Submission to: *Rural and Regional Affairs and Transport Committee*

Re: *Social Security and Other Legislations Amendment (Income Support for Students) Bill 2009*

From: Anthony Green

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Social Security and Other Legislations Amendment (Income Support for Students) Bill 2009

Proposed amendments to s1067A(10)

I agree with the proposed amendments to restrict independent Youth Allowance (YA) to those students who are required to live away from home, not those who simply choose to do so. However, while the proposed amendments now allow 2009 "gap year" students to qualify for independent YA the amendments proposed in the Bill disadvantage those students who:

- Completed secondary studies prior to 2008, did not enrol in a tertiary course but worked throughout 2008 and/or 2009 with a view to qualifying for independent Youth Allowance in 2010 under the current independence criteria (subsections 10(b) or (c)) or;

- Completed secondary studies in 2008 and enrolled part-time in 2009 while working part-time with a view to qualifying for independent YA in 2010 under the current criteria.

These students made similar decisions to the 2009 "gap year" students to defer studies and simply chose a slightly different route. Their numbers would be relatively small and they should not be disadvantaged in this way.

Proposed subsection (10C)(c)

This subsection contains a reference to the ***chosen course***. This term is not defined and it appears it may be intended to restrict students to a course that they previously enrolled in, in order to be eligible for independent YA. If that is the case it disadvantages those who may choose to study a different course.

Summary of proposed amendments to s1067A

While the changes to the amendments as first proposed are welcome for current "gap year" students, I believe the whole concept of "independence" for future students is flawed in that the one criterion for independent status proposed to be retained in no way gives any better indication of "true independence" then the ones to be discontinued. Working for 18 months full time to qualify as independent is irrelevant once studies commence since such students can revert to being fully or partly supported by parents. Why is this deemed to be a measure of true independence when earning a target amount over the same period is not?

In my view, a more equitable system to qualify for independent status would be to require an ongoing level of income derived from working and for the YA to match this student income dollar for dollar up to a specified limit. A level of income for "true independence" is probably around the level currently required under the income criterion but over a 12 month period – that is, approx $19,532 p.a. Independent YA is currently about $9,600 p.a. If student income through work was matched dollar for dollar up to this limit then the student who must live away from home would have a

potential income of $19,200 p.a. and could be said to be capable of living independently.

Proposed s592J

The proposal under subsection (c)(i) of s592J excludes independent YA recipients who qualify for YA under both the current and proposed work criteria from being eligible for the proposed Relocation Scholarship. These students were previously eligible for Commonwealth Accommodation Cost Scholarships which provided assistance for those students living away from home and were merit based. These scholarships have now been abolished for new students and hence recipients of independent YA under the work criteria who now **must** live away from home to qualify for independent YA are disadvantaged in being ineligible to receive further assistance for relocation costs.

In my view the Relocation Scholarship should be available to all YA recipients who are required to move away from home to undertake their studies. However, to balance the costs I question why the initial year allowance is set at $4,000. The actual cost to relocate is not high and an initial allowance of $2,000 would be more than adequate