

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

Submission no: 79

Received: 18/06/2004

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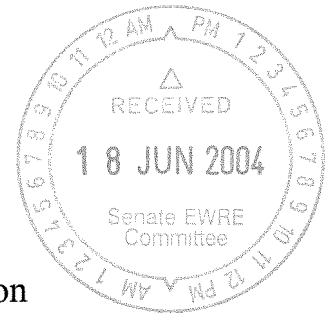
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BACKGROUND

The Student Association of the South West College of TAFE is a non-profit, student run organisation, which strives to meet the Education, Welfare, Social and Recreational needs of students. The Student Association is to be known as the Student Association hereafter.

The aim of the Student Association is the development of a strong, independent student organisation, run on democratic principles to represent, serve and protect student interests. The role of the Student Association is to protect the quality of Education and Training being delivered and to provide support to students undertaking their Education and Training.

The Student Association of the South West College of TAFE, is composed of all students on all South West Regional College of TAFE Campuses and Centres.

For the purpose of this document there are currently six (6) campuses and nine (9) centres being;

Campuses: Bunbury, Busselton, Collie, Harvey, Manjimup, Margaret River.

Centres: Boyup Brook, Bridgetown, Darkan, Donnybrook, Augusta, Nannup, Northcliffe, Pemberton, Waroona

The Student Association is run by the Executive Committee which is made up of representatives from all campuses and centre clusters. Each campus may have two (2) Executive Committee representatives with an additional representative being allocated to campuses according to their total number of enrolled hours. The Executive Committee formulates Student Association policy and controls the finances of the Association.

The Executive Committee also represents the Student Association on College matters.

The representatives to College Council and other College Committees are elected from the Executive Committee. The Executive Committee is supported by and Executive Officer

Executive Officer

Full-time - Salary paid by the South West Regional College of TAFE

Role:

- * work with and for the Student Association putting into place student decisions
- * managing the day to day affairs of the Student Association.

Profile of a TAFE Student.

Of the 5000 students currently attending the South West Regional College of TAFE some 2650 are currently receiving some form of benefit or concession.

This is understandable when you consider the profile within the South West College of TAFE student population includes students who are from a range of special need areas including:

- Long term unemployed
- Students with disabilities
- Aboriginal and Torres Strait Islander
- Young Single Mothers
- Single parents
- Persons in need of retraining due to award or industry restructuring
- Students / Apprentices requiring a new support base as they are forced to move away from home to continue their employment and training.
- Students from low income families struggling to meet their financial responsibilities
- 50 % of TAFE students at the South West College are under the age of 25
- Rural students
- most full-time and trade students attend for instruction while in their formative years 16 - 21,
- length of stay in colleges in most cases varies from 6 - 24 months with an average being 12 months,
- geographical location means many students have to change addresses to complete their training,
- often lower income (student and parental) making it harder for students to attend as the cost of education and training goes steadily higher
- differences in aptitudes and experience generally TAFE students have lower aptitudes and more limited life experiences than those at a University
- TAFE colleges are traditionally the place of second chance for many students offering courses to those who:
 1. have had limited or disrupted educational opportunities,
 2. are being retrained after long periods of unemployment,
 3. are disadvantaged in our community,
 4. etc,

The locations of the rural campuses within the South West region at Bunbury, Busselton, Collie, Harvey, Margaret River, and Manjimup must be factored into the equation. Their location determines the ability of students to access services to assist them with a whole range of basic issues. These include accommodation assistance, financial assistance, academic support, employment services, counselling, transport issues etc. In most cases access to the above services within their local region is difficult if they are available at all. Due to a lack of support many students are forced out of their local areas to continue their studies or drop out of studies all together.

Currently our regional communities lose a lot of young people from their communities because the standard of education and training is insufficient or the support mechanism they require aren't available to enable them to be able to successfully complete their desired course of study. Many people drop out of education and training because the base support mechanism required to get them over the hurdles of attending a training institution are not available. In regional areas, issues such as financial assistance, transport, accommodation, childcare and access to part-time work are all factors that determine whether people can stay in the area to study. One of the roles of the Student Association is to identify the hurdles and shortcomings of community infrastructure from a student perspective and work with the relevant agencies to provide solutions.

