

University of Melbourne Submission
To
Senate Standing Committee on Education, Employment and Workplace
Relations
Inquiry into the Social Security Amendment (Income Support for Regional
Students) Bill 2010

Moving to study

The University of Melbourne supports the principle that a need to move to study be incorporated into Youth Allowance's eligibility criteria. The scheme's purpose is to support those students who may not otherwise be able to afford to attend university. Those students who need to move to study are a distinct group because the resources they need to live out of home are greater than those who can live with their parents. This principle is partially recognised in aspects of Youth Allowance: the relocation scholarship and higher rates for students living out of home.

These payments do assist those students who move to study. However, for those students classified as dependent on their parents, Youth Allowance entitlements decline significantly with family income (despite the improvements introduced this year). Particularly if there is more than one child living away from home, the cost to families of financing out-of-home living expenses can make university study prohibitively costly.

The working 'independence' alternative

To avoid the declining value of dependent Youth Allowance, students from regional areas had been taking advantage of the 'soft' work independence tests for Youth Allowance. This enabled them to qualify as independent of their parents if they worked at least 15 hours a week for at least two years, or earned more than a specified sum (around \$19,000 recently) over 18 months. This was used as a de facto move to study Youth Allowance classification.

The University supported tightening the work independence test, as in many cases benefits were being paid to students who were not in the greatest need of financial support. The work independence test now requires at least 30 hours a week work for 18 months over a two year period. To avoid disadvantaging students from outer regional, remote and very remote areas the old work independence test was preserved for them, with the further requirement that a move to study actually occur. The current bill would extend that exception to inner regional areas.

A 'stopgap' measure

Senator Fiona Nash, who introduced the bill to include the inner regional area, says that it is a 'stopgap fix measure,' and that there are better ways to assist students from regional areas (*Campus Review*, 23 November 2010). The University agrees. The use of the work independence test at best needlessly delays entry to university. At worst,

potential students may not be able to find enough work to satisfy the work test criteria and so still fail to become eligible for the independent Youth Allowance rate.

It would be much better to create a new category of independent student, based on needing to move to study. The test in the temporary arrangements for 2009 gap year students—living 90 minutes or more from campus by public transport, and actually moving to study—is a possibility for a long-term measure.

However, in the absence of further reform the University sees merit in Senator Nash's 'stopgap' measure. We would suggest that as there are universities in or accessible from the inner regional area the 90 minute travel rule apply. This may reduce the estimated cost by not financing moves out of home that are convenient but not essential.

The University does not support the Opposition's proposal to fund this change to Youth Allowance from the Education Investment Fund. The EIF should fund capital projects rather than programs with recurrent expenses.