

Chair:
Professor Gerard Sutton
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Our Ref: Q-02-010

5 July 2007

Mr John Carter
Secretary
The Senate Standing Committee on Employment, Workplace Relations and Education
PO Box 6100
Parliament House
Canberra ACT 2600
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Dear Mr Carter

Inquiries into the provisions of the *Social Security Amendment (2007 Measures No. 1) Bill 2007* and the *Social Security Amendment (2007 Budget Measures for Students) Bill 2007*

Universities Australia welcomes the opportunity to make a submission on the provisions contained in the *Social Security Amendment (2007 Measures No. 1) Bill 2007* and the *Social Security Amendment (2007 Budget Measures for Students) Bill 2007*. Universities Australia represents 38 Australian universities in the national interest. This submission focuses on the parts of the Bills of relevance to university students.

Universities Australia has no concerns about the measures contained in the *Social Security Amendment (2007 Measures No. 1) Bill 2007*.

Universities Australia also welcomes the amendments contained in the *Social Security Amendment (2007 Budget Measures for Students) Bill 2007*. These amendments, which were announced in the Federal Budget, will provide better support for many university students. Universities Australia has previously called for many of these changes.

In 2006 Universities Australia, then called the Australian Vice-Chancellors' Committee, conducted a survey of Australian university students leading to the publication of *Australian University Students Finances 2006* in February 2007. The findings of this report support the extension of income support arrangements to Masters courses, as well as the extension of Rent Assistance to Austudy recipients as set out in the Bill. There is, however, one aspect of student income support that requires urgent attention, which is not addressed in the Bills.

The Universities Australia survey showed clearly the financial difficulties many young Australians face in completing their university studies. In particular the survey showed that an increasing number of students were having their applications for Youth Allowance rejected or were not receiving Youth Allowance at the full rate (page 17). The reason is that many of these students are being assessed on

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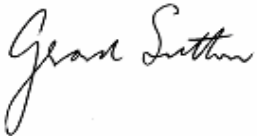
the basis of their parents' income and assets. One of the important recommendations arising from the report is that the age of independence for Youth Allowance recipients should be reduced in order for university students not to be assessed on the basis of their parents' income and assets.

The age of independence for Youth Allowance is governed by section 1067A (4) of the *Social Security Act 1991* which states that 'A person is independent if the person is at least 25 years old.' However, there is a further sentence. The full provision reads:

'A person is independent if the person is at least 25 years old. This age will be progressively reduced over time.'

This provision has now been in place for nine years, since the passage of the *Social Security Legislation Amendment (Youth Allowance) Act 1998*, and the age of independence has not yet been reduced. An amendment to the Bill to reduce the age of independence to 18, as per the policy principle of reducing the age of independence, would greatly improve the support available to Australian university students.

Yours sincerely

A handwritten signature in cursive script that reads "Gerard Sutton".

Professor Gerard Sutton
Chair