

**Griffith University-QUT submission in response to Productivity Commission's
Strengthening trans-Tasman economic relations discussion paper:
Issues surrounding New Zealand citizens' access to higher education**

This submission relates to Section 4.6 of the *Strengthening trans-Tasman economic relations* (September 2012) Discussion Paper and Supplementary Paper D: *Cross border movement of people*. More specifically, it concerns New Zealand citizens' lack of access to higher education due to their ineligibility for HECS-HELP (the Australian Government student loans scheme).

This issue is addressed in the Supplementary Paper which notes that lack of access to HECS-HELP (the Australian Government student loans scheme) "may impose financial difficulties on some non-Protected SCV holder families with limited means ... or make them reluctant to have their children enter tertiary education" (pp.23-4). In addition, Q4.6. seeks information regarding the extent and impact of lack of access to certain payments in Australia for New Zealand citizens who are long-term Australian residents.

Griffith University and the Queensland University of Technology's catchment areas in the greater Brisbane-Gold Coast corridor comprise high numbers of New Zealand citizens (see Section 2.3). However, this cohort is significantly under-represented at our universities and there is considerable anecdotal evidence that many New Zealand citizens are unable to attend university due to their ineligibility for HECS-HELP. This issue affects both middle and low income families.

We consider there is both a moral and business case for providing New Zealand citizens who are long-term Australian residents with same access to higher education as Australian citizens. As there are obvious parallels between the education levels of our respective populations and economic outcomes we consider this issue needs to be addressed as a matter of urgency. Available evidence on the extent and impact of lack of access to Australian Government student loans is outlined below.

1. The issue: Lack of access to HECS-HELP

As the Discussion Paper notes, since 27 February 2001 New Zealanders moving to Australia have been granted non-protected Special Category Visas (SCV) which do not provide a pathway to permanent residency and citizenship. The financial implications of their residency status are affecting their higher education participation. While they are classified as domestic students and qualify for Commonwealth Supported places at Australian universities, unless New Zealanders qualify for permanent residency and subsequently gain Australian citizenship, they are ineligible for the HECS-HELP deferred payment scheme and must pay their university fees upfront. They also do not qualify for the 10% payment discount (previously 20%) applicable to Australian citizens. In addition, New Zealand citizens are ineligible for study-related Centrelink assistance (Youth Allowance, Austudy, and Commonwealth Scholarships) unless they are permanent residents who have subsequently served a two year eligibility waiting period¹.

¹ After 10 years continuous residence in Australia, New Zealand citizens have one-off access to up to six months Centrelink assistance.

2. The Extent of the problem

2.1. Proportion of New Zealand citizens gaining permanent residency

The Discussion Paper indicated that approximately 240,000 New Zealanders had moved to Australia between 27 February 2001 and June 2011. It also provided DIAC estimates that of these 40% may be eligible for a permanent visa through existing visa classes and that the remaining 60% would be ineligible and therefore have no avenue to access a range of assistance including student loans.

However, the paper does not provide statistics regarding the number of non-Protected SCV holders who have been granted permanent residency since 2001. We have obtained data from DIAC which indicates that only a small proportion of these New Zealanders have, in fact, become permanent residents. Less than 11,500 New Zealand citizens residing in Australia were granted permanent visas between July 2006 and May 2012 (DIAC statistics, obtained by request, June, 2012). While numbers have increased somewhat in recent years, they averaged less than 2,000 a year over the period, which represents less than 10% of all arrivals.

It is not our role to suggest reasons for the disparity between the 40% estimated to be eligible and the actual uptake, however these figures come as no surprise to those promoting awareness of university as a post-school option in areas with high numbers of New Zealand migrants. It would appear that the vast majority of secondary students from New Zealand who arrived post-2001 are non-Protected visa holders. This view has been substantiated by secondary school principals and Guidance Officers who report many cases of high achieving students who are unable to proceed to university because of affordability issues (see Appendix A: Case study examples). This situation is reflected in the proportion of New Zealand citizens attending Australian universities.

