

## **Submission to parliamentary inquiry into Rural and Regional access to Secondary and Tertiary Education Opportunities**

I wish to comment on changes to the youth allowance qualifications due to come into force in 2010 and particularly its affect on opportunities for rural youth to attend tertiary education.

### **Pre 2010 scheme**

#### **Advantages**

Reasonable support for financially disadvantaged families and truly independent youths. Unintended consequence of assisting rural families with relocation and educational expenses.

Allowed independent youth to take gap year and still take up their choice of tertiary course following high school results.

- Income requirements set at reasonable level to allow youth to attain within 18 months.
- System allowed rural youth to take advantage of seasonal employment and to move to metro area earlier to adapt and seek more work or if they had accumulated enough funds by working harder, to take a break and travel before settling into tertiary study.

#### **Disadvantages**

High income families manipulated system to allow children to take advantage of government subsidy.

- Devised various means to by pass the intended requirement to encourage independent living by living off money earned.
- Many living at home while still working but not paying rent or in any way independent.

Six month period before youth allowance eligibility once beginning tertiary course at start of academic year a financial burden on lower income families.

No indexation of allowance or income eligibility.

### **Post 2010 scheme**

#### **Advantages**

Reasonable support for financially disadvantaged families and truly independent youths. Provides equivocal extra support for financially disadvantaged.

Reduction in age of independence to 22 reasonable.

Relocation and start up scholarships good but not sure about whether they are better or worse than other subsidies eg rental assistance.

Will mostly cut out wealthy families manipulating system.

- Wealthy families will probably support students rather than letting them suffer the disadvantage of having to reapply for tertiary place and having to abide by severe

restrictions of working.  
Will encourage students to take up places in rural tertiary institutions.  
Increase in parental income test will allow more financially disadvantaged students access.

### **Disadvantages**

No increase in allowance.

Country middle income families will be severely disadvantaged compared to city families. Recognised burden of accommodation, relocation expenses and social disadvantage of moving to city.

- Because of requirement to work for two years without a break, minimal time to organise relocation or to travel.
- Requirement to work without break will make it difficult to take advantage of seasonal opportunities.
- Requirement to work for two years will mean that many students will not be able to defer place at tertiary institution but will have to reapply.
- Students could take up places in regional tertiary institutions but these offer a limited choice of courses compared with metro institutions.
- The opportunity to experience life outside of school before beginning tertiary studies is an advantage as I think it leads to students with a clearer idea of what they want to do and saves on course withdrawals and changes. The obligation to work for two years without a break would reduce this experience considerably.

Requirement to work 30 hours a week removes possibility of working towards independence while still at tertiary institution. This would disadvantage independent students whose families are just over the cutoff point from achieving independence while at university.

**Most unfair to students who had assumed old system would be in operation but who had rules changed mid way through their gap year.**

I understand the intention of the government to try to divert the money from this scheme to youth from backgrounds where they could otherwise not afford tertiary education. I agree that there are many high income families benefiting from government subsidisation under the current scheme and this goes against the spirit of the scheme.

It is true that the youth allowance scheme was not originally designed to be a subsidy for rural families intending to send their children to tertiary studies. It has however acted as such for the last 11 years and has enabled many thousands of rural youth access to tertiary education that would otherwise not have the opportunity. If the scheme is modified as proposed, a large chunk of middle income families will be disadvantaged. In my own case, we will struggle to support our two daughters both of whom look like they will be enrolling in tertiary studies in Perth. But we have two professional incomes coming into the house and in my opinion, households earning even double the \$42559 limit would have no chance of being able to support a child who wishes to go to

university directly from school for example. Having lived in a regional town for nineteen years I have seen friends and acquaintances struggle even with the support of the youth allowance scheme. I know that the youth allowance scheme has allowed many kids to attain a tertiary education who otherwise would not have had the chance.

Under the new system, if they are going to take advantage of the scheme, rural youth whose families are earning more than \$42559 will need to delay their entrance into tertiary education for two years and this in an environment when jobs are more difficult to come by. In addition, in most cases they will need to reapply for university entrance as it is not possible to defer enrolment for more than 12 months. Most will be restrained to searching for jobs locally, an unfair disadvantage compared to their city cohorts who are able to live at home and catch public transport to the numerous job opportunities offered by the diverse city economy. There are of course more and more university campuses in rural locations including one in our own town. However the choice of courses offered in these rural campuses are limited and if your tertiary course options are determined by the costs of relocation this is discrimination against rural youth.

Youth allowance does not provide the means for a person to survive in the reality Australian cities. The cost of living is more than the youth allowance and that is why a student living with their family in a city is so much advantaged. The country kid might share a rented house in the suburbs around a tertiary institution, which are generally affluent suburbs with accordingly inflated rental costs. I do not know any rural family that has a child at a tertiary institution that does not provide additional support even with the youths receiving youth allowance. As well as this, under the proposed scheme, rural youths need to work non stop without any holidays for two years right up to the time that they are required to relocate before their tertiary course begins. Many country kids fail to adapt to the different city environment and more financial stress will do nothing to help this situation.

If this new arrangement is put in place, I predict that families qualifying for youth allowance under the parental means test will still send their children as things have changed little for them and the more wealthy families will not let an increase in costs stand in the way of their children's tertiary education. But the poor old "middle" income earners will be left languishing with no possibility of their children attending university following a qualifying high school tertiary entrance examination score unless their aspirations fit the limited opportunities at their local regional college. Instead these students will have to spend two years looking for jobs in a depressed economy and then have to reapply for tertiary entrance as a mature age student. This is unfair.

I suggest that the government should provide the youth allowance to all rural youth who are enrolled in tertiary education which really means any community outside of the metro areas. You could call it something else like – "rural tertiary assistance" to indicate to city dwellers that this is the specific purpose of the scheme. If the cost of providing to all rural families is too high, then a budget should be set and a means test implemented to fit into that budget however, the cost would be much less than the current scheme. There will be

anomalies with rural communities with large universities (eg Townsville, Armidale and Wagga Wagga) and there will be disputes over where the metropolitan area starts and finishes.

Finally I would like to say that the way in which the new system has been introduced is **very** unfair to this years group of tertiary candidates. People can only plan on what they see in front of them and it seems very unfair to pull the rug from under a student that has worked hard to earn the required \$19532 only to find the rules have changed half way through the year. Even if the scheme remains as it is and middle income rural Australians are disadvantaged, it is blatantly unfair to do this to one years high school graduates and the introduction of the new rules should be postponed for one or two years to allow for some adjustment.

I think that the government might be underestimating the feeling about this issue among country communities as if the scheme is not modified, I predict that there will be protests and electoral backlash.

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