

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into student income support**

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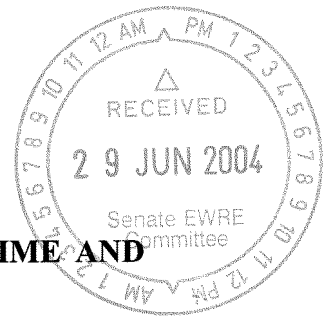
**Inquiry into Student Income support**

From the  
Isolated Children's Parents' Association of  
New South Wales Inc.

**Prepared by Mrs Barbara Luelf – Immediate Past President**

**For and on behalf of NSW Council of ICPA.**

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## **THE LIVING COSTS OF STUDENTS ENROLLED IN FULL – TIME AND PART-TIME COURSES**

The Isolated Children's Parents' Association of NSW (ICPA-NSW) would like to present the following comments for consideration by the Employment, Workplace Relations and Education References Committee as to **the living costs of students from rural and isolated areas enrolled in full time and part time courses**. ICPA cannot speak on behalf of other affected disadvantaged groups.

ICPA-NSW is a completely voluntary parent organization that seeks equality of access and participation in education for students living in rural and remote areas from pre-school through to tertiary level.

The following comments contained in this submission have come from parents and students from these areas who have and are affected by the cost of obtaining tertiary education.

In 2001-2 a survey was conducted by the federal council of the Isolated Children's Parents' Association across Australia seeking comments from members and their children as to the living costs they had to meet when undertaking tertiary studies, whilst living away from home. Copies of this survey and its findings were presented to the Centrelink Students Services Reference Group in August 2002. The findings from this survey are still relevant today and the financial constraints, both on families and the students, have only compounded over the ensuing years due to rising costs and the continuing drought, which is causing many rural students to rethink or at least delay a tertiary education.

### **A. CURRENT MEASURES FOR STUDENT INCOME SUPPORT, INCLUDING YOUTH ALLOWANCE, AUSTUDY AND ABSTUDY, WITH REFERENCE TO:**

#### **(i) The Adequacy Of These Payments**

##### **Youth Allowance**

Youth Allowance for a student living at home in most cases enables the student to have money available for text books, course materials, assist with travel expenses and entertainment or social activities.

##### **❖ Accommodation costs – Living Away from Home**

The costs involved for students can vary significantly but all agree the costs are not met by Youth Allowance + Rent Assistance, particularly when attending Metropolitan universities.

The current Youth Allowance rates -	\$310.10 per fortnight +
Maximum Rent Assistance	\$ 95.40
<b>Maximum Benefits available</b>	<b>\$405.50</b>

A student from a rural or remote area has to live away from home to access their course. This can involve:

- a) Full board within the university complex in a residential college

- b) Self catering within a university college or hostel
- c) Renting or sharing a flat/house and travelling to the university daily

**a) Students with full board** at university colleges pay the highest board – many over \$300 per week (\$600+) per fortnight.

The Maximum Benefits available fall well short of the \$600 full boarding costs, let alone any money available for text books, course materials, union fees, compulsory excursions, personal living costs or entertainment, etc.

**b) A student who has self-catered accommodation** will have cheaper board but many of these students pay \$150pw (i.e.\$300 per fortnight) and then have additional food costs.

**c) Students in shared flats or houses** have the following additional costs.

- o Accommodation bonds
- o Electricity/gas bonds
- o Food costs
- o Electricity/gas/telephone accounts
- o Daily travel costs

Phones for incoming calls are not always available on all college campuses. The majority of students in flats also use mobile phones rather than having to meet another bond to have a fixed phone connected. Mobile costs are much higher for these students and the cost of maintaining contact with home is much harder for cash strapped students.

#### ❖ **Travel Costs – Living Away from Home**

In addition these students have **additional travel costs** as they usually need to have their own transport to be able to visit their family during any university breaks. For isolated students from the far west of the state travelling time by public transport, when available, can involve a full day's travelling and then require a parent to come to the nearest town to collect them (a round trip of 200 km would not be unusual).

#### **The groups that have the greatest costs are;**

- Students who don't have daily access to tertiary education
- Students who live away from home
- Students who don't have public transport

#### **Austudy**

Students in receipt of Austudy are usually mature aged students who have gone on to tertiary study AFTER having been in the workforce for a period of time ie they are over 24 when commencing their course (and are not eligible for YA).

- These students are not eligible for Rent Assistance
- Accumulated savings to help them survive after giving up full time employment may render them ineligible for Austudy assistance.

- A number of these students do not qualify for university entrance on leaving school but are dedicated to pursuing their tertiary education demonstrated by their willingness to give up a full time wage.

**(ii) The Age Of Independence**

- Many students from rural and isolated areas have had to board away from home for their secondary schooling.
- Emotionally they have had to face situations without face-to-face parental help (home is geographically isolated from the secondary school). These students are even more emotionally independent when studying at tertiary level. The pressures of simply surviving, meeting course requirements, living costs, holding down part time jobs, making life style choices by themselves surely qualify students to be classed as INDEPENDENT when living away from home and the support mechanisms available there.
- ICPA-NSW believes rural students from rural and remote areas should be declared independent when beginning tertiary studies if geographically isolated and compelled to live away from home to access any tertiary course on a daily basis.

