

Coalition Senators' Minority Report

Introduction

1.1 As part of the 2009–10 Budget, the government announced changes to the student income support system. While these changes were based on the recommendations of the Bradley Review and were aimed at providing support for those students in genuine need, the proposals—particularly those relating the workforce participation requirements for access to independent Youth Allowance (IYA)—put forward initially by the government were fundamentally flawed. Rather than supporting students in regional and remote Australia to access tertiary education, the proposals would have resulted in further barriers to improving higher education participation. Amendments agreed in the Senate to the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 to provide support for those students in greatest need were rejected by the government.

1.2 The Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No.2] (the revised bill) incorporated amendments negotiated by the Australian Greens and Senator Xenophon. During negotiations with the government to secure the passage of the revised bill, the coalition agreed to support the bill if further amendments were incorporated into the revised bill.¹ These amendments resulted in the two workforce participation criterion for independent Youth Allowance that the government was seeking to remove from the scheme remaining available for those students who must leave home to study, whose parents earn less than \$150,000 per year and who live in Very Remote, Remote and Outer Regional areas. Those existing criteria required that:

- students worked part-time for at least 15 hours per week for at least two years since leaving school; or
- students have been out of school for at least 18 months and have earned at least 75 per cent of the maximum rate of pay under wage Level A of the Australian Pay and Classification Scale in an 18 month period – the 'gap year'.

1.3 While students from Very Remote, Remote and Outer Regional areas may qualify for independent Youth Allowance through one of three criteria, all other students are only eligible if they meet the new workforce participation criteria of working full-time for an average of 30 hours per week for at least 18 months in the previous two years.²

1 This is discussed further at paragraphs 1.51–1.53 below.

2 The change from 'at least 30 hours' to 'an average of 30 hours' was introduced in the revised bill.

1.4 While the new arrangements recognise the particular needs of some regional students, the provisions contained in the revised bill³ have resulted in students residing in the Inner Regional zone being treated in a different, and inequitable, manner. The coalition sought to address this anomaly through an amendment to the revised bill. However, this amendment was negated by the Senate. The Social Security Amendment (Income Support for Regional Students) Bill 2010 seeks to ensure that all regional students are treated in a fair and equitable manner.

Income support arrangements for students in the Inner Regional zone

Equity issues for students in the Inner Regional zone

1.5 When the government made the changes to the eligibility criteria for independent Youth Allowance, they used the Australian Standard Geographical Classification – Remoteness Area (ASGC – RA) map for the purpose of determining the 'regionality' of students. The map classifies Australia into five zones: Metropolitan, Inner Regional, Outer Regional, Remote and Very Remote.

1.6 While the classifications are useful in some contexts—the committee heard that they were used to determine some allowances for health professionals working outside metropolitan areas—they are an entirely inappropriate basis for determining the eligibility criteria for students seeking independent Youth Allowance. The real issue for regional students is not whether they live in a Very Remote, Remote, Outer Regional or Inner Regional zones but that they have no choice other than to relocate to access tertiary education.⁴ Mr Paul Simmonds-Short summed up the problem for Inner Regional students:

It is only those residing in Perth that can do without living on campus or within the local area; all the others will need to pay to do so, so should be eligible for the allowance. The fact that a student lives in or outside an arbitrary line drawn on a map is irrelevant.⁵

1.7 The Isolated Children's Parents' Association of Australia stated that:

...the use in isolation of the Australian Standard Geographical Classification (ASGC) for residential location in order to determine which workforce participation criteria is to be used for assessing independent Youth Allowance, is flawed. Without due consideration to the important factor of ability to access tertiary institutions within a defined geographical area, merely considering where one resides is an unsuitable measure.⁶

3 Revised bill assented to as the *Social Security and Other Legislation Amendment (Income Support for Students) Act 2010*.

4 Isolated Children's Parents' Association of NSW, *Submission 35*, p. 4; Ms Karen Tully, National Rural Women's Coalition, *Committee Hansard*, 17 December 2010, p. 4.

5 Mr Paul Simmonds-Short, *Submission 33*, p. 1.

6 Isolated Children's Parents' Association of Australia, *Submission 125*, p. 3.

1.8 Mr Hugh Warren added his view:

There may be nothing wrong with using the ARIA+ to set a demarcation line. Just use the right line. Common sense demands that, if we are using the instrument in the context of University assistance, the chosen line must be that between Major City and Inner Regional classifications, between those who can commute from home to University and those who cannot. It is simply idiotic to pretend that driving up to 3 hours a day in each direction to attend Uni is a viable option. Using the right line will not create the vaunted level playing field of opportunity, but at least it will be a navigable slope up towards the plateau of urban advantage rather than a sheer cliff.⁷

