

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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INQUIRY INTO
STUDENT INCOME SUPPORT

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June 2004

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Introduction

The RMIT Student Union¹ welcomes this opportunity to make a submission to the *Senate Employment, Workplace Relations, Small Business and Education References Committee Inquiry* into student income support.

The RMIT Student Union believes that current government policy forces students into a life of poverty, ill health and lifelong debt. Without significant reforms, post-secondary education is heading towards a time of irreversible negative change where universities are exclusively for those unsaddled with family financial difficulties and debt aversity, that is the rich.

The RMIT Student Union believes that it is the responsibility of governments to assist students to study in the interests of having an educated and equitable society. Student income support constitutes one of the two major areas, along with post-secondary education funding more generally, where governments can and should intervene to stop the decline in the quality and accessibility of post-secondary education in Australia.

Over the last few years, the RMIT Student Union has witnessed a growing problem of student poverty amongst its members. The Student Union employs several Student Rights Officers, who are employed to assist and advocate for students who are facing difficulty in their studies at RMIT. The Student Rights Officers report a growing number of cases that can be traced back to a base poverty, a struggle for financial survival. As students are finding it more and more difficult to access student income support and are increasingly turning to outside sources such as work, the time they have available for on-campus activities, including study, is rapidly diminishing. This problem has manifested itself in increasing requests for financial assistance, declines in participation in on-campus activities and a higher proportion of students working longer hours off-campus.

The RMIT Student Union sees this trend as a natural extension of government changes to further increase the financial burden on individual students. Students are increasingly bearing the brunt of decreases in public funding for education and a more restrictive social security system. In the context of higher fees and less income support, it is unsurprising that students are increasingly unable to devote the time and energy they may like to their studies and their university experience.

This submission will summarise the key areas of RMIT students' concerns with regard to student income support and poverty as identified in a series of focus groups held at various RMIT campuses during the week of May 10 - 14, 2004.

¹ The RMIT Student Union has a membership of approximately 55,000 students, constituting all students enrolled in courses at RMIT. It is comprised of three campus councils: City Higher Ed, TAFE and Northern.

Summary of Recommendations

1. That the maximum level of Youth Allowance, Austudy and the Special Benefit be raised to parity with the maximum level of Newstart Allowance.
2. That student income support rates be immediately raised to match the level of the Henderson Poverty Line.
3. That student income support rates be indexed quarterly to maintain parity with the Henderson Poverty Line.
4. That a review of Rent Assistance levels be conducted to take account of the recent property and rent rises encountered in many locations.
5. That all recipients of student income support, including Austudy Payment recipients, be made eligible for Rent Assistance.
6. That the age of independence be immediately lowered to 18 years of age, with provisions for students to attain independence at a younger age (13 years and older) if it is not reasonable to live at home.
7. That the definition of "marriage-like relationship" be extended to same-sex de facto couples, defined in the same way as opposite-sex de facto couples.
8. That the work requirements for qualifying as independent be relaxed.
9. That the Parental Income Test be abolished for all over the age of 18.
10. That if the Parental Income Test is retained, it be set at the level of average full-time ordinary time male earnings.
11. That the income test for partners be abolished.
12. That the maximum allowable additional earnings be raised to \$10,000 per year and that any earnings over that amount be subject to an income support reduction of 25 cents in the dollar.
13. That the Income Bank begin each calendar year at the maximum allowable level and that this level be raised to \$10,000.
14. That all students on student income support be issued with a Health Care Card.
15. That the time restriction placed on eligibility for income support be eliminated.
16. That the time restriction placed on eligibility for income support be extended to 12 months beyond the minimum time required to complete a qualification at each level.
17. That the APA is expanded in terms of availability and the level provided be increased to a minimum of \$30,000 per year.
18. That part-time students' APA income be also tax-free.
19. That the restriction on working hours allowable under the APA scheme be lifted.

20. That student income support is provided as a grant to all full-time postgraduate students, at least at the same level as APAs., recognising that postgraduate students have different needs to other students.
21. That the government regulate allowable fee rises in postgraduate coursework programs.
22. That in recognition of the difficult financial circumstances of postgraduate students, that funding be increased to the higher education sector to assist students in meeting the costs of research and study.
23. That this committee recommend a broadening of the TAFE concession rate eligibility criteria to include a significant number of students who do not currently qualify but who face serious financial hardship nonetheless.
24. That there be a notable reduction in the maximum fee levied for VCE.
25. That ABSTUDY payment rates be increased to a living wage standard calculated using the Henderson Poverty Line as a minimum benchmark.
26. That abatement rates be modified to take into account the low socio-economic status of ATSI people and the extra financial obligations and requirements that ATSI students experience as a result.
27. That the age of eligibility for independent rate ABSTUDY be dropped to 18years old.
28. That cuts to travel allowance, Away from Base Allowance and other measures designed to make ABSTUDY responsive to the particular circumstances on indigenous students be rescinded.
29. That restrictions on work and strict attendance requirements for international students be relaxed.
30. That the Federal Government regulate international student fees to ensure fairness and adequacy of service delivery.
31. That rises in international student fees for the second and subsequent years of an award be limited to the rate of inflation.
32. That there be an investigation into the appropriateness of developing a National Code of Practice for the Pastoral Care of International Students.
33. That the temporary protection visa be abolished, or that holders of temporary protection visas be allowed the same access as permanent residents and citizens to HECS places, Austudy and Youth Allowance.
34. That the 2003 amendments be repealed and TPV holders who are studying not be subject to the current activity testing regime.
35. That FACS introduce policy directing Centrelink officers to extend approved courses to three years. The twelve month rule is unduly restrictive, and does not reflect courses offered by the TAFE sector that have the most vocational capacity.
36. That incomplete study be considered grounds for extension of a student's TPV.

37. That asylum seekers on bridging visas be given access to government funded income support, and that work restrictions on bridging visas be lifted.
38. That asylum seeker students be given access to Austudy and Youth Allowance.
39. That asylum seeker students be given access to health care cards, transport concessions, and all forms of concession available to citizen and permanent resident students.
40. That asylum seekers on bridging visas be granted access to HECS places in Higher Education and State funded places in TAFE.
41. That the 104-week waiting period for newly arrived migrants be abolished.
42. That the Disability Support Pension be reviewed quarterly to maintain parity with the Age Pension and that this be no lower than the Henderson Poverty Line.
43. That "Partnered" Disability Support Pension be abolished and all students with disabilities receive the "Single" rate.
44. That Government specifically fund Universities and TAFEs to provide quality support services for students with disabilities.
45. That assessment and payment of Childcare Benefits and Family Tax Benefits be restructured to reduce likelihood of overpayment for student parents who are in erratic employment.
46. That all student parents (part time and full time) have access to Childcare Benefit at the same level as the JET scheme, with some flexibility so that students who fail are not immediately ineligible.
47. That income support for student parents be set at the Henderson Poverty line, with an additional amount to cover childcare and other costs associated with bringing up children.
48. That international students be eligible for student rates at childcare facilities, and have access to travel and other concessions available to students.
49. That all states be encouraged to provide concession travel on public transport to all full-time students, including postgraduate, international and external/distance students, regardless of the state of residence.
50. That the Textbook Subsidy Scheme be continued at the full GST rate for all academic books.
51. That a Textbook and Materials Grant be established for all student income support recipients.
52. That the practice of breaching be abolished.
53. That a review be conducted into the way that Centrelink communicates with students and the way that Centrelink administers student Income support.
54. That Centrelink make benefit recipients' rights, including the grounds and methods of appeal, more clear.

1. Would you like figs with your rice?

We had an old fig tree in a place I use to live in. All three of us were broke and we ended up just eating the figs on the tree...figs and rice...for three weeks...I'll never eat one again.

(Male undergraduate student, early 20s)

Reports on student poverty abound to the point where it is easy to dismiss the stark reality of the current situation. Restrictions to government income support and the increasing cost of post-secondary education are forcing more and more students into a life of real poverty and the long-term financial difficulties associated with large-scale debt.

During the week of May 10 to 14, the RMIT Student Union ran a series of focus groups during which students reported their experiences of financial hardship and government income support. Stories such as the above one, where a young student was forced to live off rice and figs for three weeks, bring home the reality of a modern Australia where students are unable to eat properly, go to the dentist, have a medical check-up or fully enjoy their university lives.

The RMIT Student Union believes that this is an unacceptable situation and this submission aims to highlight the negative effects that financial problems are having on students, their families and the broader community.

1.1 Is there such a thing as a full-time student anymore?

Many Australians may feel that students are meant to be poor. For many TAFE and university graduates stories of financial hardship as students remain a fond memory of their university experience. Yet Australia in 2004 is fundamentally different to Australia of previous years. The choice previous students may have had to make over whether or not to have that third beer has been replaced by the choice of whether or not to have that third meal.

Over the last several years, the RMIT Student Union has experienced a large increase in the number of students demonstrating financial difficulty. Since 2002, the Student Union has had to employ an extra 1.6 Student Rights Officers to deal with the increased caseload of students facing difficulty with their studies. This amounts to a 36% increase in staff hours devoted to casework in just two years. Much of this added casework, according to Student Rights Officers, can be traced back to ongoing financial struggles impacting on the health and academic performance of students.

Financial difficulties are forcing students into difficult decisions about the viability of full-time university study and universities are correspondingly beginning to see all students as "part-time"². Students are also having to sacrifice what many graduates of previous generations saw as key parts of the university experience – independence, socialising, cultural activities and non-classroom learning.

For some students, the first thing to go is independence; replaced by a financially forced co-existence with parents or family, long after both parties may have wanted greater separation.

I basically can't afford to live out of home...Youth Allowance combined with the small job I have now is not enough for me to live out of home.

(Female undergraduate student, early 20s)

² Praetz (2004)

At the rate I'm going I'll be living at home with my parents until I'm twenty-something 'cause I can't even afford to go out and get something to rent-with the amount of time I have to spend studying.

(Male TAFE student, late teens)

For others, pressures of work and study mean that leisure activities are sacrificed.

I'd love to do some sport or something like that but just working on the weekend I can't do it.

(Male undergraduate student, early 20s)

I think I was ten last time that [recreation activities] happened.

(Male TAFE student, late teens)

You've really got to prioritise where your money goes and therefore the expendable things in life like recreation and possibly study materials-when you're thinking about housing and food and everything else-obviously they're going to go down in your priorities list.

(Male TAFE student, early 20s)

Living arrangements and social activities are not the only things compromised. Many students find it difficult to seek medical help when needed, unless they have financial help from their families.

[I last went to the dentist] four years ago...I've had the worst toothache but I've just been avoiding it.

(Female undergraduate student, early 20s)

It's harder to find bulk billing doctors.

(Female TAFE student, early 20s)

I went to the dentist a few months ago but that's only because my parents were able to help. If I didn't have the financial support of my family, I know I wouldn't be able to do a lot of the health things I do.

(Female undergraduate student, early 20s)

Others report missing out on essential academic requirements such as textbooks and other required resources.

I'd say [I buy] roughly half [of the required textbooks].

(Male undergraduate student, early 20s)

Your friends in class always have a textbook. If you really need something, you just photocopy it. You can just scrape through without it.

(Male undergraduate student, early 20s)

It's not only textbooks. If you're doing an art subject, you need to get all the materials and stuff. You just die buying it.

(Male undergraduate student, early 20s)

In TAFE the regulations regarding the charging of non-tuition materials' fees are less regulated than in the higher education sector which eventuates in students having to pay quite substantial amounts of money to acquire them. In the case of books or other written material that need to be bought, it is a legislative requirement that the department gives

students alternatives to buying the material - for example, having it available for loan through the department office or the campus library. This is not always a successful option.

With respect to textbooks you could always pull out the argument that they're available in the library but when they're on a 3 week loan and you've got an assignment due and there are limited resources and there are 40 students in the class...you almost do run out of opportunity.
(Male TAFE student, early 20s)

The other side of it. Last year we spent all our money buying textbooks and ended up using only one of them: 2-3 pages out of a \$120 textbook. They're good reference books but just the fact that we bought them and hardly used them was very very irritating.
(Male TAFE student, late teens)

Officially we're not supposed to pay for anything but the reality is that we do. We end up paying for printed material.
(Male TAFE student, late twenties)

There is plenty of other anecdotal evidence to support a growing problem of student poverty. The La Trobe University Student Representative Council reports a regularly high turnout for their "Breakfast Clubs", a weekly free breakfast, the Monash Student Association has established a survival centre to provide students with free food and the Salvation Army is reporting an increase in requests for help from students³. Locally at RMIT the TAFE Student Union run "morning smokos" for apprentices and trainees have also been extremely popular, with organisers this year already giving out over 2000 eggs, 150 kilograms of bacon, 200 jumbo loaves of bread and nearly 600 litres of juice⁴. Where these events used to be an additional 'perk' it has become increasingly evident that many students are relying on these events as a main source of food.

Students are becoming increasingly reliant on limited handouts, subsidised food and other support services to survive, while many of the organisations that provide these services run a permanent battle against governments trying to shut them down through de-funding or Voluntary Student Unionism legislation.

In addition to relying on external support, a large and increasing number of students are working to support themselves while studying. Between 1994 and 1999, the percentage of students identifying work as their only or main source of income rose from 31 per cent to 37 per cent⁵.

At RMIT, the annual University Experience Survey⁶ shows that three in four domestic students and over one quarter of international students were part-time workers in 2003. For many, this constituted a small number of hours used to supplement income, but a significant number (30%), worked over 15 hours per week, calling into question the whole notion of what constitutes a "full-time student".

Students in focus groups highlighted the difficulty of trying to balance work and study requirements.

³ Green (2004)

⁴ RMIT Student Union (2004)

⁵ Baldwin and McInnis (2002)

⁶ Praetz (2004)

I've got a job that I basically take as much work as I can get because there are periods throughout the year where you might not have any work for three weeks so you've just got to try and get as much as you can and put some away.

(Male undergraduate student, early 20s)

Forcing students to work part time is going to degenerate [sic] your results.

(Female undergrad student, early 20s)

It's based to a certain extent on what kind of job you have. I have a job that's related to my study and it gives a lot back. I can imagine if you're working a job in a club or a pub that screws around with your hours, that'd be completely different.

