

# **Submission to Review of Australian Higher Education**

## **NUS Victoria**

*This submission will focus on the 'Opportunities to Participate in Higher Education' section of the review.*

*This submission is intended as a supplementary submission to the main NUS submission presented by Angus McFarland, containing some evidence specifically relating to Victorian students.*

*This submission will examine the inadequacies of the current system of student income support and their effects on students, or would-be students, from low SES backgrounds. These will be explored with reference to information collected from Victorian campuses as well as through State Government reviews and reports. The report will conclude with recommendations on key areas of improvement for student income support.*

## ***Introduction***

The Review discussion paper, using the alarming results of the recent Universities Australia report on student finances, highlighted that financial concerns are a factor in the educational opportunities of Australian students.

Many students are currently finding supporting themselves financially while at university to be an enormous barrier to academic success or, in some cases even participation in Higher Education at all.

The discussion paper refers to a definition of the equity mission in higher education as “to ensure that Australians from all groups in society have the opportunity to participate successfully in higher education.”

The current levels and availability of support for students while they study is causing the system to fall well short of this goal.

## **Impact of inadequate student income support on equity**

In order for students from low SES backgrounds to have an equal ability to participate successfully in higher education, financial support for students must be improved. The impact of financial concerns on the educational decisions and outcomes of Australians can be seen in many areas.

### **Deferral rates**

Careers advisors in Victoria, particularly regional areas, report financial reasons to be the main factor in student's decisions to defer study after year 12.<sup>1</sup>

Student comments in recent surveys conducted at Monash and La Trobe universities back this up.

*Most country kids have to defer for a year because they do not qualify for assistance for Centrelink, as their parents 'earn too much' even though they don't earn enough to support their child by paying for costs incurred to go to university*

- La Trobe University Student

Other comments indicated that many students did not take up study at the end of this 'gap year' due to financial considerations.

*Originally from country Victoria, in order to study and support myself in Melbourne I had to take a gap year to work and save enough money as my parents are unable to financially support me away from home. Also, to receive Centrelink benefits 'independence' must be proven and 18 months (from conclusion of school) must elapse. While my motivation to study remained during this time many of my peers (of all academic abilities) found that the attraction of maintaining regular employment and income is greater than the desire to resume studying.*

- Student response to survey conducted by Monash Students Association

### **Subject Choice**

Anecdotally, conversations with staff working on faculty desks where students go to enrol in subjects confirm that it is increasingly common to find students choosing subjects based on whether they run on the right days to fit in with high levels of work necessary to support themselves. One student at La Trobe University was heard to ask, with embarrassment, to be enrolled in 'any second year humanities subject that runs on a Monday'. She was informed that this was a common request.

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<sup>1</sup> South Gippsland Bass Coast Region Local Learning and Employment Network *Submission to Parliamentary Inquiry into Geographical Differences in the Rate in Which Victorian Students Participate in Higher Education* May 2008  
[http://www.parliament.vic.gov.au/etc/fs\\_inq\\_he.html](http://www.parliament.vic.gov.au/etc/fs_inq_he.html)

## **Academic success**

The Universities Australia report confirmed that problems balancing work and study were affecting large numbers of students.

To cope with living costs, in particular rent for students studying at metropolitan campuses, students are working often close to full time hours on top of a full study load. Survey after survey is confirming that this is having a detrimental effect on ability to study and achieve well academically.

*I know the failure rate in university is quite high and I believe that this has a lot to do with the long hours that students are required to work to pay for their education*

- La Trobe University Student

*I have to work more than 20 hours a week to support myself which severely impacts on my ability to actively participate in my education to my full potential*

- Monash University Student.

## **Effect on quality of university experience**

*Many students no longer participate in university life outside of study, and I believe this is attributed to the fact that most of us work casually or part time to make ends meet.*

- La Trobe Student

Sporting clubs, theatrical groups, social, political and recreational organisations on university campuses are observing a gradual drop in the number of students getting involved in activities outside of the classroom. The university experience is generally described in university mission statements as being about more than just tutorials and lectures. Universities are supposed to be vibrant and engaging communities and getting a degree should involve making new networks of friends, challenging oneself through engaging in a range of activities and broadening your mind through meeting all kinds of different people from different social, ethnic and academic backgrounds. Unfortunately, students from low SES backgrounds are increasingly unable to access this university experience as they have to spend all time between classes working to cover living costs.

## **Reducing load to part time, or discontinuing study.**

As students struggle to balance the amount of hours they have to work and study commitments many are reducing their load to part time, and consequently taking twice as long to finish their degree. The Universities Australia report showed that a majority of these students would prefer to study full time, but found it to be financially impossible.

Although statistics on university drop-out rates and the reasons for discontinuations are not available, student associations see many cases come through their advocacy and support programs each year that end in a student terminating their studies without having achieved a qualification, simply because the strain of sustaining themselves financially has become too great.

