be made to the Youth Allowance qualifying criteria for rural and remote students who must relocate to study so that, on course commencement, they are considered independent for Youth Allowance purposes (where students are ineligible for dependent Youth Allowance).**

Students from rural and remote Australia who must relocate to access a tertiary education, are independent of their families by virtue of the fact that they must live away from the family home and therefore should be considered for eligibility for Youth Allowance as an independent. Many students who are ineligible for dependent Youth Allowance cannot defer their chosen course until they can qualify for independent Youth Allowance as some courses do not allow deferral. Academically, some students are also better suited to maintaining continuity of academic application and moving directly from secondary school to tertiary study and they should not be denied this opportunity because of financial constraints.



The implementation of the ***'National Regional, Rural and Remote Education Strategy - Final Report's Recommendation two: Improve access to financial support, to support greater fairness and more equal opportunity by allowing greater flexibility in pathways to qualify for independent Youth Allowance'*** would see important measures introduced that assist in greater access to Youth Allowance for rural and remote tertiary students.

The actions include:

- A Review of the current Government income support policies and arrangements for students that relocate from the family home to access further study or training and improvement of income support information.
- The provision of greater flexibility in pathways to qualify for independent Youth Allowance - Rural and remote students who successfully undertake their first year of study externally including at a Regional University Centre can access independent Youth Allowance/ABSTUDY if they relocate to continue their study in the second year.
- The reduction of earning requirements under the Concessional Workforce test for independent Youth Allowance and review of the changes to the parental means test.

High living costs are a significant deterrent and the cohort of geographically isolated students ineligible for dependent Youth Allowance are severely disadvantaged and must be able to access income support in their own right once they have enrolled in their tertiary course.

## DEPENDENT YOUTH ALLOWANCE PARENTAL INCOME LIMIT

**RECOMMENDATION: The current parental income limit for dependent Youth Allowance be significantly increased to be more reflective of the actual cost of supporting a dependent student at a tertiary level.**

While ICPA (Aust) welcomed changes to dependent Youth Allowance eligibility criteria (removal of the Family Assets Test and the Family Actual Means Test and the changes to the Family Pool), the current combined parental income limit (2023 - \$58,108 to receive the full Youth Allowance payment if only one child in the family pool) is extremely low. The cost of relocation and the ongoing costs for supporting a tertiary student for the duration of their tertiary course is beyond the means of many rural and remote families, particularly if they are also supporting other full-time student family members either at boarding school or studying at a tertiary level.

## INDEPENDENT YOUTH ALLOWANCE PARENTAL INCOME LIMIT

**RECOMMENDATION: The Parental Income Test be removed from the eligibility criteria for rural and remote students qualifying for Youth Allowance as an independent under the workforce participation criteria.**

ICPA (Aust) has welcomed the increase to the parental income cut-off limit from \$150,000 to \$160,000, the family pool arrangements of \$10,000 for each additional dependent child in the family, along with the option to select one of three financial years to use to calculate parental income for those rural and remote students who are applying for independent Youth Allowance under the part-time work or earnings criteria.

When students apply for Youth Allowance as an independent, parental income is still assessed despite these students having proven their independence by working for 14 months and earning the required amount. Assessing parental income does not recognise that the student has proved their independence from their parents, nor that some families are also paying for the access to education of other siblings at school or tertiary level.



## LIQUID ASSETS WAITING PERIOD

**RECOMMENDATION:** The Liquid Assets Waiting Period be removed for rural and remote students who have fulfilled the self-supporting criteria for Youth Allowance as an independent and who must relocate from the family home to access tertiary education.

Rural and remote students who have proven their independence through part-time work or earnings and have been assessed as eligible for Youth Allowance as an independent, require saved income to fund the relocation and ongoing costs of living and attending university. The liquid assets limit is unrealistic for these students. In order to commence Youth Allowance without fulfilling the liquid assets waiting period, prospective single students can only have \$5,500 in their bank account. This is an impractical amount to cover their relocation, living and educational expenses. If they qualify for independent Youth Allowance, they also receive no assistance to relocate. These students are penalised for having saved these funds when the Liquid Assets Waiting Period is applied. This is significantly impacting on rural and remote student ability to meet these high up-front set up relocation costs and ongoing living costs.

## RENT ASSISTANCE

**RECOMMENDATION:** Rent Assistance be substantially increased for rural and remote students receiving Youth Allowance to more closely reflect the real cost of living for this cohort and the actual rental market.

The rental market is extremely competitive and accommodation costs are rising exponentially. Rent Assistance has not kept pace with the increases in rental costs and does not reflect the real living costs for students who must live away from home to access a tertiary education. Students from these areas experience differing circumstances to many students residing in urban areas where living in the family home can be an option. While ICPA (Aust) is appreciative of the Rent Assistance rise in the 2023-2024 Federal Budget, further assistance is required to combat the rise in cost of living. Rural and remote students should be recognised as a separate disadvantage group for rental assistance. Affordable rent is paramount to these students' retention and success at tertiary level and ongoing financial support is critical.

