

THE IMPACT OF UNIVERSITY COURSE STRUCTURES ON CENTRELINK ELIGIBILITY

**An Issues Paper for QUT Staff
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1. Background

Eligibility for financial assistance from Centrelink is a key consideration for many students in their decision to commence and continue tertiary studies.

Whilst HECS and PELS provides the access many students need to undertake undergraduate and postgraduate studies by assisting with the cost of tuition fees, the remaining obstacle for many students is the funding of their living expenses. This is a particular challenge at postgraduate level considering the highly structured and intensive nature of post-graduate courses, which require full-time participation on campus and in practical placements, thereby, reducing students' availability for part-time or casual employment.

Eligibility criteria for Centrelink payments are governed by comprehensive legislative and policy guidelines, implemented by the federal Department of Family and Community Services. These criteria take into account a number of factors such as the student or their family's income and assets; the student's academic record; the type of study being undertaken; and the student's academic workload. Therefore the way in which Universities structure their courses has a direct impact on a student's initial and/or continuing eligibility for Centrelink assistance.

This paper seeks to identify how two particular factors- the classification of courses; and the level of normal full-time study articulated by an institution for a particular course - can affect a student's eligibility for Youth Allowance or Austudy. It also discusses the eligibility criteria and process for applying for HECS remissions when a student withdraws from units of study.

This paper will be of particular use to staff involved in the development of school curriculum.

2. Classification of Courses

Under the *Social Security (Administration) Act 1999* courses that are defined as qualifying study for Centrelink purposes include:

- Bachelor Degree courses (including Honours)
- Graduate Certificate courses
- Graduate Certificate diplomas or Degrees
- Honours where immediately following a bachelor degree
- Masters qualifying course

Currently, a student can apply for assistance to undertake courses at these levels. However, how much time a student has spent at any one level of study may be a factor that is taken into account by Centrelink in determining a student's eligibility for continued assistance at that same level. These 'allowable time' or 'previous time' rules take into account all time spent studying at a level, regardless of whether or not the student received any Centrelink assistance for that study.

Eligibility is calculated by a formula in which the maximum time that a student can spend at each level is equal to the time that it takes to normally complete the course (plus an extra grace period of a semester or a year). A range of discretionary powers allow some previous study to be disregarded in determining the allowable time, for example study from which the student withdrew without penalty, or study in a course completed more than 10 years ago. Students who wish to plan further studies should be referred to Centrelink for advice on how their previous study may affect eligibility.

The allowable time rules currently apply more strictly to the Austudy scheme (for students over 25) than the Youth Allowance scheme (under 25s). Recent reforms have greatly increased the flexibility that can be applied in the case of students under 25 who wish to change courses or pursue further courses at the same level. Students who may be eligible for Austudy however (that is commencing their studies after turning 25) are frequently affected by the previous time rules and face periods of study without Centrelink assistance even though they would satisfy other criteria.

The most pressing issue for many students, as the tertiary study environment changes to reflect greater labour market competition, is that mainstream Masters, Masters by Coursework and Doctorate studies or a qualification of the same standing are **NOT** approved courses for Youth Allowance or Austudy purposes.

Masters by Coursework courses have become increasingly popular as Universities seek to accommodate labour market pressures, and to work with professional associations to meet national and international standards of accreditation. Many Universities have over time phased out a number of Graduate Certificate and Graduate Diploma courses in favour of Masters by Coursework degrees. Traditionally, Centrelink's policy goal in funding student assistance programs such as Youth Allowance and Austudy is to assist students to attain *initial* tertiary degrees. This policy goal has been adapted in the past few years to allow more flexibility in permitting some groups of students to undertake second tertiary degrees at undergraduate level. Study at Masters and PHD level is seen as advanced level. Moreover, the federal government's position is that it meets its commitment to funding for advanced study, by providing research scholarships. The Commonwealth funded scholarships are for research degrees only and do not cover the category of courses which have experienced major growth, that is, postgraduate coursework.

Until some legislative reform is achieved in this area, those students who wish to continue studying full-time and undertake study in Masters by Coursework courses will remain ineligible to receive Centrelink student assistance payments.

Where a University offers both a Graduate Certificate or Diploma Course and a Masters by Coursework in the same field of study, with similar subjects offered in both courses, students reliant on Centrelink benefits may have the option of enrolling initially in the Graduate Certificate or Diploma (and therefore being eligible to apply for Youth Allowance/Austudy). These studies are then articulated into the Masters course, which the students may

complete by enrolling in a final year of studies. Upon enrolling in the Masters course, the student would no longer be eligible for assistance and would need to secure alternative sources of income.

Example

A student at QUT seeking postgraduate qualifications in Business Administration could enrol initially in a Graduate Diploma of Business Administration (GS31/GS86) and complete the course in 1 year full-time and apply for Youth Allowance/Austudy during this time. They could then enrol in the Masters of Business Administration (GS30/GS85- course time is three semesters full-time) and complete this in just one semester, having already undertaken the majority of required subjects in the last two semesters. This will enable students to apply for Youth Allowance/Austudy for most of their degree (one year) and still obtain the relevant Masters qualification.

However, if they had simply enrolled in the Masters degree at the outset, they would not have been eligible for any assistance during the entire 3 semesters of their course.

Maintaining a course structure in which students can choose to enrol in Graduate Diploma or Certificate courses, with the option of articulating this study into a Masters qualification with further study, will greatly optimise the ability for students to participate in postgraduate level course. It is in the interests of those students reliant on Centrelink benefits for postgraduate study, to consider initially enrolling in a Graduate Diploma or Graduate Certificate course as a preliminary step, with the possibility of articulating into the Masters course.

