

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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Student Income Support Senate Enquiry Submission

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Also, I am the external student representative for the Student Representative Council
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Introduction

This submission is in two parts. The first is my personal submission to the Senate enquiry. It details my living expenses, educational expenses, as well as my income. The second part details a university wide survey/questionnaire that I circulated to all students on the Southern Cross University website.

Part 1: The personal circumstances of Stephen J Rixon

Background

I am a 45 year old mature age student, married for 22years, with two sons, Collin 21 and Matthew 19. I have been in the building supplies industry from 1975-1995, whilst farming alongside this for a time, from 1986-2003, growing bananas, small crops, then, commercial hydroponic strawberries. I live with my wife, Kathy, in a workman's cottage which we built in 1984, on my in-laws farm. The last three years have returned poor prices for our produce and along with my wife's ailing health; I needed to consider our long-term financial future. I decided to enrol in university and began an Applied Science degree in 2003.

University

My desire to study was enriched by the support of my wife - the transition from farming to university was an easy one. After graduating with a Bachelor of Applied Science (Environmental Resource Management) in 2005, I planned to write Environmental Impact Statements for the greater community. However, I found that EIS's could be challenged and defeated in court if not properly represented. This prompted my decision to study law and transfer to a double degree the following year, which I was successful. As such, I am currently in my second year of what has become a five year full time course. I am studying my BAppSc degree externally, so as to be home with my wife as often as possible, whilst my LLB is studied internally. Following graduation, I hope to practise in the NSW Land & Environment Court. As far as I am aware, from my documented family tree, there are no ancestors or present family of mine that has studied Law in the last **130** years. My schooling was only an average School Certificate from Liverpool Boys High School, Sydney, in 1974.

Living expenses

In Table 1, I have outlined the weekly living expenses of my wife and I along with our combined income. Centrelink payments form our sole income. The prospect of part-time work is very low - seasonal farming work does not coincide with university semester breaks. My wife is unable to work and consequently is receiving a Disability Support Pension from Centrelink. She suffers from uncontrolled Type 1 diabetes, carpal tunnel syndrome in both hands (one hand has just been operated on) hyperthyroidism (thyroid removed six years ago), chronic fatigue and depression.

Table 1: Weekly income and expenditure details for Stephen J Rixon. The top four expenses are overheads incurred from my farming business due to poor market prices

Source of income	\$ weekly income	Source of expenses	\$ weekly expenses
My Austudy	159.25	St George bank	51.70
My wife's DSP	190.45	Citibank	43.85
		American Express	46.15
		ANZ Bankcard	26.54
		Electricity	21.66
		Phone/net AAPT	25.97
		ANZ Visa card	4.40
		Food	100.00
		Petrol	30.00
		Medications and supplements	20.00
Total	349.70		370.27

The above table **does not allow for;**

- My wife's doctor's expenses; her GP now bills by the minute, her specialist physician does bulk bill.
- Her eye specialist 6 monthly visits as well as dental.
- No gifts to anyone, entertainment, clothing, or car registration.
- Student fees, textbook and stationary costs.

Neither my wife nor I drink or smoke – our income barely covers necessities. As we do not own any collateral, we are unable to consolidate our expenses into a single loan. I forgo visits to the doctor (I have Type II diabetes), dentist and eye specialist. I must rely on the subsidised medical and dental services provided by the university's Student Representative Council. Recently, I endured six months of tooth ache before I humbly visited the university dentist who provides a free service.

Austudy

Is Austudy adequate in my circumstances, I think not. It is the lowest form of Centrelink payment available, with the highest costs to possibly incur against it. Furthermore, the Educational Textbook Subsidy Scheme (ETSS) ends on 30 June 2004. 8% may not appear to be a very large amount, but it is the difference between having enough food, and going without.

I have applied for the Commonwealth Education Costs Scholarships through the university. If my application is successful, the \$2 000 will cover the cost of last semester's textbooks and my 2003/2004 Summer Law School tuition fees - an up-front payment of \$1 060. Any remaining money will go toward my 2004 student fees and second semester textbooks. At the moment, such costs are going on my credit card. Should my scholarship application fail, the repayments on my credit card will continue to climb. If I am declared bankrupt prior to graduating, I cannot be accepted to the NSW Bar.

