

The Senate

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Education, Employment  
and Workplace Relations  
Legislation Committee

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Social Security Amendment (Income Support for Regional  
Students) Bill 2010

February 2011

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# **Senate Standing Committee on Education, Employment & Workplace Relations**

## **LEGISLATION COMMITTEE**

### **Membership of the Committee**

Senator Gavin Marshall, Chair	Victoria, ALP
Senator Chris Back, Deputy Chair	Western Australia, LP
Senator Catryna Bilyk	Tasmania, ALP
Senator Michaelia Cash	Western Australia, LP
Senator Sarah Hanson-Young	South Australia, AG
Senator Dana Wortley (from 30 September 2010)	South Australia, ALP

### **Participating Members**

Senator Fiona Nash	New South Wales, NATS
Senator Nick Xenophon	South Australian, IND

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# **Recommendations**

## **Recommendation 1**

**1.48 The committee majority recommends that as a matter of urgency the Department of Education, Employment and Workplace Relations finalise responses to ensure that regional students who are temporarily unable to meet the workforce participation criterion because of the recent flooding are not precluded from accessing Youth Allowance.**

## **Recommendation 2**

**1.56 The committee majority recommends that the bill not proceed.**



# Committee Majority Report

## Introduction

1.1 On 17 November 2010, on the motion of Senator the Hon. Stephen Conroy, the Senate referred the Social Security Amendment (Income Support for Regional Students) Bill 2010 (the bill) to the Senate Standing Education, Employment and Workplace Relations Legislation Committee for report by the second sitting day in February 2011.<sup>1</sup>

1.2 The bill, a private senator's bill introduced into the Senate by Senator Fiona Nash on 28 October 2010,<sup>2</sup> seeks to amend the *Social Security Act 1991* to provide the same eligibility criteria for independent youth allowance for students residing in the Inner Regional zone of the Australian Standard Geographical Classification – Remoteness Area map as currently apply to students residing in the Outer Regional, Remote and Very Remote zones.

1.3 Senator Nash explained the rationale for the bill as follows:

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 purposed [sic] of determining the 'regionality' of students. The map is in five zones – Metropolitan, Inner Regional, Outer Regional, Remote and Very Remote. However, this is a flawed basis to determine the 'regionality' of students. The issue for regional students is the distance they have to travel to attend tertiary education and the ASGC-RA map does not adequately reflect that. The issue here is that many students in regional areas simply have no choice but to relocate to attend tertiary education – and that comes as a cost.<sup>3</sup>

## Conduct of the inquiry

1.4 Notice of the inquiry was posted on the committee's website and advertised in *The Australian* newspaper, calling for submissions by 6 December 2010. The committee also directly contacted a number of interested parties, organisations and individuals to notify them of the inquiry and to invite submissions. A total of 214 submissions were received, as listed in Appendix 1.

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1 *Journals of the Senate*, 17 November 2010, p. 317. Note: The reporting date was not specified as the 2011 parliamentary sitting calendar had not been released at the time the bill was referred to the committee. The sitting calendar has been subsequently released and the second sitting day is 9 February 2011.

2 *Journals of the Senate*, 28 October 2010, p. 240.

3 *Senate Hansard*, 28 October 2010, p. 1007.

1.5 A public hearing was held in Canberra on 17 December 2010. Witnesses who appeared before the committee are listed at Appendix 2.

1.6 The committee thanks those who provided submissions to the inquiry and appeared before the committee at the public hearing.

## **Background**

### ***Review of Australian Higher Education (Bradley Review)***

1.7 In December 2008, the Review of Australian Higher Education (the Bradley Review) reported on whether the higher education sector is structured, organised and financed to position Australia to compete effectively in the new globalised economy. The Bradley Review examined student income support programs and found that they were not accurately targeting students in most need of assistance. It also found one of the unintended effects was that youth allowance was being accessed by some students living at home in high socio-economic status households.<sup>4</sup> To address these issues, the review recommended a comprehensive reform of student income support programs.

### ***Response to the Bradley Review***

1.8 In response to the Bradley Review's recommendations in relation to student income support, the government announced a package of reforms in the 2009–10 Budget.<sup>5</sup> The reforms were aimed at ensuring that only those students who are genuinely independent qualify for assistance and included:

- changes to the parental income test for dependent students: in July 2010, the parental income test threshold was increased from \$33,000 to \$44,165 and will further increase in January 2011. The 20 per cent family taper rate was introduced replacing the 25 per cent per child taper rate;<sup>6</sup>
- changes to how young people can access payments as independent recipients, including lowering the age of independence from 25 to 22 years, phased in from 2010 to 2012;
- changes to the workforce participation criteria: from 1 July 2010 young people will be required to work full-time for at least 30 hours per week for at least 18 months in a two-year period to demonstrate financial independence. Young people are no longer able to qualify through the two previous workforce participation criterion elements of working part-time for at least 15 hours per week for at least two years since leaving school or earning in an 18-

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4 Professor Denise Bradley et al, *Review of Australian Higher Education: Final Report* (Bradley Review), December 2008, p. 48.

5 Ms Marsha Milliken, Group Manager, Income Support Group, DEEWR, *Committee Hansard*, 17 December 2010, p. 43.

6 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44.

month period since leaving school an amount equivalent to 75 per cent of the appropriate maximum national training wage award;<sup>7</sup> and

- introduction of the Student Start-Up Scholarship for all university students receiving youth allowance, Austudy or Abstudy and the Relocation Scholarship. The Student Start-Up Scholarship assists with the costs of textbooks and specialised equipment even for those on a part rate of student income support. That scholarship was \$650 in each half-year of 2010 and increases to \$1,097 in each half-year of 2011.<sup>8</sup>

1.9 The Department of Education, Employment and Workplace Relations (DEEWR) outlined for the committee the effect on students of the reform package. Ms Marsha Milliken, Group Manager, Income Support Group, DEEWR, stated that changes to the parental income test and taper rate<sup>9</sup> will improve access for dependent young people from low- to medium-income families and:

...over 100,000 students are expected to benefit from those changes. Many will receive a higher payment than would have previously been applied and many students who have previously considered it necessary to gain eligibility as independents would no longer need to do so.<sup>10</sup>

It is estimated that an additional 67,800 students would qualify for income support and approximately 34,600 will receive a higher rate of payment.<sup>11</sup>

1.10 In relation to the changes to the workforce participation criteria, it was noted that it was about establishing genuine independence. Ms Milliken commented that:

The whole package goes to targeting assistance more closely to young people from lower socioeconomic backgrounds, and the 18 months in two years is an average of working 30 hours per week over 18 months in a two-year period. So you might have a break in that two-year period. It is not necessarily 18 months straight but, on average, 30 hours per week for 18 months out of 24. You could achieve that in 18 months; you might achieve it in two years if you have some breaks.<sup>12</sup>

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7 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44. Note: see paragraphs 1:13-1:15 for transitional and other arrangements subsequently agreed.

