

Deakin University Student Association (DUSA)

Submission

To

Review of Australian Higher Education
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**DEAKIN UNIVERSITY STUDENT
ASSOCIATION (DUSA)**

SUBMISSION TO

Secretariat

Review of Australian Higher Education

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1. INTRODUCTION

Deakin University Student Association (DUSA) welcomes the opportunity to present this submission to the Review of Australian Higher Education.

DUSA is one of the largest student organisations in the country, representing more than 34,000 students. We strive to contribute to public debates on matters that affect our members – students, who are the major stakeholders in the Australian higher education sector.

We have been invited to speak as witnesses to several Federal inquiries, including the Higher Education at the Crossroads Inquiry in 2003 and the Senate Inquiry into Student Income Support in 2005.

2. MAJOR POINTS / SUBMISSION OUTLINE

DUSA has been limited in its capacity to respond at length to the Review of Australian Higher Education to the extent that it would have preferred. The limitations placed on DUSA are a direct result of the introduction of *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005*. Since the introduction of the Bill DUSA has been forced to reduce support services to students and currently has very limited access to research resources.

(DUSA previously made a submission to *The impact of Voluntary Student Unionism on services, amenities, and representation for Australian university students*, Consultation Paper. A copy of this submission is attached to this submission.)

The submissions made by DUSA will therefore focus on the matter of student income support (Section 3.2) and the capacity for a student to access, and remain in, higher education under the current system.

3. SUMMARY OF RECOMMENDATIONS

DUSA is of the view that the current Student Income Support Scheme be updated to include the following;

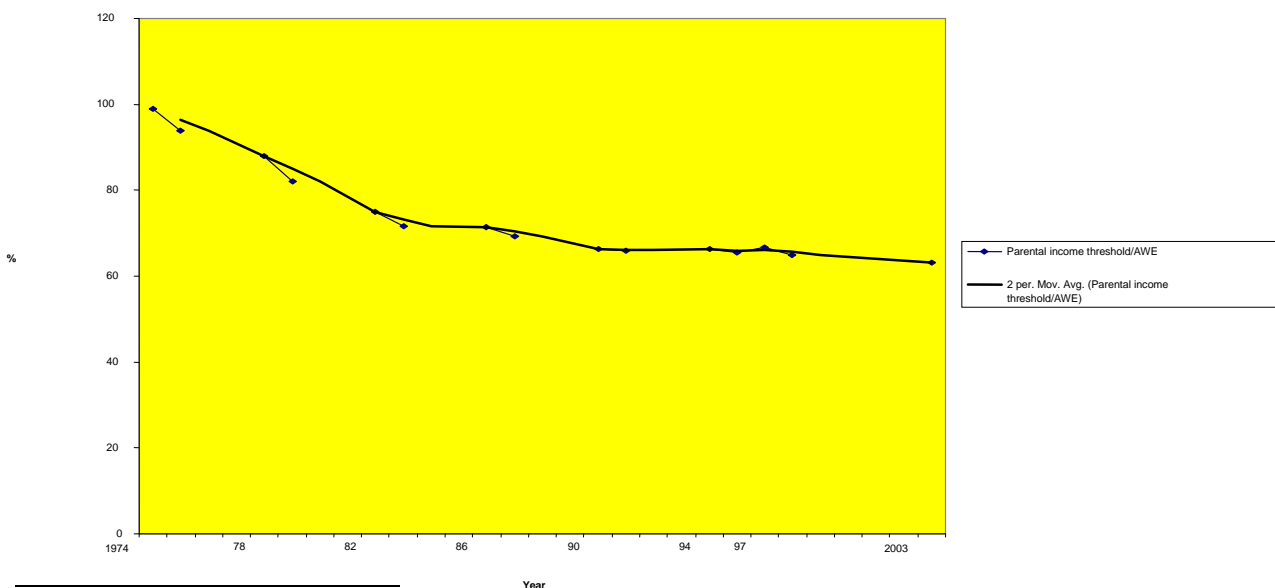
- (1) Indexation of payments in relation to a 'cost of living' index appropriate to higher education students;
- (2) Reduction of eligibility to the age of 18
- (3) Increase parental income test threshold to AWE
- (4) A single payment system.

4. Section 3.2 Opportunities to participate in higher education

'Income support' for higher education students (or what was previously termed 'student allowances') has been the subject of a recent Federal Senate inquiry. The inquiry's report was heavily critical of several aspects of student income support policy. As the Committee remarked: 'Most of the evidence to this inquiry showed conclusively that the student income support system has operated in a policy vacuum for too long, and is showing clear signs of policy neglect and poor service delivery.'¹ This neglect includes the 'adequacy' of incomes. 'Adequacy' may be assessed in respect of two measures: (a) the level of income provided, and (b) eligibility criteria, or specifically means-tested eligibility measured against parental or personal income.

