

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

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The 2009 Federal Budget proposed a number of changes to the Youth Allowance system under the guise of 'Making the System Fairer', however what these changes failed to take into account was the marginalisation of rural and regional students hoping to attend university. Thankfully, the retrospective nature of the legislation has been removed, in that students who have already taken a gap year in order to qualify for the full rate of independent Youth Allowance are still able to do under the existing criteria at the time they made their decisions. However, the Youth Allowance debate has crystallised into two separate issues; the retrospective aspect of the legislation (which has now been addressed and rectified) and the inherent disadvantage to students from rural and regional Australia.

Previously, prospective students from rural and regional areas were able to take a gap year in order to satisfy the Workforce Eligibility Criteria to qualify for independent Youth Allowance, and hence fund the extensive costs of relocating in order to continue their education. In doing so these students deferred a year's worth of graduate salary, in many cases to work for minimum wage at several part-time jobs so that they could afford to attend university. We have accepted this situation as the only way to meet the cost of relocation; however the proposed changes to the Workforce Eligibility Criteria, namely the stipulation that we have to work for 30 hours a week full time for at least 18 months means that we effectively have to defer university for two years. Although many universities have indicated their intention to amend their deferral policies in response to the changes, this is an unacceptable situation, in that students from metropolitan areas will be able to immediately access higher education, whereas their counterparts in regional areas will have to wait a further two years.

As rural and regional students have previously been able to take a gap year in order to qualify for Youth Allowance we have not yet had to have a national debate about the difficulties faced by regional students as opposed to their metropolitan counterparts. The new changes to the Youth Allowance system have forced the issue without allowing for open and fair discussion on an issue vitally important to maintaining the values of fairness and equity upon which many Australians pin their national pride. The recent changes attempted to address the abuse of the system by students who were receiving Youth Allowance and still living in the family home whilst attending university, with taxpayer funded pocket money. We do not deny that the system was being abused, however the new changes not only fail to redress that abuse, they also fail to make provision for students who have to relocate and therefore are most in need of income support. The central issue in this debate should not be about how much your parents earn, but rather your location relative to the university to which you gain entry. As such we propose that the relocation scholarship is amended so that it is not in fact reliant on being in receipt of Youth Allowance, but rather takes into account the accessibility of tertiary education to the applicant.

Although the changes tried to address the financial discrepancy between rural and metropolitan students, raising the parental income threshold is not sufficient compensation for the tightening of the criteria to qualify for independent Youth Allowance.

This is going to have devastating repercussions on rural and regional communities for generations to come, as more and more students choose not to attend university because of the huge financial burdens imposed upon them and their families should they choose to relocate. In their attempts to make the legislation revenue neutral (which is an invalid point as the subsequent changes to the employee shareholding scheme were quite clearly not revenue neutral), the government has been extremely short sighted. Professionals who grew up in regional areas are far more likely to then return to their home towns and hence remove the need for large financial incentives to encourage professionals to service regional areas.

Although the Bradley Review discussed at length the fact that rural and regional participation at university was declining they made no sufficient provisions to reverse this alarming trend, and in fact the new legislation is further discouraging students from regional Australia from continuing their education.

The government's Education Revolution was centred on the urgent need to invest in education. The introduction of a revenue neutral package to reform an antiquated system is unacceptable.

Receiving assistance in order to university is not a luxury, but an imperative, particularly for those living outside metropolitan areas.