8 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44.

9 The rate at which payments are withdrawn.

10 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44.

11 Senate Rural and Regional Affairs and Transport References Committee, *Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [Provisions]*, October 2009, p. 4.

12 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 46.

1.11 DEEWR also informed the committee that by the end of August 2010 around 174,000 students had received at least one payment of under the Student Start-Up Scholarship and over 22,000 students had received a Relocation Scholarship.<sup>13</sup>

1.12 On 31 December 2010, the government reported on the effect of the decrease in the age of independence:

...already more than 2400 students have gained access to Youth Allowance or ABSTUDY for the first time or have received increased student payments...The Government expects 7000 additional students to benefit from the 1 January 2011 change.<sup>14</sup>

### ***Further reform of student support system***

1.13 In response to concerns raised by students about changes to the Youth Allowance system, the Hon Julia Gillard, the then Minister for Education, announced on 26 August 2009, that the government would introduce transitional arrangements for those students who had left school in 2008, had taken a gap year in 2009 and who must leave home to attend university. Until 31 December 2010 these people can be assessed under the pre-existing workforce participation criterion for independence and would therefore be not caught up in the transition between the old and the new systems.<sup>15</sup>

1.14 On 1 December 2009, the Minister for Education announced the establishment of the Rural Tertiary Hardship Fund worth \$20 million. This fund will help to address the barriers preventing disadvantaged rural and regional students from attending university.<sup>16</sup> A taskforce was established to advise the government on the eligibility criteria for assistance under the fund.<sup>17</sup> The taskforce reported in December 2010. The taskforce proposed two sets of criteria (eligibility and selection criteria) for achieving the purposes of the legislation in a systematic and equitable fashion.<sup>18</sup>

1.15 On 16 March 2010, as a result of negotiations (see paragraph 1.20), special arrangements were implemented for students from outer regional, remote and very

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13 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44.

14 Senator the Hon. Christopher Evans, *Media Release*, 'Student income supports more independent students', 31 December 2010.

15 The Hon Julia Gillard, MP, Minister for Education, *Media Release*, 'Changes to Youth Allowance to assist gap year students', 26 August 2009; see also Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44.

16 The Hon Julia Gillard, MP, Minister for Education, *Media Release*, 'Government offers extra \$20 million to rural tertiary students', 1 December 2009.

17 Senator the Hon Chris Evans, Minister for Tertiary Education, and The Hon Simon Crean, MP, Minister for Regional Australia, Regional Development and Local Government, *Joint Media Release*, 'Taskforce announced for Rural Tertiary Hardship Fund', 20 October 2010.

18 Rural and Regional Taskforce, *Report on Rural Tertiary Hardship Fund Selection Criteria*, December 2010.

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remote Australia who are required to live away from home to study. From 1 January 2011, these students are able to access the former elements of the workforce participation criteria provided their parents' income is less than \$150,000 per year.<sup>19</sup>

1.16 The government initially proposed to implement the reforms announced in the 2009–10 Budget through the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009. They were subsequently implemented with the passing of a revised bill, Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No.2]. The history of the bills is discussed below.

***Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009***

1.17 The Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 was introduced in the House of Representatives on 10 September 2009. On 17 September 2009, the bill was referred to the Senate Standing Regional, Rural Affairs and Transport References Committee which examined the proposed changes to student income support and broader access issues facing rural and regional students.<sup>20</sup> On 27 October 2009, the committee tabled its report on the bill.<sup>21</sup> Following extensive debate, amendments to the bill were agreed to by the Senate. However, the House of Representatives agreed to only two of the nine amendments made to the bill in the Senate. On 24 November 2009, the Senate voted not to adopt the report from the committee of the whole.<sup>22</sup> The bill remained before the committee of the whole and subsequently lapsed at the end of the 42<sup>nd</sup> Parliament.

1.18 The Senate amendments rejected by the government sought to:

- extend the period during which the savings provisions applied, for those affected by the changes to the independence criteria, by six months to the end of 2010;
- extend those savings provisions to all students affected who left secondary education in 2008; and

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19 The Hon Julia Gillard, MP, Minister for Education, *Media Release*, 'Government delivers on Youth Allowance', 16 March 2010.

20 *Journals of the Senate*, 17 September 2009, p. 2546.

21 Senate Rural and Regional Affairs and Transport References Committee, *Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [Provisions]*, October 2009.

22 *Journals of the Senate*, 24 November 2009, p. 2846.

- permanently preserve access to qualification for independent status through the part-time work for students who are required to live away from home to study.<sup>23</sup>

***Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No. 2]***

1.19 The Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No. 2] (the revised bill) was introduced into the House of Representatives on 25 November 2009<sup>24</sup> and into the Senate on 30 November 2009.<sup>25</sup> The revised bill incorporated amendments which had been negotiated by the Australian Greens and Senator Xenophon with the government. Differences between the original and the revised bill were as follows:

- savings provisions for gap year students affected by the changes to the independence criteria concerning workforce participation were changed. Students who left secondary school in 2008 would have until 31 December 2010 to commence a tertiary course rather than the original limit of 30 June 2010. Students who were not required to leave home to attend the course of their choice could also qualify. However a family income limit of \$150 000 per annum was added for this group to target the savings provisions to lower and middle income families;
- the amount of the proposed Student Start Up Scholarship was halved in 2010 to ensure that the package of changes in the revised bill remained revenue neutral taking account of the added cost from the new savings provisions for gap year students;
- the package of changes would be reviewed in 2012; and
- the remaining workforce participation criterion for independent status would be adjusted to require an average of 30 hours per week of employment rather than 'at least' 30 hours per week of employment.<sup>26</sup>

*The compromise*

1.20 The revised bill was the result of negotiations undertaken by all parties to achieve a way forward. On 16 March 2010 the Hon Julia Gillard, then Minister for Education, announced:

The Liberal and National Parties agreed to the bill after the Government made changes that will mean students who live away from our major cities

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23 Dale Daniels, *Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No.2]*, Bills Digest, 29 January 2010, no.89, 2009-10, p. 3.

24 *House of Representatives Hansard*, 25 November 2009, p. 12891.

25 *Journals of the Senate*, 30 November 2009, p. 2957.

26 Dale Daniels, *Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No.2]*, Bills Digest, 29 January 2010, no.89, 2009-10, pp 3-4.

