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SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
LEGISLATION COMMITTEE

**Reference: Social Security Amendment (Income Support for Regional Students)
Bill 2010**

FRIDAY, 17 DECEMBER 2010

CANBERRA

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**SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
LEGISLATION COMMITTEE**

Friday, 17 December 2010

Members: Senator Marshall (*Chair*), Senator Back (*Deputy Chair*) and Senators Bilyk, Cash, Hanson-Young and Wortley

Participating members: Senators Abetz, Adams, Barnett, Bernardi, Birmingham, Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Colbeck, Coonan, Cormann, Crossin, Eggleston, Faulkner, Ferguson, Fierravanti-Wells, Fielding, Fifield, Fisher, Forshaw, Furner, Heffernan, Humphries, Hurlley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Ian Macdonald, McEwen, McGauran, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Sterle, Troeth, Trood, Williams and Xenophon

Senators in attendance: Senators Back, Marshall, Nash and Xenophon

Terms of reference for the inquiry:

To inquire into and report on:

Social Security Amendment (Income Support for Regional Students) Bill 2010

WITNESSES

BREARLEY, Mr John, Regional Manager, South West Mental Health Service, Western Australian Country Health Service.....	22
CAMPBELL, Ms Maureen, Group Representative, Monaro Area, Country Women’s Association of New South Wales.....	16
CREEK, Mrs Dorothy, Executive Director, Australian Parents Council.....	12
DALTON, Mr Ian, Executive Director, Australian Parents Council.....	12
DICKINS, Miss Sarah Rose, Private capacity	31
DRAYTON, Ms Moya, General Manager, Education, Employment and Support Programs, Centrelink	43
McCRUDDEN, Ms Fiona, Business Manager, Youth Allowance/Austudy, Centrelink.....	43
MILLIKEN, Ms Marsha, Group Manager, Income Support Group, Department of Education, Employment and Workplace Relations	43
NAIRN, Mr Alister, Director, Geography, Australian Bureau of Statistics.....	27
O’BRIEN, Mrs Michelle (Shelley), Project Officer, Injury Control Council of Western Australia	22
PROUD, Miss Briana, Private capacity	38
QUIGLEY, Mrs Sally, Tertiary Portfolio Leader, Federal Council, Isolated Children’s Parents Association.....	7
SPARKS, Mr Rodney, Private capacity	31
SYKES, Ms Margaret, Branch Manager, Income Support Policy and Information Branch, Income Support Group, Department of Education, Employment and Workplace Relations	43
TULLY, Ms Karen, Chair, National Rural Women’s Coalition	2
VICKERY, Councillor Richard, President, South East Local Government Association	31
WILLIAMS, Mr Paul, Regional Director, New South Wales, Australian Bureau of Statistics	27

Committee met at 9.15 am

CHAIR (Senator Marshall)—I declare open this public hearing of the inquiry into the Social Security Amendment (Income Support for Regional Students) Bill 2010 , which was referred to Senate Education, Employment and Workplace Relations Legislation Committee on 17 November 2010 for inquiry and report. The Social Security Amendment (Income Support for Regional Students) Bill 2010 seeks to extend youth allowance payments to eligible students whose family home is located in inner regional Australia.

Before the committee starts taking evidence, I advise that all witnesses appearing before the committee are protected by parliamentary privilege with respect to their evidence. This gives them special rights and immunities because people must be able to give evidence to committees without prejudice to themselves. Any act which disadvantages a witness as a result of evidence given before the Senate or any of its committees is treated as a breach of privilege. Witnesses may request that part or all of the evidence is heard in private. However, I also remind witnesses that giving false or misleading evidence to the committee may constitute a contempt of the Senate.

[9.16 am]

TULLY, Ms Karen, Chair, National Rural Women's Coalition

Evidence was taken via teleconference—

CHAIR—I now welcome Ms Karen Tully from the National Rural Women's Coalition and network. Thank you for joining us by teleconference today. I now invite you to make some opening remarks to the committee and then we will proceed to questions.

Ms Tully—As a little background, I am a mother of a seven- and a nine-year-old. I live in the mulga lands of Western Queensland and I am chair of National Rural Women's Coalition. I have got 250,000 reasons for being here today. Why 250,000? Because that is the number of women that the National Rural Women's Coalition represents. We represent seven national rural women's organisations which include: the Australian Local Government Women's Association, the Australian Women in Agriculture, the Country Women's Association, the Foundation for Australian Agricultural Women, the National Rural Health Alliance, the Women's Industry Network Seafood Community, and rural Indigenous women, and today I am here representing the views of those women.

The National Rural Women's Coalition strongly supports the proposal to amend legislation to allow eligible students from currently designated inner regional locations to receive the same support as those from outer regional ones. Please abolish any differing criteria for the youth allowance. Do not marginalise our students from the inner regional areas. Please do not relegate our inner regional students to the outer edges of university participation and please do not force them into a position of powerlessness or a place where they are considered less important or less worthy of higher learning.

The implications of this proposed differentiation of income support per students is great and we would like to request an amendment to the criteria surrounding the inner regional zone. We have grave concerns that this will be a hurdle for many students and may actually prevent them from obtaining a higher education. Financial assistance is a must. Students who do relocate from inner regional areas should be eligible for the youth allowance on the same terms as those from outer regional areas. They face greater start-up costs than urban based ones so it would be logical to support them at a greater level. Also, I invite the Senate inquiry team to look at a much bigger picture here. Take yourself out of this immediate debate and distance yourself from the immediate issue at hand. Let us go up on the balcony and look at the bigger picture.

Rural Australia faces many challenges, and the shortage of labour is one of the biggest challenges impacting on growth in regional and remote Australia. Numerous studies have shown that individuals who are most likely to live and work in the bush, those who are most likely to take career steps away from the urban environment, are those who have spent time in regional Australia. Sure, many workers in the areas of health education et cetera come from the city to work in rural Australia; however, most serve their obligatory two- or three-year term and then return to the cities. That is a fact of life, and we thank those workers for their contributions to rural Australia. However, guess who are the ones that tend to stay on and serve rural communities for greater periods of time, often in more meaningful ways? Who are the leaders and the mainstays of our rural areas? What is the background of those who stay for longer periods or indeed make rural Australia their long-term home? Yes, it is the people who originally come from regional and remote Australia. They are the ones who are our long-term workers.

If you extrapolate this, if we place a university participation hurdle in front of those who come from inner regional areas we will have shrunk the pool of people who statistically serve and work in the bush. Our higher education students who come from inner regional areas are the exact same people who are possibly more comfortable staying longer in regional and remote Australia when they commence and continue their careers. So, if we deny these people a timely supported opportunity to gain a higher education, we are in the long term denying rural Australia quality workers. Can we as a nation afford to do that?

We, the members of the National Rural Women's Coalition, believe we cannot afford to stifle development of rural Australia. We request the change to the eligibility criteria be for inner regional students so they are not disadvantaged when it comes to participating in higher education. Senators, the National Rural Women's Coalition strongly support the proposal to amend legislation to allow eligible students from the designated inner regional locations to receive the same support as those from outer regional areas.

I thank you for your time and interest.

CHAIR—Thank you. I will open with a question and then we will go around the table. You say in your submission that government support should go to the neediest recipients. How would you then change the application process for youth allowance? Are you suggesting we go to a means test arrangement across the board or are you saying we should simply be changing some of the boundaries for who is in and who is out?

Ms Tully—I think it is more the changing of the boundaries. Make the current pink areas, the inner regional areas, the same as the other regional and remote areas. Let's just make it straightforward and simple for the ease of these young people and their families.

CHAIR—Don't we run into the problem, wherever a line is drawn, that there are going to be people on either side of that line who just miss out?

Ms Tully—I acknowledge that. I guess that is one of our challenges. There will always be that magic line with one person on one side of the highway and another person on the other side of the river.

CHAIR—You are still supportive of a demographic application of the allowance rather than moving straight to a full-on means tested allowance that would apply equally across the board?

Ms Tully—Yes, definitely, based on demographic grounds.

Senator NASH—Thank you very much, Ms Tully, for joining us this morning. I just want to follow up on drawing lines on maps, which is obviously creating a real difficulty in this situation. Looking at the map at the moment, obviously the metropolitan area is excluded, and I think everybody agrees that that is appropriate, for this is an interim measure. Would it not be appropriate, though, as you have said, to include the inner regional zone in the same way as the three other regional and remote zones? Thereby you would not have any lines on the map apart from quarantining those metropolitan areas. You would then have—

Ms Tully—That would be correct. It would be the high metropolitan areas and then the rest, who are all, yes, in that same category.

Senator NASH—The government have said, and it is their right to do so, that the cost is approximately \$90 million a year to include the students in that inner regional area. From your perspective, is that a worthwhile cost for a government to bear to include those inner regional students, given the things that you have discussed this morning?

Ms Tully—Once again, getting back up on the balcony and looking at the bigger picture, it is our students who have some regional experience who, later on in their careers, end up in rural, regional and remote Australia. They are the ones who give over and again. They stay on. They possibly get career minded and go up the ladder, but they are the ones who give back to rural Australia ultimately. I just think we have got to capture them and treat them the same as other students. Sure, urban city students come out here; they have the best adventures for two or three years only and then they go back to what is comfortable, which is their urban metropolitan environment. That is okay, but I think rural Australia deserves better. So I think the \$90 million would mean untold gains in employment and outcomes and getting things happening over the very long term future in rural, regional and remote Australia. The investment would have its returns and dividends time and time again.

Senator NASH—Thanks, Ms Tully. Those 250,000 women that you represent would all be of the same view? I know you cannot speak for all of them individually, but can I just clarify that in the discussions you have had with your members there has not been any alternative view to the one you are putting forward this morning to include that inner regional area with the others?

Ms Tully—Essentially, no. We have been involved in the youth allowance issue since it was first mooted, which was the year before last. We met at then Minister Gillard's office with her advisers et cetera. Our members feel quite strongly—regional, rural and remote—that, whilst there are differences, essentially when it comes to something like this we are all on the same page.

Senator NASH—You said before that if you deny higher education to these students you are denying rural Australia quality workers. What has been clear from a number of areas is that those regional students who travel away to study are far more likely—I think they are something like six times more likely—to come back to the bush. From that I would understand that you are very supportive of including those inner regional students so that there is a much greater chance and opportunity of encouraging more professionals and more workers back out to regional areas.

Ms Tully—Yes. You have hit the nail on the head there, well done. That is what it is all about. For students from inner regional areas, regional Australia and remote Australia and rural Australia is a comfortable skin.

Sure, they are probably equally comfortable in the city, but they are also comfortable out here. The future for rural Australia is questionable. I would like to think the resources situation and the food situation mean rural Australia has a dynamic future in front of it, but at the moment we are struggling on a lot of fronts and a lot of that is in the skilled and qualified sectors. We just need to ensure we do not lose traction and spin our wheels.

Senator NASH—This bill is really just addressing an interim measure, I would say, in trying to make the current arrangements fair across regional students. I would certainly say there is a lot more work to be done to address the inequity that exists between regional students and metropolitan students insofar as when they have to relocate there is a significant cost—around \$15,000 to \$20,000 a year—attached. Anecdotally, or from what you know, have you come across families that live in inner regional areas that are going to have difficulty or simply cannot send their students away because of financial reasons, because they cannot access the independent youth allowance now under that two-year period?

Ms Tully—Yes, certainly there is a difficulty and that is being mooted by quite a few. It is just going to make it doubly challenging financially. The other thing to consider, and let us take the classic 17-year-old student moving away to their first year of uni at 18, is that it is not only the financial adjustment, there is a huge social and emotional adjustment that goes with it. To move from often your smaller regional community to a large urban city environment you have to establish yourself emotionally and socially. So it is just not the financial; there are adjustments on all fronts. And of course we should not forget the academic too: they are moving into a whole new way of learning and living on the academic front.

I think it is presenting difficulties. I am hearing more that it is a difficulty hurdle rather than a no-go hurdle. When does it go into a no-go of, ‘I’ll just get work and won’t worry about pursuing higher education’? It is a fine line.

Senator NASH—Thank you, Ms Tully.

Senator BACK—In reflecting on the comments that have been made, shouldn’t the criterion really be, regardless of geography and where someone lives, the capacity to either live at home, which is a lot cheaper, or the need to travel and the need to relocate? If a person has the need to relocate and has the need to incur the costs of finding accommodation and all the things you have spoken about, which I well relate to I can assure you, shouldn’t that be the criterion?

Ms Tully—I agree with you absolutely and totally. The real hurdle is for the person that relocates. In some inner regional areas there will be students who, because there is a university in that town, whether it is Wagga Wagga or Toowoomba, will be able to go to university and still live at home. If we are really going to get down to the fine nitty-gritty point I would support that 100 per cent. Their relocation expenses and their adjustments are far less, if you are living at home and going to the university in your regional centre, than for those who have to shift from an inner regional area to somewhere else. If we are going to really get to the fine line, I agree with that, that is totally spot on. That is really the essence of what we are on about here. The wording of that and, I guess, the unfolding of that in the real world would have challenges but that really is the essence of what we are talking about.

Senator BACK—It is the case if a student happened to live at Armidale in New South Wales, which is in regional area according to these maps, and wanted to go to the University of New England or, as you say, a student living in Toowoomba or near Roseworthy in South Australia, could attend that institution and remain living at home, then that ought to be the major criterion, shouldn’t it, that they do not have to travel away? Indeed, if a student was attending a course, for example, at Muresk in WA where they could spend the first year at Muresk and live in that area, then they should not be entitled to anything. But, if and when they had to move to Perth and relocate and find accommodation for which they must pay, surely that should be the major overriding factor in this whole exercise? Geography itself is only relevant if a person can reside at home and not have to meet the cost of commercial rental and other factors, isn’t it?

Ms Tully—Senator, I totally agree and I think the National Rural Women’s Coalition would have absolutely no problem if that was the defining point. It is actually that relocation and moving away from home to attend higher education.

Senator BACK—You would agree that the concept of someone working for one year and obviously earning so that they can establish themselves financially seems to me to be a reasonable option, whereas this need for inner regionals to have to work for 18 months is effectively two years lost university time, isn’t it? In fact earlier questions I have asked indicate that about 30 per cent of people who defer for two years do not actually take up their offer.

