

## Chapter 3

### Supplementary Report by the Australian Democrats

3.1 The Australian Democrats support the provisions contained in the *Social Security Amendment (2007 Budget Measures for Students) Bill 2007*. The two significant measures in this bill extend rent assistance to Austudy recipients and allow certain postgraduate students to access Austudy and Youth Allowance. The former measure in particular is one the Democrats have long called for.

3.2 The measures contained in this bill should go some way towards alleviating the financial burden faced by students across the country as a result of rapid increases in tuition fees at university and also the rising costs of food, accommodation and other basic living costs across the wider community.

3.3 It is important to note though, that the two key measures in this bill constitute government outlays of \$86.9m and \$43.3m spread over four years – a small amount in the context of the higher education budget. It suggests that these two measures alone will not significantly address affordability.

3.4 In fact, figures in the Universities Australia (formerly Australian Vice-Chancellors' Committee) report, *Australian University Student Finances 2006*, showed that 30.4 per cent of full-time students received Youth Allowance and 4.8 per cent received Austudy compared to 29.7 per cent and 12.7 per cent respectively in 2000. Yet 12.8 per cent of full-time students had their applications for income support rejected, versus 9 per cent in 2000. This suggests a tightening of access to student income support.

3.5 Much more needs to be done to make university study more affordable for financially disadvantaged students. The Australian Democrats support in-principle many of the suggestions raised in the submissions to this inquiry, especially that:

- Income support measures be available to all postgraduate students;
- The age of independence be reduce to 18 years of age; and
- Rates of Youth Allowance and Austudy be pegged to a level equivalent to or above the Henderson Poverty Line.

3.6 The Australian Democrats also note that the government still has not responded to the Senate Inquiry into Student Income Support two years after the final report was tabled. This report listed 15 recommendations for the government to consider and as yet neither the Senate nor the university sector has any clarity as to the government's position on these recommendations.

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**Australian Democrats**