

27 July 2009

Rural and Regional Affairs and Transport Reference Committee
Inquiry into Rural and Regional Secondary and Tertiary Education Opportunities
rrat.sen@aph.gov.au

Dear Senator Fiona Nash,

My 18 year old daughter completed her HSC in 2008 at Great Lakes College, Tuncurry. She studied hard and achieved the results that would enable her to pursue her dream to attend university to study Science.

Her plans to obtain a university education have been shattered by the 2009/2010 Commonwealth Government Budget.

After serious consideration regarding the affordability of a university education she decided to take a gap year so as to qualify for the full benefits of Youth Allowance.

The recent changes by the government regarding the Independence Test to qualify for Youth Allowance has effectively retrospectively denied her the Youth Allowance she was promised. An interview with Centrelink staff in October 2008 determined that if she worked a gap year then she would be eligible for Youth Allowance as an independent by April 2010 under the current criteria "if you have been out of school for at least 18 months and have earned at least 75% of the maximum rate of pay under *Wage Level A of the Australian Pay and Classification Scale* in an 18 month period".

Attending university will mean leaving home which will cost her a minimum of \$350 per week. She has successfully deferred her placement and accommodation at Armidale University, which allows a one year deferral. She has been working towards her university education by taking the gap year to work and qualify for the Youth Allowance funds she will need to live on while she is away from home.

My husband and I live on a small farm in the mid north coast hinterland and our combined family income for 2009/10 was less than \$60,000. We have two children, Rachel 18 and Lisa 15. I work part time and my husband is a casual truck driver whose job and income are not secure. Food, transport and petrol are more expensive in regional areas and we live 40km from the nearest centre so our cost of living is high. We cannot afford to give Rachel the \$350 per week it will cost just for her to attend university and still live ourselves.

The new budget was aiming to increase the availability of a university education but in our case my daughter will not be able to attend university in 2010 and may possibly never attend. She is currently employed by Aldi at Forster in a work contract of 65 hours per month. Securing a job in a regional area is a great achievement in itself and she was well on her way to qualifying under the existing rules for Youth Allowance. Now she will never meet the independence criteria of Youth Allowance because the job does not offer enough hours for the new rules which come into effect in January 2010.

I understand that we must comply with eligibility rules for financial assistance, but to change the rules for those who are planning and working towards a goal set by existing rules is totally unfair and will prevent this particular group of young Australians from ever attending university.

I realise that the government is trying to crack down on those rorting the system, but we are not wealthy and she is not travelling or holidaying overseas during this gap year. After applying for many jobs she finally secured a contract with Aldi in Forster which in effect offers part time work. She is saving and working towards purchasing a car, laptop computer and other incidentals needed for her on-campus life at university in 2010.

Due to the change in the rules she has to start again to become "independent" to obtain the financial assistance she will need to attend university. Now she will have to find a job with a minimum of 30 hours per week, which will be nearly impossible given the current economic climate and the fact that we live in the Mid North Coast hinterland. She has a minimum of 2 years to wait from today before she will be eligible **if** she managed to get a full time job today. In addition, her place at university will be lost and she will have to re-apply.

When the RTA introduces new legislation, it is phased in with no penalty to those already in the current system, and changes do not apply to those drivers who gained their licences prior to the legislation being applied. For example, in July 2005, the RTA introduced a ban on V8 vehicles for P plate drivers. This ban however did not apply to those who gained their licence prior to the introduction of the legislation. Therefore, these P platers who had spent thousands purchasing a V8 vehicle were not included in the new rules which would have made them unable to drive the V8, forcing them to completely change their plans, possibly make them pay off a loan for a car they are no longer able to drive. The same privilege should be offered by the Federal Government's Budget.

Changes to rules should only apply to those students who left school after the new legislation is applied to avoid devastating those who planned their lives around being entitled to Youth Allowance to support them throughout their university degree.

The Government has shifted the goal posts in the middle of the game and Rachel, whose dream it was to attend university, may never get there. Regional families have been severely disadvantaged, because these students must leave home to attend university and the additional cost is unaffordable and has not been accounted for by the Government.

Is this what the government budget was aiming for?

Can you please advise us of any further action we can take to have our situation considered?

Yours truly,

A Kneller