

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

6 December 2010

Dear Committee

INQUIRY INTO SOCIAL SECURITY AMENDMENT (INCOME SUPPORT FOR REGIONAL STUDENTS) BILL 2010

I am pleased to make the following submission on behalf of residents living in my electorate of O'Connor to the committee's inquiry into Independent Youth Allowance criteria for those living in inner regional areas.

While I am fortunate in the fact that O'Connor has no areas classified as inner regional, I feel that this issue is one on which I should comment, as I believe all of WA will benefit from a fairer Independent Youth Allowance criteria, particularly for those living in inner regional areas.

Currently, those living in inner regional areas do not have the same access to Independent Youth Allowance as those living in outer regional areas. While I understand the reasoning behind this – to stop students living in metropolitan areas from accessing the Independent Youth Allowance system – the simple logic is that this system is putting students living in regional areas of WA at an unfair disadvantage when it comes to accessing higher education.

In WA, the inner regional classification stretches as far south of the Metropolitan areas as Dunsborough, more than 240 kilometres away, and includes regional towns such as Collie, Dardanup, Harvey, Northam and York.

It is very important that the reasoning behind the Independent Youth Allowance – to stop those living in Metropolitan areas from accessing the Independent Youth Allowance – does not interfere with the original intended purpose of the Independent Youth Allowance; that is, to assist students living in regional areas in meeting living and education costs when studying or undertaking training.

The requirements for those living in inner regional areas to access Independent Youth Allowance do in fact interfere with the intended purpose of the Independent Youth Allowance.

In the following I will be outlining the importance of fair access to Independent Youth Allowance for those living in inner regional areas.

I hope this will help you in making the right decision – to allow students from regional WA fair and equitable access to higher education, without penalising them because of an arbitrary line on a map.

Financial impact for regional families and regional students attending university in a metropolitan area

The financial impact borne by regional families sending their children to study in metropolitan areas is significant.

Rent remains a significant financial burden for those students unable to find student accommodation, and unable to live rent free at home like students in metropolitan areas may be able to.

The cost of fuel and the tyranny of distance means travelling home to visit parents for birthdays or special occasions is not always possible, while the cost of staying in touch with phone calls, and internet access is also a factor.

Many students living in the metropolitan area will also need to factor in bills and the cost of owning and maintaining private transport.

All of the above highlights the reasoning that students from regional WA – and regional Australia in general – need to be treated differently from their metropolitan counterparts, who will often not see such a financial burden when wishing to attend university.

More recently, the additional of compulsory university fees for student services has created an extra barrier to higher education.

Alternative education options in regional WA

In many areas of regional WA, there is little to no access to higher education opportunities beyond primary school and secondary school, and a number of public secondary schools in regional WA have closed over the past decade, further exacerbating the lack of educational opportunities available to those in regional WA.

Alternative education is very limited, particularly in smaller towns. While a TAFE may exist in the town, often the courses are very limited, and with that comes a limited range of career prospects.

Outside of metropolitan WA, universities are almost non-existent, limited only to major regional centres such as Geraldton, Albany, Kalgoorlie and Bunbury. Even so, the

courses on offer are limited, and the option to study externally is not equal to the option to study at a university in Perth. External studies significantly restrict contact with other students, limiting the social interaction which the Government has lauded during their proposal for the Student Services and Amenities Bill which was recently passed.

Issues with proving independence for students living in an inner regional area

The removal of two of the three work-related criteria a student can meet in order to prove independence from their parents is of great concern for students in inner regional areas.

Proving independence is a crucial way in which regional students can access the much needed financial assistance that is required to be able to live and study in the metropolitan areas.

Under the inner regional criteria, students can not choose the option to work at least 15 hours per week for at least two years after leaving school, nor will they be able to earn 75 per cent of the maximum wage level A in an 18 month period.

There are two key problems associated with maintaining only the one work related criteria – that of working an average of 30 hours per week for an 18 month period within two years. Firstly, there is the necessity to defer studies for a further six months to 18 months. Very few universities allow for deferral for more than 12 months and those that do only allow deferral in exceptional circumstances. Additionally, a number of top level courses such as medicine, dentistry and law do not permit mid-year entries.