1.9 Ms Susan Barnett voiced her concerns more forcefully and stated that the ASGC-RA 'was NOT designed to affect the eligibility of potential university students to help finance their studies. It has been hijacked by the Federal Labor Government for the purpose of making illogical lines on maps for IYA eligibility'.⁸

1.10 It was strongly argued in evidence that students from the Inner Regional zone require just as much support as those from the Very Remote, Remote or Outer Regional zones. Submitters noted that few opportunities exist for Inner Regional zone students to access tertiary institutions within commuting distance of their family homes and some Inner Regional zone students are required to relocate up to 450 kms to access their course of choice.⁹ Mrs Sally Quigley, Isolated Children's Parents Association, commented:

Most students from regional areas need to relocate to attend a university as there is no university in their local town. Public transport is severely limited or non-existent for towns that are close to large regional centres with tertiary institutions, such as Tamworth, Orange or Devonport. Not all regional universities offer all courses. Not all the towns listed in inner regional Australia have universities, and if they do the courses can be very limited.¹⁰

1.11 The costs of relocation are not less just because a student resided in the Inner Regional zone – students must still pay for accommodation, food, transport and study material in the city where they have relocated. Families indicated that these costs amount to \$15,000 to \$20,000 per year per student. This is an enormous amount of money for regional families, many already facing difficult financial times, to find.

1.12 Indeed, Coalition senators note that the Minister for Tertiary Education, Skills, Jobs and Workplace Relations has recognised that the costs of relocating for tertiary studies are faced by all non-metropolitan students. The Minister announced in

7 Mr Hugh Warren, *Submission 12*, p. 1.

8 Ms Susan Barnett, *Submission 107*, pp 2–3.

9 Ms Helen Andrionopoulos, *Submission 123*, p. 1.

10 Mrs Sally Quigley, Isolated Children's Parents Association, *Committee Hansard*, 17 December 2010, p. 7.

December 2010 that grants would be available under the Rural Tertiary Hardship Fund to students from 'areas other than major capital cities'.¹¹ The hardship grants are not just for those in the Very Remote, Remote and Inner Regional zones. The government is thus recognising the relocation costs of non-metropolitan students for access to the Rural Tertiary Hardship Fund but not in access to independent Youth Allowance. This is inequitable.

1.13 For some submitters, the concept that the government had grouped students living in the Inner Regional zone with those in the Metropolitan zone was beyond their comprehension. Submitters pointed out that Metropolitan students could live at home and therefore continue to receive parental support (and lower costs) that that brings. As Mr Hugh Warren commented:

It would seem that policy makers imagine that, in the context of University attendance, living in Inner Regional Australia has little in common with living in Outer Regional Australia, and is in fact essentially the same as living in a Major City. Driving for 3 hours from Dunsborough to Crawley (home of UWA) has more in common with a 5 minute bus ride from Claremont to Crawley than with driving for 3 hours from Cowaramup to Crawley. Cowaramup youth continue to avail themselves of workable Youth Allowance qualification criteria, Dunsborough youth and Claremont cannot.¹²

1.14 Mr Hayden Walsh made the following comment:

...condemning students on the basis of where they live, as the current legislation does, based on an unscrupulous 'means test' in the form of geographical demarcation is not a viable or effective way of measuring who [should] and who should not be able to qualify for Youth Allowance.¹³

1.15 The government's use of the ASGC–RA has also led to some inexplicable, and indeed ludicrous, outcomes for regional students. These outcomes were not just limited to differences in closely located towns and villages – the committee heard of instances where residing on one side, or one end, of a street meant that the different workforce participation criteria applied. The following are just a few of the many examples of how the use of the ASGC–RA has led to inequitable outcomes. Miss Sarah Dickens commented:

We live 150 metres away from White Avenue, which is the deciding border for whether you are in a regional or outer regional area. If we lived 200

11 Senator the Hon Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, *Media Release*, 'Government helps rural and regional students attend university', 17 December 2010.

12 Mr Hugh Warren, *Submission 12*, p. 1

13 Mr Hayden Walsh, *Submission 34*, p. 3.

metres to the left, we would qualify for youth allowance by taking the gap year, but without it we are not going to be able to qualify.¹⁴

1.16 Ms Dickens resides in Mount Gambier where the only tertiary education available is the small UniSA campus which offers some nursing courses and some other TAFE subjects. As Councillor Richard Vickery, President, South East Local Government Association, noted '98 per cent of the people in our region who aspire to undertake tertiary studies need to relocate to Sydney, Melbourne Perth—wherever—for the course that they wish to study'.¹⁵

1.17 Ms Susan Barnett stated:

Attunga with a population of 630 is 20 km from Tamworth. If you live in the village on the left hand side of Manilla Road you are Outer Regional and if you live on the right hand side (eg Garthowen Road) you are classified as Inner Regional.