Ms Tully—That is, I think, the hurdle. Two years is a long time away. You have your dream and you have been accepted into your course. Two years to defer, to be away and to be thinking about university and whatever happens. Does the dream still remain as strong and as powerful or does it get a little diluted over time? Yes, I agree.

Senator BACK—From your experience and that of your associates, what are people doing if they are unable to actually relocate? In general, are they then trying to take out loans to cover this shortfall or are they just simply, in the main, not pursuing a university education? Can you tell us, from your experience, what actions people are taking?

Ms Tully—My observation would be that it falls between that. People still take up their university option, may give it a go for six months or 12 months and then it just becomes all too hard. That is when they probably drop out and decide to do other things. I sense they actually do get in and start the qualification, but at some point—usually that six- to 12-month point—they say that it is too hard, too challenging and too difficult and they look at other non-higher education options.

Senator BACK—In your submission to the inquiry under the heading ‘equity’ you refer to asset tests. You made an interesting point, which I invite you to expand on, when you said:

This becomes an even stronger matter—

and you are talking about the value of family assets, including the family farm. You said:

Many rural and regional people make this point: while they sit on a “rich” asset that is the sole provider of their increasingly challenged income—

that is, the farming asset—

their metropolitan counterparts sit in a “rich” home asset—

which, of course, is excluded in taking into account the assets. So what you are really saying is that on the one hand the farming asset gets included but that is actually the asset by which they make their income whereas those who reside in the city have their metropolitan home excluded in terms of determining the assets. Would you care to explain how that disadvantages people in the rural and regional circumstance?

Ms Tully—People on the land have immensely asset rich properties; however, the cash flow is extremely poor—it can be negative or minimal. Once in a while, when we have a spectacular season, it is abundant. It is that whole cash flow thing that results from the very significant asset that is not a liquid asset. That is opposed to people who live in a city. City people do work hard but they have regular cash flow income, assuming they are in full employment, yet their family home as their prime asset is certainly not part of the equation. It is the challenge of rural living and being cash flow positive and to what degree you are cash flow positive. Most of eastern Australia in the last nine years has come out of an extremely tight and mostly cash flow negative time. They are just the differences. It is not right or wrong. City people live in a home and earn their living as opposed to rural people who have an immense rural asset that is valued quite highly but have slim cash flows, thought, hopefully, we get our regular good seasons.

Senator XENOPHON—Ms Tully, you say that the distinction between outer and inner regional locations is an artificial one and that you want a more finessed or nuanced approach. Is that what you were saying—that we should tailor it to individual circumstances?

Ms Tully—Basically, there are two ways. One is to colour in the inner regional areas and make them the same as outer regional areas. As a senator before was saying, really the crux of this is those who have to move away from home to pursue higher education. So, if we are going to get down to a very fine point, that would be the cherished important bit of what we are discussing.

Senator XENOPHON—You accept that the support should go to neediest recipients and that the need is based not just on income but also on their circumstances?

Ms Tully—Absolutely, and the circumstances are moving away from home for higher education.

Senator XENOPHON—In your submission under the heading ‘flexibility’ you make the point that young family members who work on the family farm are not being paid an income but are playing an important role in keeping the struggling family farms going. Are you saying that that is not included in the current eligibility criteria? It does not count for the purpose of the 30 hours a week?

Ms Tully—To my understanding that is correct. Family farms have very complex ways of earning income. For example, some families do not pay their children a wage, but they may be given cattle, so to speak. A cow is an asset. A cow will produce a calf and, in 18 months time, that calf will be sold as a fat steer or a heifer.

There are complex ways in which families on the land which are cash poor recognise their children's contribution. This is another tricky one; it is different for people on the land.

Senator XENOPHON—Finally, you see Senator Nash's bill more as an interim bill because there are some deep, systemic issues that need to be resolved in the longer term. Is that how you see it? It resolves some interim issues but, in the longer term, you actually need to look at the things raised in your submission?

Ms Tully—Yes, it resolves some interim issues, but wouldn't it be nice if we could just go to the final issue, which goes straight to what we are really talking about—that those people in inner regional areas who have to relocate for a university education are treated in the same way as outer regional people. That is really what we are on about here. Whether we have an interim thing or whether we go straight to the real thing, let's just make it easier for the young people and their families. That is the bottom line. If they have a dream of a higher education, they deserve it and do not deserve obstacles placed in front of them. Rural and regional Australia deserve the best we can get.

Senator XENOPHON—Thank you for your time.

CHAIR—If I could just finish off with one last question. I guess everyone would like to support this bill. In fact, we have had very little opposition to it. The only opposition to it probably comes from those who have to find the money to pay for it and fund it. That is always a dilemma. We would all like to have a university and a major hospital in every town, but ultimately it comes down to funding and how that occurs. Would you be supportive of a system where we said, 'We want to expand this allowance to a broader group of people but to enable a broader application of it that may mean a slight reduction in the amount of the allowance.' Would you support that?

Ms Tully—Absolutely, and I am sure that members would too, if that is what it takes to ensure everyone has a fair bite of the cherry and equal opportunity. We all know that buckets of money are limited and this measure will cost more, should it be implemented. Perhaps if everyone has less of a financial gain, less financial assistance at the end of it, I think that would be fair. Equal opportunity and fairness for all is what we are on about.

CHAIR—Thank you for making your submission to the committee today and appearing by teleconference. Thank you for your evidence and, again, we thank your members for their interest and participation.

[9.44 am]

QUIGLEY, Mrs Sally, Tertiary Portfolio Leader, Federal Council, Isolated Children's Parents Association

CHAIR—Welcome. We have received your submission and invite you to make some opening remarks, to be followed by questions from committee members.

Mrs Quigley—I represent the Isolated Children's Parents Association of Australia, whose members feel strongly that all students who have achieved the required score to be offered a place of study at a tertiary institution should have the means to access a university to study their choice of course. Demography should not be a marker of destiny for rural and remote Australians. Rural Australian students deserve the same educational rights that metropolitan Australia students enjoy. If you have access to a university and you live at home you are lucky. If you do not have access, like the students ICPA represents, you are severely disadvantaged and may not ever achieve a tertiary qualification. In 2010 in Australia there are two standards: those for city dwellers and those for rural dwellers.

Independent youth allowance provides an extremely important pathway for relocating students to fund themselves to go to university. The government needs to be able to differentiate between those students who must leave home to obtain a tertiary education and those students who have been able to obtain independent status for the youth allowance but still reside in the family home while undertaking tertiary study. Under the 30-hour rule, which is currently the only way inner regional students can qualify, independent youth allowance is virtually unachievable. The 30-hour workplace rule is so strict that most students from inner regional areas will be unable to qualify for the independent rate and probably will never go to university at all.

The requirement to average either 120 hours in each of 19 periods of four weeks or 390 hours in each of six periods of 13 weeks is ridiculous. Consider the huge wet that has just occurred in eastern Australia. The sit-down time of this could mean that a student who hoped to qualify under the 30-hour rule but who has been unable to work during this time would be unable to fulfil the requirement. The wet period may make the difference between a student qualifying or not. Does the government really want students to miss out just because their average hours are a bit short in one or two of these periods?

Work in rural Australia is seasonal. People work very long hours during the busy times of sowing, picking, mustering and harvesting, but the work is not year round. Take metropolitan Dubbo, for example, where the shops have been closed and trading significantly reduced for up to three weeks prior to Christmas. This is traditionally a busy employment period for young people. Students counting on this to get their hours up would be let down. Most universities will not defer places for two years, thus making the 30-hour rule an even more difficult requirement to meet.

Why not make relocation from a regional area one of the rules for qualifying for youth allowance at the independent rate? If the government persists in leaving this 30-hour rule in place, then reduce the time frame and ease the restrictions so that relocating students can still go to university after having one year out of school. Most students from regional areas need to relocate to attend a university as there is no university in their local town. Public transport is severely limited or non-existent for towns that are close to large regional centres with tertiary institutions, such as Tamworth, Orange or Devonport. Not all regional universities offer all courses. Not all the towns listed in inner regional Australia have universities, and if they do the courses can be very limited.

Metropolitan Australia and the increasing global population need a smarter, highly educated rural Australia to provide the food and fibre production that they are so accustomed to enjoying and that they need. Regional areas need an educated population to support the infrastructure of regional Australia. Agriculture alone accounted for 35 per cent of Australia's merchandise exports and employed around 360,000 people during the last five years, which were drought years. Those figures are from the Department of Climate Change and Energy Efficiency.

Regional areas rely on their own residents to return to their home areas or other rural areas after study. Professionals such as medical specialists are very hard to attract to the country. It is so important that the government makes it easier for regional students to gain access to universities, as city dwellers simply do not relocate to regional areas to live or, if they do, they move back to the city when the local educational facilities do not provide what their children need. We do not want our professional people moving away because their children cannot get the education they need in the bush.

Why do students from regional areas need to spend more money to achieve a tertiary qualification than city students just because there is no university available to them locally? The government must provide a pathway for all regional students to receive an equal chance to achieve a tertiary qualification. The government must not make it difficult for these regional students to meet this pathway. They must encourage these students to go. It costs at least \$15,000 to attend a residential college at a university, and this is simply unachievable for many students. The government must have rules in place enabling all relocating tertiary students a pathway to independent youth allowance.

Inner regional students face the same relocation costs as outer regional students. The government needs to review the boundaries of the Australian standard geographical classification when it is being used for tertiary educational access. This measure was used because it was already in existence. It was convenient for the government to use because it was available. It was not specifically designed to accurately determine tertiary educational access and it has severely missed many areas that must be included. Many areas that are determined inner regional are hundreds of kilometres away from a tertiary institution. Why has the government discriminated against these students and left them with a more difficult access pathway than others?

We know rural students are grossly underrepresented in higher education and we know that access is one of the main contributors inhibiting this participation. Youth allowance guidelines need to include a separate category specifically identifying the students who must leave home to study at a tertiary institution. This new category could be 'must leave the family home to study at a tertiary institution' and the home postcode could be used to verify that to attend university the student must leave home. In a similar way, the home postcode was previously used to determine eligibility for the Commonwealth accommodation scholarships.

I conclude with a quote from submission 105:

Access to education should not be a privilege of the urban population but a right of every Australian, regardless of where we live.

The government must make the pathway easier for all students who need to relocate. This means making a financial commitment to give these students the access right they require.

Senator BACK—Thanks, Mrs Quigley, for an interesting submission. Does your association have any data on the performance at secondary school level of rural and regional children who attend metropolitan high schools versus country high schools versus studying externally? Do you have any evidence of the likely success of a country student completing their studies in each of those three scenarios?

Mrs Quigley—We are a voluntary organisation and we do not have the facilities to find out that sort of information, but I think we could assume that some educational facilities provide limited education, broadscale education, co-curricular activities, competition, drive, want and need.

Senator BACK—So it is likely that a rural or remote child that has had the opportunity to attend secondary school in a city is probably already at an advantage going into tertiary education compared to one who has remained at home or, in fact, had to study externally?

Mrs Quigley—That is a difficult question to answer because some children who have been educated locally do very well but they have a much more difficult pathway.

Senator BACK—You make the point in terms of the need to relocate. Obviously, you heard an earlier question asked about this. It is something that I happen to agree with strongly myself. I cannot see why it is not the overriding, if not the only, criterion: having regard to the capacity of a family to be able to support their child. One of the areas that are being looked at is this criterion of being able to travel 90 minutes by public transport. Supposedly anyone who can travel 90 minutes each way by public transport then does not find themselves under the definition of being in a regional area at all. How does your association relate to that? Do you think that is a reasonable criterion if indeed public transport is available?

Mrs Quigley—I agree possibly that there have to be boundaries, but you could go from one side of Sydney to the other with 90 minutes of public transport. I think we support 90 minutes.

Senator BACK—Can I ask you this, and your organisation might not have looked at it. Do you have any feel for or evidence of the likely success rate? If somebody from a rural and remote area is able to get to university, do you have any thought at all about the likelihood of them, as opposed to somebody from a city family, succeeding in their course at university, having regard for all the issues that we know about: being away from home, having to find accommodation for which they have to pay and so often getting a job et cetera?

Mrs Quigley—I think the whole issue with the gap year is this. Many children who qualify for independent youth allowance by having the gap year do that because the independent youth allowance rate is higher. Generally, the dependant rate of youth allowance is very low and children cannot support themselves at university with dependant youth allowance, whereas independent youth allowance helps them so that perhaps they work only a few hours—10 or 12 hours—a week and they get by. Dependant youth allowance does not give them that flexibility to do that. That is why country students strive to work to achieve the independent youth allowance rate, because it gives them less stress when they get to university and fewer work hours. If you are doing a science based subject at university, you are doing 28 to 30 hours in face-to-face lectures and to go and have a paid job as well, particularly if you want to participate in university sport—as many country children do—is impossible.

Senator BACK—So you support the concept of the one year and there is that 30 hours over 18 months, effectively two years, that you are saying is simply not feasible.

Mrs Quigley—I actually do not support the 30-hour rule given the way the government has it. It is too strict. It is too difficult. Most jobs are paid by the hour; they are not paid by the week. Even though the rules say 30 hours, you could average 40 hours over that period but still miss out because you cannot fit into those time periods. In the bush the work is hard when it is on. My family are working 70 to 80 hours a week at the moment but when it is raining they are all sitting around watching the TV.

Senator BACK—Chair, realising the shortness of time, I will finish with a quick observation. Australia actually has the lowest level of tertiary qualified farmers and agribusiness personnel of all OECD countries, at less than 10 per cent. New Zealand is up over 20 per cent and Europe and America are over 30 per cent. Already we have the lowest level of tertiary qualified farmers; it is certainly not the time to be dropping that figure even further.

Senator XENOPHON—Mrs Quigley, in relation to the submission, I wanted to ask whether you thought that what was proposed in the bill is an interim submission—and you may have heard Ms Tully—because you need to have solutions tailored to circumstances, as you indicated. For instance, you have a situation where you cannot comply with a 30-hour rule as it exists because of the nature of farming.

