



# **Public transport concessions for Victorian postgraduate students**

**Fares Fair PTV position paper**

**March 2017**

## Executive summary

Postgraduate students in Victoria make significant contributions to the state's community and economy, both while they are studying and in their subsequent careers. Over the last ten years, the number of domestic and international postgraduate students in Victoria has grown significantly, and most of that growth has been in full-time enrolments. In particular, the number of full-time domestic postgraduate students has more than doubled.

However, the Victorian government has not kept pace with this change in the educational landscape by appropriately supporting postgraduate students. Victorian postgraduate students are the only full-time students in Australia who are not granted student public transport concessions, but the Victorian government has repeatedly opposed calls to remedy this inequitable situation.

Full-time students have limited capacity to earn money due to the requirements of their study. Therefore student concessions help them to afford necessary transportation to travel to and from their educational institutions, workplaces, homes and social destinations.

Regardless of citizenship or the level of their course, all full-time students deserve this basic level of support. Extending existing public transport student concessions to postgraduate students would bring Victoria in line with other Australian states and territories, promote equitable access to higher education, and make Victoria a more attractive destination for local and international students.

## About Fares Fair PTV

Fares Fair PTV is a student-led campaign, with members from:

- Council of Australian Postgraduate Associations
- University of Melbourne Graduate Student Association
- Monash Postgraduate Association
- Victoria University Postgraduate Association
- Swinburne Students Union

Web: [faresfairptv.com.au](http://faresfairptv.com.au)

Email: [info@faresfairptv.com.au](mailto:info@faresfairptv.com.au)

Facebook: [/faresfairptv](https://www.facebook.com/faresfairptv)

Twitter: [@faresfairptv](https://twitter.com/faresfairptv)

## Background

The higher education sector has been calling on Victorian governments to extend student public transport concessions to domestic and international postgraduate students for many years. Universities Australia 'strongly believes that travel concessions for full-time students should be extended to international undergraduates and to both domestic and international postgraduate students on a nationally consistent basis'.<sup>1</sup> Likewise, the Group of Eight states that supporting students 'should be a focus of improved Commonwealth-State cooperation, with the aim of placing domestic and international students on an equivalent basis in their ability to access student concessions'.<sup>2</sup>

Introducing student public transport concessions to all full-time students would, as Universities Australia argues 'help to sustain the substantial economic benefits that accrue to Australian governments on a fair and reasonable basis', and would deliver economic and social benefits that would outweigh the cost of extending concessions.<sup>3</sup>

The Australian Council for Private Education and Training argues the same point in regards to international students, noting that extending concessions fares to these students will 'maintain equity amongst students, protect revenue for educational institutions based in these states and to ensure that [New South Wales and Victoria] remain desirable destinations for international students to study.'<sup>4</sup>

Despite this unanimous position from the sector, successive Victorian governments have refused to extend student public transport concessions to full-time postgraduate students. The current Minister for Public Transport, Jacinta Allan, opposes extending concessions on the following grounds:

The longstanding exclusion of postgraduate students from the concession fare policy reflects the fact that a greater proportion of postgraduate students are working full time and may not require additional financial support. Postgraduate students with low incomes that meet the eligibility criteria for government support through Centrelink can receive a Low Income Health Care Card. This card entitles the postgraduate student to public transport concession fares.<sup>5</sup>

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<sup>1</sup> Universities Australia 2010, *Transport Concessions for International Students*, p.5

<sup>2</sup> Group of Eight 2015, *Group of Eight (Go8) response to the Draft National Strategy for International Education*

<sup>3</sup> Universities Australia 2010, *Transport Concessions for International Students*, p.5

<sup>4</sup> ACPET 2012, *Achieving Equitable Travel Benefits for International Students*, p.5

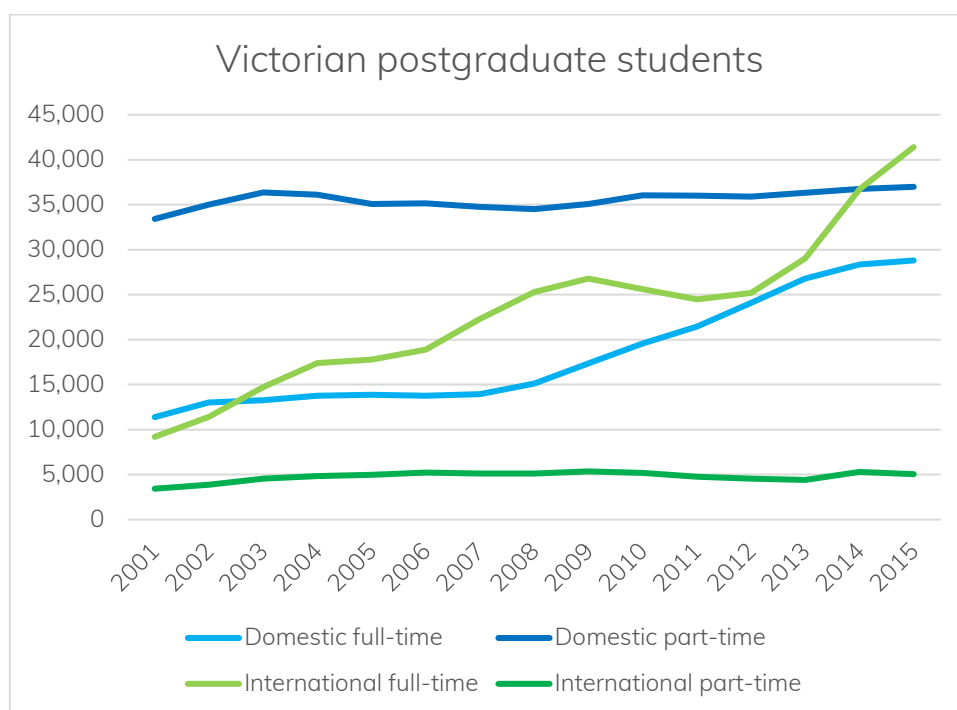
<sup>5</sup> Victorian Parliamentary Debates 2015, Legislative Assembly, 5 May 2015, p.1471

