

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into student income support**

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**Organisation:** Queensland Shelter

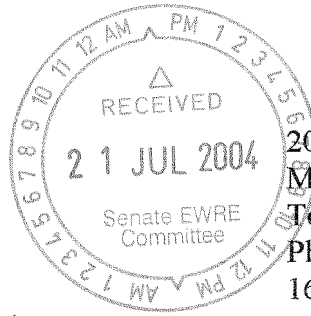
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Senate Employment, Workplace Relations and  
Education References Committee

Enclosed is our Queensland Shelter branch's submission into the Inquiry into Student  
Income Support.

Ken Graham  
North Qld Branch Delegate  
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## **Student Income Support**

### **Submission into Senate Inquiry**

**Kenneth Graham  
North Old Branch Delegate  
Queensland Shelter**



We are located in Townsville, a university city, the home of James Cook University. Our focus will mostly be on the cost and availability of student accommodation, rent assistance or ineligibility for such, as well as the inadequacy of student income support to afford private rental housing with rents rising to the extent that tenants on higher support, like pensions, are now living in housing stress and poverty.

The report which resulted from the Senate Inquiry into Poverty and Financial Hardship, *A hand up not a hand out: Renewing the fight against poverty*, contained a section titled, Students and poverty (pp.289 – 300). We endorse what is stated there and the Recommendations.

The Report gives the figures comparing income support for students and others. While Newstart is below the poverty line, student support, i.e., Youth Allowance and Austudy, is well below that again. It is stated that the mean annual income for students last year was \$12,513 – one third of the average income. Yet students have peculiar expenses, especially textbooks. Borrowing from the university library for essential books is no answer because, as I remember from my own student days, those books are hopelessly few and are always out on loan, especially when they are needed most. Now, to make matters worse, the GST exemption on textbooks is due to end. There should be not only an adequate income support, but an adequate textbook allowance to supplement it.

Whereas the legal age of adulthood is eighteen, it is ridiculous and immoral for this to be denied to students until they are 25. Immoral because it is done only to deny students the income support they deserve. I know a student at JCU who is living away from home, and under 25, but is having a problem with Centrelink's reluctance to recognise that she is living independently so that she can claim rent assistance. This is just another instance of Centrelink's bastardry towards people on income support. Centrelink's misbehaviour is well documented in another Senate Inquiry report, *Report on Participation Requirements and Penalties in the Social Security System*. I have directed my student friend to the local Community Legal Service.

There are many students who are over 25 and receive Austudy, but are not eligible for rent assistance, unlike those on Youth Allowance who can prove that they are living independently, and thus are worse off. As ACOSS states in its Media Release associated with its Submission to this Inquiry, they are 35% below the Henderson poverty line, while those students under 25 are 15% below. This Government does not seem interested in higher education at all, not when they make it almost impossible for university students to live. Yet it is the nation's future which is being seriously undermined as more

young people with ability, especially from lower income families, are discouraged from higher education, compounded by higher HECS fees – 35% increase by some universities like Melbourne University – burdening graduates with massive debts for more than a decade afterwards. The Government is complaining about the low birth rate, yet it is causing it to drop even lower, with graduates unable to raise families until the debt are paid, and by then it is probably too late for the female graduates to have children.

We endorse what is written in the ACOSS Submission to the Inquiry and all its Recommendations. What we want to focus on is the cost of accommodation for students who have to travel to, and live in, a university city like Townsville that serves a huge rural area with very long distances. Townsville has, for the last couple of years, been a target for southern speculative investors, especially last year with the residential property buying and selling “boom” (more like **frenzy**). As the capital city markets of Brisbane, Sydney, and Melbourne became saturated with less profit return from rents on luxury apartments, the investors moved on regional cities up the Queensland coast, with Townsville an especial target. With lower property prices for both houses and apartments, this speculative investment resulted in very large and fairly rapid rises in rents in private rental housing. (We are not really concerned about luxury apartments.)