Mrs Quigley—The 30-hour rule is ridiculous, even for metropolitan children. That is why I brought up Dubbo. Dubbo has had shops closed for three weeks before Christmas. Those metropolitan Dubbo children who live in an inner-regional area could have been counting on getting their extra hours in that period. The shops have been shut because they have been flooded. It is just not fair. They could miss out completely if they are going by the 30-hour rule because in this period they are not going to get their hours up. They might average them over the whole period and they might get their 30-hour average. But in this one period there has been this big wet. Wagga is the same; there are probably other towns the same. It is entirely wrong. It is too difficult.

Senator XENOPHON—You do not see that having a situation where universities are able to allow deferrals for up to two years is really providing a solution to this?

Mrs Quigley—No, I think two years is too long. You cannot defer from a university—kids go off and get jobs. They get jobs in mines, they earn big money and they think: ‘What is the point? Why go and get an education? I can earn money. I have got money to spend.’ It is too late. Plus all their peers are already there. When they are older they do not want to go to university with a younger crowd of people. They want to be there with students the same age as those that they went to school with.

Senator XENOPHON—Sure. Finally, you said in your submission that some communities are split. People on one side of the street get the allowance and those on the other side do not. Can you give us some feedback on what impact that has had on communities? Has it been a source of friction? What feedback have you had from those communities where you literally have a situation where it applies to one side of the street but not to the other?

Mrs Quigley—I think there is enormous anger out there. These rules, of course, have not come in yet. I think they will start for the students of 2011. I read one of the submissions from a boy from Devonport; I cannot recall which one it was. He was extremely upset. That was not because of the boundaries, and I think he earned the 19½ thousand dollars. I do not think there should be boundaries. It should just be for relocating students. Why should there be boundaries? It is ridiculous. If you have to relocate, you have to relocate. You need support. The government needs to support these kids. We need a smarter country. We need a smarter rural

Australia. We need people to grow the food for this growing population, this world population, Australia's population. It is rural Australia that metropolitan Australia depend on.

Senator XENOPHON—Thank you.

Senator NASH—I want to follow up with that, Mrs Quigley with a quote from your submission. It says:

The greatest barrier to access to an appropriate higher education is the lack of adequate financial means to fund the access. Regional Australia needs an educated population. We need to get better at what we do in order to feed the world's growing population. We need an educated population to support the infrastructure of rural Australia. It is vital that every student from rural Australia be given the same opportunities to access an appropriate tertiary education as their metropolitan counterparts. Most city dwellers simply do not wish to move to the country to take up employment so we as a nation are reliant on rural students returning to rural areas to keep Australia a productive and progressive food and fibre-producing nation.

You certainly encapsulate in that paragraph, I think, the feeling of a lot of people in how they view this bill and this whole issue. Under the current arrangements whereby those inner regional students are treated differently, do you see that it is going to be either more difficult or even impossible for families to send students away because they live in those inner regional areas and they cannot access independent youth allowance under the two-year provision?

Mrs Quigley—Definitely. I think children will not go to university. Families cannot support two and three children at university. Many regional people are paying to educate their children. New South Wales has government boarding schools, but I do not think all states have government boarding schools. Many country people are paying money to educate their children at a secondary level as well as boarding fees. The cost is horrendous. I see that inner regional students will not go to university. The 30-hour rule is too difficult. It is too long. Two years is ridiculous. Universities do not defer their courses for that long. You have to start again. You have to compete with a whole new cohort. If you wanted to do something like medicine and had to wait two years, you are not going to do it. It is too long.

Senator NASH—Thank you. Do you think that deferment not always being allowed by universities is well enough known? Just going through the list of the universities that state that they will only do a one-year deferment, you have universities such as the ANU in Canberra, Griffith, La Trobe, Macquarie, the universities of Canberra, Sydney and Newcastle, the University of Technology, the University of Western Sydney and the University of Wollongong. A couple of those specify special circumstances but all are saying they only do a one-year deferment. So would it not stand to reason that any of those students in the inner regional area that have to do a two-year deferment simply may well not be able to go to any of those universities?

Mrs Quigley—That is correct.

Senator NASH—We have been talking about the inequity between regional students' access to education and that of metropolitan students. I think that shows up very clearly when we look at the figures. Only 33 per cent of regional students go on to tertiary education compared to 55 per cent in the cities. All the evidence shows that it is the financial burden of that. Again, with this issue of inner regional students, do you think it is going to make that 33 per cent figure worse because those inner regional students cannot get independent youth allowance under the two years?

Mrs Quigley—I definitely believe it will make it worse because it is making it harder for them to go. Parents just cannot afford the cost of sending them to university. It is the cost of the accommodation. We all acknowledge that if our children live at home, we have to feed them and it costs more money when they are at home. But it is providing a roof over their heads, somewhere to sleep and security. Moving away is difficult especially for children that have not gone to boarding school. You move away from all the comforts of home. It is really important that the government supports these inner regional children as well as the outer regional and remote children.

Senator NASH—From a lot of the evidence coming through the submissions many of them state the unfairness of the current situation. You have students in outer regional, remote and very remote areas that have to relocate to attend university or tertiary education and you have students in the inner regional areas that have to relocate to attend university or further tertiary education. They are exactly the same yet they are treated differently by this government and some say they are treated unfairly. Do you see any reason, other than the reason of cost that is given by the government, that those students across those four regions should be treated any differently if they have to relocate to go to uni?

Mrs Quigley—No, I do not believe they should be treated differently. The only extra costs outer and remote would have is extra travelling to get home and that sort of thing. No, the cost would be the same. I think the government is very short-sighted in that obviously this is going to cost more money if they grant relocating students independent youth allowance or easier access to it. Those students will earn higher incomes, which will be repaid in taxes.

Senator NASH—That is a very good point; that is a very good plan indeed. With those students who are living in those inner regional areas at the moment anecdotally coming back to you, how are they feeling about the fact that there was an expectation up until a while ago that they would be able to do one gap year and now they cannot? I am trying to get a sense overall from the students that you are talking to about how they feel now that they are placed in the situation in those inner regional areas having to do the two years?

Mrs Quigley—I think they are feeling pretty let down, and many of them do not know what they are going to do next year. They do not know whether to start uni. I think they are still hoping there might be a reprieve.

Senator NASH—So are we.

Mrs Quigley—Some of them will probably start university. They will work really long hours and struggle doing their course and passing their subjects because they are trying to support themselves. Some will not go to uni. They will try and get this 30-hour thing working for them, but I think there are a lot of kids out there that do not realise how strict that 30-hour rule is. It is not 30 hours average over 18 months; it is 30 hours average over specific periods. It is really difficult.

Senator NASH—Finally, in your view is \$90 million a year to allow these students in inner regional areas to have equitable access to the independent youth allowances other regional students have an appropriate cost for a government to bear for those students to be treated fairly and equally?

Mrs Quigley—I think it would be very appropriate for the government to grant this because those students are going to be the taxpayers of the future. They are going to earn more money as educated professionals than they would as shop assistants or labourers. I think it is an investment in our future; it is an investment in rural Australia. Metropolitan Australia needs to remember that they need rural Australia.

Senator NASH—Thanks, Mrs Quigley.

CHAIR—Thank you, Mrs Quigley. We are unfortunately out of time. Thank you for your submission and your presence here today.

Mrs Quigley—Thank you for allowing us to appear.

[10.14 am]

CREEK, Mrs Dorothy, Executive Director, Australian Parents Council

DALTON, Mr Ian, Executive Director, Australian Parents Council

CHAIR—Welcome. The committee has received your submission. I invite you to make some opening remarks, to be followed by questions from committee members.

Mr Dalton—We do not want to take a lot of time with opening remarks because we are happy to stand with the submission we put forward. Suffice it to say that we commend your committee for establishing this inquiry, whilst expressing some disappointment that it is necessary to have an inquiry on such an issue.

Senator NASH—In your submission you say:

Parents of modest means who have made their home in an inner regional area face serious financial problems in assisting their children to proceed to tertiary education. They should receive the same treatment for their children as families in outer regional and remote areas.

Can you give us a sense of how those financial problems arise and what people are actually facing because of the current situation with the different treatment of the inner-regional students?

Mrs Creek—I have spoken to one parent from an inner-regional area who has a child who has gone on to university. That child met all the requirements of income over the two-year period but did not meet them within the prescribed periods of time and therefore was not able to receive independent youth allowance. The parents are really struggling to try and support their child at university. They want to do it. Even though both parents have employment, they are not highly paid. It is such a big struggle and there is so much stress out there after the rural downturn with drought and now flood. The parents do not need the stress of trying to work out how they are going to afford for their children to attend university if they cannot get independent rate and get it in less than two years.

Senator NASH—As I have asked other witnesses, do you think there is any reason apart from cost, which the government is using as a determining factor here, why students in outer-regional, remote and very remote areas who have to relocate should be treated any differently from children in inner-regional areas who have to relocate to attend university for their education?

Mrs Creek—I cannot see any reason at all. In fact, looking at the maps, in the area around where I live, there are people who are closer to Wagga than people who are in inner-regional areas. It makes no sense, because they are living in exactly the same circumstances.

Senator NASH—Do you think that if the government had the opportunity to readdress this they may see the inappropriateness of having the lines on the maps between those zones? I think we have had over 200 submissions to this inquiry, so there is significant depth of feeling about the unfairness. If the funding could be found from somewhere, can you see any other reason why the government would not change their view? Perhaps this is an unintended consequence of some decisions by the government. Is there any reason at all why the government should not change their view if funding could be found to include those inner-regional students?

Mr Dalton—I think this is probably typical of one of the dilemmas we have in Australia. We try to implement national solutions to what are often very diverse local issues and circumstances. The other thing with this is that we need to be mindful of the fact that not all families are the same. Families have different levels of engagement with education and different levels of commitment to their children continuing in education.

One of the difficulties that I see with the situation that we have before us is that there may be a number of young people out there in regional Australia who would love to continue their education and go to university, and in so doing build our social capital. It is a pretty easy out for some parents to say, 'Look, it's just too hard. We've got to jump through all these hoops. It's too expensive. We won't be able to afford it.' These sorts of barriers, if you like, that this sort of policy creates are getting in the way of facilitating the capacity of young people to go through and complete their education, if that is what they want to do. I know the financial sense is important, but, as an organisation, we have been saying for some time that there needs to be an audit of education spending in Australia. We currently spend something like \$40 billion-plus a year on school education, but there has never been any real study done into where that money goes, how effectively it is implemented and what impact it has on kids in classrooms. One of the steps would be to say, 'Where is the money currently being spent?' We have seen the recent example in the Building the Education Revolution that

\$90 million can be wasted very easily in the way that we do our business at times. So I do not think that we should be looking at this so much in financial terms. If we are really committed to finding the money to do this, we will find it. We should be looking at it in terms of doing all that we can to facilitate as many young people who want to go to university to complete their studies.

Senator NASH—I could not agree more, Mr Dalton. The reason I am asking about the financial arrangements is that that is the reason the government gives for not including inner regional students. I thoroughly agree with you: it is a much bigger picture. As you say, when \$90 million can be wasted, it is difficult to see regional students not being treated fairly on a financial basis.

Mrs Creek—I would also like to add to the financial point. I was looking at the overall time frame. If a student works for two years and then accesses independent youth allowance, they end up having independent youth allowance for their four years or more of territory education. Only two years of that is obtained by their workforce participation, because after that they are already independent. What is the government actually saving? They are just delaying it by putting it off for two years. The government is not actually gaining anything in the two years; it is just putting off the inevitable.

Senator NASH—We had an inquiry last year into regional students' access to education. Some students appeared as witnesses at a hearing—very smart, very bright students. One of the things they put forward was that some of their cohort—young people—wanted to go on to university but told their parents that they did not, because they knew their parents could not afford it and that, with the changes to the independent youth allowance, they would not be able to get the financial assistance. So students were simply choosing to tell their parents that they did not want to go to university, which was not the truth. Anecdotally, from any students you deal with or, indeed, from the parental perspective, are those types of stories coming through to you where students are making a choice, other than the one they want to make, because of current independent youth allowance arrangements and how it affects inner regional areas?

Mr Dalton—Most definitely.

Mrs Creek—There are students out there who tend to almost given up on their aspirations in, say, year 11 and do not put their best into the final years of high school because they cannot see that they will be able to get to university. They think, 'What's the point?'

Senator NASH—That is a very good point. Are you saying that, if the arrangements were changed, if inner regional students were treated the same as the others, not only would school leavers be more inclined to go on to tertiary education; it would go back to those still in secondary school, giving them more incentive to work and to go on and do tertiary education?

Mrs Creek—Yes.

Mr Dalton—It is important to note that the kids who are doing that are the kids who would benefit most, and we as a country would benefit most by facilitating getting those kids through and enabling them to get the education that they really do want.

CHAIR—Mr Dalton, I was interested in your remarks about how we actually audit and consider whether we get value for the education dollar we spend—in a whole range of areas but we are specifically talking about student support here, so we might just focus back there for a second. I do not think anybody is suggesting that we open up the allowance to everybody and have no rules. So, if we are going to have some eligibility criteria, no matter where, there are going to be some people on the other side of the line, however you move that line—whether it be demographic, means-tested or anything else. Have you given some thought to how this system may work? The changes made were put through parliament and agreed by all parties through the parliamentary process. It was as a result of the Bradley review. A lot of money has been put into this and the arrangements have changed. A lot of people are benefiting, and it is argued that there are some people who are not benefiting from the changes. That is an inevitable consequence of any change to the lines, to the eligibility criteria. Have you given some thought to how, rather than just expanding the application to a whole group of areas, which costs a lot of extra money, we could actually better target within the same bucket of money, so to speak, to make it fairer and more equitable and direct it to where there is need, as opposed to having people simply ticking enough boxes to become eligible?

Mr Dalton—I suspect that this is an example where we need to get a little bit more creative in how we implement policy. I can see this as an area where it would be good to have a national policy framework with overarching rules and regulations but then allowing people at local Centrelink offices discretion around local circumstances and their knowledge of what goes on in the area. As we have heard repeatedly this morning, one

of the problems with this whole issue—and the 30 hours is another issue that comes into play here—is that there are these fixed rules, regulations and everything else that people have got to interpret and get their heads around and all the rest of it. There must be a way whereby well-developed staff within local Centrelink offices can use discretion wisely and, in circumstances where there is an anomaly, make a recommendation to whomever that, in this particular case, for these reasons, this young person should qualify. That is the only way that I can see this being done—that you have the overarching regulations and policies but within that you have some discretion for Centrelink officers who are processing these applications to say, ‘I think this is fair and reasonable.’