## COURSE PRACTICUMS

**RECOMMENDATION:** Additional assistance to supplement student travel costs and accommodation to attend course practicums.

Students attending course practicums out in the field often experience significant financial hardship, especially when undertaken in different locations to where they reside for university. Practicums often occur over extended periods and students may have to give up part-time jobs to participate, continue to pay their regular rent on accommodation, combined with paying practicum location accommodation, living and travel costs while away on practicum.

Adequate academic and emotional support are also essential to ensure that students have quality experiences when undertaking practicums, especially when completed in locations where they do not have family and other support. Doing so may incentivise rural and remote students, *and* more urban based students to undertake practicums in rural and remote communities, which potentially may see more skilled students returning or moving to these communities once they complete their degree and improving recruitment and retention.





## REPAYMENT OF HELP DEBT

**RECOMMENDATION:** The expansion of HELP debt incentives to include all health and teaching professionals in rural, remote and very remote areas.

The current schemes which reduce the HELP debt for doctors and nurse practitioners who work in rural, remote and very remote areas and teachers who work in very remote areas should be extended to include all health professionals living and working in these areas, including those who work with students with specific education needs e.g. speech pathologists, psychologists and physiotherapists. Further, the very remote teacher incentive should be expanded to include teachers in remote and rural locations to address teacher retention in these settings which face similar challenging conditions as very remote areas.

Reductions, or waivers of indexation would benefit rural and remote communities with addressing recruitment and retention of more occupations in these areas. This would encourage more health and teaching professionals to work in rural and remote communities, encourage young people to return to the area they grew up in and take up employment and generally improve the health services offered in outback communities all over Australia.

### **POTENTIAL PROPOSALS - Supporting aspiration and potential:**

Improving the availability of accurate, appropriate and timely careers advice and improving familiarity with higher education.

## TRANSITIONING TO TERTIARY EDUCATION

**RECOMMENDATION:** Information on tertiary courses, admission requirements and processes must be readily available, accessible and comprehensive.

Access to information and support for post-secondary career pathways is critical for all young Australians regardless of geographic location. Rural and remote students should be equipped to make informed decisions about course availability and delivery options, entry requirements, application processes, course costs, accommodation options, campus facilities and financial assistance. Unfortunately this support is often not readily available and difficult to access due to the remoteness, which can be detrimental to reaching future aspirations.

Information and support should be delivered via multiple modes including phone, online and face-to-face and through school teachers and/or career advisers. Many rural and remote students cannot attend open days in person and poor internet capacity for some can limit their options for virtual tours and web conferencing to gain course information or assistance with applications.

It is important that for students at boarding school, parents/guardians are included in information provided to their child to ensure they are able to support and facilitate understanding even though they are not physically interacting with their children on a daily basis.

A national approach to managing applications across borders would simplify students' applications to their chosen tertiary institution, especially if applying interstate. Many rural and remote students do not necessarily study at an institution in their home state/territory. For states and territories such as Tasmania and Northern Territory that do not offer certain courses, for example Veterinary Science, students would benefit from a national approach.

ICPA (Aust) is appreciative of the [www.courseseecker.edu.au](http://www.courseseecker.edu.au) website devised for tertiary information. It could be a basis for a single online careers pathway information platform and provide a comparison website with information including providers, job availability, prerequisites, costs and government





support. It could also house tools to assist with career pathway decision-making and identification of individual career options tailored to interests and abilities. It is important that all career pathways are encouraged as acceptable and valued career paths.

#### **CONSIDERATIONS FOR CHANGE**

To ensure Australia's skills and workforce needs can be met now and into the future, and to safeguard our national prosperity, the Review will continue to give consideration to the following policy areas:

- improving the integration of higher education and VET
- improving skills pathways by creating qualifications that are more modular, stackable and transferable between institutions and institution types
- improving the RPL and relevant work experience through a national skills passport or similar mechanism
- driving greater alignment and enhancing coordination and collaboration between the higher education and VET systems
- increasing student mobility and pathways across sectors through cultural and institutional arrangements, enabling consistency in RPL and credit recognition and greater levels of course co-design with RPL built in
- extending eligibility for CSPs to other institutions, notably TAFEs
- developing better models of RPL and experience as part of training pathways, including establishing competency-based standards to accelerate skills development

Providing better access to, and support for, students undertaking WIL and placements:

- co-designing a framework to guide WIL and placement experience with higher education institutions, VET, industry, employers, professional accreditation bodies and governments
- exploring pre-vocational 'cadetship' roles in key industries and models and pathways which support 'earning while learning' models in key industry sectors, such as advanced apprenticeships.