2.2. New Zealand citizens' Australian higher education participation

Available statistics indicate that:

- Overall, New Zealand origin students are underrepresented in Australian universities, particularly in Queensland
- Higher education enrolment patterns do not reflect New Zealanders' population concentrations (see Appendix B)
- Ability (or inability) to pay fees appears to be a key factor in New Zealand citizens' university attendance.

Latest available statistics (DEEWR, n.d.) for 2011 indicate that Australia-wide New Zealand citizens comprised 1.1% of all domestic students up from 1.05% in 2009 (c.f. 2.4% of Australian population²). In addition, statistics from the 2009 Survey of Education and Work (ABS, 2010) indicate that 18-24 year-old New Zealand-born Australian residents were half as likely as the overall population to be studying (22% compared with 44%).

In 2011, the universities with the highest proportion of New Zealand citizens were ANU (2.1%) and the University of Melbourne (2.07%). Griffith University (1.85%), UQ (1.81%) and the University of Sydney (1.74%) followed. However, these enrolment proportions do not reflect New Zealand

² This figure includes those who arrived prior to 2001 legislative changes.

migrants' population concentrations. The highest concentration of New Zealanders is in the Gold Coast-Brisbane corridor, followed by Perth, Sydney, Melbourne and Canberra (see Appendix B for details). The proportion of New Zealand citizens attending other Canberra, Melbourne, and Sydney universities was lower than at their GO8's and universities with low SES catchment areas appear particularly affected. For example, only 0.61% of students at the University of Western Sydney were New Zealand citizens. It appears that New Zealand citizens' university attendance at Australian universities is even more highly correlated with financial background than that of the general population. While Australian university attendance generally is characterised by the under-representation of people from low income backgrounds, it would appear that New Zealand citizens from middle-income backgrounds also have low university attendance rates. This view is substantiated by internal Griffith University data provided in Section 2.3 below.

2.3. Brisbane–Gold Coast Case Study: New Zealanders' university attendance in relation to population-share

A high proportion of the 240,000 New Zealand citizens who have migrated to Australia since 2001 moved to Queensland. While historically Sydney was the most popular destination, Queensland now has the highest proportion (and greatest number) of the New Zealand-born Australian resident population, 38% in 2006 (ABS, 2006 Census). Since 2001, 42% of all New Zealand settlers in Australia have moved to Queensland³ (DIAC Overseas Arrivals and Departures data, obtained by request, July 2012).

Most of the New Zealanders living in Queensland reside in the south east corner particularly the Gold Coast where the New Zealand-born⁴ comprise 9% of the population, Logan, 8% and Greater Brisbane, 5% (Census 2011), compared with 2.2% nationally. 44% of the New Zealand-born at the Gold Coast arrived in Australia from 2001 onwards while the corresponding figure for Greater Brisbane was 42% (Census, 2011).

These population rates are not reflected in university enrolments. In 2011, only 1.85% Griffith University's domestic students were New Zealand citizens despite Griffith's largest campus being on the Gold Coast. Corresponding figures for UQ were 1.81% and QUT 1.2% (DEEWR n.d.). Internal QUT (QTAC) data for Semester 1, 2012 indicate that the New Zealand citizen share had climbed somewhat to 1.5% of undergraduate commencing domestic students and 1.3% of commencing post-graduate domestic students. Presumably, this rise is due to non-Protected SVC visa holders being an increasing proportion of the population.

Internal Griffith University data on New Zealand citizen enrolments between 2001 and 2011 indicate that only 16% were from the bottom 50% of Socio-Economic Indexes for Areas (SEIFA) postcodes⁵. This is considerably lower than the overall proportion of Australian university students who are from

³ Corresponding figures for other States: NSW, 25%; Victoria, 19%; Western Australia, 11%; South Australia, 2%; ACT, 1%; Tasmania, 0.5%; and the Northern Territory 0.5% (DIAC, Overseas Arrivals and Departures statistics).

