

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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SUBMISSION TO THE SENATE ENQUIRY INTO STUDENT LIVING EXPENSES by GRIFFITH UNIVERSITY GOLD COAST CAMPUS STUDENT GUILD

As the representative body for students on the Gold Coast Campus, we feel it is imperative for us to have input into the inequity of student living expenses and the arrangements under both Austudy and Youth Allowance.

Of major concern to us as a representative organization is the well-being of our student members. The recent decision by Griffith University to increase HECS fees by the full 25 percent allowable under the new funding model introduced by the Howard government will see our students saddled with student debt far into their working years. Despite this increase in debt, there was no allowance for the increased costs of living created by the introduction of the GST, rising real estate prices, the abolition of the federal government textbook subsidy (ETSS), rising costs of other educational needs like internet access and other associated costs of living like insurance, petrol, power, telephony both mobile and fixed and food. These rising costs have far outstripped CPI increases and students need to be appropriately compensated for this discrepancy.

There is also the gap between what is paid to those on Newstart and students on the Youth Allowance and Austudy. While to highly paid elected members \$70.70 a fortnight is not a lot, for students it is the difference between eating or not. There is no provision in Austudy for rent allowance to be paid. While there is the income bank of \$6000, if you add rent allowance and health care card to the Newstart Allowance, there is an incredible inequity as those on Newstart do not have to work for these extra benefits. This added workload has a negative effect on student's ability to excel in their studies.

Our recommendations for student funding are:

1. Austudy and Youth Allowance for full time students to be paid at the same rate as Newstart,
2. The introduction of rent assistance and health care cards for those on Austudy,
3. The increase in the income bank to a realistic level and indexed to CPI,
4. The reintroduction of tax deductibility for educational costs like student fees and textbooks for undergraduate students,
5. An exemption for scholarships and awards as income
6. A cost of education payment at the beginning of each semester and
7. The retaining of the ETSS.

This submission will be divided into two parts, the first dealing with Austudy, second with Youth Allowance.

AUSTUDY

Austudy is paid to those full time students over the age of 25. For many of those on this payment, it has been a conscious decision to return to study to improve their job prospects. Many of these students have families to support, mortgages or rent to pay and other costs to cover. In short, Austudy needs to be overhauled to meet the changing needs of contemporary society.

Those on Austudy do not receive rent assistance or Healthcare Cards because of the income bank of \$6000. However, the income bank amount has not increased in line with the CPI and is in effect worth less than it used to be. The amount allowable under the income bank must be linked to CPI to ensure the intended effect of the measure is not undermined year to year. Those few students lucky enough to win scholarship are also penalised as such scholarships are treated as income and thus become part of the income bank. All competitive scholarships should be a reward for excellence and be tax free and exempt from being classed as income.

Additionally, rent assistance is not paid to those claiming Austudy but is paid to those on Youth Allowance despite the fact Youth Allowance claimants are eligible for Healthcare Cards. A single independent person claiming Austudy will receive \$318.50 per fortnight. Given that a full time load for a student is expected to take 40 hours per week this equates to \$3.98 per hour. Yet there are several major inequities within the system. A person who is classed as long-term unemployed and commences studying is paid an extra \$68.40 per fortnight, as well as an education entry payment of \$208, for no reason we can ascertain.

At very least, the recommendation from this Inquiry must be that Austudy payments are increased to the same rate as those claiming Newstart of \$389.20 per fortnight, the introduction of rent assistance and healthcare cards to bring full time student in line with those claiming Newstart, while still retaining the benefits of a CPI linked income bank. A yearly cost of education payment to assist with the purchase of GST burdened educational textbooks should also be included. Students are the future of this country, tomorrow's business and government leaders. It is time they were treated with the same respect as the unemployed. No-one, even Ministers, have been able to adequately explain the differences in the rates of payment between students and the unemployed. One glib Centrelink employee claimed it was because students had so much time on their hands they could get jobs. We would like to know what the unemployed people are supposed to do with their time then. Watch Oprah?

As students are expected to devote 40 hours a week to their studies, it should be recognised as an occupation by the Australian Taxation Office (ATO). All expenses associated with the cost of education should be tax deductible. Only those who are engaged in further study are able to do this at the present time as university degrees are now classed as a capital expense. This is untenable.

Youth Allowance

Youth Allowance is paid at the same rate as Austudy and in today's society is woefully inadequate. The payment of \$318.50 per fortnight is barely enough to pay

rent in many cities. Even if students share a house, there is little chance of much change from \$200 per fortnight for each individual in an average three bedroom house including power. This leaves \$118.50 per week for that student to live. Of course they are forced into working.

No student should be treated differently so we recommend that all payments to fulltime tertiary students be standardised and Youth Allowance be brought into line with the previously recommended changes for Austudy.

The accessibility to Youth Allowance must be extended to include many more people. It is simply unfair to expect parents to continue to support their children through another 3 years of study. They have paid their dues and it is up to the country that will benefit from having a skilled and educated workforce to bear the cost for a short time.

Alternatively, another option is to pay all students a full time, tax free scholarship as is available to certain students under the Australian Postgraduate Award (APA). The payment of such a scholarship to all students, which is currently paid at \$708.49 per fortnight, is a way to promote excellence in academic work. Such a payment could be linked to grade point average (GPA) so those on the top level of 7 get the full amount, those on 6 get a lower amount and so on until those who fail receive nothing. Such a payment, a living wage, will ensure students do not have to work, freeing thousands of part time unskilled jobs for the long term unemployed to fill. This will see a lowering of welfare payments and a broadening of the tax base to fund the scheme. While this is obviously an expensive scheme, the benefits should be apparent as we strive to have an Australian university recognised as a world-class institution. More dedicated students will no doubt see better grades and job opportunities.

All we ask of the members of this inquiry is a fair go. Education is no longer free or GST free. Textbooks have always attracted some GST despite the ETSS and now that is substantially higher. Students will carry debt burdens far into their lives from HECS and the majority of students are happy to pay this price as they are ultimately the benefactors of their education. Yet governments will benefit as well through a greater tax earn in the future from a more educated and well-paid workforce. We ask you to recognise the important contributions students will make and treat them rightly as the future of this country.

Griffith University Gold Coast Student Guild representing the needs and opinions of 10 000 students in the Moncrieff electorate.