CHAIR—Are you saying that you are actually satisfied with the general conditions and eligibility rules that are there now, as long as there is some flexibility to cope with people that they do not practically apply to?

Mr Dalton—I think this tight commitment to geographical boundaries creates all sorts of complications. You cannot use access to university per se, because there are institutions out there that, until a few years ago, were not universities but are now called universities and they do not offer a broad range of subjects. So you cannot use that. So then do you go to having a geographical basis built around, say, a university that is big enough to offer a medical course and a law course or something like that? You can play all those sorts of games.

I think that the geographical notion and drawing maps in this situation is the problem. I would not say that I am completely happy with all the rules and regulations around youth allowance and independence and all those determinants; I would not go that far. But what I would say is that in this particular instance, where you are looking at eligibility for inner regional, outer regional or whatever, there has to be some flexibility around the regions so defined, so that where there are obvious anomalies local Centrelink staff have got the capacity to be able to address that.

CHAIR—I will home in on lines on maps, then, for a little bit. It has been put that the geographical classification we make on the structure map was used because it was there, and I suspect that that is probably true. In the absence of something else more suitable you use what is available at the time, and if it is not particularly designed for this I am not surprised there are some issues with it. That is something that needs to be looked at and reviewed over a period of time. But, in the absence of something else, what do you use? Are you supportive of the ‘lines on maps’ concept or would you rather go to a very different eligibility criterion that in fact does not involve lines on maps at all?

Mr Dalton—I think that would be the ideal. I think the Union of Students made that point. In their submission they said, ‘Let’s get away from maps and allow each application to be determined on its merits.’ I think that some sort of combination of those two positions would be warranted. As I was saying before, lines on maps are all very well, but what are you drawing them around? I do not think that it is adequate to say, ‘We’ll draw a line around something that we consider to be a regional town’, because how do you then define the regional town in the context of education? What sort of facilities are you going to require? It all gets very complicated. It is all very easy to say, ‘We’ve got a map here. These places are considered regional; these places are considered remote’, but in an educational context that can look quite different when you look at what facilities are available for education within those areas.

Senator XENOPHON—Mr Dalton, you indicated that about a third of regional students who start their tertiary education do not complete it, which I think is a much higher proportion than for metropolitan based students. Is that your understanding?

Mr Dalton—Yes, it is. We are also concerned about the students additional to that third who do not start in the first place.

Senator XENOPHON—Why do you think that is? Is it remoteness? For students who receive youth allowance, what are the factors in the context of what we are considering here?

Mr Dalton—I think that there would be a combination of things. Obviously you would have situations where young people start out in a university course and they decide that they do not want to continue it, so they give it away for personal reasons. There is also another element. To require young people to work as well as study, particularly when you look at the amount of time involved, must create a toll on a lot of young people who, in the end, just put it in the too hard basket and say it is much easier to go home and get a job at the sawmill or somewhere. From what we hear, probably the majority of those cases would be young people for whom, with all the pressures that are attendant with going to university, it just all becomes too hard.

Senator XENOPHON—There is another issue. You said in your evidence, I think in response to one of Senator Marshall's questions, that maybe Centrelink should offer more discretion in dealing with individual cases. Is that right?

Mr Dalton—Yes, I did. I realise that that puts more pressure on the Centrelink officers because they are then put in a position where they have to say no based on their own judgment as opposed to a rule or a regulation that they can cite.

Senator XENOPHON—I guess one of the issues there is that if you go down that path then you open up potential for appeals to the Social Security Appeals Tribunal and you could and then have a system of many hundreds, if not thousands, more appeals each year to the tribunal. Would it be better to have clearer criteria in the first place so that the issue of discretion is exercised in quite exceptional cases, so that it would be narrowed down in terms of how the discretion is exercised?

Mr Dalton—Yes, I think that is a reasonable point. Obviously you do need the rules and regulations and the written formula there. What I was talking about before was related to the situations where Centrelink staff can see that there is an obvious anomaly in the application that they are addressing and that they could then make a recommendation to their local manager or whoever it might be to say that in this particular case the staff member believes this family is being unfairly disadvantaged.

Senator XENOPHON—The policy dilemma here is that if you have a geographic or demographic boundary there will still be those that miss out. Do you have a preference for a geographic boundary or a boundary based on means-testing or a combination of both? What you think would be fairest?

Mr Dalton—I think the fairest way to do it if you are going to use geographical boundaries then it be drawn up in respect of the education facilities and opportunities that are available as opposed to be just being whether there is a town there, whether it has, say, a university campus but what sorts of courses are offered there. As I was saying before, I think it would be quite a complicated thing to do but it would be a much more reliable tool than the current map that we have that was developed for other purposes.

Senator BACK—The whole setting of boundaries of any type is presumably based around the fairest allocation of funds for the people who actually need it so that they can pursue tertiary education. Is that the case?

Mr Dalton—Yes.

Senator BACK—To what extent is a geographic boundary of any value at all? As you said, Mrs Creek, you find instances in Wagga where people in outer region are actually closer to the institution than those in inner region. Shouldn't the criterion be whether or not the person has got to relocate from their home to the institution and bear the added costs associated with relocation? Shouldn't that be the overwhelming criterion? I will give an example. If you live in Darwin, Launceston or Hobart and you want to do veterinary science, the fact that Brisbane, Sydney, Melbourne and Perth are cities and therefore you would not qualify is of no value to you, is it, because you have got to, as I did, relocate from Perth to Queensland years ago to do vet science. Somebody coming from Darwin has got all of the costs attendant on relocating, do they not?

Mrs Creek—Yes.

Senator BACK—Or if someone wants to do forestry and they live in Adelaide and the only course they can do is either at ANU here or in Newcastle, the fact that ANU is classified as inner city and does not qualify you is irrelevant, isn't it?

Mrs Creek—I believe so. Some people are talking about students having to leave home to attend a tertiary course and I do not think we can look at it as just a tertiary course. We must look at it as the tertiary course of their choosing. We are not talking about children just going to the closest university to do whatever course they can get into, if that is not what their interest is. We are looking at children being able to access courses that are going to be beneficial to this whole country as well as to that student.

If they must leave their family home to access that course, then they are independent, whether they like it or not. Even if they go home at holidays or whatever, they have to learn to be independent. They have to learn to look after their own meals and money. If they live in a flat, they have to deal with the issues of running a home. If they are in college accommodation, it is not quite as big a change in that area, but it does come eventually. It is fair enough to look at family income as a criterion. But the necessity to move from your home of residence to be able to access that course is the criterion that should be used.

Senator BACK—One of the unfortunate things about the funding models in recent years is that a lot of the regional tertiary institutions are actually going backwards in terms of the allocation of funding per student no longer recognising the added cost of running the institution. A case in my own state is Curtin, which used to run the Muresk Agricultural College, which, after 85 years, closed at the end of this year because the central university campus has said that it is uneconomic to run the rural campus. The same thing happened with the School of Mines in Kalgoorlie. I know that is happening around eastern Australia as well, with Hawkesbury and Dookie Campus and others. In the event that there was not the opportunity to spread the budget further to include the \$90 million that you speak of, you had advocated the possibility of additional funds being taken from the education reserve fund. I notice that a couple of the universities in their submissions made the point that the education reserve fund was supposed to be allocated for resources and facilities. If the budget cannot be extended to include the \$90 million, your preference would be to source it from the education reserve fund?

Mr Dalton—Yes.

Senator BACK—In the event that that was not available, for whatever reason, what would your attitude be to tweaking the amount available to students so that in fact it spreads a little bit more thinly but more widely?

Mr Dalton—We would not necessarily support for the pure reason that that would have an impact on the most vulnerable. Any reduction in funding is going to have its biggest impact upon those students who can afford it least. And it is already not an insignificant amount of money.

Senator BACK—But if the alternative is that these inner regional students are denied any opportunity of getting a tertiary education, would your attitude still be the same?

Mr Dalton—It would be, but it would be a very sad day for our country if we took that approach.

Senator BACK—I agree completely with you on that. We obviously have a HECS system of interest-free or low-interest loans to assist with tuition fees. What is your view of the extension of that or the establishment of some sort of equivalent scheme that would enable students who otherwise will not qualify to get a tertiary education? They would obviously repay that once their salaries get to a level where the cost burden on them would presumably be less.

Mr Dalton—Obviously, subject to seeing the fine detail of any such policy, I do not think that we would necessarily be opposed to that upfront. Any sort of measure that was fair and reasonable that could be implemented to address these issues would be well worth considering.

Senator BACK—I only ask that because, having taught in American universities, the cost burden—unfortunate though it may be to a student by the time they graduate to university—is such that schemes then have to be put in place for them to try and repay it over time. I guess that you look at every option to ensure that students have the opportunity because, as you quite rightly said, Ms Creek, especially when you get to a second and a third child—and one of the witnesses that will be appearing for us has five children in their family—the capacity of that family to be able to put kids through a tertiary education would be very limited.

CHAIR—Thank you, Ms Creek and Mr Dalton, for your submission and your appearance before the committee today.

Proceedings suspended from 10.44 am to 11.00 am

CAMPBELL, Ms Maureen, Group Representative, Monaro Area, Country Women's Association of New South Wales

CHAIR—We will resume these hearings and I now welcome Ms Maureen Campbell from the Country Women's Association of New South Wales. Welcome to the committee today.

Ms Campbell—Thank you. I am on the state executive as a representative for the Monara group—and I did not write the submission.

CHAIR—But you take responsibility for it.

Ms Campbell—Well, I was given the responsibility for it because I happen to live here.

CHAIR—That's fine. We have received your submission, thank you, with the conditions that you placed upon that, and we invite you to make some opening remarks about it to be followed by questions from the committee.

Ms Campbell—CWA feels that all young people should have access to further education if that is what they want. It is up to us, the people and the government, to make sure that it is available to them.

Senator NASH—Ms Campbell, thank you very much for the submission from the CWA and congratulations on the work that the CWA does; it really does a terrific job. We have been told by the government that the reason students in the inner regional areas are not treated the same as the other regional students is because of cost. It has been estimated that the cost of including those inner regional students the same way as the other students would be around \$90 million a year. Do you think that is a fair cost burden for government in order to treat regional students fairly?

Ms Campbell—It is a lot of money, lots of tea and scones. But I do not see why inner regional students should be treated any differently particularly if they have got to leave home to take up tertiary studies.

Senator NASH—That indeed seems to be the common theme that is coming out this morning: that the map is not indicative because the different treatment of inner regional is not taking into account the core issue of students who have to relocate. Perhaps you might like to give us a bit of a sense just from your area around Cooma—and I gather a lot of that area is inner regional—of how it is affecting those families when their young people potentially have to take two years before they can access independent status through those criteria.

Ms Campbell—One of the problems with them having to get work is that there is not a lot of work around. The Monaro district has been in drought on and off for 17 years and a high percentage of property owners down there have already got off-farm employment, and have to have in order to survive, and any support that their young people could have would be invaluable. There is not a lot of employment down there and if the young people do not go to further their education they have got to leave home anyway, and on the whole it breaks up the family unit.

Senator NASH—Do you think that students in your area, if they had to defer university for two years, are likely never to go at all—and I am happy for you to talk particularly about your region because I think that it is probably the same in other regions.

Ms Campbell—I think there is a high chance of that. Once they get out there and appreciate the big world, a lot of them will not want to go back. They start getting into commitments and relationships, and one thing and another, and therefore we lose those young people who do not go back into the country areas.

Senator NASH—We did an inquiry at the end of last year into regional students' access to education. I thought one of the witnesses, who was talking particularly about fellows, put it very well: 'They have two years out, they get a girlfriend, a ute, a dog, a good job and they never go on to university.' It was a bit flippant but I think it really encapsulates what you are saying.

Ms Campbell—Yes, it is true.

Senator NASH—If it is two years out, by the time they have done that two years it is simply too long a time and they lose interest in then going on to university.

Ms Campbell—That is right. In the same way, if they go out of town to do medicine or any of those related things they do not want to go back to the country, most of them, because they have experienced the good life.

Senator NASH—It is a much better life in the bush, I would submit.

Ms Campbell—Yes, but they do not see that.

Senator NASH—Obviously the CWA has a very broad network. Would you say from your network that it is an across-the-board view within the CWA that the inner regional zone students should be treated the same as the other regional students?

Ms Campbell—Yes, and that is in their conclusions; they recommend that.

Senator NASH—I note in the conclusions that you say:

... there are absolutely no logical reasons for Inner Regional students to be treated any differently to ...

Obviously except for the government saying that it is the cost involved. I know we started out on this point but, given that it is a significant amount of money, surely it would seem that in the scheme of the \$11 billion education budget, or whatever it is, that money should be found so that those students can be treated fairly.

Ms Campbell—I think so, yes. I think all students should have the opportunity to do their best. And if their parents cannot afford to send them, as one of the previous witnesses said, these kids will actually hide what they want to do because they do not want to put a burden on their parents.

Senator NASH—That certainly does seem to be a very significant issue, that these students will be putting a burden on their parents. Indeed, at the inquiry last year a number of students said that they simply did not

want their parents to have to support them. They felt that their parents had worked hard all their lives and deserved not to have the burden of having to support those students, and they were quite prepared to work to be able to access the financial assistance. Is that something that you would say is reflected out there in the community?

Ms Campbell—I think so, yes. Most of them have had a good life. They have seen their parents work hard. You will find most parents want to educate their children because they do not want them to have to work as hard as they did.

Senator NASH—That is very true. One of the previous witnesses brought up the importance of educating rural students so that we then have those educated students able to contribute back. Is that important from the CWA's perspective?

Ms Campbell—I think so, yes. If you could get them to go back to their rural roots they would be a great asset.

Senator NASH—Which they are more likely to do, so it would certainly seem that that would be an appropriate way forward. If we can educate those regional students when they are more likely to come back, it would certainly make sense to give them every financial assistance to do that. One of the issues that has been raised is the issue of inequity. We have regional students who have no choice but to relocate to attend tertiary education, which comes at a cost of about \$15,000 to \$20,000, compared to their city cousins who, fortunately for them, by and large have the opportunity to live at home and not have those added expenses. So it has been said there is a real inequity in regional students having that cost burden to access tertiary education at the same entry point as their city cousins. Is that something you have discussed within the CWA, that cost burden that falls on regional students that does not fall on city students?