Adequate Income Support

Am I a student from a disadvantaged background? If a middle-aged student with no employment, mounting bills and no equity is disadvantaged, then yes, I am. Will I manage until the end of my degree in 3.5 years time? I will certainly try my hardest to do so. Yet, I remain mindful of rising HECS fees and the length of time it will take to repay a five year law degree. I can't make extra trips to the university for research purposes, as the extra fuel costs are outside my budget.

Conclusion

In its present form, Austudy is not adequate. If a person is on Austudy and has no other income, they cannot successfully complete their studies without accumulating a large debt.

If Austudy was raised by just 10% (minimum), this extra \$15.90 per week would make all the difference to the lives of students experiencing real financial hardship. Many students struggle financially. While some may waste money, others like me, can't afford the cost of a coffee or the petrol to run a car. In my case, an extra \$15.90 per week would have a huge impact.

The rising cost of higher education is making it harder for financially disadvantaged students to receive a degree. At this rate, only students from wealthy middle class backgrounds will be able to afford a university education. Education is a basic right that should be available to all, yet this requires a strong commitment from the government. A small increase of 10% to Austudy is a good place to start. Better still, bringing Austudy payments in line with Newstart payments would support students more effectively.

This concludes Part 1.

The following, Part 2, details a university wide survey that I circulated to all students.

Acknowledgements

I would like to thank the following people for their granting permission to allow the survey that is to be used in this submission, to have been made available on the Southern Cross University, Lismore, website (MySCU);

Damian Cooper; SRC Services Coordinator, (IT and Security)

Nick Fredman; Student Rights Advocate, Student Representative Council

Maria Gillam, Director - Information Technology & Telecommunication Services

Prof. Martin Hayden; Head of School, School of Education

Malcolm Marshall; Executive Director and Vice-President (Corporate Services)

Council Secretary.

Dr Baden Offord; Chair, Human Research Ethics Committee, Senior Lecturer in

Cultural Studies & History

Sue Sawkins; Manager - Online Services, Information Technology &

Telecommunication Services

I would also like to thank all the students for participating in the survey and the support I received from my peers, to be able to finish this submission by the deadline.

Part 2: University wide survey conducted by Stephen J Rixon

Background

It became obvious after speaking with my peers, that there was a need to conduct a survey of Southern Cross University students that showed the EET committee the financial difficulties experienced at student level. The survey was a series of 25 questions. Of some 10 000 students enrolled, either external or internal, 232 responded. This represented approx. 2.3%. Not a very large sample, however, the results of the questions reveal consistent trends. Twenty two questions were quantitative, whilst three questions were qualitative.

Questionnaire

Q1: What is your gender? (Mandatory Question) F or M

Result: 143 **Female 62%**, 88 **Male 38%**.

Q2: What is your age (Mandatory Question) 18-24, 25-34, 35-44, 45-54, 55 and over?

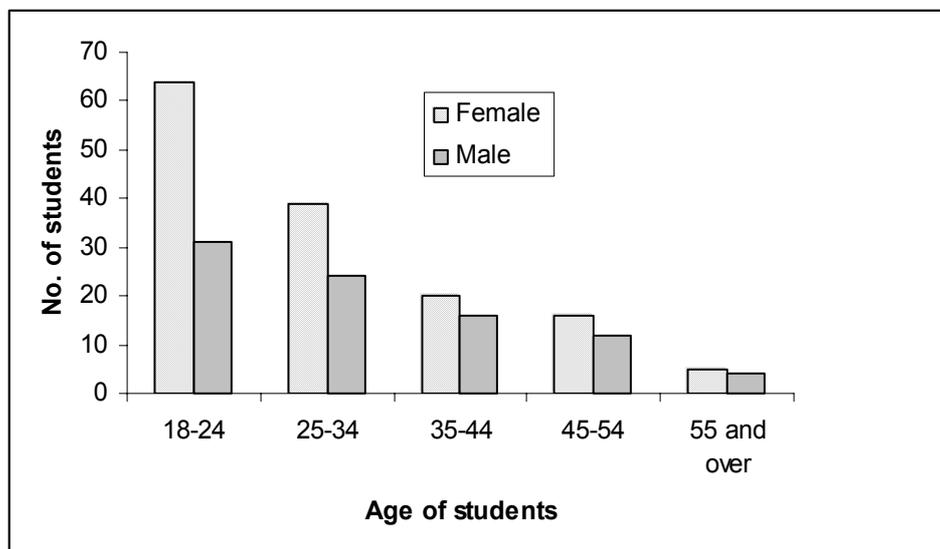


Figure 1 Chart showing age and gender of survey participants

This chart shows a higher participation rate among females of all age groups.

