



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

23 July 2009

Dear Members of the Committee,

Please allow me to present my story and my concerns regarding the changes to the eligibility criteria for Independent Youth Allowance.

The picture I hope to paint is of a family which acts on its professed values, which has been grateful for what our system supplies, which does not encourage a sense of entitlement and which hopes to use tertiary education as a tool to skill our children to better our society.

My husband and I followed a parenting philosophy that was right for us and which we believed would maximise the probability that our children would grow to be decent, functional and skilled contributors to Australian society. This involved me staying home as the main caregiver for 16 years and my husband teaching a .5 load as a maths teacher so he had the capacity to do a really good job as a teacher and as a parent.

For those 16 years we averaged about \$29 000 per year in income and therefore with four (4) children had no capacity to put money aside for the cost of setting up another household in a metropolitan area when the children went to University. We thought the Family Tax Benefit we received was very generous. As a family we did not use child care and therefore did not benefit from the rebate. Due to our ignorance of the system we did not apply for and therefore did not receive Parenting Payment or any of the associated benefits such as a health care card. (This was only discovered when I returned to work and we were discussing our change of circumstance with Centrelink). Due to Centrelink's time limitations no appeal could be lodged nor backpay received..

I am now in the working full-time in a Women's Refuge with women and children fleeing domestic violence. My husband has left teaching and is working part-time as a labourer on an organic farm so he can have flexibility with the children who are still at school.

Our timing is terrible. We are now in a position where we earn more money however our newly increased income makes our children ineligible for Youth Allowance based on parental income.

We accepted this and 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 wishes to become a Speech Therapist. These 2008 students are particularly affected by these unexpected changes as they have delayed their studies to earn the required monies and now the 'goal posts' have been shifted to working 30 hours per week for 18 months.

This change will crucify middle-income students who live in the regions. In the current climate can they find a job that will guarantee them 30 hours per week? Most turn 18 years old in those 18 months and become unattractive to employers in the competitive low-skilled job market. It is possible many will fail to meet the criteria despite their best efforts.

In order to maximise their hours many will need to have 2-3 jobs. The lack of public transport in regional/rural areas then makes access to a variety of jobs very difficult. For example we live 17 kilometres from town and do not have the capacity to buy, register, fuel and maintain another vehicle for a working child. The child's wages are generally so low they cannot be expected to afford their own vehicle either.

Previously many students, in an attempt not to delay their studies, worked (with an emphasis on maximizing earnings in the holidays) *and* studied for the necessary 18 months. Others worked for one year and then went into overload working and studying for the last four of the eighteen months to reach the amount required. Students will now not have that option as they cannot possibly be committing to the contact hours, study/assessment requirements, caring for themselves (unlike the metropolitan students who can live at home) **and** work for 30 hours per week.

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.

I personally believe a geographic line should be drawn around a university town based on the availability of public transport and length of travel from the family home to the tertiary institutions. Anyone outside that should be eligible for some form of assistance. Some form of means testing is certainly appropriate. With our family situation in mind, 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.

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 story 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