

14 July 2008

Secretariat
Review of Australian Higher Education
GPO Box 9880
Canberra ACT 2601

Dear Sir/Madam,

I write on behalf of the Australian National University Students' Association (ANUSA), to make a submission to the Review of Australian Higher Education.

Late last month, I met with the Panel for the review, at a roundtable meeting with student representatives in Sydney. May I begin by thanking the Panel for making the time to meet with student representatives from around the country, as I believe we have an important contribution to make to this Review.

Rather than seek to address the vast number of issues raised in the *Discussion Paper*, this submission will contain itself to a single issue. That is, the award and payment of student income support, particularly *Youth Allowance*, to undergraduate university students. ANUSA believes that this is the most significant issue facing the largest number of our members (undergraduate university students).

ANUSA employs a Welfare Officer, who works in our office three days a week to provide assistance to students on a range of issues. She provides advice on taxation issues, living away from home, improving poor grades, scholarships, balancing work and study and student income support. Her services are supplemented by the advice provided to students by student representatives, who undertake advocacy work and the ANUSA Legal Officer.

The ANUSA Welfare Officer had more than 1500 interactions (in person and via phone/email) with students during Semester 1, 2007. 64% percent of enquiries or requests for advice were regarding student income support or balancing work with study. Anecdotally, there are hundreds more students at the ANU who have had difficulty accessing income support, or find that the payments are not sufficient to meet basic living costs.

The students who seek assistance from our Welfare Officer can be broken down into three broad categories, each with unique problems.

Students ineligible for income support

The students who fall into this category are generally ineligible for assistance because of the *Parental Income Threshold* or they do not meet the requirements for independence because of age and/or monies earned. These students will usually make one of three decisions.

- *Students who choose to defer their studies and seek full time employment in order to earn the required amount to establish independence from their parents:* To do this, students need to earn the equivalent of 75% of the maximum rate of pay under Wage Level A or the *Australian Pay and Classification Scale* in an eighteen-month period. The students in this category are generally school-leavers, who have recently completed Year 12. Sadly, many of these students are unlikely to return to study after a period in the workforce. Furthermore many students who are awarded scholarships are not entitled to defer those scholarships, while they take a year away from study and so lose the award.
- *Students who reduce the number of subjects they enroll in, so that they can work longer hours to support themselves while studying:* Our Welfare Officer reports that most of the students she sees have chosen this option and generally take a study load of two units per semester, effectively doubling their time spent at university.
- *Students who attempt to work longer hours and continue to study full time:* These students generally seek assistance from ANUSA because of other problems associated with their degree, however all of these problems stem from the difficulty they have in balancing full time study with long work hours. These students often have poor academic performance and may risk exclusions based on repeated failure. Moreover, students generally acquire a larger than usual HECS debt as a result of repeated failures and withdrawals. Our Welfare Officer also reports that these students often accrue substantial personal debt and are likely to develop stress, anxiety or depression related illness. Sadly, many of these students ultimately leave the ANU without successfully completing an undergraduate degree.

Students receiving 'living-at-home' income support

The students in this category live at home with their parents, but received a reduced rate of income support based on their parent's income. As a result, these students generally work to supplement their income. However a student can only earn a maximum of \$236 per fortnight before their income support payments are reduced by 50 cents for every additional dollar earned.

Our Welfare Officer reports that these students will often seek out 'cash in hand' work, so that additional wages will not affect their income support payments. There are a number of associated problems with students seeking out this type of work, particularly because the work is unregulated and open to abuse. ANUSA has seen a number of cases of employer abuse over the past few years, where students have been paid 'cash in hand. Similarly to the students in the previous category, our Welfare Officer reports that these students may still work up to 30 hours per week and suffer poor academic results.

A sub-category of students living at home and receiving income support, are those who reduce their study load to 3 subjects each semester (75%), as this is still considered full time for income support purposes. This helps students by freeing up more time for them to work. However under the *Social Security Act*, a student is only eligible for income support if they complete their degree within the minimum allowable time plus one semester. If a student taking a 3-year degree and reduces their load to 75%, this will add a full year to that degree program and the student will be ineligible for support during their final semester. Where a student is taking a longer, perhaps 5-year degree, they may be ineligible for income support for more than two years of their study.

A further sub-category of students are those who receive a scholarship to assist them in their studies. Scholarships are counted as income for the purposes of calculating income support payments and so are likely to decrease the entitlement of students who receive them, to support.

Students receiving 'living-away-from-home' income support

The final category of students, are those who are living away from home and receiving the full rate of independent income support. The maximum *Youth Allowance* a student can receive is currently \$355 per fortnight and this rate is simply inadequate to support the costs of living in Canberra. The cheapest on-campus accommodation offered at the ANU is around \$155 per week, not including food. Off campus, a student will not find a single bedroom apartment, within walking distance of the university for less than \$350 per week. Rooms in share-houses range from \$120 to \$190 per week depending on how close they are to the university. With the added costs of food, bills, transport and other living expenses, students have no choice but to work to supplement their income. This results in similar problems experienced by the other categories of students, discussed above.

Suggested Amendments

It is imperative that changes are made to the current system for identifying when students become eligible for income support payments and the amounts they receive:

Eligibility requirements must be reviewed: Currently students are only considered independent from their parents once they reach the age of 25 or meet the earning requirements discussed above. This leads to the absurd situation, where an 18-year-old school leaver, who has moved out of home and receives no support from their parents, may be classified as **not** independent.

Payment levels must be reviewed: Payments of \$236 per week for students living at home and \$355 for students living away from home are simply inadequate to meet the costs of living for a student in Canberra. The combined cost of rent, bills, food and other living/educational expenses far exceeds these amounts. The level of payments should be reviewed and made consistent with the rising costs of living.

Deduction of support due to other income earned:

The income support eligible students receive from Government is reduced once they reach a certain earning threshold. Although the structure of income support should not encourage students to work excessive hours, it should not penalise students who need to work part time to supplement their income. The level at which payments are reduced should be raised, to reflect the reality of student work habits.

Social Security Act to be amended: The Social Security Act operate such that students are penalised for making sensible decisions to decrease their study load to 75%, in order to balance work an study. It also affects students undertaking double degrees or longer degree programs more severely than others. The time period for, which a student is entitled to student income support should be increased from the standard degree period + 1 semester to 125% of the standard degree period.

The ANUSA is currently conducting an all student survey, which upon completion, will provide useful data regarding the adequacy of income support. Data will be available by early August and ANUSA will provide a summary of the relevant information to the Review Panel at that time.

I trust that the information provided in this submission is of some assistance to the Review Panel. Please do not hesitate to contact me if you require further information or clarification about any of the points raised.

Sincerely

Jamila Rizvi
President, ANU Students' Association