INTRODUCTION

We believe the major focus for this inquiry should be on the importance of Education and Training to Australia as a whole. This includes the benefits to both the individual from a personal perspective and the development of important skills and knowledge, which will benefit the Community as a whole. As a country we need to do more to encourage the active participation of all sections of the community in upgrading their skills and knowledge. To enable this to happen their needs to be an adequate level of income support which encourages all people, but in particular the youth of this country to invest time and energy in furthering their Education and Training. Currently the most common form of income support for students is employment. Most students work part-time or full-time to support themselves through their study. This is bought about because of the harshness of the eligibility requirements for Income Support Payments such as Youth Allowance and Austudy/Abstudy, which sees only a small percentage of full-time students receiving any form of Income Support. As a result the bulk of full-time students rely on family handouts or part-time work and as such are low-income earners who struggle to have enough money to purchase food, pay the rent or pay the day-to-day bills let alone pay fees or buy books. This highlights a range of issues that need to be explored:

1. The current level of support which sees students on Austudy and Youth Allowance recipients being paid at between 20 and 39% below the poverty line.
2. The current inequalities that exist between student income support payments and job seeker payments.
3. The eligibility requirement for all Income Support, which exclude a large percentage of students from receiving any form of support.
4. The notion of parental willingness to support young people through periods of study and the age of independence.
5. The age of independence

ADEQUACY OF PAYMENTS

Students who are receiving income support currently and over the last five years have all complained about the inadequacy of the payment in enabling them to make ends meet. This is hardly surprising when you consider that the current level of income support sees students on Austudy and Youth Allowance recipients being paid at between 20 and 37% below the poverty line.(Brotherhood of St Lawrence – paper on poverty). It is also not surprising given the inequalities in the system that sees a student on Austudy being some

\$71.90 per fortnight worse off than a single unemployed adult plus the student is ineligible for Rent Assistance, which leaves them a further \$63.00 per fortnight worse off. In total students over the age of 25 receive on average \$134.00 per fortnight less than a similar person on Newstart.

It is also worthy of note that all student income support payments are indexed only once per year in comparison to the two times per year for all other benefits. This is hard to understand given that the day to day living expenses are exactly the same for both groups and that there additional costs such as fees, books and other educational expenses involved with being a student.

In a recent survey of 200 students run by the Student Association we found that;

48 % of all participants received some form of income support payment

60% were also undertaking paid work

The following were actions listed as resulting from lack of finance while students;

30% said that they had gone without food at some time

17% had been forced to scrounge food at some time

6 % had slept outdoors

14% said they had stolen or committed an illegal act to get food or shelter

24% had gone without medical attention or medicine

43 % had been distracted from their studies

33% had been unable to afford textbooks.

COURSE COSTS / FINANCIAL ASSISTANCE

The rising costs of education and training are now at a point whereby sections of the population can no longer afford to attend a TAFE College or other Education and Training Institution. These costs include tuition, resource and enrolment fees, books, stationery and equipment as well as travel to and from the training facility. The most seriously affected are people on low incomes or welfare benefits. These people do not have the financial reserves to find the minimum \$500.00 per semester, required to enter a TAFE college. We have attached a copy of a excel spreadsheet (appendix 1) which sets out Course Costs and Books and Materials Costs for 2004.

TAFE colleges do offer Fee Waivers to applicants in severe financial distress; however at our college the criteria and process used to determine eligibility is so tight and intrusive that very few applicants proceed through the process.

The other side of this dilemma is that students on low incomes also struggle to purchase textbooks or other materials associated with their course. These students usually last about 4 – 5 weeks in the course. At this point, with a fees debt hanging over their head, and without funds to purchase textbooks or other related module material, they are so far behind their peers that they lose all hope of successfully completing their program. At this point they withdraw or just drop out, which further compounds their financial problem.

Our Student Association ran a Student Loan Scheme until the end of 2003 when we had to close the service due to Financial Constraints. This loan scheme was set up initially to assist students to purchase textbooks or materials. With the advent of tuition and material fees we experienced a large increase in demand with students seeking financial assistance to pay their initial up front fee deposit. I have attached a chart, which shows loan figures over the last 5 years and the rapid increase in demand. These figures are only a guide because, for the last 2 years in particular, the loan scheme run out of funds to assist students. As a result we implemented screening procedures of all applicants to ensure the most needy students gain access to our limited financial assistance. We also looked for every opportunity to refer students to other organisations for assistance, despite these measures we still had to stop lending at various periods over the last 4 years, because we had run out of funds.

The Student Association also wishes to highlight the recommendations made at the WA Youth Affairs Conference held in May 1999 and supports the idea of “changes to the Youth Allowance to allow for geographical costs such as high rentals and transport costs in isolated areas” and that the “Level of parental support to young people who receive a means tested Youth Allowance payment to be set at the same level as a young person would receive if they were receiving the payment directly.”

AGE OF INDEPENDENCE.

