

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

Submission no: 59

Received: 18/06/2004

Submitter: Mr N. Daniel Mookhey
National General Secretary, UTS

Organisation:

Address: 17 Verlie Street
MERRYLANDS NSW 2160

Phone:

Fax:

Email: gensec@nun.asn.au



**Submission to Senate Inquiry into Student Income
Support**

**Prepared by N.Daniel Mookhey
17 Verlie Street
Merrylands 2160 Sydney
0413 700 667**

Introduction

This submission tells my story of income support from two perspectives: My experiences as a student and my experiences as a student representative. It seeks only to lubricate the committees knowledge of how the construction of the Student Income Support System determines the choices students need make whilst in University and in the community at large.

Particular emphasis will be placed on how the system operates at a micro level- in the lives of each and every person who relies on it as a source of or supplement to income. To that end I will begin by telling how I came to rely on the Federal Government to supplement my income before I extrapolate this experience to a general level corroborated by the stories heard as an elected representative of my peers at a campus, state and national level.

My Story

I am the third child of two migrants who came to Australia in the early 1970's and settled into the Western Suburbs of Sydney. Each being educated to a tertiary level in India, both my parents quickly commenced their careers in geology and teaching before starting their own small business in the mid 1980's.

My father passed away in 1987, leaving my mother to raise an 11, 6 and 5 year old on her own. She worked (and works) as an account clerk whilst sending all of her children to 3 excellent public schools, each of which instilled an ambition for excellence in all of its students.

For the last two years of my secondary education, I attended Girraween Selective High School in Pendle Hill, Sydney. Being the years that would determine whether I would be a successful candidate for a public place in a public University, I took the decision that my studies exceeded all other interests and priorities and opted not to work in a part time job, unlike my fellow students.

Instead I relied on the Federal Government to provide me with a minimal income through Youth Allowance that I passed to my mother. To this day, I remain grateful to the Government for providing the support I needed to make that choice. Its absence would have compelled me to work rather than devote that time to study. I sought to return the favour by achieving the best result I was capable of. To that end, I successfully ranked within the top 2% of school leavers that year and won a public place at the University of Technology Sydney as a student for a Bachelor Of Business/ Bachelor of Laws.

My Experience in University

I entered University at the beginning of 2001 and soon after received employment as a telemarketer in a small private firm in Parramatta. 2 days of my week would be spent at University, 3 at work and the weekend completing the assessments and exams that are associated with a tertiary education.

On average I would earn \$600 dollars a fortnight for my labours whilst still receiving Youth Allowance. Unfortunately the size of this income supplement declined as my income increased. Rather than being rewarded for seeking to support myself I was punished. No incentive was offered to me for returning income to the community through the taxation system or for seeking to deploy my skills within the private sector.

Rather my benefit eroded as well as the logic for me working. Whilst I wouldn't suggest for a second that the rate offered by the Government should remain fixed irrespective of income, I would suggest that the Government ought reconsider the income they allow students to earn before they reduce benefits, understanding the costs they face.

With the costs of a tertiary education passing increasingly from the Government to students themselves, I found myself having to pay far more course charges than I thought. At the start of each semester I would pay on average \$600 for textbooks alone. Each week I would have to pay \$30 for transport to and from University and work. Every day I would have to pay the charges I incurred as I printed essential course materials essential for lectures and tutorials.

Not wishing to add further to the burden carried by my mother, I gained employment. In seeking employment, I was hindered significantly by employers not wanting those who have exam timetables and such. Thus I found myself having to work long hours in a low paid job. Only problem being that I received more than \$263 allowed in income before my benefits declined. Accordingly, I was compelled to work longer to meet the costs of my education while my allowance declined.

Adding to the situation was the way in which Youth Allowance is administrated. Not wishing to cast aspersions on those dedicated men and women who work for Centrelink, my experiences with them have not been good. Seldom would I find a person who actually understood the full working of the benefit. Most are in need (and acknowledge the need for) more training.

On three occasions, Centrelink "misplaced" my enrolment details resulting in me losing my benefit. On all occasions the time taken to restore my allowance exceeded three weeks resulting in much hardship and distress. On no occasion was I furnished with an appropriate explanation as to why there was a delay.

Moreover, this experience is not unique to me. My sister faced similar problems throughout her time in University. Many of my friends have had as much troubles as I with Centrelink. The majority of souls who taxed the resources of their student organizations, on which many I have served, sought assistance in arguing their case before the myriad of panels and tribunals within student support structures.

