

6 August

To the senate inquiry:

I am writing with concerns regarding the Federal Government changes to student income support.

Ballarat is the town I call home. It has one of the largest youth unemployment rates for all of Victoria. The prospects for meaningful employment are few and far between. Having seen young people trying to find work with little or no success is soul destroying and the prospects are not getting any better. Many of the young school leavers choose a gap year based on the understanding that as long as they earn almost \$20000 they will qualify for youth allowance. They have struggled in Ballarat's economic climate to find any job at all, (some travel by train daily to Melbourne to work) and they will struggle under the previous system to earn the required sum. To expect young people to defer university for two years and to take up a 30 hour-a-week paid position for 18 months verges on the unreasonable.

A Victorian State Parliamentary report has come out strongly and denounced the new Federal proposals saying that they would 'greatly restrict' many students from qualifying for help. (Age, Monday, 3 Aug).

It is a fact that many country students defer university because of the high cost associated with living away from home and the burden placed on families to keep their children in accommodation in Melbourne or Geelong. (33% in the country compared to 10% in the metropolitan area; Age, Mon 3 Aug.) Many of the jobs that are available for country school leavers are seasonal and for some small towns, the jobs don't exist. With the current increase in unemployment as a result of the global economic downturn, many young people are in competition with more senior employees who have been retrenched and are desperate for a job to maintain the family home and the associated costs that go with maintaining a family.

There is no advantage in living in the country when it comes to University entrance. The costs of moving from home are high. To assist families some students have opted for a gap year in recent years. Knowing that the rules would be changed after their decision was made may have caused some to reconsider and take up the university position immediately after leaving school. Moving the goal posts mid game is extremely unfair and very un-Australian.

Being required to work a 30hr week for a minimum of 18 months in the previous two years is really asking students to take two years off university. It would seem that such a move would result in even fewer students choosing a course at university considering that they would give up an income and a way of life that they would have become accustomed to, to become a poor university student.

As it is, many students live on incomes that fall well below the poverty line. They do not fully involve themselves in university life as many are trying to support themselves with part-time employment as they journey through the 3 or 4 years that it takes to complete a course. It is hard to see how the proposed arrangements will in any way make it easier for students from rural and regional areas to be able to take up the dream of a university course without placing intolerable burdens on themselves and on their families.

The old system may have had flaws that need addressing but the new proposal does not address the needs of students from rural and regional areas nor would it appear to increase the numbers of more students from across all areas attending university.

Changing the rules for the students who made decisions at the end of 2008 would also appear to be unjust. Decisions and choices made in good faith could now result in a wasted year or the need to see if the university of their choice will grant them permission to defer for a second year to qualify under the proposed new set of rules. A great deal is expected of young people who are trying to navigate a hostile work environment, a challenging university system and a future filled with uncertainty and little access to money.

We ask that:

- i) the students who chose to take a gap year at the end of 2008 be allowed to qualify under the present youth allowance scheme
- ii) rural and regional students receive extra assistance in any proposed new scheme that will assist with the immediate and on-going costs of moving away from home
- iii) regarding the 30 hour per week work requirements, the proposed new laws do not insist on “one size fits all”

Yours sincerely,

Peter Rix