

Moving away from home: Costs and Funding

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Reasons to move away from home

- Distance from tertiary provider
- Commuting inconvenience (financial, time-management, social)
- Poor study environment at home
- Mental health
- “Kicked out”

Cost of starting flatting

- Bond
- Advance rent
- Letting fee
- Bedroom furnishings
- Kitchen/lounge furnishings
- Transport (self and belongings)

Example (Wellington)

- Bond: \$600 (4 weeks)
- Advance rent: \$300 (2 weeks)
- Letting fee: \$172.50 (1 wk+GST)
- Bedding: \$150 (Warehouse)
- Bedroom furniture: \$280 (TradeMe)
- Share of flat furnishings: \$100 (TradeMe)
- Moving self/possessions: \$200

- Total = \$1,802.50

How is it paid?

- Family
- Savings
- Bank credit (\$1000 OD, \$500 CC in 1st year)
- “Recoverable Assistance” from StudyLink (\$600 for bond, \$200 for bed)
- Student Loan Course Related Costs
 - \$1,000 available 2 weeks before course start
 - NOT permitted for accommodation costs
 - 2011 VUW survey (of students flatting):
 - 64% used CRC toward accommodation at some point.
 - 22% used CRC primarily toward accommodation

Is there a problem?

- Barrier to entering study
- Equity issues
 - More debt for rural students
 - Longer commuting distances are associated with lower levels of engagement (Kuh et al, 2001). NB: Lower socio-economic populations around city fringes.
- Rights and welfare
 - Compromise on living conditions or tenant rights
 - Students from problematic backgrounds can't get into an accommodation option more conducive to academic study.

Comparison with Australian situation

NZ: n/a	Aus: Relocation Scholarship
	Full-time, under 25, receiving ABSTUDY or Youth Allowance who “have to live away from the family home to study”. That includes “more than 90 minutes by public transport”.
	\$4,000 in 1 st year \$1,000-\$2,000 in later years
NZ: Student <u>Loan</u> Course Related Cost	Aus: Start-up <u>Scholarship</u>
Most full-time domestic students	Full-time higher education students who qualify for Youth Allowance, ABSTUDY, or Austudy.
\$1,000 per year (since 1992)	\$1,025 twice per year (linked to CPI)
Usual accommodation costs explicitly excluded.	“to help with the up-front costs of studying”. No requirement to specify how it is used.

Summary

- Moving away from home is a requirement for some students and highly beneficial to some others.
- The costs this incurs can be a significant barrier.
- There is no provision for these costs under current MSD entitlements.

References

- VUW Student Debt Survey (August 2011).
Financial Support and Advice, Victoria University of Wellington.
- WINZ manuals and procedures (2011)
- TradeMe website (www.trademe.co.nz)
- Warehouse website (www.thewarehouse.co.nz)
- Kuh, G. D., Gonyea, R. M., & Palmer, M. (2001).
The disengaged commuter student: Fact or fiction?
National Survey of Student Engagement. Indiana
University Center for Postsecondary Research and
Planning.

Comparison with Australian situation (continued)

NZ: n/a	Aus: Fares Allowance
	Full-time students who qualify for Youth Allowance, ABSTUDY, Austudy, or Pensioner Education Supplement and live away from home.
	Covers transport to the institution at start of year and back home at end of year, plus one round trip home to visit in the middle.
	Fares Allowance helps you to cover the cost of travelling between your home and where you are doing your studies

Survey details

- 1810 students invited to participate (domestic, 3rd year, under 24 years old)
- 562 complete applications
 - 397 students were flatting
 - 253 (64%) had used CRC toward accommodation costs at some point in the past 3 years.
 - 89 (22%) identified this as the main use of CRC