FINANCIAL ISSUES FOR TERTIARY STUDENTS

An Issues Paper for QUT Staff
Prepared by
QUT Counselling Services

October 2003
1. Introduction

Tertiary students frequently report a range of financial difficulties that impact on their University studies. Many students face difficulties in accessing and attempting to live within the government income support arrangements administered by Centrelink. Comprehensive research undertaken by the Australian Vice-Chancellors’ Committee in 2000 (Paying Their Way) shows that more students are finding it a necessity to gain paid employment to meet day to day living costs, with a subsequent impact on their ability to focus on study commitments.

This paper seeks to highlight some of those issues and to present some basic facts about who is eligible for government assistance, how much Centrelink provides to students and the estimated living costs associated with attending a tertiary institution.

2. Who is eligible for Centrelink Assistance?

**Types of Student Assistance Payments**

The primary Centrelink payments available to students are:

- Youth Allowance (for students up to the age of 25)
- Austudy (for students over 25)
- Pensioner Education Supplement (for students in receipt of another Centrelink payment such as Parenting Payment or Disability Support Pension)
- Newstart (for students over 21 who are studying part time)
- Rent Assistance (payable to students in receipt of Centrelink payment other than Austudy).

Eligibility for Centrelink benefits is assessed on a range of factors including parental or partner income and assets, personal income and assets, age, the type of study, prior study and whether the study is full-time.

Students commonly report that they are ineligible for Centrelink assistance despite a lack of means of support. Students who do receive Centrelink payments report that they are unable to meet all of their living expenses.

**Parental Income Test**

For students under 25 years of age, eligibility for Youth Allowance will generally be based on the combined income of their parents, as it is Centrelink’s policy to assume that a student will be dependant on parental support until they reach 25 years.
It should be noted that the parental income test takes into account:

- Parents’ combined taxable income
- Any child support payments received
- The value of employee fringe benefits
- Income from Overseas
- Business losses
- “Actual Means” based on annual expenditure, in the case of parents who are self employed or in related categories.

In 2003, the maximum rate of Youth Allowance (approximately $310 per fortnight for students living away from home and $204 for students living at home) is only paid to a student if that person’s parental income is equal to or less than $27,400 (gross) per annum. If there are other dependants than the threshold increases as follows:

- $1230 for first dependant child under 16 years
- $2562 for each additional dependant child under 16 years
- $3792 for each dependant child aged between 16-24 years in full-time study
- $3792 for each dependant child aged between 16-20 years and seeking employment or
- $7585 for a tertiary student receiving living away home rate of Youth Allowance where there are two such children in the family.

Once the applicable parental income threshold is calculated, the rate of Youth Allowance paid to a student reduces by $1 for every $4 over the threshold. Only students with parental income at or below the threshold will receive the maximum rate of Youth Allowance.

To illustrate the working of the ‘sliding scale’ of reduction above the threshold, a student living away from home, where there are no other dependent siblings in the family, whose parental income is $49,400 would receive $98 per fortnight (a figure that is also subject to the personal income test). Youth Allowance would cut out completely if the combined parental income exceeds approximately $59,650.

For a student (18 years and over) living at home, where there are no other dependant children, Youth Allowance cuts out completely if their combined parental income is greater than approximately $48,637 per annum.

It should be noted that if a student’s parents are divorced and the parent with primary care responsibility re-partners, then the parental income will be based on the income of the parent and his or her partner. This is irrespective of the age of the student. Therefore a person who forms a relationship with a person, who has a 19 year old student, could be deemed financially responsible for that student even though they may have only been together since that young person turned 18 years of age, and had never assumed a parenting role.

It is often commonly assumed that those students who receive Centrelink benefits are among the most financially disadvantaged groups on campus. However, those families whose incomes just exceed the cut-off points are more likely to experience a greater financial burden.
Example
A student whose family lived in rural Queensland and had one other dependant child under 16 years would not be eligible for any income support if his parents earned more than $60,880 (gross) per annum. Due to the geographical location of the family home, the student needs to obtain independent accommodation (share housing, board, college accommodation) and meet all other living costs. It is estimated that the cost of supporting a tertiary student living away from home costs between $12,000-$20,000 per year, dependant on the type of accommodation. Unless the parents’ circumstances change, or the student becomes eligible for Independent rate, the student’s dependence will continue until he reaches 25.

