

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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The Students' Association of the University of Adelaide

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The Students' Association of Adelaide University (SAUA) is the peak representative body for all students enrolled at the University of Adelaide. The University of Adelaide is comprised of four campuses – North Terrace, Roseworthy, Waite and Thebarton Campus and have over 16 000 enrolled students. The SAUA is an affiliate of the Adelaide University Union, as legislated in Section 21 of the University of Adelaide Act 1971.

The SAUA welcomes this opportunity to comment on the current state of student income support in Australia on behalf of our members, the students of Adelaide University.

The SAUA Mission Statement is as follows:

- The Student's Association of the University of Adelaide's (SAUA) primary objective is to provide accountable, strong, relevant, and transparent representation to its membership. The SAUA is the peak student representative body on campus, and is the primary advocate for students, to the University, Government and the wider community.
- The Student's Association recognises its opportunity, and obligation to highlight issues affecting students in the education sector, and people in the broader community. The SAUA will uphold the principles of **equity and accessibility** in the Education sector.

- The SAUA will lobby all relevant bodies and do all possible to ensure that students, young people, and people within the higher education sector are represented, and their views, convictions, and opinions are supported.

This statement directs the SAUA's day-to-day operations and as such this mission statement will provide the direction and foundation for the SAUA's submission.

Introduction

Student income support represents a fundamental part of the higher education system in Australia. Providing students with the financial support they need in order to reach their academic potential is perhaps the smartest investment a government can make, it is an investment in the future of Australia.

Despite the common misconception, the life of a university student is hardly an easy ride. Struggling to meet the cost of what has become one of the most expensive education systems globally is having a detrimental impact on students – on their academic performance, their health and their standard of living.

The current measures of student income support are failing to meet the needs of thousands of students across Australia. Approximately four out of every ten students receive some level of student income support.¹ However, students today are working longer hours in paid employment and accruing higher levels of student debt than ever before. Students are taking longer to complete their degrees due to financial hardship and alarming numbers of students are withdrawing and failing to complete their studies simply because there is not the financial support available to them.

¹ Long, M & Hayden M (AVCC), *Paying Their Way: A Survey of Australian Undergraduate University Student Finances*, 2001, Overview

The erosion of support for students will eat away at the intellectual landscape of what will struggle to call the 'clever country'. The responsibility to adequately support a country's students rests with its government and the Federal Government's failure to recognise this will have long standing impact for the future of all Australian's.

(a) Current Measures for Student Income Support, including Youth Allowance, Austudy and ABSTUDY.

(i) The Adequacy of these Payments

The inadequacy of current student income support payments is an issue that concerns all areas of the higher education sector as well as community organisations. In a submission to the *Senate Community Affairs References Committee Inquiry into Poverty in Australia* in March 2003, The Salvation Army estimated that in 2001 student income support fell as far as 37% below the Henderson Poverty Line².

The existing level of student income support fails to adequately reflect both the current cost of higher education and the cost of living. The current away from home rate of Youth Allowance, and Austudy is \$318.50 per fortnight. ABSTUDY away from home rate for 16-20 year olds is the same rate, increasing to \$389.20 per fortnight for Indigenous students aged 21 and over. These allowances could hardly be considered sufficient enough to cover the myriad of costs students must meet. Rent, transport, food, household bills, credit card payments, loan repayments are all expenses students face in addition to the cost of their education.

² The Salvation Army, *Senate Community Affairs References Committee Inquiry into Poverty in Australia*, March 2003, p.9

Not restricted to course costs, education expenses include student services fees, printing costs, textbooks, computers and course reading material. The University of Adelaide 2005 Prospectus estimates the weekly expenses for an out of home student would be \$330 per week – more than the fortnightly allowance the Federal Government expect students to consider ‘adequate’.