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and regional centres who have to move will be eligible under the existing independence test. The existing test will be restricted to those who leave home to study, whose parents earn less than \$150,000 a year and who live in 'Very Remote', 'Remote' or 'Outer regional' areas as defined by the Australian Bureau of Statistics.<sup>27</sup>

1.21 However, during consideration of the bill on 17 March 2010, further amendments were made. During the second reading debate, Senator the Hon. Brett Mason spoke about the deal that was agreed:

The bill currently before the Senate represents the result of negotiations undertaken between the government and the coalition. It embodies what I believe is the best deal achievable by all of the parties under the circumstances. This is not to say that this is the best deal that could be. We believe that the government should have been more generous to rural students, and as such I foreshadow that in the committee stage I will move an amendment which will reflect the coalition's view of what a better outcome for rural students would be.<sup>28</sup>

1.22 Senator the Hon. Kim Carr, the then Minister for Innovation, Industry, Science and Research, pointed out that the Coalition intended to move amendments which they knew could not be accepted given the agreement reached. Senator Carr noted the letter from Mr Christopher Pyne MP to the then Deputy Prime Minister on 16 March 2010 detailing the agreement that the Coalition 'would ensure passage of the legislation'. Senator Carr added:

Just as long as you understand, Senator Nash, what those words 'ensure passage' mean. You cannot go outside and say that you were not signed up to the deal, because what we have now is a set of arrangements to give effect to landmark reforms that this government has introduced—that this government has ensured will provide enormous benefit to the people of this country—which will be supported by the coalition...The member for Sturt has committed your votes, in writing, to this proposition.<sup>29</sup>

1.23 During consideration of the revised bill, Senator Mason proposed an amendment to preserve the same workforce participation routes for students in inner regional areas as defined by the ASGC. Senator Mason noted:

...this amendment reflects the coalition's continuing concern for rural students and also, in a sense, reflects that whatever happens there will be anomalies. Whenever lines are drawn on maps there will be anomalies. This amendment will cater for more students and make more funds available for, let us face it, one of the most disadvantaged groups when it comes to access

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27 The Hon Julia Gillard, Minister for Education, 'Government delivers of Youth Allowance', *Media Release*, 16 March 2010.

28 *Senate Hansard*, 17 March 2010, p. 2027.

29 *Senate Hansard*, 17 March 2010, p. 2046.

to higher education. That is why the coalition is moving this amendment. But we also move it in the spirit that there is no easy answer here.<sup>30</sup>

1.24 However, this amendment was negated<sup>31</sup> and is now the substance of Senator Nash's senator's private bill. The Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No. 2] was passed on 18 March 2010 with a number of amendments made by the Senate and amendments made by the House of Representatives at the request of the Senate. The revised bill, with amendments, was passed by the House of Representatives on the same day and was assented to as the *Social Security and Other Legislation Amendment (Income Support for Students) Act 2010*.<sup>32</sup>

### ***Reference on rural and regional access to education opportunities***

1.25 Overlapping with the Rural and Regional Affairs and Transport References Committee's inquiry into the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009, the References Committee undertook an inquiry into rural and regional access to secondary and tertiary education opportunities which had been referred on 16 June 2009. The report was tabled on 18 December 2009.<sup>33</sup> The key issues for this inquiry were the proposed changes to student income support and in particular the proposed changes to Youth Allowance which the bill outlined above implemented.<sup>34</sup>

### **Social Security Amendment (Income Support for Regional Students) Bill 2010**

1.26 As noted above, Social Security Amendment (Income Support for Regional Students) Bill 2010 was introduced into the Senate by Senator Fiona Nash on 28 October 2010. On 16 November 2010, Senator Nash sought the suspension of standing orders in order for her bill to be considered by the Senate. When this was not agreed<sup>35</sup> she explained:

I certainly tried to use appropriate processes so that this bill could be considered at this time during these sitting weeks. Unfortunately, the

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30 *Senate Hansard*, 17 March 2010, p. 2053.

31 *Senate Hansard*, 17 March 2010, p. 2057.

32 See bill homepage at: [http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;orderBy=priority,title;page=13;query=Dataset%3AbillsPrevParl%20Dataset\\_Phrase%3A%22billhome%22%20Decade%3A%222000s%22%20Year%3A%222009%22;rec=2;resCount=Default](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;adv=yes;orderBy=priority,title;page=13;query=Dataset%3AbillsPrevParl%20Dataset_Phrase%3A%22billhome%22%20Decade%3A%222000s%22%20Year%3A%222009%22;rec=2;resCount=Default) accessed 18 November 2010.

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

34 Senate Rural and Regional Affairs and Transport References Committee, *Rural and Regional access to Secondary and Tertiary Education Opportunities*, December 2009, p. 6.

35 *Journals of the Senate*, 16 November 2010, p. 305.

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government was not of a mind to accommodate that. The reason that it is very important that we debate this bill today is the timeliness of this bill. This bill relates to the changes that the government made earlier in the year to the provisions in the independent youth allowance. We have spent all year with thousands of students across the country who are absolutely desperate because they no longer have access to a funding mechanism that would allow them to start university or further tertiary education next year. That is the reason it is so important for us to debate this bill now, and the government's refusal to do so is really quite extraordinary. The government did not want to debate this bill, and we can only ask why not.<sup>36</sup>

1.27 Unsurprisingly, the agreement reached between the parties to pass the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No. 2] was raised by the government. In response to this, Senator Nash commented:

...I am going to place on record exactly why that happened. It happened because the government wanted to get rid of the independent youth allowance for every single student across the country; however, the coalition managed to have three of those zones, though the inner regional zone was not among them, kept for inner regional students. The reason we supported that and the legislation's going through at the time, as the Minister for Tertiary Education, Skills, Jobs and Workplace Relations knows full well, is that there were a number of good measures—the start-up scholarships, the relocation scholarships and the changes to the amounts available through the straight-up youth allowance—in that legislation. Far from being obstructionist, we on this side of the chamber were very happy to support those measures. We were not going to stop those good measures going forward for those students who needed them. As Senator Evans will be at pains to point out to you our reasons for supporting those measures at the time, I will tell you what they were. We supported them because the then Minister for Education, Employment and Workplace Relations and current Prime Minister, Julia Gillard, refused to split the bill. She refused to deal with the independent youth allowance measures separately from all of those other measures in the bill that did have some value for those students and that we very much wanted to support. It was purely for political reasons that she would not split that bill. So, when Senator Evans stands up and tries to say, 'Gee, the coalition supported this before,' it is now on record exactly why we did it—we did it because we had no choice. But we now have an opportunity to make sure that we get some fairness for regional students.<sup>37</sup>

1.28 Senator Mason also commented that the deal was made 'to overcome a legislative impasse between the government in the House of Representatives and the

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36 *Senate Hansard*, 16 November 2010, p. 39.

