

# Unlucky in a lucky country: A commentary on policies and practices that restrict access to higher education in Australia

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While social inclusion has particular currency with the Australian government, a national policy that serves to exclude capable and motivated students from higher education pathways is clearly incongruous. Yet this situation is now in place, serving to entrench exclusion and disadvantage among Pacific Island *communities* who have used New Zealand as a migration pathway to Australia.

Journalist Fynes-Clinton (2011) has profiled Puleitu Tumama, a promising Year 12 student in Logan City. Eager to study law, Puleitu cannot proceed to university for financial reasons because she is ineligible for HECS-HELP. She finds the annual university tuition fee of \$9000 unmanageable; her family of six relies on her mother's modest income as a machine operator. Puleitu is typical of her rapidly growing Pacific Island cohort whose higher education and employment opportunities are limited by their ineligibility for HECS-HELP. Most will be unable to fulfil their aspirations to proceed with study and career development while they aim to build a meaningful life as Australian citizens. The cycle of disadvantage is cemented. In this *lucky* country, they are the *unlucky* ones.

A resilient Puleitu remains optimistic, with Fynes-Clinton (2011, p. 27) reporting that she will work at Hungry Jack's to save money for the upfront payment of fees. However, Puleitu's optimism is not shared by all Pacific Island youth. Many lose hope. They disengage from school - and from their aspirations for a career - when unskilled, casual work is the likely post-school option rather than higher education. This trend is reflected in reports from schools that students of Pacific Island descent are disproportionately represented in cohorts of under-performing and/or misbehaving students. Similarly, government agencies report over-representation in the juvenile justice system and correctional centres; in homelessness statistics; in low-income occupations, unskilled and casual employment; and, under-representation in higher education and professional employment.

That participation in education, especially higher education, is key to social inclusion is axiomatic (Caspersz, Kavanagh & Whitton, 2010). In its social inclusion statement, the national government advised, "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). So why is Puleitu denied this pathway? For the last seven years she has attended Australian public schools while her parents have worked when possible and paid taxes to the Australian government. Puleitu identifies herself and her future as Australian, yet she is excluded from further education and training because her family’s visa status locks her out of the financial support for higher education that the government provides to Australian citizens, and into prohibitive, perhaps unaffordable costs. To appreciate how and why this happens we must consider trans-Tasman arrangements during the last 40 years.

### **1973-2001:**

In 1973 the New Zealand and Australian governments announced the Trans-Tasman Travel Arrangement (TTTA) that entitled New Zealand and Australian citizens to live and work indefinitely in each other’s country, with permanent residence and the entitlements associated with that status. By 1981, the trans-Tasman migration flow was clearly imbalanced, with many more New Zealanders coming to Australia than the reverse flow (Goff, 2001). A series of policy adjustments mostly by the Australian government has sought to discourage arrivals from New Zealand. First, in 1981 the Australian government required New Zealanders to hold passports and then introduced a six-month waiting period for eligibility for social security payments. In 1986, the government extended this period to two years. By 1994, all New Zealanders were automatically granted a Special Category Visa (SCV) on arrival in Australia (Australian Department of Immigration and Citizenship, 2010).

### **After 2001**

In 2001, the open-door policy between Australia and New Zealand was seriously constrained with a new bilateral agreement on social security. This agreement resulted in two types of visa holders: those with protected SCVs who were residents in Australia on or before 26 February 2001, and those with unprotected SCVs who arrived after that date. The new agreement stated that the holders of unprotected SCVs would be considered temporary residents qualifying for the full complement of social security benefits<sup>1</sup> only after gaining a permanent visa and serving the two-year waiting period for newly arrived residents (Australian Department of Immigration and Citizenship, 2010).

The Australian government’s intended outcome was to reduce Australia’s responsibility for social security payments to New Zealanders residing in Australia (Birrell & Rapson, 2001). The outlay, then estimated at A\$1 billion dollars per year (Goff, 2001), was fuelling concern among Australians when ever more arrivals from New Zealand had never contributed to the Australian national purse through taxation and were not quickly obtaining employment to ensure their own financial security. Other intentions were to deter the number of arrivals who were unlikely to meet criteria for skilled migration (Birrell & Rapson, 2001) and to restrict relay migration as a significant number of trans-Tasman arrivals in Australia were not born in New Zealand, but originated from

Polynesian countries or from East Asia, India, the Philippines, South Africa, the Netherlands and the United Kingdom (Hugo, 2004).

However, three unintended outcomes complicated this picture. First, arrivals from New Zealand increased even further in the following decade with 566,815 New Zealand citizens residing in Australia by June 2010 (Australian Department of Immigration and Citizenship, 2010). Second, many arrivals seeking to reside in Australia were not absorbed quickly into the labour force. In 2009–2010, this group represented 44.6 per cent of trans-Tasman arrivals. Third, since 2001, there has been a significant group of people from New Zealand working in Australia while ineligible for permanent residence and the full range of benefits associated with Australian citizenship. Their children were eligible for the Higher Education Contribution Scheme (HECS) – a loan scheme available to students to complete higher education by deferring their HECS liability until earning an amount equivalent to the minimum repayment threshold. However, this opportunity was denied in 2005.