While this has caused more hardship for long-term Townsville residents on low incomes who have to rent privately, the situation is much more acute for students with their much lower incomes. Our report on *Affordable Housing Needs in the Townsville Region* (2003) dealt a little with the problems faced by students in obtaining affordable accommodation. Our university, James Cook University, is expanding with steadily increasing student numbers, especially now with the new Medical School. Last year the University’s Student Accommodation Service had advertised 657 places off campus for students in need of housing. “In Semester 2 2002 and Semester 1 2003, the Accommodation Officer received 1,243 applications. Of these, 722 people received offers, leaving 521 (42.4%) who applied to find alternative accommodation off-campus.” At that time there were 141 students on the waiting list for on-campus accommodation. Students have great difficulty in gaining suitable low-cost housing, especially anywhere near the university, and they have to share anyway to cut rental costs. To make matters worse, an up-market housing development took place in the area, with houses for sale only at high prices. The developer, Delfin, would not consider any low cost rental housing.

Since then, the private rental housing situation has only become worse with all the speculative investment that has happened in Townsville.

In a report by James Cook University, commissioned by the Federal Department of Education, Science and Training, *Factors impacting on student aspirations and expectations in regional Australia*, secondary and tertiary students in and from rural areas were interviewed to find out what hindrances there were for them to undertake tertiary studies away from home. The main underlying problem facing them was the cost, the cost of accommodation in the university city or town, and the cost of travel to and from

the family home. Many secondary school students interviewed stated that, although they wanted to go to university to increase their job prospects, they refused to burden their parents with such a cost. In a report by "The Australian" on the JCU report (18/5/04), it is stated: "Students said it was harder to live in large urban centres for people from the bush, and referred to friends who had tried and returned because it was too difficult. Teachers said the financial burden of leaving country areas to go to university was "the struggle the rural community has to live with". The report says the "material financial cost" of going to university "was clearly a disincentive" and a "barrier strong enough to rule out any real consideration of leaving town for further education". 10,000 students each year leave rural areas to go to university. Obviously that figure should be a great deal higher, and would be if it were not for the financial deterrent.

The JCU report, citing a previous study, says that "there were approximately 10 percentage points difference favouring metropolitan students' participation in Higher Education over non-metropolitan students". (p.72) A table is presented:

**Table 2.5: Participation in Higher Education by location (1999) (per cent of group)**

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**Year participation measured**    1999

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*Region*

<b>Non-metropolitan</b>	25
<b>Metropolitan</b>	35

*Region (Population density)*

<b>Most rural quartile</b>	25
<b>Second quartile</b>	27
<b>Third quartile</b>	33
<b>Most urban quartile</b>	37

(Adapted from Marks, Fleming, Long and McMillan, 2000, p.17)

In one focus group of Queensland Year 10 students, the students seemed emphatic that most young people about their age wanted to leave and improve their chances of getting a good job. One said "it's looked down upon if you stay [here] and just give up". (p.194) The report states: "The implications of leaving were likely to be seen by many students and families as significant costs of a move they felt was forced on them. However, those who saw leaving as an opportunity to progress and broaden life experience generally viewed these costs as acceptable means to a much more positive end". (p.194)

It should be pointed out that, in most rural towns, there are few employment prospects for young school-leavers, and certainly far fewer job positions, if any, that provide satisfying lifelong career prospects. However, they face formidable obstacles, mainly financial, as high school students say. Country kids, unlike those in the university towns and cities, have to "pay the extra costs and stuff like that. There's a lot of really smart ones too who aren't from a really well-off family and they really can't afford to go to university. I think you need a lot of scholarships and bursaries and stuff." (p.195) "It's really hard because not only do we have to pay for the cost of university, we also have to do living costs and everything like that, so it would help if you've got family around." (Queensland Year 10 girl) (p.196)

Other students recognise that they would have to work as well as study so as to support themselves. "The big disadvantage is if you want to go to uni there is a lot more cost involved, having to move and then pay for accommodation living up there. You'd have to have a part-time job." (South Australia Year 12 student) (p.196) A teacher spoke about a boy who gained an apprenticeship with Qantas, but he could not afford to live in Sydney. (p.197) Other teachers with children of university age spoke about their difficulties when their children could not get Austudy or any other government support. (p.199) The report continues: "The material cost of moving to take up further work or study opportunities was the main obstacle identified in the focus group discussions. It was a significant concern for students, both for what it meant for their own independence and the pressure to find work, but more importantly for its impact on their parents. The challenge of finding sufficient material resources to support students' aspirations is a pervasive concern in regional areas, but other obstacles of a more personal kind were also mentioned." (p.199)

These other obstacles were identified as apprehension and fear. The strangeness of city life and the failure to adapt, has led to many country students dropping out. Their reports to their friends back home put others off.

