



**NUS Submission To Senate Community Affairs
Legislation Committee Review**

into

***Social Services Legislation Amendment (Miscellaneous Measures)
Bill 2015***

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The National Union of Students is the peak national body representing higher education students and has been a regular contributor to debate on student and youth income support policy arrangements since 1987.

We welcome this opportunity to submit our views to the Senate Community Affairs Legislation Committee Inquiry into the *Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015*.

The bill contains nine schedules but only three schedules apply directly to higher education students.

Schedule 1: Special Benefit

Schedule 1 of the bill removes ambiguities in the legislation to clarify that a person serving an income maintenance period for a mainstream income support benefit, cannot access the special benefit.

Under the section 729 of the current legislation the Secretary has the discretion to grant a special benefit to a person not receiving another income support benefit for that period. The section then outlines a range of disqualifications from eligibility for Special Benefit such as persons serving an income maintenance period for specific circumstances such non-compliance with activity test, overpayments or participating in unlawful industrial action.

The legislative change outlined in Schedule 1 extends this ban on all persons serving an income maintenance period. This would now apply for example to people serving an income maintenance period as they have recently received a termination payment.

We looked at the proposed Schedule 1 legislation from the scenario of a retrenched worker who goes back to study and faces across unexpected financial hardship while serving a Youth Allowance/AUSTUDY income maintenance period due to receiving a termination payment.

The legislation removes the safety net option of the Special Benefit payment. However, our understanding of the Social Security Act is that the retrenched worker would have the option of having the income maintenance period reduced or waived if they pass “severe hardship” or “reasonable or unavoidable” expenditure tests. The person would then be eligible for Youth Allowance or AUSTUDY payments.

Recommendation: *The Committee should confirm that alternative safety net provisions are in place to deal with exceptional circumstances that the Special Benefit was designed to deal with and that the alternative processes can be accessed in a timely manner.*

Schedule 3: Study Requirements

Schedule 3 amends the determination of the full time study requirement that a student must meet to be eligible for Commonwealth incomes support through Youth Allowance (Section 541) and Austudy (Section 569).

Currently the full time status is based on enrolment load in a given study period. This legislation introduces an additional requirement that the full-time enrolment load must only

be for one course of education (according to the explanatory memorandum the legislation allows for approved combined degrees such as Law/Arts).

The implementation of Schedule 3 would seem to restrict student choice and undermine the rhetoric of student centred learning that has dominated higher education policy considerations over the last decade.

The explanatory memorandum argues the policy intent is to 'allow students to be supported to complete a course of education in the minimum amount of time and to enter the labour market.' From NUS's perspective we would argue that this view amounts to a regression to the outdated centralised command and control degree factory version of tertiary education where the policy intent is to speed up output of graduates by discouraging them from partaking in frivolous or curiosity-based study outside of their vocational degree.

The high cost of study already acts a huge disincentive for the 'perpetual' student or those seeking curiosity based study outside of their degree. No evidence is provided that there is a need for a second financial penalty, the withdrawal of income support.

The explanatory memorandum says that there is no budgetary financial impact for any of these measures. No estimate is provided of the number of students who might be affected by this proposed measure, but we would expect the extent to that students are cut off income support there would be some budget savings.

Actually students might have valid vocational reasons for pursuing two qualifications simultaneously (ie, finishing off a degree while picking up a related industry focussed diploma) but would be denied income support. The government and universities are essentially saying that they know better than the individual student about what is best for their career and are imposing this inflexibility on student choice.

A second reason is the current context where labour market forecasts are predicting both the rapid obsolescence and the creation of new types of jobs. Some students may need maximum flexibility to be able to mix and match courses to meet the unmet needs of emerging and yet to emerge industries. For example the Committee For Economic Development report *Australia's Future Workforce?* predicts that 40% of Australia's workforce could be replaced with automation in the next 10 to 20 years. While tertiary education providers will undoubtedly catch up with future industry needs there is an inevitable time lag (for demand to be identified, new programmes and degree structures developed, teachers employed) and the innovative student path breakers may be penalised by the withdrawal of income support.

Also those students seeking employment in niche industries may miss out as there is insufficient demand to make it financially worthwhile for tertiary providers to develop complete degrees in these areas.

This measure is not a mere house-keeping technicality. The rationale and implications of imposing this inflexibility on student choice need to be carefully considered by the committee. With the current available information NUS cannot support this measure.

Recommendation: *NUS is opposed to the Schedule 3.*

Schedule 5: Austudy Payments Test

This is a fairly benign technical amendment relating to exemption of the application of the assets test to AUSTUDY. Currently partnered students on AUSTUDY are exempt from the assets test if their partner is or has received payments that are subject to the assets test (ie to stop the couple getting double tested).

The 'has' part could be interpreted broadly to apply to income support payments received many years ago. The amendment tightens up the 'has' part to a limited range of compensation payments. This measure may negatively impact on some students but provides consistency of means testing arrangements with other payments. Fairness is maintained as in the circumstances where either partner is currently on asset tested income support the exemption will continue to apply.

Recommendation: *NUS is not opposed to Schedule 5*