



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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WINDSOR OPPOSES CHANGES TO INCOME SUPPORT FOR STUDENTS

Member for New England, Tony Windsor, has expressed serious concern at certain sections of the Government's proposed reforms to the student income support system announced in last week's budget.

The key changes announced in the budget papers are as follows:

1. Parental Income Test

From 1 January 2010 the Parental Income Test (PIT) threshold for students applying for Youth Allowance or Abstudy will be increased from \$32,800 to \$42,559 per annum and will reduce by 20 cents for each dollar above \$42,559.

2. Age of Independence

The current age of independence will be reduced from 25 years to 22 years over 3 years starting in 2010.

3. Workforce Participation Criteria

From 1 January 2010 the criterion for financial independence for Youth Allowance and Abstudy will be tightened requiring that a young person has worked for a minimum of 30 hours a week for at least 18 months in a two-year period. All existing student income support recipients will be "grandfathered" so that no existing recipient would be disadvantaged by this change.

4. Personal Income Test

The personal income threshold for students receiving income support payments will be increased from \$236 to \$400 per fortnight effective 1 January 2011. The threshold will also be indexed for the first time.

5. Masters by Coursework

From 2012 students enrolled in all masters by coursework programs will be eligible to apply for income support in the same way students enrolled in lower level courses may apply.

6. Student Start-Up Scholarship

A new Student Start-Up Scholarship of \$2254 in 2010 will apply to all students receiving income support and will be indexed thereafter. The allowance replaces the current Commonwealth Education Cost Scholarship and will be paid in two instalments at the commencement of each semester.

7. Relocation Scholarship

From 1 January 2010 a Relocation Scholarship will be available to Youth Allowance and Abstudy students at university who are dependents who have to live away from the family home for study, as well as independent students who are disadvantaged by personal and relationship circumstances. The Relocation Scholarship will provide \$4,000 for students in their first year at university and \$1,000 in each year thereafter and will be indexed.

Whilst I welcome some measures in this budget that will provide additional support to country students undertaking a university education, I am strongly opposed to the changes to the workforce participation criteria mentioned above.

These changes will affect many students who are already in the process of qualifying for financial independence. I am concerned that by increasing the length of time students have to work full-time to 18 months in a two-year period will see many potential students remain in the workforce and not return to further their education.

The majority of families in rural and regional areas do not have the luxury of being able to live at home whilst studying at university and it is unreasonable to expect a family with a combined income of \$42,559 to be able to provide additional support with accommodation, food and living costs to a student at university whilst still running a family household.

Students who completed their HSC in 2008 have been given no opportunity to plan for this change in policy and students currently completing their HSC have been thrown into uncertainty for their future plans and this may effect their enthusiasm for the remainder of their HSC studies.

I will certainly be raising my concerns with the Government in the Parliament next week and encourage all families who feel they may be adversely affected by these changes to contact my office.