Q3: Did you have to move home/house for the primary reason of attending university.

(Mandatory Question) Yes No

Result; 136- **Yes, 59%** 95 **No, 41%**

Q4: During semester do you live with: (Mandatory Question)

You can select MULTIPLE options. parent/s or guardian/s, with other relatives, with your partner/spouse, with your children, alone, in shared rental accommodation , informal living arrangements, Other:

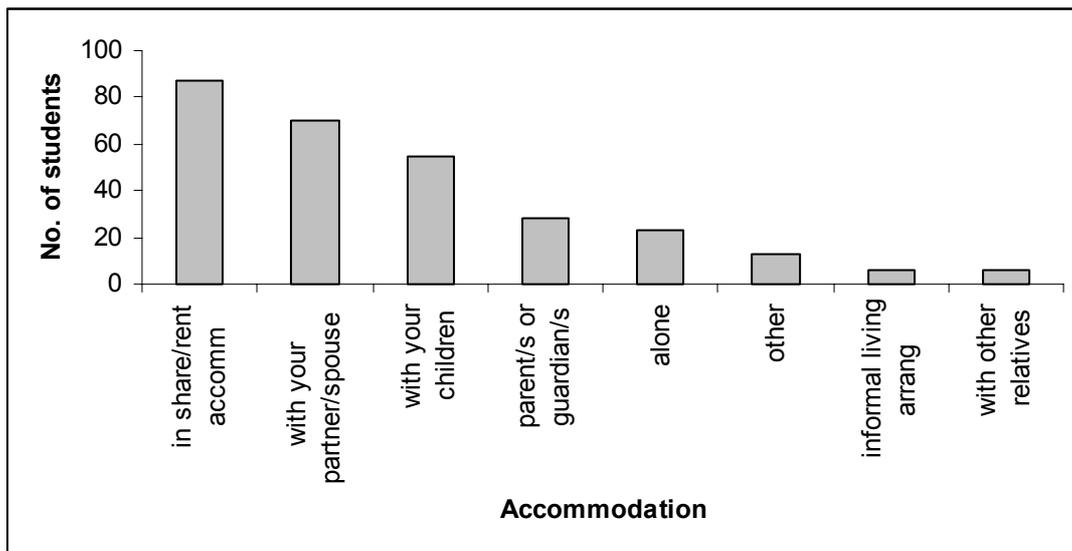


Figure 2 Student accommodation type during semester

Q5: If you are paying rent, how much per week do you pay? (Optional Question)

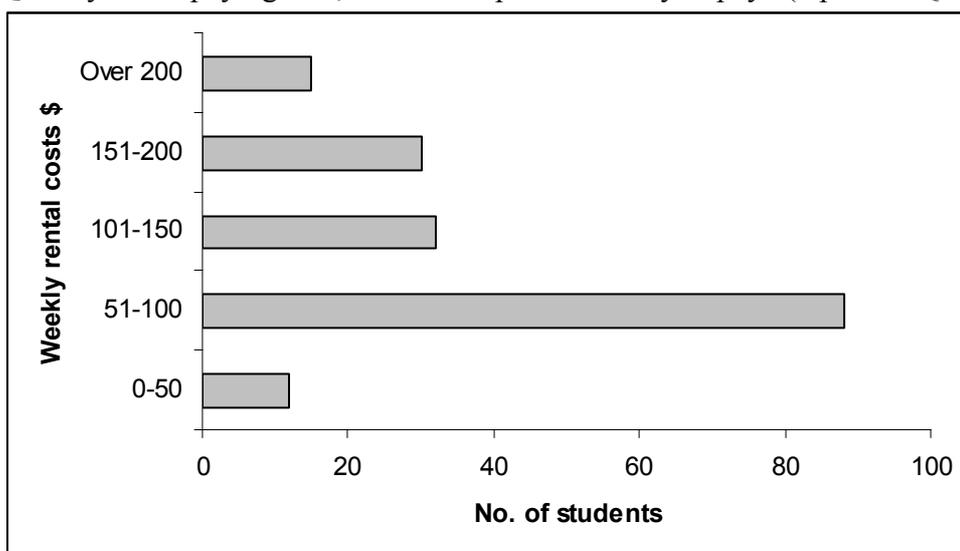


Figure 3 Weekly rental costs of students

This represents 77% of all respondents who paid rent.

