

**SUBMISSION FOR  
SENATE ENQUIRY ON  
INDEPENDENT YOUTH ALLOWANCE**

**By Andrea Howard**

## **SUBMISSION for SENATE ENQUIRY ON INDEPENDENT YOUTH ALLOWANCE**

**Students attending university should be supported by a government allowance regardless of whether they have had a previous period of independence and regardless of their parent's assets. Independent Youth Allowance should be replaced by a Tertiary Student Allowance available to all under 25 for Australian residents.**

The current eligibility criteria for Independent Youth Allowance encourages young people to work before they have finished their education, increasing the chance that they will never return to further study. The years they spend working at a lower paid job would be better used after graduation, earning better pay and providing more value to society. This is particularly relevant for women who, due to their biological clock, need to finish their education, find employment, find a partner and set up an independent home, ideally by their early 30's, in addition to paying off the debt accumulated from their tertiary fees.

Parental wealth is not automatically available to be passed on to offspring. Older parents who own businesses or other assets with the goal of becoming self-funded retirees unwittingly cause their off-spring to be ineligible for Youth Allowance. The parents, on the verge of retirement, must then work extra years to fund their adult children's accommodation and living expenses.

Families who do not pass the current parental Assets Test, particularly those with multiple children attending different universities, struggle to pay the separate accommodation & vehicle costs. The children, through no fault of their own, see their "poorer" peers being given Youth Allowance of more than \$9000pa plus rental assistance whilst seeing their "wealthier" parents delay their retirement to support them. And few of those studying at regional universities are able to find casual or part-time jobs to help support themselves. Consequently the independence criteria cannot be met once the student has already started full time study – it is challenging if not impossible to find enough work on a regular basis whilst undertaking a full study load. Those who can find work need approximately 14 hours work per week to earn the same as their allowance eligible peers, which leaves them 14 hours less study time (not including travel).

If students graduate without a gap year/s, they will contribute more tax. If more students can afford to attend tertiary programs, they are less likely to need unemployment benefits. If they graduate with less debt, they will spend sooner on housing and have families earlier, fuelling the economy which in turn will stimulate employment. If their parents become self-funded retirees sooner, they take pressure off the employment market and reduce pension costs. Providing a Government funded Tertiary Student Allowance for all will benefit every age-group economically & socially.

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