37 *Senate Hansard*, 16 November 2010, p. 39.

coalition and, indeed, the Independent senators here in the Senate'. However, it was 'never, ever intended to last forever, certainly not beyond a federal election'.<sup>38</sup>

1.29 Senator the Hon. Chris Evans responded:

The reality is that Senator Nash, Senator Joyce and every Liberal member voted for the arrangements they seek to now overturn in a public, open and clear agreement with the government...In passing, they do not tend to mention that it is going to cost \$300 million or so...<sup>39</sup>

1.30 Senator Xenophon summed up the way forward:

So the issues of concern raised by Senator Nash are matters that have been previously raised. I do not for one moment question the sincerity and genuineness of Senator Nash in relation to this issue, but I think it would be fair to say that no new evidence has been presented since this matter was last debated and the compromise was reached between the opposition and the government that would warrant the suspension of the practices of the Senate. The best way of dealing with this matter is not to suspend those practices but to have it referred for an inquiry.

Having said that, I have had discussions with the minister about specific concerns put to me about potential anomalies with the classifications and boundaries caused by the instrument that has been used. In particular, I appreciate very much the conversation I had with Richard Vickery, the president of the South East Local Government Association in South Australia, earlier today about some of these potential anomalies. For instance a student on one side of the street in Mount Gambier is classified as outer regional, while their neighbour on the other side of the street is classified as inner regional. We are talking about a matter of metres and yet the classification criteria are quite different.

I have had discussions with the minister in relation to this and I can say—and I am sure if I am wrong that the minister will correct me—that the minister has agreed to examine whether the use of the Australian Standard Geographical Classification, the ASGC, is the most appropriate mechanism for determining eligibility for the independent youth allowance. I believe that the best way of resolving this in the longer term is to have that review and to have this bill get the scrutiny it deserves because it is a bill that is important. It is a bill deserving of scrutiny and there are budgetary considerations in relation to it. That is the best way forward, and such a committee ought to report back in the first week of February.<sup>40</sup>

1.31 As noted above, on 17 November 2010 the bill was referred by Senator the Hon. Stephen Conroy to the Education, Employment and Workplace Relations

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38 *Senate Hansard*, 16 November 2010, p. 49.

39 *Senate Hansard*, 16 November 2010, p. 40.

40 *Senate Hansard*, 16 November 2010, p. 43.

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Committee.<sup>41</sup> This was confirmed by the Selection of Bills Committee Report adopted by the Senate on 18 November 2010.<sup>42</sup> The following discussion canvasses issues in relation to students from the Inner Regional zone.

### *Students from the Inner Regional zone*

1.32 The bill before the committee seeks to extend the eligibility criteria for independent Youth Allowance for students residing in the Inner Regional zone of the Australian Standard Geographical Classification (ASGC) – Remoteness Area map. It was noted by many submitters that the reforms to the student support arrangements introduced by the government result in differing treatment of students from inner regional and outer regional locations.<sup>43</sup>

1.33 The Australian Bureau of Statistics (ABS) advised that the ASGC is used for the collection and dissemination of geographically classified statistics noting that '[i]t is an essential reference for understanding the interpreting the geographical context of statistics published by the ABS'.<sup>44</sup>

1.34 The ASGC contains seven classification structures of which the remoteness structure is one. It was added in 2001 in response to a request from stakeholders for a standard classification which defines remoteness as a characteristic of an area. It is this structure that leads to the break-up of Australia into six remoteness classes: Major Cities, Inner Regional, Outer Regional, Remote, Very Remote and Migratory. The remoteness structure is based on the Accessibility/Remoteness Index of Australia (ARIA+). The original version of ARIA was commissioned by the then Commonwealth Department of Health and Aged Care in 1997. It was designed, constructed and is maintained by the National Centre for the Social Applications of Geographical Information Systems (GISCA), part of the University of Adelaide. The ABS interprets ARIA+ values to create the remoteness structure.<sup>45</sup>

1.35 ARIA is a purely geographical approach to defining remoteness. It does not take account of socio-economic status (SES), rurality or population size. The ABS advised that:

As a comparable index of remoteness that covers the whole of Australia, ARIA+ provides a measure of remoteness that is suitable for a broad range

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41 *Senate Hansard*, 17 November 2010, pp 63-64.

42 *Senate Hansard*, 18 November 2010, p. 62.

43 For example see Ms Karen Tully, Chair National Rural Women's Coalition, *Committee Hansard*, 17 December 2010, p. 2-3; Mr Ian Dalton, Executive Director, Australian Parents Council, *Committee Hansard*, 17 December 2010, p. 12; Councillor Richard Vickery, President, South East Local Government Association, *Committee Hansard*, 17 December 2010, p. 31.

44 Australian Bureau of Statistics, *Submission 89*, p. 1.

45 Australian Bureau of Statistics, *Submission 89*, p. 1.

of applications including assisting in service planning, demographic analysis and resource allocation.<sup>46</sup>

1.36 The ABS told the committee that the main use of the classification is in the health area where, for example, allowances paid to medical practitioners are based on ARIA classifications. ABS reported that the classification is:

...used for a variety of purposes, and certainly departments have talked to us about what the classification tries to do and we have provided that advice. Ultimately, the decisions for these things are of course with the department.<sup>47</sup>

1.37 At Senate Estimates in October 2010, Ms Lisa Paul, Secretary DEEWR, explained the decision to use the ASGC map:

This [ASGC map] is based on ARIA, which is a health based indicator but it seems to be one of the most robust indicators of the differences between regions. It is one of the categorisations that we use fairly regularly...it is still the best approach to regional demarcation that we have, and it is the one that is based on a notion of distance from the centre.<sup>48</sup>

1.38 In response to further questioning from Senator Nash, the Minister added:

...if your point is: is it imperfect—it probably is. Are there a hundred other different ways to calculate rural and regional—yes. Every department and act seems to do it in a different way. If you have got the perfect solution for this, I would love to hear it, but I think that the department, as a result of the discussions chose this as an established model that seems to be based on reasonable grounds...<sup>49</sup>

1.39 The committee majority understands the frustration for some students when eligibility to allowances is based on residence in a defined geographical zone. For example, Miss Sarah Dickens told the committee:

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 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.<sup>50</sup>

1.40 However, witnesses also recognised that moving the boundaries is likely to shift the problem on to others.<sup>51</sup> Some witnesses disagreed with the use of the ASGC

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46 Australian Bureau of Statistics, *Submission 89*, p. 2.