(Female undergraduate student, early 20s)

I wouldn't say that I've missed any classes but just that I come to school four days a week and work three days a week. It just takes a lot out of you physically as well as you just don't want to come home from work and then sit down and open a book. You just want to come home and go to sleep.

(Male TAFE student, late teens)

These difficulties are supported by the results of the Australian Vice-Chancellors Committee (AVCC) survey of 2000 in which 59% of undergraduate students reported that their studies were either "greatly affected" (15%) or "somewhat affected" (44%) by working⁷.

Students have also emphasised the difficulties of getting work and the lack of part time and casual jobs available. While students are aware of the detrimental affect that work may have on their studies, the need for extra income to cover basic living expenses often outweighs these reservations. The rising costs of higher education combined with less access to government income support, increasingly low paid and casualised work for young people and high levels of unemployment for all age groups have made a higher level of education increasingly more essential for secure and well paid work in the future, but also, paradoxically, harder to obtain.

Evidence gathered by RMITSU also indicates that there may be considerable gender differences in the types of work that women students do while studying compared to male students, with a corresponding difference in pay. Certainly this would be consistent with the situation in the overall workforce which is still strongly gender segregated and has considerable pay differentials between male and female dominated occupations.

Female students indicated they felt that they would be less likely than a male student to get a job as a labourer, warehouse or factory worker, kitchen hand, petrol station attendant, shelf packer or pizza deliverer. These students thought applying for these jobs would be a waste of time due to the discrimination that they would face in regard to often unsubstantiated job requirements such as greater physical strength, or 'safety' considerations. Fear of sexual harassment, or other discrimination within the workplace was also a deterrent to applying for these jobs. Women students were more likely to consider applying for jobs in retail and hospitality, doing house cleaning, babysitting or telemarketing - jobs that generally have a lower hourly rate.

A paper entitled 'Sex Work and Study' in 2003⁸ discussed interviews conducted with 40 female students who had chosen to work in the sex industry to solve their financial

⁷ Long and Hayden (2001:14)

⁸ Lantz (2003)

difficulties while studying. They viewed the autonomy and independence, flexibility, shorter working hours, higher wages and “cash in hand” nature of the work as allowing them to succeed in their studies. The alternatives to sex work such as other low paid jobs were rejected as being unviable if they were to achieve their goals of completing their studies and obtaining a secure, well paid job in the longer term. The women interviewed rejected the idea that they have made a 'lifestyle' choice, but one of necessity and pragmatism.

As one of the students stated, 'it's not like I have a choice being a CEO of a corporation and being a stripper'. Another student also commented 'I do what I have to do to get a good education and support my kids'. Advertisements for work such as lingerie and nude modelling often also target young female students.

Work of various forms has become a reality for many students and universities are beginning to recognise that working long hours can negatively affect students' study. While at RMIT this recognition has in some cases taken the form of providing additional assistance to students, it has also resulted at times in punitive and stressful administrative pressures from schools. For example, the School of Applied Communication's Media Studies Program has published a document entitled “Guidelines for Working Students”⁹ which outlines that students who are working over 20 hours per week need to contact the Student Adviser who will “advise about counselling and study support...and [be] asked to consider their enrolment.”

The Student Union is concerned that increasing numbers of students are being forced into situations such as this. Financial pressures due to insufficient income support force students to work long hours to support themselves. This in turn places pressure on their academic work, which draws the attention of University staff who, while in most cases outwardly supportive of students and their concerns, inadvertently place more pressure on students. This pressure either results in lying about their circumstances, reducing work hours or a move to part-time status – all of which may negatively impact on finances, physical and mental health and study outcomes.

This social shift in our universities has not only resulted in a concern by administrations for students' wellbeing but a core change to the development and delivery of post-secondary education. Curriculum developers and academic teaching staff are increasingly having to consider students' financial situations in the development and administration of their courses. For some students, this has been identified as a problem.

Standards have come down so much. Teachers are now designing courses with working students in mind. That raises a whole 'nother question about academic standards.

(Female undergraduate student, early 20s)

There is also a general perception that participation in on-campus non-academic activities, such as clubs and societies, is declining, although there is little in the way of hard research to support these perceptions. Indications of this trend can be found though in a study of first year students which found a slight decline in the average number of contact hours per student between 1994 and 1999 and a trend towards fewer students spending a full five days per week on campus¹⁰. An earlier study also showed a direct connection between high work hours (over 10 hours per week) and a lower level of academic application and 'student identity'¹¹.

⁹ Source: <http://mams.rmit.edu.au/pr50x00fcnuv.pdf>, Accessed: June 9, 2004

¹⁰ McInnis, et. al. (2000)

¹¹ McInnis and James (1995)

The full effect of these changes on academic standards, curriculum delivery and university participation is something beyond the scope of this submission, but some questions do arise:

- What has changed in post-secondary education?
- Why are so many students having to, or choosing to, participate in university life in a limited, part-time way?
- And is this a desirable shift?

The RMIT Student Union has serious concerns about these changes to our university communities and the lives of our members. We do not believe that the gradual shift away from a positive on-campus learning environment is beneficial for students or the broader community and we see the reasons for this shift in the two-pronged government attack on students – social security “reform” and post-secondary education funding “reform”.

1.2 The Efficient Delivery of Nothing

Government income support for students has a long history in Australia from the introduction of Commonwealth Scholarships for tertiary education in 1951 through the Tertiary Education Assistance Scheme, AUSTUDY and the current split regime of Youth Allowance, ABSTUDY and Austudy payments.

Over the last fifty years, government income support for students has effectively increased the proportion of Australians holding a non-school qualification. Over the last ten years alone (1993 to 2003), this figure has increased from 39.1% to 49.1% with the largest increase in those holding Bachelor’s degrees or higher, from 10.1% to 18.1%¹².

This change has been spurred by a re-evaluation of government priorities with the goal of expanding access to and participation in universities. The abolition of university tuition fees by the Whitlam government was the first major attempt to expand access to university, with many people from disadvantaged backgrounds being able to consider post-secondary education for the first time. When coupled with a meaningful student income support regime, individuals were more able to consider pursuing different study and work options, independently of their families’ financial situations or histories of educational involvement.

Over the last ten years, however, the focus of student income support administration has shifted from effectively providing assistance to ensure that post-secondary students are able to meet their financial needs to an overemphasis on “demonstrating ‘efficiency’ of throughput and client/customer service”¹³. While Centrelink certainly is more efficient, the question arises: efficient at what?

Since eligibility criteria for assistance was tightened in 1997, the number of full-time undergraduate students under 25 years old who receive any form of Centrelink benefits has shrunk to about a third, while for those 19 and under, the figures stands at only 21%¹⁴. If the goal of student income support arrangements is to assist students to survive while studying, current measures are clearly unsuccessful.

University graduates are less likely to be reliant on welfare benefits in the future which leads to a strong argument for strong government investment to ensure maximum completion rates and graduation. A focus on graduate completion rates and a prioritisation of keeping students at university should underpin any government investment in student income support, rather than a narrow focus on efficiency.

¹² ABS (2004)

¹³ Callaghan (2004:14).

¹⁴ Birrell, et. al. (2003).

1.3 Who can afford to buy an education?

In addition to student income support measures, the major government policy affecting students and their finances is post-secondary education funding.

Since the late 1980s and the introduction of HECS, the partial opening of higher education discussed above has begun to go backwards. Surveys conducted in Western Australia and Victoria by the Department of Employment, Education and Training (DEET) in 1989 to evaluate the effects of the then recent introduction of HECS demonstrated that 25% of undergraduate non-enrollees and 30% of postgraduate non-enrollees cited HECS in their decision not to enrol.¹⁵ More recently, the Australian Vice-Chancellors' Committee (AVCC) conducted a study into student finances which found that more than 10% of students surveyed still cited HECS charges as a deterrent to their study more than ten years after the introduction of HECS.¹⁶ This study only examined the attitudes of people who decided to go ahead with their study despite the deterrent factor of HECS. It could be assumed that a certain proportion of students who had similar concerns may have chosen not to pursue academic study for similar reasons.

This deterrence can be seen most obviously in certain targeted equity groups¹⁷.

A recent Department of Education, Science and Training (DEST) sponsored paper on Equity Groups in Higher Education¹⁸ reports a stable but very low level of access and participation by most identified equity groups, particularly students from low socio-economic backgrounds, across the HECS period. Australia wide, low SES students accessed higher education at a rate of only 61.58% of their population percentage, a figure fairly consistent over the period analysed¹⁹. The report also highlights the continued disadvantage of several other equity groups, including students with a reported disability.

Locally at RMIT too, access rates for equity groups are stagnating at levels below state averages, with the exception of low SES (under 25), whose rates are above the state average but still below target levels, and NESB students, who exceed both marks.²⁰ Of particular concern are students from low socioeconomic situations who are over 25 years old, ATSI students and students with disabilities where access and participation rates are lower than in 2000 and lower than state reference values.

Partial HECS deregulation with the division of study into three bands has thrown up some evidence that increased costs have negative effects on certain groups. A recent brief by the Social Policy Group of the Parliamentary Library highlighted the gender differences between cheaper Band 1 courses such as social sciences, humanities, arts, education and nursing, which were overwhelmingly female-dominated, and the more expensive Band 2 courses such as engineering and information technology, where men dominate.²¹ While historical and cultural factors certainly play a role in this gender divide, the appearance of similar patterns in new courses of study such as information technology indicate that new gender divisions are being created along financial lines.

¹⁵ Robertson, et. al. (1990).

¹⁶ Long and Hayden (2001)

¹⁷ Targeted equity groups include: indigenous people, people with reported disabilities that might affect their studies, women in non-traditional study areas, people from non-English speaking backgrounds (NESB), people from rural and isolated areas and people from low socio-economic backgrounds (low SES).

¹⁸ James, R., et. al. (2004).

¹⁹ James, et. al (2004: 64).

²⁰ Praetz, (2003)

²¹ Carrington and Pratt (2003:9).

DEST has also researched the attitudes of school aged students towards university study and published its findings in a 2002 report.²² This report demonstrated large-scale disparities between students of different socioeconomic backgrounds with low SES students identifying cost factors as a major influence in their decision on whether or not to attend university. 39% of low SES students believed that the cost of university fees may stop them attending university (versus 23% of high SES students) and 41% indicated that their family probably could not afford the costs of supporting them at university.²³

It is clear then that higher fees have a strong impact on the accessibility of higher education and the recent Backing Australia's Future changes are bound to only further exacerbate the problems faced by students in accessing education. While this issue is possibly outside the scope of this inquiry, it remains core to the issue of student income and finances and **the RMIT Student Union believes that the so-called Nelson Reforms should be overturned and HECS charges returned to 1996 levels.**

The viability of the TAFE sector has also been undermined through the progressive lack of government funding. This has entailed successive increases to the fees and charges levied at students. Coupled with the very low levels of student income support, this results in students struggling to make ends meet.

While TAFE enjoyed a period of growth in terms of funding up to the end of the 1980s, over the past decade and in particular since the election of the Howard government in 1996, the reduction of adequate Commonwealth government 'growth' funding has led to a current state of crisis.

Commonwealth Government funding of the TAFE/VET sector comprises 30% of the total government funding with the remaining 70% supplied by the states. The 2001-2003 ANTA Agreement provided only one third of what the state and territory Ministers required in 2001.²⁴

The TAFE Directors' Association in a recent media release alludes to the undermining of the sector's charter:

*The lack of adequate government funding directly impacts on TAFE's ability to make a significant contribution to the economic and social well-being of Australians. TAFE has a critical role in building community capacity and contributing to social cohesion.*²⁵

The RMIT Student Union is very concerned with the impact that the lack of adequate funding is having on the TAFE sector. The Australian Education Union outlines some of the effects:

- tens of thousands of students missing out on places each year. In 2004, it is estimated that this figure will be 50,000 students;
- increased pressure on equipment and resources;
- increased workload for teachers and the casualisation of employment;
- overall student failure/withdrawal rate increased from 13.7% in 1997 to 16.3% in 2001;
- higher class sizes, rationalisations and reductions in TAFE courses, cuts to student services;
- increased reliance on fee-for-service activity; and

²² James (2002).

²³ Ibid., p. 34.

²⁴ Kroneman (2003:4)

²⁵ TDA (2004)

- increased pressure on students in terms of fees and materials costs.²⁶

This last point is most relevant for the terms of this submission and leads to the discussion of how students are faring in the context outlined above. It is important that the context outlined above in terms of TAFE's charter, the demographics of the student body and the lack of adequate commonwealth funding, be borne in mind when examining the financial situation of students in TAFE.

The shortfall in federal funding has ushered in increasing deregulation whereby state governments and TAFE institutes have been able to shift the financial burden on to individual students through higher tuition fees and the imposition of ever increasing materials charges.

In Victoria, the State Government recently introduced a 25% increase in tuition fees without consultation or notice (the decision was made and implemented over the December 2003 vacation). The maximum fee rate rose from \$500 to \$625 per year.

In a Ministerial Review of Fees and Charges (which is still in draft form) it has been proposed that the eligibility criteria for students who qualify for the concession rate (\$50 for Victorian TAFE students) be broadened in order to capture a greater number of students facing financial hardship. This would entail a significant increase in the numbers of students eligible for the concession rate. Extraordinarily, the draft proposes that this increase be funded by further increasing the maximum fee rate for non-concession holders.

This would eventuate in the maximum fee for non-concession holders rising a further \$100 to \$725 per year.²⁷ So in order for one group of students to receive a concession, another group is required to pay more fees. In this way the government is, in principle, relinquishing its responsibility for ensuring the accessibility of education to disadvantaged groups, making it rather the responsibility of another group of students.