This is perhaps the ultimate example of the equity problems with the current system: that many students try and fail to get a university qualification, due to financial barriers.

## **Key areas for improvement (and recommendations)**

### **Qualification**

*I receive some income support but do not qualify for independent status (and greater support) despite living out of home for the past 12 months. I do not receive financial support from my family, yet still cannot qualify for independent status and as such must work 25-35 hours a week on top of full time study to pay rent, bills etc. The consequences of not receiving adequate income support means I must work to the detriment of studying.*

-Monash University Student (comment from survey conducted by Monash Students Association)<sup>2</sup>

Universities Australia reported an increase in the number of students being knocked back in their applications for Youth Allowance.

Current qualification criteria for Youth Allowance payments are widely regarded as completely ineffective in assessing need.

Students particularly point to the way in which a student's independence from their parents (for the purposes of assessing income) is ascertained. Centrelink policy currently assumes a student to be supported by their parents until they reach the age of 25. This is clearly out of touch with the reality of the student experience: for many students, barring the costs of living and education themselves.

***Recommendation 1:*** *That the age of independence for students be lowered to 21 which would align it with that for unemployed people.*

Obviously there are many cases where students are able to be supported by their family, in which case an assessment of family income may be appropriate. However, the current maximum amount a family can earn before their payments are cut off is ludicrously low due to a lack of indexation for many years.

***Recommendation 2:*** *That the base income threshold for the family means test should be reviewed and set at something closer to average weekly earnings.*

Student associations through their support programs come across cases every year where a student who is receiving no support from their family and is in fact unable to live at home due to problems of conflict, drug abuse or other issues of an extremely sensitive nature. For the most part if these students have attempted to explain this to Centrelink they have walked away still unable to

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<sup>2</sup> *Higher Education Review Student Survey (2008)* – Monash Student's Association

qualify for independent status due to incredibly complicated, specific and frequently insensitive requirements placed on them to prove this situation.

**Recommendation 3:** *That DEEWR review the criteria and methods for determining whether a student should qualify as independent due to family conflict.*

### **Rate of payment**

*The financial assistance available through youth allowance is in no way adequate to cover the rising costs of living, particularly rent, petrol and food.*

- La Trobe University Student

*I am about to go on full-time unpaid placement for three months, which is required for my degree. During this time, I will only have Centrelink payments, and therefore be spending 60% of my income on accommodation*

- La Trobe University student (comments from survey conducted by La Trobe Student's Representative Council)<sup>3</sup>

*Without Youth Allowance, I could not afford to be at uni, simple as that. Even with Youth Allowance, I could not afford to house myself were it not for my scholarships.*

- Monash University student

The current rate of Youth Allowance payments is set well below the poverty line. Students are unable to pay rent and other living costs on a payment that, again, hasn't been indexed in years and is out of touch with modern living costs.

**Recommendation 4:** *That Youth Allowance payments be increased to at least match the poverty line.*

### **Ability to earn outside payments**

*The most frustrating thing I see for myself and hear a lot from my friends is the restrictions on the amount of hours I can work before my Centrelink payment gets affected.*

- La Trobe University Student

Although many students are reporting their studies adversely effected by the amount of hours they work, a common complaint with Centrelink is that students end up caught in a trap due to the income threshold. The amount that students can earn before their payments get cut down is currently so low that firstly, it is difficult to get a job with that few hours and secondly, it is still not enough to support themselves on.

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<sup>3</sup> *La Trobe Student Welfare Survey (2008) - La Trobe Students' Representative Council*

Increasing the income threshold would allow students to, where possible, take up more hours of work to support themselves. Increasing the income bank would allow students to save money during semester breaks and used to support themselves while unable to work during semester. This is particularly important for nursing and teaching students and any other discipline where a student is required to do a full time placement and therefore forego part time work.

***Recommendation 5:*** *that the income threshold is reviewed and increased and the income bank raised from \$6,000 to \$12,000*

### **Income Support loans/ addition to HECs**

NUS Victoria does not support suggestions from some Vice Chancellors in Victoria that enhanced student income support could be provided through a loans scheme whereby support payments could be accessed and paid back through the HECs system.

Student organisations in Victoria are far from convinced that income contingent loans such as HECs and the ensuing increasingly huge debt is not a deterrent to participation from students from low socio economic backgrounds. Increasing the burden of debt seems an unlikely way forward if the Government's mission is to increase participation from low SES backgrounds.

We believe the current ratio of student to government financial contribution to the higher education sector is far from ideal. NUS regards education as a benefit to the wider Australian community and something which governments should provide and encourage take-up of. Any further moves towards a user pays system will be detrimental to the position our education system holds within Australian society.

For more detail on this and any other areas of the review, please refer to the main NUS submission presented by the NUS National President, Angus McFarland.