

Thursday 6th August 2009

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Re: Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities

Last year, I decided to defer my study at university and commence in 2010. I chose my course of action as I could enjoy a year away from studying as well as earn enough money to become 'independent' in the eyes of the government. I felt good about beginning to support myself. I bought a second-hand car and began saving for the next year with the knowledge that in 2010 I would be ready for university and have the support of Centrelink to ease the hefty financial costs associated with university. When the Rudd Government released its 2009-2010 budget, all of this changed. My financial future is in doubt, as is my further education; the same story is reiterated by most of my friends and thousands of other people my age.

It is the changes to eligibility for **Independent** Youth Allowance that will affect students like me most harshly. I cannot stress enough the importance of separating two very, very different allowances; Youth Allowance is not **Independent** Youth Allowance. Yes, the changes to means testing may allow more students from lower income families to receive 'Youth Allowance' and perhaps more of these rural students will be able to attend university. Yet there are still those of us whose parents will still exceed the new 'cut off', but not be able to afford to attend university without help from the government. Families who earn \$50,000 a year cannot afford to spend \$20,000 of this sending their children to university. For the benefit of students in the same position as me, the proposed changes to eligibility for '**Independent** Youth Allowance' must be stopped.

As I mentioned previously, **Independent** Youth Allowance is a completely separate allowance to Youth Allowance. Youth Allowance is, and always will be, means tested against parents' income. However, at the moment, when a student takes a gap year and earns \$19,532 over 18 months, they are deemed 'independent' and their independent allowance is based on their own income, not their parents. I suggest that the **Independent** Youth Allowance be deemed to be the 'living away from home allowance' and be accessible to any student who *must* move at least 100km to their chosen institution, as by doing so we are technically 'independent' anyway. We are not trying to rot the system by working for a year to earn \$19,532. We are merely trying to ease the financial burden on our parents, whose income is deemed by Centrelink and the Rudd government to be 'sufficient' to put a child through 3 or more years of university without any assistance.

Coming from a rural area, we are already disadvantaged by choosing to attend a university in the city; but this is a choice we should be able to make and know we will be supported in our choice. There are terribly high costs involved in accommodation for those of us who move away from home to attend university. Accommodation at most universities is around \$10,000 a year and on top of this is the usual costs of living and attending a tertiary institution. If the new budget changes are passed, students like myself (and there are many) will be offered a tiny slither of the financial help we will deserve, after deferring our course for a year, and may not be able to follow our dreams and attend university.

Take myself as an example: My parents have previously put both my brother and sister through 4 years each of university, in Melbourne. I am now the third child to be supported financially. For my brother, who began university immediately, they received no financial help. Yet my sister, who worked for a year and earned the required amount, received help from the government in the form of her **Independent** Youth Allowance payments. Her payments truly eased my parents' financial worries, and as owners of a small business in this financial climate they have many. Then there is myself. Last year I completed VCE and chose to take a gap year to earn \$19,532 to qualify for **Independent** Youth Allowance; something I will deserve at the end of this year and truly *need* to get through university; something it is looking more and more likely I will not receive. My case is not the only one like this.

What the Rudd government has failed to see is how difficult it already is for students from rural areas to attend university, without cutting us off from financial help. These changes to **Independent** Youth Allowance have been made to stop wealthy families receiving help they do not need. Then there are the rest of us, who will now receive no support yet still need it very much. The new requirements for **Independent** Youth Allowance are ridiculous. Clearly the Rudd government did not even realise that you are not allowed to defer university places for two years; something which we would have to do to meet the new criteria of working for 18 months over a 2 year period. These changes are ill considered and plainly wrong. They disadvantage many more people than they help, as will be proved when university numbers drop. If the government needs more scientists and doctors, why cut off the support from those of us aspiring to such careers?

We need action to be taken now to ensure that these changes that will make it impossible for students to defer university for one year and receive **Independent** Youth Allowance are not allowed! We do recognise that proposed changes to Youth Allowance eligibility might allow some more students to access higher education. However, for the rest of us, who chose to take a Gap year and whose parents earn 'too much', the proposed changes to **Independent** Youth Allowance may very well cut us off from the chance to attend university. I will not be eligible for Youth Allowance in 2010, and I never have been throughout high school. This is why I chose to take a Gap year, so I could support myself through university, independently.

Changes to **Independent** Youth Allowance disadvantage youth from the country trying to achieve their dreams by attending university. We have the choice of where to study; the government may be putting an end to that choice and to whether we continue our education at all. Up until the 2009-2010 budget was released, we had that choice. All we want is a fair go. Do not merely delay these changes to the **Independent** Youth Allowance for a year; this does not help anyone. Make sure abhorrent changes like these are never proposed again.

Yours sincerely,

Suzanne Bailey