

Submission

**on the Inquiry into the Income Support for Students
(Social Security and Other Legislation Amendment Bill 2009)**

to the Senate

Rural and Regional Affairs and Transport References Committee

From Year 12 Students attending schools in Orange, NSW:

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As current Year 12 students attending several of the secondary schools in Orange, NSW, we wish to lodge a submission which includes several of our concerns about proposed changes to the Income Support for Students (Social Security and Other Legislation Amendment Bill 2009). We are quite dismayed that proposed changes will seriously affect the chances of attending tertiary education next year and in the future for us and other rural and regional school leavers.

We appreciate the opportunity to appear before your Senate Committee. We feel so strongly about this issue that we have taken time away from our HSC study to address the Committee. Already our year, the first to deal with the changes, means there is stress from indecision and delay for work and university applications as no one can decide what to do.

First Measure. Our main concerns are the **proposed changes to eligibility for the independent Youth Allowance.** The proposal for 30 hours per week full time work for 18 months over a two year period will be extremely difficult if not impossible for most students in regional and rural areas of Australia, for a number of reasons.

- The 30 hours per week for 18 months requirement is probably our biggest worry. Many young people in small towns or more remote areas will not have enough job opportunities for work in their local area to meet the new eligibility requirements of working 30 hours per week full time for 18 months over a two year period. They will most likely be forced to move away from home to find a job in a bigger centre, putting a huge strain on their family and reducing any income generated by paying accommodation and/or transport costs.
- Unskilled job opportunity is very small. In fact jobs are scarce at the moment and many businesses are not hiring on rural properties, or in small or larger towns.
- Also, job security is not guaranteed and if it is not available for the full 18 months, we are concerned that the 18 month period begins again. In rural areas, much local work is only seasonal and still cannot attain a guaranteed 30 hours per week. We are also concerned that any breaks in work would also cause difficulties.
- To us, the set income test that was required to be earned was attainable, with part-time and seasonal or holiday work, during holiday breaks and before the uni or TAFE term started. The hours of work were more flexible to align with personal circumstances.
- For many of us, **continuity of study** is important, and deferring for two years is often not a viable option. For extremely long courses it is not an ideal option for students wishing to study to delay the start of their studies.
- Deferral of study at most universities for two years not always possible, depending on the courses.

Second Measure. For most rural students, the parental income tests mean many rural and regional students do not qualify for the **dependent rate** of Youth Allowance. This is due to the asset base figure, despite the fact that little income may be generated with the after effects of the drought and debt. Several children in a family will make it even more difficult to afford tertiary education. In small and larger regional towns, most two-income families would not pass the means test for the dependent rate.

Third Measure. It seems that **new scholarships** for income support only apply to those who are already receiving payments. Our issue is that we cannot get the Youth Allowance in the first place, not a matter of how much or not enough. In fact we think the estimates for start-up scholarships and youth allowance payments for 2010 are already invalid as these changes are encouraging students to take a year off to see what the decision will be.

Recommendations from the **Bradley Review** were to increase participation in tertiary education for rural and regional students. However, it is discouraging for most students to have to overcome the additional financial barriers created now, and a forced two year gap could make working more attractive than tertiary education without continuity of study. Difficulty qualifying under the proposed legislation for independent Youth Allowance would most definitely not make 'higher education more accessible' but near to impossible for many rural and regional students. Through these proposals the government would only be addressing two groups of the three disadvantaged groups stated in the Bradley Report Executive Summary: "Indigenous people" and "people with low socio-economic status" but not "those from regional and remote areas".

Experience has shown that many students from rural and regional Australia **return to the country when qualified**. We believe if tertiary education is more accessible to young rural and regional Australians there will be less difficulty in attracting trained and skilled young people outside metropolitan areas.

We are extremely concerned about being reliant on our parents to finance our access to tertiary education. These proposals by the government make our situation extremely difficult and are lessening the chances of many students like us, going to university. We call upon the government to not prohibit our access to tertiary studies, in the process of opening up opportunities for others.

We appreciate the opportunity to appear before your Senate Committee and would be happy to answer any questions about our concerns.