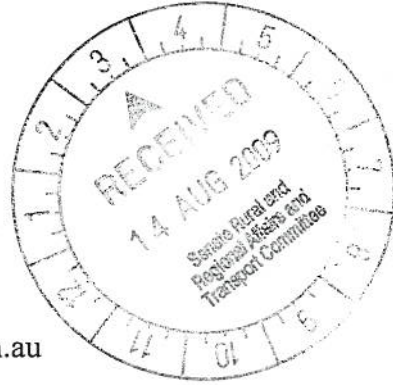


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7 August 2009

Submission to the Senate Rural and Regional Affairs and Transport Committee regarding Rural and Regional Access to Secondary and Tertiary Education Opportunities.

To whom it may concern,

I am writing regarding the recent changes to student income support. The changes introduced to student income support this year have been predominantly positive for students and the education sector as a whole. Positive changes announced this year relating to student income support include:

- Progressively decreasing the age of independence from 25 to 22 (24 in 2010, 23 in 2011 and 22 in 2012);
- Increasing the 'income bank' threshold from \$236 to \$400 per fortnight by 2011, allowing students to earn more before have their payments reduced;
- Increasing in the parental means test threshold from \$32,800 to \$42,599, which will also be indexed;
- Introducing start-up scholarships for all students in receipt of income support of \$2504;
- Introducing relocation grants of \$4000 for students needing to relocate, which are supplemented by \$1000 per year thereafter;
- Extending the eligibility for student income support to masters by coursework students; and
- Exempting all university and philanthropic university scholarships, up to the value of Commonwealth scholarships (\$6622), from being counted as income by Centrelink.

However, despite these positive developments, concerns have arisen amongst students and the wider community surrounding the implementation of the new independence criteria. While it is a positive decision to introduce an increased targeting of payments towards those genuinely in need, the timing of its implementation is of concern to our organization and the affiliates we represent. The planned implementation of the changes to the independence criteria for youth allowance on January 1 2010 means

that a significant number of prospective students currently taking a 'gap' year are likely to miss out on access to youth allowance next year, despite postponing study throughout 2009 to meet the criteria existing at the time. This is an issue that we have received feedback on, from both current and prospective students. It has also gained significant media coverage.

I encourage the Federal Government to push back the implementation date for the removal of the workforce eligibility criteria for youth allowance from 1 January 2010 to 1 January 2011. This would ensure those currently taking time off before starting university with the aim of qualifying for youth allowance through working aren't unfairly disadvantaged by the changes.

Additionally, rural and regional students particularly face challenges to attending university due to an increased likelihood of needing to move away from their family home and locality to relocate in a city or regional centre. I would encourage that future changes be made to youth allowance to incorporate greater ongoing assistance to all students who are forced to relocate for the purpose of studying at university. Such changes should recognise the independence of these students, and it is therefore my opinion that they should be eligible for the full independent rate of youth allowance.

I hope you take the issues I have raised into consideration.

Yours sincerely,

James Mentor

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