Ms Campbell—Yes. Nobody denies the city student the opportunity for education—

Senator NASH—Exactly.

Ms Campbell—We had a typical example when our son was growing up. He could only do physiotherapy in Sydney, so he had to move from Canberra to Sydney and I had to keep working to keep him at uni. But at least we had a fortnightly salary coming in; people on the land do not.

Senator NASH—That is one of the issues too for people in regional areas: not only does the income vary for students trying to get a job to do this two-year criterion but also the parental income varies considerably, which I would imagine would create a lot of stress. Are you finding a stress level amongst parents about how they are going to educate their children and send them away because they have no choice but to do that?

Ms Campbell—It is the parents and grandparents because, particularly if they are family properties et cetera, it is a worry to all of them, yes.

Senator NASH—Thank you very much, Ms Campbell.

CHAIR—Ms Campbell, these changes were part of a suite of reforms and then there were some further changes to the remote area allowance which were supported by everyone in the parliament, which has got us to this point here. In terms of the broader overall challenges, is your organisation actually supportive of those?

Ms Campbell—Of the overall ones, yes. They feel, as they said in their conclusion, that on the whole they support the amendment.

CHAIR—Yes, this amendment to this, but the overall reforms in the income support—over 100,000 students will benefit from changes to the parental income test, for instance. There are the two new scholarships that have been introduced, the student start-up scholarship and the relocation scholarship. There have been other reforms made to allow students to earn a higher threshold before it starts to affect their income support. Overall, the government has actually expanded the reach of support and income support for students across the board very substantially. There is still obviously a debate and an issue here arising out of the support from all parties for these changes not so long ago. But I was just wondering whether you have a view about the broader reforms.

Ms Campbell—No, I do not know the answer to that one.

CHAIR—All right. Just getting back to the lines on maps and general eligibility: it is always a problem. You either have no eligibility criteria and therefore everyone gets it—and no-one is arguing that because it would just be an untenable situation—or you have a criterion. Whenever you have an eligibility criterion to meet, some people will meet it or they will not, and some people will just miss out on meeting it or they will

not. Wherever the line is—and the combination of lines—we are always going to have some people that miss out. I am just wondering whether your organisation has any other innovative ways whereby we might avoid the problem, because, again, wherever we shift the line—even as a result of this inquiry, if we shift the line somewhere—we are really just moving an issue somewhere else.

Ms Campbell—There is always someone just on the other side, yes.

CHAIR—Indeed. Do you have a policy initiative that might help us avoid some of those lines in eligibility criteria that might suit the people you represent to make it fair and equitable across the board?

Ms Campbell—We do not have a policy on it as yet. Depending on what happens here today, it may go to conference in May and become a policy, but, no, I probably could not answer that question either. I just think, listening to a couple of people talking about them, that they just do not seem to think that those lines are in the right place.

CHAIR—As I understand it, the government has committed to undertake a comprehensive review of the impact of those lines across the board. Do you see that as an appropriate step for the government to take?

Ms Campbell—Yes—

CHAIR—Thank you.

Ms Campbell—because it is a health map or something, isn't it, basically?

CHAIR—It has been put to us that this map was used because it was there, and I have made the point earlier that that may well be the case. In the absence of a more suitable map or a specific map designed for this purpose, of course people will use a map that is there and used for potentially other issues. I suspect that is why the government has indicated that it will do a comprehensive review of it. But, in the absence of something else, you need to use something to begin with.

Ms Campbell—Yes.

Senator XENOPHON—Chair, the only question I have is a follow-up question to Ms Campbell further to your question about the review, which I think Ms Campbell welcomed. I think the government's review is due to take place in 18 months. One argument is that you need a bit of time before there is a review. Or are you suggesting that the review take place earlier than the time frame suggested?

Ms Campbell—I guess things move in the way they can. If it is going to take time, it is going to take time if we want it done properly.

CHAIR—Given that we are not all in the same room, I just want to clarify that we are talking about the same thing. The review I was speaking about was the review of the impact of the student income support reforms with particular focus on the impact on rural and regional students. Is that the same review you were talking about, Senator Xenophon?

Senator XENOPHON—Yes, Chair. My understanding was that that review was going to take place next year.

CHAIR—I understand that the one I am talking about must be completed by 30 June 2012.

Senator XENOPHON—That is right, in about 18 months time.

CHAIR—Yes—that is for the review's completion, not when it is going to start.

Senator NASH—Can I clarify, so we are clear for the record whether the review that Senator Evans committed to when we were having a discussion about this in the chamber a couple of weeks ago—the review of the map—fall in context of the overall review that is going to happen next year. It is not a separate process?

CHAIR—That is not for me to answer; I am not speaking on behalf of anyone. You asked whether we could clarify that Senator Xenophon and I were talking about the same things. I think we probably are, based on what Senator Xenophon has said.

Senator NASH—Lovely. I will ask the department about the other things. Thank you, Chair.

Senator XENOPHON—I will clarify that I think we are talking about the same review announced by the minister. I guess the question to the witness was: do you think that review should take place in a shorter time frame? That was the context of the question.

Ms Campbell—Whatever time it takes, it has got to be right. There is no point in rushing something through if it is not going to end up being the best product at the end. If it can be done sooner, well and good. If not, we will just have to wait and see.

Senator XENOPHON—I have no further follow-up questions on that, Chair.

Senator BACK—In the submission, Ms Campbell, the point is made of youth allowance payment being \$377 and Newstart allowance being \$470—a \$100 difference—the point being that students, being a minority group, do not seem to have much lobbying capacity. It is interesting that when you look at the criteria for Newstart, amongst other things, the person has to be seen to be actively looking for work and they have to agree to participate in an employment pathway and an activity test. It could well be the situation in many, many regional areas in Australia at the moment that a young person could be living in a rural community and meet all of those criteria—be actively looking for work, of which there is not any; agree to participate in an employment pathway, and indeed there may not be one; and be very keen to participate in an activity test. In economic terms, at \$377 versus \$470, it is probably a better investment for the government to have the young person participating in studies towards a qualification, isn't it?

Ms Campbell—Of course, yes.

Senator BACK—If you take an economic view, for all sorts of other reasons, it is better for people to be qualified. But just on straight dollars a week, you would think there is a compelling argument to actually encourage the person into a further study pathway rather than an employment pathway, for which they might not be satisfied.

Ms Campbell—I think the student just sees the \$100, not the explanation or the reason around it.

CHAIR—They are no longer students then.

Senator BACK—If they are not a student, that is my point. If they get to the stage where they just stay Newstart—there is no time limit on Newstart; if they meet those criteria they can continue getting it—I would have thought that we would be better to have policies that encourage eligible people to study.

Ms Campbell—That is right

Senator BACK—Some other information that was given to us in this inquiry was that in this age cohort the rural and regional young people represent 25 per cent of Australia's population but only about 17 per cent are at university and colleges of higher education post-secondary. Already, they are underrepresented in a sense, so we have got to do something more to get them there, which leads me to the question: in the event that government—you probably heard me ask the question earlier—cannot find its way to extend this to the inner regional areas, what is your view on extending some form of loan scheme to enable these people to go to university, higher education?

Ms Campbell—That would be a loan scheme on top of their HECS, wouldn't it?

Senator BACK—It would be—repaid when they get to a certain level of salary.

Ms Campbell—That can go on and on and on, and the interest rate is relatively high for young people to be trying to pay it back. Nowadays most of these young people come out of university in a relationship, and the actuality of having to pay all that money back is quite a burden. I know in the United States they all start off with a student loan. They have to work while they are at uni in order to keep up that student loan, as you said, and it becomes a bit of a burden for them. If they do not get work straightaway or work at the level that they want, the interest keeps building up until they get to a stage where they have to start paying it back.

Senator BACK—I know kids at 17, 18 and 19 do not tend to look at the whole-of-life aspect of anything. Again, in a submission to this particular inquiry, we were given what I thought was a very interesting statistic. If my memory serves me correctly—and I think it does—this was a survey undertaken of graduates in rural and regional areas of Australia, not cities. Over a working lifetime, a graduate would expect to earn about \$1.5 million more than a person who did not participate and get a university or higher qualification. The point of the submission was that, from the government's point of view, about \$500,000—about a third of that—would be likely to come back to government in taxes anyhow. It was being proposed as a reason to ensure students in fact get into universities and higher education and get their qualifications. Turning it slightly, faced with the prospect of either being able to go onto higher study or not, that capacity of earning \$1½ extra million over your working life compared to not getting any qualifications would be a fairly enticing reason to take a loan out, wouldn't it?

Ms Campbell—Sure, but not everyone gets to that income level. There are an awful lot of people out there who have gone to university that are still on a much lower salary, so it does not look attractive to them.

Senator BACK—Then again, in the analogy of HECS fees—I am not promoting this; I am just worried about those that are not going to go to university because many of us would definitely have been in that

position had there not been, for example, cadetships in existence in that era—in the event that they do not get to the level of salary that you would hope to get to, then they probably actually would not be repaying this loan anyhow.

Ms Campbell—True.

Senator BACK—I do not know what the cut-in is—\$50,000? Maybe someone could help me and tell me what the HECS fee cut-in is. I am not sure what it is. It just seems to me that somehow we have to come to solutions so that young people can pursue their dreams.

Ms Campbell—If that is the way the system goes, the young people will do it.

Senator BACK—That brings me finally to this question about eligibility. This point has been made, quite correctly. Where I get so annoyed about this argument is that it seems to be setting the city up against the country. There are many, many kids in metropolitan areas who cannot live at home, for whatever reason. They have to relocate. I used an example in a previous hearing. There are plenty of city kids who have to go to another city. You have made that point about your son. It ought to be based on where the financial need is, shouldn't it?

Ms Campbell—Yes, that is right.

Senator BACK—If there is a need to relocate and an inability to support yourself—a genuine, valid need to relocate, regardless of geography—that should be the overwhelming criterion, shouldn't it?

Ms Campbell—That is right.

CHAIR—Thank you, Ms Campbell, for the submission that you made and your presentation before the committee.

[11.31 am]

BREARLEY, Mr John, Regional Manager, South West Mental Health Service, Western Australian Country Health Service

O'BRIEN, Mrs Michelle (Shelley), Project Officer, Injury Control Council of Western Australia

Evidence was taken via teleconference

CHAIR—Thank you for joining us. We have received your submission. Do you have any comments to make on the capacity in which you appear?

Mrs O'Brien—I am the Project Officer in the Injury Control Council of Western Australia, and I am appearing on behalf of our Resilience Project in the south-west.

CHAIR—As I indicated, the committee has received your submission. We invite you to make some brief remarks to the committee, to be followed by questions from committee members.

Mrs O'Brien—Firstly, we would like to start by saying that the Injury Control Council's Resilience Project won the 2009 Suicide Prevention Award for Healthy Communities. The Resilience Project is a multilevel suicide prevention project operating in six communities: Busselton, Margaret River, Bunbury, Collie, Manjimup, Bridgetown and Greenbush. These communities are all in the rural south-west region of WA. As you may be aware, three of these communities are deemed inner regional and three outer regional. We have not yet spoken to one person living in these communities who understands the rationale for this. We ourselves are at a loss to differentiate between the communities in relation to the physical, economic and educational access.

Our project focuses on what communities can do to prevent suicide, with community resilience being a central theme. The project was initiated by concerned people in the region in 2003, after a cluster of suicides. Following the actual research, working groups were formed within these local communities. The community members developed their own plans and they drew from the strength of the community to build community resilience. These plans highlighted areas of need in which the group members could work towards reducing risk factors for suicide. As a result, strong partnerships have been formed which have led to increased community resilience across these six participating communities—within the communities as well as across the communities. In communities that feel a sense of inclusion and participation there is greater achievement and therefore increased community capacity and resilience. In turn, this leads to better community mental health and wellbeing, leading to better community outcomes.

I am joined by John. As you just heard, he is the regional manager of WA Country Health Service and one of our very strong partners in realising the importance of community resilience. We fear that the impact across the south-west and the perceived inequity, as viewed by different regions, relating to the changes of eligibility criteria for youth allowance will threaten some of these core strengths within and between the local government areas. You may have received our two submissions on behalf of the local governments, which also outline their concerns and fears for their shire representative. In over 50 submissions from our region that you have received for the committee's inquiry there is evidence of distress related to the loss of equal eligibility criteria for potential students from these inner regional communities.

Families are worried about their ability to still, realistically, access university education for their children who are leaving school. Young people are stressed about their futures and the effects that these changes are having on their families. Firstly, the criteria change now excludes young people in inner regional zones from qualifying to be an independent student after one gap year. This does not fit with university deferral policies largely in WA. Secondly, there is a lot of worry and stress related to unrealistic and unattainable goals in the pursuit of 30-hour-a-week work. These factors will have serious community implications.

We actually foresee that some of these effects are going to impact on people. There is going to be further disadvantage to the disadvantaged people. That means that, for young people who are members of socially or financially disadvantaged families aspiring to university education, it has now become a further step away for them. Young people who have dreamed of leaving behind undesirable living situations, either in their family unit or in the communities, for better futures, which are sometimes seen as good options, are facing reduced possible access to these escapes. Already financial constraints include not just accommodation. We are looking at between 15 and 25 thousand dollars per year. They are looking at not only those costs but the costs of

actually returning to their homes which are quite considerable. Even maintaining communication with their families is considerable.

The pressure on young people, the pressures on their families and increased financial pressures we have outlined in our statement but I will go through some of them. The financial pressures really are going to be quite considerable if they have to factor in not having access to youth allowance. These financial pressures, we understand from mental health, lead to family disharmony; increased levels of mental ill-health and depression; pressures on other family members and risks to younger siblings; increases in domestic violence potential loss of family home or car; family discussions about financial prioritising; feelings of discrimination; and, in small communities, the fears of shame leading onto isolation are real pressures.

We are also concerned about the pressures on our young people. There is guilt felt by young people who have concerns of putting financial pressure and burdens on their families. We are having real instances of this where young people not choose subjects in year 11 and 12 that are going to lead them onto university pathways. They are instead looking at pathways that can earn them a quick buck. Often that is related to our boom industry in WA. The mining sector is very alluring for young people. Fairly low skilled but highly paid jobs are being seen as options for young people. These pressures are going to be further compounded by a reduced access to ongoing training.

