

Secretariat
Review of Australian Higher Education
Location 023
GPO Box 9880
Canberra ACT 2601

Monday, 4 August 2008

To the Secretariat,

**Submission to the *Department of Education, Employment and Workplace Relations* for the
Review of Australian Higher Education**

The *Drummond Street Relationship Centre* welcomes the opportunity to contribute to the Review of Australian Higher Education and commends the Government for assessing the capacity of the higher education sector to meet the current and future needs of the Australian community.

Drummond Street Relationship Centre

The *Drummond Street Relationship Centre (DSRC)* has a remarkable 120 year history as a one of the longest serving, and most responsive and influential welfare organisations in Victoria. The DSRC was originally known as the Citizens' Welfare Service and is still passionate about its mission; 'building better relationships'. The DSRC is proud to be one of the leading providers of Family and Relationship Programs in Victoria, and associated training and education services, with primary funding received from the *Commonwealth Department of Family and Community Services and Indigenous Affairs Family Relationship Services Program*.

The DSRC has a demonstrated commitment and experience of servicing the culturally and linguistically diverse community and in particular the needs and issues of humanitarian and refugee entrants to Australia. In 2006 the DSRC launched its satellite service, *The Drum African Family Centre* which offers counselling, community education and community development programs for families who are newly arrived.

Response to Section 3.2, 'Opportunities to participate in higher education' (Question 8)

The DSRC is particularly interested in the discussion topic, 'Opportunities to participate in higher education' and more specifically the discussion question, '*Should there be a national approach to improving Indigenous and low SES participation and success in higher education?*'. DSRC recognises that improving higher education access and participation for students from low socio-economic backgrounds and disadvantaged groups is fundamental to achieving a more socially inclusive Australia.

Barriers to higher education has been identified as a key area of concern by the New Zealand African Reference Group that has formed in Melbourne to investigate and address issues facing African refugees who have migrated to Australia on a New Zealand passport.

Over the past decade, reforms to higher education, social security, family assistance and immigration policy have dismantled key entitlements for New Zealand citizens living in Australia. With New Zealand now the second highest source country of migrants to Australia, government policy at a Federal and State level has been tightened to minimise the potential economic burden of New Zealand migrants on the state. However, the long term social and economic cost of these policy changes demand attention; for example, the impact on New Zealand Humanitarian Entrants (NZHE) who have migrated to Australia is of particular concern. Limiting the life opportunities available to NZHE in Australia places them at a higher risk of unemployment, poverty, family breakdown, crime and poor health, and entrenches socioeconomic disadvantage among refugee communities in Australia.

Higher Education and New Zealand Humanitarian Entrants

The current policy that applies to New Zealand students under the Higher Education Contribution Scheme (HECS) creates barriers to higher education for NZHE living in Australia. New Zealand citizens are eligible for a Commonwealth supported place at an Australian tertiary institution; however a full upfront payment of the student contribution amount is required. Unlike domestic students, New Zealand citizens studying in Australia do not have the option to defer their student contribution fee. Of particular concern is the disproportionate impact this policy has on NZHE who have migrated to Australia. Irrespective of academic achievement during pre-tertiary studies, prospective students from this group face significant barriers to further education and training.

The option to defer payment of HECS was a policy decision designed to ensure that all Australian students have the opportunity to undertake tertiary studies, regardless of socio-economic status. Yet living within the Australian community is a particularly vulnerable group of young people who are being denied access to further education with little regard to their circumstances.

New Zealand refugees migrating to Australia experience the same barriers to successful settlement that have been reported among Australia's newly arrived refugee communities (such as difficulty accessing affordable and appropriate housing, difficulty securing gainful employment, language and communication barriers, high debt, high rates of ill health, discrimination and a lack of knowledge of Australian systems and customs). Unlike their Australian counterparts however, refugees migrating from New Zealand do not have access to income support, public housing, job-seeker training and education program support, and major English language programs.

Reasons for migrating to Australia despite such difficult social conditions reflect a range of personal, familial and social issues, but broadly relate to two key factors – the desire to reunite with family and people from their home country, and perceptions of enhanced economic opportunity in Australia.

