

Submission to Senate Inquiry into:  
'Social Security Amendment (Income Support for Regional Students) Bill 2010'

28/11/2010

Dear committee members,

As an inner-regional student currently undertaking a 'Gap Year', I provide this submission in the hope of reversing the marginalising impacts the current Youth Allowance eligibility criteria has on rural students and myself.

For the past two years I have been employed with my local Coles, Port Macquarie NSW. Aiming to qualify for independent Youth Allowance I undertook a Gap Year despite trepidation of the, then, changes with the confidence that such a divisive Bill would not pass the Senate. The reality however was somewhat different, and since then I have pursued multiple and arduous shifts between the three Coles stores here, with constant apprehension of my casual position and added uncertainty of hours to compete with new eligibility criteria. Meanwhile in the time I didn't work I searched and applied hoping I could pick up a second job (if you don't count working at two additional Coles stores as multiple jobs).

Despite all of this I know if the current legislation is to continue unamended I will not qualify for independent Youth Allowance.

What this means for me effectively is that I must extend my Gap Year an additional six months so that I may qualify for this integral assistance. This is the only option at my disposal according to Centrelink, as coming from a rural middle-income family without a history of government assistance plays no bearing on my situation, despite having to relocate to continue my education, and in doing so, incurring the exorbitant costs of Sydney living.

However the Labor Government would have me believe there is another option to consider. If I am to cut my Gap Year short by six months and begin my course in 2010 I can still claim "part" assistance, as the "cut-out" scheme allows my combined parental income to threshold at \$150,000. While this may be tempting for many who have just completed their HSC what this new system really offers is a cheap ticket to avoid a lengthy Gap Year, and a meagre supplement to the full rate of Youth Allowance. The catch being that this assistance, based on your parental income until you are old enough to be considered independent, will be indexed annually. Meaning changes in parental income, despite not living with my parents or receiving financial support from them, will have huge repercussions on the "part" assistance I would receive. This is neither fair on the student or the parents who have to ensure they do not pick up work or accept bonuses as this will ultimately reduce the assistance the student would receive.

Furthermore the "cut-out" scheme in my opinion is a divisive means of stopping students from undertaking a Gap Year and qualifying for the full amount Youth Allowance pays out. The changes made under the slogan, 'Making the system fairer', introduced in 2009 with the intent of stopping wealthy metropolitan students from rorting the system, seems blatantly unfair when considering whether the diminutive "cut-out" system is a viable means of sustaining rural students at university.

Entertaining the possibility of perpetuating my gap year another 6 months whilst knowing I'd most likely become disenchanted from studying in that time, just to qualify for the already languishing Youth Allowance assistance, is not feasible in my situation. And this is the reality for many current Gap students, and those that are thinking about undertaking one in 2011. The issue presented is a catch-22, therefore inner-regional students must choose:

- To head to university straight from school receiving partial assistance, based on parental income until age of independence is obtained.

Or,

- Complete a lengthy 18-month Gap within a 2-year period, and average 30 hours a week, to become independent.

Having said that there are ongoing and inherent flaws set by the changes to Youth Allowance eligibility criteria, and issues that the legislation does not completely take into account.

Firstly, in small town communities like Port Macquarie, the vast amount of students that just finished their HSC and intend to take a Gap Year in 2011 will find it difficult to meet the requirements. The Youth Allowance eligibility stipulates an average of 30 hours a week work, for many this is untenable, as part-time and casual positions are scarce enough in Port Macquarie, added the very limited chance they would provide 30 hours to an individual given the seasonal nature of work. In view of this fact subsequent Gap Year students will find increased difficulty whilst attempting to qualify if previous students, such as myself, are still working the last six months of our Gap Year and hence monopolising positions for the first six months of those students' Gap Year. A spill over of Gap students each year would eventually mean only every second year would have the opportunity to qualify for independent Youth Allowance.

Increasing marginalisation of rural students compared to metropolitan students is unequivocal, and the current legislation does not cater for this. From the outset rural students must contend with those from metropolitan areas in the HSC, struggling to get the marks to get into their desired course at their preferred university. For many inner-regional students the city is an enticement, a chance to do something different, but for others it is compulsory to relocate where a regional university may not offer their particular course. Additionally intake for metropolitan institutions can be disparaging for rural students considering the number of offers made to metropolitan students. The University of Sydney for instance is quoted by The Sydney Morning Herald as having 65 per cent of undergraduate intake from the eastern suburbs and the lower and upper north shore<sup>1</sup> (keeping in mind this figure excludes international undergraduate intake).

Many of these inner-regional students come from low socio-economic backgrounds, therefore qualifying for Youth Allowance is imperative if they are to relocate. These students, such as myself, are forced by the current legislation to put their studies on hold for 18 months, whilst metropolitan students have the option of living at home and attending university unburdened by superfluous qualification periods. Why is it that I must put my desire to learn, to better myself and develop a career, on hold for 18 months when wealthy students in the city do not have to do so similarly?

The changes to Youth Allowance prevented these metropolitan students from rorting the system, and claiming assistance they didn't need. Whilst fairer in that respect what the legislation continues to do is carve out middle Australia, preventing many inner-regional students from accessing Youth Allowance and therefore stagnating their chances at continuing their education. Unamended, the current Youth Allowance legislation has again made education the privilege of wealthy metropolitan students as opposed to a right for all Australians.

In addition condemning students on the basis of where they live, as the current legislation does, based on an unscrupulous 'means test' in the form of geographical demarcation is not a viable or effective way of measuring who and who should not be able to qualify for Youth Allowance. Having said that, I, like one of thousands of inner-regional students across Australia ready to begin their studies in 2011 will do so without the much-needed assistance that is independent Youth Allowance. Those last year who got through under the relaxed laws, friends of mine, were able to travel abroad during their Gap Year, not having to worry about saving the money earned in that time, hence why a Gap Year is initially tempting. I had similar aspirations; to travel before I committed the next several financially strained years of education, however now that the eligibility criteria has been tightened (regardless that I have earned \$19,532 this year) I have had to scrounge every cent this year knowing all of it will count towards my education.

Continuing to default on the largest regional demographic of students makes no advancement for Australia. As previously stated tertiary education should be a right all Australian students should have, and not just the perpetual privilege for those that can afford it. Therefore it is paramount that the amendment to include "inner-regional" students under the more lenient Youth Allowance eligibility criteria be passed, so that our own and future generations have the opportunity to an equitable and non-discriminatory education.

Regards,

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Port Macquarie

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<sup>1</sup> Gilmore H. 2010, 'Sydney Uni in deal to take disadvantaged students', *The Sydney Morning Herald*, 6 October, viewed 6 October 2010, <http://www.smh.com.au/national/education/sydney-uni-in-deal-to-take-disadvantaged-students-20101005-1669n.html>>