...In some cases, students living in Moonbi Gap Road in Moore Creek are regarded as both Inner and Outer Regional depending on which end of the road they live at. There is a family who are regarded as being Inner Regional who can see from their house another home whose children are regarded as Outer Regional with vastly different effects on the students in those families seeking a university education and whose parental income requires them to apply for IYA.

Places quite close to Armidale, such as Invergowrie and Saumarez Ponds, are deemed to be 'outer regional'.¹⁶

1.18 Mr Steven and Mrs Anne Eccles provided further examples:

The ridiculous issue at Scone is the inner regional boundary goes through the township of Scone itself. We live in 16 Koala Street Scone, 50 metres within the inner regional boundary. Across the road at Barton Street to the east, still within the township of Scone, the new Figtree Estate is in the outer region. So the new Figtree Estates 50 metres away in the \$550,000 to \$700,000 priced houses, families meet the criteria while the \$250,000 fibro houses 50 metres away to the west the area we live in, in the same town are in the inner area. Though we all live 150km away from the nearest university and have the same limited transport facilities.¹⁷

1.19 Other submitters noted that some students residing in the Outer Regional zone are closer to universities than students in the Inner Regional zone.¹⁸

14 Miss Sarah Dickens, *Committee Hansard*, 17 December 2010, p. 32.

15 Councillor Richard Vickery, President, South East Local Government Association, *Committee Hansard*, 17 December 2010, p. 31.

16 Ms Susan Barnett, *Submission 107*, pp 2–3.

17 Mr Steven and Mrs Anne Eccles, *Submission 118*, p. 2.

18 Mr Geoffrey Hull, *Submission 130*, p. 1.

1.20 It is not only students in regional areas who must travel to access the tertiary institution or course of their choice. For example, students in Darwin or Hobart who wish to study veterinary science must relocate to Brisbane, Sydney, Melbourne or Perth. Likewise, forestry is only available at the Australian National University in Canberra or at the University of Newcastle. Mrs Dorothy Creek, Executive Director, Australian Parents Council, stated:

Some people are talking about students having to leave home to attend a tertiary course and I do not think we can look at it as just a tertiary course. We must look at it as the tertiary course of their choosing. We are not talking about children just going to the closest university to do whatever course they can get into, if that is not what their interest is. We are looking at children being able to access courses that are going to be beneficial to this whole country as well as to that student.¹⁹

1.21 Witnesses voiced concern at the inequity that now exists for regionally-located students.²⁰ Parents voiced dismay at the outcomes of using the ASGC-RA to establish which criteria applies to their student children and expressed incomprehension at the lack of understanding exhibited by the government as to the needs of regional students. The following was submitted to the committee by one parent:

I am absolutely bewildered and angry that our government is openly discriminating against educating children from inner rural areas of Australia. Why are they not able to have the same choice of studying at the university of their choice that their city counterparts do? We live 3.5 hours away from Bathurst where my son has been accepted. This distance is too great to travel each day so he has to live away from home...my son is holding down two jobs and is constantly improving his qualifications so as to truly become independent.²¹

1.22 Ms Jill Rogers submitted the following:

...how can there now be 2 different classifications for rural students? Can someone please explain to me why the family 5-10 minutes down the road from us are classified as outer regional and we are inner regional? The students all went to the same school, caught the same school bus, and all have to travel 3 hours away from the family home to go to uni. How can that possibly be fair? We now have division between rural and metro and rural and rural.²²

19 Mrs Dorothy Creek, Executive Director, Australian Parents Council, *Committee Hansard*, 17 December 2010, p. 15.

20 University of South Australia, *Submission 55*, p. 1; University of Western Australia, *Submission 83*, p. 1;

21 Name and address withheld, *Submission 23*, p. 1.

22 Ms Jill Rogers, *Submission 90*, p. 2.

1.23 The examples provided above are but a few of the many received by the committee illustrating the inequitable outcomes for regional students arising from the government's reformed income support system. The committee was also provided with evidence of the financial impact of the reforms. For example, the Bird family have one daughter who received support under the 'old' arrangements as an independent student and another daughter who will attend university under the new regime. The difference in support for the siblings is substantial and shows the potential impact on rural families.

Table 1: Comparison of support schemes

Daughter No 1 – former arrangements		Daughter No 2 – new arrangements	
Youth Allowance	\$377.00	Youth Allowance	\$ 25.39
Rent Assistance	\$ 76.80	Rent Assistance	\$113.40
Commonwealth Accommodation Scholarship	\$173.38	Start Up/Relocation	\$235.69
Total	\$627.18 pfn	Total	\$374.48 pfn

Source: John and Sue Bird, *Submission 31*, p. 1.