DUSA holds the view that there has been a long-term decline in levels of income support provided and eligibility to those payments. This is demonstrated in the figures below. The first shows the long-term decline in eligibility for income support based on parental income. The trend shows eligibility has fallen from approximately 100% of Average Weekly Male Earnings (AWE) in 1974 to about 60% of AWE in 2003. The second chart shows the trend in the value of student allowances – specifically, the value of maximum student allowance (TEAS/Austudy/Youth Allowance) in relation to the Henderson poverty line.² The trend shows that the value of student income was about 75% of the poverty line in 1974 and slightly over 50% of the poverty line by 2003.³

Chart 1: Eligibility for student income - trend in parental income threshold

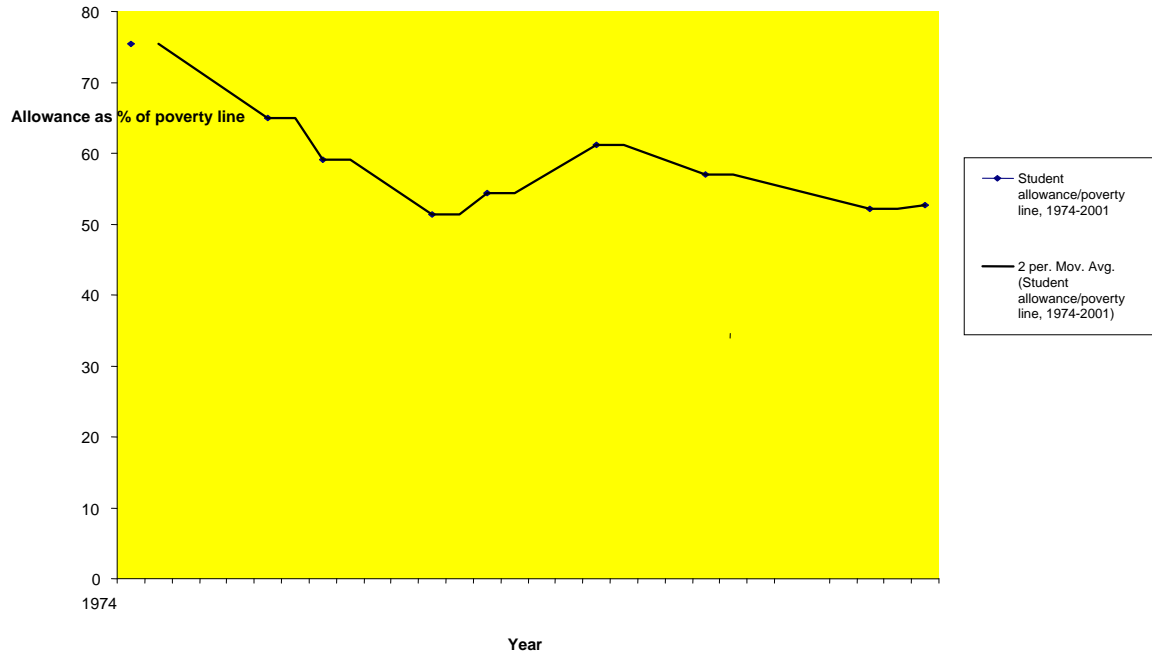


¹ Senate Employment, Workplace Relations and Education References Committee (2005) *Student Income Support*, at [1.5].

² See Melbourne Institute of Applied Economic and Social Research *Poverty Lines: Australia, September Quarter 2007*.

³ See also National Welfare Rights Network *Submission to Inquiry into Student Income Support* Submission No. 134 (2004)

Chart 2: Maximum student allowance as proportion of poverty line



Many of the criticisms to be made of student income support are articulated in the Senate Report. Listed below are a number of more pertinent and/or innovative points of interest to DUSA:

- *Indexation of student income payments.* Student payments are indexed less favourably than other social security benefits, below the CPI, and well below cost of living price rises. As the Committee notes: 'the level of student income support has not kept pace with either the cost of living, especially spiralling accommodation and transport costs in the capital cities, or the rising cost of higher education.'⁴
- *Age- and work-based eligibility rules* are arbitrary and inappropriate, especially restriction of independent status to 25. Deeming of independent status following 18-months of full-time work benefits relatively better-off students, who may have easier access to full-time work as a school-leaver.
- *Cuts to Abstudy* since 1998 have had a particularly detrimental effect on indigenous participation rates in tertiary education: 'The overwhelming response from student bodies and university administrators is that these various changes to the ABSTUDY scheme have contributed to the fall in the number of ABSTUDY recipients from 7789 in 1998 to 5845 in 2001, and are closely related to the overall fall in indigenous higher education enrolments.'⁵

⁴ Senate Committee Report, [3.5]

⁵ Ibid, [2.51].

