

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

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

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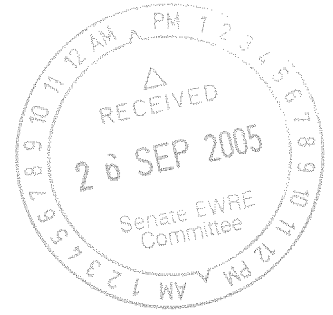
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Introduction:

The National Union of Students (WA Branch) is pleased to have the opportunity to contribute to this inquiry. The closure of the Student Financial Supplement Scheme (SFSS) is an issue that requires extensive consultation with those directly affected, and it is regrettable that the scheme was closed in such an ad-hoc fashion, without adequate warning or assistance to those relying on it and without adequate consultation with students or the community.

Student Income Support

Student income support is generally acknowledged by students and community organisations to be inadequate, as evidenced by the majority of the submissions into the recent Senate Inquiry into Student Income Support. Students who rely on income support live well below the Henderson poverty line, but the punitive rates at which income support is cut when students earn more than a small amount of money from other sources make it particularly difficult for students to support themselves through part-time employment. The effects of these problems are well-documented; in submissions received in the recent Senate Inquiry and through extensive research by bodies such as the Australian Vice-Chancellors' Committee: these effects include students being forced to miss classes, falling asleep in classes, skipping meals, being unable to afford textbooks (a problem exacerbated since the Government ceased to provide a GST exemption on textbooks) and foregoing medical or dental treatment. The SFSS was by no means an ideal scheme, but it did provide to students some immediate measure of relief from some of these problems.

Other anomalies within the student income support system include the fact that recipients of Austudy do not have access to Rent Assistance. This is a pointless discrimination between recipients of Youth Allowance and those of Austudy that serves only to create inequities in the system and render participation in lifelong learning an unattainable goal for many people.

The Loss of the Student Financial Supplement Scheme

As noted above, the SFSS was a flawed system. Allowing students to take on debt worth thousands of dollars is bad public policy – whether in the context of HECS or FEE-HELP or in the context of income support. The fact that students were required to give up a significant proportion of their benefits, and pay back twice as much as the amount they needed to borrow was unconscionable and took advantage of some of the most vulnerable moments in a student's academic life.

That said, the withdrawal of the scheme left many students with no other option than to either seek out a personal loan from a financial institution (as undesirable an option as the SFSS itself) or withdraw from university altogether. In the absence of significant reforms to the income support system and the increase of benefits to students, the Government needs to provide an alternative to the SFSS in the form of an interest-free long-term loans scheme that can be paid to students fortnightly with their other benefits and which does not require the loss of benefits paid to them by the Government.

The Government needs to take responsibility for this system. Students need either an adequate income support system that will meet their needs in going to university, or a fair and reasonable loans scheme to see them through their hardest times. At the moment, the Government is providing neither.

Recommendations:

That the levels of student income support be increased immediately to allow a liveable income for students.

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

That the Student Financial Supplement Scheme be replaced with an interest-free loans scheme which students do not have to trade in their benefits to receive.