

The Committee Secretary
Senate Standing Committee on Education, Employment and Workplace Employment
Parliament House
Canberra ACT 2600

06 December 2010

Dear Members of the Committee,

The divide between metropolitan Australia and the regions has experienced another seismic shift.

When first alerted to recent changes to Youth Allowance (YA) (introduced by Julia Gillard as Education minister) and the consequences for regional/rural children wishing to continue on to tertiary study became apparent, I was at first disbelieving, then dismayed and then appalled. The changes will ensure that regional/rural youth are severely disadvantaged in the pursuit of tertiary qualifications.

There are degrees which have 25-35 contact hours per week so the previous option of beginning study and working to support yourself while studying and maximising earnings during holidays is not available when trying to meet the new hourly requirements. This means a two year delay in completing high school and being able to commence University. The obvious danger is the loss of motivation and then the loss of potential in those professions where a degree is necessary.

Most importantly, how, in a small town or small **inner**-regional centre, are youth who are unskilled in the workforce and turning 18 (and therefore so much less attractive as employees) going to find enough work to fulfil these criteria? A local supermarket, possibly the largest employer of young people in this town, is currently dramatically cutting its staff hours. Unlike metropolitan areas, opportunities to find two or three other part-time jobs to make up the 30 hours are almost non-existent with insufficient public transport and the scarcity of available employers.

Our family earns more than the low income cut-off. However we are by no means in a position to fund the setting-up of a second household in a University centre. To the family living in the city where their child attends University, the YA has been a lovely bonus as no extra expense has been incurred in the transition from secondary to tertiary study. For most regional/rural families however it is the difference between a talented child being able to fulfil his/her potential and contribute as a much-needed teacher, doctor, nurse, dentist or walking away from tertiary study as they cannot meet these new criteria.

Our eldest child who is enrolled in a Bachelor of Psychology, worked for 18 months in McDonalds earning \$10 per hour to qualify as independent. Like many regional students he combined in the last four (4) of the eighteen months: university study, learning to look after himself in a household with two other teenagers, orientating himself in a new city and working to meet the monetary criteria for IYA and to pay for rent and food. He ended up collapsing at work.

These regional students from middle-income families are not indulged children who use Youth Allowance as a pocket money for extras...they are using it for survival.

Our second child finished Year 12 in 2008 and after working to meet her obligations for Youth Allowance is began in 2010 to study Occupational Therapy .

Our third child, who is very academically gifted and has just completed Year 12, wishes to become a Speech Therapist.

For a family living in a city where the child attends University the situation is very different to a rural family. The student can more easily find work, does not have to pay rent, has family support and all the associated benefits of living at home.

As you would be aware, regional students (without the supportive presence of their families) have to study, orient themselves to a new and confusing environment, fend for themselves in a new household, study and work (even with the Youth Allowance).

The regional family whose child cannot meet the eligibility requirements for Independent Youth Allowance has to support the expense of another whole household (rent/transport/internet connection/phone/electricity/food costs). In many families this is compounded by the fact that most families have their children close together and having 2-3 children at university at the same time is completely beyond the capabilities of most regional families without assistance.

As a worker in one of the 'helping professions' I also have grave concerns about the repercussions of regional students potentially having to forego a tertiary education. In this region job vacancies for mental health workers, social workers, counsellors and allied health professionals go unfilled. Often people from the regions consider returning for the lifestyle once they begin their own family. Take a significant number of these regional students out of the professions and the situation in country areas is going to become even more dire than it is now.

The Bradley Report apparently recommended these changes to stop upper-middle-income families in metropolitan areas benefiting from Independent Youth Allowance when it was not a necessity. This is commendable however a few more *seconds* of thought would have made it obvious that it in fact makes qualifying difficult for *everyone*. The implication for regional students who do not meet the criteria is huge, compared to those who have their family homes in the place where the university offers the course they wish to study.

After much discussion with relevant people at my workplace I went to Centrelink and discussed our options as a family. I told the Centrelink staff that it seemed the only option we had (to allow our second child to go to University) was for me to go part-time and to drop our income to fall below the line for a low income family. I was then informed that if I deliberately dropped my income to gain a Centrelink benefit I would be investigated and the penalty would be *two years* without access to any Centrelink payments, including those for my younger children. An action I believed to be self-sacrificing was in fact seen by the Government as criminal.

With our family situation in mind where we were a low income family until five years ago, a calculation of family income based on the past 10 years and not the past year would be seen as telling more about the family's capacity to support another household.

I believe that outside a designated radius where public transport access is possible, *all* students who need to leave home to further their education, should receive some form of allowance on a sliding scale - means-tested, but at a much more realistic level.

If parliamentarians do not vote for the suggested changes then, in the spirit of Labor's philosophy of being one with the common man and the Liberal's supposed bond with "battlers", I wish to suggest a fairer scheme than the one suggested.

For those Federal members who have to set up a second household in Canberra – the very generous tax-payer subsidised accommodation, travel, meal and entertainment allowances **not** be paid if their income exceeds the IYA income limit of \$44 165 per year.

There will always be upper-income individuals who have the advantage of clever accounting in their businesses. These families can make it seem that they earn very little money or place children on the payroll to allow them to meet the criteria without actually having to work. This is a loop-hole the government must work out how to close. Do not penalise the rest of us for failings in your system.

My hope is that this submission helps, with the others you have received, to see the children of regional Australia as individuals who deserve the chances and opportunities so easily available to their city counterparts. My children, like so many other regional students are intelligent, socially aware and keen to contribute in a significant way to our country. Please give them that chance.

With thanks,

Kate Roth