



11th August 2009

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

To Whom It May Concern:

Proposed Youth Allowance Changes

As a parent of a child currently doing a 'gap year' I am very disappointed that this government has chosen to make changes that will impact on my son's ability to attend university to do the degree of his choice.

We currently have a family income of approximately \$60,000 per year. Going away to study he would have been entitled to full youth allowance and rent assistance. He could have also applied for a Commonwealth Scholarship to help with moving away from home, this I believe was \$4000 in the first year.

Using the new system he would be less than \$10 better off in the first year (assuming that he did not get Commonwealth Scholarship). Thereafter he would be \$100 per fortnight worse off.

The above does not take into account the lack of a Health Care Card. These are vital for students, however on their parent's income they would not be entitled to one. Where would the money come from to pay extra at a doctor's surgery, much less between \$20 and \$30 for a script?

We have already sent one son away to university and I can assure you that the full rate of youth allowance plus rent assistance did not meet his costs. He did do some work but we also contributed on a regular basis.

While the new measures have some merit, it is obvious that actual reality has not been looked into. Our family income is certainly low but I am sure quite average for a lot of families in regional areas. To think that a family on \$75,000 per year can afford to pay for one child away from home is ridiculous let alone two.

This government lifted the income level for families before they have to pay the extra medicare levy. I believe that it was seen as unfair that a family on \$100,000 per year should pay the extra levy. However this year these same families would be unable to get any assistance to send students away to university, costing them between \$300 and \$400 per week per child.

As the above defies common sense, then these changes have been bought in to punish those that live in regional Australia. Canberra is obviously telling us that if we want to send our children to university then we must move to the city.

Regional universities will also lose out as while living in country areas may be cheaper the lack of employment make them a bad option for those looking at working to subsidise their university studies.

I believe that in order to gain independence students would now have to work for 30 hours per week for 18 months in a 24 month period. This would mean that a student would be required to put off attending university for 2 years, even if they could get such employment. In regional areas this is highly unlikely as most work is seasonal.

The only positive part that I can see about the new system is the fact that students would no longer have to do a gap year before going to university. However it is entirely unrealistic to expect parents on incomes above \$42,000 to contribute even more to their student's costs.

I am happy to discuss this further.

Sincerely

A handwritten signature in cursive script that reads "Anne Orr".

Anne Orr