Employment opportunities in regional Australia

1.24 One of the problems facing students from Inner Regional zones is access to employment so that they can meet the workforce participation criterion of working full-time for an average of 30 hours per week for at least 18 months in the previous two years. This was a major concern for submitters as many pointed out that it is difficult, if not impossible, to find jobs in regional areas to qualify for independent Youth Allowance under the 'average of 30 hours per week' criterion. Employment in many regional areas is unreliable, seasonal, agricultural or the tourist/service industry.²³ For example, Ms Fiona Mullen submitted:

Most of my daughter's peers found this a very difficult, if not impossible task in a town with a population of 25000 and a higher than average unemployment rate.²⁴

1.25 Ms Maureen Campbell, Country Women's Association of New South Wales, Monaro Area, commented on employment opportunities in her region:

23 Isolated Children's Parents' Association of NSW, *Submission 35*, p. 8; CQ University Australia, *Submission 91*, p. 1; Ms Carolyn Ngan, *Submission 121*, p. 1; Isolated Children's Parents' Association of Australia, *Submission 125*, p. 2; Ms Linda Brown, *Submission 134*, p. 1; Ms Katherine Young, *Submission 160*, p. 1; Ms Nola Marino MP, *Submission 197*, p. 1.

24 Ms Fiona Mullen, *Submission 94*, p. 1.

One of the problems with them having to get work is that there is not a lot of work around. The Monaro district has been in drought on and off for 17 years and a high percentage of property owners down there have already got off-farm employment, and have to have in order to survive, and any support that their young people could have would be invaluable. There is not a lot of employment down there and if the young people do not go to further their education they have got to leave home anyway, and on the whole it breaks up the family unit.²⁵

1.26 CQ University also commented that finding a job in Inner Regional areas is no easier than finding a job in the Outer Regional, Remote and Very Remote zones. This is supported by SEIFA data indicators of disadvantage and CQ University concluded that:

...making it more difficult for students from these inner-regional areas to access appropriate income support compounds place-based inequities as highlighted as a contributing factor of social exclusion in Australia.²⁶

1.27 Many students submitted to the committee and provided examples of their particular circumstances, for example, Mr Hayden Walsh commented:

For the past two years I have been employed with my local Coles, Port Macquarie NSW. Aiming to qualify for independent Youth Allowance I undertook a Gap Year despite trepidation of the, then, changes with the confidence that such a divisive Bill would not pass the Senate. The reality however was somewhat different, and since then I have pursued multiple and arduous shifts between the three Coles stores here, with constant apprehension of my casual position and added uncertainty of hours to compete with new eligibility criteria. Meanwhile in the time I didn't work I searched and applied hoping I could pick up a second job (if you don't count working at two additional Coles stores as multiple jobs).

Despite all of this I know if the current legislation is to continue unamended I will not qualify for independent Youth Allowance.²⁷

1.28 The policy assumes that work is available to young people in Inner Regional small towns to the same extent as larger towns—a patently flawed assumption. Ms Barnett commented:

Werris Creek has 1200 people and is 50km from Tamworth. Yet according the Labor Government's classification for ascertaining which workforce participation criteria apply, the young people of Werris Creek have the same opportunities to find 30 hours work per week for 18 months – just like students in Tamworth, Bendigo, Albury and Gosford.²⁸

25 Ms Maureen Campbell, Country Women's Association of New South Wales, Monaro Area, *Committee Hansard*, 17 December 2010, p. 17.

26 CQ University, *Submission 91*, p. 2.

27 Mr Hayden Walsh, *Submission 34*, p. 1.

28 Ms Susan Barnett, *Submission 107*, pp 2–3.

1.29 The Snowy River Shire Council also commented that in many regional areas young people must leave home in search of work to become eligible for Youth Allowance and this adds to the costs of rural and regional working families who are less likely to be able to afford those costs.²⁹

1.30 In relation to the recent floods, coalition senators are very concerned about their impact on the ability of Inner Regional students to meet the very strict workforce participation criteria. While the amendments agreed to by the government now require an 'average' of 30 hours per week, the flooding has been so severe that the work opportunities in many areas of Australia will be disrupted for a substantial amount of time. Even before the January floods, witnesses raised concerns. Ms Quigley commented:

The requirement to average either 120 hours in each of 19 periods of four weeks or 390 hours in each of six periods of 13 weeks is ridiculous. Consider the huge wet that has just occurred in eastern Australia. The sitdown time of this could mean that a student who hoped to qualify under the 30-hour rule but who has been unable to work during this time would be unable to fulfil the requirement. The wet period may make the difference between a student qualifying or not. Does the government really want students to miss out just because their average hours are a bit short in one or two of these periods?³⁰

