



**THE HON JULIA GILLARD MP
DEPUTY PRIME MINISTER**

Minister for Education; Minister for Employment and Workplace Relations;
Minister for Social Inclusion

SID SIDEBOTTOM MP
Federal Member for Braddon

MEDIA RELEASE

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381 North West students worse off under Coalition plan for Youth Allowance

The Minister for Education, Julia Gillard, said the Government will move to benefit more than 100 000 students with changes to Youth Allowance being debated in the Parliament, while the opposition seeks to take almost \$50 a fortnight away from around 150 000 students across Australia.

New figures show that in 2010, an estimated 381 students will be eligible for Youth Allowance and new \$2 254 start-up scholarships on the North West and West Coasts.

Ms Gillard joined with the Member for Braddon, Sid Sidebottom, calling on Opposition Senator Richard Colbeck to explain why the Coalition wants university students to be worse off by up to \$1 254 each and every year they attend university.

Senator Colbeck should also explain why his party wants to take \$700 million away from the Youth Allowance scheme over the next 4 years.

"I have been lobbying for these changes in Federal Parliament for almost a decade now," Mr Sidebottom said.

"The Government's proposed changes will go a long way to helping students in regional areas like ours, to set them up to move away from home to attend university, so I'm at a loss to know why Senator Colbeck would oppose them."

He said the median income in Braddon was about \$45,000 which meant many more families would be eligible for assistance, or increased payments, under the new Youth Allowance scheme.

The proposed Labor changes to Youth Allowance are sensible and revenue neutral. Under these changes, all students receiving the allowance will be eligible for scholarships, students and their parents will be able to earn more before they lose their allowance and students will be able to claim independence earlier.

Key elements of the proposed Labor changes include:

- All students who receive Youth Allowance will receive a **\$2254 start up scholarship** every year.

- The **parental income test will be raised** so that families with two children studying away from home can earn more than \$140,000 before their allowance is cut completely.
- Students who choose to move to study may be eligible for an additional **relocation scholarship, worth \$4 000**, in the first year of study and \$1 000 each subsequent year.
- From 1 July 2012, **students will be able to earn \$400 a week** (up from \$236) without having their payments reduced.
- The **age of independence will reduce progressively** from 25 years to 22 years by 2012, which will see an estimated 7 600 new recipients of the independent rate of allowance.

These changes will see Youth Allowance targeted at those families that need assistance most. Under the existing system, 18 per cent of students receiving Youth Allowance are from families with incomes of more than \$150 000, 10 per cent above \$200 000 and 3 per cent have family incomes above \$300 000.

The current broken Coalition system has seen regional and rural participation in tertiary education actually decline from 2002 to 2007. The extremely low parental income test has effectively forced students into claiming independence from their families, taking a compulsory gap year after which we know 30 per cent do not subsequently take up their university offer.

Under the alternate Coalition plan, almost \$700 million over four years will be torn from the pockets of students as start up scholarships are reduced permanently by \$1254 every year. This equates to more than 150,000 students losing the equivalent of \$24 a week, each and every week they're at university.

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