

The Secretary  
Senate Rural and Regional Affairs and Transport References Committee

**Re:- Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities ---- Changes to Youth Allowance for 2009 ‘Gap Year’ students**

Our family is just one family who will be directly impacted by the proposed changes to eligibility requirements for Youth Allowance. We live in Albany, WA and have two children, Michelle, aged 17 and Michael, aged 16. Michelle graduated from Albany Senior High School in 2008, achieving excellent TEE results. Michelle has been accepted to study Bachelor of Pharmacy at Curtin University in Perth (400 km from Albany), however deferred studies to 2010 in order to work during a ‘gap year’ and apply for independent status for Youth Allowance to assist with the costs of University study away from home.

We would request that this Committee consider the following:-

- a. A complete overhaul of the current financial assistance provided to all Australian students, with addition benefits being granted to rural and country students who must travel away from home to seek education, and relaxing the ‘independence’ criterias,
- b. Allowing current ‘gap year students’ to be allowed to obtain ‘independent status’ under the eligibility criteria they made their decision to take a gap year under by making an implementation date of new guidelines not before December 2010,
- c. Provide detailed information to all parents of students who graduated in 2008 regarding the confusion caused by the Budget announcements,
- d. Provide detailed information to all parents of students who graduated in 2008 regarding the outcome of this Inquiry and subsequent changes to education allowances.

Our daughter’s current gap year decision was made by our family with every good intention and the best possible understanding of the Centrelink requirements for proving independence. However, the months since leaving school have been quite uncertain and stressful for our family. The declining economic climate of our region has made it very difficult for Michelle to find suitable employment with enough hours to achieve the \$19,500 in 18 months, especially considering at 17 years of age, the pay rate is only about \$9 per hour.

I believe that the Youth Allowance/Student Allowance schemes need a complete overhaul. The ‘old system’ is proving very difficult in this economic climate to meet the eligibility criteria (earning \$18,500) for independence, and the ‘new system’ appears for us as Parents to be near impossible to meet the criteria for eligibility and receive financial assistance for our children to attend University. Perhaps this ‘new

system' would be acceptable if you lived very close to your chosen University, however for rural students who must live away from home, such as ours, this is an inequitable financial assistance and an unfair disincentive to rural students to continue on to higher education.

Regardless of the details of any changes proposed by the Budget, the affects upon current 'gap year' students are grossly unfair. Changes to the eligibility criteria, means that regardless of all the work Michelle and her friends have done, it is to no avail as they won't qualify for any Youth Allowance before 31 December nor after January 1. This group of students have been working so very hard, and I have no doubt at all that both these students, their parents, families and friends feel absolutely cheated. So many Government contrived changes have affected this group of students...ie Public School Teacher's strikes in 2008 cancelled all after school activities such as music, sporting and subject camps, Country Week was cancelled for rural public school students, and after hours teacher tutoring during TEE Year 12 was not provided; changes to Learner Driving Rules (some of these kids will be in Perth for 6 months having passed their driver's test, but not being able to drive unsupervised); and now, the 'gap year' changes.

We would like to see that the implementation date for any changes be no sooner than December 2010 to ensure every current gap year student or 2008 graduate has the same opportunity as the existing independent students, as the 2008 Year 12 group made their gap year decisions based on that same Government policy. 2009 students would have ample time to make decisions and plans in line with the new Budget.

Another issue is that the details of the Budget changes to Youth Allowance eligibility are very sketchy, and not explained. Details on the Department of Education, Employment and Workplace Relations website give only half the story as there are no details as to the amount of Youth Allowance a student would receive after 1 January 2010 based on Parental Income, only the Parental Income Cut-out Points. This situation leaves us as Parents completely in the dark. We do not know how we will financially afford a University education for our two children. Residential Board and Lodging at a facility such as Trinity College will cost at least \$13,000 per year, plus tuition, books, fees, travel, etc. We expect our out of pocket costs will be approximately \$20,000. 2010 will see Michelle go to University, and at this moment, she will be solely supported by her family, as she is not eligible for Youth Allowance.

In 2011, our family will be in this position: a combined Parental Income of about \$90,000 (provided in this economic climate we keep our jobs) and two children, one aged 18 and one aged 20, both living 400 km away from home in residential colleges to attend University, costing us at least \$40,000, and because our income is above the parental taxable income cut-off, we/they will receive no assistance.

This situation leaves our family with a severe and very difficult financial situation. Unless our children are given the opportunity to access Youth Allowance type assistance, it will prove near impossible for our children to attend University without our whole family re-locating either permanently or temporarily to Perth and seeking new employment and accommodation.

We would like to see the whole Youth Allowance/Student Assistance system reviewed with special extra allowances to be made for rural and country students and any student who must live away from home. Our country students are excellent students. They have proven that they can compete with their city counterparts in external TEE exams and gain university placements. Now, the Government must

assist them and their families to achieve these education goals. The changes proposed by the Budget will effectively penalize all country university students.

Thank you for considering the implications of the proposed budget changes on our family. We look forward to hearing and seeing favourable solutions to the problems outlined by members of the community across Australia very soon.

Yours sincerely

Fiona and Daryl Kowald  
2<sup>nd</sup> August 2009