



4 August 2009

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

Dear Sir/Madam,

Re: Proposed Changes to Youth Allowance

We are writing to object to the proposed changes to the Youth Allowance scheme and in particular the changes to the eligibility to receive the higher independent rate.

Our eldest son, Scott Simpson, finished school last year, having successfully completed his HSC, and has deferred a position at the University of Wollongong, where he intends to study Exercise Science in 2010.

He is part way through a gap year, and is currently working as a volunteer camp leader/counselor at a camp in Canada. He will be in Canada for 8 months, and before he left, he was employed in various jobs in Albury. Our understanding is that the Federal government will recognize the monetary value of the voluntary work he is performing in calculating his entitlements to benefits, ie the need to earn approximately \$19,500 in 18 months under the current system.

His intention was to become eligible for the higher independent rate of Youth Allowance to enable him to live away from home to study at tertiary level.

Our understanding of the proposed changes is that he may no longer be eligible for Youth Allowance if the proposed changes are passed. This puts his future study plans in jeopardy.

Terms of reference

a) Financial Impact on rural students

We have two younger sons who are both at school. Both parents work and therefore it is unlikely that Scott will be eligible for Youth Allowance based on the parental means test. However we are not wealthy and the costs involved in sending a young person away from home to study are substantial. The cost of living in University accommodation would not be fully covered by Youth Allowance, but would be a great help in partly meeting those expenses. We are told that the chances of Scott obtaining part-time work in Wollongong are slim, with a high rate of general

unemployment in the area. The other issue is that students are not available to work year round, as they travel home during University breaks, or have to find other accommodation in town if they stay.

b) Educational Alternatives

The Course that Scott wishes to study is not available in our local area, ie at Charles Sturt, Albury or La Trobe, Wodonga. There is no choice but for him to study away from home and he has selected Wollongong over Melbourne or Sydney because the costs of living in a regional centre are less than in a metropolitan area, and the lifestyle is more attractive to him. He has also been advised that the Wollongong course is one of the best Exercise Science courses available in Australia.

Both parents were fortunate to engage in tertiary study in Sydney during the 1970s when there were no fees. One of us lived with parents in Sydney, the other in the country and hence lived in University accommodation. Therefore we had very different experiences of University life. We both realize the social benefits for our children to study in a place, whether regional or metropolitan, that is away from the confines of a relatively small regional home base.

c) Implications of existing and proposed measures

Under the existing measures, we believe that Scott will be entitled to receive the Independent rate of Youth Allowance in 2010 which will allow him to pursue his studies at Wollongong.

Under the proposed regime, it is likely that he will not, and therefore in order to study away from home, we will have to fund him. At this stage, we are not sure if we will be in a financial position to do this. As much of his work during 2009 is voluntary, he has not had the opportunity to save money to assist with his University studies. The future is therefore uncertain.

Many of his friends are in a similar situation, having taken the year off to make some money and become eligible for Youth Allowance.

Under the changes, a student would have to work for at least 30 hours a week for eighteen months. Even assuming this time is averaged over eighteen months between the last HSC/VCE exam and the commencement of university the following year, it would be beyond the realm of possibility for most. In reality, the student would need to take two years off between school and tertiary study. At present in most institutions, it is only possible to defer a course for one year. So the student would lose his/her position and have to reapply without any certainty of success. This would be unacceptable and an unrealistic requirement.

d) Short and Long term impact on Regional universities and TAFE colleges

As a sessional lecturer at both La Trobe University, Wodonga and Wodonga TAFE, I have contact with students. Many have moved away from home to study in this region, whilst some are products of local families. Many of these students rely on

some form of Social Security benefits to enable them to study. Whilst more students may be eligible for some payments under the changes to parental means test, this amount is not enough in itself to enable a student to study away from home. Parental financial support, or a significant part time job is needed.

We are concerned that the number of enrolments at Regional Universities and TAFE colleges may decline, which will result in reduction of the number and variety of courses available. There is already concern locally that some face-to-face lecturers are being replaced by telecast lectures from another campus.

e) the adequacy of Government measures to provide for students who are required to leave home

Regional and Rural students have always been disadvantaged compared to their city cousins in relation to tertiary study. It is only in recent years that Universities have grown into regional areas, but the courses available are still limited.

With the proposed changes, fewer students will be able to move to other regional or metropolitan universities to engage in study. Although the alleged reason behind the changes is to stop the rotting of the system by wealthy city families, it will have the effect of discriminating against rural and regional families.

In our opinion, the Government should be providing financial assistance for ALL students from rural and regional areas who proceed to tertiary education as a means of encouraging a higher participation rate. As with some medical courses, perhaps there should be a financial incentive to encourage graduates back to their home towns.

f) the educational needs of rural and regional students

Already the enrolment rate of students in tertiary study who are from rural or regional areas is much less than those who live in capital cities.

Many country students do not even consider tertiary education because of the prohibitive costs for the family. Some of the students enrolled in tertiary education in the Albury/Wodonga region are older people who have decided to pursue a career later in life. Many are young people who want to obtain relevant qualifications. There is great demand for tertiary education here, with 2 university campuses and 2 TAFE colleges.

Should any of these institutions close, or reduce significantly in enrolments, it would have a devastating effect on the community as a whole, and restrict the capacity of many to obtain tertiary qualifications.

In the HSC/VCE process, it is already recognized that rural and regional students are disadvantaged compared to their city counterparts and this is why many universities offer incentives to RR students through bonus UAI marks.

Students who take a year off study and are classified as independent are generally considered to be more mature and more dedicated to pursuing their studies, than those

who proceed straight from school to university. They know that they have worked hard to be where they are.

g) the impact of government measures on rural and regional communities

In many vocations, it is very difficult to attract professional people to “the bush” or to retain those who do venture away from the cities. Research has shown that professionals who were raised in rural or regional areas are more likely to pursue their profession in that environment, than people who have never lived outside a major city.

Australia needs more rural and regional students studying at tertiary level for this reason. The Government needs to make it easier, not more difficult, for rural and regional students to leave home to pursue tertiary studies.

Conclusion

We request that further consideration be given to the proposed changes so that rural and regional students are not adversely affected, and so our son and the many others who have taken a year off to raise the required amount of income to classify them as “independent” are not retrospectively affected.

In future years, our other two sons will be facing the same issues. We will be encouraging them to undertake further studies and yet cost will be a factor if they chose to study away from our local area. They should not be discriminated against!

The Government needs to retain the existing system or implement new measures to protect the rights and needs of the disadvantaged rural and regional students.

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'Beth and Peter Simpson', written in black ink.

Beth and Peter Simpson