

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

Submission no: 80

Received: 18/06/2004

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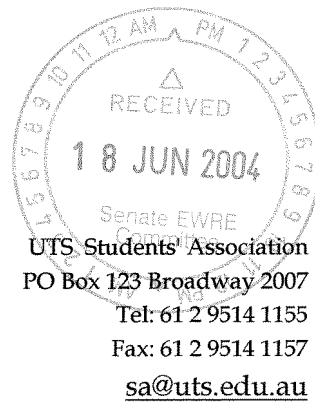
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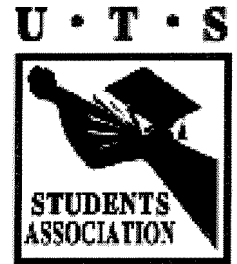
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**The UTS Students' Association Submission to the
Senate Employment, Workplace relations and Education References
Committee**

Inquiry Into Student Income Support

**Authorised by Rebekah Doran
UTS Students' Association President, June, 2004**



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The UTS Students' Association welcomes the discussion of any matters related to this submission.

The Students' Association believes that keeping students in poverty, is a deliberate act and measure, by subsequent governments, to keep university students passive and subject to enforced participation in the pursuit of capital, for their survival. Students are forced into undertaking outside employment, unrelated to their study, and as such, lose their unique status as "students" and become *de facto* workers. The fundamental inadequacies of student support measures, are designed to further exacerbate inequality. Student income measures are a part of a broader political economy in which government priorities are not focussed upon the needs of students, and other financially disadvantaged members of the community, but rather on enhancing outcomes for those who support the neo-liberal state.

The University of Technology Students' Association, in working with a variety of students on a daily basis, witnesses student poverty and the real consequences and symptoms of that poverty. As a response to the Senate Inquiry into Student Income Support, the Students' Association conducted a qualitative study into the specific circumstances of students in financial need. This Submission presents a micro view of their realities, ideas and opinions in relation to the key issues the Senate Inquiry is investigating: current measures for student income support; the effect of these income support measures; and the importance of adequate income support measures. The submission focuses on the inequities and limitations caused by Centrelink and the consequences of government income support policies. This Submission contains both information on undergraduate and postgraduate students.

1. Student Poverty – An Overview

A great number of Australian students are in poverty. Approximately 30% of full time students receive Youth Allowance, 70% of students have to work around two days a week to survive and a third of these frequently miss classes due to work commitments¹. Research conducted by the Equity and Diversity Unit (EDU) at the University of Technology Sydney (UTS) finds similar patterns and effects of poverty².

Recently, the closure of the Student Financial Supplement Scheme placed an additional burden on those students who were relying on the Scheme to complete their studies. Students are forced to pay more every year for course requirements such as textbooks,

¹ 2001 Report Foundation for Young Australians. www.youngaustralians.org

² Report on Student Poverty and Financial Hardship at UTS. August 2003. Equity and Diversity Unit. University of Technology Sydney.

course readers and photocopying. From July, the 8% Educational Textbook Subsidy Scheme will cease, placing yet another financial burden on students.

The levels of Government income support are inadequate for the needs of full time students. In 2004 the Henderson Poverty Line is set at \$245.25 per week³. For a student up to 20 years of age, the maximum fortnightly allowance is the equivalent of the Job Search Allowance (\$ 218.40 pf for under 18, \$241.50 for 18-20). For students aged 21 and over the maximum level of assistance is less than the equivalent Job Search Allowance (\$ 241.50 pf compared with \$286.40 pf). In addition to this, students who receive AUSTUDY are not entitled to Rent Assistance and other benefits available to recipients of the Job Search Allowance.

Research conducted by ACOSS in 2002 revealed that those receiving Youth Allowance and AUSTUDY payments are well below the poverty line, with a single adult student receiving AUSTUDY being 39% below the poverty line and those on Youth Allowance 20% below.⁴

2. Measures For Student Income Support:

2.1 The adequacy of payments: As stated above, the level of income supplied by Youth Allowance, Austudy and Abstudy is inadequate. For students who cannot work extra hours to support themselves, the situation is desperate. The UTS Students Association sees students experiencing difficulties with basic necessities such as food, course costs and accommodation on a daily basis. Furthermore, the level of extra income allowed to be earned before impacting on your received allowance is too low. Currently, this amount is \$116 per week *before* tax and has not been changed for 9 years⁵. It is clear that the Australian government fails to recognise the costs and pressures of full time study. Further, the unbalance and inequity in payment policies are a mystery. For instance, the Students' Association can see no difference between a seventeen year old student at university and an 18 year old. All the same costs apply to them.