The current level of student income support has the potential to discourage people from attending university. Both Youth Allowance and Austudy payments fall well below the single unemployment payment, Newstart. The additional costs specific to students seem not be reflected in the level of income support provided. Senator Kerry Nettle gave the Senate estimates that to raise the level of student income support to be consistent with Newstart payments would only cost \$270 million per annum.³

The Australian Vice Chancellors Committee has expressed their concerns about the inadequacy of student income payments on a number of occasions. On June 2nd 2003, the AVCC released their official response to the higher education proposals announced in the 2003 Federal Budget, entitled *Excellence and Equity: Foundations for the Future of Australia’s Universities*. Included in the report were seventeen recommendations from the AVCC regarding changes they felt were necessary to the Government’s approach to higher education reform. Recommendation seven stated:

- The AVCC reiterates its call on the Government to improve student income support arrangement.

The AVCC’s pleas to the Government to improve student income support first came in their submission to the Higher Education Review in September 2002.

³ Nettle, Kerry, *Family and Community Services (Closure of the Student Financial Supplement Scheme) Bill 2003 – Second Reading*, 26/11/03, www.kerrynettle.org.au

In *Forward from the Crossroads: Pathways to Effective and Diverse Australian Universities*, the AVCC made several comments and recommendations regarding student income support. Amongst these were the following:

- the level of the Youth Allowance (and Abstudy) and the related thresholds for loss of entitlement to the allowance, to take better account of living and course-related costs so that the level of allowances, at least, meets the Henderson Poverty Line;
- the eligibility criteria, by reviewing parental income testing so as not to exclude from assistance the children of families on modest incomes. These should at least be at average weekly earnings before allowances are reduced;
- the age criteria for access on independence grounds, reducing it to 21 from 25;

Recommendation 22 of this report clearly indicates the AVCC's awareness of the financial difficulties students face while at university. Recommendation 22 states:

22. The AVCC recommends that the Government restructure the income support system so that it is effective in reducing the need for students to work excessive hours and so avert the detrimental effect on academic performance of heavy work commitments prompted by economic necessity. The AVCC also estimates that one out of every ten students has used some form of financial loan arrangement to be able to continue studying at university.⁴

The inadequacy of current student income support payments is out of line with the reality of life as a higher education system.

⁴ Long, M & Hayden M (AVCC), *Paying Their Way: A Survey of Australian Undergraduate University Student Finances*, 2001, p.2

The SAUA urges the Federal Government to reassess support measures to bring them into line with reality of the cost of life as a tertiary student.

(ii) The Age of Independence

In 1997 the Howard government, in its second year in office, raised the age of independence from 22 years of age to 25 years of age. As it stands, to be assessed as 'independent' in a claim for payment you must:

- have been out of school at least 18 months and earned an amount equivalent to 75 per cent of the Commonwealth Training Award Rate in an 18 month period before lodging a claim; or
- have worked to support yourself for at least 18 months, working full-time at least 30 hours a week during the preceding two years (or for a period or periods of 12 months if you are considered disadvantaged); or
- have worked part-time for at least 15 hours a week for at least two years since last leaving school; or
- are 25 or more and a full-time student (in special circumstances).

The SAUA is opposed to the Federal Government's limited and unrealistic interpretation of 'age of independence'. The assumption that all those who are unable to meet the criteria to qualify as independent are deemed dependent and are financially supported by their family is one that is firmly rejected by both student and community organisations. The Youth Action and Policy Association in New South Wales argues

“Young people must be seen as independent from the age of 18 and their income support should not be based on a parental income test. Current restrictions which declare young people as dependent on their parents until 21 for job seekers and 25 for students are simply out of touch with community values and expectations.”⁵

The SAUA is curious as to why the Federal Government is willing to consider eighteen to be of sufficient independence for other social issues such as voting, or being tried as an adult in our legal system, but is yet to see an eighteen year old as ‘independent’ when it comes to student income support measures. The SAUA urges the Federal Government to recognise the inequitable assumptions their definition of independence makes and reduce the age of independence for student income support payments to eighteen years of age.