Q6: Are you enrolled as Full-time/ Part-time student? (Mandatory question)

Result; Full-time 177, **76%** Part-time 54, **24%**

Q7: What is your main reason for you being part-time? (Optional question)

To fit in with;

Table 2 Response of part-time students

Main reason	No. of students	% of part-time students
Employment	23	43
Family commitments	12	22
Lack of income support	7	13
Course/timetable restrictions	1	2
Distance from university	1	2
Cost of course fees	1	2
A disability	2	4
Only need a few units to complete	1	2
Other	4	7
Total	52	97

43% of all part-time respondents cite employment as their reason, whilst 22% cite family commitments as the reason for studying part-time.

Q8: What is your mode of study? (Mandatory question)

Result; External 48, **20%** Internal 154, **68%** Mixed 29, **12%**

Q9: What is your level of study?

Undergraduate	207	89.5%
Postgraduate	10	4%
Masters	4	2%
PhD	9	4%
Other	1	0.5%

Q10: Do you receive any Government financial support? (Mandatory question)

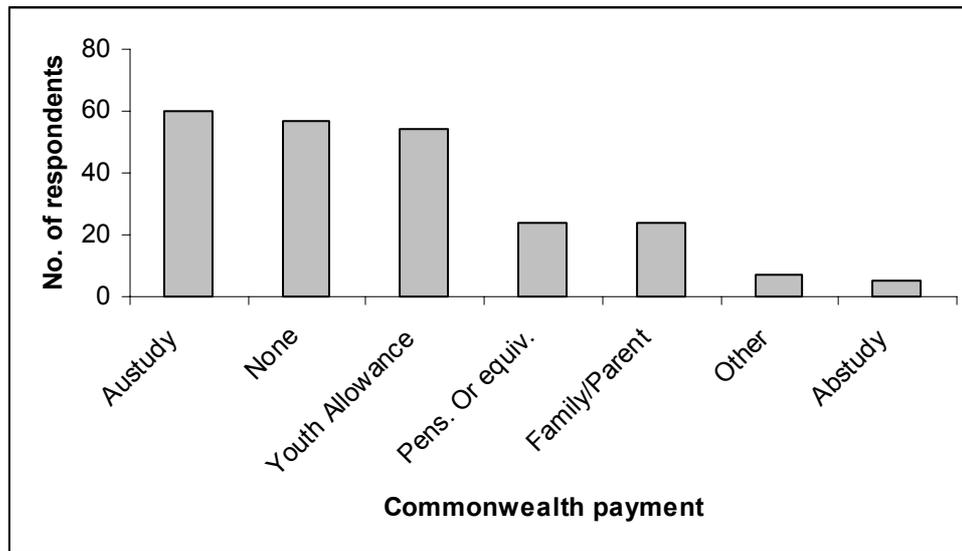


Figure 4 Comparison of Cth Govt. payments

75% of respondents receive Centrelink payments, whilst only 25% of respondents do not receive any Centrelink payment.

Q11: Are the payments received under the maximum rate? (Optional question)

Result: Yes, 115; **50%**, No, 52; **22%**, Blank, 64; **28%**

Q12: How many hours of paid employment do you have on average, during semester?

