

**SUBMISSION to the Senate Committee on Education, Employment and Workplace Relations on the Social Security Amendment (Income Support for Regional Students) Bill 2010**

I believe the amendment proposed by Senator Nash will make all rural and regional students equal in the context of Youth Allowance eligibility.

Overall, however, the eligibility criterion does not take into account the major differences between rural and urban students wishing to undertake tertiary studies. I believe the Youth Allowance eligibility criterion discriminates negatively against all regional and remote students by not recognising the significant differences in their circumstances when attempting to undertake tertiary education.

There are two major differences between urban and rural students in this context:

1. The majority of regional and remote students **must** leave home to undertake tertiary studies.
2. The costs involved in leaving the family home to undertake tertiary studies are significant, and often a barrier to rural students participating in tertiary education. In December 2009, the Rural and Regional Affairs and Transport Senate Committee handed down its report, 'Rural and Regional Access to Secondary and Tertiary Education Opportunities'. That inquiry found that the cost of regional and remote students having to relocate to undertake tertiary education was approximately \$15,000 to \$20,000 per year. This cost burden is not sufficiently recognised in the allocation of Youth Allowance and related scholarships.

I have two recommendations to make that I believe would significantly increase the number of regional and remote students proceeding to tertiary studies. The previously mentioned 'Rural and Regional Access to Secondary and Tertiary Education Opportunities' report also found that around 55% of students in metropolitan areas go on to tertiary education compared to only 33% of students in the regions. The inquiry also found that the biggest reason for the disparity in those numbers was the financial impediment for regional and remote students, who face a significant financial burden having to relocate.

Recommendations:

1. A separate category should be established for eligibility to Youth Allowance called 'Regional and Remote', which would apply to all students whose family home is located in the zones currently referred to as 'Inner Regional', 'Outer Regional', 'Remote' and 'Very Remote', who must leave home to pursue tertiary education. The highest possible income and asset limits should be allowed as a form of positive discrimination in order to increase the number of regional and remote students accessing tertiary education. There would also be no requirement for these students to undertake workforce participation to prove eligibility. This would allow regional and remote students to proceed from Year 12 directly to tertiary studies without the enforced 'gap year'. 'Inner Regional' students, in particular, will be burdened by onerous workplace participation rules, (which are extremely difficult to fulfil in rural areas), as well as having to defer their University place for up to two years, which is generally not possible. Will tertiary institutions be forced to change their deferral arrangements by the Government?
2. The Federal Government could fund the building of on-campus accommodation wherever possible at TAFE and University campuses for the exclusive use of regional and remote students. This accommodation should be offered at very low cost. Then, if no accommodation is available on-campus, regional and remote students may be able to lodge at a nearby TAFE campus. Not only would this reduce the costs for regional and remote students undertaking tertiary education, but it would also go some way to take pressure off rental markets in the major metropolitan areas.

The costs involved in these recommendations would be offset in the long run by greater participation in tertiary education by regional and remote students. It is well known that people who have tertiary qualifications earn more money over their working life, and are able to contribute more to tax revenue.

It is also well known that rural and regional students are much more likely to return to the regions once they have achieved their qualifications. This has the benefit of distributing the skills base of our country into regional and remote areas, which consequently makes them capable of maintaining, and potentially increasing their population base, which again, would take pressure off the urban areas that are clearly suffering from overpopulation with insufficient infrastructure. It also supplies an educated population to support the infrastructure of rural Australia, which is vital to maintain our productive and innovative food and fibre-producing regions.

Finally, it has been argued that the Government has made the changes to Youth Allowance eligibility due to the findings of the Bradley Review of Australian Higher Education. The Federal Government has argued that the Bradley Review found that 18% of students who were living at home and were receiving Youth Allowance through having been considered 'independent' were from families with incomes above \$150 000, 10% from families with incomes above \$200 000 and 3% from families with income above \$300 000. Accordingly, the Bradley Review recommended tightening the workforce participation criterion.<sup>1</sup> However, the logic of this argument does not add up. The students targeted by these changes are those from 'Inner Regional' areas. The majority of students from 'Inner Regional' areas have to leave home to access tertiary education. Therefore, they could only be a minute fraction of the aforementioned students accessing independent Youth Allowance and living at home with parents earning in excess of \$150 000, because the majority of regional and remote students **do not live at home** while undertaking tertiary study. We can therefore conclude that these students were from urban areas (currently identified as 'Major Cities' or 'Metropolitan' on the ASGC map), and that changing the workforce participation criterion for 'Inner Regional' students will do nothing to stop poorly targeted and inequitable distribution of Youth Allowance. I would suggest the Government examine the workforce participation criterion for 'Metropolitan' students if they feel students living at home are rorting the system, because tertiary students living at home receiving Youth Allowance overwhelmingly come from 'Metropolitan' areas.

Footnotes

1. Letter to the Hon Mike Kelly AM MP from Senator Chris Evans, Leader of the Government in the Senate, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, 12<sup>th</sup> November 2010, page 2