**ICPA-NSW requests that a student who has lived independently at secondary level or who is from an isolated rural town and has no option but to move away to access tertiary studies on a daily basis should be deemed independent and eligible to apply for and receive the independent Youth Allowance to assist with the cost of living away from home.**

**AND**

**ICPA-NSW suggests the introduction of a means free allowance to assist with the additional costs isolated students face in gaining access to their course of study.**

**(iii) the parental income test threshold, and**

Many isolated rural families are still supporting other children through secondary schooling when the first child enters tertiary study. The income earned by the family affects the level of Youth Allowance payable to the student unless the student has gained independent status. The only assistance available for a student going direct to university from school is if the parental income is so low they pass the required income test.

In the event of the parents' income being so low that they do pass the income test they would not be in a position to financially help and support their child through the first few weeks of university. A student going straight from school to university is unable to find money to pay for accommodation and/or bond, course material, food, vehicle and travel money etc. without financial help.

**(iv) the ineligibility of Austudy recipients for rent assistance;**

Austudy recipients are in most cases mature aged students who are entering university for the first time. Many of these students have worked hard to have saved money to support themselves through their tertiary studies.

These students will be older on graduation and before they will be back in a savings position.

They should not be penalised and should be entitled to the same level of support as students accessing university studies under Youth Allowance criteria.

**B. THE EFFECT OF THESE INCOME SUPPORT MEASURES ON STUDENTS AND THEIR FAMILIES, WITH REFERENCE TO:**

**(i) the increasing costs of higher education,**

These payments do not meet the full cost of living away from home for students. It must be acknowledged that many isolated rural students come from lower socio-economic backgrounds (compounded by this devastating drought, which still continues in much of rural NSW). This coupled with the very high additional costs of attending university for rural and isolated students is making tertiary education beyond the reach of many students.

As stated above Youth Allowance, when a student is eligible, does NOT cover living away from home costs, let alone the course costs and requirements such as text books and compulsory excursions.

HECS is, in the majority of cases, deferred as there is no way students have money to pay upfront, even considering the attractive 25% discount. Parents are also not in a position to assist their children by assisting with HECS fees especially if they still have younger children in secondary and primary education. The long reaching effects of this current devastating drought will have a substantial impact for the majority of rural families for many years.

The rise in course costs in 2004 is already putting many courses beyond the reach of students. ICPA-NSW applauds those universities that have attempted to hold course costs for 2004.

Students accessing Austudy are usually from low socio-economic areas – have tried to save money to enable them to attend. These students if not eligible for Youth Allowance expend their life savings in endeavouring to complete their courses.

Not many mature aged students choose the high cost/longer courses such as medicine, partly due to the cost factor and also the length of time out of the workforce. Those who do are to be applauded for the huge financial, emotional costs

ICPA-NSW welcomes the provision of the Australian Government's Learning Scholarships and Accommodation Scholarships that commenced in 2004. These scholarships are to be awarded by the Higher Education Providers (HEPs) to eligible, enrolled students.

Some students have received Youth Allowance in 2004 as their parents have been in receipt of income support, while drought declared, under the Exceptional Circumstances provisions. Once this income support ends these students will not be eligible for Youth allowance in many cases (parents are subject to Family Actual Means Test, income testing and assets testing) and their eligibility for one of the Australian Government's Learning Scholarships or Accommodation Scholarships may end.

ICPA-NSW believes that all isolated rural students should be eligible to apply NOT just those eligible for Youth Allowance.

Previous scholarships, meeting HECS, have been linked to Austudy or Youth Allowance recipients. ICPA urges the Minister to request HEPs to give equal consideration to students, not in receipt of a social security payment, in the awarding of these scholarships. A student going straight to university from school is currently not eligible for independent Youth Allowance.

Higher education costs are increasing each year and more students from rural areas are finding it extremely difficult to take up this option.

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

A survey conducted by ICPA in 2001 found that many students were working 20+ hours to support themselves.

- Students find it difficult to find part time **work that fits around their uni timetable.**
- **Some employers are very inflexible** and will not employ students from rural areas because they will not be available during the major public holiday period. A number of these students were in danger of losing their part time jobs if they elected to go home to see their families during breaks such as Easter and Christmas. This was putting an enormous emotional strain on these students.
- Jobs that are available for many students are the '**after hours**' such as bar work – at weekends going through to 3-4am, washing dishes, stacking shelves in supermarkets late at night.
- Some students find that unless they are prepared to take on **additional hours** they can lose their position.
- Students who are working 20+ hours often find that their course suffers and one or more subjects have to be repeated, thus raising their HECS debt.
- Many rural students have been unable to obtain holiday work, close to home, during the long Christmas vacation – a time when students usually were able to build up their resources ready for the following year of study. This has caused some students to undertake more work on a weekly basis during term time to keep up with their financial commitments.