The feeling in the community at the moment is one of confusion. There is a lot of confusion. I do not think the full implications of this issue are understood. It has not actually affected people at this point in time but they can see that it is going to affect this year's graduates. There is a lot of confusion amongst parents. There are a lot of people saying, 'What is happening? Is this bill going to be passed? What is the future going to look like for our young people?' Decision making at the moment is not a process that is happening for a lot of people who are in a state of confusion and concern.

There are further pressures on working parents. The consequences that we really need to consider as well are the impacts on the whole family and younger siblings as parents are expected to go back to harder and longer working hours to try to make enough money to send their children to university. They need to discuss these financial constraints with children and it is often quite awkward for families to have these discussions. This places a further burden of guilt on the young people and can cause family tensions.

Our main argument is that the mental health of families is being impacted on quite dramatically within families and also in the wider community. We are also very concerned about the potential loss of intellectual property in the south-west—what we are calling a further dumbing down of our regional areas. We have included as evidence a graph about the attendance of our rural, regional and remote areas against the metro, the country and the state in the document that you should have before you. As you can see, and as we well know, we are well and truly below the state average.

We do not see any distinctions as we have said before between the different areas. When we look at the actual percentages of young people at TAFEs and universities we can actually see that the numbers are quite low across the regions and that there really is no differentiation between the different areas. When we looked at outer regional areas, the figures are much the same. We are a little confused as to how it can be seen that there is the ability for a person in Dunsborough to be travelling to the metropolitan area when they are in excess of 250 kilometres away as opposed to their neighbour in Yallingup, which is only a further 15 kilometres away, who is actually classified as outer regional.

There is quite a bit of outrage and frustration as expressed in the 50-odd submissions you have received from the south-west. Only yesterday letters were received from community and youth development in the shire. I am going to hand over to John, because I think you have heard enough from me for the time being, just to follow up on some of these points.

CHAIR—Mr Brearley, I would ask you to be as brief as you can because I know the committee members do have some questions and we need to move on to another witness at 12 o'clock.

Mr Brearley—Yes, sure. I am happy to do that. First of all, I just wanted to reference the distinction between inner and outer regional areas and remote and very remote regions. With respect to an amendment to a bill like this it is actually a very crude methodology that does not consider the regional context and specifics. That is the first point I would like to make.

The other thing is that families need regulating. The previous experience of youth allowance has supported families to plan and regulate change to support the young person moving to Perth. This amendment really

interrupts the capacity to regulate the family. We have concerns about the impact of stress particularly on parents trying to support an alternative pathway that previously benefited the regional population very well.

The other thing is that, from a science perspective, young people need to be able to traverse what is known in the mental health world as the critical period, covering the age group from 15 to 25. As research shows and mortality data suggests, mental illness, substance abuse and those sorts of things are the highest per head of population. Any assistance that policy, services and resources can provide in assisting a young person to traverse this period is going to provide significant social and economic benefits. So we are looking at making sure that there is capacity for a good investment to support and resource a young person's journey into adulthood. The youth allowance allowed that. It allowed families to regulate their own homes in order to support this trajectory and the best possible pathway. Exposing young people to a delay in being able to access the sort of education that they need is going to increase their risk and their vulnerability. For us that is a significant concern.

CHAIR—Thank you, and if I could ask one question before we move on. It goes to this issue. Whenever we have a set of eligibility rules, whether they be lines or criteria about different thresholds, there is always going to be a group of people who are just on the other side of the lines. Do you actually have a proposal about how we can get a system to overcome some of the problems without simply moving the problem to another line or another threshold?

Mr Brearley—I think it is an anomaly if we get stuck on working out what is the best formula or the best methodology. What we know is that what we had worked, and therefore that is what we would like to see remain.

CHAIR—There was a significant review into the whole issue of support for students and a number of recommendations were made and, of course, put in place were a wide-ranging set of reforms which have in fact increased eligibility in a whole range of areas for a lot of students and introduced a number of new scholarships. There have been some changes so I am not sure it is as easy to say and we also know there were some difficulties with the previous system, so I am not sure I will agree with you that what we had in fact worked. What we are seeking to do is improve the program and also have some equity across the board, but I know that is a subjective thing.

Mrs O'Brien—On the point that you were just making, when we are talking about lines on maps some of them make sense but these ones we are really confused about, because of that access and isolation. What we are wanting for the people here in our communities is knowing that the bill really is the first step which needs to happen. Students from the south-west really cannot wait on this; this is affecting them now. I guess down the track you will go into your consultation processes and figure out other options if this is not a preferred option, but for the time being 270 kilometres away is way too far to commute to university.

CHAIR—We will go to Senator Back.

Senator BACK—Thank you, Mr Brearley and Mrs O'Brien. You are speaking about suicide prevention and risk factors. Would you agree that Collie, which finds itself in inner regional is—this is for the benefit of my colleagues—a town with a lower socioeconomic outlook and possibly a lower participation by parents originally in tertiary education? Are you able to tell us if young people in Collie are at greater risk of harm and suicide, for example, than young people in Bunbury, Busselton or Margaret River?

Mr Brearley—I think that is a very worthwhile point to raise given that it has traditionally been a mining town and has a degree of Indigenous population. Over the years the cheaper housing has attracted to the town a lot of people with socioeconomic disadvantage, so a lot of resources are required to sustain an environment like Collie's. If it is going to be classified as inner, that therefore compromises the capacity of families to encourage their young people to move beyond such a culture; it becomes increasingly difficult. So for our mental health service, certainly from the data and given the problems that are quite intense up there at times, such a decision to change the mapping to inner is going to be quite significant.

Senator BACK—I notice your figure of one in six young people in Australia having a mental health problem. That is consistent with advice to us here in the Senate only about a month ago from Professor Mendoza and Professor McGorry, who I think said that about one in five or six young men between the ages of 15 and 25 is actually accessing mental health services. To what extent can you point us towards the opportunity of going on to higher studies mitigating risk of suicide? That is basically, as I understand it, the thesis you are putting to us. Do you have evidence that if young people have the hope of going on to higher

studies that they are more likely to look more positively and not be in that one in six with mental health problems?

Mr Brearley—Yes, I think there is profound evidence to support that. If we look at vocational opportunities as part of a therapeutic component if we are engaging young people with mental health problems, that is the No. 1 therapeutic avenue that we look to support. We want them on a trajectory that is going to build success and build opportunities for positive endeavour. Many of the young people in a community like that have been raised around a culture that would not necessarily expose them to those things, so as part of mental health engagement, regardless of whether they are with our service or not, the young person's vocational trajectory is probably the most telling component of how their foundations for adulthood will be laid.

Mrs O'Brien—Further to that, we talk about protective factors with people as far as risks of suicide go. Some of those protective factors include things like engagement, inclusion, purpose, achievement, success and, of course, economic stability, which are all products of further education.

Senator BACK—In the outer regional area, could you contrast for the committee, for example, Margaret River, which obviously has high employment opportunities and plenty of buzz going on, and Manjimup, where the last of the timber mills is now threatened with closure. Could you tell us what the circumstance is for young people in those two communities respectively in terms of the risk factors that you are addressing in your paper?

Mrs O'Brien—I was a school nurse working in the high school at Margaret River a couple of years ago, and it is quite amazing that this very beautiful area is considered to be on a world status quite an affluent area but when you work in the high school you actually see the other socio-economic problems. There are levels of poverty in every town—and there are very high extremes in a place like Margaret River—which encompass a whole lot of social issues that come with that. Of course, in Manjimup we have seen lots of stress related to job prospects and what have you. I will let John answer the rest of that question.

Mr Brearley—Our recent suicide research document is in the drafting stage at the moment. One of the findings of it is that the Warren Blackwood area, which is where Manjimup is located, has a noticeably higher rate of attempted and completed suicide. We are looking at a similar environment to Collie, with a lot of working class and low socio-economic families. When we contrast that with Margaret River, bearing in mind what Shelley has just said, the economic status within a community like Margaret River together with the level of education and knowledge means that the capacity to support thoughts of progressing to university is probably greater.

Senator XENOPHON—If there were more educational opportunities in regional areas, whether via online services or through further support for universities into regional areas, will that make a difference? Or do you think these students need to physically be at a university in one of the capital cities or larger centres?

Mr Brearley—It is a really good point. We have to ask, firstly, if it is financially viable for a university to come to a regional environment. We have a university in Bunbury, but its courses are very restricted because it cannot maintain that critical resource to student profile. If we look at the adolescent journey and that rite of passage and the growth to individuation, you perhaps, Senator, and other others including me have benefited from building an identity by having exposure to a different environment, a different culture and, indeed, a different educational experience. I think for many young people we cannot underestimate the benefit of that.

Senator XENOPHON—So just undertaking education online will not necessarily build that person's individual capacities?

Mr Brearley—No, I do not think so. The online environment has the ability to support parents who are trying to educate and maintain a home, but I think the young person is looking for a significant investment in working out what sort of person they want to be. Exposure to different university environments and, indeed, living environments is a significant investment for their individuation.

Mrs O'Brien—As we know, there are significant concerns with young people spending hours and hours in front of a computer anyway. Personal contact cannot be underestimated. Also, medicine, occupational therapy and courses like this are certainly not available anywhere outside the metropolitan area and are not appropriate courses to be doing online. What further worries us about this dumbing down of regional areas is that we are potentially only able to choose very low impact, online type courses, which creates serious concerns for the regions.

Mr Brearley—Another thing is that we do not want to delay their access to the right educational opportunities for them. That is a great risk. I think that the longer young people are delayed from a positive pathway the more likely it is that they will come to trouble of some sort.

Senator XENOPHON—Thank you.

Senator NASH—Following on from those comments, while regional universities have a terrific place, as does online learning, we do not want to create a two-tier system, if you like, where regional students are precluded from having the same access to types of educational opportunities, whether courses or location, as city students or where it is seen as okay for them just to have a regional university or an online experience. I would not like that to occur. You talked about the evidence of distress relating to the current eligibility criteria and the pressure on young people because of the different circumstances for those students in inner regional areas. If the government changed the criteria in the inner regional zones to be the same as those in outer regional, remote and very remote areas, would that alleviate a lot of the pressure and distress currently being experienced?

Mr Brearley—The answer is very simple: it would significantly alleviate it. We would see a community that again can regulate itself around some good policy and it would enable them to successfully plan the transition for the young person.

CHAIR—Unfortunately, we will have to leave it there. We cannot follow up further on that question. Ms O'Brien and Mr Brearley, thank you for your submission and your presentation via teleconference to the committee today.

Mr Brearley—Thank you.

Mrs O'Brien—Thank you very much.

[12.00 pm]

NAIRN, Mr Alister, Director, Geography, Australian Bureau of Statistics

WILLIAMS, Mr Paul, Regional Director, New South Wales, Australian Bureau of Statistics

CHAIR—Welcome. I acknowledge that you are officers of the Commonwealth and therefore I note that the Senate has resolved that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only asking questions for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Apart from the senators you can see in front of you, we are joined by Senator Xenophon via teleconference. Thank you for your submission. I invite you to make some opening remarks for the committee and that will be followed by questions.

Mr Williams—We do not have any opening remarks. We think the submission covers what we want to cover in great detail, but, obviously, we are open to questions.

CHAIR—In that case, we will deal with Senator Xenophon's questions first.

Senator XENOPHON—Thank you, Chair. In terms of striking the right balance for an appropriate measure, does the bureau say that, if you have a measure based purely on geography, it contradicts issues such as socioeconomic status? In other words, the measure that is being used is a fairly blunt instrument in its current form.

Mr Williams—The Bureau of Statistics does not have an opinion on that particular matter, but it does acknowledge that using the remoteness classification is purely geographic and does not take into account social and economic factors. That is the answer to that question, basically.

Senator XENOPHON—Again, it is not your role to talk about policy—I understand that—but, given the statistics that the ABS collects and can collect, would it be possible for there to be a more nuanced approach to this within the purview of the information that you can collect that would look at socioeconomic factors and more nuanced factors in the context of youth allowances and who should be eligible for them?

Mr Williams—The Australian Bureau of Statistics produces a range of information, including measures of socioeconomic factors—indeed, things like SEIFA, which is produced out of the population census, does attempt to measure social and economic conditions for particular areas. So we do provide a range of social and economic statistics that measure the social and economic profile of areas. Those statistics are available. It is up to organisations to adopt those, depending on what they are looking at. Obviously, the issues here are around distance and geography rather than social and economic factors, but the statistics are available.

Senator XENOPHON—But you could have a hybrid classification, couldn't you, that would look at both or that would give a weighting to socioeconomic factors? That is possible within the information that you collect?

Mr Williams—One could be developed along those lines. In fact, Dr Dennis Griffith in the past has looked at what might be called a sociogeographic profile, but that is not what is being attempted, certainly, with the remoteness classification.

Senator XENOPHON—But you could develop a sociogeographic profile if that were the policy?

Mr Williams—It would be possible to do such a thing, and there have been attempts in the past to do such a thing.

Senator XENOPHON—Thank you.

Senator NASH—Thank you, gentlemen, for appearing, because there obviously has been quite a bit of discussion around the map and the appropriateness of using this particular map for these particular circumstances. Were you approached by the government for any type of discussion on this particular map for the purposes they wanted to use it for, or have they just chosen to use it without any actual discussion with you?

Mr Williams—We have had discussions with various departments over time. The remoteness classification is used for a variety of purposes, and certainly departments have talked to us about what the classification tries to do and we have provided that advice. Ultimately, the decisions for these things are of course with the department.

Senator NASH—Of course, but what I was trying to get at was: did the department come to you and say, ‘We’re looking at trying to figure out a way to provide criteria for independent youth allowance; is this map appropriate’? Was there any of that sort of discussion?

Mr Williams—No, they did not have that sort of discussion.

Senator NASH—That sort of detail.

Mr Williams—That is right. We did not have that sort of discussion.

Senator NASH—Can I just take you to your submission in point 5, ‘Demarcation between inner regional and outer regional’. You say:

The determination of the class boundaries was done to provide categories of areas that had similar access to services.

Can you just outline for us what those services are?

