

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into student income support**

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President

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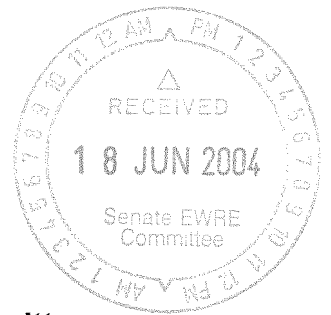
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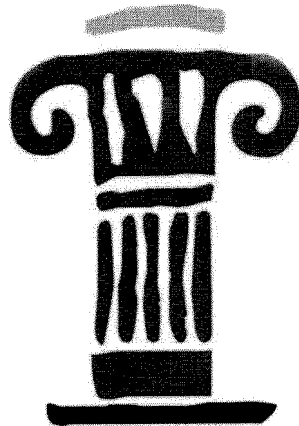
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**A Submission to**  
**Senate Employment, Workplace and Education References Committee**  
**Inquiry into Student Income Support**



**Tasmania  
University  
Union**

**Authorised by John Moore, President, Tasmania University Union Inc.**

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**18 June, 2004**

## **Contents**

- 1. Introduction to the Tasmania University Union**
- 2. The Safety Net Grants Scheme**
- 3. Debunking the myth of the typical student**
- 4. Case Studies**
- 5. Recommendations**
- 6. References**



## 1. Introduction to the Tasmania University Union

The Tasmania University Union (TUU) is one of the oldest student organisations in Australia. It was formed in 1899, a few years after the University itself. The contemporary Tasmania University Union Inc. became an incorporated body in 1991 and is the representative and service organisation for students studying on the southern Hobart campus of the University of Tasmania. The TUU mission statement articulates its commitment to support and promote the wellbeing of students and their academic, cultural and recreational activities. The Student representative council (SRC) acts on behalf of the TUU in matters of particular concern to students and as all members are students themselves, is particularly cognisant to the most paramount issues. As a small organisation, the TUU employs two full-time Research Officers who, along with members of the SRC and in particular the President and the SRC Welfare Officer, are an accessible resource and contact for students experiencing difficulties with or surrounding their time at University. Both the Research and Welfare Officer are involved in a University Committee that administers the Safety Net Grants Scheme, which gives them immediate, and first hand knowledge of the financial difficulties faced by students at the present time.

The TUU welcomes the opportunity to comment on the issue of student income support and appreciates that the Senate Employment, Workplace Relations and Education References Committee chose to adopt such broad terms of reference. The recommendations and examples presented in this submission are not based on statistics or their manipulation and not intended to illustrate a representative sample. The anonymous case studies of students who have approached the TUU in dire financial need are illustrated with the intention of alerting the Committee to the real life examples and the 'human face' of student life. This submission will provide commentary on the current measures for student income support, including Youth Allowance and Austudy, with specific reference to;

- (i) *the adequacy of these payments and*
- (ii) *the ineligibility of Austudy recipients for rent assistance*

The case studies presented were all recipients of small grants (average \$500) administered by the University of Tasmania's Safety Net Grants Scheme. Grants were provided on the basis that students could illustrate exceptional financial hardship and were at risk of discontinuing their studies due to this hardship. Identifying details have been removed from the case studies, but all other information is as was presented to the Safety Net Grants Scheme Committee. Students have given permission for their details to be included in this submission.

## 2. The Safety Net Grant Scheme

The purpose of the University of Tasmania's Safety Net Grant Scheme is to provide emergency financial assistance to eligible students who are experiencing financial hardship that is adversely affecting their ability to study. The main criteria for assistance under this scheme is that a student demonstrates a genuine need and that their capacity for continued study may be in jeopardy due to financial hardship.

The Scheme is administered by the Safety Net Grants Scheme Committee comprising of both University staff and Student Union members.

To be eligible a student must:

- Be currently enrolled
- Be at risk of discontinuing study
- Demonstrate exceptional financial hardship
- Demonstrate an ability and intention to complete their course of study.

University of Tasmania Safety Net Grants Scheme Policy and Guidelines (revised edition 2002).

In 2003 \$24,295 worth of grants were administered to needy students as outlined in the following table.

### Payments Summary to 27 November

	2003	%	2002	%
<b>Power</b>	5593	23.02	3555	12.30
<b>Telephone</b>	1718	7.07	2692	12.80
<b>Living (Rent, Bonds, Food)</b>	7388	30.41	7184	36.90
<b>Motor Vehicle Exp</b>	4697	19.33	3445	6.40
<b>Study related travel</b>	56	0.23		
<b>Child Care, Medical, Other</b>	3647	15.01	1110	3.30
<b>Study Material</b>	1196	4.92	3694	28.30
<b>Total</b>	<b>24295</b>	<b>100.00</b>	<b>21680</b>	<b>100.00</b>

<b>Funds Granted :-</b>	<u>2003</u>	<u>2002</u>
	\$26,000	\$29,200

**Value of Approvals for 2003 = \$24295**

**Value of Approvals for 2002 = \$21680**

<b>Made up of</b>
Food Vouchers \$1825
Rent & Bond \$5286
Other \$277

### **3. Debunking the myth of the typical student**

There is no longer a 'typical student'. While education in the past may have been engaged largely by school leavers who were also the children of professional, urban based families, this is no longer the case. There is a growing trend towards 'non-traditional' students engaging in study (Elliott 2002). There is a diverse range of students participating in tertiary study. Some of these groups include:

- School leavers
- Mature age students
- Students with dependants
- Students who work more than 20 hours a week
- Students from regional and remote areas

The motives of students are also diverse. Many individuals undertake education in order to fulfil career goals, however they may also be interested in learning for the sake of learning.

