

Submission to:

Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities.

Submission From: David, Vivienne and Joshua Freestone.

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The Committee's stated goal is to assess the "adequacy of Government measures to provide **equitable** access to secondary and post-secondary educational opportunities to students from rural and regional communities attending metropolitan institutions, and metropolitan students attending regional (institutions)...".

Our particular emphasis is on the LACK OF EQUITY for rural students who must move away from their home and community, in order to pursue tertiary study in their chosen field.

Underlying beliefs:

1. We believe that ALL students have the right to CHOOSE their field of study and to pursue that study to whatever level they may be able to attain.
2. We believe that Australia as a nation will be best served by educated and informed future generations, who are able to use their gifts and talents to the benefit of their community and country.
3. After over 30 years of residence in rural/remote Australia, we believe that it is essential that the Federal Government make an increased effort to understand and provide for those rural/remote families whose children suffer from lack of general cultural and educational opportunities in their own areas, and are doubly disadvantaged by distance factors in terms of the tertiary education options that are available.
4. We STRONGLY believe that one way to assist our rural/remote families in educating their children, is to recognise at a financial level, the **true costs** of leaving home to pursue an education. This means acknowledging that students must find both tuition costs AS WELL AS accommodation costs and travel costs when moving away from home for their education. In the past, Centrelink has administered the Youth Allowance system which has provided some assistance to students. It is a reality that these provisions DO NOT PROVIDE enough for students to live on away from home. Parents MUST substantially supplement their child's allowance.
5. For families in rural and remote areas, especially those with more than one child for whom they wish to provide an education, the impost of sending one or more children away is financially draining, and may lead to financial stress, or even the necessity to move the whole family to a metropolitan area so that the child(ren) can receive their education. The result is a "brain drain" away from rural areas, and a reduced likelihood that the child will return with their newly acquired skills, to their rural "home".

History:

Existing Youth Allowance provisions provide three ways for post-secondary students to qualify as "Independent" thus providing the maximum allowance which makes it marginally possible to live independently of parental income, and reduces the "drain" on rural families. The Government asserts that these provisions have, in the past, been "rorted" by students who have worked during their "gap" year, earned sufficient money to qualify as independent, then live AT HOME while they study. This CANNOT APPLY to rural/remote students and their families who MUST move away from home to study.

Terms of Reference:

1. Financial Impacts on rural students and their families:

We assert that for every student or family who may be "rorting" the system, there are MANY MORE who have legitimately earned their right to be independent, and who live on a minimal payment, keeping up the truth of the "poverty stricken" student.

These students are **not wealthy**. Their families will still have to support them at times, especially if medical bills or other unforeseen expenses arise. Independent Youth Allowance is NOT a huge amount of money! Accommodation and living costs are NOT cheap! In our family's case, the amount of Independent Youth Allowance they receive(d) has not been sufficient to cover rental, food and associated costs .

For our own family, the following facts are pertinent to this discussion.

- One of our children moved away to Sydney (6 ½ hours by car from home) to complete tertiary study. He worked in up to 6 jobs in his gap year, and qualified as "independent" by earning the designated amount for his year. Our family still provided up to \$100 per week to "top up" his finances throughout his study.
- Our second child is currently living 5 ½ hours from home in order to pursue her tertiary studies. She worked 3 jobs in her gap year, and qualified as "independent", however it is still necessary for us to support her by topping-up her finances when required.

She receives the full Independent allowance with rental subsidy, and after accommodation costs has **\$50 per week** on which to live (that is to purchase FOOD, TEXT BOOKS, INTERNET CONNECTION, TRANSPORT COSTS, all of which are essential for her studies).

For our two children, due to their chosen fields of study, studying in our rural area was not an option. The courses they have chosen have HIGH FACE-TO-FACE contact hours, resulting in it being extremely difficult for them to hold down a part-time job while away at University, even IF they could find one!

They have both worked throughout their Christmas holiday breaks to supplement their income.

- Our third child is currently working 3 jobs in his gap year, in order to qualify as "Independent" (under the existing provisions).
He cannot find a "30 hour per week" job, but has managed to get 3 separate jobs, the hours of which vary each week according to the needs of the employers.
He has deferred study at a University 5 ½ hours from our home, and intended to commence there next year, hoping to receive Independent Youth Allowance from May 2010.

The financial impact of the suggested changes to the Youth Allowance provisions, will mean for our family, that BOTH our children who would be at University in 2010 would be **severely and detrimentally affected**.

Because we are a middle-income working family, our third child would not receive full Youth Allowance.