Students are struggling to survive on the income support payments they receive, not being considered for payments as an independent until you are twenty five years old is proving to be yet another hindrance for students in accessing the payments that most reflect their needs.

(iii) The Parental Income Test Threshold

The parental income test applies to both ABSTUDY, and Youth Allowance payments and stipulates that (as of March 2004) dependent student payments are affected by their parents income if the taxable income for the past financial year exceeds \$28 150.

The Australian Bureau of Statistics reports that the average male annual wage earned in Australia in 2004 is \$49 348, \$37 423 after tax.

⁵ Youth Action and Policy Association, ‘Howard’s New Welfare Reform – Same Old Theme, Blame The Victim,’ *YapRap*, Vol 13, No. 5, June 2003, p.5

The ABS estimates that women still earn approximately \$152 less than their male workmates per week.⁶ Means testing students on their parents income makes the assumption that household income is distributed to the students, however comments from students to the AVCC demonstrate that this is not always the case;

“I find the Youth Allowance definitions of dependent and independent very inaccurate. I’m considered dependent because I live at home with my mother. However I still pay board, buy groceries, pay part of the electricity and telephone bills etc.”⁷

The SAUA believes a real danger of the parental income threshold being this rate is that students who affected by their parents earnings, will push themselves to earn enough to allow them to qualify as independent to avoid losing payments due to the level of their parents income. While students may be able to earn enough to receive the higher independent rate of payment, they put their academic performance at serious risk. The Senate Community Affairs Reference Committee, in their report on poverty and financial hardship titled, *A Hand Up, Not a Hand Out: Renewing the Fight Against Poverty*, included a section of committee hansard from the National Union of Students that highlights this danger;

“I had to work every Thursday and Friday night, all day Saturday and all day Sunday, plus I had another job which would interfere during the week. I failed subjects that year. I earned the money. I was able to access the independent rate for youth allowance, but I failed.”⁸

⁶ Sydney Morning Herald, ‘Average Wage Tops \$49 000: ABS’, May 20th 2004, <http://www.smh.com.au>

⁷ Long, M & Hayden M (AVCC), *Paying Their Way: A Survey of Australian Undergraduate University Student Finances*, 2001 – Executive Summary: Overview, p.5

⁸ Senate Community Affairs Reference Committee, *A Hand Up, Not a Hand Out: Renewing the Fight Against Poverty*, March 2004, p.292

Parental income levels are the main basis for the rejection of payments claims by students and the SAUA is concerned that students, who genuinely need income support, are missing out because the Federal Government assumes to understand how all households operate.

(iv) The Ineligibility of Austudy Recipients for Rent Assistance

The refusal to allow Austudy recipients to access rent assistance payments is another example of the Federal Government having no realistic understanding of student financial hardship. The implication of this policy is that a student who is twenty five year old should have no trouble managing both the cost of living out of home and the cost of studying, without the extra help of rent assistance.

Rent is one of the major contributors to the cost of living – and students on Austudy can struggle to make rent payments just as much as a 24 year old on Youth Allowance. *A Hand Up, Not A Hand Out* provided a case study of student who received an Austudy payment, worked part time – who after paying her rent, bills and covering the cost of her course materials, was left with only \$20 to spend.⁹ Extending the Rent Assistance scheme to Austudy recipients is essential if all students are to be successful.