#### **VOCATIONAL EDUCATION AND TRAINING (VET) STUDENTS AND APPRENTICES**

Engaging in the Vocational Education and Training (VET) sector should be an option for all young Australians who have the ability and desire to succeed in an apprenticeship or training vocation, regardless of their socio-economic status or geographic location.

ICPA (Aust) supports the Accord Interim Report's considerations for VET in the future. It is the continued barriers to accessing VET in all its forms that remains a concern for our members. We welcome an improved system for rural and remote students.

#### **RECOMMENDATIONS:**

- **Urgent consideration be given for an increase in the Living Away From Home Allowance (LAFHA) for Australian Apprentices from rural and remote areas to reflect their actual cost of living expenses**
- **Financial assistance with relocation for short-term mandatory skills assessments, practicums and work placements within approved courses**
- **Strategically placed regional hubs for online learning/support to counteract issues with online access in many rural and remote areas**
- **Access to the Relocation Scholarship for VET students studying approved courses**
- **Financial assistance incentives to attract suitable, qualified staff to rural and remote areas enabling students to engage with educators with skills relevant to courses studied.**



Current reports and surveys reinforce ICPA (Aust) members' concerns around financially sustainable access to post school education opportunities at all levels.

This parallels to the *2023 Vocational education and training in regional, rural and remote Australia report by Jobs and Skills Australia*, which states that; Proximity of education services can have impacts on education and labour force outcomes.<sup>1</sup> For those seeking post-school opportunities, lack of that proximity may necessitate moving to do further study or undertake an apprenticeship, thus affecting Australians in regional, rural and remote Australia differently from those living in the major cities.<sup>2</sup>

The challenges faced by rural and remote Australian Apprentices, TAFE, or other training students is in affording to undertake and sustain the relocation required or in obtaining financial supports to do so. Similar to university students, VET students and apprentices encounter obstacles in qualifying for Youth Allowance and receiving assistance for relocation, yet due to the restrictive criteria they are ineligible for TAP.

### LIVING AWAY FROM HOME ALLOWANCE

ICPA (Aust) appreciates that Australian Apprentices who are not eligible for dependent Youth Allowance can receive help with rental expenses through the Commonwealth Living Away from Home Allowance (LAFHA). This is particularly crucial since most apprentices do not meet the dependent Youth Allowance criteria due to their income exceeding the threshold.

However the LAFHA does not adequately reflect the real living costs for apprentices, especially in the first and second years when the Award Wage is very low. The allowances provided are not annually increased or adjusted in accordance with the Consumer Price Index (CPI), resulting in a substantial gap between the allowance and actual expenses for rural and remote apprentices living away from home. This disparity affects their participation and completion rates.

### TRADE SUPPORT LOANS

Trade Support Loans are not a feasible solution for many apprentices, given their reluctance to accumulate significant debt without the means to repay it. Youth Allowance is accessible for full-time courses, provided all eligibility criteria are met. However even if apprentices qualify for dependent Youth Allowance, they cannot access the Relocation Scholarship.

Students pursuing VET courses through institutions like TAFE, face similar financial barriers. Although the VET Student Loan helps with upfront course costs, it does not cover living expenses or accessing course delivery points. Rural and remote students may need to relocate for training, which incurs accommodation and travel costs. Unfortunately, they cannot access the Relocation Scholarship currently available to university students.

### ACCESS COSTS

Further for Australian Apprentices and trainees based in rural and remote areas, pursuing training blocks, placements, and skills assessments is challenging due to low income and the inability to cover accommodation, travel, living costs, and tuition. Training institutions are often far from workplaces, resulting in significant travel and accommodation expenses that are difficult to cover without external support. These access costs discourage rural and remote students from participating in the VET system as

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<sup>1</sup> Lamb and Glover (2014) 'Educational disadvantage and regional and rural schools

<sup>2</sup> K. Hillman and S. Rothman (2007) 'Movement of non-metropolitan youth towards the cities'.



readily as their urban counterparts who can live at home while attending local training institutions, incurring lower living expenses.

In summary, the financial burdens on rural and remote students who must relocate to access VET or apprenticeships, hinder their education and training prospects. This impacts their ability to sustain and complete post school education and certification that enables them to contribute to their communities effectively in the long term.

## CONCLUSION

ICPA (Aust) is pleased to have the opportunity to respond to the Australian Universities Accord Interim Report and look forward to the release of the Final Report later in 2023 and the positive outcomes for rural and remote students when accessing a tertiary or training education to ensure they have equitable access to an education that is affordable and accessible.

ICPA (Aust)'s recommendations will enable rural and remote tertiary and training students who have disproportionately lower participation rates when compared to metropolitan students, to have the financial assistance, support and services that will ensure equity of access to a tertiary or training pathway.

ICPA (Aust) is more than happy to provide additional information on any of the topics that have been raised.