⁴ These statistics **under-represent** the proportion of New Zealand citizens in the population as those born outside New Zealand are not included.

⁵ The SEIFA index is commonly used as an indicator of the proportion of LSES students at Australian universities

the bottom 50% of SEIFA postcodes. Data provided by schools in the low socio-economic Logan area indicate high numbers of students from Maori and Pacific Island backgrounds (most Pacific Islanders from Samoa, Tonga and the Cook Islands migrate to Australia as New Zealand citizens). At one secondary school 79% of their 2012 student population were Maori or Pacific Islander, while other schools report around 60%. While these figures include students who have a pathway to Australian citizenship as their families arrived in Australia prior to 2001, a survey of over 100 Maori and Pacific Islanders secondary students involved in a university-funded capacity building leadership project revealed that 49% were post-2001 arrivals whose access to university was restricted by their non-Protected visa status.

Taken together, these data indicate that universities in Queensland's Brisbane-Gold Coast corridor are failing to attract this significant and rapidly growing section of the population.

2.4. Effect on students from low socio-economic backgrounds

The current Federal Government acknowledges that participation in higher education is a key factor in breaking the cycle of poverty. This is evident in the Government's social inclusion statement: "Education is fundamental to achieving a fairer and stronger Australia and for many provides a pathway out of disadvantage" (Commonwealth of Australia, 2009, p.9). However, as people from low socioeconomic (LSES) backgrounds face many barriers to higher education participation, it is recognised that extra financial support (via Centrelink and university Equity Scholarships) and encouragement must be offered to assist them to access higher education. This is at the heart of the current Higher Education Participation and Partnerships Program (HEPPP).

As would be expected, non-Protected SCV visa holders' lack of access to student loans particularly affects New Zealand citizens from LSES backgrounds. Teachers, parents and community members report that these students' post-school options are severely limited by the current situation and that this inability to progress to higher education affects their secondary school engagement.

Low SES New Zealand citizens are in a "catch-22" situation as they are unlikely to ever qualify for permanent residency due to their inability to access the education and training that would provide them with the skills to qualify. There is considerable anecdotal evidence to suggest that LSES people of New Zealand origin are struggling relative to the overall LSES population due to their lack of entitlement to the benefits and services available to Australian citizens in their situation. Clearly LSES New Zealanders, who are ineligible for Centrelink assistance including Youth Allowance and Commonwealth Scholarships, are particularly disadvantaged by the requirement to pay their university fees upfront. These barriers constitute impediments to achieving the Federal Government's widening participation aim of increasing the proportion of LSES students in higher education to 20% by 2020.

Feedback from the Pacific Island and Maori communities, whose members are highly represented in disadvantaged areas of Queensland's south east corner particularly in Logan, Moreton Bay and Ipswich suggest that without access to HECS-HELP university study is unobtainable. Cases of high achieving Pacific Island students who cannot proceed to university due to their ineligibility for

students loans and instead engage in unskilled work are common (see Kearney, 2012 & Appendix A: Case study examples).

The issues facing this group have been raised at both Federal and State level. For example, the following is taken from a speech to the Queensland Parliament by Desley Scott, Member for Woodridge:

... our New Zealand community members who have ... made Australia home ... since February 2001 ... find themselves locked out of so much, such as HECS-HELP for university. It is a huge disappointment to a student and their family to work hard at high school, and gain entrance to university only to be told they have to pay upfront fees and that no HECS-HELP is available ... So we find ... young people taking on jobs way below their capacity ... When we see a whole section of our community settled in Australia, working and paying their taxes, making a huge contribution to community life, their youngsters taking on leadership roles in our schools and adding a great vibrancy and colour to every aspect of life, how can we, in all conscience, lock them out of full participation ...? I believe this to be unconscionable and wrong and I will continue to advocate strongly on behalf of this very disadvantaged community. Their plight in Australia should attract the urgent attention of both state and federal governments, including the New Zealand government. (Hansard, 31 May 2012)

3. Discussion and recommendations

We consider there is both a moral and business case for providing New Zealand citizens who are long-term Australian residents with same access to higher education as Australian citizens by making HECS-HELP available to this group.

