

Additional Comments

Senator Hanson-Young

Introduction:

The Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009, proposes a raft of measures aimed at reforming the way in which student income support is rolled out, based on recommendations from the Bradley Review.

While the Greens are supportive of a number of reforms proposed within this package, we remain concerned that changes to the workforce eligibility criteria, is particularly unfair for rural and regional students who commonly defer university to take a 'gap year' to fulfil the workforce participation criteria, and so be able to undertake tertiary study away from home in a capital city or regional centre the following year with income support.

The need for adequate student income support is particularly acute for those who have no choice but to leave home to take their place in higher education and fulfil the potential they have demonstrated by earning that university place.

Reform package:

While the Government has been more than forthcoming with producing the figures on how many students will benefit from this reform package, they have failed to adequately identify just how many students will miss out on a payment all together.

It should be noted that there has been no public release of the economic modelling used to derive this budget package reform

It is clear that while there are some positive reforms contained within this package, the fact that the Government has refused to put one extra dollar into funding student support highlights the problems when students are left carrying the can for the Government's Budget savings.

We are concerned that the Government's own briefing materials on this reform package misleads potential Youth Allowance recipients as to their fortnightly income amount, as the calculations include the scholarships in the overall living allowance, which is clearly not the intention of the payments.

The Greens have long advocated for the need to provide a specific payment to students to assist in the educational costs associated with tertiary studies, and welcome the inclusion of the Start-Up scholarship and the Relocation scholarship as two positive additions to the overall package. However, what we do not want to see is the

Government use these scholarships to avoid an increase in the dismal living away from home amount of \$371.40 per fortnight.

During the public inquiry, Universities Australia informed the committee that “If you compare income support for Australian students against the OECD benchmarks, we rate very lowly. It just puts before us the speculation—perhaps it is more than speculation and is a probability—that being revenue neutral in relation to these expenditures will just shift pockets of inequality rather than address inequality on a structural basis.”¹

Recommendation No.1

Given Australia lags behind the rest of the OECD countries when it comes to adequately investing in student income support, the Greens recommend that at the very least, the Government commit to an increase in the 2010/11 Budget to bring Youth Allowance in line with other social welfare payments such as Newstart, which provides a maximum fortnightly payment of \$456.

Recommendation No.2

The Greens further recommend that the Government commit to a comprehensive review of the impact of the new student income arrangements in 2012 (ie once they are all in place) on equity with a particular focus on the impact on rural and regional students.

Workforce eligibility criteria:

As part of their reform package, the Government announced that two of the three workforce participation criteria for a young person to qualify as Independent, and receive Youth Allowance as income support while they study, will be removed effective from 1 January 2010. The Government’s own estimates suggest that 30,700 young people will be caught short by these changes.

While the changing of the ‘goal posts’ was originally intended to commence on 1 January 2010, the Deputy Prime Minister has since announced that the commencement of this change would be delayed for six months, finally acknowledging the unfairness of this proposed Budget measure, which would have had a retrospective effect on thousands of gap year students currently working towards qualifying for student income support next year.

While the Greens welcomed moves by the Government to push back the start date of its workforce eligibility changes, we remain concerned that this will be funded through delaying changes to the level of personal income at which Youth Allowance and Austudy begin to be reduced from 2011 to 2012.

1 Rural and Regional Committee Hansard 13/10/09
<http://www.aph.gov.au/hansard/senate/commtee/S12488.pdf> p.28

Despite seeing fairness in backing down on the start date of its Youth Allowance eligibility changes to accommodate current gap year students who must leave home to study, the Government cannot shy away from its responsibility to support future aspiring university students from those areas, without replacing it with a comparable option.

Recommendation No.3

The Greens recommend that an eligibility criterion for geographically disadvantaged students be established, for those students who have no choice but to leave home to undertake tertiary studies, and by virtue become independent from their parents.

Recommendation No.4

While the Government's backflip on the start date to its workforce eligibility changes was a welcome announcement, the Greens recommend that the important changes to the Youth Allowance personal income test should take effect from the original starting date of 1 January 2011, as announced in the 2009/10 Budget.

Postgraduate support:

Part 13 of the Bill proposes an exemption for scholarships to the annual value of \$6,762 (indexed) from the income test under social security legislation, with the aim of providing "an incentive to individuals and organisations to fund scholarships for students".²

While the Greens are indeed supportive of this measure, we agree with the Council of Australian Postgraduate Associations (CAPA) that the scope of the proposed Amendments should be adjusted "in order to yield a far greater benefit for students at negligible additional cost."³

Recommendation No.5

The Greens recommend that the Government amend the threshold amount outlined under item 14, subsection 8AB of the Bill to the value of \$13,524 (indexed). This figure, proposed by CAPA, is double the proposed threshold, and would remove the "penalty" effect of being awarded a small or part time scholarship.

2 The Hon. Julia Gillard MP (2009). Explanatory Memorandum: Social Security and Other Legislations Amendment (Income Support for Students) Bill 2009. House of Representatives, Parliament of Australia.

3 Council of Australian Postgraduate Associations' Submission
<https://senate.aph.gov.au/submissions/comitees/viewdocument.aspx?id=0b9513b1-4a37-4d0c-9e89-06d3cd964c0c>

Recommendation No.6

The Greens recommend that the Bill be amended to exempt scholarships as assessable income for the purposes of eligibility for parenting, carer and disability support payments. This would be of great benefit to parents who are already struggling to balance work and study with parenting and carer responsibilities.

Conclusion:

While there is support for many of the reforms in this package put forward by the Government, we remain concerned that prospective students from rural and regional Australia, who have no choice but to leave the family home to undertake tertiary study, are not appropriately supported.

The Government should be investing more in supporting students from rural and regional Australia at a time when we know the job market is tightening and more young people are turning to higher education to up skill.

The Greens will be proposing changes to the legislation to remedy our concerns, and reserve our final position on the bill pending the outcome of negotiations on these amendments.

**Senator Hanson-Young
Greens' Spokesperson on Education**