Recommendations for improved access to higher education for NZHE

As it was acknowledged in the Discussion Paper, the option to defer payment of the student contribution amount effectively removes the upfront financial barrier to participation in higher education. In the interests of ensuring equitable access to university and the opportunities tertiary education can provide, it is recommended in general terms that:

- NZHE living in Australia be made exempt from the provisions of the Higher Education Support Act (HESA) 2003 that require compulsory upfront payment of HECS;
- The Social Security Agreement between Australia and New Zealand be reviewed to allow eligible students to access income support while studying at an Australian institution.

Exemption conditions under the *Higher Education Support Act (HESA) 2003* could apply to all NZHE living in Australia, or target a certain cohort within the NZHE population:

Option 1

All NZHE living in Australia and awarded a Commonwealth supported place be made exempt from provisions of the *HESA 2003* that require upfront HECS payments. In relation to higher education policy, NZHE are awarded the same entitlements and conditions as domestic students in Australia.

Implementation of this policy would provide equitable access to all NZHE who are offered a place at a higher education institution in Australia, regardless of age or length of time in Australia. A potential weakness of this option is that it may trigger a spike in applications to Australian institutions by NZHE who completed secondary education in New Zealand and move independently to Australia to complete their studies. Although this risk is unlikely to include large numbers of students, it is a trend that would need to be monitored to minimise the impact on domestic students.

Option 2

NZHE be made exempt from provisions of the *HESA 2003* that require upfront HECS payments in the following circumstances:

- The student applicant has been awarded a Commonwealth supported place; and
- Satisfies independent income means testing requirements; and
- Will be resident in Australia for the duration of the unit.

This option reflects a tightening of eligibility for exemption and is designed to provide greater access to NZHE on a low-income. It is predicted that the impact of this condition of eligibility would be negligible given the economic status of the target population. Anecdotal evidence gleaned during recent community forums indicates that the rate of financial hardship is particularly high among NZHE families resident in Australia.

Option 3

NZHE be made exempt from provisions of the *HESA 2003* that require upfront HECS payments in the following circumstances:

- The student applicant has been awarded a Commonwealth supported place; and
- Has qualified for tertiary entrance through completion of pre-tertiary studies at an Australian education institution; and
- Satisfies independent income means testing requirements; and
- Will commence tertiary studies in the year following successful completion of year 12; and
- Will be resident in Australia for the duration of the unit.

As the most stringent of the three options presented, this policy recommendation acknowledges the particular circumstances of NZHE school leavers in Australia. Implementation of this policy would prevent NZHE applying from New Zealand and attending an Australian institution upon completion of their secondary schooling. It would also exclude NZHE who are applying as a mature age student.

Investing in Australia's future

The DSRC acknowledge that the risks associated with HECS repayment from New Zealand citizens may be greater than for domestic students. Moreover, an exemption under the *HESA 2003* for NZHE will give rise to increased HECS expenditure. However the costs of increasing access to higher education must be assessed against the social and economic gains associated with improved education pathways. Ensuring young people in Australia, regardless of their visa status, have access to education is essential to

breaking patterns of intergenerational poverty and generating a higher standard of living among disadvantaged communities. Education promotes social participation and economic growth. The link between education, levels of workforce participation and increased prosperity was clearly acknowledged by the Hon. Julia Gillard MP during her announcement of the Review. Undertaking further education is recognised as one of the most significant factors in promoting economic security on an individual and societal level¹.

The DSRC calls on the Government to develop a national approach to ensure equitable access to higher education and improve university participation among disadvantaged social groups in Australia. Improved access to higher education for NZHE will ensure that students from this highly disadvantaged group have the opportunity to improve their current circumstances and actively contribute to Australia's social and economic fabric.

Thank you for considering the issues highlighted in this submission. For further information on the issues raised, or on the work of the New Zealand African Reference Group, please contact Melinda Tew, Community Development Coordinator at the DSRC on (03) 9326 5222 or by email: melinda.tew@dsrc.org.au.

Yours faithfully,

Karen Field
Chief Executive Officer
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¹ Gillard, (Hon.) J. 2008, 'Speech: Equity in the Education Revolution: The 6th Annual Higher Education Summit, Star City, Pyrmont, Sydney – 3 April 2008', *Department of Education, Employment and Workplace Relations*, [online], viewed 22 May 2008, <http://mediacentre.dewr.gov.au/mediacentre/Gillard/Releases/EquityintheEducationRevolution.htm>

