

6th October 2009

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Committee Members,

Re: Social Security and Other Legislations Amendment (Income Support for Students) Bill 2009

We wish to make a number of comments and observations which affect us as a family, as a result of the announcement made in the last budget to changes to the Youth Allowance Scheme. This submission is to highlight points relating to country students having to move to the city to study.

The financial impact on us will be significant and as a result feel totally disadvantaged as a resident in regional Western Australia. Our two sons (year 12 & year 10) both have ambitions to study engineering. Due to the limited size of ECU Bunbury campus, the option of living at home and studying at a local university is not available. The cost of accommodating a child in Perth over the duration of their studies is \$20,000 minimum. We therefore feel extremely prejudiced by reason of where we chose to live.

The option created by the proposed amendments for our school leavers to work full time for 30 hours per week for a minimum of 18 months will also cause disadvantage. Aside from the real difficulty of these young people to find permanent employment to satisfy the criteria imposed, they now lose a further 6 – 12 months study time. Most will not go to university until they are nearly 20 years of age. Their city cousins will have up to 2 years head start towards the completion of their degree.

Not only is the financial burden for country students vastly greater, but they are also dealing with the huge emotional burden of leaving their family and everything they have known.

The proposal to have gap year students work 18 months is outrageous. Already these students have put on hold their career and future for one year to enable them to finance their move to the city.

The family income levels proposed (PIT) to allow our children to qualify for Youth Allowance by the alternative means are completely unrealistic. As both parents in this family are university qualified professionals (Accountant and Teacher) our best alternative is to move the family to the city (Perth) to enable our children to have a fair go. Not only does the region suffer as a result of this, our young people once qualified will be less inclined to seek employment back in the regional areas due to the thought that in the long term they will continue to be disadvantaged.

The supplementary grants such as Start-up Scholarship and Relocation Scholarship will also be denied to us as under the new rules, with no Youth Allowance these other benefits are also removed from our access.

If we as parents were to find a way to pay the premium to send our children to Perth for a university education, the money would ultimately come from our future superannuation contributions. The thought of making additional contributions to our retirement funds will be out of the question.

The change in Government policy on Youth Allowance also appears to be contrary to its policies on supporting the regions & regional employment. It will more than likely be detrimental to the statement made by the current Government that 40% of 25 – 35 year olds will hold tertiary qualifications by 2020.

The Government needs to seriously reconsider its policy on Youth Allowance and the effect it is having on communities and families living in Australia's regional areas. This is just another kick in

the teeth for rural and regional communities.

Yours faithfully,

Neill & Christine Rowlandson