

3 August 2009

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

Dear Secretary,

I wish to lodge a submission to the *Senate Rural and Regional Affairs and Transport References Committee, Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities*.

As a Federal Member representing regional Australians I feel that it is my duty to inform the Committee of the concerns being relayed to me in regard to the Government's proposed changes to income support. Specifically, the concerns of my constituents are centred on the changes to the workforce participation criterion.

Since the announcement of the Government's intended changes to income support as part of the 2009-10 budget, I have been inundated with calls, emails and letters from concerned constituents specifically concerned how the changes to the workforce participation criterion reduce the way in which a person can become independent and be eligible for student income support.

Currently, students can receive Independent Youth Allowance if they work at least 15 hours per week for at least two years or they earn at least \$19,532 in an 18 month period (since leaving school). Under the changes they will have to work for 30 hours per week for 18 months, effectively forcing them to defer their studies for two full years or otherwise work full time whilst studying.

I was shocked when I read an article in "*The Australian*" before the budget was handed down which outlined supposed changes to the student income support criterion. It is now apparent that this information was a true prediction, but at the time I could not believe that the Government would contemplate making such changes that will, without doubt, inhibit many potential students from accessing this vital support.

I am fully aware of the Government's reasoning that changes to workforce participation criterion have been designed to prevent the allowance from being received by students from higher income backgrounds. I need for you to understand though, that the form, in which these changes have been made, without doubt will have a disproportionate impact on regional students.

The reason why I am so concerned about these changes is because there are a significant proportion of students who still need financial support to attend University, even if their

parents do not come in under the FTB A. These young adults must become 'independent' in the eyes of Centrelink in order to receive the student income support. The changes that the Government is intending to implement severely hinder the way that these young adults, whose families do not come in under FTB A, but still require financial assistance in order to attend University, can become independent so to receive student income support.

I feel that I need to make clear the circumstances regional people are confronted with in order to attend University; I will use my electorate of the Riverina as an example. We are extremely fortunate to have Charles Sturt University Campus in Wagga Wagga, the prominent city in my electorate. The electorate though is 42,000 square kilometres, so it is only those who live in Wagga Wagga who can attend the University without having to leave home and relocate. Also, not all students can attend Charles Sturt University. Some need to go to other Universities which cater for their specific needs.

For these students who must move towns, or states to attend the appropriate University for their career of choice, they need some form of financial support. For some students, due to course commitments it is literally impossible for them to hold down a part time job in order to support themselves. For example, a first year Veterinary Science student at Charles Sturt University, through combined personal study and in class lessons, spends 60 hrs per week dedicated to his or her degree. If he or she had to move to Wagga Wagga to study, and their parents could not support them, then they would need to receive student income support. If their parents do not come in under FTB A, but still do not have the means to support their child, and the child cannot work due to their University commitments, how are they to live, eat and pay their rent?

The reality is they cannot. The individual from this example, which represents the situation of so many students, would, under the proposed changes, have to take a two year break between school and University, and attempt, with no guarantee of success, to hold down a full time job, thirty hours a week, for eighteen months over two years.

The logistics of finding full time work, thirty hours per week for at least eighteen months during a 2 year period in regional centres and towns is extremely precarious. I can tell you that many of my constituents believe that they, or their sons and daughters will not be able to accomplish this.

A large percentage of my constituent's employment is dependent upon agriculture. This type of work is often unreliable due to environmental impacts and is seasonally structured. The 3rd element of the current workforce participation criterion, which the Government intends to scrap, is an extremely practical and appropriate criterion for regional circumstances. This is where a person can earn, in an 18-month period since leaving school, an amount equivalent to 75 per cent of the maximum rate of pay under Wage Level A of the Australian Pay and Classification Scale generally applicable to trainees (currently this requires earnings of \$19,532). This criterion has enabled so many regional students access to student income support, enabling them to attend University. It is imperative that you see that the criterion of working full time for 18 months over a period of 2 years in order to be independent is not appropriate for regional residents and simply, for many will not be obtainable.

As I have previously mentioned I have received a considerable amount of calls, emails, and letters from concerned parents and potential students. A significant amount of these constituents are presenting the same scenario; graduated from high school in 2008, are

planning on attending University in 2010, and have deferred their enrolment. They must move away from home, to Melbourne, Sydney, Wollongong etc to attend a University which has an appropriate course for them. The potential students are from families who do not come in under the FTB A, but still cannot afford to support their child at University. In order to attend University, they have had to work so that they are independent, and be eligible for Youth Allowance. They have all been following the current guidelines as stipulated by Centrelink on how to become independent. The majority are following the 3rd element of the current workforce participation criterion. Under the current arrangements, they would all be eligible (pending they met the criteria) by May 2010, allowing them to commence University in the weeks before this. If the changes are implemented, they will not be eligible for Youth Allowance under the new workforce participation criterion, as they had expected to be. If the changes are implemented, I stress that arrangements need to be made for those people who have been following the current guidelines in anticipation of attending University in 2010.

I believe these dramatic changes in the light of the Prime Ministers 'Education Revolution' are a slap in the face for regional Australia. It is the students from the country who return to the country with their skills, and without support they will simply not receive the education they need and our regional centres will be disadvantaged as a result.

Yours sincerely

A handwritten signature in black ink that reads "Kay Hull". The signature is written in a cursive, flowing style.

Kay Hull MP
Member for Riverina

keh.ls.wag