



**Submission to Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities**

**Proposed changes to Youth Allowance regulations**

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I wish to make some points about the changes to Youth Allowance and their probable effect on the participation of rural and regional students in higher education. These comments are based on ten years of research into students' part-time working, along with colleagues Professor Wendy Patton of Queensland University of Technology and others. The research has been carried out through projects funded by the Australian Research Council and the National Centre for Vocational Education Research.

The changes requiring young people to work for 30 hours a week for 18 months within two years of leaving school in order to qualify for Youth Allowance appear to show a lack of understanding of the labour market that exists for young people. Most young people work part-time for around ten hours a week while at school; the current, less stringent, Youth Allowance regulations allow them to earn their entitlement while continuing in these jobs, although they need to pick up some extra hours. Most part-time jobs (which are overwhelmingly in retail and hospitality) do not convert readily into full-time or near full-time jobs. Young people who wished or needed to stay in their current jobs would need to beg for many extra hours. They would be dependent on the willingness of employers to give consistent preference to them over other staff who may also need extra hours for various good reasons. Actual full-time jobs in these industries tend to be offered to people looking for permanent careers in the industry and involve expensive commitments to training programs on the part of employers; it would be dysfunctional for all if young people hoping to attend university took up these career opportunities while not intending to pursue them.

The alternative for young people would be to look for work in a different industry area such as manufacturing which is more likely to offer full-time work; however this would interrupt their part-time working careers. Career continuity in part-time jobs is very valuable for young people moving into higher education, as young people tend to continue in their school-day part-time jobs while at university, either in the same location if continuing to live in the parental home or in a different location, if working for larger employers who offer transfers. Generally a few hours' work a week while at university supplements youth allowance to provide a living wage. Losing continuity by moving into a different industry for a period of 18 months (even if such jobs were available, which in a recession is not always guaranteed, particularly in rural and regional areas) would thus affect their chances

of part-time work while at university, and their income stream. Our research has shown that rural and regional students are already disadvantaged in gaining part-time work while at university, even without these further hurdles to jump.

An important point that is often underplayed is that Youth Allowance entitles young people to other benefits such as rent assistance, and this is very important for rural and regional young people who need or wish to move away from their parental home to study.

While the use which young people have made of the Youth Allowance regulations may not be a consequence that was originally intended, it has proved efficacious for young people, their families, universities and Australia. I believe it to be constructive in its effects. Without youth allowance, young people would need to increase their hours of part-time work while at university to the point at which successful course completion would be jeopardised. It would create extreme stress for young people that were already vulnerable, especially if living away from family supports. In reality it will mean that many young people will give up their aim of further study.

The myth that 'rich kids' are 'rorting the system' is completely at odds with the reality of ordinary rural and regional families who are able to support their children through higher education only because their children earn the entitlement to youth allowance. Often these families have several children still in education to support.

To withdraw the current means of access to Youth Allowance would be a retrograde step, and one completely at odds with the Federal Government's stated intention to increase participation in higher education. The increased youth allowance rates for a small number of young people from extremely low-income families does not in any way balance the effects of a retrograde and punishing proposal.



Professor Erica Smith