These stories are hardly new. Many were canvassed in the Senate's Inquiry into the Nelson Changes and before it's committee into poverty. All have been the priority of the student organizations in which I have worked.

My time as a Student Representative

Toward the end of my first year I had the honour of being elected by my peers to serve as their General Representative on the Governing Council of the Student's Association of the University of Technology, Sydney for one years duration. In that time, circulated monthly, would be reports from the Association's Welfare Department stating exactly the volume and nature of their work. No month would pass without a significant difference between the amount of students seeking assistance with youth allowance and the amount of students who received that assistance. Accordingly I sought and won changes to the Association's budget to divert more resources toward the Welfare department to better assist staff meet the plethora of problems experienced by members with Centrelink.

At the end of my second year of University I successfully stood for election to the position of State General Secretary/State Deputy President of the New South Wales Branch of the National Union of Students for a period no more than one year. That position involved facilitating the Union's interaction with, and speaking for, every student organization from every University within the State of New South Wales. Toward the end of my term I received a resounding endorsement from my peers when I was elected to the position of the National General Secretary/National Deputy President of the National office of the National Union of Students.

In the time spent speaking to, and working for, Students from around Australia, three major concerns have been presented with the functioning of the Government's Student Support Structure: The inadequacy of the base rate, the stringency of the tests of Independence and the difficulty in receiving rent assistance.

The Base Rate

The current support framework allows for a maximum rate of \$318.50 per fortnight if they live away from "home". \$209.70 is given per fortnight for those who live at "home". Both rates are indexed to CPI in January.

Hardly any NUS member understands the need or justification for this differential. Moreover no NUS member believes that either rate is adequate. All consider the rate to be divorced from the reality students face. All believe that it presents students with a choice between an education or poverty. None think that it adequately addresses the cost pressures students face.

Tests Of Independence

Many students have complained to me about the narrow nature of the tests of independence applied in determining what rate they receive in Youth Allowance. The current system deems all under the age of 25 dependent on their parents unless they are able to display evidence to the contrary. Often that translates to displaying an independent income earning capacity, habitation in a (heterosexual) relationship, time outside formal education or the presence of dependent children.

My first problem with such classifications is the utter illogic of setting the age of independence at 25. Considering that most legislation is configured on the assumption that a person enjoys all adult privileges from the age of 18, to stipulate that a person becomes "independent" from the age of 25 for the purposes of welfare is appalling. More so when you consider other benefits within the System, such as Newstart, allows citizens access to the full adult rate at the age of 21. Further, many students live away from their parents, receive no monetary support from their parents and yet are considered dependent on them for the purposes of Youth Allowance!

My second problem is the choices the current system compels students to make. Many students tell me of how they deferred elements of their study to prematurely enter the workforce to generate cash flow sufficient to demonstrate an independent earning capacity. Others tell me of their exhaustion felt when attempting to combine study and work sufficient to demonstrate an independent earning capacity. Some have even spoken of having to work in the sex industry when denied the rate of independence.

My third problem is how blind the system is to the natural diversity contained within the student community. That the independence tests fails to recognise the existence of loving homosexual relationships within the student community for the purposes of receiving Youth Allowance translates to many queer identifying people living in poverty whilst being denied the full support available to their heterosexual counterparts. The extremity of their situation has compelled some gay male recipients to marry a female gay recipient in order for both to be deemed independent and receive the full available allowance.

Rent Assistance

The current system allows for those who live alone, or with a partner, to receive \$94.90 per fortnight in rent assistance. For those who live with others, \$63 is tendered in assistance per fortnight. Apart from the built in discrimination in favour of those who live in what the Government recognises to be a relationship, the central flaw within Rent Assistance is how divorced from reality the rate is.

For students who live in close proximity to their place of study that happens to be located in Sydney City, to pay over \$120 a week in share accommodation is considered to be fortunate. For those in Melbourne, to pay \$100 for a similar arrangement is lucky. But the Government only offers \$33 per week!

It is an amount students consider to be woefully inadequate.

Conclusion

The Senate's inquiry into Student Support Arrangements is welcomed by Students around Australia as a means to elevate within the public discourse the flaws in the current approach toward student welfare. Sincerely we hope the Government recognises the role welfare has in boosting access all its citizens has to a tertiary education. Thus we call on the Government to reconstruct Youth Allowance so it incorporates the principles of equity, diversity and incentive.