

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO BOX 6100
Parliament House
Canberra ACT 2600

RE: Proposed changes to eligibility criteria for Youth Allowance - rural students

Dear committee members,

As a prospective university student, with a deferred place commencing 2011, I am making this submission to voice my concern over the current Youth Allowance eligibility criteria for rural students, and the need for reform.

I have spent 2010 working in retail full time in Wagga Wagga, NSW, where I have lived my entire life. At the time that I deferred my degree, Youth Allowance legislation was under debate. My peers and myself undertook the working gap year unsure of whether we'd qualify for it after earning the 20K. Then we were dealt the blow that Wagga was suddenly 'not rural enough' – it had been classified as an inner regional area. Quite frankly, I feel cheated that the country city I live in was given the same Youth Allowance eligibility criteria as metropolitan areas.

In Wagga, there are a significant proportion of students who choose to stay and study locally at Charles Sturt University, whether for personal preference or financial reasons. However many choose to relocate for tertiary education, either due to a) CSU not offering their desired course or b) the opportunity to move somewhere else in a prime circumstance to do so. Both these reasons are fair, and it is fantastic that there is much choice where one can study. However with Wagga's classification as inner regional, and the need to spend two years working before one can qualify for Youth Allowance, will affect school graduates university decisions. Some will forgo the prospect of moving away to minimize costs. Others may become disenchanted toward study after being out of the education system for an extended period of time. In summary, any legislation that affects a student's university choices due to geography is unfair – after all we did not chose where we live – and hence I feel appropriate changes to allow all rural students equal opportunity for Youth Allowance is necessary.

Whilst I am given the option of having a second deferred year to earn Youth Allowance, the simple point is that the reason to go to university is the passion to learn, to give oneself career opportunities. I do not want to work in retail another year! This is not where my career ambitions lie. I personally would rather suffer financially by being ineligible for full Youth Allowance and go to university in 2011, then have to wait another tedious year working.

The degree I have applied for is a Deans Scholar of the Arts at the University of Wollongong. This degree is not available at my local Charles Sturt University, and hence

I have to move away to study. This is an advanced degree and as such I want to dedicate myself to it, as I aspire to be a literary scholar in the future. But being unable to attain youth allowance will place financial stress on living in Wollongong; I will have to seek part-time employment, which is time I would rather spend studying.

My financial situation is currently such: My parents combined income is approximately 105K. This is a sufficient figure for comfortable living at the moment, but when I commence university it will be strained. As well as supporting me, they have two other dependent children, and like many families, there is a mortgage and the rising cost of living to consider. My parents will already be spending \$13000 p/a for me to reside at a college. Then there is the array of other costs to factor: compulsory fees, textbooks, petrol, medical expenses and entertainment. If I was to qualify for Youth Allowance, I could take care of these expenses myself without the need for part-time employment. With my combined parental income at 105K, I would, under the new Youth Allowance eligibility system, qualify for a negligible sum of welfare each fortnight (approximately \$60), and I would qualify for the relocation/start up scholarships. However, this is not enough to support myself.

Besides, there is the point of independence to be made. Regardless of parental income, it could be similar to my own or it could be several hundred thousand p/a, what I and others seek is financial independence from parents. After almost 20 years of having to support me financially, I feel the need to be able to earn my own keep and lessen the burden on them. But in order to do so, government support during the transition phase – my tertiary education – is necessary. Reform of the current Youth Allowance legislation for rural students would help myself and many others achieve this goal; it would restore equality to a system that geographically impacts prospective students and their university choices, and ease us down the path to our career ambitions.

I thank you for your consideration,

Thomas Callaghan,
Wagga Wagga NSW.

24/11/2010