

Rural and Regional Affairs and Transport Standing Committee
Australian Parliament House
Canberra, ACT 2600

27 July 2009

RE: Senate Committee Inquiry - adequacy of Government measures to provide equitable access to secondary and post-secondary education opportunities to students from rural and regional communities attending metropolitan institutions and metropolitan students attending regional universities or TAFE.

Dear Senators,

The Southern Grampians Youth Network urges the Senate to reject the proposed changes to guidelines for workplace participation requirements for students seeking independent status for Youth Allowance purposes as outlined in the 2009 Federal budget. We are concerned that the changes will only further entrench the reality of poor access and inequity which rural students already face in pursuing further education. We also believe, that, in the medium term, the changes will negatively impact economic development in rural and regional areas and exacerbate skills shortages in the professional fields.

The Southern Grampians Youth Network is an informal network of almost 100 professionals working in the youth sector servicing young people between the ages of 12 and 25. Membership of the network is made up from a broad cross section of the community including schools, universities, TAFE colleges, Adult Education providers, industry, Job Service Australia organisations, Indigenous organisations, welfare service agencies, Local Government, local Health Services, emergency housing providers, state politicians, community, religious and recreational organisations..

The Southern Grampians Youth Network and the Glenelg Shire Youth Networks work closely together. Our communities are based in far south west Victoria, ranging from 320km and 380km from Melbourne. Our two primary centres are Portland and Hamilton, which each number approximately 10,000 people. There are a number of smaller communities where students commute daily for education purposes. There are approximately 6800 young people aged 12 to 25 in our regions.

Based on the terms of reference provided we see the following as distinct issues:

- **Impacts on current rural and regional gap-year students**
- **Impacts on rural and regional students with aspirations for future tertiary study**
- **Impacts on rural and regional families**
- **Impacts on rural and regional education providers**
- **Impacts on rural and regional communities & economies**

Impacts on current rural and regional gap-year students

Many students defer their university entrance and join the workforce with the aim to qualify for independent status. Rural and regional students often take a 'gap year' to help fund the substantial costs of having to move and live away from home to undertake tertiary studies. If they did not take a gap year, the financial burden would be too great for their families to allow them to go to university. The consequence of the intended guideline changes would effectively prevent many students from rural and regional areas ever participating in tertiary studies.

Existing Youth Allowance criteria meant that a rural and regional student could defer their studies for 12 months while they worked to generate an income to meet one of the criteria, that is, to earn \$19,532 within an 18 month period.

Under the proposed guidelines 2009 gap year students will simply be ineligible for independence. These students and their families have made decisions based on current guidelines and should be able to continue through with this course of action under the guidelines. In our region we have a number of students currently participating in specifically designed gap year programs both locally and overseas such as in the Australian Defence Forces ADF Gap Year Program and Student Placements Australia. Families of these students are extremely concerned about their immediate futures. Many are trying to cope with the prospect of not being eligible for Youth Allowance while continuing to meet obligations to their gap year employment programs, often in remote locations around the world. Adding to their stress most tertiary institutions do not allow students to defer a selected course for more than twelve months. The unexpected extra costs for families in this situation are considerable.

Any changes to the eligibility criterion should not negatively impact on students and families who implemented decisions to defer tertiary studies at the beginning of 2009. The Government's proposed changes are unfair and should be rejected by the Senate on these grounds alone.

Impacts on rural and regional students with aspirations for future tertiary study

Rural and regional students simply do not have the range of tertiary opportunities to meet all their needs in their local communities. As such, rural and regional students and their families have relied on Youth Allowance benefits to be able to afford to attend metropolitan institutions.

Stakeholders within our region have, long believed changes were needed to Youth Allowance in relation to rural and regional students. In particular, rural and regional young people should be classified as a separate disadvantaged group when access and equity to education is taken into consideration. They should be immediately eligible for Youth Allowance if they can continually prove they are living independently from their families to attend higher education. The Government's current proposals therefore go in precisely the wrong direction.

The Victorian Government's On Track Report 2008 highlights the disparity between rural and metropolitan students. In the Glenelg and Southern Grampians regions, the number of Year 12 completers taking up a university offer is 23.9% compared to metropolitan average of 48.3%, with some Melbourne suburbs seeing figures as high as 66% take up - almost three times the rate in our region.

The 2008 On Track report from the Victorian Department of Education and Early Childhood Development says "**All the non-metropolitan regions have lower rates of transition to tertiary study than do metropolitan regions.**"

The report goes on further to say . . . "Considering regional differences in transition in the light of different academic achievement (as measured by General Achievement Test????? quartiles), the differences in the activities of Year 12 or equivalent completers from the country compared to those from metropolitan areas become even more marked. In non-metropolitan Victoria, only the highest academic achievers enrol in some form of further education or training at rates broadly comparable

to the statewide average (74.6%) for all Year 12 or equivalent completers. Conversely, in most metropolitan regions, it is only the lowest academic achievers who do not exceed this statewide average.”

