



hume riverina
community legal service



6 August 2009

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

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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.

Under the current system our understanding is that the Federal government will recognize the monetary value of the voluntary work applicants perform in calculating their entitlements to benefits, ie the need to earn approximately \$19,500 in 18 months under the current system.

We are a rural regional remote legal service and we are writing with respect to raising issues of an hypothetical applicant that lives in such an area who wishes to study at a University. Lets call him Reginald. Reginald has deferred his course for a year to partake in a mixture or paid employment and voluntary work. Reginald wishes 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 Reginald who has both parents working and having completed voluntary work may no longer be eligible for Youth Allowance if the proposed changes are passed. Which puts his future study plans in jeopardy.

Terms of reference

a) Financial Impact on rural students

Since both parents work and therefore it is unlikely that Reginald will be eligible for Youth Allowance based on the parental means test. However 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



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meeting those expenses of the Reginald. Reginald may not secure work where he studies. 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 Reginald wishes to study may not be available in his local area. There is no choice but for some but to study away from home

c) Implications of existing and proposed measures

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

The proposed changes may make Reginald ineligible and thus place the cost on his parents. Will the parents be in a financial position to do this. As much of Reginald's work during his deferred year is voluntary, he has not had the opportunity to save money to assist with his University studies. The future is therefore uncertain.

Many potential Univeristy students living in the country 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

In regard to regional Universities many students 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.

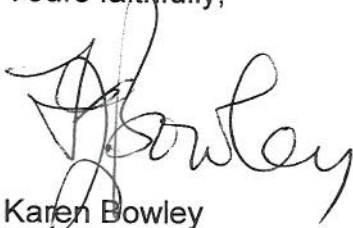
Australia needs more rural and regional students studying at tertiary level for this reason. The Government needs to make it easier, not more difficult, for rural and regional students to leave home to pursue tertiary studies.

Conclusion

We request that further consideration be given to the proposed changes so that rural and regional students are not adversely affected, and so Reginald 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.

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 black ink, appearing to read 'Karen Bowley', written in a cursive style.

Karen Bowley
Principal Solicitor