The current age of independence is out of step with what happens in the community from day to day. We allow 18 year olds to vote, to fight our wars and to enter into legally binding contracts yet when it comes to income support they are considered dependants until they turn 21 on Newstart or 25 on Austudy. This does nothing for the self esteem of the young people who are looking to become independent and puts additional pressure on families at

AFFECTS OF PART-TIME WORK ON STUDY

It is noted that many students undertake paid work to supplement other income support payments, or often as their sole source of income. This paid work often has a detrimental affect on student’s studies. A study of 200 students conducted at the South West Regional College of TAFE showed that one in every eight students in paid employment

during a semester miss class 'frequently' because of work and of working students 39% had missed class more than once during the term.

This study also showed that work had affected study 'a great deal' for one student in every ten in paid employment during a semester and overall 74% of working students had their studies affected by their work commitments.

The results of our survey support the view of Professor Yerbury of the Australian Vice-Chancellors' Committee who stated that "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." (AVCC media release on Student Income Support Inquiry).

FINANCIAL SUPPLEMENT SCHEME

The abolition of the Student Financial Supplement Scheme without a replacement scheme or an increase in student income support payments has caused considerable hardship to the student population. While acknowledging that the scheme was not effective in assisting students financial plight, there has been no attempt to deliver an alternative or to provide the preferred option of a meaningful increase in the rate of student income support payments. Many students are being forced into undertaking part time work, which we have seen is often detrimental to participation and performance in the classroom.

RECOMMENDATIONS.

1. All income support payments should be standardised to allow movement between payments appropriate to life stage without incurring financial hardship.
2. A range of additional payments should be developed to help offset the extra costs related to the activity undertaken. This may include payments for study related expenses, travel for educational purposes etc.
3. The general age of independence should be 18 years for income support payments.
4. The criteria for independence prior to 18 years should allow flexibility to meet individual requirements in case of crisis or severe hardship.
5. An education or training credit scheme or voucher system should be available to **all** students to offset the costs of engaging in post secondary education. This should be available at the commencement of studies.
6. The threshold start level for the parental income test should be set at the Australian Median Wage. It should be indexed in line with CPI.

Course Details as on Offer Letter		Enrolment	Resource	Concessional Tuition Fees
C116 Certificate II in Information Technology		\$21.00	\$ 90.00	\$ 192.00
C119 Certificate III in Information Technology (Network Administration)		\$21.00	\$ 132.00	\$ 220.85
C122 Certificate IV in Information Technology (Network Management)		\$21.00	\$ 140.00	\$ 220.85
C130 Diploma in Information Technology (Network Engineering)		\$21.00	\$ 99.00	\$ 211.20
C313 Certificate II in Business		\$21.00	\$ 75.00	\$ 201.60
C315 Certificate III in Business Administration		\$21.00	\$ 75.00	\$ 220.85
C322 Certificate IV in Business (Small Business Management)		\$21.00	\$ 50.00	\$ 220.85
C329 Certificate IV in Business (Management)		\$21.00		
C333 Diploma in Business Management		\$21.00	\$ 35.00	\$ 220.85
C524 Certificate III in Financial Services (Accounts Clerical)		\$21.00	\$ 75.00	\$ 220.85
C528 Certificate IV in Financial Services (Accounting)		\$21.00	\$ 35.00	\$ 220.85
C531 Diploma in Accounting		\$21.00	\$ 20.00	\$ 160.00
C540 Advanced Diploma in Accounting		\$21.00	\$ 15.00	\$ 128.00
0386 Certificate IV in Bridging for Entry into a Nursing Education Program		\$21.00	\$ 35.70	N/A
7100 Certificate IV in Enrolled Nursing		\$21.00	\$ 90.70	\$ 220.85
C013 Certificate IV in Community Services (Aged Care Work)		\$21.00	\$ 50.00	\$ 195.20
C036 Certificate IV in Community Services (Community Work)		\$21.00	\$ 40.00	\$ 163.20
C041 Certificate IV in Community Services (Disability Work)		\$21.00	\$ 55.00	\$ 220.85
C163 Certificate IV in Laboratory Techniques		\$21.00	\$ 65.00	\$ 134.40
C214 Certificate IV in Sport (Development)		\$21.00	\$ 210.00	\$ 220.85
M008 Certificate III in Engineering (Technician)		\$21.00		