A detailed NCVER report on the fees and charges that students pay nation-wide documents the wide variations between states and even between institutes in the same state. The non-tuition charges are in many cases two thirds more than the tuition fees. In Western Australia, for example, materials' costs can be anything from nil to \$2788.²⁸

According to this research report, "the lack of information about the current system of VET fees and charges makes it difficult to analyse the impact of fees and charges on students' participation."²⁹ Other reports, however, have made the link between the imposition of fees and the students choice of study and even whether they enrol at all. In a survey of potential TAFE students in South Australia the imposition and amount of fees would preclude many of them (upwards of 38%) from any participation at all.³⁰

In this context of inadequate funding and deregulation of the fees structure, increasingly higher materials fees, the issue of student income support becomes vitally important. The RMIT TAFE Student Union welcomes the Senate Inquiry into Student Poverty. We urge Committee members to view the issue of student income support in the broader context of the funding of the education sector which has a direct impact on the accessibility of education and of the quality of life of students.

²⁶ AEU (2004)

²⁷ OTTE (2004:6-7)

²⁸ NCVER (2004)

²⁹ *Ibid*

³⁰ TAFEBIZSA & NCVER (2002:6)

Students in all focus groups reported growing concerns about future debt:

I'm a little bit older than this group. I'm a mature-age student and I'm thinking about buying a house. I'll have a 15 grand debt when I finish ... how is that going to affect [my ability to get a loan]?

(Female undergraduate student, 30s)

We just have to hope that the degrees we're getting gives us decent jobs to be able to pay back the fees we've got from this degree.

(Female undergraduate student, early 20s)

So I think then it becomes clear just how instrumental an ends-based university is getting. If we have to hope for these jobs that will pay enough and we just have to think about getting a job and paying it back, what about learning for the sake of learning?

(Female undergraduate student, early 20s)

The idea of debt really scares the hell out of me but still in the end I would go and articulate [from TAFE to Hed].

(Male TAFE student, late teens)

In the context of a rapidly changing higher education landscape, then, it is timely that the Senate has initiated this inquiry. An examination of the adequacy of current student support measures in the context of an increasingly individualised and privatised system is overdue and urgent and certainly welcome by students.

2. Student income support - General

The RMIT Student Union believes that nobody should be denied access to post-secondary education because of their financial situation. Increasing individual costs for post-secondary education, combined with inadequate student income support measures, as highlighted in Section 1, means that this is a growing reality for people in Australia. We believe that addressing the shortcomings of the current student income support regime will go a long way towards addressing the problems that a growing proportion of Australians are experiencing when accessing post-secondary education.

2.1 Adequacy

Student income support currently comes in many different forms. Depending on the circumstances of the individual student they may receive Youth Allowance, Austudy, Abstudy, Disability Pension, Special Benefit or anyone of several other benefits. However, with the exception of the Disability Pension and Abstudy, most student income support payment rates are less than the rate paid to recipients of Newstart Allowance and the Age Pension.

Table 1 – Summary of Benefit Rates³¹

Newstart Allowance	Rate per fortnight
Single, 21 or over, no children	\$389.20
Single, 21 or over, with children	\$421.00
Single, 60 or over, after 9 months	\$426.80
Partnered (each)	\$351.10
Youth Allowance	Rate per fortnight
Single, no children	
Under 18, at home	\$174.30
Under 18, away from home	\$318.50
18+, at home	\$209.70
18+, away from home	\$318.50
Single with children	\$417.40
Partnered, no children	\$318.50
Partnered with children	\$349.80
AUSTUDY (25 years and over)	Rate per fortnight
Single – independent	\$318.50
ABSTUDY	Rate per fortnight
Single – independent, 21 years and over	\$389.20
Disability Support Pension	Rate per fortnight
Single – independent, 21 years and over	\$464.20
Partnered (each)	\$387.60
Age Pension (over 65 for men, range of ages depending on DOB for women)	Rate per fortnight
Single	\$464.20
Partnered (each)	\$387.60
Special Benefit	Rate per fortnight
Single, 18 years and over, no children	\$318.50
Partnered, no children	\$318.50
Partnered, with children	\$349.80

³¹ Source, www.centrelink.gov.au, Accessed: June 2, 2004

The RMIT Student Union believes that student income support should not be paid at lower rates than other forms of income support. The situation of students without parental or other income support is easily equatable to pensioners or the unemployed, with little opportunity for alternative ways of making ends meet.

When you go on Austudy [from Newstart Allowance] you lose Rent Assistance...you not only lose that, which could be \$100 a fortnight but your Austudy payment is about \$100 a fortnight less than Newstart...So if you go from Newstart to Austudy, you lose about \$200 a fortnight straight away.

(Male undergraduate student, mid-30s)

The RMIT Student Union believes that student income support levels are too low and should in the first instance be raised to the level of other similar welfare payments such as Newstart Allowance.

Recommendation 1

That the maximum level of Youth Allowance, Austudy and the Special Benefit be raised to parity with the maximum level of Newstart Allowance.

The RMIT Student Union believes that a simple parity is insufficient as these payments as a whole are too low. In considering the issue of adequacy it is useful to establish some kind of benchmark to ensure consistency of discussion. For the purposes of this submission we will use the Henderson Poverty Lines (HPLs) as that benchmark³².

According to the most recent published levels, the HPL for a single person with no children in the workforce at least part-time (a fairly average student profile) is \$302.46 per week including housing, or \$604.92 per fortnight³³. The table below outlines the disparity between current levels of welfare payments and the HPL.

Table 2 – Benefit rates as percentage of Henderson Poverty Line

Type of Income	Fortnightly Rate	Weekly Rate	Weekly rate as % of HPL	Weekly rate + maximum rate of Rent Assistance (sharers)	Weekly Rate + maximum R.A. as a % of HPL
Youth Allowance (away from home)	\$318.50	\$159.25	52.65%	\$191.05	63.16%
AUSTUDY, single (no R.A. available)	\$318.50	\$159.25	52.65%	\$159.25	52.65%
ABSTUDY, single, away, 21+	\$389.20	\$194.60	64.34%	\$226.40	74.85%
Newstart, single adult	\$389.20	\$194.60	64.34%	\$226.40	74.85%

³² The measurement of poverty is a contentious exercise. The RMIT Student Union has chosen not to engage with the debates over the appropriateness of various forms of poverty measurement, largely because current student income support measures consistently fall below all established poverty lines. The Student Union also believes that it is more helpful to listen to the experiences of students who discuss the real poverty of their everyday lives, regardless of what arbitrary number we assign to that term. We have chosen to use the Henderson line simply because we believe that it provides a more realistic figure of the minimum costs of survival in modern Australia. Whether or not it objectively defines poverty is a matter for others to determine.

³³ Melbourne Institute of Applied Economic and Social Research (2004)

The RMIT Student Union's focus groups and reports from the growing number of cases have shown that for a large number of students, current measures are simply inadequate to make ends meet and, in some cases, act as a disincentive to study.

It's certainly not enough if you're living away from home or in shared accommodation.

(Male undergraduate student, 25)

You have to pay your rent, your electricity and everything. It's a lot of money.

(Female undergraduate student, early 20s)

Mature age people are those most likely to think they cannot afford to study. I did have quite a good job and left my work to come back to study and I had an enormous drop of income and it was a big decision as to whether I could justify going from a high tax bracket to living basically in a state of poverty. I mean \$120 a week on Austudy is basically living way below the poverty line. It's not an easy jump to make.

(Male TAFE student, late 20s)

As shown in Section 1, the lack of adequate student income support from government is forcing students to work excessively long hours and to compromise on health and wellbeing to ensure survival. The Student Union believes, therefore, that the most important recommendation that this inquiry can make is to recommend an immediate rise in the level of student income support to the level of the HPL and tie further increases to it.

Recommendation 2

That student income support rates be immediately raised to match the level of the Henderson Poverty Line.

Recommendation 3

That student income support rates be indexed quarterly to retain parity with the Henderson Poverty Line.

2.2 Rent Assistance

For students, housing costs remain one of the largest expenses of study. Many RMIT students, due to the location of RMIT's major campuses in the heart of Melbourne's CBD, live close to the city. RMIT's geographical neighbour, Melbourne University's, student housing service advises students that :

*A room in a share house in the inner city area can range from \$80 to \$110 per week, but can sometimes be more. **Average rent for a room in a share house near the University is approximately \$90 per week.** This is for the rent of your unfurnished bedroom and does not include cost of food, bills, transport etc.³⁴*

After paying \$90 per week (\$420 per calendar month) a student on the full rate of Youth Allowance (\$318 + \$63.60 rent assistance per fortnight) will only have \$343 left per month after paying rent. This means that students are spending 55% of their income on rent. Due in part to Melbourne's property boom, rent prices are increasing at an annual rate significantly above inflation³⁵.

³⁴ Source: www.services.unimelb.edu.au/housing/options/sharehouses/costs.html, accessed: June 17, 2004.

³⁵ Source: <http://hnb.dhs.vic.gov.au/ooh/oohninte.nsf/frameset/Ooh?Opendocument>, Accessed: June 17, 2004.

Despite the high proportion of their income that students must spend on rent, and despite the increasing cost of rent, youth allowance and rent assistance has not been adjusted to realistically meet students housing costs.

It's very limited where you can rent because the cost of living anywhere that's close to RMIT in the city is just incredibly expensive...and if you move further out, the transport costs become much greater.
(Male TAFE student, mid-20s)

In my situation I receive \$60 per fortnight Rent Assistance but I have to pay \$200 per fortnight for rent.
(Male TAFE student, early 20s)

I get \$60 a fortnight and my rent is \$540 a month. It's just not enough.
(Female TAFE student, early 20s)

Recommendation 4

That a review of Rent Assistance levels be conducted to take account of the recent property and rent rises encountered in many locations.

Many students who attended focus groups, particularly mature age students, also highlighted the ongoing anomaly whereby Austudy payment recipients are excluded from access to Rent Assistance.

It's harder to try and rent something through an estate agent. If they see you're a student on Austudy, you won't get that house.
(Male TAFE student, mid-20s)

It seems to me like they have this stereotype that you study until you're in your twenties and then you go and work.
(Female undergraduate student, early 20s)

One thing I don't understand is that someone can be living at home and gets the dole and rent assistance whereas someone on Austudy living away from home can't get it. The person on the dole can say they are paying board to their parents.
(Male TAFE student, mid-20s)

The RMIT Student Union sees no logical reason why these particular students should be excluded from a benefit that almost all other welfare recipients are entitled to. Mature age students, like all students, may have to pay rent or mortgage repayments while studying full-time and trying to survive and they should be entitled to government assistance.

Recommendation 5

That all recipients of student income support, including Austudy Payment recipients, be made eligible for Rent Assistance.

2.3 Age of Independence

Communities define independence in various ways. Traditionally, some cultures have defined adulthood at 21 years of age but federal governments have usually set adulthood at 18 years of age, when young people are given the full rights and responsibilities of adulthood. Whatever measure you look at though, the current Centrelink definition for students of 25 seems abnormally high.

Many students in our focus groups criticised the current definition as being unrealistic of students' circumstances.

I find it absolutely ludicrous, I haven't been dependent on my parents for a long time.

(22 year old female postgraduate student)

Depends if you live at home or not. If you don't live at home you're obviously independent regardless of age.

(Female TAFE student, late teens)

I suppose that depends on circumstance as well..I mean.. I live at home with my parents but in terms of money to pay for books and fees and so on I'm completely independent..but the government just doesn't see that. They just see that my dad earns X amount of money so I don't get it.

(Male TAFE student late teens)

The high age of independence was a particular concern for students from rural areas, students who had to move to take up a place in higher education and students who suffered in unsupportive home environments. Several students also reported situations where they were forced to remain at home for purely financial reasons, despite being in all other ways independent of their families.

Students coming from rural areas without parents in a position to offer financial support, spend their summer saving for accommodation bonds, furniture, money to pay first bills, travelling costs involved in moving and visits back and forth. Without relatives or anyone in Melbourne to rely on, starting out first year uni often becomes a financial nightmare.

(Female undergraduate student, early 20s)

The demographic of people staying at home while they're going through higher education is increasing - not necessarily being dependents of their family but actually surviving by staying at home.

(Male undergraduate student, mid-30s)

Students were unanimous in their recommended age of independence with all focus groups identifying eighteen as an ideal age.

[Living at home is] not an option for people who aren't from here. Melbourne's three hours away, four hours away from home. The nearest uni is an hour and a half away. For people out in rural areas, 25 is just ridiculous. I just reckon high school, like 18. From my experience most of the people I know have become independent or have had to move out at the age of 18.

(Female undergraduate student, late teens)

Recommendation 6

That the age of independence be immediately lowered to 18 years of age, with provisions for students to attain independence at a younger age (13 years and older) if it is not reasonable to live at home.

2. 4 Other Independence Criteria

The RMIT Student Union believes that the reduction of the age of independence would go a long way towards eliminating the need for other criteria of independence, both reducing administrative costs and expanding access to students in need. However, should this

recommendation not be adopted, the Student Union believes that current measures of independence are unfair and should be reformed.

The current definition of partnership is the first area in need of reform. Despite growing community acceptance of same-sex partnerships, the Social Security Act, along with several other areas of legislation, retain definitions of relationships which specifically exclude same-sex relationships. This has unintended positive and negative outcomes for students who are living in same-sex relationships - positives coming in the areas of partner income tests (to be discussed later in Section 2.7) and negatives coming in the area of independence criteria.

Current definitions of relationships preclude same-sex couples living in co-dependant relationships from being classified as independent. The RMIT Student Union believes that this is unfair and discriminatory and should be removed. It is readily apparent to anyone, regardless of their position on the morality of homosexuality, that two people living in a co-habiting long-term relationship are independent of their families and should be considered as such.

Recommendation 7

That the definition of "marriage-like relationship" be extended to same-sex de facto couples, defined in the same way as opposite-sex de facto couples.

Many students also reported having to take a year off study and work to qualify for independence. Some reported that that was even a struggle due to the relatively high threshold of earnings required to qualify.

I took last year off to do that (reach the \$16,000 income threshold) but I ended up caring for someone and I didn't get a chance to get a job so that screwed up my whole year.

(Female undergraduate student, 19)

Recommendation 8

That the work requirements for qualifying as independent be relaxed.

2.6 Parental Income Test Threshold

For those who don't attain independence, one of the largest problems identified was the parental income test threshold. For many students in the focus groups, the idea that somebody's parent's income could still be considered a factor when they are 24 or 25 years old was considered unfair. Many students reported not receiving any financial assistance from parents, and yet still being unable to claim Youth Allowance. They felt that parental income should not be taken into account but rather the income that students receive from their parents.