3. Level of Full-Time Study

A further issue impacting on a student's eligibility for Centrelink assistance is the number of subjects in which the student is enrolled. Centrelink's base position is that Austudy and Youth Allowance are only payable to students who are undertaking full-time study. Centrelink's definition is that a student is full-time if they are undertaking three-quarters of the normal full-time load of the course. That is, where the full-time requirement for a semester is deemed by the University to be 48 credit points, then a student enrolled in 36 credit points that semester would still be considered full-time for Centrelink purposes.

Difficulties arise where a University does not specify the typical full-time workload for a semester. Issues also typically arise in regard to dual degrees across different faculties where the workload may be equivalent to 36 credit points but when converted to the EFTSU, it is below the 0.375 needed to ensure that the student meets the full-time criteria set by Centrelink.

Example

A University may specify the full-time workload as being 96 credit points for the year, although the course is structured such that a student would normally undertake 60 credit points in first semester and only 36 credit points during semester two. If a student were to drop a subject in semester two and only enrol in 24 credit points they would normally expect that they were still eligible under the three-quarters rule. However in this instance, where the University has not specified the full-time requirements for a semester, Centrelink will determine that the full-time study load is 48 credit points per semester and a student undertaking only 24 credit points in semester two would be considered to be only undertaking 50% of the course load and would therefore not be eligible for Centrelink benefits. Similarly where an institution offers a 2 year course that requires 192 credit points to complete, but does not specify how the course will be typically completed, Centrelink will assume that the normal full time workload for each semester is 48 credit points and a student would need to be enrolled in a minimum of 36 credit points each semester to meet the three-quarters rule.

A greater flexibility in regard to study workload applies for students up to the age of 21. These students may be able to negotiate flexible activity agreements, which allow them to study part-time in conjunction with other part-time activities such as part-time work, volunteer work or job seeking. For these students, eligibility for Youth Allowance is maintained, however, they may experience a loss of some advantages that apply for full-time students such as the higher personal income threshold (\$236 per fortnight prior to their allowance being reduced). For students over 21, (applying for Youth Allowance up to 25, and for Austudy if over 25) the requirement to maintain a full-time study workload is quite strict.

In some circumstances where a student withdraws from subjects, it may be possible for their minimum required study load to be reduced temporarily to two-thirds (66%) of the normal full-time study load.

This situation will arise if it is not possible to study 75% of the full-time load because of:

- the institution's normal requirements for the course, OR
- a specific direction in writing from the academic registrar or equivalent officer, OR
- a recommendation in writing from the academic registrar or equivalent officer for academic or vocational reasons.

However, this reason may only be applied for the maximum of ½ an academic year.

A workload concession allowing students to undertake 25% of the normal full-time workload may be applied for students with disabilities.

Currently there is no clear position on how Centrelink views the study undertaken in summer semesters. One interpretation is that summer subjects should be counted as part of a student's semester one workload, though this

is not clearly established as Centrelink's approach, and cannot be advised with any certainty. Any proposed structuring of courses based on an increased role of summer semester study should give consideration to possible Centrelink consequences for students.

4. HECS Remissions and PELS

Where a student formally withdraws from a subject on or before the HECS census date they will not be liable for the payment of HECS for that unit for that semester. If the student has paid part or all of their semester liability upfront then they may write to their institution seeking a refund of their payment.

If after the census date a student withdraws from study due to reasons such as ill health or other special circumstances which impacts on his/her ability to continue their studies, they can apply to the University for withdrawal without academic penalty and they may also apply to have the HECS debt for that Unit reduced or removed. Students seeking a remission of their HECS debt should fill out and submit an *Application for Remission of HECS/OLDPS Debt in Special circumstances* form and attach relevant and independent supporting documentation such as letters from a medical practitioner.

Requests for remission of a HECS debt due to special circumstances must be submitted within 12 months of the date of withdrawal.

Students commonly understand that HECS and PELS are similar schemes. However, students need to be aware of the important ways in which these schemes differ. Students have become familiar with the concept of the 'census date' as an important administrative date which is a cut-off for withdrawal without penalty.

What is less widely known is that different cut-off dates apply by which postgraduate students may withdraw without financial penalty. A student who chooses to pay tuition fees using PELS but then withdraws from subjects may be required by the University to pay a contribution towards the fees of up to 25%. This fee becomes immediately payable, that is, it is not part of the deferred payment scheme. Non-payment could, for example, affect future re-enrolment. Students unaware of the effect of the earlier cut-off dates and the mechanism by which the fee becomes immediately payable to the University, may experience financial hardship and find progress in their course hindered.

5. Conclusion

There are many students who rely on Centrelink payments to commence and continue to undertake study at tertiary institutions. Centrelink policy and legislation dictates that certain courses and levels of study are eligible for Youth Allowance and Austudy and others are not. It is therefore of benefit to those students reliant on Centrelink payments, if their tertiary institution offers courses in a format that will enable students to meet the Centrelink criteria in regard to course eligibility and full-time study.

The goal of retaining students at the University is achieved by identifying the common hardships that students face and giving consideration to strategies that provide support or minimise effects. Clearly, financial difficulties continue to be a major impact on students' quality of life, their ability to focus on study and ability to maintain long term study commitments.

This issue paper relates to information which is current at October 2003. It is intended as a guide for discussion and should not form the basis of advice to individual students regarding Centrelink eligibility.

Information about Centrelink is available at www.centrelink.gov.au or from the Social Security legislation at www.facs.gov.au/sspal/index.htm.