

# A fairer system for students

*Tackling student poverty and housing affordability*



*The right to a free, high quality education is a fundamental part of the Australia Greens vision for Australia's future. We understand the difficulties many students face in entering and remaining in higher education. While the Government has ambitious targets for increasing participation in higher education – an ambition the Greens share - we know that without addressing the barriers of decent student income support and affordable housing such targets are unlikely to be met. We know that too many students are under enormous housing stress and struggle to make ends meet on the current levels of income support.*

The Greens propose to address these key issues facing students in higher education by:

1. Increasing youth allowance to a new rate of Newstart;
2. Ensuring all students who have to move out of home to study receive Youth Allowance; and
3. Implementing a three point plan to increase affordable and fair student housing.

## **Student support:**

At a time when young people are under increasing financial pressure, students need to be better supported if they are to stay on and excel in their chosen path.

The need for adequate student income support is particularly acute for those who have no choice but to leave home to take their place in higher education and fulfil the potential they have demonstrated by earning that university place.

The Greens worked hard to achieve a better deal for students when negotiating with the Government over their recent changes to student income support.

## **We achieved:**

- The removal of the retrospective part of the legislation to ensure that all 2008/2009 gap year students were able to secure the independent rate of YA.
- The establishment of a Rural Tertiary Hardship Fund worth \$20 million to help prevent the barriers to rural and regional students attending university.

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- Relaxing the rules to allow young people to work an average of 30 hours a week, rather than 30-plus hours EVERY week under the remaining workplace criteria
- A formal review of the package to measure the impact of the changes on students.

Despite achieving many key concessions in our negotiations with the Government, we remain concerned that the basic rate of Youth Allowance (\$371.40 p.f) has not seen an increase, aside from annual indexation, since it was first introduced.

Increasing Youth Allowance to at least the fortnightly rate of Newstart (\$456) would at least acknowledge the spiralling living costs that students continue to face.

In pushing for the rate of Youth Allowance to be increased, the Greens have acknowledged that the fortnightly rate of Newstart is also too low, and have been at the forefront of calls to see an increase in the \$456 fortnightly payment by \$30 (\$486), along with other social security payments.

## **Cost:**

The Greens proposal will see an increase of \$115 per student at an overall cost of \$680m p.a

Along with increasing the fortnightly rate of Youth Allowance, the Greens believe that as a student, if you are required to move out of home to go to university then you should be entitled to some form of student income support.

The Greens propose that if a student is required to travel for more than 90 minutes each way in order to attend university, then they should automatically be entitled to the full rate of Youth Allowance (current rate \$371.40, proposed new rate \$486).

## **Housing affordability:**

While the housing crisis affects many people, students — who have very limited resources — are hit particularly hard. Younger Australians today face unprecedented challenges in terms of housing affordability and housing stress.

The lack of affordable housing, particularly for people on low incomes, represents both a serious market failure as well as serious policy failure by both Federal and State governments.

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The issue of housing affordability is particularly acute for students currently in receipt of Youth Allowance and Rent Assistance. The rapid expansion in student numbers over the past few years, and the rising cost of living, has seen the issue of housing affordability become a serious issue not only in urban cities, but also in regional areas where universities are located.

Currently students who are in receipt of an income support payment (like youth allowance), may also be eligible for some form of Rent Assistance. Given Universities Australia's own estimates suggest that the average cost of being a student is about \$670 per fortnight<sup>1</sup>, the current levels of rent assistance are just not enough to support students to live out of home while they study.

According to a survey conducted by NUS, 66% of students living out of home classify the stress put on their personal budgets from rent alone as extreme.<sup>2</sup> The Australian Government defines rental stress as costing 30% of a person's income.<sup>3</sup> For the majority of students, the amount of rent assistance is simply not enough and is a barrier to students from low SES, regional and indigenous backgrounds in making make the shift to university like the Government is expecting.

Given the Government has indicated that it is committed to seeing 20 per cent of higher education enrolments at the undergraduate level filled by people from low socio-economic backgrounds by 2020<sup>4</sup>, there needs to be a comprehensive plan on dealing with the increasing housing and accommodation shortage that students across the country are currently facing.

If universities are unable to provide, or guarantee, appropriate and affordable accommodation to students from low SES backgrounds, then how can we expect to increase the participation rates and decrease the inequalities that disadvantaged students currently face.

1 According to Universities Australia, the average fortnightly costs for students are: \$232 on Rent; \$30 medical; \$117 transport; \$430 study related; and \$230 personal expenses <http://www.universitiesaustralia.edu.au/documents/publications/policy/survey/AUSF-Final-Report-2006.pdf>

2 <http://www.smh.com.au/national/university-students-squeezed-by-rent-stress-study-finds-20100421-t0me.html>

3 [http://www.coag.gov.au/crc/docs/national\\_affordable\\_housing\\_agreement\\_report\\_exec\\_summary.pdf](http://www.coag.gov.au/crc/docs/national_affordable_housing_agreement_report_exec_summary.pdf)

4 [http://www.deewr.gov.au/ministers/gillard/media/releases/pages/article\\_091215\\_102745.aspx](http://www.deewr.gov.au/ministers/gillard/media/releases/pages/article_091215_102745.aspx)

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The Greens plan to support increased fair and affordable student accommodation:

**1. Universities must develop a housing plan for their student population.**

Under the Government's "Transforming Higher Education" agenda universities are required to enter into mission based compacts which in part are concerned with how universities intend to meet the increased participation targets. The Greens are proposing that as a part of these compacts, universities must develop a plan for student accommodation and housing. The plan must take into account how increased numbers of students will access affordable housing. In particular the housing plan must focus on the accommodation options for students from low SES backgrounds and students in housing stress. Where the housing plan finds that the university has students under housing stress, the university must develop a proposal to address the accommodation shortages. One mechanism is to take advantage of the Greens' proposal for Student NRAS.

**2. A student housing specific division of the National Rental Affordability Scheme (NRAS).<sup>5</sup>**

The Greens will put an additional \$50m into the National Rental Affordability Scheme specifically to be used for student housing. Where a university's housing plan indicates there is a shortfall in affordable housing for students, particularly students from low SES backgrounds, then the university, either on its own or in partnership with another university or not-for-profit organisation, can apply to Student NRAS for support to build student specific housing or accommodation. The housing built under Student NRAS will be required to prioritise students in most need, including from low SES backgrounds or those student eligible for rent assistance. The increased student housing provided for by this initiative will take pressure of the private rental market in areas close to universities. NRAS is currently accessible for student housing with some universities already taking advantage of the scheme. The Greens' proposal seeks to both encourage and oblige universities to provide more student housing to ensure its students can focus on their education. If the initiative is successful we commit to revising the funding and providing additional funds to continue to support universities providing housing for their students. This plan will be implemented in consultation with universities and student bodies on how best to deliver this initiative.

<sup>6</sup> The National Rental Affordability Scheme (NRAS) was launched in 2008. The Government has committed to \$1 billion over 4 years to construct up to 50,000 high quality homes. An incentive of \$8000 per property is provided, with rent for the properties guaranteed at 20% below the market rate. If the scheme is successful, the Government has committed to providing funding for another 50,000 new homes.

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### ***3. Tenancy laws to apply to university provided student housing and accommodation.***

Under state and territory laws around Australia, university provided accommodation is often exempt from tenancy laws. Students therefore have fewer rights than other tenants. The Greens will work with state and territory governments and universities to ensure that all students in accommodation provided for by universities are given the same basic protections as all other tenants.