Similarly those students who are not eligible for Centrelink benefits due to their parental income but whose parents are unable or unwilling to financially support them have no other options but to work to support themselves.

Students who are deemed to be dependant on parental income and receive the dependant rate of Youth Allowance will also be subject to the fortnightly personal income test.

Students who satisfy the independence criteria for Youth Allowance will be assessed only on the personal income and assets test, and the partner income and assets test if applicable. Similarly, students on Austudy (over 25s) will be subject to the personal and partner income tests.

Student Income Test

A student must earn less than $236 per fortnight or $6,136 gross per annum to receive the maximum amount of Youth Allowance or Austudy. Fortnightly income between $236 and $316 reduces the fortnightly Centrelink allowance by 50 cents in the dollar. Income above $316 reduces the Centrelink Allowance by 70 cents for every dollar earned.

In order to accommodate different working patterns, an ‘income bank’ operates so as not to disadvantage students who work more hours but in short blocks of time, for example during semester breaks. Any amount of the personal income threshold of $236 which is not earned in a fortnight ‘banks up’, so that a student can earn a greater amount in a later period without their Centrelink allowance being affected.

For students who are eligible to receive Youth Allowance while undertaking less than a full-time workload, a lower personal income test applies, and there is no income bank.

Students report that in order to optimise the use of their time, they limit their hours of part-time work to around 8 hours per week. This enables them to maintain the maximum level of Centrelink payment, while at the same time ensuring they are using their time effectively for study purposes.
Table A

<table>
<thead>
<tr>
<th>Student’s Situation</th>
<th>For Full Allowance</th>
<th>Allowance cuts out at:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, aged 18 or over, at home</td>
<td>up to $236</td>
<td>$550.57</td>
</tr>
<tr>
<td>Single or partnered, away from home</td>
<td>up to $236</td>
<td>$701.86</td>
</tr>
<tr>
<td>Partnered, with dependants</td>
<td>up to $236</td>
<td>$745.43 (may be higher if also eligible for Rent Assistance)</td>
</tr>
<tr>
<td>Single, with dependants</td>
<td>up to $236</td>
<td>$839.43 (may be higher if also eligible for Rent Assistance)</td>
</tr>
</tbody>
</table>

**Partner Income Test**

Where a student has a partner (defacto or spouse) their partner’s income will be taken into account in determining their eligibility for Youth Allowance or Austudy. For a couple without children, the student will only receive the maximum rate if their partner earns less than $19,381 per annum. This has become a significant issue for couples where both partners have been tertiary students; however one of the students finishes their studies and obtains employment while their partner is still completing their degree. The student still studying will have their Austudy payments discontinued on the basis that their partner earns over $19,381 per annum. It is also an issue that affects the ability of a member of a couple to make an independent and autonomous decision to undertake tertiary studies.

**Independent Rate of Youth Allowance**

For those students who are deemed independent, parental income will not be taken into account in determining their rates of payment. However, Centrelink intends the presumption of dependence on parental income until the age of 25 to be strictly applied and therefore approves ‘independence’ in narrow circumstances. To be deemed independent students must satisfy the following criteria:

They are aged 16 or over and:

- have been out of school at least 18 months and earned at least $15,990 in an 18 month period before lodging a claim (this amount is 75 per cent of the Commonwealth Training Wage and will vary depending on the years in which the income was earned); or

- have worked to support themselves 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).