- *The notion of a single basic income model was raised.* Such a model is intended to establish an underpinning basic income for all citizens, including students, and therefore goes beyond the limited question of income support for students per se.⁶ Consistent with this concept, the Australian Council of Social Services argued for a unified payment for all people unemployed or studying. They recommended 'payments for unemployed adults, trainees and students should be combined into a *single employment and skills payment* whose rationale is to assist people to improve their current and future full-time employment prospects.'⁷

Recommendations with respect to student income schemes may therefore include:

- 1) Indexation of payments in relation to a 'cost of living' index appropriate to higher education students;
- 2) Reduction of eligibility to the age of 18
- 3) Increase parental income test threshold to AWE
- 4) A single payment system.

The latter recommendations are included in the Senate Report.

Hardship, poverty and inadequate student income payments have been reinforced in high profile research such as the Australian University Student Finances report.⁸ That report and its precursor also reiterate the findings that students are being compelled increasingly to engage in paid work in order to get by. Undergraduate students in paid work increased from 67% to 74.6% between 2000 and 2006, the average student support payment decreased over this time and fewer students were receiving it (down to 35.2% of full-time undergraduates).⁹

These figures are reflected in DUSA's own local research. A survey of Architecture students in 2007 found:

- Only 31% of students received YA or Austudy;
- 61% relied on parental assistance;
- 76% relied on paid employment.¹⁰

Several submissions to the Senate Inquiry contain valuable information on the inadequacy of student income payments, including for students in or from rural and regional areas. For example:

- The Southern Cross University Student Association has estimated that YA falls \$884 to \$2551 per annum short of living expenses in Coffs Harbour, NSW (where SCU operates). Austudy falls between \$1812 to \$4293 short of living expenses. Abstudy falls \$1100 to \$1826 short of living expenses.¹¹

⁶ Senate Committee Report, [3.40]-[3.41].

⁷ ACOSS *Submission to Inquiry into Student Income Support* Submission No. 24 (2004), p 21.

⁸ Universities Australia *Australian University Student Finances: Final Report Of A National Survey Of Students In Public Universities* (2006)

⁹ Ibid pp 4-5.

¹⁰ DUSA *Work, Study And Family Responsibilities For Architecture Students*, Deakin University (2007)

¹¹ SCU Student Association *Submission to Inquiry into Student Income Support* (2004).

- The Isolated Children's Parents' Association of NSW reported that 'The costs for a student boarding away from home to access tertiary training far exceeds the current Living Away from Home rate of Youth Allowance, including Rent Assistance, which is minimal when compared to the cost of rent and accommodation students pay.'¹²
- The Bendigo Student Association notes: 'Even with the introduction of [student association] services aimed at providing some relief from student poverty, the number of tertiary students struggling to continue their studies increases. In the Student Deferral Project... [at La Trobe University Bendigo] the foremost factor that influenced students to defer was lack of finances...Student perception of neglect from the Federal Government is felt severely in regional Victoria when the parental means test is applied to payments. A large percentage of students who attend LTUB come from low socio-economic backgrounds.'¹³ The BSA submission is reinforced by a La Trobe study that found 'Rural students (in later years) were identified as a cluster most disadvantaged by financial hardship.'¹⁴

Finally, DUSA is of the view that arguable students from rural or regional areas are doubly disadvantaged by inadequate student income payments. First, by relatively greater costs for basic necessities such as housing and transport if they were relocated to metropolitan areas to go to university. In addition, relative wages and salaries in rural and regional areas are on average lower than in urban areas. For instance, there is a noticeable distribution of lower-income electorates in rural and regional areas than in metropolitan areas. Of 150 federal electorates, 32 out of 50 lowest-income electorates are defined as 'rural,' and 37 out of 50 are 'rural' or 'provincial'. In the bottom half (75) of electorates by income, 54 (72%) are 'rural' or 'provincial'.

¹² Isolated Children's Parents' Association of NSW Inc *Submission to Inquiry into Student Income Support* Submission No. 111 (2004)

¹³ Bendigo Student Association *Submission to Inquiry into Student Income Support* Submission No. 39 (2004), pp 3-4.

