



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

**SOCIAL SECURITY AND OTHER
LEGISLATION AMENDMENT (INCOME
SUPPORT FOR STUDENTS) BILL 2009**

Second Reading

SPEECH

Monday, 26 October 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Monday, 26 October 2009
Page 7
Questioner
Speaker Marino, Nola, MP

Source House
Proof Yes
Responder
Question No.

Ms MARINO (Forrest) (12.40 pm)—I rise to speak on the effect many aspects of the Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 will have on the higher education opportunities for young people in my electorate of Forrest. My constituents are very concerned that these changes will directly increase rural disadvantage by discriminating against rural and regional young people's access to higher education.

The coalition believes that students from regional and rural areas have a right to a higher education in the very same way that students who live in urban areas have a right to a higher education. The Labor government is totally ignoring the most simple, basic and obvious fact known by parents of every student in country areas, which is that every single rural and regional student who has to relocate to study pays significantly more for their education than a student who does not have to relocate. It is really a simple equation.

Youth allowance has been a vital payment that many regional and rural students have qualified for to assist with the additional financial costs associated with relocation and higher education. More importantly, for many students, it is often the only way that young people have been able to afford to attend a university at all and the only way their families can afford to send them to university.

The abolition of the workforce participation route for youth allowance eligibility as an independent will make it harder or simply impossible for thousands of young people from regional and rural families to attend university. A majority of students in my electorate who want to or need to attend university to pursue their careers are forced to relocate to the metropolitan area for further study. This is not a feel-good exercise by the young people or their families. They do not have a choice. If they want to study their chosen or required course, in many instances they have no option but to relocate to the city.

These students are not necessarily able to rely on financial support from their parents, particularly if their parents' assets exceed the parental means test such as in farming or small business families. Students from these families are often ineligible as dependants because of the assets; however, the family simply does not have the income to support the student or their siblings.

The relocation costs for regional and rural students are significant and cannot be compared to the costs for students who are able to live at home.

I have received countless emails and phone calls from people in my electorate regarding this legislation. One of these concerned parents, Monica, wrote:

Country kids and families already deal with a massive disadvantage and tertiary education should not be something we have to fight for. It is our right to be educated and the responsibility of the government to provide it. Plain and simple.

Jill, from the regional town of Dunsborough in my electorate, notes:

We are understanding that there may be some changes needed to the allowance and that there may be some students who are living at home and getting a substantial allowance, but we just don't understand how students living at home and going to uni can possibly be compared and be lumped in the same basket as country kids who need to relocate and living independently in the true content!! There is NO comparison.

I was also contacted by a young student from my electorate, who said:

It has become necessary for students wishing to pursue further education and training at a tertiary level to move to Perth. The strains of moving to Perth from towns in regional areas are not only emotional for the students who are largely away from their closest family and friends for the first time, but mental and financial as well. The costs of accommodation, university fees, transport and study materials is exorbitant and overwhelming to rural students on a tight budget.

Another example is a mother from the small town of Northcliffe who has a daughter who will begin a six-year law-psychology degree in 2010. The mother wrote:

I think it is very difficult for country kids from small close communities in Perth to survive the pressures of uni life and living in the big city, without family support on a daily basis.

If there was no financial support then it would be impossible for them and their parents! Instead of reducing the help, I think they need to look at what more they can do to support country kids moving to the city and help them succeed.

Students from farming and small business backgrounds in regional and rural areas are often ineligible, as I said earlier, to receive youth allowance as dependents

because the value of the average Australian family farm could be significantly higher than the level of assets allowed under the test, even though the family income may be quite low. I know that Ben understands this. The average Australian farming family cannot afford the tens of thousands of dollars needed to support their child's relocation costs, accommodation and living expenses while studying at university. A metropolitan family is also likely to earn far more than a family in a regional area, particularly a farming family.

This legislation also proposes to introduce a tightening of the independence criteria so that a young person must work a minimum of 30 hours per week for 18 months out of two years. This is an indication of just how out of touch this Labor government is. Where on earth will young people in my electorate, from towns such as Northcliffe, Nannup, Harvey, Brunswick, Manjimup, Donnybrook or Dunsborough, find 30 hours of work a week, every single week, as required by this legislation? Young people will have to do 30 hours of work every single week, not one hour less, to qualify for youth allowance. The government is seriously out of touch with regional Australia on this.

I would like to refer to the Victorian Labor government's Education and Training Committee report into the geographical differences in the rate at which Victorian students participate in higher education:

From 2010 only those young people who have worked for a minimum of 30 hours per week for 18 months will be eligible for Youth Allowance under the criteria for independence.

The Committee firmly believes that this change will have a disastrous effect on young people in rural and regional areas.

In my electorate of Forrest, industries such as tourism and agriculture employ young people, often during seasonal or peak periods—during the hay season or in harvesting—in hospitality or picking fruit. A gap-year student could do 30, 40 or even 50 hours of work a week in these periods compared to the off season where weekly work hours could be cut to 15 or 20 hours or, sometimes, no hours at all. Over an 18-month period, this could average out to 30 hours per week, which is what the current system allows for, but under the proposed legislation working 30 hours minimum a week for an 18-month period is almost impossible for regional and rural students. This is very clearly a deliberate attack on regional Australia. A concerned parent from Dunsborough recently wrote to me and said:

The employment opportunities for someone like my son who lives in Dunsborough may be ok in the Summer months but come off season, there is no way he will manage 30 hours per week.

