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**Patron:
Her Excellency Ms Quentin Bryce, AC
Governor-General of the Commonwealth of Australia**

22 November 2010

Dr Shona Batge
Committee Secretary
Senate Standing Committee on Education, Employment and Workplace relations
PO Box 6100
Parliament House
Canberra
ACT 2600
Email: eevr.sen@aph.gov.au

Ref: Inquiry into the Social Security Amendment (Income Support for Regional Students) Bill 2010

Dear Dr Batge

The National Rural Women's Coalition and Network (NRWCN) supports strongly and without reservation the proposal to amend legislation to allow eligible students from currently designated "Inner Regional" locations to receive the same support as those from "Outer Regional" ones.

As NRWCN's recent submissions such as that to the Senate Standing Committee on Rural and Regional Affairs and Transport regarding Educational Opportunities, Youth Allowance and Rural and Regional Students demonstrated, the range of issues that affect rural, regional and remote families with children wishing to undertake tertiary studies are held in common. They do not alter on either side of what is necessarily an artificial distinction between Outer and Inner locations as defined under current arrangements. As we have suggested, the listing of some towns as Outer or Inner have led to serious anomalies. In view of those matters, it is a sensible move to afford support to both groups, which will go a long way towards improving the access of rural, regional and remote youth to tertiary study with an eventual strong return on investment in their home areas

The NRWCN is a collaborative national voice for women living in rural, regional and remote Australia. Established in 2002, we seek to ensure better social and economic outcomes for women in our rural townships and on farms.

The objectives of the NRWCN are to:

- Represent the diverse views of women in rural, regional and remote Australia;
- Provide advice to the Australian Government on policy issues relevant to the views and circumstances of rural women; and
- Contribute to building a positive profile of rural women, their achievements and issues.

This present subject is significant for NRWCN because given current climatic, economic and trade conditions it is certain that improved educational opportunities for rural and regional young people, and especially but not exclusively

young women, will be a major determinant of future rural and regional prosperity. That is particularly so at post-secondary level where the innovation and entrepreneurial skills essential to that future are best developed.

For that reason, NRWCN was extremely concerned about changes to Youth Allowance (YA) announced in the last federal budget and that became the subject of considerable public debate. Consequently, NRWCN welcomed then-Minister Gillard's changes to the proposals following representation from several quarters and made a strong submission recommending necessary changes. We were pleased that many of our suggestions were subsequently taken up.

NRWCN also commended the Government for considering raises in the allowance that will be particularly helpful to rural and regional students and for the more generous proposals around thresholds for means testing. All possible assistance is required to ensure the educational futures of all including the neediest recipients and support the future social and economic health of the communities from which they come.

It is worthwhile here for us to reiterate that NRWCN concerns in this area swing around three central issues: Opportunity, Equity, and Flexibility. As a result, NRWCN welcomes the envisaged changes, but takes the opportunity to emphasise that the on-going needs of rural, regional and remote students should be kept constantly in view, and that further changes would help improve prospects considerably

Opportunity

The Government, rightly, stresses that providing advancement opportunities to as many people as possible remains one of its goals, and that is to be applauded.

Students from rural and regional communities, however, are demonstrably under-represented in higher education and training enrolments. In addition regional universities are demonstrably stretched in providing their services because, with limited exceptions, their Government funding takes little or no account of the additional costs incurred in providing those services when compared with metropolitan providers. For that reason, many regional institutions cannot offer a full range of training opportunities therefore significant numbers of young people must relocate to metropolitan areas where their costs automatically become higher.

NRWCN would press for further action on this funding front following the inquiry conducted into the present regional university funding allocation that was conducted earlier this year.

Regional students, for example, must invariably shift away from home to undertake study so, by definition, away from whatever work arrangements they might have. They then also run the risk of not finding work in their new location. That all comes at the very time of a global economic crisis, a rise in the value of the dollar, an affiliated fall in the prices for primary produce and, in many parts of Australia, severe hardship brought on by drought that may only now look like being broken in the eastern states.

Among many other things, of course, that combination of forces has led to a marked decline in the availability of work in rural and regional Australia. Given that, it is important that all YA provisions take account of the specific locational challenges faced by rural, regional and remote youth/students, and that any subsequent alterations improve their access to support, not further restrict that access.