1.31 Coalition senators consider that the effects of the flooding are so devastating, so wide-spread and so disruptive to rural life that this matter should be addressed as a matter of urgency. Coalition senators note that the Department of Education, Employment and Workplace Relations (the department) has stated it 'is considering a range of responses to ensure individuals are not disadvantaged by their particular circumstances as a direct result of the December-January floods'.³¹

1.32 However, more than just consideration of responses is required: urgent and specific action must be in place before the commencement of the 2011 tertiary academic year. Coalition senators consider that one of the specific measures that should be evaluated by the department is a moratorium on the criteria for independent Youth Allowance for the months of December 2010, January 2011, February 2011 and March 2011. That is, for any student in regional Australia seeking to qualify for independent Youth Allowance, if the eligibility period includes the months of December 2010 and January to March 2011, that those months not be counted for the workforce participation criteria. Students would still be qualifying in the same 18 month or 2 year period, but those months would be excluded from any calculations

29 Snowy River Shire Council, *Submission 145*, p. 1; see also South East Local Government Association, *Submission 150*, p. 3.

30 Mrs Sally Quigley, Isolated Children's Parents Association, *Committee Hansard*, 17 December 2010, p. 7.

31 Department of Education, Employment and Workplace Relations, *Answer to question on notice, SIH-H9*.

of the hours per week or earning requirements. This would recognise the lack of employment opportunities for regional students as a result of the flooding.

1.33 Coalition senators acknowledge Recommendation 1 of the committee majority report and agree that the response to the recent flooding be finalised as a matter of priority.

Effects on Inner Regional students

1.34 Many submitters raised concerns about the detrimental effects of the new income support system on Inner Regional students. These concerns ranged from the impact on take-up rates of tertiary places to potential mental health issues.

1.35 Submitters argued that the change to workforce participation criteria for Inner Regional students will have a detrimental impact on tertiary place take-up rates by students. The committee heard that many students just cannot afford to take-up tertiary places without independent Youth Allowance. Miss Dickins provided the following example:

I have some friends who have been affected. One finished year 12 last year and got a TER of 98. Her family is not in a position to be able to send her away without full youth allowance payments. They would qualify for a partial rate but they have sat down and they have done the figures and it is just not enough for her to be able to move. So she is working at Video Ezy where she has been promoted to a manager's role very quickly. She is a very bright girl but her parents just cannot afford for her to go. So with a TER of 98 she is in Mount Gambier working at Video Ezy.³²

1.36 It was also noted in evidence that the new workforce participation criterion will effectively extend the gap-year to two years. Concerns were voiced that this will further exacerbate the trend for regional students not to take-up their tertiary places following a deferral of studies.³³ Mrs Quigley commented:

...I think two years is too long. You cannot defer from a university—kids go off and get jobs. They get jobs in mines, they earn big money and they think: 'What is the point? Why go and get an education? I can earn money. I have got money to spend.' It is too late. Plus all their peers are already there. When they are older they do not want to go to university with a younger crowd of people. They want to be there with students the same age as those that they went to school with.³⁴

1.37 As noted in the report of the Senate Standing Rural and Regional Affairs and Transport References Committee inquiry into the Social Security and Other

32 Miss Sarah Dickens, *Committee Hansard*, 17 December 2010, p. 32.

33 CQ University, *Submission 91*, p. 2; Ms Maddison Hallett, *Submission 115*, p. 1; Australian Parents Council, *Submission 177*, p. 2.

34 Mrs Sally Quigley, Isolated Children's Parents Association, *Committee Hansard*, 17 December 2010, p. 9.

Legislation Amendment (Income Support for Students) Bill 2009, 30 per cent of students who formally defer a university offer to take a gap-year never return to study.³⁵ Coalition senators are concerned that the effective lengthening of the gap between leaving school and being able to move into tertiary education will see an increase in the number of students who never return to study.

1.38 There were also concerns that the new arrangements 'needlessly' delay students moving on to tertiary education after finishing school. As Mrs Dorothy Creek, Australian Parents Council, commented:

If a student works for two years and then accesses independent youth allowance, they end up having independent youth allowance for their four years or more of tertiary education. Only two years of that is obtained by their workforce participation, because after that they are already independent. What is the government actually saving? They are just delaying it by putting it off for two years.³⁶

1.39 In addition, extending the gap was seen as potentially acting as a barrier to taking up certain higher education courses, particularly courses of longer duration such as architecture and medicine, or worse, failing to take up any tertiary study at all.³⁷ In addition, many submitters pointed out that lengthening the qualifying period does not mesh well with the policies of many universities: some do not allow for a deferral of more than one year; and many do not have courses which commence mid-year.³⁸

1.40 Of great concern to coalition senators is the potential for adverse mental health outcomes for Inner Regional students and their families. Mrs Shelley O'Brien, Injury Control Council of Western Australia, provided the following evidence to the committee:

The financial pressures really are going to be quite considerable if they have to factor in not having access to youth allowance. These financial pressures, we understand from mental health, lead to family disharmony; increased levels of mental ill-health and depression; pressures on other family members and risks to younger siblings; increases in domestic violence potential loss of family home or car; family discussions about financial prioritising; feelings of discrimination; and, in small communities, the fears of shame leading onto isolation are real pressures.