47 Mr Paul Williams, Regional Director, NSW ABS, *Committee Hansard*, 17 December 2010, p. 27.

48 Ms Lisa Paul, *Senate Estimates Hansard*, 21 October 2010, p. 103.

49 Senator the Hon. Chris Evans, *Senate Estimates Hansard*, 21 October 2010, p. 103.

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

51 See Ms Maureen Campbell, Group Representative, Monaro Area, Country Women's Association of NSW, *Committee Hansard*, 17 December 2010, p. 19.

in relation to youth allowance and suggested that the eligibility criteria should be based solely on the need to relocate to study.<sup>52</sup>

1.41 ABS advised the committee that a new Australian Statistical Geography Standard (ASGS) Remoteness Structure is being developed for the 2011 Census. Consequently, a new remoteness structure will be released by the end of 2012. It is anticipated that the new structure will result in less instances where the boundary between Inner and Outer Regional areas bisects towns.<sup>53</sup>

1.42 DEEWR commented on the rationale behind the differing criteria for students in the inner regional zone:

...those arrangements were reached prior to the passage of the legislation in March in the context of the broader package of student income support reforms which the government had designed to be a budget-neutral package. In order to afford those changes, there were offsetting changes to the amount of money in the Student Start-up Scholarship. So it was within the context of a broader package.<sup>54</sup>

1.43 DEEWR also outlined to the committee the criteria for students in the Inner Regional zone to access income support:

Young people in inner regional locations can qualify for an away-from-home rate of student income support which is the same amount that is paid to independent students—young people who are attracting at the maximum level. It is subject to the parental income test and family income and assets test. Young people who relocate from inner regional locations to study and who attract the dependent rate of youth allowance will also attract the relocation scholarship of \$4,000...

as well as the student start-up scholarship, whatever the amount of youth allowance they were eligible to receive as a dependent student. So young people in inner regional locations can attract youth allowance and associated scholarship payments where they need to relocate to study.<sup>55</sup>

1.44 In addition, students in the Inner Regional zone may be eligible for assistance under the Rural Tertiary Hardship Fund as 'it is not restricted only to income support recipients'.<sup>56</sup> Ms Milliken explained further:

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52 See for example Mrs Sally Quigley, Tertiary Portfolio Leader, Federal Council, Isolated Children's Parents' Association, *Committee Hansard*, 17 December 2010. p. 7, 9; Mrs Dorothy Creek, Executive Director, Australian Parents Council, *Committee Hansard*, 17 December 2010, p. 15; Councillor Richard Vickery, *Committee Hansard* 17 December 2010, p. 32, 35; and Miss Briana Proud, *Committee Hansard*, 17 December 2010, p. 41.

53 Australian Bureau of Statistics, *Submission 89*, p. 6.

54 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 54.

55 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 49.

56 Ms Margaret Sykes, Branch Manager, Income Support Policy and Information Branch, Income Support Group, DEEWR, *Committee Hansard*, 17 December 2010, p. 51.

The Rural Tertiary Hardship Fund is not linked as directly as your question might suggest as to whether you are an independent or a dependant recipient of income support. There is a range of criteria. Location is one of them, because it is intended for rural and regional students, as well as the type of course, the level of study and a financial hardship measurement. But it is not dependent on whether or not you are receiving youth allowance.<sup>57</sup>

1.45 The committee majority notes that the government has committed to a review of the student income support reforms<sup>58</sup> which will include the use of the Australian Standard Geographical Classification.<sup>59</sup>

### *Addressing the effect of the recent floods*

1.46 The issue of flooding affecting the ability for students to comply with the 30 hours per week element of the workforce participation criterion was raised with the committee.<sup>60</sup>

1.47 The committee majority notes that the extensive flooding across Australia could temporarily affect the ability of some students to access employment in order to meet the workforce participation criterion. The committee majority is of the view that this temporary inability should not undermine a students' eligibility. The committee majority notes advice from DEEWR that the department is considering a range of responses to ensure individuals are not disadvantaged as a result of the flooding in December 2010 and January 2011.<sup>61</sup>

### **Recommendation 1**

**1.48 The committee majority recommends that as a matter of urgency the Department of Education, Employment and Workplace Relations finalise responses to ensure that regional students who are temporarily unable to meet the workforce participation criterion because of the recent flooding are not precluded from accessing Youth Allowance.**

### **Conclusion**

1.49 The government is committed to assisting students in regional and rural Australia. In March 2010, after extensive consultations with the Coalition and cross-benchers, the parliament passed the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [No. 2] which contained a package of budget

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57 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 51.

58 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 45.

59 Senator Nick Xenophon, *Senate Hansard* 16 November, p. 1352.

60 Mrs Sally Quigley, Tertiary Portfolio Leader, Federal Council, Isolated Children's Parents' Association, *Committee Hansard*, 17 December 2010, p. 9.

61 DEEWR, Answer to question taken on notice, number 10 available from: [http://www.aph.gov.au/Senate/committee/eet\\_ctte/socialsecurity/submissions.htm](http://www.aph.gov.au/Senate/committee/eet_ctte/socialsecurity/submissions.htm).

neutral reforms to ensure a fairer system for more students and increased support for those who need it most. Through the package of reforms, the government has expanded the reach of support and income support for students across the board.

1.50 The reforms were necessary. They are already underway and students are benefiting. This was acknowledged by witnesses.<sup>62</sup> For example, over 100,000 students will benefit from changes to the parental income test and taper rates. The committee majority notes that there has been a substantial take-up of the scholarships which became available from April 2010. DEEWR reported that by the end of August almost 174,000 students had received a Student Start-up Scholarship with almost 38,000 receiving one payment of \$650 and over 136,000 receiving two payments. Also as at the end of August 2010, 14,000 students had received the \$4,000 Relocation Scholarship and over 8,000 had received the \$1,000 scholarship.<sup>63</sup>

1.51 In addition, the government agreed to set up the Rural and Regional Taskforce to investigate issues of participation and attainment by regional students in tertiary education and to report by the end of 2010. At the committee's hearing on 17 December 2010, DEEWR advised that the government has accepted the recommendations of the taskforce.<sup>64</sup> The Rural Tertiary Hardship Fund will assist young people in rural and regional areas who are facing particular financial hardship to attend university. Under the \$20 million fund, students from areas other than major capital cities, commencing a bachelor degree in 2011 and experiencing severe financial hardship, will be able to apply for a \$3,000 one-off grant to assist in undertaking their university degree.<sup>65</sup>

1.52 The committee majority notes advice that the bill would increase public expenditure by approximately \$272 million to 2013–14.<sup>66</sup> What the committee did not hear from witnesses was an agreed position on how to fund it. Some thought it should just be funded as those students will pay the extra money in taxes.<sup>67</sup> The Explanatory Memorandum suggested it should be funded from the Education Investment Fund,<sup>68</sup> and some agreed<sup>69</sup> but many disagreed with this position.<sup>70</sup> Some suggested that the

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62 See Councillor Richard Vickery, *Committee Hansard*, 17 December 2010, p. 31; Miss Briana Proud, *Committee Hansard*, 17 December 2010, p. 38.

63 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 45.

64 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 44.

65 Senator the Hon Christopher Evans, *Media release*, 'Government helps rural and regional students attend university', 17 December 2010.