Secondly, there is a considerable burden imposed by the requirements to work 30 hours per week. It is simply untenable for a tertiary student to undertake some 30 hours of work each week – the equivalent of more than 75 per cent of full time employment – and study at the same time. A first year student can expect anywhere between 12 to 28 contact hours per week with an expectation of double the amount in personal study. Add to this the requirement to work 30 hours per week and the end results will certainly be a reduction in tertiary studies by regional students who must leave home in order to be enrolled. It is also argued that the ability of an inexperienced young person to find and secure full time work can be very difficult during this time of economic uncertainty and rising unemployment.

Long term impact on regional communities

The Government must carefully consider any proposals which may impinge on the ability for those living in rural and regional communities wishing to access higher education. Failure to do so may well lead to potentially far reaching socio-economic

problems in the future. It is imperative to the survivability and sustainability of rural and regional communities that access to higher education is fair and equitable for all. The criteria for inner regional students to access the Independent Youth Allowance will negatively impact on those living in regional Australia. I believe this will have a significant impact on the number of students from country areas who choose to move from secondary schooling to tertiary education. In doing so, regional communities stand to bear the brunt of the consequences.

A reduced ability to access tertiary studies along the lines proposed by the Government means, at its most simple, far fewer tertiary educated people from inner regional areas. The ramifications for these inner regional classified communities are far greater with an increased burden to supply quality, full time employment for a young, unskilled workforce. Job opportunities outside of city areas are significantly different than those in Perth. Reducing access to tertiary education will only deepen the problem with many communities already struggling to sustain the existing population. This places an increased burden on rural families to support their children beyond secondary schooling.

Skilled professionals like doctors, accountants, lawyers, dentists and teachers are far more likely to return to their roots in regional areas than those who grow up in the city. The difficulty WA faces with meeting the demands for local GPs is evidence of this. Indeed, one of the simplest ways of ensuring access to professionals - and thereby ensuring community viability - is to provide access to quality training.

Regional people don't need to be sold on the benefits of living outside the major metropolitan areas of the state – it's what they have known almost all of their life. Sadly, the barriers to higher education faced by those in inner regional areas will threaten to reduce the sustainability of these regional communities.

Recommendations

1. Existing eligibility criteria for outer regional students – namely working part time for two years, or earning 75 per cent of wage level A, - should be made available for those living in inner regional areas.
2. The option of proving independence by working 30 hours per week for 18 months could be reduced to 30 hours per week for 12 months. Deferring university students for 18 months is rarely possible. This middle ground allows students to undertake a gap year immediately following high school graduation but still plan for entry into university the following year.
3. Existing eligibility criteria for outer regional students – namely working part time for two years, or earning 75 per cent of wage level A, - should be made available for those living in inner regional areas.
4. Scholarships provided to all students should not be counted towards personal income when they are provided for the purpose of improving knowledge or

skills. Currently, Centrelink considers a scholarship as income and considers any amount when determining how much a student earns in a fortnightly period. However the great majority of these scholarships are provided not to offset the cost of living but to put towards tuition, books or sport coaching. In such circumstances a student should not be penalised for proving to be a gifted academic or sports person.

5. Establish a job hours "bank". Current criteria dictate the need to work a certain number of hours each week. When hours worked fall below this minimal level in any given week the subsidy is withdrawn. Establishing a "bank" would allow any person who works more than 30 hours per week to accrue hours for use at a later time. As it stands now, a person may lose their job and be left with no hours, which would adversely affect their ability to prove independence. Particularly in today's uncertain times and the casual nature of employment for young people, it would seem appropriate that a person could "save" hours that could be used to make up the minimum.

Investing in education is an investment in Australia's future.

Students living in inner regional areas will more often than not face the same disadvantages and barriers as those living in outer regional and remote areas. The financial burden of living away from home is significant, the lack of educational opportunities in the regions is vast, and the difficulties in securing 30 hours of week can be strenuous for those living in a small town with very few jobs available. Add to this the 18 month time period, which will mean students must either work 30 hours per week while attending university, or defer at least an additional six months, is a substantial challenge that students living in inner regional areas must contend with under this legislation.

I ask the committee once again – do not let the reasoning behind the Independent Youth Allowance criteria overcome the necessity and the intended purpose of Independent Youth Allowance; that is, to help students from regional areas overcome the financial burden of accessing higher education.

The legislation as it stands creates an unfair situation for regional students based on arbitrary lines on a map, and does not take into account the reality of the geographical situation.

I thank the committee for taking the time to read this submission, and I hope my concerns, and the concerns of those living in regional WA, are taken into account during this process.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Crook', written in a cursive style.

Mr Tony Crook MP
Member for O'Connor