I needed to earn \$16,000 in eighteen months to earn independent living allowance which I hadn't done. I could have got it if my parents earned \$20 less a fortnight, each. That's the reason why I couldn't get it.

(Female undergraduate student, early 20s)

The RMIT Student Union concurs with the students in our focus group and would argue for the replacement of the Parental Income Test with a regular fortnightly question about money received from parents, relatives or other non-work sources.

Recommendation 9

That the Parental Income Test be abolished for all over the age of 18.

Should this recommendation not be adopted, however, the RMIT Student Union believes that current thresholds are too low. Several students reported situations where they were unable to access benefits, despite their parents being on below average income.

The current base rate of \$28,150³⁶ is over 40% below average male full-time ordinary time earnings of \$47,346³⁷. The RMIT Student Union believes that if a parental income test is to be applied, the threshold should be set no lower than average male earnings.

Recommendation 10

That if the Parental Income Test is retained, it be set at the level of average full-time ordinary time male earnings.

2.7 Partnership and Centrelink

If a person is fortunate enough to be considered independent for income support purposes, one way that Centrelink limits people's access to assistance is through partnership rules.

A student living in a share house is required to fill out an "Assessment of Living Arrangements" form, outlining their relationship with all opposite-sex people who stay at that house. This form is designed to test whether people are in "marriage-like" relationships and asks such questions as, "Do you have an ongoing sexual relationship with...?" and "Do relatives, friends or regular associates consider your relationship with as similar to that of a married couple?" It also asks less explicit questions such as, "Do you share social and leisure activities with...?"

Several students in the focus groups commented on the intrusive nature of these forms.

Other students commented that, as they were gay, lesbian or bisexual, the current definition of "marriage-like" relationship specifically excluded them, while some related stories of Centrelink staff telling them they didn't have to fill out a form because there were "obviously no relationships in an all-male [or all-female] household."

When I applied for Youth Allowance, they asked me if I lived with family or a flatmate. I said, "flatmate" and they said, "are they male or female?" I've gone, "female" and they've said, "Oh, we just have to ask that in case you're in a relationship." I've gone, "We're both gay, but we're not together!"

(Female undergraduate student, late teens)

While this has some obvious benefits for some gay, lesbian and bisexual students, many students felt that there was no need to test partner's incomes at all, as partners often acted independently, even in situations where finances differed markedly.

My friends who are in relationships they don't survive off each other. They both pay half the rent. They both put in for groceries. It's equal, even though one of them's on Youth Allowance and the other one's got a job, they share things straight down the middle.

(Female undergraduate student, early 20s)

I have a real problem with people's relationships being analysed in this way. It's seen that when you're in a relationship with someone, you're dependent on them or they're dependent on you.

(Female undergraduate student, early 20s)

³⁶ Source: www.centrelink.gov.au

³⁷ ABS (2003)

I'd really like to know what difference it makes if you're seeing the person you're living with? ... You still earn your own money so exactly why does it matter?

(Female undergraduate student, early 20s)

The RMIT Student Union believes that partner's incomes should not be assessed as the assumption that partners will financially support students is unfair and inaccurate. The Student Union believes that students should be considered independently and their **income** from all sources (including gifts, loans, allowances from partners) be used as the primary deciding factor when assessing eligibility for government assistance.

Recommendation 11

That the income test for partners be abolished.

2.8 Students - The Highest Marginal Taxation

Students who work are subject to some of the highest effective marginal rates of taxation in Australia. Current rules on extra earnings effectively force students on student income support payments to live on less than \$300 a week.

For those on any of the varied student income support arrangements, a limit of \$6000 a year has been placed on earnings before you begin to lose your allowances. This is divided into fortnightly rates of \$236 per fortnight or \$118 per week. For every dollar earned over \$236 a fortnight a student loses 50 cents in the dollar up to \$316 and 75 cents in the dollar after that.

Case Study 1:

Jane has a part-time job at a restaurant, where she earns \$14.29 an hour. Her boss requires her to work on average two 7-hour shifts a week, for which she earns an extra \$200. Her total weekly earnings when added to her maximum single rate of Youth Allowance are \$359.25. Because she has exceeded the allowable earnings, she must forfeit \$51.50 a week of her Youth Allowance. Once tax is taken out (\$34), Jane takes home a total of \$273.75 a week, rendering her second shift a week almost meaningless.

Compare this to the recently announced changes to taxation thresholds in the recent Federal Budget. A person on a salary of \$70,000 will save about \$1345 a year after July as taxation thresholds increase³⁸. If they were to earn any more than this amount, they would be taxed at the nominal maximum rate of 47%.

For a student on maximum Youth Allowance (\$8281) working the maximum allowable amount (\$6000), their total income only reaches \$14,281, well within the 17c per dollar taxation level. Yet any amount they earn over this level is charged at a higher rate than someone on the highest taxable income. Effectively, students and others on government income support are taxed an extra 33 cents per dollar over others in their similar income range, an income range that is well below average income.

Students in the focus groups also identified this as a significant problem.

Centrelink expects that students can live by receiving youth allowance and not earning any more than an additional \$115 a week. Its stupid, no one can earn more than that because it then cuts out youth allowance at an alarming rate which makes it hardly worth the extra employment income. Which means the government tries to force students to live on less than \$300 a

³⁸ Calculated from Budget (2004) figures: www.budget.gov.au

week. Paying for basic necessities like your own books, lecture notes, transport, accommodation, food, electricity, gas, and phone bills is often not possible with this amount of money, let alone anything we might want to spend money on like clothes, furniture/household items, and social activities.

(Female undergraduate student, early 20s)

Youth allowance should definitely be asset tested, but the employment income students earn is eaten up in paying for basic necessities and it should not cut out our right to gain the government support. Until the government begins to provide students with enough youth allowance to support ourselves completely (say \$20,000 per annum, instead of about \$8,000pa), why the hell are they restricting us from working just to pay our own bills?

(Female undergraduate student, early 20s)

RMIT Financial Adviser Ms Margaret Thorpe supports these statements, reporting in an interview with the Student Union that many students present with serious financial problems due to the restriction on the amount of money that can be earned from working before the Youth Allowance, Austudy and Abstudy are affected.

The RMIT Student Union believes that students who work should not be penalised for simply trying to make ends meet. The allowable level has not been altered since 1993 despite a recommendation by the House of Representatives in 1991 that it be raised to \$8000 and that payments be reduced by only 25 cents in the dollar after that amount. Given the intervening 12 year gap since that recommendation was made, the Student Union believes it should be raised to at least \$10,000 per annum.

Recommendation 12

That the maximum allowable additional earnings be raised to \$10,000 per year and that any earnings over that amount be subject to an income support reduction of 25 cents in the dollar.

Current rules allow for an income bank (of a maximum of \$6000) to build up for any period of time where students are not earning the maximum allowed. Some students identified this as a problem, particularly over the early part of the university year, when students may be working longer hours to enable them to work less hours later in the semester when assessment is due.

The Student Union believes that students should begin each year with a fresh income bank set at the maximum level. This would provide for additional flexibility in the early stages of the semester when students have added costs of computers, textbooks, student union fees and other essential charges.

Recommendation 13

That the Income Bank begin each calendar year at the maximum allowable level and that this level be raised to \$10,000.

2.9 Health Care Cards

Health Care Cards are not automatically issued to students on student income support as they are to job-seekers, despite the similarity in financial situations.

Students in the focus groups reported not seeking medical attention due to financial difficulties attributable to the decline in Medicare bulk-billing and the difficulty in accessing the Health Care Card. For those who were able to access the Card, many faced difficulty maintaining access due to the eight-week income test required.

My health care card was due for renewal so they sent me a form asking me what my income had been for the previous eight weeks. I'd just started a new part-time job and I was doing lots of hours cause I was kicking off a new lot of projects. And over the eight-week period, on gross income, I earned \$12 too much to get a health care card, so I lost all my health care benefits. All of a sudden all my prescriptions for my medications for my asthma went from being \$3.60 to \$28 for a puffer! Yeah, I'm earning more money but I'm now paying \$50 to go to the doctor!

(Male undergraduate student, mid-30s)

I had a period of time over the holidays where I earned above the amount. They said, "Yes, we can pay you the [Youth] Allowance but no, we can't help you with the Health Care Card because you've earned too much in this period." So yeah, I'm just going to have to wait until eight weeks have passed when I can prove that I haven't earned that much money.

(Female undergraduate student, early 20s)

They tried to take my Health care Card off me because I had to renew it right after Christmas which is when I work most of my hours over the Christmas holidays and when I go back to school my [work] hours drop down like that (indicates downward motion) and they tried to take it off me for the extra money I made over Christmas.

(Male TAFE student, late teens)

The RMIT Student Union believes that access to health care is a fundamental human right. Changes to Medicare and the strict limits on access to Health Care Cards mean that a significant number of students are having to compromise on health care. We believe that this is unacceptable and call on the government to provide universal health care to all Australians, including students. In the absence of that, however, students should be entitled to Health Care Cards.

Recommendation 14

That all students on student income support be issued with a Health Care Card.

2.10 Term limits on student support

For many students, entering university at 17 or 18 and being forced to choose a major and effectively a career is a daunting one. That initial choice can be inappropriate and many students will change their degree or study major a number of times before finding an appropriate choice for them.

Students are also finding it increasingly difficult to complete in minimum timeframes, due to the pressures of finances or the need to repeat subjects.

Despite this, current government income support rules (and from next year, HECS funding) do not allow for flexibility in supporting students.

Current rules place an outer limit of one semester more than the minimum time required to complete each level of study (ie. 3.5 years for a standard Bachelor's degree). For many students, this means incredible hardship in the later stages of a degree, as their income support cuts out.

I run out of Austudy at the end of this semester even though I'm studying until the end of the year. You get a certain amount of time to work on your

degree at whatever level, and if you get delayed or have any problems, you can run out before you finish. I don't think it's flexible enough.

(Female undergraduate student, 30s)

I recently applied for Austudy but because I'd been at university for too long they wouldn't give it to me.

(Male undergraduate student, 25)

The RMIT Student Union does not believe that there should be restrictions on the maximum amount of time a person can receive government income support.

Recommendation 15

That the time restriction placed on eligibility for income support be eliminated.

In the event that the above recommendation is not adopted, the RMIT Student Union believes that a relaxation of the current rules is desirable in order to reflect the increasing difficulty of completing degrees in the minimum amount of time.

Recommendation 16

That the time restriction placed on eligibility for income support be extended to 12 months beyond the minimum time required to complete a qualification at each level.

2.10 Student Financial Supplement Scheme

The recent closure of the Student Financial Supplement Scheme is something that the RMIT Student Union views with a degree of ambivalence. Some students in the focus groups were happy to see it go, while others were critical.

They should definitely bring back the supplement loan. I know it's like a HECS for TAFE students but it's more than that-it helps more.

(Male TAFE student, mid-twenties)

You actually get to have a bit of a life outside of school. Helps to cover costs more.

(Female TAFE student, late teens)

I came into this course which is a two year course and I was relying on the extra income from the SFS and I was working accordingly. Then suddenly this year it vanished...now I have to work twice as much as I was going to, to get that extra income.

(Male TAFE student, mid-20s)

While the RMIT Student Union believes that forcing students into what was effectively a debt trap is certainly undesirable, the abolition of the scheme without any increase in the level of student income support has left many students in a difficult financial situation, forcing them to turn to alternative sources of income including commercial loans and increased work hours.

As we have demonstrated above, current measures are woefully inadequate and the RMIT Student Union believes that the raising of the general levels of student income support will go a long way towards eliminating the desire for students to access the Student Financial Supplement Scheme.

3. Supporting Diverse Student Cohorts

RMIT, and the Post-Secondary Education sector more generally, is an increasingly diverse place. From VCE students through to PhD students, RMIT caters for every level of secondary and post-secondary education and our student population includes a large number of international students, students with disabilities and students with children as well as smaller numbers of Aboriginal and Torres Strait Islander Students. Through its Refugee and Asylum Seeker Project, RMIT also facilitates the education of people on Temporary Protection Visas, a unique project with ramifications for this inquiry.

This section will examine student income support measures and how they affect the diversity of students studying at RMIT.

3.1 Postgraduate Students

3.1.1. Postgraduate Research Students

The form of government funding that postgraduate research students most commonly rely upon is the Australian Postgraduate Awards (APA). In 2004, each APA is worth \$18,484 a year. These funds are tax-free for those who study full-time. However, part time research students do not get the tax exemption. In 2004, 1550 new APAs were made available across 41 universities (worth a total of \$89.3 million)³⁹. RMIT was funded the equivalent of 41 new APAs or in dollar terms, \$2,428,427. According to Professor Helene Marsh, convenor of the Council of Deans and Directors of Graduate Studies, only one in three of the 'best proposals' would get funded through an APA⁴⁰. Thus, it is evident that there is intense competition for these awards. In the RMIT postgraduate student focus groups, students agreed that the number of APAs needed to be expanded.

There should be more APAs available for students who want to study at postgraduate level, I missed out on getting one and on the university scholarship I am on, I get \$2000 less than if I was on an APA.

(31-year-old male PhD candidate)

Not only do the number of APAs fall short of the demand for research study but APAs are tenable for only three years for doctoral students and two years for Masters by Research students. Students who are unable to complete their degrees on time are penalised by losing their scholarships. In some cases, this means that they have to put their studies on hold or move to a part-time student status, in order to work to support themselves. When this occurs, students are disadvantaged even more, as their completion schedule is affected by this change in status to part time or a leave of absence.

When my scholarship runs out after 3 years, I must start working to support myself, which [means it] takes longer to complete my research degree...

(27-year-old female PhD candidate)

The Federal Government's preoccupation with timely completion rates is difficult to deliver in reality, when we consider the inflexibility on scholarship recipients.

Students in the focus groups were also critical of the generally low level of APAs. While the APAs are currently above the level of the Henderson Poverty Line⁴¹, the postgraduate students are often quite different from the stereotypical image of a student and may have

³⁹ Vincent (2004)

⁴⁰ Vincent (2004)

⁴¹ Melbourne Institute of Applied Economic and Social Research (2004)

added financial responsibilities. The average age for a postgraduate research student at RMIT is 35 years of age⁴². This suggests that such students have entered a phase in their lives where children, a partner and expenses such as childcare, schooling and house purchase may enter the equation.

