

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the provisions of the Student Assistance Legislation Amendment Bill 2005

Submission no: 5

Received: 26/09/2005

Submitter: Ms Emeline Gaske
Welfare Officer

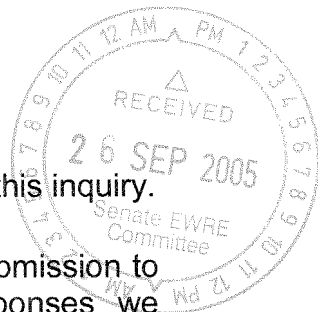
Organisation: UWA Student Guild

Address: 35 Stirling Highway
CRAWLEY WA 6009

Phone: 08 6488 7089

Fax: 08 6488 1041

Email: welfare@guild.uwa.edu.au



Introduction

The UWA Student Guild welcomes the opportunity to contribute to this inquiry.

In 2004 the UWA Student Guild called for student input for the submission to the Senate Inquiry into Student Income Support. Some responses we received for that report will be referred to here. Further, in June this year we completed a survey of students into the issue, the results of which will be drawn upon in this submission. For more detailed information on the UWA Student Guild's position on student income support in general, please refer to our submission to the 2004 inquiry.

Student Poverty

Current student income support (Youth Allowance/ Austudy/ Abstudy) arrangements are inadequate to meet student's needs. The existence of student poverty is widely acknowledged, to the point where it is often regarded as a 'rite of passage'. In fact, according to the Henderson Poverty Line Update, an individual student on Youth Allowance receives \$159.23 per week below the necessary amount to cover essential living costs.¹ Students are being forced to forgo essential elements of their life, ranging from textbooks, clothes and social outings, to food, dental, and medical expenses.

Students simply cannot afford to live on the current rates of support, and we implore the Government to immediately review the amount of support available.

Effect of Closure of the Student Financial Supplement Scheme

The closure of the Student Financial Supplement Scheme has compounded the already dire effects of these financial hardships. While the Guild does not support a 'trade-in' system of income support, we recognise there were many students who relied on it. Due to the inadequacies of Youth Allowance/ Austudy/ Abstudy, many students require supplementary income, and since the informal closure of the scheme in 2003 many students are being forced to work even longer hours, and are finding it increasingly hard to balance their work hours and study commitments. As one student stated:

"The financial supplement scheme was the only thing helping me to stay afloat, and I am struggling even more since it has been cut, and am forced to work as many hours as I can"

Further, in the recent survey conducted by the Guild, 74 per cent of respondents agreed that the pressures of balancing their work, study, family and extra-curricular activities often left them feeling "unable to cope". Clearly there is a problem that must be addressed by the Government immediately.

¹ Brotherhood of St. Laurence, *Poverty Line Update*, May 2005, <http://www.bsl.org.au/pdfs/poverty_line_update_May05.pdf>.

The Guild welcomes the end of the debt-based transfer of income support responsibility from the Commonwealth to the individual. The burden of funding our education (both through HECS, and student income support) should fall onto the Commonwealth, not the student, due to the large public benefit derived from educated individuals. Many potential students are deterred from participating in tertiary education due to the high personal costs and debts involved.

The Student Financial Supplement Scheme was incredibly inequitable in the manner it required students to 'trade in' their benefits, and make repayments at a rate twice that of the loan. It is important that this system has ceased, however we are deeply concerned that nothing has been proposed to replace the scheme.

We are also concerned with the way that the scheme was closed, almost two years ago, without warning to affected students, and without parliamentary approval. Students were not given time to make alternative funding arrangements, and only now, two years since the scheme ended in practice are we seeing the necessary legislative changes being made.

The Guild is also concerned that those that are most likely to be affected by the closure of the Student Financial Scheme, Austudy recipients, still cannot access Rent Assistance, to help alleviate their financial hardship. There is no good reason why this should be the case – people who are 25 and still studying are just as likely to be renting a property as those receiving Youth Allowance.

Recommendations

That the Student Financial Supplement Scheme should be reopened immediately, but in a form where students are not required to 'trade in' their benefits.

That there be a significant increase in the amount of Youth Allowance/ Austudy/ Abstudy allocated to students preferably to the level of the poverty line; if not at least to the level of the Newstart benefits.

That Rent Assistance payments be made immediately made available to recipients of Austudy.