35 Senate Standing Rural and Regional Affairs and Transport References Committee, *Report on the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009*, October 2009, p. 25.

36 Mrs Dorothy Creek, Australian Parents Council, *Committee Hansard*, 17 December 2010, p. 13.

37 University of Melbourne, *Submission 152*, p.2; see also South West Local Learning and Employment Network, *Submission 204*, p. 2; Miss Briana Proud, , *Committee Hansard*, 17 December 2010, p. 38.

38 South East Local Government Association, *submission 150*, p. 3.

...Our main argument is that the mental health of families is being impacted on quite dramatically within families and also in the wider community.³⁹

1.41 In addition, Mrs O'Brien raised specific concerns for young people in the 15 to 25 year age group:

The other thing is that, from a science perspective, young people need to be able to traverse what is known in the mental health world as the critical period, covering the age group from 15 to 25. As research shows and mortality data suggests, mental illness, substance abuse and those sorts of things are the highest per head of population. Any assistance that policy, services and resources can provide in assisting a young person to traverse this period is going to provide significant social and economic benefits. So we are looking at making sure that there is capacity for a good investment to support and resource a young person's journey into adulthood. The youth allowance allowed that. It allowed families to regulate their own homes in order to support this trajectory and the best possible pathway. Exposing young people to a delay in being able to access the sort of education that they need is going to increase their risk and their vulnerability. For us that is a significant concern.⁴⁰

Government's proposed review of income support reforms

1.42 Coalition senators note that the revised bill provided for a review of the impact of the student income support reforms, particularly the impact on rural and regional students. The review is to be completed by 30 June 2012. The then minister stated that 'I am very confident that the review will show that these arrangements are better for regional and rural students'.⁴¹ Coalition senators acknowledge that new government programs should be reviewed to ensure that no adverse outcomes arise from the implementation of programs. However, in the case of the impact of the government's income support reforms on regional students, the evidence is already in: the reforms are inequitable and will impose yet another barrier to Inner Regional students seeking to undertake tertiary education. Coalition senators consider that the only review that should be undertaken is a comprehensive review of the education needs of all regional students. Such a review should address the barriers facing regional students wishing to undertake tertiary studies and consider a better way to provide financial assistance to those students.

39 Mrs Shelley O'Brien, Injury Control Council of Western Australia, *Committee Hansard*, 17 December 2010, p. 23.

40 Mrs Shelley O'Brien, Injury Control Council of Western Australia, *Committee Hansard*, 17 December 2010, p. 24.

41 Ms Julia Gillard, Minister for Education, *House of Representatives Hansard*, 25 November 2009, p. 12894.

Long-term effects in regional Australia

1.43 Submitters, including the University of South Australia (UniSA), voiced concern about the long-term impact that the government's legislation on independent Youth Allowance will have on regional communities. The UniSA noted that many exciting developments are occurring in regional South Australia in the areas of mining, agriculture, transport and energy. Support for regional students to undertake tertiary studies will aid the further development of these industries and build strong regional communities as regional students will be able to return to stay in their communities following completion of their studies.⁴² The South East Local Government Association argued:

The high costs of education combined with the high costs of relocation will impact on the participation of rural and regional students. There will be a resultant reduction in numbers attending higher education and the gap between city and country will be widened rather than bridged.

There will be an increase in the number of families who will leave rural and regional Australia to provide their children with opportunities for higher education. There is year to year evidence of this happening and it is resulting in the loss of professional and skilled families who move to the city to give their kids what they believe is the best start to the careers. This will impact on economic and community development and will result in population decline.⁴³

1.44 Mrs O'Brien stated:

We are also very concerned about the potential loss of intellectual property in the south-west—what we are calling a further dumbing down of our regional areas.⁴⁴

1.45 A further concern raised is the loss of professionals from regional areas. Evidence received indicated that professionals were considering moving to cities where they can earn more money, and bare lower costs by having their children live at home while they complete their education. This will put further pressure on the rural professional workforce.⁴⁵ Dr C J Lewis submitted:

As a General Practitioner in an extremely busy practice in Eaton WA, I feel like I am at a 'crossroads' as I have 3 children to educate at university in the

42 Mr Tony Crook, MP, *Submission 139*, pp 3–4; University of South Australia, *Submission 55*, pp 1–2; South East Local Government Association, *Submission 150*, p. 3.