However, Minister Allan’s position fails to take into account two key facts. First, that the postgraduate students who would receive concessions under an extended scheme would be studying full-time, and thus in the same position as full-time undergraduate students in terms of ability to work while studying. Second, claiming that Health Care Card eligibility sufficiently addresses the need for postgraduate students to access public transport concessions entirely ignores the international student cohort. It also penalises those domestic students who may have incomes slightly over the Centrelink threshold but nevertheless be struggling to afford necessary transport while they study.

Particularly in light of the current higher education environment, where more and more professions require postgraduate qualifications, excluding full-time postgraduate students from public transport concessions is neither reasonable nor fair, and places Victorian postgraduate students at a disadvantage compared to their interstate peers.

## Discussion

### Postgraduate student numbers



There are 112,235 postgraduate students in Victoria, including 70,197 full-time students.<sup>6</sup> Postgraduate students comprise 42% of the total student cohort, with students enrolled in all of Victoria’s universities and many of that state’s non-university higher education providers.<sup>7</sup>

<sup>6</sup> Department of Education and Training 2016, *Selected Higher Education Statistics – 2015 student data*

<sup>7</sup> Department of Education and Training 2016, *Higher Education Statistics Data Cube (uCube)*

While postgraduate students as a percentage of the total Victorian university student cohort has remained stable over the last decade, there has been a major increase in the number of postgraduates studying full-time.

### *Domestic students*

The number of full-time domestic postgraduate students in Victoria has more than doubled in the last 10 years—from 13,858 in 2005 to 28,798 in 2015—while part-time domestic postgraduate enrolments have remained steady.<sup>8</sup> The changing nature of domestic postgraduate study requires a different approach from the Victorian government, one that recognises that full-time students at all levels of study deserve the same support.

Moreover, 9,586 domestic postgraduate students live in regional or remote areas; almost 15% of the total cohort.<sup>9</sup> While public transport within regional areas can be cheaper than fares in Melbourne, students who need to travel from their home region to the capital face higher costs than their metropolitan peers. Given that regional and rural students are already disadvantaged in their access to higher education,<sup>10</sup> this additional cost represents an unreasonable burden.

### *International students*

International education is Victoria's largest export industry, generating \$5.8 billion in 2015-16 and contributing over 30,000 jobs.<sup>11</sup> A 2015 report produced by the Boston Consulting Group for the Victorian Government shows that growth in Victorian international student enrolments is being driven by postgraduate students,<sup>12</sup> whose total numbers have increased from 22,739 to 46,454 in the last ten years.<sup>13</sup> With full-time students comprising 41,399 of that total in 2015, student public transport concessions are a key issue.

Despite being an important cohort for Victoria, the state's position on public transport concessions makes international students feel less welcome in Victoria, and makes them less likely to recommend the state as a study destination.<sup>14</sup> 90% of international students say that the lack of public transport concessions would affect their recommendation of Melbourne to

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<sup>8</sup> Department of Education and Training 2016, *Higher Education Statistics Data Cube (uCube)*

<sup>9</sup> DET, *Selected Higher Education Statistics – 2015 student data*

<sup>10</sup> National Centre for Student Equity in Higher Education 2016, *Facilitating Student Equity in Australian Higher Education*

<sup>11</sup> Victorian Government Department of Economic Development, Jobs, Transport & Resources 2017, *Economic Value of Victoria's International Education*; Victorian Government Department of Economic Development, Jobs, Transport & Resources 2016, *International Education Sector Strategy*, p.9

<sup>12</sup> Boston Consulting Group 2015, *International Education Fact Pack*, p.11

<sup>13</sup> DET, *Higher Education Statistics Data Cube (uCube)*

<sup>14</sup> Department of Innovation, Industry and Regional Development 2008, *Overseas Student Experience Taskforce (Victoria)*, p.17

other potential students, and 67% say that if they had known there weren't public transport concessions available, they would have chosen somewhere else to study.<sup>15</sup>

Additionally, a lack of public transport concessions prevents international students from travelling and engaging in the Victorian community: 57% said they would be more engaged with their community if they were eligible for public transport concessions and so could travel more freely.<sup>16</sup>

## Postgraduate student finances

Contrary to a prevailing view that postgraduate students are financially stable, or even affluent, the majority of domestic and international postgraduates have very low incomes.

