

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into student income support**

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**Submission no:** 138

**Received:** 18/04/2005

**Submitter:** The Hon Anna Bligh MP  
Queensland Minister for Education and the Arts

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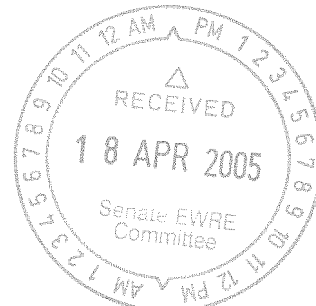
Anna Bligh MP



Queensland  
Government

Minister for Education and  
Minister for the Arts

Mr John Carter  
Committee Secretary  
Senate Employment, Workplace Relations and  
Education Committee  
Department of the Senate  
Parliament House  
CANBERRA ACT 2600



Dear Mr Carter

I am writing to you in relation to the Senate Inquiry into Student Income Support, for which you coordinate the Secretariat. I wish to have this letter, and the issue outlined herein, lodged as a late submission for the Senate Inquiry Committee's consideration.

#### Terms of Reference

The issue outlined below falls under two main areas of the 'Terms of Reference' for the Senate Inquiry, including:

The living costs of students enrolled in full-time and part-time courses and, in particular:

- (a) current measures for student income support, including Youth Allowance, Austudy and Abstudy, with reference to:
  - (ii) the age of independence; and
- (c) the importance of adequate income support measures in achieving equitable access to education, with reference to:
  - (i) students from disadvantaged backgrounds, and
  - (ii) improving access to education.

#### Issue

The issue of independent 15-year-olds receiving Youth Allowance in jurisdictions where the school leaving age has been raised to 16 years of age was discussed in 2002 and 2003 at the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA).

Agreement was initially reached by all members of MCEETYA, to amend the *Social Security Act 1991* (the 'Act'); however, in 2003 the Commonwealth withdrew its support for the amendment and further advised no amendments to the Act would be made.

The withdrawal of Commonwealth support occurred despite all MCEETYA members, in July 2002, endorsing the Ministerial Declaration, *Stepping Forward – improving pathways for all young people*. United endorsement of this declaration demonstrates the Ministers' 'commitment to providing leadership and establishing a common direction in developing transition opportunities for young people, particularly those most at risk'.

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Additionally, through the Action Plan for implementation of the declaration, the Ministers' committed to an outcome that young people understand Government and community support approaches, and that specific activity should be to ensure appropriate ease of access to this support.

However, the Act currently does not facilitate ease of access for independent young people to income support, requiring that a 'person cannot be taken to be independent unless the person: (a) has reached the minimum school leaving age for the State or Territory in which the person is living.' (*Social Security Act 1991*, Section 543A (3)). Therefore, without this independent status a person 15 years of age is unable to access income support via Youth Allowance.

Queensland has also identified, as with independent students seeking Youth Allowance, a number of independent students seeking Abstudy will be affected by the above outlined inconsistency in the Act.

With the introduction of the *Youth Participation in Education and Training Act 2003*, the minimum school leaving age in Queensland will be raised to 16 years of age or completion of Year 10 (whichever comes first), as of 1 January 2006. Both the Tasmanian and South Australian Governments already have a minimum school leaving age of 16 years.

The current anomaly in the Act precludes, or in Queensland's circumstances will preclude, independent 15-year-olds from eligibility for Youth Allowance and Abstudy, which inadvertently discriminates against these young people based on their State of residence.

#### **Discussion**

The main issue in contention in this matter is not school leaving age. The main issue centres on all young people having equal social and economic opportunities to reach their individual potential and remain connected in education and society, regardless of State of residence.

While the Special Benefit may be granted to some of the 15-year-olds requiring income support, this income support benefit does not require young people to be engaged in either education or training. However, Youth Allowance is designed to capture and assist young people under 18 years of age and who have not finished Year 12 or equivalent, ensuring these young people are learning or training. Youth Allowance has a proven track record in encouraging and supporting young people from disadvantaged education and social backgrounds, particularly homeless and full-time students.

Similarly, Abstudy provides for a number of circumstances under which a person could claim to be an 'independent student', including but not limited to:

- the student is homeless and meets the minimum school leaving age within their State; and
- the student is, or was, in State care and living in an institution and has reached the minimum school leaving age within their State.

Therefore, 15-year-old students who are homeless and those who are/were in State care who do not fall within any category of the Commonwealth legislation's definition of 'independent' will no longer be entitled to the independent rate, instead receiving a 'means tested' fortnightly payment. Additionally, these students will lose rental assistance and assistance with accommodation and meals to attend a residential school if they are studying by distance education/correspondence.

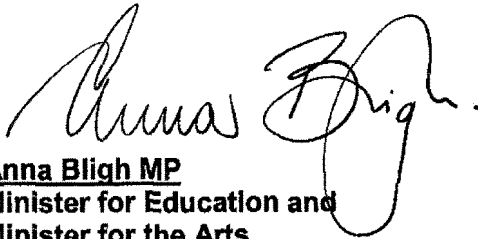
In Queensland, Centrelink advise (based on figures as at December 2004), approximately 259 independent 15-year-olds could be expected to lose eligibility for Youth Allowance and 62 independent 15-year-olds could be expected to have their Abstudy entitlement altered. As these figures suggest, there would be a minimal cost impact to the Australian Government if the legislation was altered, due to the small percentage of the youth population effected.

Unfortunately, this matter impacts on the most vulnerable young people in society, who have left home because of any number of reasons (including abuse, family breakdown or violence or they have dependent children of their own), which will have a great effect on their life chances. However, leaving school will have an even greater effect.

**Recommendation**

Therefore, I recommend the Senate Inquiry into Student Income Support Committee consider and provide advice on resolution of the legislative anomaly surrounding Youth Allowance and Abstudy provision to independent 15-year-olds, to ensure consistency across every Australian State and Territory.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anna Bligh'.

**Anna Bligh MP**  
**Minister for Education and**  
**Minister for the Arts**

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