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To Whom It May Concern:

A submission to the Senate Standing Committee for the Social Security Amendment (Income Support for Regional Students) Bill 2010.

Due to the Federal Government's 'delay in voting' on the reforms to Student Income Support (i.e. legislation passed on 18th March 2010), many students in rural and regional areas could not complete student enrolment arrangements in 2009 / early-2010.

That situation – which was caused by the Federal Government's delay – has brought about very serious frustration and dismay, because in many cases students from rural and regional areas were defeated by the Government's delay, because **the time for students to complete enrolment arrangements in 2009/2010 had expired by the time the Federal Government announced the new conditions for Student Income Support.**

Those students who, as a result of their hard work, had generated significant ENTER scores and Letters Of Offer from metropolitan tertiary institutions, are categorically astonished by the Government's failure to recognise the impracticable circumstances it has created for students with pre-requisite secondary qualifications for university enrolment already completed.

One might presume there is a duty of care implied on the responsible Minister and the Federal Government to administer and to act in a timely manner but there has been no apparent recognition by the Government regarding the negative impact of its delay in voting on very important – time-critical – reforms to Student Income Support.

One impact was that the would-be students affected by these circumstances were left with one unsettling option: to enrol in the fee paying (i.e. Higher Education Contribution Scheme (HECS - debt incurring)) Correspondence Study courses provided by Open Universities Australia (OUA). Such students had no real choice but to defer their anticipated enrolment arrangements and to continue living at home (i.e. they could not substantiate officially acceptable reasons for moving away from home when studying through OUA, even where such relocation may also enable a full-time student to find part-time work in regional or urban population centres). Accordingly, Centrelink deems that such students are "dependent", not "independent", so therefore not eligible for Rent Assistance, but a minimal Youth Allowance income supplement – currently \$248.10 per fortnight – may be approved, conditional on parental income. ... [ADDENDUM: In this context, this situation is complicated further in the case where parents are pensioners, due to Centrelink's interpretations of dependency and eligibility criteria for income support: – such pensioner parents are considered by the Family Assistance Office as not having "dependent" children if student children aged 16-24 receive Youth Allowance. Despite this, Centrelink deems that such students are "dependent", not "independent" ... (however low-income does not create free accommodation). Due to this inconsistency/contradiction, low-income parents do not receive Family Tax Benefit Part A or Part B, neither do such low-income families receive any other supporting income supplements – such as the "Household Stimulus Package – Back To School Bonus" that was paid with Family Tax Benefit Part A (where students are "dependent").]

The end result of the Federal Government's 'delay in voting' on the reforms to Student Income Support has not provided necessary and reasonable support for fair-value outcomes for students and their supporting families whose constructive efforts are being discouraged and undermined (i.e. subjected to the opposite of any reasonable expectations), as a direct result of crippling aspects of the Federal Government's current Student Income Support policy.

In addition to the detrimental effect caused by the Federal Government's delay in 2009/2010, in 2010/2011 when prospective and current students do their utmost to make new arrangements to facilitate their enrolment / re-enrolment at tertiary institutions, such students are subjected to several extra and excessively restrictive conditions for qualifying for Student Income Support / Youth Allowance. The current eligibility criteria make it almost impossible for many would-be students from rural and regional areas to attend university.

Consequently, I want to highlight and draw your attention to three (3) areas that need reform:

1. The Government's legislation (passed on 18th March 2010) reformed youth allowances with new scholarships and aimed to allow more people to qualify for support by establishing some practical eligibility criteria that takes into account a higher level of combined parental income. Currently, the cost of those more progressive ground rules are offset by constrictions on students qualifying as "independent", by stipulating minimum working hours and minimum work-derived income during the period referred to as "gap years", and by increasing the number of gap years from one (1) to two (2).

In response, I contend: -

- (a) Obviously, if gap years are imposed on students by rules for Student Income Support eligibility, then gap years produce a substantial obstruction to the chances of enrolment for further study.
 - (b) I dispute the need for gap years as valid eligibility criteria for any Student Income Support qualification: each individual's reasons for GAP YEARS are dependent on many one-off considerations and different personal scenarios: as such, GAP YEAR manoeuvrings should have no formally prescribed place in the minimum-qualification criteria used for determining Income Support, particularly for regional students, especially when regional employment opportunities are like chalk and cheese juxtaposed to metropolitan employment opportunities. The current state of affairs produces disparity between students from regional areas and students from metropolitan based families, especially if we are to presume that students from metropolitan based families can reside in the parental home and attend metropolitan tertiary institutions.
 - (c) Consequently, all concepts of GAP YEARS, in the rules and eligibility criteria for any Student Income Support qualification should be abolished in relation to Income Support for all students.
2. Where students who need to relocate away from regional families are eligible to qualify as "independent" full-time students, one requirement of the eligibility criteria is that the parents' combined income is less than \$150,000 per annum; full-time students from metropolitan based families should also be eligible to qualify as "independent" on the same basis, especially if they cannot live in the family home. The Student Income Support eligibility criteria should not discriminate on the basis of neighbourhood or locality of a family home, whether in a city or regional area.

3. The Government's legislation (passed on 18th March 2010) sets out that from 01 July 2012 the personal income threshold is to be raised from \$236 to \$400 per fortnight for students receiving Youth Allowance, ABSTUDY, or Austudy.

In response, I contend: -

- (a) As a parent of three students currently receiving Youth Allowance, I have witnessed the precarious difficulties faced by students who combine full-time study and part-time employment. The part-time employment is unpredictable but when opportunities become available to gain income, especially in semester breaks, the Youth Allowance often reduces or ceases. The effect is that students are paying income tax and, one might say, being double-taxed when their Youth Allowance is being levied at 50 cents in the dollar for every dollar earned above the threshold of the Centrelink "Income Bank" provisions.
- (b) Essentially, the students' Youth Allowance (i.e. the Federal Government's student provision) is inadequate and requires that parents or family either increase their mortgage or dig into whatever means are available to enable their support for the expenses required in living as an "independent" or "dependent" student.
- (c) One solution to the problem that looks like "double income-tax for students" would be to immediately bring forward the already legislated July 2012 increase in the personal income threshold that is to be raised from \$236 to \$400 per fortnight for students receiving Youth Allowance, ABSTUDY, or Austudy. Such a measure would reduce the present hindrance that looks like "double income-tax for students" ... especially if the present "Income Bank" provisions are to increase in proportion to the existing Centrelink "Income Bank" provisions (i.e. where \$236 per fortnight equates to \$6,157 per annum and \$400 per fortnight equates to \$10,435 per annum). Also, it would be more equitable if the "Income Bank" were to be taken into account on an annual basis, rather than a fortnightly basis, to enhance any possibility of maximising income during every semester break.

The legislation is having a significant effect on a significant number of people, and it is clear from my experience that parents and students who need detailed information are seeking such information and asking questions among one another. Recently I have asked Centrelink staff about the details of eligibility criteria and part of the reply I received was that Centrelink staff are yet to receive some up-to-date and comprehensive briefing.

Right now there is a definite and widespread community need for appropriate documentation, to enable individuals to comprehend the Federal Government's Student Income Support rules and eligibility criteria, including a succinct summary or flow chart. I am finding it difficult to obtain any official summary or up-to-date brochure. The needs of the community do not seem to have been understood.

Yours faithfully;

Peter Hallam