43 South East Local Government Association, *Submission 150*, p. 3.

44 Mrs Shelley O'Brien, Injury Control Council of Western Australia, *Committee Hansard*, 17 December 2010, p. 23.

45 Dr Pamela Burgar, *Submission 153*, p. 1; City of Bunbury, *Submission 210*, p. 1; Dr CJ Lewis, *Submission 124*, p. 1; Mrs Sally Quigley, Isolated Children's Parents Association, *Committee Hansard*, 17 December 2010, p. 7.

next 5 years. With the removal of the Youth Allowance, this will cost me +- \$ 40 000 in accommodation and living expenses.

Due to the above circumstances, I am seriously considering relocating to Perth, where my children will be able to attend university, but live at home.

Unfortunately, Eaton is already short of Doctors and several of my colleagues are in the same situation as I am.

I hope the decision by the government to remove the Youth allowance, does not result in a severe shortage of medical professionals in the disadvantaged rural areas.⁴⁶

1.46 It was also noted that many students returned to their homes once they have finished their tertiary education.⁴⁷ Ms Karen Tully, National Rural Women's Coalition, commented:

Numerous studies have shown that individuals who are most likely to live and work in the bush, those who are most likely to take career steps away from the urban environment, are those who have spent time in regional Australia. Sure, many workers in the areas of health education et cetera come from the city to work in rural Australia; however, most serve their obligatory two- or three-year term and then return to the cities. That is a fact of life, and we thank those workers for their contributions to rural Australia. However, guess who are the ones that tend to stay on and serve rural communities for greater periods of time, often in more meaningful ways? Who are the leaders and the mainstays of our rural areas? What is the background of those who stay for longer periods or indeed make rural Australia their long-term home? Yes, it is the people who originally come from regional and remote Australia. They are the ones who are our long-term workers.⁴⁸

1.47 Councillor Richard Vickery also stated:

In those figures about what people do later in life, people who are used to growing up in rural and regional communities tend to get used to that sense of community and are far more likely to return to those communities. Our falling percentage of tertiary uptake in the regions and issues like that are exacerbated considerably. I understand how the situation came about, but it needs to be remedied quickly.⁴⁹

46 Dr C J Lewis, *Submission 124*, p. 1.

47 Mr Tony Crook, MP, *Submission 139*, p. 4; see also Isolated Children's Parents' Association of WA, *Submission 175*, p. 1; Ms Karen Tully, National Rural Women's Coalition, *Committee Hansard*, 17 December 2010, p. 3; Mrs Sally Quigley, Isolated Children's Parents' Association, *Committee Hansard*, 17 December 2010, p. 7.

48 Ms Karen Tully, National Rural Women's Coalition, *Committee Hansard*, 17 December 2010, p. 2.

49 Councillor Richard Vickery, South East Government Association, *Committee Hansard*, 17 December 2010, p. 35.

1.48 Mr Richard and Mrs Leanne Ford added their view:

The new rules will work against a vibrant and sustained rural economy at a time where the ability to entice professionals from their metropolitan support base is already very difficult. The young people targeted adversely by the new rules are the very best hope to have high quality professional skills available in regional areas. They deserve to be supported strongly by Government not the reverse!⁵⁰

1.49 Submitters also argued that the present income support arrangements undermine the aims of the government's much vaunted Education Revolution to increase participation of students from rural and regional backgrounds in tertiary education.⁵¹ The Snowy River Shire Council commented:

...these new guidelines are inconsistent with the view held by the Labor Government which seeks to increase post secondary education participation leading to a higher skill level which in turn increases productivity in the long term.⁵²

1.50 The University of Tasmania noted that major economic benefits arise from increased educational attainment: if the average educational attainment of the working-age population were to rise by a year, real GDP should rise by eight per cent.⁵³

The so-called 'deal'

1.51 The government has made much of the so-called 'deal' that allowed the revised bill to pass the Senate. Coalition senators wish to make it clear that they supported the legislation at that time to ensure that students were able to access the beneficial measures contained in the legislation. Indeed, Senator Mason stated during the second reading debate:

We have never had problems with the bulk of changes in the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No. 2] that is before us today, such as the introduction of new scholarships and most of the changes to youth allowance, but we have major problems with two aspects of the bill: firstly, its retrospective impact on students who have already made decisions affecting their lives, work and education based on the law as it previously stood and, secondly, the attempt to narrow the avenues to achieving independence by workforce participation for the purposes of receiving youth allowance.⁵⁴

50 Mr Richard and Mrs Leanne Ford, *Submission 161*, p. 1.

51 Isolated Children's Parents' Association of NSW, *Submission 35*, p. 8.

52 Snowy River Shire Council, *Submission 145*, p. 3.

53 University of Tasmania, *Submission 147*, p. 2.

54 Senator Brett Mason, *Senate Hansard*, 17 March 2010, p. 2026.

1.52 However, the government chose to put the non-contentious reforms, such as the new scholarships, and the more controversial changes into the one bill. By not splitting the bill, the only option open to coalition senators was to allow the bill to proceed, so that many students would not be disadvantaged, while continuing to pursue a better outcome for Inner Regional students. Coalition senators did so by moving an amendment in the committee of the whole to add the Inner Regional zone to the provisions maintaining the three workforce participation criterion.