The Australian Council of Social Service has been very vocal on this issue. ACOSS President, Andrew McCallum has commented,

"Mature age students — those over 25 years old —They receive an Austudy payment that is substantially less than the unemployment benefit and, inexplicably, are also not entitled to Rent Assistance."¹⁰

⁹ Senate Community Affairs Reference Committee, *op cit*, p.295

¹⁰ ACOSS, *Over 400,000 unemployed & students move further below poverty-line* Media Release, 2002

In 2003, the National Shelter and the Australian Council of Social Service included a series of recommendations in their 2003 report, *Rent Assistance: Does It Deliver Affordability?* In regards to Austudy recipients, it was recommended that the Federal Government;

“Consider an increase in social security payments to better reflect current living costs (including housing) for people and families with low incomes. The first step should be to extend access to Rent Assistance to students over 25 years on Austudy.”¹¹

In a speech to the senate late last year, Senator Kerry Nettle put forward estimates that it would cost the Federal Government only \$25 million per annum to extend the Rent Assistance program to Austudy recipients¹². Surely this is a comparatively small cost for the Federal Government to bear in exchange for a higher quality of graduate – a graduate not placed in academic jeopardy because they have to work excessive hours to get by.

The SAUA supports recommendation 57 from *A Hand Up, Not a Hand Out: Renewing the Fight Against Poverty*, which calls on the Federal Government to extend the rent assistance scheme to include students on Austudy payments.

(b) The Effect of these Income Support Measures on Students and their Families

(i) The increasing Cost of Higher Education

Since the Howard Government came into office in 1996, Australia’s universities and their students have faced constant and severe attacks.

¹¹ National Shelter & ACOSS, *Rent Assistance: Does It Deliver Affordability?* September 2003, p.19

¹² Nettle, Kerry, *Family and Community Services (Closure of the Student Financial Supplement Scheme) Bill 2003 – Second Reading*, 26/11/03, www.kerrynettle.org.au

From increases to HECS to decreases in operating grants, the last eight years have placed Australia's higher education system in an extremely tenuous position. Currently, Australia ranks as one of the highest fee charging countries for higher education, along with America, Japan, Chile, Korea and New Zealand.¹³

Since 1996, real value of university operating funds allocated by the Federal Government has decreased. By 2001 the Commonwealth was allocating almost \$2000 less per student than when they first took office. The National Union of Students translates these funding cuts into very real terms and estimates that they result in universities losing:

- 20 hours of tutorial each year per student
- 10 hours of lectures each year per student
- a professor/student ration of 1:100

Australian families are now paying \$900 million more for higher education than they did eight years ago. Differential HECS, the introduction of up-front fees, funding cuts that have forced the student teacher ratio to increase to dangerously high levels, privatisation of public learning, the deregulation of HECS and continual and unjustifiable all round cuts to higher education have made the current government the biggest threat faced by tertiary students in a long time.

Since their election in 1996, the Howard Government has pushed the level of student contribution to the cost of tertiary education out to 40% - an increase of 20%. Australian students are already making amongst the highest contributions to the cost of their education in the OECD. Australian graduates also average a lower private benefit from their education than many international graduates.

¹³ Hastings, Graham & Standfield, Rachael, *NUS Briefing Paper on Higher Education Reform*, National Union of Students, 2003, pp.12

NUS estimates that while Australian graduates earn 36% more than those with out tertiary qualifications, they are still well below the OECD average of 60%.¹⁴

The refusal of the Federal Government to provide students with a level of income support that reflects the increasing cost of their education continues to anger student organisations. The recent changes to the *Higher Education Support Act 2003* are no exception. The 25 % HECS increases represent a national cost to students of \$662 million dollars, at the University of Adelaide, where the increases were passed by University Council earlier this year, the cost to students is \$32 million dollars.¹⁵ The SAUA notes with sadness and anger that by the due date of this submission all three South Australian universities have opted implemented 25% HECS increases.

The increasing cost of higher education extends beyond HECS fees. A major financial burden to students each year is the cost of their textbooks. The purchase of course readers and textbooks at the start of the year, and again for the start of semester two often pushes students into levels of debt significant enough that it takes them most of the year to pay it off. A law student doing three subjects in semester one might need a textbook for native title law (\$110), an intellectual property textbook (\$77.10) and a textbook on international trade (\$110). This adds up top almost \$300 for ten minutes in the campus book shop.