Of those deferring their studies, the Glenelg and Southern Grampians average deferral rate was double that of the state average, 22% compared to only 11%. As listed below a staggering 78.8% of Glenelg and Southern Grampians deferrers citing the need to qualify for Youth Allowance as the main reason for not studying in the year after completing Year 12, compared to 24.1% Victoria wide.

For students in the Glenelg & Southern Grampians region, key reasons for not studying in the year after completing Year 12 are as follows:

Reasons for not continuing study	Glenelg & Southern Grampians	Statewide (including rural & regional)
Students wanted to qualify for Youth Allowance	78.8%	24.1%
Financial pressures on family	47.2%	26.4%
Costs of study	46.3%	31.0%
Costs of travel	27.6%	20.9%
Would have to leave home	36.6%	18.0%

Source On Track 2008

Note the above comparisons of state wide averages include the five rural and regional education regions and if only compared to metropolitan regions the difference would be even greater.

Impacts on rural and regional families

Families of rural and regional students in our region estimate the average annual expense to accommodate their child/children while they attend a metropolitan institution is in the realm of \$15,000 to \$20,000 per student annually, not including course fees and study resources (ref. the SGYN submission to the Parliament of Victoria Education and Training Committee’s *Inquiry into geographical differences in the rate in which Victorian students participate in higher education*, April 2008, in Hamilton).

These costs can be broken down, as an example used in the recent report the Victorian Government from the *Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education* shows the expenses over three years comparing students staying at home, in shared rental and on campus:

Estimated costs for a Victorian journalism student commencing study in 2009, by living situation Costs		At home	Shared rental	On campus
Study costs	Tuition	\$16,309	\$16,309	\$16,309
	Course materials	\$3,154	\$3,154	\$3,154
	Computer & internet	\$2,292	\$2,292	\$0
Living costs	Establishment costs	\$0	\$3,544	\$3,097
	Accommodation	\$0	\$17,297	\$57,214
	Groceries & food	\$5,638	\$16,398	\$5,638
	Utilities	\$0	\$4,029	\$0
	Public transport	\$5,960	\$5,960	\$3,221
	Entertainment/other	\$5,638	\$5,638	\$5,638
	Ancillary	\$7,248	\$7,248	\$7,248
Total (three years)		\$46,239	\$82,382	\$101,519

Source: Australian Scholarships Group, 'ASG University Costs Calculator,' ASG, http://www.asg.com.au/uni_calc.asp (accessed 28 April 2009) (adapted)

There is a lot of confusion and unease in our communities in relation to the proposed amendments to the thresholds of the Parental Income Test. The payment system seems misleading when the underlying issues for rural and regional families are not taken into account.

The eligibility for the fortnightly payments against the Parental Income Test are still unclear, that is, students will still have to prove their eligibility for Youth Allowance under the new criteria before being eligible for the payments. This is likely to mean young people and their families choosing to disengage totally from education for a minimum of two years, possibly longer.

As parental income increases, the rates of Youth Allowance payments decreases under the proposed changes. It seems families from middle incomes, say of \$45,000 per parent, will not be eligible for any Youth Allowance support for one child enrolled in tertiary study.

A family earning \$130,000 per annum with two students away from home might receive approximately \$8600 per student annually, still leaving families well short of the expenses as shown in the above table.

The issue of a parent's income increasing over time and putting further pressure on eligibility needs to be explored further. It is highly likely that this will result in a spate of drop outs in second and third year as students and families can no longer afford to remain engaged in tertiary education.

While the Government is claiming that more families will be eligible for Youth Allowance, the reality will be that the money will be taken from those that need it most and spread too thinly leaving rural and regional families to ponder their education futures.

The following quote from one of our parents highlights their frustration:

"The cost of sending my four children to university totals approximately \$320,000 for accommodation and other costs associated with living away from home, on top of the current Youth Allowance payments. On completion of their studies they still have the cost of their HECS debt. My Melbourne-based sister has three children who continue to live at home while they undertake their university studies. Through outlaying the same amount of money she frees her children from having the ongoing burden of a HECS debt. Where is the equity between city and rural student?"

And another:

"To whom it may concern...and it should concern most,

My daughter is currently studying at Ballarat university and is in her third year of Primary physical education teaching. I also have a son in year 10 who wishes to attend university in the future.

*My concerns are with these changes; **less children going off to university from the country.** We struggle now with getting teachers and nurses out to country areas but the government keep putting harder obstacles in the way. Don't they understand the hardships parents and students are currently under to try and make a good future not only for the country children but for the country communities?*

City children mostly get to stay at home, get on their very inexpensive public transport go off to classes and then return to their home just like they were in Year 12. Country children have to or their parents have to buy them a car, help them pay insurance for the car and up keep. When they return from classes they then have to study, cook, clean and oh yes have a part time job so they can actually eat for the week. So much is said about the Youth Allowance but to me it was far from enough anyway, every child that I know from the country has to have their parents behind them 100%. My daughter worked very hard for the first 18 months to get the youth allowance which in turn her university results were far from what she can achieve, now that she has the Youth Allowance she is getting excellent grades, as she now can concentrate on her studies.