It might be argued that New Zealanders who have settled in Australia since the legislative changes have moved here knowing that entitlements provided to Australian citizens were not guaranteed and that therefore the Australian Government owes them nothing. While technically this may be true, there is a moral argument for providing the children of these migrants with access to the same educational opportunities as are afforded to Australians. Young New Zealanders who have lived in Australia for most of their lives are fully integrated members of society with emotional, cultural and psychological connections that bind them to Australia. In addition, their parents have made financial contributions via the Australian tax system and contributed to Australian society in other ways. As noted, while LSES students of New Zealand origin would particularly benefit from greater access to higher educational opportunities as this is a key aspect of breaking the cycle of poverty, they are disproportionately affected by the current situation. This runs counter to the Government's efforts to widen participation in higher education and increase both the proportion of LSES students gaining a university education, and the proportion of university-educated people in the population.

Some commentators have gone further to suggest that denying New Zealand-origin students access to student loans is a breach of human rights (see Supplementary Paper D, p.25). It appears to contravene Article 28 of the United Nations Convention on the Rights of the Child, ratified by Australia in 1990, which states: "Parties recognise the right of the child to education ... on the basis of equal opportunity ... [and] in particular ... make higher education accessible to all on the basis of capacity" (United Nations, 1989).

In addition, there is a business case for New Zealand citizens to be given access to student loans and this aligns with the current Productivity Commission study. As the Discussion Paper outlines, Australia and New Zealand's economies and labour markets are closely linked and education is positively associated with greater productivity. It would therefore benefit both countries to make higher education more accessible to New Zealand citizens in Australia. The cost to the Australian taxpayer would be minimised if student loans could be recovered in both countries.

In light of the hardship experienced by the growing number of young people affected by lack of access to Australian Government student loans, we consider this issue needs to be addressed as a matter of urgency and in isolation from social security entitlement considerations. While lack of access to Centrelink payments may also affect the ability of low income New Zealand citizens to access higher education we acknowledge the complexity of this issue and time it will take to develop an appropriate solution.

References

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Appendix A: Case Study Examples

Example 1 (names have been changed in each example):

Brian and Judy are the eldest and second eldest in a family of five children. They moved to New Zealand from Tonga as young children so their father could study Education. While in New Zealand their father also completed an Electrical Engineering degree and their mother a Nursing degree. The family moved to Australia in 2008. Both children performed well at high school, despite being from non-English speaking backgrounds as Tongan is their first language.

Judy is now in her first year of a Bachelor of Nursing and is paying domestic fees up-front (\$17,000 for her degree) due to her New Zealand citizenship status. Her parents have taken out loans to support her studies and she lives at home to minimise her living expenses.

a) Brian's aspirations for university study were strong throughout high school and he received an offer to study Civil Engineering. However, as the family could not financially support both of them through university he is working instead - in a low-level, low-paying job. With little prospect of raising sufficient funds to be self-supporting in his studies, Brian feels longer university study is no longer an option.

b)

c) This family has had to make the very difficult decision of sending only one of their two eldest children to university, despite both having the high school credentials and aspirations for university study. As a consequence, the career and employment opportunities of the other sibling have been adversely impacted.

Example 2:

Sandy was nine when she moved to Australia with her family 10 years ago. Her middle-income parents are well-educated, skilled migrants but ineligible for permanent residency as they do not meet the age criteria. Sandy has no prospect of gaining permanent residency in her own right without considerable work experience.

