

Number of students on Youth Allowance drops significantly in 20 years

By Shalailah Medhora

triple j Hack

Welfare

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Law student Neeve Nagle says she would have been unable to move from a small community in the Hunter Valley to Sydney without the help of Youth Allowance payments. (*triple j*: Shalailah Medhora)

In short:

Department of Social Services figures show a sharp decrease in the number of students who receive Youth Allowance payments over the past 20 years.

Experts say the low payment may be deterring low-income and regional students from going to university or from completing their studies.

What's next?

The Economic Inclusion Advisory Committee has made lifting the rate of payments like Youth Allowance its top priority for three consecutive years.

The number of students receiving Youth Allowance payments has decreased sharply in the past 20 years, leading to concerns from experts that low-income and regional students are being locked out of tertiary education.

There were roughly 275,000 students receiving Youth Allowance in June 2005, compared to just under 162,000 in May this year, according to the Department of Social Services.

Over the same period, there had been an increase in the overall number of students attending university.

Neeve Nagle, who is a law student at the University of Technology, Sydney and a member of the National Union of Students, told triple j Hack the declining number of recipients hit low-income and regional students the hardest because they did not have the option of relying on their parents for support.

"Universities shouldn't be places that only rich and wealthy people can attend and learn from. It should be for all students," she said.

"But when we lock out students that can't financially afford to live independently [due to the parental income test] the sector will begin to collapse, and these students will no longer attend."

Ms Nagle moved from a small town in the Hunter Valley in New South Wales to attend university in Sydney.

She came from a single-parent household and was able to access Youth Allowance payments in the first couple of years of her degree.

She now works and studies full-time, making her income too high to receive Youth Allowance.

She said she had not encountered many classmates with similar backgrounds and that low rates of payment and parental income tests

were keeping university out of reach for low-income and regional students.

"Students are not able to afford to have full days off for uni because they're not on Youth Allowance and they need to go work their job instead, and so they're taking half days off work popping into class, running back," Ms Nagle said.



Neeve Nagle says she has not met many other students from low-income, single-parent families in her Sydney law class. (*Supplied: Damon Peters*)

There are two streams for Youth Allowance — student payments and job seeker payments.

Both apply to people aged 24 and younger, and payment rates are determined by personal and parental income, unless the applicant can demonstrate independence.

Youth Allowance payment rates drop once combined parental income hits \$65,189.

This year's federal budget projected nearly \$500 million less in expenditure on student payments over the forward estimates due to fewer people taking up Youth Allowance.

A spokesperson for the Department of Social Services told Hack that it was not accurate to compare 2005 data with recent rates, because of a 2012 policy change that removed 16- and 17-year-olds from being eligible for the payment while at high school.

"The decrease in student payment recipients partly reflects changes to how young people study, including combining part-time study with work," the spokesperson said.

"In the last two years alone the payment rate of Youth Allowance has increased by around \$100 per fortnight for most recipients, depending on student circumstances."

The number of recipients was trending down before the 2012 changes and continued to fall after, according to DSS figures.

Why are so few people taking up Youth Allowance?

Andrew Norton, an expert in higher education policy at Monash University noted the "structural decline" in Youth Allowance in 2023, but said research to explain why was hard to come by.

"We don't have any fantastic research on this," Professor Norton told Hack.

He thinks the strong labour market could be a key factor.

"If we take it back to 2014 ... just over half [of Youth Allowance recipients] were working during semester and now it's over 70 per cent," he said.

"We've seen big increases in the rates of students working."

Youth Allowance lets students work extra hours before their payments are reduced, compared to other forms of income support.

However, Professor Norton said it must be "impossibly difficult" to do well academically if a person is forced to work and study full-time.



National Union of Students president Ashlyn Horton says students are being forced to choose between going to class and working to keep a roof over their heads. (*triple j*: Shalailah Medhora)

National Union of Students president Ashlyn Horton told Hack that having to work long hours while studying impacted disadvantaged students the most, and had led to a decline in campus culture.

"It is really destroying university life," she said.

"The tanking of the Youth Allowance rate is creating division, socio-economically.

"People are being forced to choose between going to their job or going to their classes and obviously people are going to pick their job because they need to be able to pay their rent."

The way the payment is designed may be to blame for falling rates, too.

"The parental income test does actually exclude a lot of people," Professor Norton said.

Ms Horton said the parental income test "shouldn't exist in the first place".

"Once you're 18, you're an independent adult. You should be treated as such and your parents' income should not matter."

Youth allowance 'doesn't cover the basics'

Experts are concerned that low payment rates are deterring people from going to university or are causing them to drop out before they graduate.

The rate of Youth Allowance remains much lower than other forms of income support.

A young person aged 18 or older with no children who lives away from home to study can receive the full rate of just under \$332 a week. That's a yearly income of \$17,245.80.

"Youth Allowance is just \$48 a day ... To put that into perspective, that's just 35 per cent of the minimum wage," program director of social security at the Australian Council of Social Services (ACOSS), Charmaine Crowe, told Hack.

"ACOSS is really concerned that the low rate of the payment itself is leading to young people not studying because Youth Allowance simply isn't enough to cover the basics."

ACOSS has been calling on the government to raise the rate of payments like Youth Allowance for several years.

"We think these payments should be lifted to at least \$82 a day so that students can cover the costs of essentials like food, energy, housing and focus on completing their course," Ms Crowe said.

"The risk is that unless the government strengthens the safety net and lifts Youth Allowance, young people on low incomes may either decide not to go to uni or ... they may end up giving up their education part way through simply because they don't have enough money," she said.

Professor Norton said the data showed there had been "attrition" in student numbers over the years.

"Exactly what's causing that isn't entirely clear, but I think a lot of it is due to the cost-of-living issues, which require people to drop out," he said.

Could we see the numbers change?

Professor Norton noted a "modest increase" in the number of people taking up Youth Allowance in recent months.

"It has gone up a bit, at this stage probably about 20,000 more than it was this time last year," he said.

That could be due to a higher number of domestic student enrolments than at any other time except for the brief COVID spike.

"The number of Australian students starting an undergraduate or a postgraduate degree this year looks set to be the highest on record," federal Education Minister Jason Clare announced in June.

The Universities Accord, [a blueprint for the tertiary education sector in the decades ahead](#), said Australia must hit 80 per cent of its working age population with a tertiary education by 2050 to be globally competitive.

The document notes that to do that the government must make university more accessible to people from low socio-economic backgrounds as well as First Nations and rural and regional students, sections of society that are currently under-represented in the tertiary education sector.

Raising the rate of payments like Youth Allowance has [been the top priority](#) of the Economic Inclusion Advisory Committee for three consecutive years.

Hack asked Social Services Minister Tanya Plibersek if the government had plans to raise the rate of Youth Allowance in its coming term, but did not receive a response.