The APA is just enough to exist on provided that you don't have any personal loans or debts. It doesn't allow for any savings that could potentially protect you against any financial emergencies, eg car, computer or health-related expenses. There is no chance of saving toward a deposit for a house,

(27-year-old female PhD candidate)

The APA needs to be a minimum of \$30,000 a year and single parents should get more to take into account that they are the sole provider in the family.

(32-year-old male PhD candidate)

As noted above, for students who are parents or who have dependents in general, the low level of the APAs makes it almost impossible for them to survive. It certainly leaves little room for basic expenses like child care and contributes to increased levels of stress.

My finances are such that with a young family and their needs to take care of, I have had to remortgage our home to be able to study and have a family at the same time. Sometimes I wish I had deferred having a family.

(32-year-old male PhD candidate)

I need to go to conferences to further my research and yet there is no one who can help look after [my son]. I can't afford child care fees for days when I would be away at a conference. I feel so stressed, I don't know who can help me.

(A single mother, PhD research student in her 30's)

The RMIT Student Union believes that access to APAs needs to be expanded and the base level of funding must be increased to allow more people of a variety of backgrounds to pursue postgraduate study.

Recommendation 17

That the APA is expanded in terms of availability and the level provided be increased to a minimum of \$30,000 per year.

Recommendation 18

That part-time students' APA income be also tax-free.

Related to the issue of the low level of APAs is the availability of paid work. Due to the currently low level of the APAs, students feel that unless they were able to secure extremely well-paid jobs, the 8 hour limit on paid work for APA recipients is unrealistic for students to be able to get by financially.

There is a lot of competition for a small number of tutoring jobs. I was very lucky to get one of these jobs.

(31-year old male PhD candidate).

⁴² Source: Dr Robyn Barnacle, RMIT Research Training Group.

There is not enough work available like in tutoring and also issues with some schools bargaining down tutors' pay rates. I have to work more hours than is allowable by the APA rules, because I have a family to support.

(32-year-old male PhD candidate)

Recommendation 19

That the restriction on working hours allowable under the APA scheme be lifted.

At the same time, students acknowledge the adverse impact of working on their research. In the focus groups, those who worked considered themselves at a disadvantage.

I cannot support myself without working while I receive half or no scholarship, yet somehow I am expected to continue working to the same timeframes as those receiving scholarships. That is as ridiculous as it is impossible.

(27 year old female research student)

Rather than jeopardising their candidature through working large amounts of hours, they would prefer to be well-supported and valued whilst conducting their research, reinforcing the need for adequate APA funding.

3.1.2 Postgraduate coursework students

Postgraduate coursework students feel that in the course of their studies they should have the option of receiving some form of adequate income support, regardless of age.

A criticism by those who do receive income support is that the levels are very low.

Even if someone was willing to live an extremely frugal lifestyle, they would need an additional \$100 a fortnight [to the \$318/fortnight of Youth Allowance].

(22 year old coursework student)

The process of obtaining, and continuing to obtain income support through Centrelink is considered onerous, and acts as a deterrent for some students.

The juggling, trying to not get my payments cut here and there was an absolute exercise in itself. The amount of work that goes into filling in a Centrelink form is ridiculous. I never felt like I was actually being looked after by the government...

(22 year old female coursework student)

For coursework students in particular, there is a sense that research students are more 'privileged' in the treatment accorded to them by the government and the university. The provision of APAs for research students, as compared to incurring a Postgraduate Education Loan Scheme (PELS) debt for coursework students is seen as an illustration of this. Coursework students also felt that they did not receive the same amount of support and access to study resources as research students.

Coursework students identified the level of fees, the quality of the course and the quality of welfare and support services as being the key criteria for choosing particular courses and institutions. Unfortunately, fee rises are only too common an occurrence in the postgraduate coursework sector, as a result of the deregulation of the entire sector.

If Australia would like to promote education to overseas students, then they should make sure that there are better welfare and support for those students and that the fees don't keep rising every semester.

(25-year-old coursework postgraduate student from Taiwan)

The wellbeing of postgraduate coursework students needs to be of concern to the government and the higher education area as a whole, as this sector continues to grow.

Recommendation 20

That student income support is provided as a grant to all full-time postgraduate students, at least at the same level as APAs., recognising that postgraduate students have different needs to other students.

Recommendation 21

That the government regulate allowable fee rises in postgraduate coursework programs.

3.1.3 Meeting the costs of research and study out of their own pockets

Students pointed out that the costs of research and study at present need to be funded out of their own pockets, regardless of whether a student received government income support or not.

These costs include the purchase of textbooks and other study materials, as well as printing and photocopying. Students report that meeting these costs was a considerable undertaking.

At the beginning of the semester, we have to take care and make sure we don't get sick, because we need a lot of money for books.

(Female international coursework student)

One student reported that he has set aside \$5000 personally for project expenses for his research. He also complained of the run-down state of the workshops in his school.

Cutbacks in the higher education sector as a whole are impacting on the ability of universities to support research students.

When I first started my research project, my department didn't have the equipment I needed to conduct the necessary research. A few months into my project the price of what I needed was deemed to be too costly and I was therefore required to employ alternative research methods. This delay has cost me because I have not received an extension of my scholarship to compensate me for the hold ups that were beyond my control.

(27-year-old female research student)

Expanded funding to the higher sector as a whole could alleviate this. According to students participating in the focus groups, such funding could help in the following ways:

1. Printing and photocopying quotas that were sufficient for postgraduate students' needs.
2. An allowance for students undertaking a practicum or other study-related activities off-campus.
3. An allowance or scholarships to assist students to take part in conferences.
4. Class sets for textbooks or more high-demand books available in the library.
5. Adequate funding for libraries generally.
6. Quality laboratories and other facilities.

7. Machinery or software and other necessary materials to support student research.
8. University-provided low cost accommodation, where students do not have to equip their flats individually.
9. Equal levels of support for coursework and research.
10. More childcare places.

Recommendation 22

That in recognition of the difficult financial circumstances of postgraduate students, that funding be increased to the higher education sector to assist students in meeting the costs of research and study.

3.2 VCE students in TAFE

The current levels of income support for all students including TAFE VCE students are clearly inadequate. As has already been documented in earlier sections, Youth Allowance, Austudy and Abstudy all fall well below the poverty line.

Students receiving Youth Allowance at the independent rate receive \$155.05 per week while the Henderson Poverty line is almost double that amount at \$302.46.⁴³ An AIHW publication confirms that most young people who receive government income support live in low income families or independently on a low income.⁴⁴ Many of these young people are returning to study to complete their VCE in order to improve their life situation.

According to the RMIT VCE Welfare Coordinator, Ms Natasha Biltoft-Spark, three quarters of the total VCE students at RMIT come from disadvantaged backgrounds and almost all of them have had interrupted education. Studies have shown that completion of Year 12 is vital for the long-term well being of young people:

[Young people who did not complete year 12] are more likely to be from a lower socioeconomic background and from English-speaking families and of Aboriginal descent (Marks and Fleming 1999). The importance of Year 12 completion is emphasised by the fact that these young people can suffer long term disadvantages in the labour market (DSF 2002). Seven years after they were in Year 12 or would have been in Year 12 if they had not left early, outcomes are poorer across the board for those young people who did not complete year 12.⁴⁵

It would appear to be essential that adequate income support measures be adopted in order to assist students to complete Year 12. Yet, according to Ms Biltoft-Spark a significant number of VCE students studying at RMIT TAFE report an inability to cope with course load requirements due to the necessity of working to support themselves and their families. A high percentage of these students cannot afford the fees, study materials or public transport fees. Indeed, Ms Biltoft-Spark reported that students had come to her in desperation with stories of being fined for not having valid tickets because they could not afford to buy one, while others had not paid their tuition fees and were being pursued. Many VCE students eventually go to a part-time load and there is a significant attrition rate of about 30% largely due to financial reasons.

⁴³ Brotherhood of St Laurence, Poverty line update, www.bsl.org.au, Information Sheet No 3, April 2004 *These figures represent the quarter ending December 2003. 2004 data is not available.*

⁴⁴ AIHW, Australia's young people: their health and well-being 2003", AIHW Cat. NO.PHE 50 2003, Canberra, AIHW, p285

⁴⁵ Ibid p275

Ms Biltoft-Spark recommends the following measures in order to alleviate some of the pressures faced by these students:

- a considerable increase in student income support;
- a broadening of the concession rate eligibility criteria to include a significant number of students who do not currently qualify but who face serious financial hardship nonetheless;
- a notable reduction in the maximum fee levied for VCE.

The RMIT Student Union fully concurs with these recommendations.

Recommendation 23

That this committee recommend a broadening of the TAFE concession rate eligibility criteria to include a significant number of students who do not currently qualify but who face serious financial hardship nonetheless.

Recommendation 24

That there be a notable reduction in the maximum fee levied for VCE.

3.3 Aboriginal and Torres Strait Islander Students

Increasing the participation of indigenous students in higher education is an important social justice and equity goal that relies upon the adequacy of the income support mechanism- ABSTUDY, which was introduced for this purpose in 1969. The relationship between ABSTUDY and participation in higher education is described in a review undertaken by the Aboriginal and Torres Strait Islander Commission in 1998, as follows:

Since assistance has been provided by ABSTUDY and its forerunners, there have been notable improvements in indigenous educational outcomes. But recently, the momentum has faltered and declines are occurring in some key educational outcomes. More generally, much more remains to be done before equality is achieved for indigenous people at all levels of education.⁴⁶

At RMIT the number of enrolled ATSI students has historically been low, and fell sharply in 1993 and again in 1995. Clearly the policies that are necessary to support ATSI students are failing at RMIT. Some of this failing has to be attributed to RMIT's promotional efforts and provision of support services. However because the drop in participation is reflected nationwide it is clear that the central policy for facilitating a greater level of indigenous participation in higher education, ABSTUDY, is increasingly less effective. The ability of ABSTUDY to effectively support indigenous students has been significantly eroded by budget cuts and a policy of bringing ABSTUDY entitlements in line with AUSTUDY and Youth Allowance.

3.3.1 Cuts to ABSTUDY

In a previous submission on this subject by NUS⁴⁷ research by the NTEU is quoted which finds that "the level of ABSTUDY expenditure per beneficiary and per capita, for census years 1971 to 1996 has decreased significantly since 1986. In 1997, significant changes

⁴⁶ Stanley, O & Hansen, G. ABSTUDY: An Investment for Tomorrow's employment. A Review of ABSTUDY for the Aboriginal and Torres Strait Islander Commission, 1998, quoted in NUS, Submission to the Inquiry into the Capacity of Public Universities to meet Australia's Higher Education Needs, April 2001.

⁴⁷ Op Cit NUS, April 2000, p112.

were introduced to the ABSTUDY scheme, particularly to the “Away-from Base” component.”⁴⁸

These changes to ABSTUDY, made in the 1997-98 budget have resulted in a cut to 94% of ABSTUDY recipient’s entitlements when compared to an 1988 cohort⁴⁹. These changes include reduced levels of entitlement, higher abatement rates, changes to the age of independence requirements, reduced levels of support for under 21 year olds, caps on travel and study cost entitlements, and reduced Away from Base entitlements.

3.3.2 Economic disadvantage is an obstacle to study

Indigenous Australians are one of the most disadvantaged sections of the Australian population. This is one of the reasons that indigenous access to higher education is so important. The Senate Community Affairs References Committee, reports that:

*Indigenous Australians remain the most disadvantaged and marginalised group in Australia. On all the standard indicators of poverty and disadvantage, Indigenous people emerge as the most socially and economically deprived.*⁵⁰

The current rates of payment for all categories of ABSTUDY are well below the poverty line. For this reason it is imperative that ABSTUDY payment rates be aligned with the Henderson Poverty Line as a minimum in order that ABSTUDY fulfil its role in encouraging the participation of, and supporting ATSI students through, higher education.

In addition to the basic issue of providing a livable income, measures that facilitate the specific needs of indigenous students are also important. In their inquiry into the barriers that face indigenous students CAPA found that provision for family and cultural responsibility was crucial for indigenous students to be able to study⁵¹. Brabham, Henry, Bamblett and Bates have documented the challenges of living bi-culturally and participating in the Western education system for Aboriginal and Torres Strait Islander students:

*Most Indigenous students are pioneering students in the sense that they are the first in their families to go to university. The majority have not been adequately prepared for higher education and academic study via their secondary school educational experience. Now add these considerable barriers to potential success, family, cultural and community responsibilities. The vision of the individualistic university student ‘doing their own thing’ has to be tempered for many indigenous higher education students with the realisation that they must be a student while continuing to be a significant figure in their own family. Family business continues unabated.*⁵²

⁴⁸ NTEU submission to the Inquiry into needs of Urban Dwelling Aboriginal and Torres Strait Islander Peoples, November 2000, in RMIT Student Union, Submission to Senate Employment, workplace Relations and education Committee, Inquiry into higher education funding and regulatory legislation, April 2003, p 13.

⁴⁹ Analysis of the effects of proposed changes to ABSTUDY on Indigenous Students, Final Report, May 1999, Deakin University. In NUS, Submission to the Inquiry into the Capacity of Public Universities to meet Australia’s Higher Education Needs, April 2001, p111.

⁵⁰ Senate Community Affairs References Committee, “A hand up not a hand out: Renewing the fight against poverty, Report on poverty and financial hardship”, Commonwealth government of Australia, March 2004, chapter 13.

⁵¹ CAPA, Indigenous Postgraduate Education: A Project into the Barriers which Indigenous Students must Overcome in Undertaking Postgraduate Studies, 1997, p21.