¹⁴ La Trobe University *Report on the Student Experiences of Poverty at La Trobe University*, 2000, cited in D Lloyd and S Turale *New Conception Of Student Neediness And Directions For Better Responses*, <http://www.aare.edu.au/01pap/tur01514.htm> (accessed 23 July 2008).

SUBMISSION



**SUBMISSION TO THE HON. KATE ELLIS, MINISTER FOR YOUTH AND SPORT, IN
RESPONSE TO “THE IMPACT OF VOLUNTARY STUDENT UNIONISM ON
SERVICES, AMENTIES AND REPRESENTATION FOR AUSTRALIAN UNIVERSITY
STUDENTS” CONSULTATION PAPER**

Prepared by the Deakin University Student Association (DUSA)

9th March 2008

About DUSA:

Representing students of Deakin University, DUSA is one of the largest student run organisations in the country. In 2007, over 33,600 students were enrolled at Deakin University, nearly 30% of whom were enrolled 'off-campus,' and one-quarter as postgraduates. Deakin University currently comprises five campuses, across rural, regional and urban Victoria. They are the Melbourne campus at Burwood, the Geelong campuses at Waterfront and Waurin Ponds, the Warrnambool campus and the Distance campus. As such, DUSA represents a diverse demographic of students.

DUSA strives to contribute to all public debates on matters that affect our members – students – who are the major stakeholders in the Australian Higher Education sector. DUSA has been invited to speak as witnesses to several Federal inquiries, including the Higher Education at the Crossroads Inquiry in 2003 and the Senate Inquiry into Student Income Support in 2005.

Impact of VSU Legislation

All students have been dramatically affected by the introduction of Federal VSU, students of Deakin University, and DUSA, are no different. VSU has had a detrimental impact on the ability of DUSA to serve the student body and represent this constituency. Notwithstanding those changes, DUSA has maintained a strong and vibrant presence in the University community, principally through its strategy of building a membership-based organisation. In national terms, this strategy has been successful. DUSA has one of the highest rates of voluntary, fee-based membership of any student organisation in Australia, at roughly 17% of total enrolled students or 25.5% of on-campus students.

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Though like many student organisations across the country, DUSA's ability to provide adequate support to the University community has been seriously compromised. The financial challenges placed upon the organisation since the introduction of the *Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union fees) Act 2005* have meant that we have been forced to make staff redundancies, reduce the number of support services we provide and increase sale costs of goods and services in order to survive these financial challenges.

A significant point of concern relates to students studying in rural and regional areas such as Geelong and Warrnambool who are significantly disadvantaged as services are further reduced. The effect of this environment on the sustainability and engagement of rural and regional campuses is a significant point of concern. Metro-based students are often able to access essential services in nearby areas, although they may not be as accommodating or understanding of student needs. Currently the limited services on these campuses are financially sustained via overall membership income and commercial operations income based at our Melbourne campus.

Moving Forward – Funding Options Post VSU:

DUSA supports the adoption of a model of funding for student associations, based on the "Victorian model" of VSU, which was introduced by the Victorian State Government in the early 1990's, and later amended by subsequent state governments. DUSA supports amendments to the VSU legislation comparable to those previously proposed by the National Tertiary Education Union (NTEU) and Council of Australian Postgraduate Associations (CAPA) – legislation comparable in effect to this former Victorian situation.

This model would see the re-introduction of the GSF for tertiary students, with the option provided for students to 'opt out' from student association membership. As a condition, the money collected, would be required to be spent on defined 'essential student services'.

The key elements of the model that DUSA supports are:

- Opt-out provisions for any student who does not want to be a member of a student organisation via written letter to the relevant University and student organisation registrar or representative;

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- Provisions allowing a higher education provider to levy a fee for non-academic amenities and services;
- A minimum quota mandating the distribution of funds collected, to go to student associations;
- Where a student does not want to be a member of a student organisation that the fee levied from them is spent on 'amenity and facility maintenance.'

DUSA believes that this model represents a system which would provide support for the adequate provision of essential student services, without returning to a model of compulsory student unionism. This model is further advantageous by virtue of not requiring legislative change. This model to support essential student services could be achieved by regulatory changes to the *Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union fees) Act 2005*, such as removing the fine currently imposed on Universities for charging a General Service Fee, which would ensure a much easier and effective transition.

In the alternative, DUSA would support legislation that enabled a GSF/non-academic fee to be levied as part of a student's contribution under HECS-HELP or FEE-HELP, or relevant loan schemes that may replace these schemes. However, the model outline above is our preferred option, and represents in our opinion the most beneficial option to all key stakeholders in higher education.

Further Information and Contact:

For any further information, on any element of this submission, please feel free to contact DUSA, using the details below.

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