66 Attorney-General's Department, *Submission 213*, covering letter.

67 Mrs Sally Quigley, Tertiary Portfolio Leader, Federal Council, Isolated Children's Parents' Association, *Committee Hansard*, 17 December 2010, p. 11.

68 Explanatory Memorandum, p. 3.

69 Mr Ian Dalton, Executive Director, Australian Parents Council, *Committee Hansard*, 17 December 2010, p. 16.

allowance be extended by reducing the amount of the allowance for everyone<sup>71</sup> but others did not agree.<sup>72</sup>

1.53 Regarding the ASGC remoteness area map mechanism, the committee majority notes that if the government moves the line then it is likely that the problem will just be shifted elsewhere on to others.<sup>73</sup> This was acknowledged by witnesses.<sup>74</sup> Again the committee heard no agreed way of addressing this. The committee majority notes the work underway in the ABS on the ASGS.

1.54 The committee majority notes the government has recognised that with such a comprehensive package of reforms a wide-ranging review of their operation is necessary. To this end the government has committed to undertake a comprehensive review of the effects of the student income support reforms. The review will have a particular focus on rural and regional students and be completed by 30 June 2012.<sup>75</sup> It will include the use of the Australian Standard Geographical Classification.<sup>76</sup> This was supported by witnesses.<sup>77</sup> The committee majority notes the contribution from Ms Maureen Campbell, Group Representative, Monaro Area, Country Women's Association of NSW, who told the committee:

Whatever time it takes, it has got to be right. There is no point in rushing something through if it is not going to end up being the best product in the end.<sup>78</sup>

1.55 The committee majority awaits the outcome of this review with interest and in these circumstances believes that the bill should not proceed.

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70 Australian Catholic University, *Submission 209*, p. 2; University of New England, *Submission 119*, p. 2; University of Melbourne, *Submission 152*, p. 2.

71 Ms Karen Tully, Chair National Rural Women's Coalition, *Committee Hansard*, 17 December 2010, p. 6.

72 Mr Ian Dalton, Executive Director, Australian Parents Council, *Committee Hansard*, 17 December 2010, p. 16.

73 See Ms Maureen Campbell, Group Representative, Monaro Area, Country Women's Association of NSW, *Committee Hansard*, 17 December 2010, p. 19.

74 See Ms Karen Tully, Chair, National Rural Women's Coalition, *Committee Hansard*, 17 December 2010, p. 3.

75 Ms Marsha Milliken, *Committee Hansard*, 17 December 2010, p. 45.

76 Senator Nick Xenophon, *Senate Hansard* 16 November, p. 1352.

77 See Ms Maureen Campbell, Group Representative, Monaro Area, Country Women's Association of NSW, *Committee Hansard*, 17 December 2010, p.19.

78 Ms Maureen Campbell, Group Representative, Monaro Area, Country Women's Association of NSW, *Committee Hansard*, 17 December 2010, p. 19.

**Recommendation 2**

**1.56 The committee majority recommends that the bill not proceed.**

**Senator Gavin Marshall**

**Chair**



# 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.<sup>1</sup> 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.<sup>2</sup>

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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 bill<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup>

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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.<sup>7</sup>

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'.<sup>8</sup>

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.<sup>9</sup> 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.<sup>10</sup>

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

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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'.<sup>11</sup> 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.<sup>12</sup>

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.<sup>13</sup>

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

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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.

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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.<sup>14</sup>

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'.<sup>15</sup>

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'.<sup>16</sup>

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.<sup>17</sup>

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.<sup>18</sup>

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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.<sup>19</sup>

1.21 Witnesses voiced concern at the inequity that now exists for regionally-located students.<sup>20</sup> 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.<sup>21</sup>

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.<sup>22</sup>

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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.<sup>23</sup> 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.<sup>24</sup>

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.<sup>25</sup>

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.<sup>26</sup>

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.<sup>27</sup>

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.<sup>28</sup>

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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.<sup>29</sup>

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?<sup>30</sup>

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'.<sup>31</sup>

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

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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.<sup>32</sup>

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.<sup>33</sup> 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.<sup>34</sup>

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

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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.

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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.<sup>35</sup> 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.<sup>36</sup>

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.<sup>37</sup> 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.<sup>38</sup>

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.

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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.<sup>39</sup>

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.<sup>40</sup>

#### *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'.<sup>41</sup> 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.

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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.

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### *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.<sup>42</sup> 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.<sup>43</sup>

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.<sup>44</sup>

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.<sup>45</sup> 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

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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.<sup>46</sup>

1.46 It was also noted that many students returned to their homes once they have finished their tertiary education.<sup>47</sup> 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.<sup>48</sup>

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.<sup>49</sup>

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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!<sup>50</sup>

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.<sup>51</sup> 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.<sup>52</sup>

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.<sup>53</sup>

### **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.<sup>54</sup>

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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,<sup>55</sup> 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

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

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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.<sup>56</sup>

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

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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**

## **Additional Comments by the Australian Greens**

At a time when young people are under increasing financial pressure, students need to be better supported if they are to stay on and excel in their chosen path.

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.

The Australian Greens agree with Senator Nash in wanting to see a fairer student income support system which eliminates discrimination against country students, but believe that this Private Senator's Bill does not go to the heart of the problem.

While we understand what this bill is trying to achieve, and agree that the current system of student income support is discriminatory – it unfortunately only offers a band-aid solution which still discriminates against country students.

Forcing students to defer their studies for a year in order to get proper support to access tertiary education is not the right approach.

Last year, after a prolonged stand-off in Federal Parliament, the Greens were able to successfully negotiate a better deal for students with the Government's Youth Allowance package.

### **We achieved:**

- **The removal of the retrospective part of the legislation to ensure that all 2008/2009 gap year students were able to secure the independent rate of YA.**
- **The establishment of a Rural Tertiary Hardship Fund worth \$20 million to help prevent the barriers to rural and regional students attending university.**
- **Relaxing the rules to allow young people to work an average of 30 hours a week, rather than 30-plus hours EVERY week under the remaining workplace criteria**
- **A formal review of the package to measure the impact of the changes on students.**

However, despite achieving many key concessions, an agreement struck with the Coalition meant that the old system of Youth Allowance was returned only to those students from outer regional, remote and very remote areas, whose parents' combined income was less than \$150,000.

The problem with this agreement was that the determination of who qualifies as outer regional, remote or very remote depends solely on lines on a map.

Towns in Inner Regional areas were not eligible because of their perceived lack of remoteness. Numerous regional centres, including some which are long distances from tertiary education institutions, are listed as inner regional. Key regional centres and towns which miss out under the current model include: Mt Gambier (which is more

than four hours from university campuses in Adelaide and between four and six hours from campuses in Victoria), Albury, Wagga Wagga, Orange, Dubbo, Port Macquarie, Tamworth, Mackay, Rockhampton, Launceston and Bunbury.