M023 Certificate II in Electrotechnology Servicing	\$21.00			
MS06 Certificate II in (Welding)	\$21.00			
MS60 Advanced Diploma in Mechanical Engineering	\$21.00			
MS74 Diploma in Mechanical(General)	\$21.00			
MS84 Certificate I in PreApprentice Mechanical (Fitting/Machining/Fitting and Machining/Toolmaking)	\$21.00			
MS95 Certificate II in Security Installation	\$21.00			
6978 Certificate III in Childrens Services (Teacher Assistant)	\$21.00	\$	45.90	\$ 220.85
C093 Certificate III in Asset Maintenance (Cleaning Operations)	\$21.00			
C500 Diploma in Tourism (Operations Management)	\$21.00	\$	188.00	\$ 220.85
C502 Certificate I in Tourism (Australian Indigenous Culture)	\$21.00			
E251 Certificate I in Hospitality (Operations)	\$21.00			
E253 Certificate III in Hospitality (Operations)	\$21.00	\$	228.00	\$ 220.85
E255 Certificate I in Hospitality (Kitchen Operations)	\$21.00	\$	153.00	\$ 186.88
E257 Certificate II in Hospitality (Kitchen Operations)	\$21.00	\$	362.00	\$ 198.40
N006 Certificate I in Retail Operations	\$21.00	\$	25.00	\$ 94.08
3664 Certificate I in Pre-Apprentice (Cabinet Making/Furniture)	\$21.00			
3665 Certificate I in Pre-Apprentice (Furniture Family of Trades)	\$21.00	\$	155.50	\$ 220.85
NS11 Certificate I in Solid Plastering	\$21.00			
NS12 Certificate I in Wall and Floor Tiling	\$21.00			
NS13 Certificate I in Bricklaying	\$21.00			
NS15 Certificate I in Wall and Ceiling Fixing	\$21.00			
NS16 Certificate I in Carpentry and Joinery	\$21.00			
NS17 Certificate I in Painting and Decorating	\$21.00			

NS20 Certificate I in Pre-Apprentice Construction (Wet Trades)		\$21.00			
S031 Certificate III in Horticulture		\$21.00	\$ 219.00	\$ 220.85	
S248 Certificate II in Conservation and Land Management		\$21.00	\$ 215.00	\$ 220.85	
S249 Certificate III in Conservation and Land Management		\$21.00	\$ 175.00	\$ 220.85	
			\$ 3,153.80	\$ 5,619.41	
Average Cost			\$ 112.64	\$ 200.69	

Concession	Normal	Total Fees	Total Fees	Text Book Costs	Educational Materials
Total Fees	Tuition Fees	Total Fees	Total Fees	Text Book Costs	Educational Materials
\$ 303.00	\$ 363.00	\$ 474.00	\$ 474.00	\$185.96	
\$ 373.85	\$ 441.70	\$ 594.70	\$ 594.70	\$153.50	
\$ 381.85	\$ 441.70	\$ 602.70	\$ 602.70		
\$ 331.20	\$ 399.30	\$ 519.30	\$ 519.30	\$53.82	
\$ 297.60	\$ 281.15	\$ 477.15	\$ 477.15	\$112.72	
\$ 316.85	\$ 441.70	\$ 537.70	\$ 537.70	\$336.39	
\$ 291.85	\$ 441.70	\$ 512.70	\$ 512.70	\$338.40	
				\$401.03	
\$ 276.85	\$ 435.60	\$ 491.60	\$ 491.60		
\$ 316.85	\$ 441.70	\$ 537.70	\$ 537.70		
\$ 276.85	\$ 423.50	\$ 479.50	\$ 479.50	\$414.97	
\$ 201.00	\$ 302.50	\$ 343.50	\$ 343.50	\$431.50	
\$ 164.00	\$ 242.00	\$ 278.00	\$ 278.00	\$121.30	
N/A	N/A	\$ 56.70	\$ 56.70	\$327.17	
\$ 332.55	\$ 441.70	\$ 553.40	\$ 553.40	\$808.65	
\$ 266.20	\$ 369.05	\$ 440.05	\$ 440.05		
\$ 224.20	\$ 308.55	\$ 369.55	\$ 369.55		
\$ 296.85	\$ 441.70	\$ 517.70	\$ 517.70		
\$ 220.40	\$ 254.10	\$ 340.10	\$ 340.10		
\$ 451.85	\$ 441.70	\$ 672.70	\$ 672.70	\$107.83	
				\$407.23	

\$	460.85	\$	441.70	\$	681.70	\$	161.79						
\$	456.85	\$	441.70	\$	677.70	\$	121.57						
\$	416.85	\$	441.70	\$	637.70								
\$	9,325.51	\$	10,910.54	\$	14,798.34	\$	4,565.93						
\$	333.05	\$	389.66	\$	528.51	\$	268.58	\$	117.11				
								This cost reflects additional					
								course costs such as photocopying					
								Field Trips, Stationery, First Aid Certificates etc					