

This submission to this review is made at the suggestion of The Hon Julia Gillard MP.

I have previously brought to the Deputy Prime Minister's attention the unfair nature of assessments made by Centrelink for the purposes of payment of Youth Allowance for tertiary students. I have also brought this anomaly to the attention of my Member of Parliament for Tangney, Dr Dennis Jensen, who has described the rules used by Centrelink as "unfair" in correspondence to myself, and in correspondence to the previous Liberal Minister, Julie Bishop.

Centrelink apply a parental income means test cut off for payment of this allowance to tertiary children living at home, who apply for the allowance. Payment of the allowance ceases at or about a family income of \$60,000 per annum, except as described below.

However, if a child has left home, participated in the workforce for 18 months at a minimum level of wages, then returns home to study at a tertiary institution, and be FULLY SUPPORTED BY THEIR PARENTS AGAIN, then parental income is completely disregarded by Centrelink when assessing eligibility. Centrelink classify that person as "independent" despite the fact that they are totally reliant upon their parents for living support. How this person, receiving free food and board from their parents, can be regarded by the Government as "independent" is beyond comprehension.

Consequently the following situation can, and may well already exist.

Two young people, the same age, studying at the same university, apply for Youth Allowance. They both live at home, do not work, and are totally dependant upon their parents for support.

Person A is in a family where the father, possibly a truck driver earning \$60,000 per annum is the breadwinner. No allowance is payable because Centrelink deem the father's income too high.

Person B is in a family where the father is a corporate CEO, on an annual income of \$5,000,000 per annum. Person B IS entitled to be paid, despite the massive parental income. Why? Because person B left home for 18 months, and has been classified as "independent" by Centrelink, regardless of their current dependance upon their parent(s). I have put the above scenario to Centrelink and they agree that it is possible and consequently may exist.

Successive governments, of both persuasions, have made much of the need to "target" and "means test" social security payments. Yet, when a glaring example of a clearly unfair anomaly is brought to their attention, it is dismissed. Aged pensioners are subject to a constant review of assets and income, to make sure that they are paid not one cent more than is necessary. However it is disappointing to note the reluctance of both side of politics to even review the rules for this allowance. The example quoted above has been put to Minister Gillard, yet she seems to have no problem with that type of situation existing.

I believe that the rules pertaining to this allowance need to be reviewed. Parental ability to support a tertiary student must be taken into account for ALL students. The Macquarie Dictionary defines "independent" as "not relying on another for aid or support". This definition appears to contradict the Government's interpretation of the word.