(Mandatory question) Nil, 1-10, 11-20, 21-30, 31-40, 41-50, 51& over

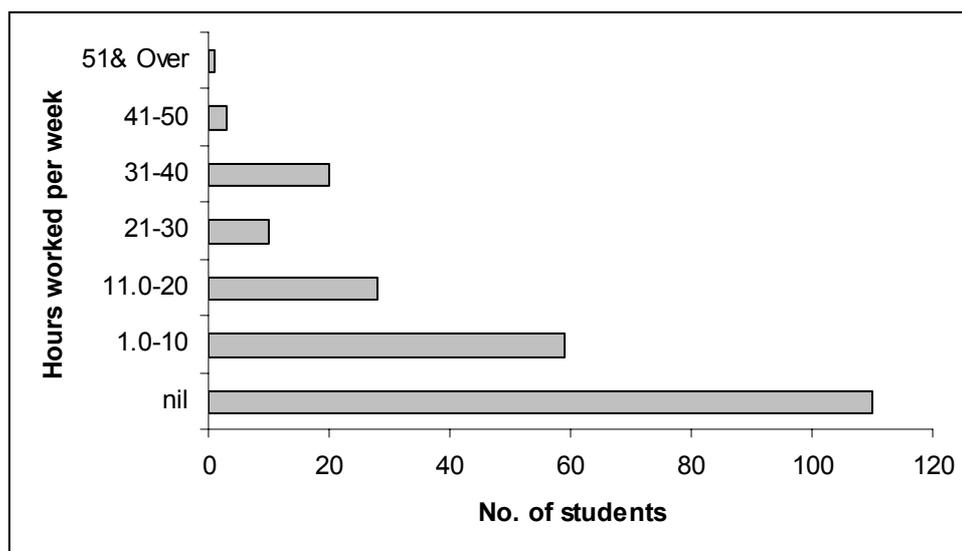


Figure 5 Average hours worked by students per week during semester

This indicates that 48% of respondents are not employed at all during semester.

Q13: How many hours of paid employment do you have on average, during summer break? (Mandatory question) Nil, 1-10, 11-20, 21-30, 31-40, 41-50, 51& over

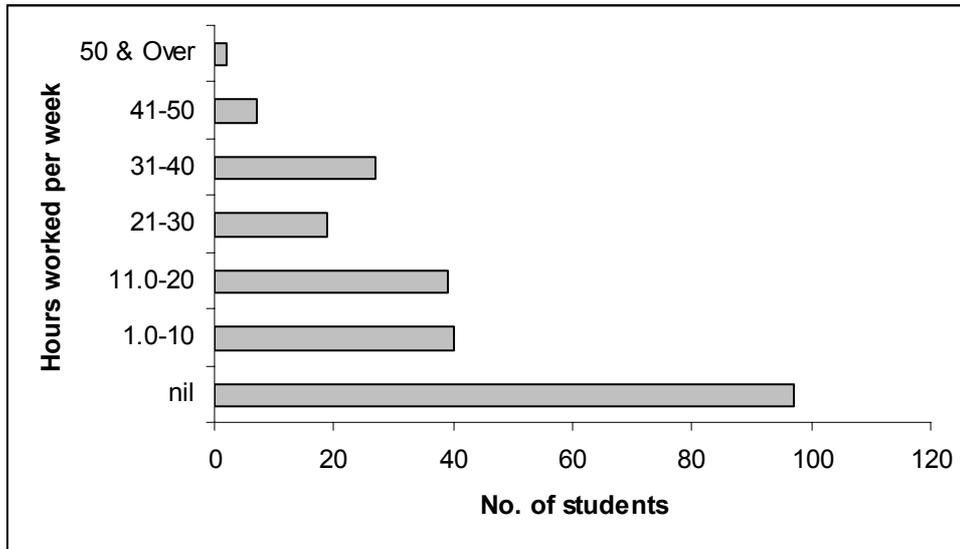


Figure 6 Average hours worked by students per week during summer break

Employment rate during the semester break increases by 6%. However, 42% still unemployed.

Q14: Do you miss lectures/tutorials/study groups due to paid employment commitments? (Mandatory question)

Result: Never 126, **55%** Rarely 36, **15%** Sometimes 51, **22%** Frequently 18, **8%**

Q15: Do you receive any other financial support? (Mandatory question)