2.2 The age of independence: There are strict definitions of independence under the Youth Allowance regulations. Whilst people are considered adults at the age of 18 in almost every facet of life, Centrelink classifies students as dependent on their parents until they are 25 or can prove their independence by meeting strict and often impossible criteria. Students who do not meet the criteria for independence are classified as dependent on their immediate family, regardless of whether or not they received financial support from them. There is no guarantee for students that they will receive financial help from parents if they cannot prove independence and their parents earn over the parental income test threshold. For students with difficult family situations, it is often the case that family members will not co-operate with the Centrelink procedures necessary for students to gain independence status. It is also the reality that not all parents who earn above the means test, have the money to support their children. At UTS, caseworkers see

³ Poverty Line Update April 2004. www.bsl.org.au/pdfs/poverty_line_update_Apr04.pdf

⁴ Below Poverty Line Social Security Payments. July 2004. www.acoss.org.au/info/2001/305x.htm

⁵ Centrelink Information from Centrelink Officer via phone call.

many students whom live at home, but are no means 'dependent' on their parents. Many students pay rent, buy groceries and pay for amenities in situations where their families could not function economically without their help. The Inquiry into Student Income Measures creates an opportunity for the Committee to closely analyse the reality of families with students who experience this and create more flexible policy for payments.

2.3 The ineligibility of Austudy recipients for Rent Assistance:

Students receiving Austudy are ineligible for Rent Assistance. Youth allowance switches over to Austudy when full-time students turn 25, but Centrelink suddenly stops paying rent assistance. No reasonable excuse is offered for this legislation. Centrelink staff call it a legislative glitch. The UTS SA was unable to find a single Centrelink staff member who could explain why this was policy. One staff member reported that 'they have no idea', another said 'that's just the way it is', and another said that 'Youth Allowance provisions changed in 2000 and became blanket payments for all under 25's. This payment supplied rent assistance – Austudy never did'. When questioned further about why Austudy didn't begin paying rent assistance to be inline with Youth Allowance, the Centrelink Officer said 'I don't know'. There seems to be no reason, other than lack of organisation and assessment that Centrelink has failed to initiate the incorporation of Rent Assistance into Austudy payments. The outcome of this has meant further poverty and hardship for students over 25 years.

The Effect of Poverty on Students and Studying.

Ideological underpinnings of income support: The UTS Students' Association also believes that the current income support measures is based on the ideology of "family democracy" that is often not the case, and has a "one-size-fits-all" framework, that fails to take into account the experiences of many students. Queer students, for example, are often punished by families due to their sexuality. It has been the experience of members of the UTS Students' Association Queer Collective, that students have had money withheld, or been forced to leave home, with no current savings, or no guarantee of future income, due to homophobic reactions from family members, due to their sexuality. Some families are far from democratic, and under capitalism, the withholding or withdrawal from students of any form of income, means that they are at real threat of being unable to continue their studies.

Working: Many students are compromising their studies due to the amount of hours they need to work to survive. Students unable to receive Government Support and many with financial responsibilities are studying fewer subjects in order to work more, lengthening the overall time needed to study⁶. Coupled with the time limit for HECS of seven years, the pressures on students are more likely to lead to students dropping out, rather than completion.

⁶ Generation X or Generation Debt? June 2003. <http://www.apesma.asn.au/>

Housing: The cost of student housing in Sydney impacts greatly on students needs to work longer hours. An analysis of current housing costs in the area surrounding UTS' Broadway campus shows an average of \$125 per week per room⁷. This figure exceeds the amount of money that a student on Austudy receives per week. Technically, this means that if a student can earn only \$116 gross each week before they lose their base amount, students are having to survive and pay all other bills and course costs on around \$100 per week. The Government's ongoing support of private housing, with no commitment to public housing, is leaving students at the mercy of increasing rents. In fact, on June 15th, shortly after the land tax and exit duties reforms in NSW, the Sydney Morning Herald found that, "Tenancy services are reporting calls from renters across Sydney who are facing increases."⁸

The UTS Students' Association is concerned that poverty in general, forces students to study in a utilitarian way, in areas that are not of their interest, but that students believe might remove them from the poverty trap when they graduate. The Students' Association believes that all students ought be able to make choices to study in areas that are suitable to them, including in areas not related to working for capital, or to engage in further study as it suits them, and not to be financially penalised for this.

3. Analysis of UTS Student Opinion

A collation and analysis of UTS students feedback, resulting from qualitative open ended surveys and invites to comment via email, show a distinct similarity of experience and opinion. Almost every student participant receiving Government assistance stated they often could not afford basic living necessities and course requirements.

There was also a trend in belief that Centrelink staff lacked adequate training in understanding all policies and legislation relating to payments. This resulted in lack of good and consistent advice, confusion in what was actually needed from them, and the repetitious need for students to supply documents and information to staff. It also resulted in Centrelink staff being unfriendly and impatient, an expected reality from a workplace culture where mistakes constantly happen and clients are unsatisfied.

Another trend in answers was surprisingly frequent. Students claim their forms/documentation are repeatedly lost, and subsequently must be re-supplied before further action can be taken concerning their payments.

