

Submission:
Senate Committee Inquiry into Rural and Regional Access to Secondary and Tertiary Education opportunities.

Author: Daryl Headlam
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Dear Committee members.

Thankyou for the opportunity to provide feedback and concerns about the impact on the proposed changes to Youth Allowance.

I live in Bendigo, Victoria. My wife and I are professional people (teachers) whose combined income puts us into the 'middle income' bracket. We are in our low and mid 50's. We have four children; this means that we are not as wealthy as might be assumed if judgments are made based on current income alone. The costs of housing, clothing, feeding, transporting and educating four children has been huge, and continues to be so. We are still paying off a mortgage on the family home.

Two of our children are currently studying at university in Melbourne and are recipients of Youth Allowance. They are forced to live in modest housing and are fortunate enough to have secured part time work to supplement their incomes. (*They work below the maximum prescribed hours as outlined by Centrelink etc.*) Nonetheless, they are far from wealthy and even though they are largely independent from us it is still necessary for us to assist them occasionally, at times of pressing financial need – eg purchase of texts, equipment, household appliances, clothing and motor vehicle registration etc. They share a car between themselves and at times others in the household. I also have a daughter who completed Yr 12 last year and is currently working full time (*in vain?*) trying to meet the Independent status required to acquire Youth Allowance. I have another daughter who is currently studying Year 11. Under the new proposals, it is unlikely that that my daughters will qualify for any government assistance, or at best a miniscule amount. That being the case it is unclear whether or not they will be able to undertake the tertiary studies they are planning to do in Melbourne.

It is widely accepted that the costs involved in re-locating a young person to a Metropolitan city, such as Melbourne, to attend tertiary study, is conservatively \$20,000, per student, per year. This figure must increase as the tight rental market in Metropolitan cities drives up rent. If my daughters want to go to Melbourne to pursue the studies of their choice, we, or they, will have to find this money for each year of study. This approximates to \$400 cash each week. In an economic climate where even the Prime Minister has warned us that unemployment will continue to be large, and has advised that young people must not be fussy about what employment they accept, how are young people going to be able to find work to support themselves? For young people from the country they have the added disadvantage of the unfamiliarity of the city. They face the

daunting prospect of a new and isolating environment in which they must live, understand the transport system in order to travel to and from study, establish entirely new social structures, and then be expected to secure enough part time work (*in hours that allow them to attend courses*) for them to survive. All this in a diminishing job market! Young people who live in the city have a huge advantage over their rural counterparts. These factors are very significant and create a huge hurdle, **if not a barrier** to them studying in the city. City students can attend the University of their choice. They do not have to move away from their home and they do not necessarily have to work in order to survive. They stay with mum and dad. For the many city students who have deferred courses then worked sufficiently to qualify as “Independent”, the fortnightly Youth Allowance is merely some additional ‘pocket money’. For the country students who have had to move to the city to study, it is literally their ‘bread and butter’!

The tertiary courses that my two boys are undertaking are not available locally. They **had no option** but to move away from Bendigo if they wanted to pursue the courses of their choice. If they did not get Youth Allowance they would not have been able to do so and either, would not have pursued any further studies at all, or they would have had to enroll in courses (*and careers*) that they did not want to pursue. The same applies to my two daughters.

Very few in the wider community would condone the ‘rorting’ of the existing scheme by ‘wealthy’ students who are declared ‘Independent’ but remain living at home with mum and dad, when in fact they are not independent in any way. They eat, sleep and live as dependents of their parents. This is most unfair and needs to be redressed. Although the proposed changes may put a stop to this, as they are now proposed, they will have the unintended consequence of preventing country students attending city universities, because they will no longer be seen as ‘independent’ and so will not qualify for Youth Allowance. There will be a large number of country students who will not be able to go to university; the **disparity** between country students and city students entering tertiary education will be even greater than it already is. **The long term impact on country communities as a consequence of this will be far reaching.** The proposed changes will not prevent certain city families from continuing this rort. There will be city students who will meet the new ‘Independent’ status by deferring their studies and working the required hours over two years, and still continue to live at home with mum and dad.

Proposed changes that will require prospective students to work 30 hours per week for 18 months within a 2 year time frame will create huge issues in smaller country and regional communities. In many smaller towns (and even many larger towns and cities) there is simply not enough work available. In a city like Bendigo it is difficult for many young people to get even a small number of hours work. In more distant towns such as say Wedderburn or Ouyen, where there are very limited employment opportunities available at the best of times, how will say 3 – 4, young people looking for work be able to secure it? (*the requirement is 30 hours each week*). The answer is that they will not be able to. In reality there could be 10 young people who live in the immediate district who are all vying for jobs to qualify for Youth Allowance. That is 300 hours of casual or part time work to be found, in a community that is perhaps struggling to remain economically

viable and already has few employment vacancies. This is the scenario that will be played out in thousands of small rural communities across Australia. This amounts to blatant discrimination in favour of students who happen to live in large Metropolitan cities.

As a further consequence, rural towns will become intellectual 'ghettos' because only the extraordinarily wealthy country students will be able to access tertiary study. The conservative estimate of an annual cost of \$20,000 (*described above*) will be out of reach to many families, even middle income families, who by the way make up the vast majority of university entrants. Professionals such as Doctors / Teachers / Police / Nurses are already under-represented in rural and regional areas. Traditionally many country people who have trained in these professions return to their home towns during their careers – this will not be the case if the opportunity to be educated is not provided.

Regional and rural communities will be heavily impacted by the effective loss of income to their communities. This will occur because, in effect, the income of these families will be 'taxed' an additional \$12500 (*approximation of annual Youth Allowance with rent Assistance*) a year, for each child going to university. The federal government has, over the past 30 years, provided the infrastructure (*through Youth Allowance in its various forms*) that has allowed country students access to the tertiary education of their choice. These changes will now mean that country families will now have to spend at least that amount and more, in the large cities if they want to send their children to university. That money would otherwise have spent locally. Considering the number of families across thousands of rural communities that is a huge extraction of money from the country being ploughed into the cities.

I urge you to consider these matters carefully.
Thanks.

Daryl Headlam
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