No, Parents, Partner/spouse, Relatives or friends, Employer, Other

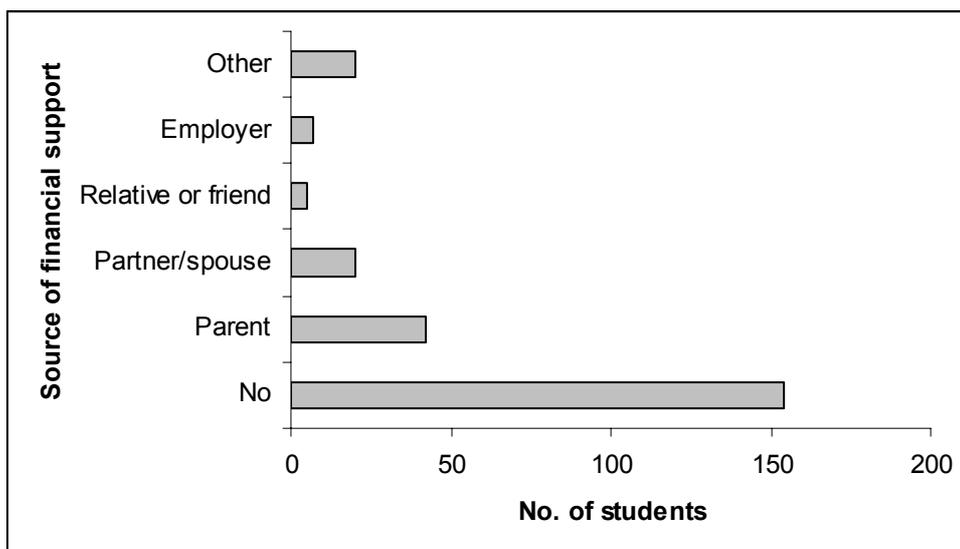


Figure 7 Source of financial support for students

67% of respondents do not receive any other financial support.

Q16: Are you the sole care giver of any person/s? eg children, elderly parent, disabled person. (Mandatory question)

Result: Yes 29, **13%** No 202, **87%**

Q17: Do you have any financially dependent children? (Mandatory question)

Result: Yes 62, **27%** No 169, **73%**

Of these, only 4 children were not parented by a sole care giver

Q18: If you do have financially dependent children, please indicate how many? (Optional question)

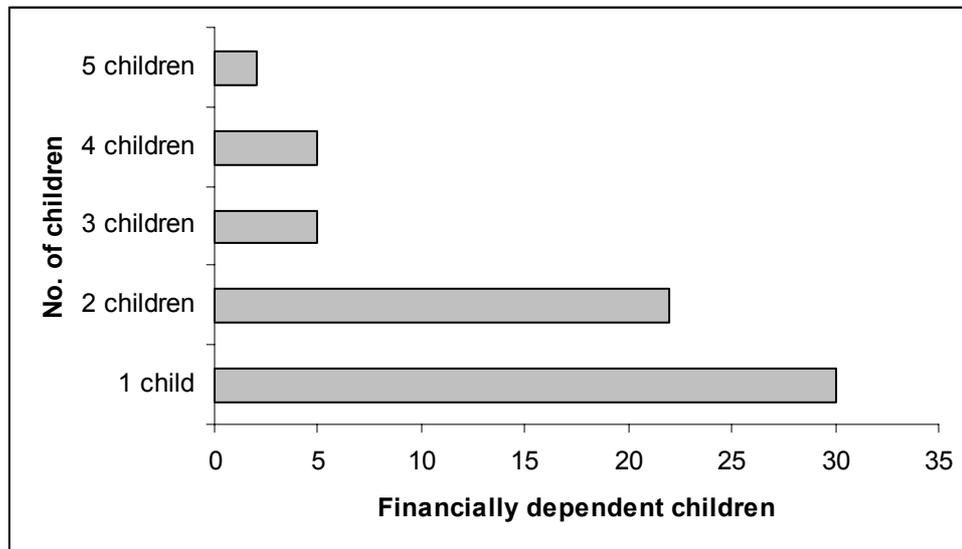


Figure 8 No. of children that are financially dependent

Q19: Do you miss lectures/tutorials/study groups because you cannot afford childcare/after hour's school care? (Mandatory question)

Result: Never 197, **85%** Rarely 10, **4%** Sometimes 18, **8%** Frequently 6, **3%**

Q20: If you attend classes on campus, what are the main forms of transport you use during semester to and from SCU? (Mandatory question)