This year the Federal Government has furthered this burden for students by refusing to continue the Educational Textbook Subsidy Scheme. As of July 1st 2004, students will be expected to pay approximately 8% more for their textbooks.

¹⁴ Hastings, Graham & Standfield, Rachael, *Q and A on Backing Australia's Future and Other Higher Education Measures Announced in the 2003/2004 Federal Budget*, July 2003

¹⁵ Clarke, Craig, 'Adelaide to change students extra \$32m' *The Advertiser*, June 2nd, p. 3

The AVCC has called on the Federal Government to continue the scheme, stating that, “*low-income students will be clearly disadvantaged*”.¹⁶ Students take out loans, extend credit card limits or if they are fortunate enough, borrow money from parents or family members – simply to be able to afford to access this essential part of their study.

The current measures of student income support are failing to reflect the very real increase in expenses students incur for their education. The SAUA sees this as indicative of the Howard Government’s cost shifting agenda – forcing students and their families to bear the bulk of the cost of a higher education that is fast moving beyond the financial reach of most.

(ii) Students being forced to work longer hours to support themselves

Half empty classrooms and lecture theatres that are filled nowhere near capacity are becoming an all too familiar sight at universities across the country. Bad weather, illness, hangovers and indifference are all contributors to the rising number of empty seats in classrooms; however in recent years the most common reason for students not attending classes seems to be financial circumstances. Now more than ever, students are spending an ever increasing amount hours in payed employment.

The Australian Bureau of Statistics estimates that between 1990 and 2000, the number of people combing paid employment and study increased by a staggering 333 000. The largest growth in this area was amongst full time students taking on some degree of part time work.¹⁷

¹⁶ AVCC Media Release, *Vice-Chancellors call for extension of the Educational Textbook Subsidy Scheme*. 1 July 2003

¹⁷ ABS, *Year Book Australia 2002: Education and Training Special Article – Combing Work and Study*
www.abs.gov.au/ausstats/

In September of 2001, the Australian Vice Chancellor's Committee released *Paying Their Way: A survey of Australian Undergraduate Student Finances*. The findings revealed in this report indicate that a significant number of students are struggling to attend classes, due to their challenging financial circumstances. Over 30 000 undergraduate students from 19 of Australia's public universities participated in the survey during the second semester of 2000.

The findings of the AVCC seem to concur with the finding of the ABS. They report that in 2000, 72.5% of full time students were in paid employment, working an average of 14.5 hours per week – nearly three times longer than twenty years ago. Over 50% of part time students are employed in full time positions, and over another 30% work part time or casually.¹⁸

The *Paying Their Way* survey found that over 30% of full time students were missing classes 'frequently' because of the need be in paid employment, and over half of these respondents felt it was having serious consequences for their studies. Part time students report a higher incidence of missed classes (18.1% 'frequently' and 31.4% 'sometimes') and a higher rate of respondents reporting it having a negative impact on their study (30.1%). Part time students are also eligible for less student income support.¹⁹

What this all adds up to is close to **500 000** students across the country who feel they are not able to study to the best of their ability because their financial need to work is hindering their capability to study.

In further cementing the AVCC's concerns about student income support, the President of the AVCC, Professor Di Yerbury, made the following comments in The Australian Newspaper on the 17th of March 2004:

¹⁸ Long, M & Hayden M (AVCC), *Paying Their Way: A Survey of Australian Undergraduate University Student Finances*, 2001 – Executive Summary: Overview, p.6-7

¹⁹ *ibid*

“The AVCC has always held the strong view that students should be able to reach their full potential. This is an onerous task if students have to support themselves by undertaking paid employment because suitable income support provisions cannot be accessed.”²⁰

A significant disadvantage for students who are forced to combine paid employment and student income support payments in order to cover their study and living costs is the reduction they face in their support payments if they earn over a certain amount in a fortnight. Under the Centrelink Personal Income Test, if a student earns more than \$236 a fortnight and receives a full allowance, their Youth Allowance, Austudy or ABSTUDY is cut by 50 cents per dollar, and if a student’s income exceeds \$316 in a fortnight, 70 cents out of every dollar is withdrawn.

