

15 June 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,

### **Youth Allowance Entitlement Criteria**

I refer to the recently announced, proposed changes to the Youth Allowance entitlement criteria of withdrawing the option that currently allows access to Youth Allowance if the individual qualifies as an independent person, by earning at least 75% of the National Training Wage over an 18 month period.

This proposal would mean that many students who would previously have qualified for Youth Allowance by working during a gap year to save for their university expenses, will now be forced to defer study for a further 12 months, or more likely, to forego the opportunity of gaining a higher education and suffer the poorer health outcomes and lower socio-economic status that is now associated with lower levels of education.

We wish to convey our deep concern and disgust at the proposed changes. During this time of economic uncertainty, we question whether withdrawing support for young members of our community who are prepared to make the sacrifices necessary to complete a university degree, so that they can positively contribute to our economy and society is a logical or just proposition.

We feel that this change will close a window of opportunity for a generation of our youth and adversely impact the skill-set which Australia will rely upon in years to come. This country is already suffering from a shortage of skills in so many areas, yet this proposal will dramatically reduce the number of young people who are given the opportunity to obtain the skills they desire and we need.

The proposal will affect so many students, yet students from rural and remote areas will be the most severely disadvantaged. The current system of assessing entitlements applies regardless of household location. It is blatantly obvious that the cost of supporting a student who needs to relocate or travel extensive distances to attend university, is far greater than the cost of supporting a student who can attend university, while living in the family home.

Families who are paying off their family home have very little, if any surplus disposable income. They simply cannot afford to provide substantial financial support to their children who are attending a distant university, without adversely affecting their own livelihood and any younger siblings. Imposing policies such as

these will erode the financial capacity of families to provide for their long-term future, resulting in greater reliance on social security over many future years.

The allowance to assist students in these circumstances is meagre and insufficient to offset the additional cost of living away from home and running another household (or part thereof). The cost of living in student accommodation is far above the additional cost of supporting another person in the family home. In addition, affordable student accommodation is generally located some considerable distance from campus, requiring substantial additional transport costs.

It is difficult enough for these students to leave the family home; move to the city or a large regional centre where the universities are located; forge new friendships; stay within their strict budget; discover the joys and obligations of autonomous living and undoubtedly the difficulties of co-habiting with unrelated persons. Why also impose poverty on them and their families?

This proposal will herald a new phase in Australian history where educational opportunities are only available to the wealthy and the poor. If the government aims to assist financially disadvantaged, the income levels are far too low for meaningful assistance to be provided to anyone, not currently receiving income support from Centrelink.

If this proposal is implemented, many regional students will be forced to choose their career, based on immediate economic need rather than their academic ability. We feel this will effectively limit the social capital created as we educate our youth.

As Australia's population ages, there will be less people in the workforce and more people in retirement. This will create many issues for our community. Limiting the capacity of our future generations will be detrimental to this Nation's ability to cope with these changing demographics.

For decades, Australia has been striving to lift the educational standards of our population. Rural and regional areas are still far below the national average for the proportion of population with a higher education. We understand Australia lags behind many developing countries in this regard. We have been trying to encourage medical practitioners to practice in rural areas for so long, yet we neglect those in our community who will have a natural propensity to provide services in regional areas. There is a shortage in regional areas of not only doctors and nurses, but all professionals. The students of regional Australia should be afforded the same opportunities as their city cousins, without the crippling financial impost that this government is proposing for them and their families.

In our case, we have 1 child currently studying at university and another completing year 12, this year. In addition, we have a third child who is currently in the 9<sup>th</sup> grade. There are only 2 universities in Australia that offer the course that our eldest child is completing and we expect that only a limited number will offer the course that our 2<sup>nd</sup> child expects to complete. Because of this, our children will undoubtedly reside at separate locations, further increasing their financial needs. There is no way that either child could attend their preferred course whilst living at home. Equally, they

would be unable to afford the cost of attending the course without some form of financial assistance for their accommodation and living needs.

While part time work substantially assists in meeting accommodation and living expenses, it falls well short of meeting all costs. We estimate that even with modest and shared accommodation, we would need to provide around \$700 per fortnight for each child, to support them through university. Even with the proposed level of assistance, we simply cannot afford this expense.

Obviously part time work could reduce this amount, but that requires positions to be available and the course workload to allow for that flexibility. It has always been our expectation that our children could work during a gap year and undertake study, supplementing their financial needs with part-time work. This option has now been quashed.

So much attention has been placed on those who finished year 12 last year and who hoped to commence tertiary study in 2010, but this legislation, if allowed to pass will adversely affect so many more. The emphasis should be to defeat this proposal rather than simply delay its implementation by 1 year.

We respectfully request that you oppose the proposed changes to ensure all Australians have an equal opportunity to gain a better education without plunging their families into poverty. We hope you share our vision for a better future for our children, as their education and future will directly affect the lifestyles and wellbeing of all Australians.

Yours faithfully

Peter W & Mary-anne J Driver