You are also considered independent if you are aged 15-24 and:

• are above school leaving age in your state or territory; and
• are a refugee, an orphan or it is unreasonable for you to live at home; or
• are in state care, or only stopped being in state care because of your age;
• have, or have had a dependent child;
• are or have been, married, including living in a marriage-like relationship for 12 months or more, or six months (in special circumstances);
• have parents who cannot exercise their responsibilities (for example are in gaol or hospitalised)

Students who do not qualify for Youth Allowance due to parental income, or who qualify only for a small amount of assistance commonly 'aspire' to being able to prove their independence at some stage in their studies. It is not uncommon to hear students refer to pressures being brought to bear in their relationship with parents, as financial dependence creates tension and conflict, at a time in life when parents and young people are typically wishing to negotiate new, ‘adult to adult’ relations.

**Pensioner Education Supplement**

The Pensioner Education Supplement is a payment of $30 or $60 per fortnight (depending on the student’s academic workload) for students who are in receipt of a Centrelink payment such as Parenting Payment (Single) or Disability Support Pension. At the time of writing, the Government’s proposal to limit the payment of PES to semester periods only, rather than paid over the entire year, has been dropped.

**Rent Assistance**

Rent Assistance is not subject to income testing. The rates of Rent Assistance are calculated on the basis of how much rent is paid, and whether it is in a single or share situation. Rates vary from $62 to $93 per fortnight. It is only payable to people already in receipt of a Centrelink payment, except for Austudy which does not attract eligibility for Rent Assistance despite being the same rate as the maximum Youth Allowance.
3. How much Youth Allowance/ Austudy/ Rent Assistance do students receive?

**Youth Allowance**

The maximum rates of Youth Allowance are as follows:

Single no children
- Under 18, at home.............................................. $169.70/fn ($4,412 p.a)
- Under 18, away from home.............................. $310.10/fn ($8,062.60 p.a)
- 18 years and over, away from home............ $310.10/fn ($8,062.60 p.a)
- 18 years and over, at home......................... $204.20/fn ($5,309.20 p.a)

Single with children............................................. $406.40/fn ($10,566.40 p.a)
Partnered no children........................................... $310.10/fn ($8,062.60 p.a)
Partnered with children..................................... $340.60/fn ($8,855.60 p.a)

_N.B young people who are not deemed independent for YA purposes must be assessed to receive the away from home rate. A student who lives away from home for reasons which are not approved by Centrelink, will remain subject to the at-home test and rates of payment._

**Rent Assistance**

Students in receipt of Youth Allowance assessed as eligible for the living away from home rate are also eligible for rent assistance.

<table>
<thead>
<tr>
<th>Family Situation</th>
<th>Maximum payment per fortnight</th>
<th>No payment if rent is less than</th>
<th>Maximum payment if rent is more than</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, no children</td>
<td>$93.20</td>
<td>$82.80</td>
<td>$207.07</td>
</tr>
<tr>
<td>Single, no children, sharer</td>
<td>$62.13</td>
<td>$82.80</td>
<td>$165.64</td>
</tr>
<tr>
<td>Couple, no children</td>
<td>$88.00</td>
<td>$134.80</td>
<td>$252.13</td>
</tr>
<tr>
<td>One of a couple who are separated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>due to illness, no children*</td>
<td>$93.20</td>
<td>$82.80</td>
<td>$207.07</td>
</tr>
<tr>
<td>One of a couple who are temporarily separated, no children</td>
<td>$88.00</td>
<td>$82.80</td>
<td>$200.13</td>
</tr>
</tbody>
</table>

**Austudy**

The maximum rates of Austudy are as follows:

Single................................................................. $310.10/fn ($8,062.60 p.a)
Single, with children......................................... $406.40/fn ($10,562.20 p.a)
Partnered, with children.................................... $340.60/fn ($8,855.60 p.a)
Partnered, no children....................................... $310.10/fn ($8,062.60 p.a)
It should be noted that people who are unemployed receive more financial assistance on Newstart than a student on Youth Allowance or Austudy. A single person over 21 years will receive approximately $380.10 per fortnight plus rent assistance. This is $70 more per fortnight than for full-time students.

