

## Comments from CQUniversity - Social Security Amendment (Income Support for Regional Students) Bill 2010

### Background:

In March this year, the Government agreed to concessions to reforms to Youth Allowance. It was argued that the availability of employment in regional and remote areas would disadvantage students from these areas who were, or who were intending, to take a 'gap-year' to qualify for Independent Youth Allowance using the workforce participation criterion.

The concession that was agreed upon enables students whose family home is in a location categorised under the Australian Standard Geographical Classification (ASGC) as Outer Regional, Remote or Very Remote, who need to relocate to study and their parents' income is less than \$150,000 per annum still qualify for the gap-year under the 'old' criterion.

Basically, this means that students from some non-metropolitan areas would still be able to qualify for the independent rate of Youth Allowance by earning approximately \$20,000 in a gap year but inner-regional students couldn't qualify.

Students who are from inner-regional and metropolitan areas will need to meet the new criterion of 30 hours per week for at least 18 months during any period of two years to qualify for Youth Allowance at the Independent rate. This is more difficult to attain in terms of availability of employment for this age group and further compounded by locality.

The Social Security Amendment (Income Support for Regional Students) Bill 2010 seeks to extend the old gap-year rules to inner-regional students.

### Availability of Employment:

Students from regional and remote areas often make use of the 'gap-year' to establish Youth Allowance independence to help offset the substantial cost of moving to a metropolitan or regional centre to study.

Under the new workforce participation criterion to gain Independent Youth Allowance, eligibility is determined by full-time employment of at least 30 hours per week for at least 18 months during any period of 2 years. However, employment availability is variable in the inner regional areas and the same employment constraints apply to students from these regions as they do for those from outer regional, remote and very remote areas. This is best illustrated by the contradiction in available SEIFA data on indicators of disadvantage in contrast to the ASGC classification.

For example, Bundaberg and Mt Morgan are in close proximity to CQUniversity campuses and are classified as inner regional. However based on SEIFA indicators of relative disadvantage, Bundaberg and Mt Morgan are in Quintile 1, which measures socio-economic characteristics such as unemployment. Quintile 1 represents the lowest scoring 20% of areas in terms of relative disadvantage.

SEIFA data indicators show that students from inner-regional areas are no more guaranteed employment availability than those from outer regional and remote areas. Therefore, making it

more difficult for students from these inner-regional areas to access appropriate income support compounds place-based inequities as highlighted as a contributing factor of social exclusion in Australia.

#### Other Issues with the ASGC classification:

CQUniversity Regional campuses of Rockhampton, Gladstone, Mackay, Bundaberg and parts of Noosa all fall into the Inner-regional classification. It can be surmised that a large number of students in the CQUniversity footprint will be affected by the Youth Allowance legislation to take effect January 01-2011.

The ASGC is irrespective of local government areas or State electoral boundaries. This in itself creates confusion for students and their parents as it seems arbitrary as to who is eligible for the older version of the workforce participation criterion for Youth Allowance and who is not eligible. Using the ASGC classification students from some parts of Mackay will be eligible for the 'old' gap-year arrangements, and others will be faced with the stricter workforce participation criterion. Furthermore, where once older siblings qualified under the 'old' arrangements, students from the same families in 2011 will not.

It is also misleading to exclude inner-regional students based on their ability to attend the nearest regional university campus. Reduced public transport availability in inner-regional areas in comparison to metropolitan areas makes it more difficult to commute to and from campus. While the AGSC provides a means of classification based on population density and distance to nearest service centre, it does not accurately reflect the distance required to travel to a regional campus. In many cases, it still remains essential for students to relocate to gain the same educational opportunities afforded their peers in metropolitan areas.

Distance remains a barrier to accessing on-campus resources or the university program of your choice, regardless of location.

#### High-rate of not returning to higher education:

The new workforce participation criterion to gain Independent Youth Allowance extends the gap year to 2 years. In this scenario, a student is less likely to return to higher education once established in the workforce. Though, the majority of universities have existing policies that permit deferment for up to two years or more, in many cases the students will be two years behind their cohorts.

In its Inquiry into Youth Allowance reforms October 2009 the Senate Standing Committee on Rural and Regional Affairs and Transport referred to a figure of 30 per cent of students who formally defer a university offer to take a gap-year never return to study. Before fully enacting the Youth Allowance legislation affecting inner-regional students, it is recommended that the effect of a two-year deferral on the rate of students who may not return to study be determined. In the long-term, fewer university graduates from regional areas cannot help the shortage of skilled professionals in regional areas.

In conclusion, students in regional and remote areas are more likely to defer their studies and take a gap-year than metropolitan students, often doing so for economic reasons. Regional and remote students, including those from inner-regional, have fewer opportunities than their metropolitan counterparts of finding a 30 hour a week job to meet the criterion for “independence”. The costs of relocating have been estimated at \$15 000 - \$20 000 extra per year. In this instance the argument for consistency in income support applied to all non-metropolitan students introduced by the Social Security Amendment (Income Support for Regional Students) Bill 2010 is addressing in part a broader equity issue of access to education for regional students and overcoming other disadvantages associated with location.