Mr Williams—In terms of the way the underpinning classification, which is the ARIA+, is put together, they look at the service provision of urban centres. That looks at things such as hospitals—the likelihood, for instance, for cities of, say, 250,000 plus, that they would have things such as major hospitals, universities or whatever. That is done at each of the five categories of town, of urban clusters, that are looked at. So it is a range of things that are looked at. It is not just education facilities; it is things like hospitals and assessment of other community facilities that are available there.

Senator NASH—That is exactly what I would like the detail on: those services, those things that you look at in each of those areas. You have mentioned hospitals. What are the services that you use as the measure?

Mr Williams—We can provide that detail to you. We will take that one on notice, but we can get that for you.

Senator NASH—That would be great. Off the top of your head, can you give us a bit of a sense of what they might be? I am certainly not asking for definitive—

Mr Williams—It is around the availability of, let us say, the major community services, such as: a town of a certain size is likely to have a certain sort of hospital, a certain sort of education, the presence of things like high schools, the presence of things like major community facilities such as even supermarkets and those sorts of things. The underpinning ARIA+ is put together by GISCA, the group in South Australia who do the underpinning work on this. The ABS take that work to do our class analysis. But we can provide that information for you.

Senator NASH—Thank you, that would be very useful. And certainly that seems appropriate—

Mr Williams—Yes, that is right.

Senator NASH—for what you are determining in the types of things available in each individual area. But I would be right in saying, I think—and I stand to be corrected—that it does not specifically relate to how far somebody might live from a university of a particular standard?

Mr Williams—Universities are part of the mix, but you are quite right; it is not focused on universities or education as the sole attribute. It looks at a range.

Senator NASH—Senator Xenophon might have already touched on this, but is there anything that exists that does, or gets closer to, that sort of model than this particular map?

Mr Williams—I am not aware of anything that does, but again, theoretically, it would be possible to construct a university index if you wanted to. But there is nothing that I know of that exists that focuses around access to educational services.

Senator NASH—Would it be possible to plot, if you like, on the map of Australia details of the levels of service of all universities and tertiary education facilities, and where they are?

Mr Williams—That would be theoretically possible.

Senator NASH—Obviously that, I think, is probably what we would like to get to. But it just indicates that this map is not it.

Mr Williams—No, but that is right.

Senator NASH—When did the map first come into being?

Mr Williams—The ABS first introduced a remoteness classification after the 2001 census, but we update it every five years. So it was updated after the 2006 census and it will be undated again after the 2011 census. It is updated taking into account changes in population and those sorts of things.

Senator NASH—So it is reasonably recent, isn't it? And it is a very useful tool. Obviously you are not aware of anything else that would give us the distance from university and the levels of provision at those universities. So, within this map, there is no real way to determine any kind of proximity at any overall level from the universities.

Mr Williams—You could do that. Sorry if I am misunderstanding or mishearing the question.

Senator NASH—I will make it a bit clearer. Through this map can you determine the distance at which somebody lives who might have to relocate to a university, based on university provisions?

Mr Williams—Not with this map. You could not do that with this particular map and be guaranteed that you will be right in all cases.

Senator BACK—It is most interesting reading through the submission. Can you give me an idea of which agencies of government do use the data contained within the index and for what purposes they use it, other than the one that we are talking about?

Mr Williams—Probably the major use is around health. The rural health workforce is one of the other major users. Certainly, people like the Grants Commission have a look at it in terms of working out some of their funding arrangements, not in terms of entitlements for individuals, obviously, but in terms of working out state grant allocations. They are the sorts of people.

Senator BACK—You mentioned health and the workforce. Could you explain a bit further how health departments—

Mr Williams—I am sure the health department would explain it far better than it could—

Senator BACK—Yes, I am just trying to get a sense.

Mr Williams—My understanding is that there is an allowance paid for medical practitioners which are working in outer regional areas and onward. Some form of extra allowance is paid for GPs established in those more remote areas.

Senator BACK—Are you aware whether health departments would use it for people trying to access hospitals and health facilities?

Mr Williams—I am not aware that they apply it to individuals trying to access health services. My understanding is that it is a health workforce strategy.

Senator BACK—In answer to a question that Senator Xenophon asked, you mentioned that this is related to distance and geography, but has it been built around social and economic profiles.

Mr Williams—No, and that was very deliberately done. It is designed basically so that you could independently analyse the social and economic aspects in relation to geography. It is not that you could not put them together, but keeping them separate means that you can look at remoteness as an independent variable in terms of how that might drive social and economic characteristics. That's one of the rationales behind having, let's call it, a purely geographic classification rather than one that was based on a range of criteria.

Senator BACK—Does the bureau in fact have profiling nationally based on social and/or economic factors?

Mr Williams—We do. After each census we produce a socioeconomic index for areas which does tend to assess down to census collection district the social and economic profile of each census collection district in Australia.

Senator BACK—There is great debate going on about postcodes, so I will ask you whether your data supports or does not support postcodes as a useful guide to social and economic status of people within the postcode.

Mr Williams—Our data can support it but postcode is not a very good geographic—ABS would advise against using postcode as standard geography. I could go into technical reasons why but I do not know whether the committee would want to hear that at the moment.

Senator BACK—No, I am not asking for opinions, I am just asking what the data tells you.

Mr Williams—We can support postcode; we can produce data at postcode level.

Senator BACK—The remoteness index that is being used currently, this inner and outer regional, makes no attempt at all to quantify travelling time to access services?

Mr Williams—Travel time is part of the calculation, by road. An assessment of travel, road distance, is fundamental to it. To be fair, the road distance calculation does not take into account things such as the condition of the roads or things such as that.

Senator BACK—Would it take into account the method of transport, in other words public transport versus private transport? Would it pick that up?

Mr Williams—It does not take that into account at all.

Senator BACK—So from the classification there is no way of establishing the method by which somebody might access that transport.

Mr Williams—That is right.

Senator BACK—I think you made the point in answer to Senator Nash's question that there will be an update after the 2011 census. Will it also extend the geographic and the distance relationships? Will it not take into account any of these other factors that we are trying to get our minds around, social and economic?

Mr Williams—That is correct. Basically we will redo the methodology based on the 2011 census statistics.

Senator BACK—This question may be an unfair one, Chair, but I will ask it and you will advise me whether it is a valid question. In terms of our challenge of trying to work out equity for students accessing universities, does the bureau have another set of data in existence that would be an alternative to that of just geography and distance?

Mr Williams—What is an underpinning a lot of this stuff is that the population census data, which does provide very good measures of socioeconomic factors and also from which the socioeconomic index for areas is derived. That data does exist.

CHAIR—Following up on that, the data exists in the databank, it does not exist as a specific outcome. Is that it?

Mr Williams—SEIFA is very accessible, so partners can get hold of things like SEIFA indexes. They are available at the collection district level, so that information exists. But of course that assesses all collection districts throughout Australia according to socioeconomic profile; it does not attempt to geographically disaggregate. Obviously you can work out where those CDs are located, but that is available for all of Australia.

CHAIR—I do not have any further questions. I thought your submission was very comprehensive. As there are no further questions, thank you very much for your submission and your appearance before the committee today.

CHAIR—I do not have any further questions. I thought that your submission was very comprehensive. Mr Williams and Mr Nairn, thank you very much for your submission and your appearance before the committee today.

[12.25 pm]

DICKINS, Miss Sarah Rose, Private capacity

SPARKS, Mr Rodney, Private capacity

VICKERY, Councillor Richard, President, South East Local Government Association

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Councillor Vickery—I am also the Mayor of Tatiara District Council.

Miss Dickins—I am a first-year university student who is on youth allowance.

Mr Sparks—I am here as a parent and, I suppose, representing parents from the south-east.

CHAIR—Thank you. We have received your submission. I invite you to make an opening statement to the committee, to be followed by questions.

Councillor Vickery—Thank you very much. We appreciate your invitation for us to appear today. We are very happy to travel to Canberra at short notice because in our part of the world we have a region that is significantly affecting the ability of young people to access tertiary education, one of the essential, core elements of most people's development, and their consequent ability to contribute to society in a productive and knowledgeable manner.

We recognise that in March this year there were some very significant enhancements made to youth allowance, in relation to some of the issues, which greatly helped regional students. Unfortunately, this issue of the inner regional classification fell through the gaps. Mount Gambier, where these good people on my left and right come from, is 450 kilometres from both Melbourne and Adelaide. It is a small city of 27,000 people; it is not a 250,000-person metropolitan area that is up the road from Sydney or Melbourne. It has a small UniSA campus that offers some nursing courses and some other TAFE subjects, but 98 per cent of the people in our region who aspire to undertake tertiary studies need to relocate to Sydney, Melbourne, Perth—wherever—for the course that they wish to study.

From a local government and strategic perspective, we have great trouble, even in a magnificent city like Mount Gambier, let alone smaller towns like where I am—Keith, in the upper south-east—getting the appropriate mix of middle-class professionals to come to our regions. Frequently, when we are able to attract them there, they will stay for three years but—for all those standard issues, such as people perceiving for one reason or another that students need to go to a different school—they leave us again.

The Mount Gambier and lower south-east region, like Hamilton across the border from us, which is in a similar situation, is a highly productive area. It can contribute much to the economy. In our home state of South Australia, Adelaide and the metropolitan areas provide a decreasing percentage of what our state produces and the regions provide an increasing percentage, but it is being severely limited by our ability to attract and retain the right people. I am sure the committee members would know as well as anybody that research, both factual and anecdotal, demonstrates that those people who are born and bred in the regions and go away and acquire the appropriate qualifications are, No. 1, far more likely to come back—it is a 70-20 type ratio—and also, once they do come back, more likely to spend a greater percentage of their working lives in the regions. It is an issue that pre-GFC, during GFC and now, irrespective of the salary packages that people offer, constrained and is constraining so many of our businesses.

It is also the case in a social sense as well. We very much recognise that in a country like Australia the vast majority of our universities need to be based in the large capital cities. That is the efficient way of doing it; that is where the resources are.

But of course the flip side of that, as we all know, is that in order to buy that access for people who are not from those capital cities we need to have appropriate arrangements in place. The current regional classification for Mount Gambier means that we actually have people on one side of a street for whom the outer regional, rural and remote classification applies and on the other side of the street it does not. We are already having people through absolute necessity potentially playing games with postcodes and where their grandparents, aunts and uncles might live. The rural changes back in March helped to tidy up a lot of those things and this current anomaly—and it very much is an anomaly—will to some degree bring those sorts of things back into play again.

The Australian standard geographical classification, as we heard from the gentlemen before us, may well be a highly relevant tool to determine access to health services, because that is what it is based around. I can

understand, for example, that for Mount Gambier, which does have three-quarters of the facilities and visiting specialists coming from Adelaide and Melbourne, that inner regional classification may well be nearly appropriate. But for access to tertiary studies it is, to put it bluntly, absurd.

In a minute I am going to ask to hear from the people that it directly affects. Sarah will highlight what it has meant to some of her friends. This is a situation that cannot be allowed to go on. We already have a cohort of students in limbo. The last thing that we can afford to have is another couple of cohorts of students who do not know what they are going to do. We already have parents contemplating relocating and sacrificing their jobs or taking lesser jobs in other towns or regions or moving to suburbia to try to facilitate that most important part of their children's future—access to a decent and comprehensive tertiary education. So on that note—and I am sure you have got lots of questions for us—I would be delighted for Sarah to speak.

Miss Dickens—I was in year 12 in 2008 and I took a gap year in 2009. That was not an ideal situation for me. I worked in a potato factory and I worked long hours to make the money in order to qualify for youth allowance. I know what it is like to be in limbo and it is a terrible feeling not knowing whether you are going to qualify or not going to qualify. My sister is currently in year 12 and she does not know whether she is going to get youth allowance or not, or whether she should take a gap year or not, or whether she should go straight ahead. It is really a terrible place for year 12 students to be in.

We live 150 metres away from White Avenue, which is the deciding border for whether you are in a regional or outer regional area. If we lived 200 metres to the left, we would qualify for youth allowance by taking the gap year, but without it we are not going to be able to qualify.

I have some friends who have been affected. One finished year 12 last year and got a TER of 98. Her family is not in a position to be able to send her away without full youth allowance payments. They would qualify for a partial rate but they have sat down and they have done the figures and it is just not enough for her to be able to move. So she is working at Video Ezy where she has been promoted to a manager's role very quickly. She is a very bright girl but her parents just cannot afford for her to go. So with a TER of 98 she is in Mount Gambier working at Video Ezy.

We know that the way to qualify is to work for 30 hours a week for two years. There is no way you can work 30 hours a week while at university. I have got a friend who does work 30 hours a week at university, a very bright boy, and he is just scraping passes. He is never involved in any of the social or cultural aspects that are the fantastic parts of uni because he is working his job, and when he is not working his job he is trying to scrape in the study needed just to get those passes. That is not the way we should be doing university either. Especially in courses like medicine, which has 38 contact hours a week, there is no possible way you can be working 30 hours. So places like Mount Gambier, 4½ hours away from university, we need to be classified as outer regional so that we can qualify for youth allowance. Without it, there will be kids just slipping through the gaps, kids who should be at uni who will not be going.

Mr Sparks—I am the parent of two children. My elder son is currently doing what we have previously described as a 'gap year', although whether or not it is a gap year is still to be determined. In fact he is doing a gap year with the armed forces, an acknowledgement by previous governments that the gap year was in fact a valid way to earn the ability to get the independent allowance. I have another son who is in year 11.

My family is of probably low to medium income. My wife and I both work. My wife works part time and I am a self-employed small business owner. I have given up a day's pay to be here, of course. I am also a member of the Mount Gambier High School Governing Council, and I believe all of our opinions reflect that governing council's opinion also.

Both of my boys are academically gifted—I am not sure where from, probably my wife. The eldest has enrolled to go to university in February. There is no way, absolutely no way, that a student from Mount Gambier can go to university without being accommodated somewhere, obviously, and the best place for them it is in a university residence. So we are looking at \$12,000 to \$15,000 a year, at least, for a university residence. The anecdotal evidence from my neighbours across the road, who by the way have taken out a second mortgage to put their kids through university, is that it is literally \$20,000. We all know about that number—it has been floated in *Hansards* and talked about, so that is a real number.

