

Submission to

The Senate Education, Employment and Workplace Relations Committee

**Inquiry into Social Security Amendment
(Income Support for Regional Students) Bill 2010,
which seeks to extend independent Youth Allowance payments to eligible
students whose family home is located in "Inner Regional Australia."**

from

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Introduction

Currently many Australian students wishing to access quality tertiary education which caters to their abilities and interests are disadvantaged if they live in remote or regional areas of Australia. We urge the Senate Committee to support the approval of the Social Security Amendment (Income Support for Regional Students) Bill 2010 as soon as possible, to move part of the way towards addressing the inequities and disadvantages which exist since recent changes to eligibility for independent Youth Allowance were approved.

Many of the recent changes have been proposed as a result of "The Bradley Report" (2008). This report recognises some of the challenges facing the provision of tertiary education in Australia, and in fact states that "Higher education will clearly be a major contributor to the development of a skilled workforce but, as never before, we must address the rights of all citizens to share in its benefits. Higher education will continue to be a cornerstone of our legal, economic, social and cultural institutions and it lies at the heart of Australia's research and innovation system."

The Bradley Report also recognises under-participation of students from rural and remote areas of Australia in the statement "To increase the numbers participating we must also look to members of groups currently under-represented within the system, that is, those disadvantaged by the circumstances of their birth: Indigenous people, people with low socio-economic status, and those from regional and remote areas. It makes recommendations accordingly, with one target stating "Provision of higher education in regional areas needs serious attention to increase participation." The report continues with a recommendation for additional funding to remedy this situation, a factor which seems to have been forgotten in the debate about keeping the Youth Allowance as "funding neutral".

We have lodged this submission as we believe it is crucial to include the "Inner Regional" areas for the eligibility requirements for the Independent Youth Allowance, as there are huge anomalies in the new system which only includes the Outer Regional, Remote and Very Remote regions as per the ARIA classification chosen at the time of recent legislation changes.

Anomalies under the ARIA Classification

We urge **immediate review** of the eligibility criteria for Independent Youth Allowance (as recently passed under the Social Security & Other Legislation Amendment (Income Support for Students) Bill 2009). In particular, we support inclusion of "Inner Regional areas" under the ARIA classification, so that additional regional centres with poor access to tertiary education facilities be subject to the same conditions as "Outer Regional", "Remote" and "Very Remote" classifications. This review needs to be expedited, as so far we are on the third year of school leavers facing indecision in relation to Youth Allowance and indefinite plans for their future.

When the **ARIA classification** was used at the time the original Youth Allowance legislation was passed (in March 2010) since it was already available for use. However, we need to remember it was originally devised by Dept Health for medical/health incentives, and relates more to access to services in general (including health) rather than bearing any relation to access to tertiary education facilities. Because this ARIA system was used, many young people from regional centres around Australia who aspire to careers requiring specialised university education (eg medicine, law, languages, sciences) and who are likely to return to regional areas are still disadvantaged. Yes, many students from smaller nearby regional towns and from areas sometimes very near large centres are fortunate they are included in the Outer Regional areas. But it seems ridiculous that ordinary middle-class families, often with parents working in the very fields (eg education, health, small business) we are trying to encourage in regional areas, are the ones now disadvantaged because they happen to live in regional towns often many hours away from universities.

We know of many ordinary wage-earner families living in **regional centres**, such as Dubbo, Orange, Tamworth, where dedicated teachers, education support staff, nurses and other wage-earning professionals earn a double income which prevents their children's eligibility for dependent Youth Allowance, and are only able to access the independent rate requirements for Youth Allowance except by working for 30 hours a week for at least 18 months. This new work requirement is a difficult task in a regional centre with businesses still to recover after the drought and not many of the now-flooded (anticipated bumper) crops harvested in surrounding regions. Yet these families, if their children want to attend universities at least five or six hours away, somehow still want to support them but find it extremely expensive and difficult.