While I understand that Senator Nash's Bill would deal with this problem by putting Inner Regional towns back to the old workforce participation criteria - it would still unfortunately force country students to defer their studies for up to two years.

One of our key concerns is the fact that only 30 per cent of country students who defer studies go on to university.

Instead of going back to an old, flawed system, the solution is to remove the need for young people to defer their studies and work full-time to meet the criteria to secure the necessary income support. There needs to be a commitment from government, to allow students who have to move out of home to access courses to get the independent rate of Youth Allowance.

The Greens have an alternate policy that would use a simple test – students who have to relocate more than 90 minutes out of home to study, and whose parents have a combined income of less than \$150,000 would qualify as independent for the purposes of Youth Allowance.

Treasury costings on the Greens policy show that for just over \$200 million a year over the forward estimates, we can have a system of student income support that no longer works discriminates against young rural and regional Australians from getting a tertiary education

Our policy would provide access to Youth Allowance to an additional 23,843 students who did not previously qualify, plus 15,779 students who already were eligible for Youth Allowance under the current system, but who received a lesser amount under the current system.

**Recommendation:**

**The Greens recommend that this Bill be amended to reflect our fully costed proposal.**

**Senator Hanson-Young**

**Australian Greens' Spokesperson for Education.**

# Appendix 1

## Submissions and additional information received

### Submissions

- 1 Dr Rosemary Laing, Clerk of the Senate
- 2 Name Withheld
- 3 Mr and Mrs Naughton
- 4 Mr Rocco Guzzomi
- 5 Ms Annette Mateljan
- 6 Mr Lachlan Ray
- 7 Mr Thomas Callaghan
- 8 Ms Susanne Williams
- 9 Mrs Christine McGeoch
- 10 Name Withheld
- 11 Ms Kathleen Collin
- 12 Mr Hugh Warren
- 13 Mr Christopher Gregory
- 14 Ms Cherie Byrnes
- 15 Mr and Mrs Young
- 16 Ms Jo-Anne Stavely
- 17 Ms Kathy Parker
- 18 Ms Camilla Berger
- 19 Astrid Lepelaar
- 20 Mrs Karyn Bjelke-Petersen
- 21 Mr Greg Aitken
- 22 Mrs Patricia Finch
- 23 Name Withheld
- 24 Ms K Hodgins
- 25 Ms Rebecca Whiteley
- 26 Professor Peter Lee
- 27 Mr Rob McLean
- 28 Bill and Sue Stephens
- 29 Dave and Sally Carr
- 30 Mrs Cate Aitken
- 31 John and Sue Bird
- 32 Ms Maryanne Green
- 33 Mr Paul Simmonds-Short

- 34 Mr Hayden Walsh
- 35 Isolated Children's Parents' Association of NSW
- 36 Ms Denise Johnston
- 37 Ms Vicki Sargent
- 38 Ms Tracey Kotzur
- 39 Mrs Jacqui Smith
- 40 Ms Sarah Smith
- 41 Ms Vicki Maxwell
- 42 National Rural Women's Coalition and Network
- 43 Miss Briana Proud
- 44 Lesley and Lindsay Young
- 45 Private Riordan Wagner
- 46 Ms Hilary Keighley
- 47 Mrs Colleen Hood
- 48 Mr Matthew Sherratt
- 49 Ms Alexandria Siegers
- 50 Mr Colin Murdoch
- 51 Ms Catherine Miller
- 52 Mrs Ros Talbot
- 53 Ms Esther Gillingham
- 54 Mrs Rebecca Bates
- 55 University of South Australia
- 56 Ms Jenny Payet
- 57 Mr Kevin Jones
- 58 Mr Paul Reason
- 59 Ms Rachael Bell
- 60 Gifted and Talented Education
- 61 Ms Donna Nicholls
- 62 Denise Lyons
- 63 Mr Jacob Lanigan
- 64 Ms Jette McKellar
- 65 Ms Robyn Harris
- 66 Mr and Mrs Taylor
- 67 Ms Asha Morris
- 68 Ms Sue English
- 69 Ms Vanessa Talbot
- 70 Ms Lorraine Critchley
- 71 Miss Chelsea Dickins

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72	Mr David Stevenson
73	Mrs Lyndall Amey
74	Ms Debbie White
75	Mr Malcolm Howard
76	Mrs Ruth Fletcher
77	Name Withheld
78	Name Withheld
79	Ms Jeanine Howton
80	Name Withheld
81	Name Withheld
82	Ms Wendy Joyce
83	University of Western Australia
84	Name Withheld
85	Name Withheld
86	Mr Paul Burns
87	Name Withheld
88	Mr Gary Kimpton
89	Australian Bureau of Statistics
90	Ms Jill Rogers
91	CQUniversity Australia
92	Ms Juliette Wrobel
93	Ms Yvonne Winchcombe
94	Ms Fiona Mullen
95	Ms Madison Roberts
96	Miss Sarah Parker
97	Keith and Marie Norris
98	Ms Delia Jenkins
99	Ms Dianne Evans
100	Mrs Aileen Macdonald
101	Mr Barry Direen
102	Mr Phil Smith
103	Name Withheld
104	Ms Suzanne Parsons
105	Ms Jan Bott
106	Isolated Children's Parents' Association SA Inc
107	Mrs Susan Barrett
108	Country Women's Association of NSW
109	Name Withheld

- 110 Ms Emily Humble
- 111 Name Withheld
- 112 Mr Dennis Sharples
- 113 Kerry Neill
- 114 Mr Jack McRae
- 115 Miss Maddison Hallett
- 116 Ms Eleanor Cook
- 117 Ms Lorraine Everest
- 118 Steven and Anne Eccles
- 119 Ms Pam Smith
- 120 Mr David Keyser
- 121 Ms Carolyn Ngan
- 122 Mr John Pople
- 123 Ms Helen Andrinopoulos
- 124 Dr C J Lewis
- 125 ICPA (Aust) Federal Council
- 126 Dr Helena Hamilton Wright
- 127 Valentine Erceg
- 128 Ms Tahnae Keyser
- 129 Don and Jeanette Cross
- 130 Mr Geoffrey Hull
- 131 Ms Loretta Pople
- 132 Ms Barbara McRae
- 133 Mr Kerry Swann
- 134 Ms Linda Brown
- 135 Mr Anthony Hogan
- 136 Ms Janet Gillespie
- 137 Ms Evette Sanders
- 138 Ms Karen Bigwood
- 139 Mr Tony Crook, MP
- 140 Mr Morris Dickins
- 141 Mr Mark Coulton MP
- 142 Trevor and Bev Fortescue
- 143 Ms Liz Hinton
- 144 Ms Merry Dickins
- 145 Snowy River Shire Council
- 146 Ms Karen Bailey
- 147 University of Tasmania