The overarching problem seen from student responses was lack of money and the amount of paid work that had to be done in order to survive. During peak times of the study semester, many students indicated their emotion and physical struggle to cope with work and study. As a consequence of their ongoing poverty, students often feel that they have no option but to work in workplaces that are unsafe, have poor occupational health and safety regulations, and where they are poorly paid and exploited. Stealing becomes a

⁷ Numeration provided by Glebe Ray White. 2004.

⁸ <http://www.smh.com.au/articles/2004/06/14/1087065085314.html>

legitimate form of survival when there are few alternatives to sourcing a liveable wage by other means.

4.1 Recommendations

In the student surveys, participants were asked how they felt Centrelink and Government policy could be improved. A variety of responses were recorded, with a particular emphasis on the following:

- More staff at Centrelink Offices with higher levels of training resulting in more student-friendly behaviour and a greater level of willingness to provide accurate and comprehensive information to clients.
- Lower the age of independence to adult students.
- Raise the parent income threshold.
- Make Rent Assistance available to all students.
- Increase student payments to reflect the true cost of student life.
- Reinstate the text book subsidy.
- Ensure Centrelink forms are in a more plain-English format

4. The Effect of Income Support Measures on Postgraduate Students

Postgraduate students at UTS are also subjected to considerable student poverty. Full-time domestic postgraduate coursework students, being unable to access Austudy, beyond those studying in a limited selection of courses, such as some graduate and postgraduate diplomas. In terms of coursework students, most receive no commonwealth income support per se. In fact, they often have to engage in work unrelated to their studies. This means that students are often forced to take longer to complete their degrees, and suffer the dual load of having to study and work. It is essential that Commonwealth support subsidies are provided to all those students engaged in tertiary study, whether undergraduate or postgraduate. Increasing demands of industry for students to engage in further study (“credentialism”) means that students are spending more time at University, undertaking further degrees, and suffering the burden of little or no income, and an increasing dept burden from PELS.

Research students are also subjected to poverty. Many students are not receiving a Commonwealth stipend, and are subjected to the complexities of massive workloads for their research degree (in terms of their own projects), plus pressures on them to undertake other projects to survive financially.

Faculty scholarships have a history of deregulation in the processing of payments. As Faculty Scholarships are held in trust by an individual academic, UTS has had to develop policy to regulate these payments, as there have been situations that arise whereby academics have chosen to withhold payment from a student, or indeed to remove the Scholarship in its entirety (which would constitute unfair dismissal in any other income-regulated workplace).

In terms of further student support, students are exploited as cheap labour for teaching and marking. It would be unlikely that any of these students are unionized in an industrial union, because their status is not seen as a worker. An American paper written by Gordon Lafer, in 2001, "*Organizing Graduate Students*" he describes the working conditions of American graduate students. The disorganisation of research students, and the reduction of opportunities for "real" work in Universities has led to an ongoing underclass within Universities, with research students undertaking up to 80% of research in the Institution for little recognition and barely any pay. The University ultimately exploits the student stipend status and profits immensely from the student's labour. As Lafer states:

*Rather than pursuing the romantic vision of the classroom as an encounter between seasoned scholars and eager young minds, administrators across the country have radically shifted teaching duties away from regular faculty and onto the shoulders of graduate **students** and adjunct instructors. The economic logic of this strategy is simple to grasp: in 1999, an average full professor earned \$71,000 per year, while graduate student teachers earned between \$5,000 and \$20,000. Not surprisingly, the number of tenure-track faculty was cut by 10 percent between 1975-1995—a period during which overall enrolment was expanding significantly—while the number of graduate teaching assistants increased by nearly 40 percent. Nationally, it is estimated that between 50 percent and 70 percent of all teaching hours are now performed by graduate **students** and other "contingent" teachers.*

From: Lafer, Gordon, "Organizing Graduate Students", 2001
in dissentmagazine.org./menutest/sitewide/pamphlet.pdf

Anecdotally, in the experience of casework at UTS, the experience of research students is similar. In the corporate University, academic tenure is less available, a greater number of academics are casualised, Faculties are downsized due to Government policy, and staff:student ratios have increased. Research students, on a minimal (if any) stipend, are left to carry the burden on cheap and exploited labour- unaware of their rights, non-unionised, and in a "master-slave" relationship to their Supervisors. Many of these students have reported, in casework situations, the pressures on them to undertake (unpaid) research for their supervisor's projects, slowing down the completion of their personal Masters or Doctoral project. The student's assistance is then often unacknowledged in their Supervisor's project.

5. Conclusion

The UTS Students' Association believes that income support for University students should be universalized, and increased to measures that are of a liveable wage. Students face disincentives to study, due to their ongoing poverty, and then are forced into working for inadequate wages, in areas either unrelated to their degrees, or in work that is unsafe and deregulated. The Students' Association believes that students should not have to engage in paid work during their studies, but ought be free to focus on their studies. We

encourage the Committee to work to creatively resolve the poverty issues which will be raised in the submissions provided to you.