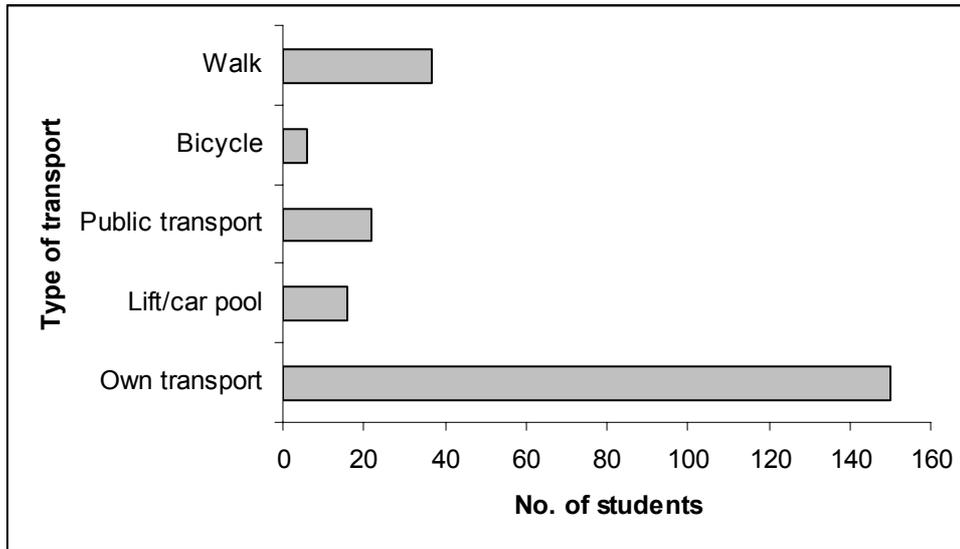


Figure 9 the main forms of transport used by students

Q21: Do you miss lectures/tutorials/study groups because you cannot afford to travel to campus? (Mandatory question)

Result: Never 139, **60%** Rarely 40, **17%** Sometimes 44, **19%** Frequently 8, **4%**

Q22: What will be your annual net income for 2004 (as accurate as possible and including government payments)? (Mandatory question)

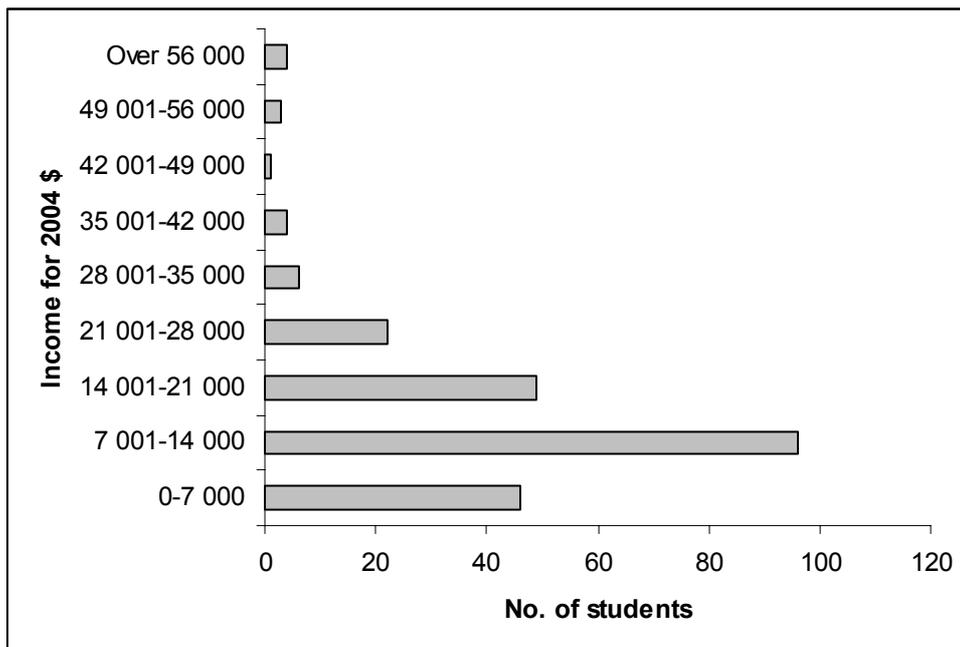


Figure 10 Annual net incomes for 2004

Q23: Do you feel the income you have acknowledged will be sufficient for you to be able to continue your level of study? (Mandatory question)

Result: Yes 78, **34%** No 105, **45%** Other 48, **21%**

This is quite alarming. 45% of respondents consider their acknowledged income insufficient if they are to continue studying at their current level.

Q24: (Optional question) Please add any comments you feel are relevant in respect of your financial situation as a student including cost of living issues, the possible increase of fees, as well as improvements/changes you would like to see made by the university.

A sample of responses follows.

The Austudy payment is not enough to support a person with children. We make choices about the quality of food all the time because we do not have enough money. The increase in fees is a serious disincentive to study and makes the likelihood of future generations being able to attend university, even if capable, most improbable. The Nelson changes are the poorest kind of social engineering and a significant retrograde step for Australia. It seems premised upon having a wealthy family to support a student. What about the many others not in that situation? I know of a few students that are simply close to starving on certain days because they have had to confront a difficult choice between food and costs - books, heating etc. The cancelling of the QST subsidy is another increase in costs that many students will not be able to afford.