In fact I know of a **recent example** of a family of education professionals planning to move from Dubbo closer to a larger centre with a University where their children can study while living at home. The parents in that family are seeking professional positions in such a larger centre, taking education skills away from Dubbo.

With such **examples**, you would see why we have such serious concerns about future difficulties in attracting professionals (particularly in health and education fields) and businesses to many regional centres if the costs of tertiary education for the children of these families are much higher than their metropolitan counterparts with greater access to education facilities.

Other Reasons for Consideration

To access universities or TAFE courses in metropolitan or even large regional centres requires a **huge financial commitment**, including costs of transport to and from home, accommodation (whether university college or in off-campus accommodation), tuition and associated fees or charges, as well as communication costs (particularly phone), on top of standard education costs. Such costs have been estimated at \$15-20,000 per student, towards which Youth Allowance payments make only a small contribution. Often university students need to find part-time work, if undertaking suitable courses; students studying medical and science-based courses which often require 30 hours of face-to-face time plus extras study time, would find this extremely difficult.

Although the Youth Allowance is only a small amount in relation to the substantial total costs of tertiary education, it is beneficial. However, raising the **income threshold** for Youth Allowance recipients before financial penalties would be beneficial to many students living away from home; introduction before 2012 would be wise, to encourage students' independence and self-sufficiency even more.

Tertiary courses through university studies offered in regional areas may be specialized and provide limited choices. The traditional universities in metropolitan areas tend offer a larger range of specialist courses for study, and provide associated opportunities which will never be as available in regional areas, and if choosing such courses, students from regional and remote areas will need to live away from home to undertake such studies.

At the tertiary level, the independent Youth Allowance has been available subject to several **eligibility criteria**, including the proof of independence by "earning a specified amount in an 18-month period since leaving school." This eligibility has often been achievable for students in remote and regional areas, due largely to the availability of seasonal unskilled work in agricultural enterprises (such as fruit picking, seedling propagation, weed control/chipping in crops, machinery operation, hospitality industry work and many others). If able to secure seasonal work and part-time employment while studying at university (if the course time requirements permit), earning the required amount of income has even been possible without a "gap" year off and deferring studies.

We believe that the requirement for "Inner Regional" areas for **proof of Independence** by working the average of 30hours/week over 18 months is not easily achievable for school leavers. Most universities currently do not defer for more than two years, longer-term jobs are not readily available, and also a period of two years out of the education system is likely to disengage a potential student completely, and encourage them to remain in the workforce in an unskilled position. Such a condition could do a great deal of harm and make tertiary education for potential regional students far too expensive and unobtainable. In fact we believe it would be "throwing the baby out with the bath water", when the stated intention of the Bradley Review (2008) is to increase the participation of rural and remote students in tertiary education. Instead, it will do the opposite.

We would suggest that **enrolments** of regional students at university would be less likely, whether at a regional or metropolitan university, where it necessitates moving away from home and there is the anticipated difficulty in qualifying for the Youth Allowance under the new independence criteria proposed.

Summary

We suggest that when such an important matter as the intellectual capital for the future of the nation is at stake, such provisos as "budget neutral" should not apply. Investment in the required funding for the additional "Inner Regional" area to enable independent Youth Allowance eligibility, particularly for many regional centres many kilometres and hours from any tertiary institution, let alone the one of choice, would be a worthwhile **funding contribution** towards inequities and disadvantages suffered by residents of these areas.

We **highly recommend inclusion of "Inner Regional" areas**, as proposed in the Social Security Amendment (Income Support for Regional Students) Bill 2010, in the areas with the same independent Youth Allowance eligibility criteria as "Outer Regional", "Remote" and "Very Remote". The main reason for this is the fact that students from each of such areas frequently need to move away from home to attend a tertiary institution, a fact in itself indicating "independence".

References

Bradley, Emeritus Prof. D (2008), "Review of Australian Higher Education Report"

Executive Summary, DEEWR