Both teachers and students spoke about the limited cultural experiences and opportunities in country towns with their narrow horizons as disadvantaging rural students. "Another interesting limitation in the eyes of some interviewees was the lack of competition in the small schools in regional areas. Teachers in particular felt that there was a lack of competitiveness which told against students when they moved to the larger world of the

city university. One group of students felt that the lack of competition, which seemed to prevail in a small school, put them at a disadvantage in that it led them to underestimate the importance of competing at a high standard." (p.211)

The JCU report made eight recommendations to the Federal Education Department, the last of which concerned investigating rural scholarships. It should be stronger than that. There **should** be rural scholarships at a level which are adequate for living and travel.

It is obvious that a great many rural young people with ability are being denied access to a university education. One psychological consequence of such denial is the frustration of unfulfilled potential. This can very easily build up into a seething resentment, occasional violence, escape in drunkenness, and, finally at the extreme, suicide, especially among young males. Having no outlet, except perhaps in music, a creative young person could very well feel trapped and feeling that the only way out is suicide. I feel that this aspect is an issue which is nearly always overlooked, indeed, hardly ever thought about. However, in my own experience and my knowledge of existential psychology, this is a **reality**.

### **Student Housing**

All universities have on-campus student housing, usually in the form of residential colleges which provide rooms and meals and bed linen. These are really boarding houses, and the rent is quite high for that service provision. Cheaper options could be made available. At La Trobe University in Melbourne when I was there, there were university student flats of varying sizes. Students could do their own cooking, making it cheaper for them. I found that the best option was Chisholm College which was, at that time, unique in Australia. There were twelve towers of three floors each. Each floor had a number of rooms and a shared kitchen, bathroom, laundry, and toilet. This was the most popular choice, especially for Asian students, who nearly always like to do their own cooking. The rent was very reasonable, probably on a par with public housing. This model of student housing should be provided on every sizable university's campus. As it is often the case that such housing has to be provided by the university, as was the case with Chisholm College, with university finances severely limited due to funding cuts by the Federal Government, funding for such accommodation of out-of-town students should be provided by the Commonwealth.

### **Recommendations**

1. The expiry of the GST exemption for students textbooks should be reversed and reinstated. There should be no tax on knowledge whatsoever, for anyone for that matter.
2. There should be an adequate book allowance for all students on Youth Allowance

or Austudy, to enable students to buy the textbooks which are essential for their courses (given that there can be no reliance on borrowing them from the university library).

3. Out-of-town students should be given an adequate living allowance which would supplement, not replace, rent assistance, thus enabling them to pay rent without having to work so much that their studies are adversely affected (as is happening so much at present).
4. Out-of-town students should also be provided with a travel allowance, graded according to distance between the university and the home town.
5. That the Commonwealth provide rural students with proven ability rural scholarships, separate from the living allowance and travel allowance, subject to family income means test (income, not assets). This would be an incentive to such young people to develop their full potential.
6. That the Commonwealth establish a Student Housing Fund to provide funding for the construction of on-campus student accommodation along the lines of Chisholm College, adequate to the needs of each university, and managed by the particular university, and reserved for rural or out-of-town students. Such a model can easily be added to as the need arises by building another tower. Such housing can be almost self-sustaining, so the cost is mostly in the original construction and little subsequent funding is needed. Kitchen and catering staff are not needed, so students' rent can be kept low, again benefiting students financially and indirectly.

We also endorse all the recommendations concerning students in the Senate Report, *A hand up not a hand out*, and also all the recommendations made in the ACOSS submission to this inquiry.

16 July 2004