Both Sandy and her older sister have undertaken undergraduate studies. Their parents have paid approximately \$40,000 in fees and associated costs (textbooks, travel etc) as well as funding their living expenses.

Sandy, a high achieving student in her last semester of a Biomedical Science degree, has aspired to become a doctor since Year 9. However, her parents are unable to finance post-graduate medical study (fees alone are nearly \$40,000) due to competing financial priorities.

The family had assumed that Sandy would have the option of returning to New Zealand to study medicine but have now discovered that she is ineligible as she did not complete her undergraduate degree in New Zealand.

Sandy is extremely disillusioned by her situation. She identifies as Australian, is committed to making a positive contribution to Australian society and is keen to work in rural or remote areas but has no prospect of achieving her goals.

Appendix B: New Zealand citizens as proportion of domestic students at metropolitan universities in selected States, 2010 and 2011

	Total number domestic students		Total number NZ citizens		NZ citizens % of domestic students		NZ-born# as % of city's population 2011 Census
	2011	2010	2011	2010	2011	2010	
Queensland							
Griffith University	31,004	30,841	575	508	1.85	1.65	7*
University of Queensland	34,200	33,340	621	561	1.82	1.68	5
Queensland University of Technology	35,615	35,168	414	379	1.20	1.08	5
Western Australia							
Curtin University of Technology	27,456	26,624	335	314	1.22	1.18	3.1
Edith Cowan University	21,711	21,140	255	197	1.17	0.93	3.1
University of Western Australia	18,669	17,614	173	139	0.92	0.79	3.1
Murdoch University	13,440	13,055	124	100	0.92	0.77	3.1
New South Wales							
University of Sydney	39,453	39,292	688	656	1.74	1.67	1.9
University of New South Wales	36,896	36,275	539	475	1.46	1.31	1.9
Macquarie University	25,337	24,141	296	290	1.17	1.20	1.9
University of Technology Sydney	26,522	25,518	186	171	0.70	0.67	1.9
University of Western Sydney	34,879	33,256	214	185	0.61	0.56	1.9
Victoria							
University of Melbourne	35,574	34,974	737	688	2.07	1.97	1.7
Monash	40,676	40,259	460	415	1.13	1.03	1.7
RMIT	26,304	25,297	268	248	1.02	0.98	1.7
Deakin	32,379	30,392	247	263	0.76	0.87	1.7
La Trobe University	24,748	23,987	188	170	0.76	0.71	1.7
Victoria University	17,130	17,011	122	119	0.71	0.70	1.7
ACT							
Australian National University	13,966	13,652	294	265	2.10	1.94	1.3
University of Canberra	11,717	10,945	40	33	0.34	0.30	1.3
AUSTRALIAN TOTAL (including universities omitted from this Table)	888,431	857,384	9,799	8,986	1.10	1.05	2.2

Source:

DEEWR 2010 and 2011 Higher Education Statistics: Table 2.10: All Students by State, Higher Education Provider, Citizenship and Residence Status, Full Year 2010. Available at:

<http://www.deewr.gov.au/HigherEducation/Publications/HEStatistics/Publications/Pages/Students.aspx>

Notes:

Data from other States/Territories are not included because of their relatively low New Zealand-born populations. Regional universities are excluded for the same reason.

New Zealand-born Census data **over-represents** the affected proportion of the population as it includes New Zealanders who have subsequently become Australian citizens (37%). However, it **does not include** New Zealand citizens born in other countries (10 - 20% of New Zealand citizens in Australia). These data therefore provide an **indication of the relative proportion of New Zealand citizens** in these cities **but do not correlate directly with NZ citizen domestic student enrolments**.

*Estimate only - Griffith University's largest campus is on the Gold Coast (New Zealand-born 9%). It has a small campus in Logan city (8% New Zealand-born) and three campuses in Brisbane (5% New Zealand-born)