A diversity of students indicate that a multi tiered approach may need to be taken towards student income support, which will be discussed within the ambit of the terms of reference.

### **4. Case studies**

(All names have been changed)

Mandy applied to the Safety Net Grants Scheme committee in October 2003. She was a mature age single student who was receiving Austudy of \$369.47 per fortnight. Mandy had existed on credit for the majority of the year and had a credit card debt to the value of -\$3680.67. She was not renting, but paying a mortgage on a house she previously shared with her ex-partner on which she owed \$23,619.28.

Mandy approached to committee to apply for assistance to pay her electricity bill and for some repairs on her car. She was about to commence the 14-week placement component of her course and needed her car to commute to the various organisations where she would be working.

Mandy's net weekly income was \$184.73. After paying her mortgage (\$46.25), petrol (\$25), credit card payment (\$20) and her phone, council rates and insurance (approximately \$60) she was left with \$33.48 with which to purchase groceries and put towards her electricity bill and car repairs.

Nerida approached the TUU looking for food vouchers as she had not eaten for a few days and had no money for food. She was given some immediate assistance and then referred to the Safety Net Grants Scheme. Nerida was receiving Austudy of \$310 per fortnight. Nerida was behind in her rent payments and was unsuccessfully trying to shuffle money around in order to keep up to date. She had been looking for part-time work with no success. She had been involved in a car accident a few months earlier, in which she had admitted fault. She had been unable to afford insurance premiums and thus was not insured. She was paying the other persons insurance company a total of \$2177.98

in instalments. After paying rent and this instalment to the insurance company, Nerida had approximately \$50 per week left with which to pay for electricity, food, phone and travel costs.

James presented to the TUU office as he had no money for food and was 12 days away from his next Centrelink payment. He was issued with some food vouchers courtesy of the SRC Welfare Officer and referred to the Safety Net Grants Scheme. James was receiving Austudy and as he had accessed the \$500 Advance payment option earlier in the year, he was paying that back by deductions of \$38.50 per payment, leaving him with \$271 per fortnight. James shared a house with a group of other students and contributed approximately \$100 dollars per week towards the rent, electricity, phone and running costs of the house. After these expenses, James was left with approximately \$40 per week with which to purchase groceries, books, pay for photocopying and travel to University.

Alex lives in a small town approximately 45 km from Hobart. He studies at the Conservatorium and receives Austudy. His partner receives Parenting Payment and Family Tax Benefit and together they support 3 children. They chose to live out of metropolitan Hobart as the house prices were lower and they were able to afford to take out a mortgage to purchase their own home. Alex's partner suffered complications during the birth of their last child and needed the car during the day in order to transport small children. In order to commute to University each day, Alex needed to travel on a regional bus service contracted by the State Government to a private operator. There were no tertiary student fares offered on this service, although students attending TAFE were able to travel for 30c. Alex paid \$8.10 per one-way trip and was on average spending \$80-\$100 per week to travel to University. He approached the TUU as he was considering withdrawing from his course, as this was an expense he and his family could not afford.

## 5. Recommendations

- **That students should be able to access a 'living wage' on par with that received by Newstart and other income support payment recipients.** Currently it would seem that the rate of income support is inadequate. Indeed the majority of individuals abandoning study cite the primary reasons as personal illness, family related problems and financial problems (Elliott 2002). This view was confirmed by an attrition survey conducted by UTAS in 2003, which noted that employment, financial, family and personal and health issues are the main reasons for withdrawal (Abbott Chapman 2003). It cannot be ignored that allowing students to exist on less than \$150 a week, or alternatively combine full-time study with part-time work must impact on their ability to study effectively and successfully.
- **That Rent Assistance is extended to Austudy recipients.** There is currently no valid reason why this anomaly exists and continues to exist.
- **That the current 8% Educational Textbook Subsidy Scheme be continued.** Students do not need the added financial burden of paying GST on textbooks.
- **That tertiary students be given additional subsidised travel on public transport in order to relieve the financial burden of travel costs.** Students do not have the disposable income to spend on the expenses pertaining to vehicles. Public transport should be encouraged and made affordable and accessible.
- **That the role of student organisation in assisting students faced with issues of poverty be acknowledged and rewarded.** The current Federal Government has plans to introduce a bill legislating for Optional Membership of Student Organisations (OMSO). If this were to be introduced, many student organisations would not be able to continue to provide essential services to disadvantaged students.



## References

Abbott-Chapman, J. (1998) *Support for Students' Studies: Everyone's Business*. Hobart, University of Tasmania.

Elliott, A. (2000) Factors affecting first year student's decisions to leave university. In *The 6<sup>th</sup> Pacific Rim Conference on the First Year in Higher Education: Changing Agendas "Tao Hurihuri"* Christchurch, University of Canterbury, 8-10 July. [Available online at <http://www.qut.edu.au/talss/fye/home.htm> – accessed 16<sup>th</sup> June 2004]

University of Tasmania, *Safety Net Grant Scheme Policy and Guidelines*. ( Revised edition 2002).