According to a Universities Australia report:

Nearly 70 per cent of full-time, domestic postgraduate coursework students have a mean incomes of less than \$30,000, and 45.6 per cent have incomes below \$20,000. The majority of domestic, full-time HDR candidates (59.3 per cent) have incomes between \$20,000 and \$40,000 a year, and just under a third have incomes over \$40,000 ... One out of every seven postgraduate coursework students has an income of less than \$10,000 a year.<sup>17</sup>

International students are in a similar position: the average annual income for full-time international postgraduate coursework students is \$18,200, rising to \$27,560 for research students.<sup>18</sup>

Among domestic students, 18.3% of postgraduate coursework students and 12.8% of postgraduate research students regularly go without food or other necessities because they are unable to afford them.<sup>19</sup> Specifically in regard to transportation, 57% of full-time domestic postgraduate students and 66% of full-time international postgraduate students have difficulty affording study-related transport costs.

Full-time domestic postgraduate coursework students are just as likely to receive Australian Government income support as full-time domestic undergraduate students (51.5% versus 52.8%), and the same percentage have Health Care Cards (35%).<sup>20</sup> 91.5% of full-time

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<sup>15</sup> Australian Council for Private Education and Training 2012, *Achieving Equitable Travel Benefits for International Students*, p.11

<sup>16</sup> Ibid.

<sup>17</sup> Bexley et al., *University Student Finances in 2012: A Study of the Financial Circumstances of Domestic and International Students in Australia's Universities*, p.18

<sup>18</sup> Ibid, p.17

<sup>19</sup> Ibid, p.58

<sup>20</sup> Ibid, p.23

domestic postgraduate research students receive scholarships as their primary form of income, typically amounting to \$26,288 per year in 2016, but only 10.8% have Health Care Cards.<sup>21</sup>

## Impact on Victorian state budget

Modelling by Universities Australia suggests that the cost of public transport concessions in Victoria would amount to an average of \$1,014 per student per year.<sup>22</sup> However, this modelling seems to overestimate the amount of public transport travel students undertake, and therefore overstates the cost of extending public transport concessions to more students.

In the 2016-17 financial year, Victoria forewent a revenue of \$154 million for public transport concessions.<sup>23</sup> This includes the concessions already granted to 420,000 Health Care Card holders, and over 1 million students: 932,107 primary and secondary students, and 146,546 full-time domestic undergraduate students.<sup>24</sup> This suggests that the state foregoes approximately \$103 per person per year for concession transport.

Given that approximately 10,000 full-time domestic postgraduate students already access public transport concessions via Health Care Card eligibility, the extension of student public transport concessions to all full-time postgraduate students would affect 60,000 individuals. At a cost of approximately \$103 per person per year, this would amount to just over \$6 million.

Even assuming that postgraduate students use public transport more heavily than other concession card holders, the cost to the Victorian government would not amount to more than \$10 million. Given that the state collected \$813 million in public transport fares in the 2015-16 financial year, this represents a very small cost for supporting full-time postgraduate students and ensuring equity in the Education State.<sup>25</sup>

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<sup>21</sup> Ibid, p.23; Department of Education and Training 2016, *Australian Postgraduate Awards*

<sup>22</sup> Universities Australia 2010, *Transport Concessions for International Students*

<sup>23</sup> Department of Treasury and Finance 2016, *Getting it Done: Victorian Budget 16/17 Statement of Finances*, p.179

<sup>24</sup> Department of Human Services 2016, *Centrelink Payment Statistics: DSS electorate data – March 2014*; Victorian State Government 2016, *Statistics for Victorian Schools*

<sup>25</sup> Public Transport Victoria 2016, *Annual Report 2015-16*, p.61

## Appendix: Access to student public transport concessions in Australia

	Availability of student concession for public transport			
	Domestic undergraduate	International undergraduate	Domestic postgraduate	International postgraduate
VIC	Yes	Limited <sup>26</sup>	No	No
NSW	Yes	Limited <sup>27</sup>	Yes	Limited
QLD	Yes	Yes	Yes	Yes
ACT	Yes	Yes	Yes	Yes
SA	Yes	Yes	Yes	Yes
NT	Yes	Yes	Yes	Yes
WA	Yes	Yes	Yes	Yes
TAS	Yes	Yes	Yes	Yes

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<sup>26</sup> In 2015 the Victorian government introduced iUSEpass, which allows international undergraduate students at participating higher education institutions to purchase a year-long Myki pass at a concession rate

<sup>27</sup> New South Wales only offers student public transport concessions to international students whose study is fully funded by Australian Government scholarships



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