



**Senator Chris Evans**  
Leader of the Government in the Senate  
Minister for Tertiary Education, Skills, Jobs and Workplace Relations

The Hon John Murphy MP  
Chair  
Standing Committee on Petitions  
Parliament House  
CANBERRA ACT 2600

Dear Mr Murphy

*John*

Thank you for your letter of 18 March 2011, concerning a petition regarding the changes to Youth Allowance contained in paragraph 1067A (10E)(a) of the *Social Security Act 1991*.

In March 2010, the Australian Government introduced comprehensive reforms to ensure that across Australia more university students have fairer access to student income support. The Government's changes to the Youth Allowance eligibility criteria aim to ensure a fairer and more equitable allocation of resources to provide support for students who most need assistance. The legislation giving effect to these reforms was supported by the Coalition.

The Government's student income support reform package ultimately directs more support to students from low income families who are genuinely in need of financial assistance, and significantly reduces access to students from higher income families, who previously represented a substantial proportion of independent Youth Allowance recipients. These reforms have significantly improved financial assistance to students from low socioeconomic backgrounds, including regional students. As a result of these reforms, there has already been a 29 per cent increase in dependent Youth Allowance recipients from rural and regional areas in higher education.

On 21 February 2011, the Government announced that it will remove regional eligibility distinctions between inner regional and outer regional students. To facilitate this, the Government has brought forward by 12 months a comprehensive review of its student income support reforms. The review will report by 1 July this year, and will have a particular focus on the impact of the reforms on rural and regional students. The review will consider options for new Youth Allowance eligibility arrangements, as well as appropriate savings that can be made to pay for extensions in eligibility. Following the review, the Government will implement new eligibility arrangements eliminating regional eligibility distinctions with effect from 1 January 2012. Further information about the review, including the Terms of Reference are available at: [www.deewr.gov.au/youthallowance](http://www.deewr.gov.au/youthallowance).

I trust the information provided is helpful.

Yours sincerely

CHRIS EVANS