Based on award rates from the Employment Relations Information Centre, a student working as a café or restaurant cashier would only have to work three five hour evening shifts each week in order to earn over the fortnight income threshold and lose some of their income support payments.²¹

Students are confused and angry about what they perceive to be a confusing and hypocritical approach to student income support. On student’s response to the Paying their Way survey highlighted this concern.

“Youth Allowance is not enough money and we are penalised in the extra hours we work through higher tax. Surely, you shouldn’t be penalised for earning extra money, when Youth Allowance is not very much at all.”²²

²⁰ Maiden, S, *Students Doing it Tough*, The Australian 17th March 2004, <http://www.theaustralian.news.com.au>

²¹ Employment Relations Information Centre - www.eric.sa.gov.au

²² Long, M & Hayden M (AVCC), op cit, p.4.

The Community Affairs Reference Committee, in their report on poverty and financial hardship titled, *A Hand Up, Not a Hand Out: Renewing the Fight Against Poverty*, reported that Commonwealth Department of Family and Community Services stated that Youth Allowance,

“... was never intended to be the sole measure of income support for young people, as no single source is expected to shoulder the whole responsibility for supporting young people.”²³

Students who are in paid employment because their student income support payment is not sufficient to be ‘the sole measure of income support’ feel they are being penalised for attempting to do their best to support themselves.

(iii) The Closure of the Student Financial Supplement Scheme

The Students’ Association objects to the cancellation of Student Financial Supplement Scheme and condemns the Federal Government for the closure of, what for many students, represented the difference between being able to continue to study, and having to withdraw from university because they were simply not able to meet the associated costs of life as a student. Although the scheme was not without flaws and was a contributor to the ever-increasing level of student debt in Australia, the decision to discontinue the scheme represents yet another way the Federal Government is seeking to absolve themselves of the responsibility for the cost of higher education. In a speech to the Senate late last year, Senator Brian Greig eloquently summed up the reality of the Student Financial Supplement Scheme.

²³ Senate Community Affairs Reference Committee, *op cit* p.282

“The truth is that the SFSS assists the poorest of all student to get through increasingly expensive university or TAFE courses, with the problem of how to repay the loan being a future concern.”²⁴

The SAUA recognises the problems associated with the Student Financial Supplement Scheme and is disappointed that the Federal Government, instead of attempting to develop a more equitable loan scheme for students, they have chosen to abort the scheme altogether. The combined effects of the inadequacy of the student income support payments, and the closure of the Student Financial Supplement Scheme will have severe consequences for university students and their families.

The *Paying Their Way* survey sought comment from students regarding the Student Financial Supplement Scheme. Comments such as, “*If I was not able to receive the supplementary loan I would not be able to attend university*” and “*Could not have done this course without the assistance of an \$8000 government loan*” are typical of the response given by students who have made use of the supplement scheme.²⁵ The Student Financial Supplement Scheme take up rate has increased by approximately 20 per cent between 2001 and 2002.²⁶ These student responses represent the desperate financial positions that students are facing.

(c) The Importance of adequate income support measures in achieving equitable access to education with reference to:

(i) Students from disadvantaged backgrounds

(ii) Improving access to education

²⁴ Greig, Brian, Speech by Senator Greig in Opposition to the Closure of the Student Financial Supplement Scheme, <http://www.answd.com/current-issues/Greig.html>

²⁵ Long, M & Hayden M, *op cit*, p8

²⁶ Greig, Brian, *op cit*

The current measures of student income support are not offering disadvantaged students the support they need to be successful in the higher education sector. Students from disadvantaged backgrounds, in addition to the usual challenges of higher education, have to deal with barriers unique to their background.

