

The Secretary,  
Senate Rural and Regional Affairs and Transport References Committee,  
PO Box 6100,  
Parliament House,  
Canberra ACT 2600



26-07-09

Dear Sir / Madam,

I am very concerned about the effect that proposed changes to the Youth Allowance, as announced in the Federal Budget on May 12 2009, will have on country students wishing to study at university, and their families. I feel that the parliamentarians putting forward this legislation are ill-informed about the effects these changes will have on rural students and their families. I am pleased that the Senate is allowing an enquiry to further investigate the effects that will be experienced by families such as ours. I wish to humbly forward this submission to you for consideration.

To help you understand the uncertain future many of us now face, I wish to tell you a little about living and working in rural Australia. Unlike our city counterparts, our wages are not high and we need to work very long hours in order to be able to make a fairly average income. My husband's continuity of employment is somewhat uncertain, and directly effected by the long-lasting drought we are currently experiencing, as he drives a truck for a company that transports grain, etc. Hours and days of employment are constantly under review in these tough times.

Living costs are generally higher. Bulk billing is rarely available here for medical appointments. We don't enjoy the luxury of being able to use public transport as there is very little available, therefore we need to have more than one car in the family. This adds to registration and insurance costs, not to mention the higher fuel costs we need to pay. Fruit and vegies, as well as white goods, etc, tend to be more expensive as we indirectly pay for transportation of them to country towns. We also don't enjoy the level of competition between retailers here as city dwellers can, because there are fewer stores to choose from.

I feel our situation is probably fairly typical of many families living and working in rural Australia.

Our daughter, now aged 19, completed Year 12 at a small rural school in 2008. She was successful in gaining a place at ACU in Ballarat in the course of her choice. This city is over two hours away, and she would need to find accommodation there. It is expected that this would cost us about \$15000 per year. We would find it very difficult to support her, especially in relation to accommodation costs, so she chose to defer the course this year. This had been suggested to her by Centrelink Officers at various Careers Expos she attended in Yr. 12 as a way in which to gain independence, and therefore a reasonable level of financial assistance, to support her whilst at University.

She was fortunate to gain full-time employment locally in an effort to earn about \$19500 so that she could qualify as an independent student with Centrelink.

From my research of the proposed changes to qualifying as an independent student, we now find that her endeavours may be in vain as she still may not qualify for Youth Allowance in this way. She is unlikely to be able to continue employment with her current employer beyond 2009 as they are looking at restructuring and her position may not be available. If she should be required to work full-time for at least another 6 months, she will need to compete with other people maybe more experienced than her for a limited number of jobs now available in this area.

It would not be feasible for her to attempt to gain support using our family income as a qualifying factor. Our income would be above the threshold of about \$42500 that is being proposed as the upper limit at which a student studying at university would be able to access the full level of Youth Allowance. From what I have been told, on our income we could expect our daughter to receive about \$6 - \$10 per fortnight! This would in no way come close to meeting her living costs and, unlike many students in the city, she has no option to continue living at home whilst studying at university. This would make it virtually impossible for her to further her education and study to become a teacher. I have heard Ms. Gillard say that more students will qualify for some support. Whilst that may be the case, many of those that do qualify will be considerably worse off because of the level of support they will be able to access, such as the figures mentioned above.

She is reluctant to refrain from study next year for three main reasons:

- university courses are usually only able to be deferred for one year so she would lose her deferred place and would need to reapply the following year with no certainty of gaining a place again;
- she feels she would find it increasingly difficult to get back into the study routine after that length of time in the workforce; and
- she will be in her mid-20's before she finally graduates and begins to work as a teacher.

Quite apart from our situation, I feel that the proposed changes are unfair for country families generally for the following reasons:

- almost all young people need to move at least two hours from home in order to attend university and study their chosen course;
- in the current economic climate it is becoming increasingly difficult for people in general to find full-time work, let alone young inexperienced youth just out of school;
- it appears that Commonwealth-supported scholarships (ie. Commonwealth Education Costs Scholarships and Commonwealth Accommodation Scholarships) will be replaced by a Relocation Allowance and Student Start-Up Scholarship; these scholarships will no longer be available to students unless they qualify for income support through Centrelink; this will further disadvantage young people who hope to gain some kind of support for their study and living costs even if they don't qualify for Youth Allowance;
- the overall effect of these changes will further reduce the participation rate of young country students in Higher Education which will lead to a greater number of lower-qualified people in the community.

Students that are currently in their gap year are particularly disadvantaged under the proposed changes as their whole futures are being thrown into disarray. They have made plans for future study based on the information that was available to them when they were applying for university courses, and finding that they needed to defer their course for 1 year because of financial reasons. Many are feeling extremely distraught and are experiencing stress and trauma due to the uncertainty they are now facing.

I urge you to seriously consider the repercussions that the proposed changes will have on rural families. I feel that some of the details that are proposed in relation to qualifying for Youth Allowance need to be urgently changed so that our children in rural areas have equitable access to financial support while they endeavour to follow their chosen career and bring a higher level of skills and knowledge back to our country communities.

Yours sincerely,



(Mrs.) Kaylene Schultz