**Financial Supplement Loan Scheme**

The Financial Supplement Loan scheme is available to students on Youth Allowance, Austudy, Abstudy or the Pensioner Education Supplement. It is designed to supplement a student's income to assist them to meet everyday living expenses. Each year eligible students can trade in up to $3,500 of their Centrelink payments for a loan of up to $7,000. The loan amount is paid in instalments spread across the year. A small category of students not eligible for income support because of the parental means test, can receive a supplement loan of $2000 under a more liberal means test.

The supplement loan is interest free, but linked to the Consumer price Index (CPI). The scheme is similar to HECS in that repayments commence compulsorily through the tax system once the student's income reaches the minimum threshold ($34,494 in the 2002/2003 financial year).

Students identify the supplement loan as an expensive way to access funds, as the ‘trade-in’ mechanism effectively means giving up money they would otherwise receive as a grant. Nevertheless, it has been a common option especially for students who have been unable to find part-time work, students whose contact hours or full time practical placements making working part-time difficult, or students who do not have a guarantor for student/personal loans from commercial lenders.

Approximately 5.2% of students on Youth Allowance or Austudy receive the student financial supplement loan scheme. However, at the time of writing, the Federal Government has proposed legislation which would scrap the Supplement Loan. The Opposition has indicated that it is not in favour of the abolition. It is however supported by the National Union of Students (NUS), as the Supplement Loan is seen as an expensive trap for students unable to access other means of support. It is a vexed issue, as it is nevertheless clear that many students rely on the supplement loan because the rates of Centrelink payment are not adequate to meet living expenses.

It could be expected that the abolition of the Supplement Loan, will result in more pressures being placed upon University loan schemes.

**Waiting periods**

Centrelink policy expects that people commencing studies should utilise their own resources for some time before Centrelink payments will commence. For example, a ‘liquid assets’ test is applied which takes into account cash savings and readily realisable investments such as shares. Depending on the amount of liquid assets, and other factors such as estimated educational expenses, the maximum waiting period is 13 weeks. The application of the waiting periods can cause hardship for students who are not advised of this prior to making plans to commence study.
Students who are commencing study after a period of full-time employment may also be subject to a waiting period based on any employment related leave entitlements.

**Impact of Scholarships on Centrelink payments**

Different groups within the university environment make efforts to assist students from low-socio economic groups through schemes such as scholarships and bursaries. One of the issues to take into account when formatting such schemes, is to consider the impact of the assistance on the student’s Centrelink benefit. This consideration is important if the intention of the scheme is to supplement rather than substitute the Centrelink payment. It arises as an issue because Centrelink uses a very broad definition of ‘income’ in its calculation of the fortnightly rate of Youth Allowance or Austudy. Students on the Independent or Dependent rate of Youth Allowance, students on Austudy and students in receipt of the Pensioner Education Supplement will have their fortnightly rate of pay affected by income over a certain threshold. The threshold varies from approximately $60 to $142 per fortnight depending on the type of payment and whether the student is full time or part time.

Centrelink’s definition of ‘income’ from the Social Security Act is “an income amount earned, derived or received” (section 8). Some income is specifically excluded, such as ‘approved scholarships’. Approved scholarships however, are defined as scholarships awarded from outside Australia. Scholarships provided within Australia will generally be counted as income. Scholarships in the way of direct payment to students (for example for living expenses), or indirectly (for example the supply of assistance in the form of computers), or for payment of fees, are currently treated by Centrelink as income. Support in the form of reimbursement of ‘out of pocket’ expenses such as travel and photocopying would not be counted as income.

In some cases, the scholarship might be classed as an exempt lump sum. The Act then goes on to list the exceptions to the broad, catch-all definition of income. Scholarships of a particular kind are listed as exemptions – these are defined by their characteristics rather than by nominated lump sum types. Exempt lump sums would be payments that are: unlikely to be repeated, and cannot be reasonably expected to be received or necessarily anticipated, and do not represent receipt of money for services rendered directly or indirectly. They include items like one-off gifts, irrespective of the source of the gifts, if they are not of a periodical nature or representing a form of continuous support, and windfall gains such as lottery winnings, the distribution of capital from a legacy or inheritance, or prizes/awards.