The support for Indigenous students in their pursuit of tertiary education should be a priority for the Federal Government, however it appears that Indigenous students are finding it more and more difficult to stay at university. Changes by the Government to income support for Indigenous students have meant that fewer students now receive ABSTUDY, and many receive reduced payments. Between 1999 and 2002 Indigenous enrolments fell by 18%.²⁷

The AVCC Advisory Group on Indigenous Higher Education has also recognised the danger of insufficient income support for indigenous students. In their response to the Crossroads paper, they argued;

“The decline in the amount of ABSTUDY support available to any one student, although relatively small in itself, is often of significance to the family group concerned and becomes the trigger which necessitates the withdrawal of the student from the course of study.”²⁸

Financial circumstance is a major influencing factor for students when deciding not only if they will attend university, but also in deciding the course and mode in which they study. The current inadequacies of income support measures are impeding students from making the choices that are best for their studies and their future.

²⁷ Student Poverty Austudy/Abstudy and the Common Youth Allowance - <http://www.su.rmit.edu.au/hot%20issues/PovertyRatios.html>

²⁸ http://www.aph.gov.au/senate/committee/clac_ctte/poverty/report/b2recs.pdf

Access to higher education for students from low socio economic backgrounds will be remembered as one of this Government's most significant failings. The University of Adelaide has seen a drop in both the retention rate and success rate of low SES students over since 1997. The Australian Greens estimate that nationally, an alarming 38% of people on low incomes cannot access a tertiary education.²⁹

The SAUA believes that access to education should be a right and not a privilege – the inadequacies of the current measures of student income support, combined with the continually increasing cost of education are restricting that access to a point where bank balances matter more than brains.

(d) Alternative student income support measures

It is imperative when considering alternative student income support measures to avoid schemes that provide short-term solutions but will impede students in the future – the most obvious impediment being student debt. A 2003 report by the Council of Australian Postgraduates Associations (CAPA) looked at the effect of significant student debt on New Zealand students and society.

- In 1999, economic modelling in New Zealand revealed that it would take the average male university student 17 years to repay a loan of \$20,000, while it would take the average female student 51 years to repay a loan of the same size.

²⁹ Nettle, Kerry, *op cit*

- A survey of New Zealand bank managers and loans officers in 2002 found that 51% of those who had received applications from clients with student loans had cited student loans as a contributing factor in declining finance and, of these respondents, mortgages were the most likely to be declined (34%).
- The New Zealand Government has acknowledged that student debt is a "push factor" for increasing emigration, as people with student debt move overseas to avoid repaying their debt, or to earn higher salaries with which to make their debt repayments. Between 1997-1998 and 1999-2000, nearly 4 per cent of the total New Zealand professional workforce emigrated to Australia alone.³⁰

Differential HECS, and the recent increases introduced by the Howard Government have already ensured that Australian students are beginning their graduate life with severe levels of debt. Alternative student income support schemes that increase student debt is not the answer to Australia's student income support problems and the SAUA would be oppose measures that would facilitate this.

An ideal system of student income support would be one that allows to students to direct all their attention toward successful completion of the degree, one that does not pressure them to manage long hours of employment as well as study commitments. This would recognise public education as a public good that is beneficial to the greater society.

The SAUA recognises this mode of student income support is not likely to exist in Australia anytime soon. Therefore the SAUA recommends the following:

³⁰ Pearse, Hilary, *The Social and Economic Impact of Student Debt*, March 2003 p.4

1. That the Rent Assistance Scheme be extended to include Austudy recipients.
2. That the Age of Independence is reduced from 25 to 18 years of age.
3. That the Parental Income threshold for Youth Allowance not be applied to students under 25 years of age.
4. That the Parental Income threshold be significantly increased.
5. That the Federal Government investigates alternative financial support schemes to support students who have been reliant of the Student Financial Supplement Scheme.
6. That Youth Allowance and Austudy payments, at the very least, be raised to meet the Henderson Poverty Line.