⁵² Brabham, et. al. (2002)

There are many implications to be drawn from this acknowledgment of the particular characteristics and needs of indigenous students. Some of these implications are listed below:

- Because of the level of socio-economic disadvantage experienced by indigenous people in Australia it is important that ABSTUDY rates are raised to match Henderson Poverty Line indicators for all ABSTUDY recipients. It is also important the abatement rate does not penalise ABSTUDY recipients from earning an income.
- Because of the socio-economic disadvantage experienced by indigenous people in Australia students are unlikely to be being financially supported by their parents. Therefore the 1999 reform that raised the age of eligibility for the independent rate to 21 years of age is nonsensical.
- That the arrangements that seek to recognise the additional financial responsibilities of ATSI students for their immediate and extended families is crucial for maintaining retention rates of ATSI students and therefore should be increased. These include arrangements that facilitate participation in higher education of students who live away from their place of study, possibly in remote or rural locations and/or who maintain family and cultural responsibilities in areas that may be a long way from the location of their place of study. These arrangements include the Away from Base Allowance, travel allowance etc.

Recommendation 25

That ABSTUDY payment rates be increased to a living wage standard calculated using the Henderson Poverty Line as a minimum benchmark.

Recommendation 26

That abatement rates be modified to take into account the low socio-economic status of ATSI people and the extra financial obligations and requirements that ATSI students experience as a result.

Recommendation 27

That the age of eligibility for independent rate ABSTUDY be dropped to 18 years old.

Recommendation 28

That cuts to travel allowance, Away from Base Allowance and other measures designed to make ABSTUDY responsive to the particular circumstances of indigenous students be rescinded.

3.4 International Students

In 2003, international students made up 25.44 per cent of the total RMIT student population⁵³. Out of the roughly 14, 770 international students, the government provides only nine with free entry and study, the recipients of the International Postgraduate Research Scholarships⁵⁴. These students receive a living stipend, however this is provided at the cost of the University, not the Department of Education, Science and Training (DEST). DEST does not consider how these students are expected to support themselves.

The same could be said of the other approximately 14, 760 International Students enrolled at RMIT. Whilst international students are welcomed here for their high financial

⁵³ Source: www.rmit.edu.au Accessed: June 16, 2004.

⁵⁴ Source: <http://www.dest.gov.au/highered/research/ajprss.htm> Accessed: June 16, 2004.

contribution to our public universities' operating costs, there is rarely, if ever, mention or discussion of how international students support themselves whilst engaged in study.

We urge the government and universities to acknowledge that some responsibility for supporting these students must be taken. Neither the Federal Government, nor, by default, universities, see international students in any other light than a market to be commercially exploited and this must change.

In every aspect of their stay in Australia, international students are regarded as easy prey to revenue raise or profit from. Some examples of this commercial exploitation follow.

The Federal Government raised the cost of the visa last year. The Federal Government also makes students pay extra for a special type of international student medical insurance. The State Government of Victoria does not allow international students access to the student transport concession card. The State Government of Victoria also charges 'full fees' to international students' dependents attending state schools. The RMIT Student believes that all of these costs are unacceptable and belie the aggressive marketing that Universities undertake in Asia, that to study in Australia is to somehow be part of a vibrant student community.

International students are also only allowed to work 20 hours per week during semester. RMIT's 2003 University Experience Survey found that 27% of international students are working part-time and 8% are working more than 15 hours⁵⁵. Whilst undertaking paid work, they pay the highest rate of taxation. However, international students are not entitled to any of the benefits that taxpayers may normally expect. Again, international students are bled of their rights, all for the 'privilege' of helping prop up our public education system.

Financial exploitation extends to other service providers that international students rely upon during their residence in Australia. In the area around RMIT's City campus, we are surrounded by high cost accommodation being built rapidly to take advantage of the 'international student market'. Not only is this form of accommodation displacing cheap inner city housing that both international and local students could take advantage of, each apartment is marketed to investors who use supposedly rich international students to help pay off their inner city property. As such, many of these inner-city apartment blocks are astonishingly expensive. For example, a Unilodge Swanston apartment, targeted at RMIT students offers a 3-bedroom apartment starting at \$14,000 for 24 weeks - that is \$583 a week, or \$194 per student if three students share.⁵⁶ RMIT Student Union has many examples that prove that under the current arrangements international students are vulnerable to exploitation by land lords and employers, these examples are detailed below.

The RMIT Student Union would like to propose a looser interpretation of the term "student income support" than the drafters of this inquiry may have intended. While the issues of government payments are important (as we have demonstrated elsewhere), we believe that it is important to also examine the effect of the range of government policies, or lack thereof, on the financial well-being of international students. In this context we would like to discuss international student visas, course fees and the introduction of a national code of practice for the care of international students is important to protect them from financial exploitation.

3.4.1 Student Visa Restrictions: Problems with and Errors in reporting mechanisms.

The RMIT Student Union believes that current visa requirements for international students are unfair and unduly restrictive. Students are required to attend 80% of classes and

⁵⁵ Praetz (2004)

⁵⁶ http://www.unilodge.com.au/locations/melbourne_swanston/pricing.asp

universities are required to report any students who are failing to attain this level of attendance to the Department of Immigration, Multicultural and Indigenous Affairs (DIMIA).

The RMIT Student Union believes that there is a tendency towards over-reporting of students and an absence of appeals mechanisms in place at many institutions to safeguard international students' basic rights to appeal decisions made against them. We feel that greater effort needs to be made by both DIMIA and DEST to ensure that universities understand the reporting mechanisms and procedures, and the serious consequences of a lack of understanding on students' lives.

RMIT Student Union Student Rights Officers have seen several cases this year alone where international students have been reported to DIMIA due to university error. Once the student has been reported to DIMIA, Student Rights Officers feel obliged by law to advise the student to engage the services of a migration agent. Migration agent services don't come cheaply, and international students often dip into money set aside for next year's fees in order to cover the cost of a migration agent. Preparatory interviews for a student's initial meeting with DIMIA can cost, in our experience, several thousand dollars, money which is unrecoverable even if it is proven that the university was in error.

Anecdotal evidence from Student Unions suggests that this reporting regime has resulted in an increasing number of international students being incarcerated in immigration detention centres. The RMIT Student Union is itself aware of several cases last year of students from universities in Newcastle, Adelaide, Perth, Sydney and Melbourne ending up in immigration detention centres because of minor visa breaches. Whilst the Department of Immigration suggests that the detention of students is only a last resort⁵⁷, DIMIA compliance officers, when pressed by student representatives⁵⁸, have been unable to produce any policy guidelines relating to the policy of placing students in immigration detention centres.

Case study 2:

A member of staff at a university in Perth received an anxious phone call from the parents of an Asian international student. The student had been missing for three weeks and the parents had called DIMIA, only to be told they had no information on the student. The staff member contacted the National Anti-Deportation Alliance for assistance, and the student was found in a Western Australian immigration detention facility, apparently in breach of his attendance requirements. According to the member of staff, DIMIA claimed that to have alerted either the University or the student's parents to his whereabouts would have breached the student's privacy.⁵⁹

3.4.2 Student Visa Restrictions: Work and Exploitation.

The reporting and over-reporting of students leads directly to matters of student income support and financial wellbeing. The RMIT Student Union believes that international students should be allowed realistic opportunities to support themselves financially whilst studying.

Earning enough to make ends meet with a rigid 20 hour work restriction is near impossible, with many international students being unaware of minimum wage requirements and employment rights. There are growing reports of international students turning to illegal

⁵⁷ DIMIA Annual Report 2003-03, 1.3.5 Detention, http://www.immi.gov.au/annual_report/annrep03/report35.htm

⁵⁸ At both the Western Australian state Education Conference of the National Liaison Committee for International Students, and the National Conference held in Adelaide last year, invited DIMIA compliance officers were unable to answer students concerns about the lack of clear guidelines in relation to detaining students.

⁵⁹ Interview conducted in person with UWA academic staff member, 16th May 2003, Perth

and cash-in-hand work in addition to legal earnings. Sarah Lantz, from the University of Melbourne, recently conducted research on student sex workers, several of whom were international students who were working to pay for student fees and living expenses.

LING: I basically started working tabletop on and off a few years ago because I didn't have enough money to pay my student fees...⁶⁰

SU LI: My family's business initially paid for my tuition fees and ongoing living costs when I first moved here, but that changed after about one year. You see, my father's company went bad ... [edited] So I had to finance my own education. My parents are proud of me for doing that. But it wasn't initially as easy as what I thought it would be. Because I'm on a student visa it means I can only work a small amount. So, for about nine months I worked for cash-in-hand at two Chinese restaurants and a telemarketing company. Then I got fired from the telemarketing job because they said I was too slow and my command of English wasn't so good. I think it was racism myself. But what could I do? I wasn't meant to be working anyway. So then I started to work at a factory, sewing men's business suits. But the pay was no good and in the end the company was closed and the workers lost all their earnings. So with declining grades from overwork and limited money, a friend, also at the University of Melbourne, suggested the sex work industry as an option. I think she meant it as a passing joke, but I thought the idea was worth at least looking into.⁶¹

What these examples highlight is the diversity of students that make up Australia's international student cohort and the necessity for governments to take greater flexibility in the restrictions placed on student visas.

Recommendation 29

That restrictions on work and strict attendance requirements for international students be relaxed.

3.4.3 International Student Fees

Currently there is no regulation of international student fees. Universities are free to charge whatever they believe the market can take and are free to vary fees on an annual basis without restriction. This lack of regulation has led to universities increasingly seeing international students as a means to make up for funding shortfalls elsewhere. Students have no ability to budget for their studies with mid-award annual increases of up to 15% or higher reported in some places.

The RMIT Student Union believes that this is fundamentally inequitable and, due to the runaway nature of international student fees, there is a need for government regulation of international student fee levels. The RMIT Student Union also believes that universities should not be allowed to vary fee levels for continuing students beyond the rate of inflation.

Recommendation 30

That the Federal Government regulate international student fees to ensure fairness and adequacy of service delivery.

Recommendation 31

That rises in international student fees for the second and subsequent years of an award be limited to the rate of inflation.

⁶⁰ Lantz (2003:35)

⁶¹ Lantz (2003:36)

3.4.4 Safeguarding International Students' Rights

Due to the perception that international students are largely a revenue stream, there has been little done by governments or universities to ensure that these students are informed of their rights and protected from exploitation. The RMIT Student Union has recently encountered a series of problems faced by international students due to a basic unawareness of the protection Australian law provides them. The two areas of greatest concern are housing and work.

Housing:

The RMIT Student Union interviewed staff of the RMIT Housing Advisory Service (HAS) in early June, who stated that the overwhelming majority of their caseload and inquiries come from international students⁶². As both RMIT HAS staff and a recent Tenant's Union report⁶³ note, international students and their families often secure accommodation before arriving in Australia, preferably with housing providers that are, or appear to be, affiliated with the institution at which the student will be studying.

That international students are vulnerable to being misled by unscrupulous providers with attractive websites and bogus credentials is immediately obvious. What is not so obvious is the extent of that exploitation.

Case study 3:

Two students from China approached the RMIT HAS for advice after their landlord, with whom the students live, refused to repay a loan of tens of thousands of dollars. The landlord had procured the money by telling the students that he would lose his house, and the students, by implication, would lose their accommodation, if he could not come up with this money. The students lent the money to their landlord but at no stage entered into a written contract with the landlord to that effect.

RMIT Housing Advisory Service staff report seeking advice from the Asian Squad of the Victorian Police to assist Asian students who have fallen victim to criminally unscrupulous accommodation service providers.⁶⁴

Work:

Case study 4:

A Chinese student from RMIT came to see a Student Rights Officer after handing over thousands of dollars to an employer. The student was accused of stealing money from the till at work. The student denied the charge and challenged his employer to produce evidence. His employer locked him in the back room at work and threatened that he would be reported to the Department of Immigration and jailed for one and a half years if he did not "pay back" thousands of dollars. The student handed over several hundred dollars in one week, then after consulting with his father in China, borrowed thousands of dollars from a family friend to give to the

⁶² Interview with RMIT Housing Advisory Service staff member, June 3 2004.

⁶³ Power and McKenna (2004:3)

⁶⁴ Interview with RMIT Housing Advisory Service staff, June 3rd 2004

employer. The student was working well within his visa conditions and denied stealing the money.

The RMIT Student Union is seeing an increasing number of such industrial cases. In many cases, the employer has demanded cash after accusing a student of theft. The threat of legal action frightens the student into handing over large sums of money, often taken from money set aside to pay next year's university fees.

Case study 5:

An Indian student working for a company advertised on the RMIT employment website was accused by his employer of stealing. The student had not been paid for two months work, and the employer claimed to have reported the student to both DIMIA and the university. The employer also threatened to alert the student's parents. The student told a lecturer who advised the student to contact the RMIT Union Legal Service (a free service for students) and Student Union. RMIT responded by assuring the student of his legal rights and the presumption of innocence, and suspending the company's advertising pending an investigation. The student is reluctant to pursue the recovery of his wages for fear of somehow jeopardising his pending application for Permanent Residency.

RMIT staff handled this student's case with diligence and care - but this may not be enough to recover the student's wages, nor assuage the student's concerns about threats to his permanent residency application. In this student's case, the employer's threat to tell the student's parents was almost as frightening a prospect as alerting DIMIA.

Both the RMIT Housing Advisory Service staff interviewed for this submission, and staff of the RMIT Student Union feel that international students have a poor understanding of their legal rights. The threat of DIMIA is often used by employers and unscrupulous accommodation providers against students who, as a rule, express a desire to keep quiet or "go unnoticed", in their dealings with employers, accommodation providers and the university. Even the thought of being party to a civil case, such as the Victorian Civil and Administrative Tribunal hearings, is enough to scare students out of asserting their basic legal rights.

International students have even expressed great fear of seeing the police for such a simple service as getting a statutory declaration witnessed, for fear that DIMIA will somehow know that they have seen the police and that this will draw attention to them.

What these examples highlight is that the greatest ongoing problems for international students stem from the dual problems of a lack of understanding of their rights in Australia and a lack of due care taken by universities and governments to ensure that they are informed and cared for. This stands in sharp contrast with several other locations around the world, most notably New Zealand, where a nationally enforced Code of Practice for the Pastoral Care of International Students is in place⁶⁵. The RMIT Student Union believes that Australia should investigate the establishment of a similar code to begin the process of treating international students with the respect they deserve.