**C. THE IMPORTANCE OF ADEQUATE INCOME SUPPORT MEASURES IN ACHIEVING EQUITABLE ACCESS TO EDUCATION, WITH REFERENCE TO:**

**(i) students from disadvantaged backgrounds,**

It is vitally important that there be adequate income support available for students from rural and isolated areas to enable them to achieve equitable access to education. This group of students have been shown to have additional costs in accessing their education.

Costs these students face:

- Accommodation
- Food
- Travel to point of study
- Power/gas/fuel
- Telephone (usually mobile – many do not have access to a fixed phone service)
- Cleaning costs
- Bonds
- Lack of emotional support
- Good grades sacrificed through having to hold down a part time job
- In deferring HECS – students finish their course with a huge HECS debt

Any comparison of students should be done using the following groupings;

- \* Living away from home v's living at home.
- \* Rural campuses v's Urban campuses.
- \* Living on campus v's living off campus.

**Regional Universities**

Accommodation costs are usually cheaper. There are however other problems that students have to face.

- **Public transport** is **mostly non existent** for rural students – (some universities run their own bus financed through student union contributions)
- **Fuel prices** are much **higher** in rural areas
- Sporting activities are conducted over a greater area and students travel by car to participate.
- Practical activities or work experience often involve **greater distances** for rural students than those attending metropolitan universities.
- Some residential colleges **do not have public phones** – mobile phones are used incurring higher costs
- **Cost of internet access**, especially in off campus rural areas is more difficult and expensive.
- **Less part time work opportunities** because of higher ratio of students to total population in rural areas
- Type of work available to students often interferes with study – bar work



(ii) **improving access to education;**

As mentioned above ICPA-NSW welcomes the provision of the Commonwealth Learning Scholarships and Accommodation Scholarships.

**(D) ALTERNATIVE STUDENT INCOME SUPPORT MEASURES.**

Other measures ICPA-NSW recommends

- **Students from rural and isolated areas declared independent** to enable them to receive independent Youth Allowance when they have to live away from home to access tertiary training. A student going straight on to tertiary training is not eligible for independent Youth Allowance for 18 months after leaving school (other conditions apply)
- **Raising the income threshold** – the amount a student can earn before their Youth Allowance is affected. Some better paying part time jobs cannot be taken as higher income earned affects the amount of Youth Allowance a student receives. This has not increased in over ten years.
- **Introduction of a means free tertiary allowance** for students from rural and isolated areas – similar to the AIC boarding allowance but including students from isolated rural towns (not eligible for AIC because a government school was located within that town). These students do not have access to tertiary training within their local community or area and all must board away from home to access a tertiary institution.
- **Raise rent assistance**
- **Raise Youth Allowance for students who live away from home**
- Allow income averaging over the full year for part time jobs
- Pay a travel component to students who live further than X kms from their tertiary institution.

**CONCLUSION:**

- The **costs** for a student boarding away from home to access tertiary training far **exceeds the current Living Away from Home rate of Youth Allowance, including Rent Assistance** which is minimal when compared to the cost of rent and accommodation students pay.
- Students living at home have many basic living costs covered in the family budget
- Students living at home do not in many cases have to work during the term to cover basic living expenses and if in receipt of Youth Allowance can use that to meet course costs.
- Students from rural and isolated areas in many cases are **struggling to basically survive** – they do not have money for entertainment or socialising activities
- **Financial stress caused** by trying to meet basic commitments and work commitments have an effect on student's performance and emotional stability at times.
- Students away from home **do not have the emotional support** that a student living at home takes for granted.
- **Students from rural and remote areas are living independently** (but are not considered independent by the government until 18 months after leaving

school) of their families – physically, emotionally and financially. They do not ask for assistance from home (particularly if other siblings are still at school or if family is in financial difficulty due to the drought). Trying to make ends meet takes its toll in many cases – drop out rate, depression, failure of subjects, emotional problems etc.

**FACT:** the greater the distance a student lives from the higher education institution they attend, the greater the living costs.

**FACT:** lower socio-economic groups take fewer places at Universities.

**FACT:** isolated students have higher HECS debts at the end of their degrees.

**FACT:** lower socio-economic groups who attend University are older ( probably been saving money to get there in the first place).

**FACT:** lower socio-economic groups take shorter degrees (fear of HECS debt?)

ICPA-NSW recommends to this inquiry that recognition be given to the additional problems faced by geographically isolated students from rural and remote areas who do not have daily access to tertiary facilities and appropriate allowances be provided to allow them to access these facilities.

It is vitally important that the level of participation of students from this disadvantaged group be encouraged and assisted in continuing their education. The future viability of rural and remote areas will be detrimentally affected if students from these areas are not encouraged and assisted to participate in higher education.

ICPA-NSW looks forward to the recommendations resulting from this inquiry and is willing to speak to this submission if required.