

02 DEC 2010

Mr. George Christensen, MP

Steve Parker

PO Box 1697
Mackay Qld 4740

30/11/10

Dear Sir,

Thank you for trying to improve the availability of student assistance for rural Australians. I would like to explain to you my circumstances which help to show at least one inequity in the current system.

My daughter (aged 18) is studying Medicine at JCU. Neither of us is able to claim any assistance (such as Youth allowance) in the costs of keeping her in Townsville. The reason she is excluded is because of my asset level. Prima facie that would seem fair as anyone that has a good financial backing should pay their own way. However, I think this idea is flawed.

I am 62 years old and will retire in two years. I have worked very hard to build up a retirement fund. This retirement fund will be used to pay my way and that of my spouse for the rest of our lives. Anyone my age SHOULD have a good asset backing. The government has been complaining about the number of people who plan to retire on taxpayer funded pensions. The result of my savings, however, is to exclude my daughter from assistance.

Compare my position to someone of say, 30 years old. They are unlikely to have a large asset backing primarily because they have not been saving as long. The comparison is not valid because the different stages of our lives will mean that my assets will be greater. The problem is that these assets of mine are not disposable but are tagged for the cost of living for future years. It is not as though I am a rich man with assets that will never reduce. Yet the 30 year old will get assistance but I will not because it is deemed that my assets are making me rich. This is untrue since they are there to fund the years when I will not have any income - they are not indicative of general wealth.

The system does not recognize that, by necessity, an elderly person would and should have substantial assets. However, the assets are not mine to fritter away but must be used prudently during retirement. They are, in effect, assets that are quarantined. Assets that have planned reductions and should not be counted as wealth as if it is some sort of largess.

The end result under the existing system is that I am forced to use current income and savings to fund the costs of student living - reducing funds available for retirement. I don't begrudge that and try to be as generous as I can but I do feel that it is a little unfair.

I have a second point (one that you are well aware of) and it is this - I wouldn't be writing to you at all if I lived in Townsville, Brisbane, Sydney or any other.

capital city. Similarly, I wouldn't be writing to you if the course was available in Mackay. I would be happy to fund the costs in my home town.

My peers who live in these places have no such burdens to face and indeed many will avail themselves of assistance as well. Living outside of these places puts extra costs on families not to mention the additional hassles of finding accommodation, security and all the other worries of having children living away from home. Many of these costs are substantial. It is these extra costs that should be helped with by the government.

Sadly, all too little consideration is given to these costs under the present scheme.

I want to end by again thanking you for what you have done so far. I encourage you to continue your lobbying on these lines as it does you great credit in the eyes of regional people. I don't think any changes will come in time for me (my daughter will be independent in 4 years under the current scheme) but others will definitely enjoy any improvements you can make.

Yours Faithfully. 

Stephen Parker

P.S. Another effect of this problem has been the loss of a paramedic from Mackay. I still work for the QAS as a paramedic but in order to fund the extra costs of my daughters education I have been forced to work at a minesite. I would return to work at Mackay if I didn't have to fund these costs. Mackay finds it difficult to attract staff due to the high costs of the area. I still live in Mackay though.