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148	Ms Margaret O'Connor
149	Ms Tracey-Ann Davis
150	South East Local Government Association (SELGA)
151	Cliff and Vicki Winfield
152	University Of Melbourne
153	Dr Pamela Burger
154	Duncan and Caroline Woodhead
155	Mr Rod Sparks
156	Mr John Castrilli MLA
157	Helen and Andrew Spencer-Wright
158	Ms Katrina Green
159	Ms Jean Martin
160	Ms Katherine Young
161	Richard and Leanne Ford
162	Ms Kate Roth
163	Ms Fiona Ezzy
164	Mrs Christine Williamson
165	Ms Emily Carmichael
166	Ms Jane Hetherington
167	Ms Di Riley
168	Ms Rebecca Ramm
169	Ms Tanya Stack
170	Ms Thea Agnew
171	Ms Linley Thompson
172	Ms Janine Kelliher
173	Ms Carole McLachlan
174	Peter and Kathy Hughes
175	Isolated Children's Parents' Association of WA
176	Terri Jorgensen
177	Australian Parents Council
178	Peter and Sharon Wilson
179	Mr Russell Peate, District Council of Grant
180	Mr Richard Byrne
181	Mr Les Pearce
182	Robin and Alison Evernden
183	Steven and Tracey Parry
184	Andrew and Jane Caldow
185	Mr Joshua McGann

186	National Union of Students
187	Name Withheld
188	Ms Anne Williams
189	Mr Jamie Williamson
190	Ms Nikki de Ruijter
191	Ms Jennifer Cumming
192	Ms Amanda Whittle
193	Mr Richard Byrne
194	Ms Julie Mitchell
195	Peter and Cathy Sniekers
196	Ms Zoe Mitchell
197	Ms Nola Marino, MP
198	Mr Stephen Parker
199	Professor James Barber, University of New England
200	Ms Gillian Andersson
201	Ray and Belinda Haigh
202	Ms Andrea Howard
203	Mrs Jessie Legge
204	Ms Toni Jenkins, South West Local Learning and Employment Network
205	Port Macquarie Hastings Youth Advisory Council
206	Mr Peter Hallam
207	Mr Bradley Weir
208	Injury Control Council of Western Australia
209	Australian Catholic University
210	Mr Andrew Rigg
211	Mr Allan Whitfield
212	Dr Elizabeth Constable MLA, Minister for Education, Western Australia
213	Attorney-General's Department
214	Ms Chanelle Enslin

### **Additional Information Received**

- 1 Tabled document from South East Local Government Association, Mount Gambia's Inner Regional ASGC Classification and the proximity to major centres
- 2 Tabled document - Department of Education, Employment and Workplace Relations, opening statement

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**Answers to Questions on Notice**

- 1** Public Hearing 17 December 2010, Australian Bureau of Statistics
- 2** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 3** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 4** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 5** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 6** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 7** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 8** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 9** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 10** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 11** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 12** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.
- 13** Public Hearing 17 December 2010, Department of Education, Employment and Workplace Relations.



## **Appendix 2**

### **Witnesses who appeared before the Committee**

**Friday, 17 December 2010**  
**Parliament House, Canberra**

**National Rural Women's Coalition**  
Ms Karen Tully, Chair

**Isolated Children's Parents' Association**  
Mrs Sally Quigley, Tertiary Portfolio Leader, Federal Council

**Australian Parents Council**  
Mrs Dorothy Creek, Executive Director  
Mr Ian Dalton, Executive Director

**Country Women's Association of New South Wales**  
Ms Maureen Campbell, Group Representative, Monaro Area,

**Western Australian Country Health Service**  
Mr John Brearley, Regional Manager, South West Mental Health Service

**Injury Control Council of Western Australia**  
Mrs Michelle O'Brien, Project Officer

**Australian Bureau of Statistics**  
Mr Alister Nairn, Director, Geography  
Mr Paul Williams, Regional Director, New South Wales

**Miss Sarah Rose Dickins**, Private capacity

**Mr Rodney Sparks**, Private capacity

**South East Local Government Association**  
Councillor Richard Vickery, President

**Miss Briana Proud**, Private capacity

**Department of Education, Employment and Workplace Relations**  
Ms Marsha Milliken, Group Manager, Income Support Group  
Ms Margaret Sykes, Branch Manager, Income Support Policy and Information  
Branch, Income Support Group

**Centrelink**  
Ms Moya Drayton, General Manager, Education, Employment and Support Programs  
Ms Fiona McCrudden, Business Manager, Youth Allowance/Austudy



# Appendix 3

## Letter from the President of the Senate



PRESIDENT OF THE SENATE

PARLIAMENT HOUSE  
CANBERRA

16 November 2010

Senator the Hon Chris Evans  
The Senate  
Parliament House  
CANBERRA ACT 2600

Dear Senator Evans

I refer to your letter of today's date in relation to the Social Security Amendment (Income Support for Regional Students) Bill 2010 and attaching advice on the bill from the Attorney-General.

You have sought my assistance in "drawing this matter to the attention of Senators so that steps may be taken to ensure the Bill does not proceed". While I am happy to table your correspondence and the Attorney-General's advice (and this reply) for the information of senators, it is quite inappropriate for you to ask me to take steps to ensure that a bill does not proceed on any basis, let alone on the basis that the House of Representatives has a different view of its constitutionality.

Under the practices of the Senate, as described in chapter 13 of *Odgers' Australian Senate Practice*, the bill introduced by Senator Nash is quite in accordance with the Senate's view of section 53 of the Constitution. As you know, the first paragraph of section 53 provides that "proposed laws appropriating revenue or monies, or imposing taxation, shall not originate in the Senate". The bill in question does not appropriate money. It does not need to do so because any funds required to support the measures in the bill have already been appropriated by the Parliament in the form of a special appropriation of indefinite amount in section 242 of the *Social Security (Administration) Act 1999*. It is therefore a bill which may be introduced in the Senate.

Although the House of Representatives may have a different view about section 53 of the Constitution, and I remind you that the Houses have been differing on the interpretation of this section since 1901, it is not the role of the President of the Senate to anticipate objections that the House may have to a bill introduced in the Senate. It is the role of the President of the Senate to uphold the rights of the Senate and senators.

I do not intend to take any steps to ensure that the bill does not proceed. Rather, I intend to allow proceedings to occur in the usual way and the Senate to come to a decision on this matter. Should the Senate pass the bill, it will then be transmitted to the House in accordance with the standing orders and the House will have the opportunity then to express its views.

Yours sincerely



(John Hogg)