Exempt lump sums would be determined by Centrelink on a case by case basis. Certainly, there have been many disappointed scholarship holders and providers who had hoped that through the scholarship, a student may be able to focus entirely on study, for example, and not have to work to support themselves. Rather, the broad definition of income means that the support for the student simply shifts from the Government to the scholarship provider. Students who prefer to combine their studies with part time work,
for example to ensure that they graduate with proven work experience, are particularly affected. Full time students can earn up to $6000 per year before their Youth Allowance is reduced, which is a generous threshold compared to other Centrelink recipients. Those students who receive a scholarship which is counted as income, report feeling frustrated that the available income threshold is ‘taken up’ by the scholarship. This creates a sense of a ‘poverty cap’ which students identify as being ‘anti-achievement’ and not rewarding effort.

The consequence of having a scholarship counted as income is that the fortnightly rate of Youth Allowance or Austudy will be affected. If the scholarship is received as a lump sum, it does not just affect the fortnight in which it was received. The amount is apportioned over a 12 month period as if earned over that length of time and applied to each fortnight’s rate of payment.

At the time of writing, considerable attention has been paid to the status of fee based equity scholarships in the higher fee paying environment proposed by the Government in the Nelson Review. Some success has been signaled in the negotiation of such scholarships to be ‘exempt income’ for Centrelink purposes. Attention to this kind of practical detail ensures that efforts which are made to assist students with one hand, are not neutralised by negative flow-on effects by the other. With specific legislative exemption, these types of scholarships will provide a material benefit to students without comprising their other choices such as part time work. It appears that other scholarships, however, such as for assistance with living expenses, will continue to affect rates of Youth Allowance and Austudy. In designing these other types of scholarships the question still remains how to provide real assistance and maximise the intended benefit.

The amounts that students can earn before the rate of Youth Allowance or Austudy are affected, is set out in Table 1.

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### Example

A student who is on the Independent rate of Austudy wins a Scholarship for needy students who show academic promise from a Mining Industry Foundation. The scholarship was paid in a lump sum of $10,000. The student would like to pay HECS upfront in order to minimise her HECS debt and get the discount. She would also like to purchase a computer and printer. She has to reconsider these plans when Centrelink assesses the scholarship money as income, and apportions the lump sum as if received over 52 weeks at $384 per fortnight. The effect of the apportionment mechanism is that student’s fortnightly rate of YA is reduced from $310 to $222.
4. **How much does a student spend on living and educational expenses?**

The survey of Australian Undergraduate University Student Finances, 2000 prepared for the Australian Vice-Chancellors' Committee, *Paying Their Way*, provides some indications of how much it costs for living and educational expenses to be a University student. The study includes a survey of student's income and expenditure.¹

The survey found that “all students exceed average income by 21% and for full-time students the deficit is 42%”. The mean costs provided as levels of expenditure by full-time students were as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Amount expended ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Food and household supplies</td>
<td>$1362 p.a or $26.19/week</td>
</tr>
<tr>
<td>*Housing Costs</td>
<td>$2365 p.a or $45.48/week</td>
</tr>
<tr>
<td>Medical costs</td>
<td>$1 74 p.a or $ 3.35/week</td>
</tr>
<tr>
<td>Transport costs</td>
<td>$2758 p.a or $53.03/week</td>
</tr>
<tr>
<td>Personal costs</td>
<td>$4097 p.a or $78.78/week</td>
</tr>
<tr>
<td>Education costs</td>
<td>$ 307 p.a or $ 5.90/week</td>
</tr>
<tr>
<td>Loan repayment and interest</td>
<td>$ 421 p.a or $ 8.10/week</td>
</tr>
<tr>
<td>Other costs</td>
<td>$  28 p.a or $ 0.54/week</td>
</tr>
<tr>
<td>Course related costs</td>
<td>$1230 p.a or $23.65/week</td>
</tr>
<tr>
<td>House set up costs</td>
<td>$ 221 p.a or $ 4.25/week</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$12,963 p.a or $249.27/week</strong></td>
</tr>
</tbody>
</table>

- **N.B Figures are the average expenditure for a student and it should be noted that 53% of students living with family and relatives indicated that they received non cash assistance by way of meals provided and 48% received free accommodation. A student who is unable to live at home would therefore likely have greater expenses than listed above.**

A further study has been undertaken by the University of Melbourne which compares costs dependant on the type of accommodation in which the student resides².

