



PARLIAMENT OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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## **MEDIA RELEASE**

2 June 2009

### **Windsor asks Education Minister to listen to McCarthy students on Youth Allowance changes**

Concerns raised by McCarthy Catholic College students about the proposed changes to the Independent Youth Allowance have been directly raised with the Minister for Education and Deputy Prime Minister, Julia Gillard by the Independent Member for New England, Tony Windsor during Question Time in the Federal Parliament yesterday.

The Deputy Prime Minister also spoke later with Mr Windsor on the matter reiterating her willingness to .... *work through the individual examples in the electorate of New England ..... that we are very happy to work through the circumstances of students. I believe that, when we do that, the member will find that many of the students who currently think that they are ineligible will—on a genuine look at the new family income test—find themselves eligible.*

Mr Windsor would like to take up the offer of the Deputy Prime Minister however he still has concerns about the retrospective nature of the proposed changes.

“I have had a number of students provide me with some details of their circumstances that can be put into the new formula for the youth allowance however I invite more students to provide me with their details so that I can take the Deputy Prime Minister up on her offer.

My major concern is that there are quite a number of students who have taken a gap year based on the previous rules who could be disadvantaged as a result of the new rules.

Each student’s circumstances will be different and they should not self assess but seek guidance as to their eligibility and level of support that they can expect,” Mr Windsor said.

Students wanting clarification of their individual eligibility to access Youth Allowance can contact Mr Windsor by email [Tony.Windsor.MP@aph.gov.au](mailto:Tony.Windsor.MP@aph.gov.au) by fax 6761 3380 or by mail to PO Box 963 Tamworth NSW 2340.

**Following is Mr Windsor’s question to and answer from the Deputy Prime Minister and Minister for Education, the Hon Julia Gillard MP.**

## **Mr Windsor's question to the Deputy Prime Minister was:**

**Mr WINDSOR** (New England) (3:36 PM) —My question is to the Deputy Prime Minister and Minister for Education and relates to a petition signed by McCarthy Catholic College students in the New England electorate concerning the proposed changes to the work test guidelines regarding eligibility for independent youth allowance. These students are requesting that the government delay the introduction of the changes until 1 July 2010 so that those students who completed year 12 last year with a view to attending university next year will not be disadvantaged retrospectively by the changes. Could the minister reconsider restoring the so-called 'gap year guidelines' for these students, who engaged in this process in good faith?

## **The Deputy Prime Minister answered:**

**Ms GILLARD** (Lalor) (Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) —I thank the member for his question. I know that he would be working with students and others in his electorate to get out to them the full facts and the full picture about the government's student financing changes. I want to make a simple point to the member because I know that he is someone who is very concerned about making sure that, when we are restructuring and investing, we are doing that in a way that benefits people on lower incomes and that is fair to people on lower incomes. I am sure that, like me, he was concerned when he saw the conclusion of the Bradley review that the current structure of student income support was leading to money being received by people whose household incomes were right up the income scale—and I am talking about \$200,000, \$300,000 and \$400,000. I am sure he would agree with me that, rather than have money going to families with household incomes of \$300,000 and \$400,000, he would prefer to do better for ordinary Australians who were trying to send their kids to university.

For those Australians who are trying to send their kids to university, the government's changes have made a substantial difference to the families who will be eligible. One of the problems with this debate, and one that the member may have experienced in his electorate, is that under the Liberal Party the family income test became so low and so unrealistic that many students received the message that the only way of getting student income support was to credential themselves as independent and go through the work test. Many students actually believe that that is the only way of getting student income support. Actually, the primary way of getting student income support is being in a family where the family income range qualifies. On that, we have made a very substantial difference. I will give one example, for a family with two students of university age. Under the Liberal Party system, their ability to receive student income support cut out at a family income of \$75,000. We have increased that to \$139,000, meaning thousands more families are in the income range and thousands more students will receive student income support.

Yes, I understand that this required us to deal with the work test because, in order to deal with the matter in a budget-responsible way, these changes are cost neutral. We are saying to students—and I am very happy to work through the individual examples in the electorate of New England and with members who are genuinely interested in benefiting students in their electorates, as opposed to making cheap political points—that we are very happy to work through the circumstances of students. I believe that, when we do that, the member will find that many of the students who currently think that they are ineligible will—on a genuine look at the new family income test—find themselves eligible. I say to the member for New England: if they find themselves eligible for student income support under the new family student support income ranges—and many will—it means that they will automatically be eligible for the student start-up scholarship of \$2,254 dollars per year. If they need to relocate in order to study, they will also be eligible further the relocation scholarship, which is \$4,000 in the first year and \$1,000 each year afterwards. I will be very happy to work through that.

Of course, I am not happy to listen to the opportunism of the opposition, whose shadow minister for education said on 25 March, and I quote his words exactly:

If the Government is serious about reform, then come Budget time we should see some consideration given to reforms suggested by Bradley in student income support - to ensure that sufficient support is going to those who need it.

These are the words of the shadow minister for education and, in their opportunism now, they seek to deny those words. If the Liberal Party want to go out and defend the current system with its skew to people who earn \$200,000, \$300,000 and \$400,000 a year, we would say simply, 'That is what the Liberal Party does; it always seeks to benefit those better off at the expense of the vast majority.'