This means that he could not afford to live away from home.

This means that our family would then have to provide both "top-up" assistance for our second child, as well as ALL COSTS for our third child.

We simply cannot afford to do so.

Implications:

1. Our son will miss out on his chosen course and need to keep working for 1-2 more years in order to afford to study, IF he can get into that course again.
2. Our daughter will be disadvantaged by the drain on our finances if our son does decide to move away.
3. Our family may have to make the decision to move to accommodate our children's educational needs, thus removing two professional people from a rural town. Currently we both run our own private practices, one of which is the ONLY service of its type available in our area. If our family is forced to relocate due to our children's educational needs, our community will suffer to permanent loss of this important service.
So the implications spread far wider than our own family circumstances.

2. Educational Alternatives:

We have NO alternatives within 3 hours of our home, and for our daughter, no options closer than her current institution.

3. Implications:

Short and Long Term:

- financial hardship for both our children and ourselves
- possible need to relocate our family and our professional skills AWAY FROM our rural area. We are aware that numerous families in our rural area are in a similar position to ourselves, and are actively considering the need to relocate to a city.
(g). Impact on rural communities)
- extreme disappointment with a government who seeks to "punish the many to catch the few". Surely there is a better, more EQUITABLE way to proceed.
- the obvious unfairness of "moving the goalposts" for students who completed their HSC (Yr 12) in 2009, and, relying of the advice from Centrelink and existing Government legislation, made the decision to undertake a working gap year in order to qualify for Independent Youth Allowance, as per the provisions currently in place.
- in economically depressed rural and regional areas, hit by long years of drought and a declining tourism and industry base, gap year students will find it near to impossible to find a 30 hour per week job for 18 months. This then means that our young rural students will have to remain in minimal employment until they reach the age of 22 years, only then becoming eligible for "independent" status and going to University. We believe that MANY MANY of our best young people WILL NOT reach their potential if this is what they must do to get to University.

As a positive way forward, we wish to ask that your inquiry consider the following proposal:

Youth Allowance - necessary changes to suggested new provisions.

In order to assist those families in rural and remote areas whose children must move away from home for University studies, we suggest that **one change** be made to the new arrangements to the Youth Allowance provisions, with regard to Independent Youth Allowance.

For Students from rural/remote areas (defined as more than e.g. 60 minutes' drive from their university), reinstate the (current) third eligibility category for independence from their parents' income.

- students can therefore earn approximately \$19,500 (or amount as designated by year of leaving school) over 18 months after leaving school.

This means that:

- students will not have to work a stipulated number of hours per week, but must earn the minimum amount.
- students and their families will not be subjected to the means test (income/assets)
- students will automatically become classed as independent once they reach the (new) age of independence (24yrs in 2010, 23yrs in 2011, 22yrs in 2012 and thereafter).

This (reinstated) provision recognises the huge financial burden that rural/remote working families must face in order to give their children access to tertiary education, and that there are often multiple children for whom each family must provide.

This provision allows rural/remote families whose income is just over \$135,000 to receive some assistance, which under the new provisions will NOT currently be the case. It also provides for families whose income is in the range from approximately \$80,000 to \$135,000, whose students may, under the new provisions as they stand, receive some Youth Allowance, but not sufficient to live on. While this income level may appear generous to some, the costs of paying for ONE student's accommodation and living expenses for one tertiary year can easily come within the range from \$12,000 to \$20,000. For two students, the financial burden becomes impossible.

This provision also takes into account the need for students to earn most of their "gap year" income in periods of the year when work is available in their home area e.g. summer or winter tourist season, harvest or picking season.

It recognises that students from rural and remote areas who live away from home and who may have high face-to-face hours due to their chosen course, will have minimal time to work as well as complete their studies adequately, as well as care for themselves.

These students can currently work in their holiday periods, and the Income Bank provisions allow them to build up some money to assist them throughout the year.

We believe that this current system is fair and equitable to rural and remote students.

It is also essential to reassure students that new legislation cannot RETROSPECTIVELY remove their "independent" status. That is, once they are deemed "independent" they remain so until their studies are completed.

Please keep our country communities "working". Do not force country families to leave country areas.

Remember that the adult members (parents) of these families provide such services as medical practitioners, carpenters, builders, retail business management, lawyers, nurses, teachers, allied health professionals, dentists, veterinary surgeons, plumbers, etc etc - all of which our country areas can ill-afford to lose.

Remember too, that we desperately want more of our educated youth to return to country communities - sever the ties with those communities and lose those young people to the metropolitan areas for ever.

David and Vivienne Freestone