**Table 1: Home, Homestay & Colleges**

### Type of Accommodation

<table>
<thead>
<tr>
<th></th>
<th>Living at Home</th>
<th>Homestay (Living with a local family)</th>
<th>Residential Colleges</th>
</tr>
</thead>
</table>

#### ESTABLISHMENT COSTS ($)

<table>
<thead>
<tr>
<th></th>
<th>Bond</th>
<th>Rent in Advance</th>
<th>Telephone Connection</th>
<th>General Establishment Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

#### TOTAL

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

#### ANNUAL COSTS ($)

- **Amenities & Services Fee (fulltime)**
  - 360
  - 360
  - 360

- **Transport Concession Card #**
  - 77
  - 77
  - 77

- **Books, Stationery, Photocopying etc.**
  - 600
  - 600
  - 600

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### Financial Issues for Tertiary Students: Issues Paper

**College - Average additional fees**

<table>
<thead>
<tr>
<th></th>
<th>700</th>
</tr>
</thead>
</table>

**TOTAL**

|          | 1,037 | 1,037 | 1,737 |

*NB. Annual Costs assumes HECS is deferred and no course fees are payable.*

### WEEKLY COSTS ($)

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent/Board</td>
<td>50</td>
<td>190</td>
<td>340</td>
</tr>
<tr>
<td>Household Kitty/Contribution</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Food: lunch &amp; drinks Mon-Fri</td>
<td>30</td>
<td>20</td>
<td>30</td>
</tr>
<tr>
<td>Bills: gas, electricity, telephone etc</td>
<td>n/a</td>
<td>n/a*</td>
<td>n/a*</td>
</tr>
<tr>
<td>Travel - Public transport/fuel</td>
<td>12**</td>
<td>12**</td>
<td>5</td>
</tr>
<tr>
<td>Spending Money</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

**Average Weekly Costs**

|          | 132   | 262   | 415   |

**TOTAL WEEKLY COSTS FOR 1 YR**

<table>
<thead>
<tr>
<th></th>
<th>6,864</th>
<th>10,960***</th>
<th>14,080***</th>
</tr>
</thead>
<tbody>
<tr>
<td>(32 wks accom)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ANNUAL TOTAL**

|          | 7,901 | 11,997   | 15,817   |

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Page 12
Table 2: Private rental market

### Type of Rental Property

<table>
<thead>
<tr>
<th>Sharing a Rented House with 2 Others</th>
<th>Apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner Suburb - within 6 kms (Zone 1, public transport)</td>
<td>Close to University - within walking distance</td>
</tr>
<tr>
<td>One bedroom - Single (not shared)</td>
<td>One bedroom - Twin share (2 beds/room)</td>
</tr>
</tbody>
</table>

#### ESTABLISHMENT COSTS ($)

<table>
<thead>
<tr>
<th>Bond</th>
<th>412</th>
<th>477</th>
<th>866</th>
<th>585</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent in Advance</td>
<td>412</td>
<td>477</td>
<td>866</td>
<td>585</td>
</tr>
<tr>
<td>Telephone Connection</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>General Establishment Costs</td>
<td>600</td>
<td>600</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

**TOTAL**

| 1,504 | 1,634 | 2,112 | 1,550 |

#### ANNUAL COSTS ($)

| Amenities & Services Fee (fulltime) |  |  |  |  |
Transport Concession Card#

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>77</td>
<td>77</td>
<td>77</td>
<td>77</td>
</tr>
</tbody>
</table>

Books, stationery, photocopying etc.