I don't know about what you all think but I want well trained intelligent people coming back to my community to teach my grandchildren and nurse me when I am sick. So isn't it about time we realised the great asset we have with our young country children and their endeavours to improve themselves!

I do not understand that the child that lives at home and goes off to study can receive nearly as much as the child that has to find his or her own accommodation feed themselves etc... Come on see what our children are doing and how tough they are living. I know for a fact if my children could do a university course from living at home they would and we would not expect any type of help from the government. Give country children a go and their communities."

Impacts on rural and regional education providers

In terms of education alternatives for rural and regional students wanting to study in regional areas, in our region there are limited options for potential tertiary students. Students choosing to attend university in Hamilton for example have a choice of one (1) program, nursing. Otherwise the nearest university offering a broader range, (though not a full range of programs) is anywhere from a 230km to 350km round trip depending on the home of the student. The next nearest regional option (Ballarat) is a 440km round trip.

Students choosing to participate in TAFE courses have more immediate options in our region; however these tend to be Certificate II to IV programs. For Diploma and Advanced Diploma courses the above scenarios apply.

Rural and regional education providers might see increased enrolments as young people cannot afford to move away from home to pursue their preferred options. This would lead to a lowering of aspirations of the students, many of whom already have, for a range of reasons, low aspirations. As one of the conclusions to the Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education states "There is now strong evidence that differences in the aspirations of young people across Victoria are an important contributor to geographical differences in higher education participation rates.....The committee found that socioeconomic status can exert strong influence on aspirations, while distance can pose further barriers to the development of higher education aspirations.....the Victorian Government should implement a statewide program aimed at raising aspirations towards higher education. . ." The feeling currently in the community in relation to the proposed changes to the Youth Allowance eligibility seems to be working counter to this aim with students and families lowering, not raising, aspirations.

The perceived increase in demand for local courses would need to be met with an increase in government and institutional support for rural and regional education providers. In the light of the proposed changes, there needs to be a wider consultation with rural communities about access of rural young people to affordable higher education – either supported through Youth Allowance in cities and/or greater access to courses delivered locally.

Public transport access to the above mentioned tertiary options is limited. Most students would either drive and/or relocate to these centres. This again raises the issue of affordability and the need to meet the criteria for Youth Allowance.

Impacts on rural and regional communities & economies

Rural and regional communities have become an attractive option for many families leaving urban centres to raise their families. This often brings desired professionals to rural and regional areas and enhances the economic and social prospects of rural and regional centres. These families will be discouraged from this decision in future as there will be a further financial disadvantage when it comes time to send their children to further tertiary education. This will have a deleterious impact on rural and regional communities who struggle to attract people to their regions, and also on regional economies.

For many students in rural and remote areas finding full time jobs for a two-year period in the local region is an unlikely prospect. Under the proposed guidelines, as each year progresses two cohorts

of school leavers will be competing for these full time jobs in small rural economies where there already exists a sense of growing economic hardship.

Locally our region has seen the demise of a number of rural employers who prior to the global economic collapse were seen as the shining lights for future employment opportunities for graduates (for example the timber industry in south west Victoria).

More students will be forced to move away from home to seek employment, further adding financial and emotional pressure to the students, their families and the community. There is the additional risk that students who do attain employment will become disengaged from seeking tertiary studies the longer they are not engaged in formal study. As previously mentioned, most institutions do not allow students to defer a selected course for more than twelve months.

Local businesses that have for many years supported students with 12 months' employment in their firms will also lose out from the proposed changes. Firms encourage young school completers to work in their businesses as part of their graduate recruitment and employment strategies. Rural graduates make up a high percentage of those filling professional positions in rural and regional areas. Taking on a school leaver for a two year term does not appeal to the business community.

As recently published in *The Australian* newspaper on 29 July 2009, Professor Ian Goulter, Vice Chancellor of Charles Sturt University said, "...Almost 40 per cent of the population resides in rural and regional Australia and yet rates of participation are less than half that of people in metropolitan areas....My argument is not just about social inclusion. It is also about the importance of regional Australia to national economic health..... With the challenges of climate change, food security, water security and biosecurity..... It is as important as engaging regional populations with research that can be translated into sustainable practise on the ground." The ongoing access to education for rural and regional students is imperative for the benefit of the nation.


It is recommended that the Standing Committee urge the Government to reconsider the proposed criteria requiring a young person to work for 30 hours continually for 18 months.

The Southern Grampians Youth Network urge that the proposed changes be rejected in light of the disastrous implications these changes will have for students from rural and regional regions, for their families and for the rural and regional communities and economies that rely on the further education of their young people. We make the following recommendations:

RECOMMENDATIONS

- **Rural and regional young people should be classified as a separate disadvantaged group when access and equity to education is the issue, they should be given immediate eligibility for Youth Allowance if they can continually prove they are living independently from their families for purposes of study.**
- **Any changes to the eligibility criterion should not negatively impact on students and families who implemented decisions to defer tertiary studies at the beginning of 2009.**
- **Reconsider the proposed criteria requiring a young person to work for 30 hours continually for 18 months.**
- **Increase support for rural and regional education providers.**

Yours faithfully



Dr Kaye Scholfield
Chairperson