Minister Gillard has stated:

Many students took a gap year to meet this criterion—and we know for a fact that around 30 per cent of students did not return to study.

Does the minister expect that a student who has to take the full two-year gap period that she is proposing to qualify for independent status will actually return to study? Common sense will tell you the percentage of students who do not return to study will be higher for those who have to defer for two years.

A sole income earner with eight children from my electorate has provided financial details to outline the discrimination in this bill from her point of view. She currently has two children studying medicine and another six wanting to gain higher education in the future. Using the Australian Scholarships Group university costs calculator, it is estimated that one student completing a medical degree commencing in 2010 will cost \$153,398 over six years—an average of \$25,000 per year. This figure includes costs such as textbooks, equipment and supplies, computer and internet, establishment costs, accommodation, groceries and food, utilities, public transport, entertainment and ancillary. You would understand that the total cost for this parent is prohibitive. This particular parent is ineligible for any government assistance and, under this bill, she will be forced to find an alternative way to finance her children's dreams of becoming doctors. I ask the minister and the Labor government: do you expect a student who wants to study medicine to take two years off to become eligible for independent youth allowance and then complete a six-year medical degree? With the current shortage of general practitioners in my electorate, attracting and retaining doctors is just so important, as it is in many regional areas. This is only one example of how the proposed system discriminates against students and parents in my electorate.

Another mother recently wrote to me about her situation with her only daughter. She said:

Between my husband and I, we have a gross annual income of approx \$110,000 to \$115,000. This will mean that our daughter is not entitled to any government support if she only has one year off.

She hopes to gain entry into medicine. This has already entailed expenses and trips to Perth, as medicine requires that all prospective students have to sit the UMAT test.

Medicine is a six year high level course. Taking a two year gap year would make returning to study extremely difficult.

Medicine is one of the more expensive courses of study you can undertake, due to the cost of units my daughter will come out of this degree with a large HECS debt, as well as her parents experiencing financial loss or having to dispose of assets to allow her to achieve her dream.

It is possible that her only opportunity to follow the path of medicine will be if she obtains a scholarship. When doctors are in short supply and many rural and regional areas are without doctors, why is our current government making it so hard for our kids to achieve their potential and help ease the shortages we are experiencing.

A family of four from my electorate has also used the online estimator provided by DEEWR. The results of the estimator concluded that, over the nine years their two children will be attending university, they would qualify under the proposed system for \$32,069.60—an average of \$3,500 per year. The family also estimated how much assistance they would have received under the current system, including the Commonwealth scholarships for which they are eligible. The total assistance over nine years would have averaged around \$14,500 each year. Commonwealth scholarships have been a critical resource for regional and rural students. All students were eligible to apply for a Commonwealth scholarship, unlike the government proposed start-up and relocation scholarships where students must be receiving youth allowance to qualify. This will mean no Commonwealth financial assistance will be available to regional and rural students who do not qualify for youth allowance.

Unfortunately for my constituents, who will all have to pay more to attend university, it took three and a half months of stress and despair for students and families in my electorate before the minister finally backflipped and made changes that will enable 5,000 2009 gap year students who live more than 90 minutes by public transport from the university and who commence their higher education in the first half of 2010 to access youth allowance. However, approximately 25,000 current gap year students will still miss out—young people who have planned their lives and tertiary education around gaining independent youth allowance status will miss out. These young people relied on information provided by Centrelink and their school career advisers based on current criteria. And to a regional or rural student—or even one in an outer metropolitan area without public transport—the 90-minute rule is as good as 90 hours. Without access to public transport, 90 minutes means no access to university. Who are and where are these 25,000 great young people who will not qualify for youth allowance this year as a result of the Labor government's legislation?

It is no wonder that the coalition is extremely worried about education under this minister and the Labor government, given existing problems in delivering education programs. There has been the Building the Education Revolution debacle, a program that is plagued by waste and mismanagement and which has already seen at least a \$1.5 billion blow-out. How many rural and regional students could have

been assisted with their tertiary education with this \$1.5 billion? In fact, the \$14.7 billion BER program is now a \$16.2 billion program, on borrowed funds that will have to be paid back by the very students who are currently attending the schools receiving the school halls and libraries. Effectively, this is intergenerational debt, courtesy of the Labor government.

We are all aware of \$3.5 million allocated for plaques and \$3.8 million allocated for display signs outside schools which have been found to be outside Electoral Commission rules. Our concerns with this legislation reflect Minister Gillard's history of mismanagement and waste, demonstrated by the computers in schools program, which blew out from \$800 million to \$2.2 billion and now this attack on regional and rural students through this youth allowance debacle.

To assist regional and rural students in overcoming the discrimination and disadvantage in this bill, the coalition has proposed amendments that will remove the retrospectivity for current gap year students by moving the start date from January 2010 to January 2011 for the new workforce participation criteria and providing for a new dedicated rural and regional scholarship program, whether or not the students fulfil the government's youth allowance criteria. I look forward to the recommendations from the Senate inquiries into both this legislation and the overall issue of support for regional and rural students.

I hope also that by now Minister Gillard has responded to the students, parents and families who took the time to write to her with their concerns regarding the government's proposed changes. I hope the minister has had to speak with the crying mothers on the phone. Then she may just have some idea of how worried parents have been, of the fact that they may not be able to afford to send their children to university and of what this has done and is doing to their families. Will the minister ignore the Victorian government's report and will she ignore the recommendations of the Senate inquiries? The great young people and families in my electorate cannot afford for this minister and this Labor government to ignore the very real issues facing regional and rural students.