### **After 2005**

Current eligibility requirements for HECS-HELP – the revised loan system that commenced in 2005 – are governed by the Higher Education Support Act 2003. Under this Act, New Zealand citizens along with Australian citizens and permanent humanitarian visa holders may access a commonwealth-supported place. However, New Zealanders who are not also Australian citizens are not eligible for HECS-HELP to pay their student contribution. This contribution ranges from approximately \$4,500 to \$9,000 a year depending on the study program. New Zealand citizens who are not also Australian citizens must pay this contribution upfront and do not qualify for the payment discount applicable to Australian citizens.

### **The current context**

The number of New Zealand citizens moving to live permanently in Southeast Queensland is still growing rapidly and indications are that this trend will continue.<sup>2</sup> Skilled migration is the most common pathway to becoming an Australian Permanent resident, which is the usual pathway to full Australian citizenship. As increasingly stringent qualifying criteria apply, few of the New Zealand applicants gain permanent residence. School and community members increasingly report that young people of Pacific Island heritage – like Puleitu – who would otherwise transition to higher education do not because their residency status precludes their eligibility for essential HECS-HELP.

This is a lose–lose situation. The consequences are not just the social exclusion of a disadvantaged community, with costs of isolation and social disengagement for community members. Australia at large deprives itself of the benefits that productive engagement through social inclusion of the Pacific Island communities could deliver. Instead of a mutually rewarding outcome, both sides suffer the consequences of this

exclusion and alienation, which destabilise and disrupt the shared life of the nation. Entrenching social exclusion of these disadvantaged young people diminishes us all.

One must ask why these families continue to come to Australia when their children's access to higher education is restricted. Ironically, they come for opportunities, with dreams of a better future for their children than life in New Zealand can deliver. However, Va'a (2011) argues that many arrivals are uninformed or misinformed before leaving New Zealand, and have little understanding about their limited entitlements to government services and benefits if they are ineligible for permanent residence. Indeed, many are probably unaware of their SCV status as it is recorded electronically and not in their passports.

The Trans-Tasman Travel Arrangement is built on a history of cooperation between New Zealand and Australia. Its longevity indicates both governments' willingness to promote institutional collaborations that, in the main, benefit business and trade arrangements. Both governments now need to reconsider socio-economic outcomes. Existing arrangements compromise educational opportunities for a significant group of young people who are highly vulnerable through no fault of their own and in so doing convert win-win opportunities into lose-lose outcomes for disadvantaged communities and the Australian nation.

The Australian and New Zealand governments have the potential to break cycles of intergenerational poverty through pragmatic policies that help to secure social inclusion. But the seeming inertia of both governments in ensuring that financial incapacity does not preclude school leavers who are otherwise eligible to participate in higher education constitutes the greatest barrier to these young people's social inclusion. Government complacency now is deferring the social and economic costs of university exclusion for this group and the wider community. A response mindful of the national and personal benefits of social inclusion is urgently needed. Certainly, there are economic reasons for restoring HECS-HELP eligibility to our Pacific Island heritage residents from New Zealand, but more important are the strong moral grounds that should compel this restorative action. Entitlement to higher education must not be reduced to a matter of luck.

### **Notes**

<sup>1</sup> SCV Holders with temporary residence may qualify for Family Tax Benefit, Child Care benefit, Baby Bonus, Maternity Immunisation Allowance, Double Orphan pension, Seniors Health Card and Low Income Health Care Cards but they are required to reside in Australia for two years for eligibility. From February 2011, SCV holders may qualify for Youth Allowance, Newstart Allowance and Sickness Allowance for a period of six months if they have resided in Australia for a continuous period of 10 years. They remain ineligible for the New Enterprise Incentive Scheme (NEIS), Disability Employment Services (DES), National Green Jobs Corps (NGJC) and the Adult Migrant English Program (AMEP).

<sup>2</sup> In 2010–2011 New Zealand-born arrivals in Australia totalled 1,362,001 with 34,567 intending to remain permanently. This was a 41 per cent annual increase in permanent arrivals of New Zealand citizens. Almost 40 per cent of intending long-term or permanent arrivals reside in Queensland. In June 2010, 566,815 New Zealand citizens resided in Australia. In 2009–2010, 8227 (33.7 per cent of permanent arrivals from New Zealand) were skilled workers while 10,900 (44.6 per cent) were unemployed or not in the labour force (Source: *The Sunday Mail*, 22 January 2012, p.11).

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### Biographical Note

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