I think I will study part time next year as I can not afford to live like this. It's a shame that university has to cost so much and our quality of living decreases. I'd like to see a Politician live on Youth Allowance money for a month, so I could see how well they did it. Maybe then they would rethink the amount of money we get for studying and the rising fees. Maybe then they could see that by the youth of Australia getting higher education it will eventually lead to Australia's economic growth. Instead they are deterring youth from higher education which should be criminal.

With an increase in fees it will be impossible for students from lower socio-economic backgrounds to attend uni with out considerable sacrifice. It seems to me a way of stratifying wealth, eg, the rich get richer, the poor get poorer.

It's a shame that people on unemployment benefits receive a lot more in payments than people who are studying, whether at uni or TAFE. Even 15 year old kids can move out of home and get the same amount in payments per fortnight as students.

Most responses were along the same subject matter as the four previous responses.

Q25: (Optional question) Do you feel there are changes that could be made to government/Centrelink policy that would be particularly useful to you and/or students in general?

- 1) Consideration of rising living costs and accommodating this with increasing Centrelink payments, Introducing further student subsidies that are actually relevant, introducing more varied loan schemes that charge minimal interest rates, NO HECS INCREASE!! It is unfair that affluent people can avoid HECS debts by paying up-front whilst minority groups/ people below the poverty line are hit with massive debts on completion of a course of study that renders them even poorer. The one thing I want when I complete my studies is some financial freedom to be materially comfortable, but I have personal and HECS debts hanging over my head and I won't feel that freedom for a long time...
- 2) Part-time study, postgraduate and extra degrees should have the benefit of Austudy. If people are prepared to live on such a paltry sum, they should be allowed to.
- 3) Lowering the HECS repayment threshold and allow students to earn a liveable income whilst they are still studying, without being penalised if they break the threshold - it hurts students to pay 3% or more of their income if they break this threshold. Make students exempt from HECS repayments while they are studying all together - make us pay it back when we have half-decent jobs and can AFFORD to pay HECS bills - not while we are struggling through uni!

- 4) The money you receive from the government should not be based on how much your parents earn. Some parents do not give any financial support to their children regardless of how much they earn.
- 5) Yes, there should be a student education allowance sufficient to cover basic living expenses on top of the pension.
- 6) Someone in the government really needs to rethink the Youth Allowance payments. We are getting penalised for bettering our lives where as people are getting large amounts of money for unemployment and have no intention of ever getting a job! Where is the justice?!
- 7) Increase the Austudy payment in line with the cost of living as the commonwealth student supplement loan was good but by trading in half of your Austudy payment you now years later have a bigger HECS bill when if the Austudy rate had been \$50-60 dollars higher there would have been no need to access the financial supplement scheme.
- 8) Rent assistance to all full-time students travel allowance. At least a \$35 increase to fortnightly payments, removal of GST on text books and other uni fees. Pay off text book scheme.
- 9) Government policy needs to recognise students as actively improving their own employment status and therefore the unemployment statistics overall. Unemployment recipients receive a benefit which is recognised as a living allowance, and for which they can receive rent assistance and other benefits for. Austudy is only considered a study allowance, therefore no other entitlements are offered. How fair is this? Students have more expenses, and are taking positive action to improve employment opportunities, but get no recognition for this from the Government. If i wanted to stay at home and have kids, I could get the pension or unemployment benefits and child allowance, draining the welfare system, possibly abusing this very system which refuses to support their future tax paying students who are (again) actively taking positive steps so that they are not caught in the web of the welfare system.

Of the total participants that responded to this question, the overall concerns are summarised in the following table.

Table 3 Main concerns raised by respondents.

Main concern noted	No. of students	% of total
Eligibility for Centrelink payments	43	19
Parent income threshold used when don't/can't help	9	4
Cost of living/Centrelink threshold	24	10
Rent assistance	18	8
Raise Austudy payments	23	10
Pensioner Education Supplement increase	5	2
Other	20	8
No response	89	39
Total	231	100

Conclusion

A common thread throughout the results indicates that students are financially struggling. If Austudy payments were brought into line with Newstart payments, this would reduce the financial hardship experienced by students. Rent assistance should be made available to study payments, whilst the parent income threshold test should have provisions for situations where parents don't/can't help their student children. All qualitative answers can be supplied upon request. Thank you for allowing this submission to be included in the Senate enquiry.