⁶⁵ Source: <http://www.minedu.govt.nz/index.cfm?layout=document&documentid=6902&data=l>, Accessed: June 17, 2004.

The Student Union also believes that this code of practice should incorporate the requirement that information on the rights of international students in terms of housing and employment be provided by all education providers on enrolment and the provision of adequately resourced support services for international students.

Recommendation 32

That there be an investigation into the appropriateness of developing a National Code of Practice for the Pastoral Care of International Students.

3.5 Refugees and Asylum Seekers

The Refugee and Asylum Seeker Project was started at RMIT in 2002 as a result of a campaign initiated by the Student Union and staff groupings on the announcement that RMIT was to bid to provide educational services in detention centres. Due to the large-scale outcry from students and staff, this decision was overturned in favour of the Refugee and Asylum Seeker Project.

The Refugee and Asylum Seeker Project is an access scheme for refugees on temporary protection visas (TPVs) and asylum seekers on bridging visas, who are not eligible for HECS funded places. RMIT offers fee waivers for ten university places for these students. The project itself consists of two part time workers, and provides ongoing support and advocacy for students in both the TAFE and higher education sectors at RMIT. Students who receive support from the RMIT Refugee Project will be referred as "project students" in this submission, and this covers students on a range of visas, studying a variety of courses. All of these students have a temporary immigration status, and it is this status that determines their capacity to access both government-subsidised education, and income support from Centrelink.

In spite of structural barriers to education, including extremely limited income support for refugee students, the access scheme at RMIT has been unable to meet the demand from refugees and asylum seekers for further study.

One of the biggest issues facing the project students is income support. As they are not citizens or permanent residents, no project student has access to Austudy or Youth Allowance. TPV holders who are studying have a limited eligibility for Special Benefit, and this is discussed in more detail below. Asylum seekers on bridging visas, who are waiting for a determination on their claim for asylum, are not eligible for any support from Centrelink, regardless of whether they are studying. Most people in this group face extreme poverty and hardship, as they are often also not allowed to work. Many asylum seekers on bridging visas are entirely reliant on charitable assistance for all of their daily needs. Issues relating to this group are discussed in more detail below.

3.5.1 Temporary Protection Visa holders

The TPV was introduced in 1999 as a "border control" measure. Unauthorised arrivals experience a range of discriminatory restrictions relating to their temporary status, that are designed to "send a message" to other potential asylum seekers. The deleterious effects of the TPV have been well documented and the disastrous and sometimes tragic consequences continue to unfold. The RMIT Student Union opposed the creation of this class of visa and continues to do so and we believe that TPVs should be abolished and those students be made eligible for regular student income support assistance.

Recommendation 33

That the temporary protection visa be abolished, or that holders of temporary protection visas be allowed the same access as permanent residents and citizens to HECS places, Austudy and Youth Allowance.

The structural discrimination of the TPV extends to further study and income support for further study. Prior to changes made to the Special Benefit regime in 2003, TPV holders could access education only if they were prepared to study part-time. In this sense Special Benefit was similar to Newstart, as Newstart recipients are not eligible to receive Newstart if they commence full-time study. However Newstart recipients will generally be able to access Austudy if they decided to study full time. This is not an option for temporary protection visa holders. Prior to 2003, if they commenced full time study their benefits would be cancelled, and they would be without any income support.

The amendments to the *Social Security Act 1991* that were introduced in January 2003 were supposed to facilitate greater access for TPV holders to further education, as it allowed them to study full time. According to Refugee and Asylum Seeker Project Officers, the reverse has been the case. At RMIT the 2003 amendments have not facilitated study for TPV holders, but have worked to restrict access. This is because under the new amendments TPV holders on Special Benefit must meet the requirements of the activity test, which means that any course of study must be approved by Centrelink.

The problems with the activity testing regime are two fold.

Firstly, Centrelink retains the discretion to decide what will be considered an acceptable course of study. Centrelink has complete control over the decision as to whether a Special Benefit recipient will be able to study, and has the right to vary this decision at any time. A number of project students receiving Special Benefit have commenced courses of study with approval from Centrelink only to have this approval subsequently withdrawn half way through semester. This arbitrary and discretionary decision making is clearly unacceptable, as it does not allow students to make informed decisions about their options, or to rely on any income support that they receive from Centrelink.

Secondly, Centrelink will not approve any course of study that is longer than twelve months. This twelve month rule is derived from policy passed by the Department of Family and Community Services, but is not actually present in the legislation. Not only are TPV students therefore not able to access any University course, but they are also unable to study any course above a Certificate IV at TAFE. They are not able to study diploma or advanced diploma level courses, and it is these courses that have the best vocational outcomes. In that sense, the January 2003 amendments, which were designed to facilitate returning to the workforce, are not meeting their stated objective.

Recommendation 34

That the 2003 amendments be repealed and TPV holders who are studying not be subject to the current activity testing regime.

Recommendation 35

That FACS introduce policy directing Centrelink officers to extend approval to courses of three years. The twelve month rule is unduly restrictive, and does not reflect courses offered by the TAFE sector that have the most vocational capacity.

The RMIT Student Union also believes that students who are studying should be given the opportunity to complete their course of study. As such, we would like to see incomplete (but continuing) study as grounds for an extension to a student's TPV.

Recommendation 36

That an incomplete course of study be considered as grounds for extension of a student's TPV.

3.5.2 Asylum Seekers on Bridging Visas

People seeking asylum who have not had their claims for refugee status determined hold what is known as a bridging visa. The end date on the bridging visa is fixed to the final determination of their status as refugees. They are not eligible for any form of Centrelink administered income support during this determination process. Some asylum seekers on bridging visas are eligible for payments under the Asylum Seeker Assistance Scheme, which is administered by the Red Cross. However many asylum seekers however have no access to any form of income support, and many also are not allowed to work. If they do work they face visa cancellation, detention and deportation. As such many asylum seekers on bridging visas are dependent on charities for all of their daily needs.

Organisations such as the Asylum Seeker Resource Centre, which provides food and medical assistance to asylum seekers without income, have witnessed the severe effects of this level of poverty, for example young asylum seeker children presenting with diseases of malnutrition such as rickets. Even the earliest stages of the refugee determination process take on average take two years, and many asylum seekers live in these impoverished conditions during that entire time.

In spite of these extreme levels of financial hardship many asylum seekers are committed to entering further education. If they are unable to work the costs of study and income support during study must be met by family, or by charitable organisations such as the Brigidine Sisters or the Hotham Mission. The resources of these charities are unable to bear large ongoing costs.

Recommendation 37

That asylum seekers on bridging visas be given access to government funded income support, and that work restrictions on bridging visas be lifted.

Recommendation 38

That asylum seeker students be given access to Austudy and Youth Allowance.

Recommendation 39

That asylum seeker students be given access to health care cards, transport concessions, and all forms of concession available to citizen and permanent resident students.

As asylum seekers hold temporary visas, they are considered international students in both the TAFE and University sectors. This means that they are required to pay the highest level of student fees, which creates an additional financial burden. The RMIT Student Union believes that asylum seekers should be eligible for publicly funded places in post-secondary education.

Recommendation 40

That asylum seekers on bridging visas be granted access to HECS places in Higher Education and State funded places in TAFE.

3.6 Newly Arrived Migrants

Newly arrived migrants are subject to a two-year, 104 week waiting period before becoming eligible for any form of government assistance. This change was implemented purportedly to address reported abuse of Australia's social security system by newly arrived migrants. The RMIT Student Union believes that any abuse, if it occurred, has been overemphasised.

Students in the focus groups pointed to this restriction as a severe form of financial hardship,

I live with my wife. She's unemployed at the moment. She's looking for a job. She's receiving unemployment benefits. What happened with my application to Austudy...it was going fine till it reached the point where they told me I have to wait another 2 more years as a permanent resident to get Austudy ... she's finding it pretty hard to find a job. That's been going on since February... and I've not been getting any Austudy. That's the problem, we've been living as two people with one unemployment benefit and it's really hard. We have to pay rent and I don't have any support from my family whatsoever because they live in Argentina.

(Full-time undergraduate student, early 20s, permanent resident)

The RMIT Student Union believes that all permanent residents should be entitled to financial assistance without waiting periods.

Recommendation 41

That the 104-week waiting period for newly arrived migrants be abolished.

3.7 Students with Disabilities

Students with disabilities are amongst those who face the highest risk of hardship in society. A 1999 Australian Council of Social Services project confirmed that:

- "the high proportion of people in hardship [are] on unemployment and sole parent and disability payments..."⁶⁶
- "disability pensioners and Youth Allowance/Austudy recipients stand out as large groups with a relatively high risk of hardship."⁶⁷

Currently 6.6% of Disability Support Pension recipients are undertaking study or training at some level. It is worth noting that many students with disabilities end up on the Youth Allowance rather than the Disability Support Pension because of the latter's narrow eligibility criteria. In effect many students with disabilities receive no additional support.

Allowances for students with disabilities, as with allowances for students as a whole, do not reflect the cost of living. The current Disability Support Pension rate is \$464.2 (single) or \$387.6 (partnered) per fortnight. Together with the Pension Education Supplement (maximum of \$62.40) this means students on disabilities are on 87% (single) of the Henderson Poverty Line (\$604.92 per fortnight) or 74% (Partnered).⁶⁸ The Disability Support Pension does not even cover the cost of living, let alone those extra expenses that students with disabilities incur. The result is that students with disabilities live under constant stress: Where will they end up? Will they get a job? Will they have enough to live on?

I'm lucky because I live with my parents but I'm on the pension. I get like \$450 a fortnight. I give a hundred of that to my parents and basically try and

⁶⁶ ACOSS (1999:10)

⁶⁷ ACOSS (1999:9)

⁶⁸ This does not include other allowances such as Mobility Allowance.

save the rest of it so that when I eventually have to move out, I have a bit of control over where I live. Cause otherwise I'm going to end up in a sharehouse with four other people, disabled people. I know this guy, he's in a house in Frankston and he's the only one that can talk. And that's just wrong. Apart from the fact that it's my biggest fear to end up in a place like that, I've got friends who are in different places and they just hate it. I don't go out as much as most people my age. I don't drink at pubs and stuff cause I just can't afford it. I just hope I can get a job at the end of it cause otherwise I'm screwed.

(Female undergraduate student, early 20s, with a disability)

As with students as a whole on Austudy, there is no justification for having a "Partnered" rate of Disability Support Pension. Simply because two people are in a relationship does not justify considering them one financial unit (which deserves less money proportionately).

The additional costs to students with disabilities are primarily for support services, which Andrews in 1992 reported was between \$1000 and \$17000 a year (with the highest amount for students with vision impairment).⁶⁹ Currently such support services must be provided for by the educational institution out of their operating grant. The result is a very uneven provision of support services for students with disabilities across the educational institutions. Too often students do not receive the support they need. As Yvette Devlin argues, "...Government has accepted no responsibility in respect of the individual costs of students with disabilities in higher education. This is out of step with...New Zealand, Canada, the USA, Sweden, the UK and Ireland. All of these countries provide separate funding to assist either students directly or institutions that provide the support services required by the students."⁷⁰ There is thus a need for Government to specifically fund Universities and TAFEs to provide support services for disabled students.⁷¹

Recommendation 42

That the Disability Support Pension be reviewed quarterly to maintain parity with the Age Pension and that this be no lower than the Henderson Poverty Line.

Recommendation 43

That "Partnered" Disability Support Pension be abolished and all students with disabilities receive the "Single" rate.

Recommendation 44

That Government specifically fund Universities and TAFEs to provide quality support services for students with disabilities.

3.8 Students with Children

Students with dependent children are studying under severe constraints. If students have dependent children and are eligible for income support, they are under pressure to maintain study loads, progress through their course and carefully monitor other sources of income in order to maintain those benefits.

While parental income support makes some allowances for the extra costs associated with raising a child, student parents are still struggling to make end meet. Many of the other issues facing low income students also apply to student parents, usually with an added

⁶⁹ Andrews and Smith (1992),

⁷⁰ Devlin (2000).

⁷¹ This was been argued by Andrews and Smith(1992) in Jones (1994)

financial and emotional impact. Student parents are under particular pressure to continue full time study despite these problems in order to reduce the length of their study and therefore length of time spent out of the workforce. They often find themselves unable to meet additional or unexpected costs of study such as books, materials, conferences or field trips. If any of these requirements involve after hours or weekend work, finding and affording childcare, as well as the costs involved, can often prevent student parents from participating. It is difficult to find affordable, adequate rental housing for a family within a reasonable travelling distance from campus.

Like other students, parents who study are more likely to rely on casual and sessional work. Projected income from casual and sessional work is often difficult to estimate accurately. A particular danger for studying parents can be accidentally obtaining overpayments from Centrelink due to parents providing incorrect income estimations for determining Family Tax benefit and/or Childcare benefits. Overpayment can result in Centrelink withholding future payments. Getting out of debt whilst living on a very low income, continuing to study successfully and maintaining a family is an almost impossible task.

Access to adequate and affordable childcare is essential for student parents. There is a chronic shortage of childcare places in the community, where waiting lists of 2 years are very common. Problems with accessing and affording childcare can drive student parents to compromise on childcare arrangements, study, or often both. Childcare places on university campuses are often just as hard to obtain, even though they would be of immeasurable benefit to student parents.

If children were cared for at RMIT – nearby - it would be emotionally and financially easier.

(30 year old female student with one child)

If students can access the JET scheme, the cost of childcare drops to about \$10 a week, enabling these students to study full time. However, there are stringent restrictions on this scheme which mean that students can be rendered ineligible if they fail one subject and are not eligible at all if they don't study full time. This is not realistic and should be relaxed.

Difficulties with childcare arrangements can create a variety of problems for student parents. If the available childcare is far away from campus (as is often the case), students may be forced into excessive travel to and from childcare centres, or other care arrangements such as family or friends. Fines are often imposed on parents who pick up their children late from childcare centres, so student parents may have to leaving class early or skip them altogether to fit into this rigid schedule. An additional emotional strain is placed on parents trying to focussing on study while dealing childcare arrangements that may be inconvenient in location or times, poor quality, or unaffordable. Students who relocate in order to study are also disadvantaged in terms of finding childcare given the long waiting lists and rigid application times of most childcare centres.

