

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

Submission by Margaret van Aanholt

As a chartered accountant practising in Tamworth NSW and as a parent I would like to make a submission on the effect of the proposed changes to the Youth Allowance Scheme. Whilst I appreciate that the income test levels have been increased the changes to the independence tests will make it very difficult financially for many families, particularly those in regional areas or metropolitan students who need to study in a different city or regional centre.

A. The financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE:

In order to study at tertiary level (apart than externally), school leavers from Tamworth (and most other regional areas) are require to leave their family home and either take up residence on campus or live independently close to the university of their choice. They have no other option. The closest university to Tamworth, UNE in Armidale is a 3 hour return trip by car and there is only very limited public transport. This is a significant cost for families, who often have more than one child in this position. I estimate the cost of either college or rent/food/utilities, textbooks and transport, say in Sydney which has the widest choice of courses, to be at least \$18,000 per year per student. This does not include allowances for entertainment and clothes and travel to and from their family home or family travel to visit them. Families with incomes close or slightly above the Youth Allowance income test levels would get little or no Youth Allowance and would therefore be forced to pay a significant part of their after tax income to pay for the accommodation costs for their children's tertiary studies. In addition, the student would be incurring significant HECS or HELP debts in respect of their University fees. The increased number of relocation scholarships are available only to those receiving Youth Allowance so will not assist those who do not qualify for this Allowance.

Because of the low income tests, many children of middle income families in Tamworth have taken the option to work for a year, mainly in casual and part-time positions in Tamworth, living at home so they can both save money for their study and to qualify for independent Youth Allowance. The increase in the income level, whilst welcome, needs to be considerably increased for students who are required to live away from home to study to ensure they have the same access as their metropolitan peers.

B. The education alternatives for rural and regional students wanting to study in regional areas;

Whilst there are regional universities the same problem exists as mentioned above in terms of paying for accommodation outside the family home.

C. The implications of current and proposed government measures on prospective students living in rural and regional areas;

As outlined above, I believe the number of students from regional areas who are required to relocate to undertake tertiary study will decline. Rural and regional Australia already suffers from shortages of skilled workers in such professions and medicine and allied health and in my field, suitably qualified accountants. Research has shown that rural and regional students are more likely to return to these areas than those from metropolitan backgrounds.

E. The adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;

As set out above, the current independence test provides an avenue for regional students to manage the costs of leaving home. For the reasons outlined above, this will not be the case if the proposed changes go ahead.

F. The educational needs of rural and regional students;

These are the same as those of city counterparts. Everyone should enjoy equal access to a quality secondary or tertiary education.

G. The impact of government measures and proposals on rural and regional communities;

I can appreciate the problem of children from wealthy families and those still living in the family home and receiving independent Youth Allowance required review by the government to ensure government assistance is being applied where it is most needed. However the response has been too broad and has had the unintended (I believe) consequence of potentially limited the tertiary education aspirations of those students (both regional and metropolitan) who are required to live away from home to access their chosen course. Many regional students will be seriously disadvantaged by these changes and regional students, unlike their metropolitan peers do not have the option of staying at home to complete any tertiary course.

Conclusion:

1. I request you consider a review of the legislation as proposed and at first instance make an exception for those students who completed their studies in 2008 and who are required to leave home to study in 2009 so they can continue with their plans.
2. Review the family income levels for Youth Allowance where students are required to live away from home making the Allowance and scholarships available to more.
3. Consider the relocation of more spaces to regional universities so less students are required to travel and to increase number of metropolitan students who study in regional areas and appreciating the lifestyle choose to stay there when qualified.