

THE HON JULIA GILLARD MP
DEPUTY PRIME MINISTER
Minister for Education
Minister for Employment and Workplace Relations
Minister for Social Inclusion

MEDIA RELEASE

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Students losers as Coalition continues war in Senate

The Minister for Education, Julia Gillard, today said that students will now be the real losers as Coalition and Family First Senator Steve Fielding selfishly denied 150 000 students scholarships in 2010.

Senator Fielding joined the Liberal and National Party's war on students when they voted down Government amendments which would have guaranteed the gap year arrangements for every student currently on a gap year, and paid a scholarship to 150 000 students in receipt of Youth Allowance in 2010.

The changes if passed with the Government amendments would have seen more than 100 000 students and their families better off with either more Youth Allowance or Youth Allowance at all. 150 000 students would have received a \$1 434 Start-Up Scholarship in 2010, rising to \$2 254 in 2011, but will now miss out.

Ms Gillard said the Government had agreed to a total of three sensible amendments following negotiations in good faith with the Greens and supported by Senator Nick Xenophon which would have dealt with any remaining concerns about current gap year students.

Instead they decided to play politics and in the process punish students and families, including those students on a gap year who now will not receive the scholarships.

The Opposition and Senator Fielding had the opportunity to agree to an historic change to Youth Allowance which would have seen a stop to the rorts of their broken system where students from families on high incomes could use a loophole to claim the full rate of Youth Allowance.

It is now clear that for all the talk, neither the Liberal and National Parties nor Senator Fielding ever had the interests of students in mind.

Instead, the Liberal and National Parties combined with Senator Fielding to ensure that no student will benefit from these changes and for the continuation of the system which has seen participation rural and regional students decline continue into 2010.

In the past fortnight, every university group in Australia, the National Union of Students and every State and Territory Education and Training Minister called on the Senate to pass the Bill, but these calls were stubbornly ignored.

With the Bill defeated:

- More than **150 000 students across Australia will now not receive a \$2 254 Start-Up Scholarship** in 2010.
- 21 000 existing Commonwealth scholarships voted out of existence earlier in the year will not be paid, meaning there are **no scholarships being paid by the Commonwealth in 2010**.

- More than **100 000 students across Australia will get less or no Youth Allowance in 2010.**
- Students who choose to move to study will **not be eligible for a \$4 000 relocation scholarship** in 2010.
- Students with **very high parental incomes will continue to receive Youth Allowance**, including 18 per cent of students receiving Youth Allowance from families with incomes of more than \$150 000, 10 per cent above \$200 000 and 3 per cent from families with incomes above \$300 000.
- The **parental income test will remain at \$32 800** so that students with parents earning more than this will continue to lose Youth Allowance.
- The **age of independence will remain at 25 rather than be lowered to 22** by 2012, which would have seen an estimated 7 600 new recipients of the independent rate of allowance across Australia.

Students and their families who will miss out should lodge their protest with the Leader of the Opposition, the Leader of the National Party and Senator Fielding.

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