1.53 While the government saw fit to try to label this as some sort of renegeing on a 'done deal' for the sake of political posturing,⁵⁵ the coalition continued to seek to overturn the very great inequity that government has now visited on students in the Inner Regional zone. This is not about political posturing; it is about ensuring equity in access to tertiary education; it is about supporting families in need; and it is about ensuring that rural communities grow and thrive through a well-educated population.

Conclusion

1.54 The government's decision to apply different criteria for independent Youth Allowance to students in one of the four regional zones is inequitable and discriminatory. The government's decision shows that it has failed to understand the very real pressures on rural and regional families and students.

1.55 The evidence received by the committee pointed to many inconsistencies that have arisen because of this policy even to where students in the same street are treated differently when they apply for independent Youth Allowance. This policy does not take into account the realities facing Inner Regional zone students: that they must travel to take up tertiary education places and face the same costs as students from the Very Remote, Remote and Outer Regional zones. Inner Regional students face the same relocation costs which may be as high as \$20,000 per year. They also face uncertain employment opportunities as work in regional areas is often seasonal and unpredictable and therefore many will find it difficult to meet the very onerous 30 hours per week participation requirements.

1.56 The government has recognised that all regional students face costs in relocating to study: the Rural Tertiary Hardship Fund is available to students from areas other than major capital cities who are experiencing severe financial hardship. This recognition of the realities of being a student from regional Australia has not been carried over to independent Youth Allowance.

1.57 This policy is having significant adverse effects on Inner Regional students. There is evidence that Inner Regional students are failing to take up tertiary places; are discouraged from enrolling in courses of a longer duration such as medicine; and suffering adverse mental health outcomes. Not only has the rug been pulled out from

55 Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research, *Senate Hansard*, 17 March 2010, p. 2050.

under the feet of many regional students, but the policy has also the potential to undermine the viability of regional communities. The evidence shows that regional students who go away to study are more likely to return to their communities and practice their professions. The government is being negligent in not providing every support to ensure that regional students access tertiary education.

1.58 Coalition senators consider that this bill addresses a great inequity that currently exists for regional students, families and communities. Young people from regional Australia are only asking to be treated in an equitable manner. Once they have gained their tertiary qualifications many return to their communities and contribute to building a strong and resilient regional Australia. With a well educated population regional Australia will continue to make significant contributions to the economy to the benefit of all Australians.

1.59 While the bill aims to overcome the current inequitable situation faced by regional students in relation to independent Youth Allowance, it is only a part solution. The real issue is that there are many barriers for regional students to accessing tertiary education including that many students must relocate to access the course of their choice. The inquiry by the Senate Rural and Regional Affairs and Transport References Committee into to access to secondary and tertiary education opportunities for rural and regional students recommended that the Government introduce a Tertiary Access Allowance for students who are required to move away from home to access tertiary education.⁵⁶

1.60 Coalition senators also consider that there is a great need for a thorough and comprehensive review that focuses on the educational needs of all regional students. Effective strategies are required to overcome the barriers that currently exist for students in regional Australia in accessing tertiary education opportunities.

Recommendation 1

1.61 Coalition senators recommend that the government, as a matter of urgency, establish a comprehensive review of the educational needs of all regional students and in particular, that the review focus on implementing strategies to overcome inequity in educational opportunities for regional students including assistance for students who are required to move away from home.

1.62 Coalition senators also wish to thank all those who submitted to the inquiry. The very large number of submissions received, many based on personal experience, show the depth of concern in regional areas about the government's changes to the student income support arrangements. It is unfortunate that the committee had the capacity to have only one hearing in Canberra. However, the submissions received paint a vivid picture of the detrimental outcomes that the government's legislation

56 Senate Rural and Regional Affairs and Transport References Committee, *Rural and Regional access to Secondary and Tertiary Education Opportunities*, December 2009, p.110.

regarding independent Youth Allowance is having on students, families and communities in Inner Regional Australia.

Recommendation 2

1.63 Coalition senators recommend that the bill be passed.

**Senator Chris Back
Deputy Chair
Senator for Western Australia**

**Senator Fiona Nash
Senator for New South Wales**