Because of current conditions, for example, young rural and regional people are more likely than their metropolitan counterparts to leave home in search of work to become eligible for YA in order to become a more skilled and productive person. That adds yet more cost to rural and regional working families who are less likely to afford those costs than metropolitan ones because of prevailing conditions.

Equity

Again, Government's proposed YA changes emphasised that the scheme must be much more equitable than before and, as stated already, NRWCN agrees fully with that principle.

Rural and regional conditions create complexity for any scheme such as YA, and those complexities must be considered directly when forming or reforming any scheme.

Many rural enterprises, for example, are family owned and operated, as in the very term “family farm”. Large numbers of rural and regional young people work as part of such family enterprise, and as a result face problems in proving their work hours and, especially, income. They may not receive formal wages but are effectively supported by the family enterprise. In current conditions that is more likely to happen, of course, but the family enterprise could not survive without the efforts of those young people.

An additional point here is that it is well known that farming families have survived because of off-farm income earned by family members. In current conditions that off-farm income is drying up, putting even more pressure on family members and especially young ones to commit to the farm enterprise.

There are several logical extensions here but the most notable one is the assets test, especially where it concerns the family farm or regional business. That is why NRWCN welcomed the intention to increase income thresholds but regretted any delay in introduction. As the above work example suggests, many rural and regional families are technically asset rich but noticeably income poor. The farm is essentially a valuable asset but its income productivity is spasmodic and presently modest. Some families may have a debt-free property returning no more than 2% because of current prices.

This becomes an even stronger matter for rural and regional families when compared with metropolitan ones. Many rural and regional people make this point: while they sit on a “rich” asset that is the sole *provider* of their increasingly challenged income, their metropolitan counterparts sit in a “rich” home asset that *results* from the certainty of a much higher income.

Rural and regional families consider this extremely inequitable, and inequity is one of the very reasons Government reconsidered YA provisions. In metropolitan settings the family home is exempted from assessment when it is the very symbol and product of the income that made it possible, and that makes it far more possible for metropolitan families to support their children while studying or training.

That is completely the opposite from what happens in a rural and regional setting. NRWCN draws strong attention to a situation where a rural and regional student who even qualifies for YA must shift away from home to study and so must commit at least \$9, 000 to accommodation in a regional university setting and up to \$12,000 in a metropolitan one. Yet a metropolitan student privileged somehow eligible for YA may remain living at home rent free. The inequity is obvious. So are the greater pressures on rural and regional families.

Flexibility

The essential problem here is that a “one size fits all” overall approach to YA is still effectively in place following the earlier changes and amendments, despite some of the concessions made. It remains perfectly clear that rural and regional conditions must be given special consideration if the YA scheme is to fully benefit potential rural and regional students.

The very clarity of the scheme is an issue here. NRWCN commissioned a summary of the YA program that was made available to rural and regional families and students. As streamlined as it is, that summary still runs to several pages because the eligibility rules are so complex, payment rates are subject to so many variations, and the intersection with so many other support programs causes confusion.

Gaining clarification is more challenging for rural and regional families than for metropolitan ones, and frequently more expensive both directly and indirectly. Being directed to Centrelink means a costly wait for a rural and regional working family because of both the cost of the call and the work time lost as a result. Even if internet is available, the sources of information are so dense that clarification is unlikely to occur.

In NRWCN's view, the rules and proceedings for YA still need greater simplification, and must be given more specification around rural and regional issues.

More flexibility is required in individual cases, then, such as the young family members working more or less informally on the family farm to keep the enterprise going at a time of falling income. That young person should not be eliminated from YA eligibility for helping maintain a modest family income.

What Should Be Done?

As stated, NRWCN welcomes the current proposed amendments, as it welcomed the earlier revisions to proposals because many of the revisions were in line with NRWCN's submissions to Government on the issue.

However, NRWCN still maintains that there would be further great improvements forthcoming if a separate section of YA was allocated specifically to rural, regional and remote concerns, that a new and streamlined set of guidelines be established in order to maximize the impact of the scheme in rural and regional Australia, and that dedicated helplines be established for rural and regional family concerns. Indeed, an entirely separate scheme for rural, regional and remote Australia would allow all specific issues to be dealt with directly, quickly and efficiently, with greater benefit and cost-saving impact for both recipients and Government.

If that was done then both Government concerns and rural and regional interests would be far better served.

Again, NRWCN appreciates the opportunity to put this before you, and stands ready to provide any further information and views that might be necessary

Yours sincerely



Karen Tully
Chair
National Rural Women's Coalition