International students with dependent children are not eligible for income support. This group of students are generally required to maintain fulltime study loads, are restricted in the hours they can work, are required to pay the full costs of childcare and can be subject to discrimination in the housing and job markets. Also, international students are not eligible for travel concessions. As indicated elsewhere in this submission, international students are not the wealthy individuals they are stereotyped as, and need access to some support.

Recommendation 45

That assessment and payment of Childcare Benefits and Family Tax Benefits be restructured to reduce likelihood of overpayment for student parents who are in erratic employment.

Recommendation 46

That all student parents (part time and full time) have access to Childcare Benefit at the same level as the JET scheme, with some flexibility so that students who fail are not immediately ineligible.

Recommendation 47

That income support for student parents be set at the Henderson Poverty line, with an additional amount to cover childcare and other costs associated with bringing up children.

Recommendation 48

That international students be eligible for student rates at childcare facilities, and have access to travel and other concessions available to students.

Ideally increased income support for student parents would be also supported by increased Government funding to Universities to provide campus based childcare facilities and subsidised childcare places for all students in need. Improved government funding for childcare facilities in the community would also help increase the ability of parents to consider study as an option.

4. Other student income support measures

4.1 Public transport concession cards

Approximately 45% of RMIT students are not eligible for a public transport concession card in Victoria⁷².

The RMIT Student Union has argued for some time that transport concession cards should be available for all full-time students⁷³, whether international or domestic, undergraduate or postgraduate. Students, as we have seen above, struggle to make ends meet and the cost of full-fare transport (up to \$177.30 a month) is beyond the reach of most students. Due to the high cost of public transport, many students reported regular fare evasion and some reported non-attendance at classes due to the inability to pay for transport.

I just try and avoid ticket collectors.

(Female undergraduate student, early 20s)

I do that [fare evade] all the time.

(Female undergraduate student, early 20s)

Despite wide-spread condemnation, the Victorian state government consistently acts in the interests of the private transport providers at the expense of students.

The RMIT Student Union is also concerned about the growing number of external and distance students who may be studying full time in a state where they do not reside. Most states do not recognise transport concessions from other states. We believe that this will be a growing problem and should be addressed.

Recommendation 49

That all states be encouraged to provide concession travel on public transport to all full-time students, including postgraduate, international and external/distance students, regardless of the state of residence.

4.2 Textbooks and other required materials

Textbooks constitute a massive expenditure for students and are needed at a time when many other expenses are due including potentially moving costs, transport concession cards and student union fees.

Many students reported not purchasing textbooks or other essential materials.

I'd say [I buy] roughly half [of the required textbooks].

(Male undergraduate student, early 20s)

Your friends in class always have a textbook. If you really need something, you just photocopy it. You can just scrape through without it.

(Male undergraduate student, early 20s)

It's not only textbooks. If you're doing an art subject, you need to get all the materials and stuff. You just die buying it.

⁷² Victoria does not provide concession cards to postgraduate or international students, which make up a significant cohort of RMIT students.

⁷³ The RMIT Postgraduate Association, a department of the Student Union, has written letters this year in this regard to Premier Steve Bracks and Minister for Transport, Peter Batchelor.

(Male undergraduate student, early 20s)

Students also raised concern about the imminent closure of the Textbook Subsidy Scheme, a scheme initiated at the time of the implementation of the Goods and Services Tax to mitigate the increased costs associated with the GST.

What bothers me is having to pay \$100 plus for textbooks at the start of the year. Recommended retail price will generally be \$100 for some of them. That's like the medium [sic] for my subjects. Now that they're taking away the Textbook Subsidy Scheme...

(Female undergraduate student, early 20s)

The RMIT Student Union believes that the introduction of the GST has resulted in adverse effects on students and the closure of the Textbook Subsidy Scheme would only exacerbate those problems.

Recommendation 50

That the Textbook Subsidy Scheme be continued at the full GST rate for all academic books.

The high costs of textbooks and other materials at a time when students are short on money is a concern for the Student Union and for students in the focus groups.

Some students also highlighted concerns with the high material costs of their study.

When my older sister was studying graphic design at Monash University she was told you need to have all this expensive equipment. And she said, "I'm a student. How can I afford all this equipment?" And the teacher looked up at her and said, "Why do you care about affording it? If you can't afford it, why are you studying?" It reflects people thinking that certain people should be allowed to study and others shouldn't.

(Female undergraduate student, early 20s)

There's definitely degrees that are restricted to people who can be supported...in my experience, when I was studying at Melbourne Uni, the music degree...the people who were able to excel at the music degree still lived at home with \$25,000 instruments and that kind of thing."

(Male undergraduate student, early 20s)

We would like to see the introduction of a scheme to assist students in the purchase of their required textbooks. We would envisage this as taking the form of a special textbook grant given to all government income support recipients at the start of each semester.

Recommendation 51

That a Textbook and Materials Grant be established for all student income support recipients.

5. Walking the Centrelink Plank

For many students, Centrelink is not a place that is supportive or helpful. Many students reported problems in their interactions with Centrelink and several talked about the difficulty of managing finances after being breached.

The RMIT Student Union believes that, while individual Centrelink staff are often helpful and committed to their work, structural, training and procedural policy limits the transparency, appropriateness and fairness of Centrelink's decisions and service delivery.

5.1 Breaching and the security of student income

One of the structural aspects of student income support that causes problems for students is the practice of breaching.

A breach is a penalty that consists of a reduction in payment levels and is administered in response to an "Activity Breach" (which is a failure to meet the requirements of the activity agreement for example the agreement to undertake full-time study) or an "Administrative Breach" (which is a failure to meet administrative requirements, such as attending an interview or notifying Centrelink of a change in circumstances such as an income increase).

- An administrative Breach can attract a 16% reduction in a person's rate of payment for 13 weeks, or \$50 a fortnight for a Youth Allowance recipient.
- The first Activity Test Breach attracts a penalty of 18% of a person's rate of payment for 26 weeks (a \$57 a fortnight reduction)
- The Second Activity Test Breach attracts a penalty of a 24% of a person's payment for 26 weeks (\$76.32 reduction).
- The Third Activity Test Breach attracts a penalty of an 8 week non-payment period.

<i>Payment/ Type of breach.</i>	<i>Penalty</i>	<i>Cut to Fortnightly Payment in Dollar Terms</i>	<i>Total Amount Lost Due to Penalty</i>	<i>Fortnightly payment after penalty is deducted</i>	<i>Amount in dollars by which the post- reduction payment rate falls short of the Henderson Poverty Line per fortnight.</i>
<i>Full Youth Allowance</i>	No penalty	No cut	No loss	\$318	\$268
<i>Administrative Breach</i>	16% reduction for 13 weeks	\$50	\$327	\$268	\$336
<i>1st Activity Test Breach</i>	18% reduction for 26 weeks	\$57	\$741	\$261	\$343
<i>2nd Activity Test Breach</i>	24% Reduction for 26 weeks	\$76.32	\$992.16	\$241.68	\$362.32
<i>3rd Activity Test Breach</i>	100% Reduction for 8 weeks	\$318	\$1272	No payment for 4 fortnights	\$604

Previous sections of this submission have outlined the difficulties that students who rely on Youth Allowance or AUSTUDY face when trying to meet the most basic of living such as housing, food, travel and study costs. Dealing with housing insecurity, fines for traveling on public transport without a ticket, and falling behind in their studies are predictable outcomes for a student who's income has been reduced by the imposition of a breach. Student debt is a serious and growing problem but to borrow money to meet basic living costs is arguably one of the least disruptive decisions a student might take to cope with the financial stress of a breach. Homelessness and the disruption or cessation of study are some of the less favorable but predictable outcomes of the imposition of a breach.

Recommendation 52

That the practice of breaching be abolished.

5.2 Service Delivery, Rights and Responsibilities

Students who move from full-time to part-time study are a good example of how ineffective communication of information about rights and responsibilities can create a situation where students are likely to be breached or incur a debt. Full time students have very little face to face contact with Centrelink staff and subsequently are only rarely exposed to rights and responsibilities information. Often eighteen months or more can pass from the time that a student is informed of their rights and responsibilities to the time that they vary their enrolment. It is unreasonable to expect them to be aware of the implications of dropping a subject in this situation. This situation has created a serious problem of over payment and subsequent student debt and is a common reason for breaching. Students who participated in the RMIT Student Union focus groups indicated that breaches are imposed without contacting the student first and without giving the student the benefit of the doubt. Faulty databases were the cause of two students' breaches. They reported that Centrelink imposed a breach after they were sent letters inviting them to interviews that they didn't attend because the letter was sent to the wrong address.

If they're wrong they say 'well that's just the way it is. With my breach, I missed an appointment, which I was not informed about. But they said well it was on the computer that the letter was sent out so 'according to us we're right.

(Female RMIT student, early 20's)

I never received the letter that they sent me so I didn't comply with it because I never received it so I was in breach of something that I didn't know I hadn't done.

(Male RMIT student, early 20's)

These two examples raise issues relating to appeal processes and knowledge of rights and responsibilities that need to be urgently addressed.

Many students who participated in focus groups found that getting information about entitlements and their rights and responsibilities was difficult and the information they received often contradictory, the basis for it unclear. They described interactions with Centrelink as intimidating, confusing and complicated.

The phone advice is always totally inconsistent with the on-site advice.

(Female undergraduate student, early 20s)

Over the Christmas period, when I finished my VCE, I told them that I planned to study again at RMIT and that I had applied. They cut off my Youth Allowance for five months because they needed a letter from RMIT saying that I was enrolled there but I wasn't because we had to wait two months to find out. After that period of time with the [RMIT] administration, you know what that's like, I'm sure it took them another two months to even send out the forms to me. Then I got a call from them saying that the lady that dealt with my problem wasn't supposed to cut it off so the whole time I was supposed to be getting payments and they had to reimburse me about \$1500.

(Female undergraduate student, late teens)

To me it's not just about money levels. It's about service. You go there and based on my experience, you will get talked down to. I go there and try and tell them my situation and they just assume that I don't know anything. They just assume that I'm going to be wrong.

(Female undergraduate student, early 20s)

The RMIT Student Union believes that these stories do not reflect isolated incidents but reflect a growing problem in the way that Centrelink delivers services to students, particularly in Victoria. The Student Union believes a variety of alternative options may be preferable including on-campus Centrelink offices, Youth Access Centres in areas of large student/youth concentration or the creation of specially trained Student Liaison Officers in offices with high student numbers.

Recommendation 53

That a review be conducted into the way that Centrelink communicates with students and the way that Centrelink administers student Income support.

Very few decisions that Centrelink makes are subject to appeals. Students are scared to question the information, advice and decisions that are made by Centrelink consultants. This jeopardizes their ability to make sure that they are getting the level of income support

that they are entitled to and gives them no protection from arbitrary and unfair decision makers.

I'm always scared they're going to put a little mark against my name (if I complain).

(Male undergraduate student, early 20s)

I've never been given an evaluation form ... I've never seen any in the office. The office is completely spartan and doesn't have anything like (information on how to make a complaint)...

(Female undergraduate student, early 20s)

The RMIT Student Union believes that the responsibility for Centrelink to provide adequate and up-to-date information to all recipients of assistance is not satisfied by a single pamphlet delivered at the beginning of the course. More needs to be done to ensure that students are provided with accurate and relevant information throughout their studies. Avenues such as emailing updates, on-campus education sessions and the like need to be investigated.

Recommendation 54

That Centrelink make benefit recipients' rights, including the grounds and methods of appeal, more clear.

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Appendix: The TAFE/VET Sector

TAFE's charter, as outlined in the Kangan Report, stressed, as one of its fundamental principles, that of the unrestricted access by individuals in the community to post-secondary education.⁷⁴ The Kangan report highlighted the social responsibilities of TAFE and validated its position as an equally important educational sector in its own right alongside primary/secondary education and higher education.

Among TAFE's many advantages are the following:

- It is accessible to a large number of people because of its geographical diversity (35% of TAFE students come from rural and remote areas).
- It is inclusive and committed to quality.
- It engages with local communities.
- It has a close connection with industry.
- It is poised at the intersection of schools, higher education, adult community education and industries.⁷⁵

In addition TAFE has an historical commitment to the principles of access and equity and offers educational opportunities to socially and economically disadvantaged groups.

The TAFE/VET system plays a crucial role in the transitions from school to work for a wide range of young people, in particular those who are disadvantaged. According to an NCVET report:

Early school leavers, young people from lower socio-economic backgrounds, those based in rural areas and those with disabilities make more use of opportunities in VET than in other forms of education to enhance their labour market prospect....They are the most disadvantaged in the labour market, in terms both of finding work and, once in jobs, of receiving the training needed to enhance their careers.⁷⁶

One in every ten Australians over the age of 15, studies in a publicly funded TAFE course. TAFE students come from all age groups and socioeconomic backgrounds and comprise 1.3 million people nationally. Of these:

- 90% study part time;
- 48.1% are women;
- 22% are in apprenticeships and traineeships;
- 35% come from rural and remote areas;
- 25% of all young people aged between 15 and 19 participate in the public TAFE system;
- 4.1% are indigenous Australians;
- 12% are from non-English speaking backgrounds; and
- 4.8% report a disability⁷⁷

The reasons for seeking educational qualifications through the TAFE sector are equally diverse. They include:

- to enter the labour market;
- as a pathway to further education;
- to reskill or change careers;

⁷⁴ Goozee, Gillian, The Development of TAFE in Australia, NCVET, 2001, p27

⁷⁵ AEU, Briefing Notes for Politicians, Tafe Campaign 2004, Vic, www.aeufederal.org.au

⁷⁶ NCVET, Access and Equity in vocational education and training: Results from longitudinal surveys of Australian youth

⁷⁷ Ibid & NCVET,

- to improve their existing skills; and
- to re-enter the workforce after a period of absence.⁷⁸

In order to facilitate these needs the TAFE sector offers a variety of qualifications. There are short courses, apprenticeships/traineeships, certificates, diplomas and advanced diplomas, VCE studies and the recent development of TAFE degrees.

⁷⁸ TDA, Submission to the Higher Education Review, ACT, 2003, p3, www.tda.edu.au