

The Committee Secretary
Senate Standing Committee on Rural & Regional
Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

To Whom it may concern,

Please find enclosed an email I sent to our local Federal MP
for Grey, Mr Rowan Ramsey, regarding the proposed changes to
Youth Allowance.

I would like this to be considered as a submission to the Senate
Inquiry into these changes.

Yours faithfully

Annabel Forrest

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From: "Annabel Forrest"
To: <rowan.ramsey.mp@aph.gov.au>
Sent: Wednesday, 20 May 2009 9:56 PM
Subject: Youth Allowance

Dear Rowan,

I am writing to you as a concerned parent of 2 university students who have had to leave our home in Port Lincoln to study in Adelaide, and express my frustration at the proposed changes to Youth Allowance eligibility.

Late last year I wrote to Liz Penfold about the lack of assistance available to country students having to relocate, and she was totally sympathetic, having been in the same situation with her own family. She suggested I contact you and I am now even more motivated by the situation in light of the changes proposed in the recent Budget.

Both of my children elected not to take a "Gap Year" in which to work and achieve "Independence" as defined by the YA criteria (ie earn 75% of the Average Weekly Earnings in the first 18 months after leaving school), as they had seen too many of their peers work for a year after leaving school and lose sight of their goals of a university education and drift on in the workplace. Or start their studies at University and then drop out and return home. So my daughter, who is currently in her second year of study, worked all through her holidays starting the day after she finished Year 12 exams, then moved to Adelaide and commenced Uni, where she worked all year in various part time jobs, up to 4 jobs simultaneously, plus worked all summer holidays to earn the magical \$18,850 in 18 months. She was able to do this and happily has qualified for YA and will start receiving payments soon. Obviously this has been a great hardship to her as well as to us as we have had to support her financially through this time.

Our son has just commenced Uni this year and also worked all through his holidays, and works part time in Adelaide, believing that he would be able to qualify for YA in the same way. By changing the rules "midstream" as it were, students in his situation are trapped as they believed they would be eligible under the current system but now will not be as the criteria for independence will be changed to working full time (30 hours/week) for 18 months of the 2 years after leaving school as I understand. This situation is clearly unworkable as it means students will no longer be able to take a Gap Year to work and earn enough to qualify, or earn enough while studying - they will have to take TWO years off between school and Uni. Universities will only allow students to defer their acceptance of a place gained after Year 12 for 1 year, and if students lose their motivation to leave home/workforce and move away to study after one gap year, an even lower percentage will return to study after two gap years.

This will only worsen the current situation facing rural areas where there is an alarming lack of professionals prepared to work in country areas. It is a proven fact that students who have grown up in the country, are more likely to return to the country to work upon graduating. If fewer country children are given the opportunity to study at University level this problem will be compounded.

AS for the Government's proposal to raise the parental income threshold from \$32,800 to \$42,559 for students applying for YA under the "Dependent" criteria - this is a joke. The only people I can imagine whose combined parental income falls under these limits would be totally dependent on welfare payments anyway. These students from "low socio-economic backgrounds" are eligible for a whole raft of Commonwealth scholarships, Equity payments and University Scholarships as well, which students from families whose incomes are above the threshold cannot even apply for. Students whose parents qualify under Exceptional Circumstances/Drought Relief are a different category as this is usually a short term situation.

As usual it is the so-called middle class, people who are working and trying to better themselves (and paying taxes) and trying to educate their children, who are being penalised. Many of these people who earn too much for their children to be classed as "dependent" simply cannot afford to send one or more of their children away from home to study. Those that do have to make many sacrifices. I am sure you are aware of the costs involved - rent, uni fees, books, transport, bills such as electricity, gas, water, phone, internet, groceries, fuel, travel costs for students to come home or parents to visit and so on - the list is endless. And then there is the social cost - children who are uprooted from their home and community, sporting clubs, part time jobs and friends. They have to move to a totally foreign environment often without the support of family and friends, find their way around, find part time work, join new sporting clubs, cope with their studies, learn how to cope by themselves with public transport, shopping, cooking,

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washing, paying bills and a myriad of other chores that students who can stay at home take for granted. And it all costs money - we are effectively running two households with our family split in half, on the same income as before, to enable our children to have an education and become professionals so they can hopefully contribute to society in a meaningful way. And they might even return to the country to do it, if we are lucky.

The Relocation Scholarship is a great idea, but only a sweetener, as far fewer students will be eligible for it and YA under the new rules. As you so rightly pointed out in the Port Lincoln Times 19/5/09 "We've gone backwards". I hope you can raise some of these points in Parliament, and that many other parents and students offer you their support in this debate.

Yours faithfully



Annabel Forrest and family

21/05/2009