

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

4th August 2009

Dear Parliamentarians,

I would like to make a number of points in my submission to the committee.

Revoking the eligibility criteria for Independent Youth Allowance (working 15 hours per week for two years and earning \$19,532 in an 18 month period) will seriously disadvantage many middle income families. I believe the intent of the Beasley recommendation was to prevent high income families taking advantage of this eligibility criteria however no mention or allowance was made in the review of the affect this would have on middle income families.

As a rural family with three children and a combined income of \$70,000 (hardly in the super rich bracket) it will make a big difference to our childrens' chances of attending university. It should be re-instated and, if necessary, salary capped at \$150,000 to prevent abuse.

My eldest son currently attends First Year University, which meant moving away from home, working for 18 months to earn the required amount, and he is still currently waiting for his first Youth Allowance payment (as of August 2009). In the meantime, he struggles to pay rent, buy food, do casual work and study full time. He deferred for one year in order to get independent status, and save money, but would have been unable to defer for two years(as required under new rules) and may well have lost the momentum to attend university, another important factor in these changes.

My two daughters will be even worse off under the new criteria.

By my calculations, on our family income, if they choose to attend university, without independent status, then in Year 1 they will receive \$219 a week, including the \$6,000 of allowances. In Year 2 this will drop to \$160 a week(including the \$3,000 of allowances).

The first year's weekly payment may be just manageable, though difficult but by second year it is impossible.

If the expectation is that parents will provide extra financial support them I'm unclear where it's supposed to come from, on our income. If the expectation is that the student has to work to make up the difference then how may hours away from class time are they expected to spend to achieve this?

The contact hours at university seem to have increased significantly from when I attended University (in the seventies) and there isn't the space to do more than intermittent casual work , or have one's studies suffer.

I believe that either the \$6,000 of allowances should be paid each year for rural students,

or a significantly increased , realistic, living away from home allowance should be paid.

It's already hard enough for rural students to have to move away from their families and friends to study at university. Making it unworkable financially is the final nail in the coffin.

Regards
John Coulter