<p>| | | | | |</p>
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<thead>
<tr>
<th></th>
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<td>600</td>
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**TOTAL**

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<td>1,037</td>
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NB. Annual Costs assumes HECS is deferred and no course fees are payable

**WEEKLY COSTS ($)**

**Rent**

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<td></td>
<td>95</td>
<td>110</td>
<td>200</td>
<td>135</td>
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**Household Kitty/Contribution**

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<td>40**</td>
<td>50</td>
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**Lunch & drinks Mon-Fri**

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**Bills: gas, electricity, telephone etc**

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<td>25**</td>
<td>30</td>
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**Travel - Public transport/fuel**

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<td>12*</td>
<td>5</td>
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### Spending Money

40  
40  
40  
40

### Average Weekly Costs

242  
265  
345  
280

### TOTAL WEEKLY COSTS FOR 1 YR

12,584  
13,780  
17,940  
14,560

### ANNUAL TOTAL

15,125  
16,451  
21,089  
17,147

*NB. For those who are not first yr students and are already established in accommodation, costs will be lower (deduct the establishment costs from the above totals).*

### Estimate if already settled in accomm.

13,621  
14,817  
18,977  
15,597
This study found that it costs approximately:
- $7,901 per year to live at home,
- $11,997 per year to live in homestay accommodation,
- $15,125 to share a rented house with two others in the inner suburbs,
- $15,817 to live in a residential college,
- $16,451 to share a rented house with two others within walking distance of the University,
- $17,147 to share a one bedroom apartment, and $21,089 to live alone in a one bedroom apartment.

It should be noted that a student on the full level of Austudy would receive only $8,062.60 per annum and that the amount of this income over the tax-free threshold ($6000) is taxable. A student receiving the maximum amount of Youth Allowance and the maximum amount of rent assistance would receive $10,485.80.

A student on the full amount of Austudy and earning the maximum amount from part-time employment ($236 per fortnight) without reducing their Austudy payments could receive $14,198.60 per annum. However it should be noted that this figure is gross not net and that tax rates will apply to all earnings over $6,000. Based on the normal tax rates of 17 cents for each $1 over $6,000 the net income would be $12,804.90.

If that student were living away from home, under 25 years and on Youth Allowance and also in receipt of the average rent assistance of $50 per fortnight or $1,300 per annum, their total gross income would be $15,498.60. However after tax the net amount they could expect to receive would be $13,883.90.

The comparison of these income figures with the cost, as outlined in the Melbourne study, of, for example $16,451 to share a rented house with two others within walking distance of the University, should be emphasised.
5. Conclusion

Tertiary students currently face significant financial hardships while attempting to complete their studies at University.

A recent study by the Centre for Population and Urban Research at Monash University found that in 2001 only 21% of full-time students under the age of 19 received the Youth Allowance. This is down from 33% in 1998. However, a further report released in 2001 from the National Centre for Social and Economic Modelling has found that there has been a four fold increase in the proportion of people over 30 years of age who applied for Austudy in the period 1997-1998.

This trend may be reflective of a growing demand for lifelong learning among older Australians; however it more than likely to be indicative of the fact that a single full-time student over 25 years is more likely to be eligible for some assistance in the form of Austudy, than a dependant student under 25 years (whose eligibility for Youth Allowance will be determined by parental income). For reasons such as these, fewer students are moving directly from secondary school to a tertiary institution. In the ten year period from 1991-2001 there was a 30% increase in student enrolment in higher education however, only 6% of those enrolments were post secondary school students.

Significant challenges lie ahead if diversity, representation and retention are to be achieved in a changed tertiary environment.

This issue paper relates to information which is current at October 2003. It is intended as a guide for discussion and should not form the basis of advice to individual students regarding Centrelink eligibility. Information about Centrelink is available at www.centrelink.gov.au or from the Social Security legislation at www.facs.gov.au/sspal/index.htm.

3 'Class of ‘03 Least Likely to Receive Youth Allowance,’ Sydney Morning Herald, May 7, 2003, p4
4 Walker, A; Johnson, P & Osei, K; AUSTUDY 1987-1997: The effects of Commonwealth income support on educational participation. NATSEM, Canberra. p7