In the country, salaries or wages are significantly below those in capital cities; so much so that when I moved—I was working in Melbourne—to Mount Gambier in 1990 I took a significant pay cut to move, relatively speaking. And we must have accommodation for our kids, so the costs are immense for any parent attempting to give their kids a tertiary education. Mount Gambier, as Richard has said, has a university

presence: the University of South Australia does nursing and business and Southern Cross University does a very good forestry degree.

We will get our kids to university—we have to get our kids to university. Both my wife and I were very fortunate to have been through university, and for that we thank our parents and to some extent Gough Whitlam. When we heard on 17 March that the government had relented on some of the recommendations of the Bradley review we drew a huge sigh of relief, until we read the fine print and found that Mount Gambier was classified as inner regional. I have prepared a document which, interestingly, follows on very nicely from your previous witnesses and which is being distributed. This is a copy of the web page indicating the ASGC remoteness areas. You would know the index and you may be familiar with the map itself. Before you, you have a map of the south-east of South Australia and the west of Victoria. On the right is Melbourne. In the top left-hand corner is Adelaide.

The purple areas on the map are the areas designated as inner regional. You will see the significant area around Melbourne and to the north of Melbourne, and similarly around Adelaide. I draw your attention to the arrowed area: the small dot which is the only bit of purple other than Hamilton—which is an hour and a half away—in the bottom left-hand corner of that diagram. That is the Mount Gambier ‘Inner Regional’ ASGC Classified Area, 425 kilometres away from Melbourne and Adelaide. We are classified as inner regional. And as a consequence of that our children, our young adults, are no longer able to work for the gap year and get independent living allowance. Clearly, that is just unfair, and it is just nonsensical, to be quite honest.

The gap year was not perfect but it was a stopgap and it worked for country kids. As Richard said, I know of people who have relocated their places of residence to meet those eligibility criteria, and I am sure the committee knows the issues that are at hand. It is a significant cost for parents to have to move their kids to the metropolitan areas for university. Thank you.

CHAIR—Thank you.

Senator XENOPHON—I have had a number of discussions with Councillor Vickery about this, but I just want to ask Sarah Dickins a question. You worked in a potato farm for one year in order to continue your eligibility. Can you just tell the committee what sorts of things you have to do to keep things going in terms of fulfilling the criteria?

Miss Dickins—Just in order to be deemed as independent, I had to earn \$19,536 in an 18-month period. That involved me working at Safries chip factory. I was standing on the line, picking out mouldy potatoes, in shifts that went from eight hours to 12 hours. Sometimes I would be there at 3 am cutting off mouldy potatoes. That was a high-paying job which earned me the money that I needed to qualify for youth allowance. Youth allowance goes a long way towards covering university expenses but it does not fully cover them. I come home in the holidays, and I am cherry picking full-time at the moment. I babysit and I pack toffee for my dad, and I am working full-time in order to save up enough money to be able to go back and go to university again next year.

Senator XENOPHON—Given that any of your fellow students who live in a city do not have to do that, how does that make you feel, given what you have to do to make ends meet?

Miss Dickins—That is just what I have to do if I want to go to university, so I do it.

Senator XENOPHON—But do you feel like a second-class citizen compared to your colleagues?

Miss Dickins—Of course I would like not to have to work so much, but I do.

Senator XENOPHON—But you sit in the lecture theatres next to students who do not have that requirement.

Miss Dickins—Yes.

Senator XENOPHON—How does that make you feel in comparison?

Miss Dickins—I guess I would rather be living in the city to go home to have mum cook me dinner and do my washing and to be able to sit back home in the holidays and watch movies and have fun. That is definitely what I would prefer to be doing.

Senator XENOPHON—Sure. I just want to ask one question of Councillor Vickery, if I may, Chair.

Senator BACK—Just before you do, Senator Xenophon, could I just follow on that question, if I may?

Senator XENOPHON—Sure.

Senator BACK—Miss Dickins, what will be the scenario for your sister? Will she qualify on the one-year gap or will she be in the 18 months?

Miss Dickins—She will not qualify on the one-year gap unless—

Senator BACK—She will or she will not?

Miss Dickins—No, she will not, because we live inner regional because we live 150 metres away from the border.

Senator BACK—So she will have to work in the potato factory for two years.

Miss Dickins—Yes, and she cannot defer her course for two years, so that means she either works one year, goes to university and tries to fit in 30 hours a week while she is at university, slugs her guts out and just gets passes, or she takes two years and gives up that opportunity to go to university anyway. So it is just a ridiculous scenario.

Senator BACK—Thank you.

Senator XENOPHON—Actually, Miss Dickins, the comparison I gave was not really a fair one because it is a case of comparing you not just to metropolitan based students but to fellow regional students that might be within a stone's throw. They do not have to do that. That is right, isn't it?

Miss Dickins—Yes. If you live just 150 metres away, you can take the gap year and qualify for full youth allowance.

Senator XENOPHON—Right. Councillor Vickery, in terms of alternative mechanisms, you may have heard the Bureau of Statistics talking about different measures and the capacity to have a sociogeographic type measure. What do you say is a fair way out of this so that Sarah Dickins does not have to do what she is doing, so she can fully participate in university rather than having to work seemingly around the clock to make ends meet?

Councillor Vickery—I actually believe that the metropolitan boundaries are fairly well defined anyway. The annual cost of \$90 million per year to accommodate the roughly 9,000 students who would additionally qualify under the outer regional qualification—the cost that the inner regional qualification people would add to that—I think, at the end of the day, is a small cost.

I understand, as the mayor of the local council and as a businessman myself, the necessity to balance budgets. But we are talking about a high-level issue here. Surely our first principle in addressing this issue should be that, if people need to relocate to have access to tertiary education, that needs to be facilitated. In this particular instance, I think it can mostly be accommodated with geographic lines. I have some empathy for an index that integrates social components as well, but if that were to compromise the core issue here—and I understand that the current classification is not purely about health but it was devised for access to health—we should be aspiring to treat education on its merits alone. Frequently, even cities like Mt Gambier, with 25,000 people, may have one aspect of services at a higher level than would a city of 50,000, closer to Melbourne or Adelaide or Sydney, but in other instances it will not have services that a town of 2,000 has. I am cautious about making it too complex and believe that it is basically about distance and time and consequent relocation.

Senator XENOPHON—Sure. Finally, Mr Sparks, you talked about what you are facing in your family. Do you think we could end up a bit like the US, where getting an education for their kids is an aspiration for parents rather than a reality?

Mr Sparks—I would not like to draw parallels between us and the US. I think we are a far better country. On the issue of education, Australia has always been a very democratic, very free, open society. I think every person should be given equal opportunity to attend university. Certainly there seems to be a direction of late towards the American model, where education is a benefit of the rich and powerful, at least for those people who live a distance away from educational institutions. It is a very difficult situation, but I think it should be equitable across Australia. Clearly the current situation is not. Currently regional parents are met with tens of thousands of dollars of additional costs that their city counterparts do not have.

Senator XENOPHON—Thank you, Mr Sparks.

CHAIR—I may have misheard you, so I want to come back to this issue. You talked about the need to relocate and, therefore, if that need is there, it should be supported, so it is addressing the need. But I thought you said you also support the concept of lines on a map. I understand you do not support these particular lines. How do those two issues marry together?

Councillor Vickery—I am not going to try to re-invent the whole model. But even the most skilled Sir Humphrey would have trouble trying to argue that potential students 450 kilometres from their closest university should have totally different educational opportunities by virtue of which side of the street they live on. It is always going to be a moot point about time and distance, but surely, in this extreme of situation, it is, as they would say, a no-brainer. There are always going to be blurry bits about people aspiring to do a slightly different course 500 kays away versus the one that is available 100 kays away, and therefore there are different living arrangements. But ultimately most people, if they have the opportunity, will stay where their family and friends are.

I believe some of those assertions about people potentially being eligible for payments some might say they should not be eligible for is a nonissue. People will, wherever possible, go to an institution that is as close as possible to family and friends and, historically, what is their community. In those figures about what people do later in life, people who are used to growing up in rural and regional communities tend to get used to that sense of community and are far more likely to return to those communities. Our falling percentage of tertiary uptake in the regions and issues like that are exacerbated considerably. I understand how the situation came about, but it needs to be remedied quickly.

CHAIR—I am not sure you have actually addressed the issue that I am trying to pursue. Again, if someone needs to relocate, what is the point of relying on a map? People have either relocated or not. I am just trying to get to what you are saying because if you are supportive of lines on a map, you disagree with these lines but it means there will be different lines. At some point in time, as Ms Dickins has indicated, someone will always be 150 metres away from a line. In some respects, it does not necessarily fix that problem. People will just fall outside of a line of a different criterion. We have had a bit of this discussion before, and Senator Back has also raised these issues. If the issue is about relocation, isn't it about relocation?

Councillor Vickery—Absolutely, and the original tenet of my message is that if people need to relocate—and most people will not relocate unless it is necessary—then that should be the fundamental premise. Lines on a map should be secondary to that.

Senator NASH—Thank you very much for being here. I am just sorry the Prime Minister and the minister are not in the room at this particular point in time to hear your evidence. I do not think they could possibly hear what you have had to say.

CHAIR—They are not members of the Senate standing committee.

Senator NASH—I was speaking theoretically, Chair.

CHAIR—It is a rather interesting point you make.

Senator NASH—I think you can probably let me finish and then the point will be made, Chair.

CHAIR—Rarely have we had prime ministers and deputy prime ministers attend Senate hearings.

Senator NASH—I shall rephrase rather than waste time with your intervention.

CHAIR—Let's ask questions and not try political grandstanding.

Senator NASH—I certainly hope that the Prime Minister's and the minister's advisers who are watching at the moment take what has been given to the committee back to their bosses so they are well aware of what has been put to us by these witnesses. I think it is an extraordinary—and I am getting to my question—state of affairs when we have a piece of legislation that means that somebody obviously of Ms Dickin's intelligence is cutting up mouldy potatoes and still does not qualify for any assistance. I think that is an extraordinary piece of legislation.

CHAIR—You supported it.

Senator NASH—That is my next point, Chair.

CHAIR—You negotiated and supported it.

Senator NASH—Chair, if you could allow me to ask my question—

CHAIR—Let me make the point: I am happy for you to ask questions, but if you are going to try and make political statements from the table, they are going to be responded to. If you come back to a question, you should ask it and you will be able to ask it freely.

Senator NASH—I will. Before I move to my question, I want to clarify: you indicated earlier that we supported the legislation at the time, which the coalition did because there were a number of good measures in

the overall legislation, but the minister refused to split the bill. We never agreed to this and we moved an amendment at the time to make sure that the inner region was treated the same as other regional areas, which I thought for the purposes of this was important to clarify.

My question is with regard to the issue of the funding that the government has stated is the reason they will not include the inner regional areas. Is there any other reason that you can see, given the evidence you have just given the committee, that inner regional students living, as Ms Dickin's has indicated, 150 metres at times from outer regional areas should be treated any differently?

Councillor Vickery—I am happy to have first go at that. I was surprised to hear that there are supposedly only 9,000 additional students who would qualify for the eligibility status if all the existing inner regional zones were treated the same as outer regional. I see that as a no-brainer. In a practical sense, we are only talking about 3½ months of 2010-11 left to budget for, if you could change it with a stroke of a pen, for example. Budget processes are currently occurring for the 2011-12 year. That is not my business. We are here to just highlight how extreme this situation is for a couple of cohorts of students. I was surprised that the consequential additional cost was only of that figure, because it was only for that many students. This really affects people's lives. There will be a great heap of students who will not be going to university, whose talents this nation will miss out on, or they will defer for two years and will miss out on courses. So many employers that I come across say that in the short term they are the great beneficiaries of this because they get to grab some really talented people and employ them in jobs way below their potential station in life, or below their abilities and ultimate professional capacities. That is a win for them in the short term, but it is a loss for our nation and our regions in particular in the long term.

Senator NASH—Given that the government seems unwilling to change the legislation so that all regional students can be treated equally, do you think the government does not have a clear enough understanding of the impact of the legislation as it currently stands on regional students and their families in inner regional areas?

Councillor Vickery—I had the pleasure of meeting the minister a couple of mornings ago in Adelaide. I am sure he is well aware of those issues. I just hope that there can be some clarity of thinking and that this issue can be addressed. I am told these things are frequently hard to solve politically, but I am sure that capable people who have a dedication to make sure that equal access to education is at the top of their agenda will make it happen.

Miss Dickins—My simple answer to that question is yes. As you can see from the map, we are a tiny purple splodge in a sea of green. There is no reason we should be treated any differently from all the other students living where that green is. I would also like to make a correction. I did qualify for youth allowance. I was in school in 2008, so my gap year was in 2009. It is the kids in consequent years who do not qualify.

Mr Sparks—I believe the reason we find ourselves in this situation is that there was not a suitable way to delineate or find a way to categorise regional or remote students. It would appear to me, from when I first learned of the decision back in March, that the nearest and closest available categorisation was used, and that was the ARIA Plus categorisation that we now have before us of inner and outer. I was out of the room when previous witnesses were at the table, but I understand that they said that the classification that was used is inappropriate for the current delineation for education. The problem is that there is no way of accurately making that delineation. I suspect the reason the government took this is that it was available. What should be done is that the Bureau of Statistics somehow categorises need, as you intimated during your previous group of witnesses. The bottom line is that, if you need to relocate, you need to be treated fairly in comparison with people who do not.

Senator NASH—I have further questions but I will put them on notice, if you would not mind coming back to us. My colleague has a question before we move on.

Senator BACK—Ridiculous as it sounds, you could actually move your home a few hundred yards to the other side of the boundary, couldn't you?

Miss Dickins—Yes.

Senator BACK—How ridiculous is it! But that is possible. Councillor Vickery, how many 30-hours a week type jobs are there for young people in the south-east area? Are there many? Any?

Councillor Vickery—It depends on whether you are doing it before or doing it during.

Senator BACK—Obviously.

Councillor Vickery—So it is highly variable.

Senator BACK—Not that it is desirable, but could a loan scheme come into existence to ensure that young people in these inner regional areas can get to university or higher education?

Mr Sparks—The situation is that we are currently paying for our education through HECS. Loan schemes put regional students into an even worse financial situation than their peers from the city.

CHAIR—We will have to leave it there. Thank you for your submission and your presentation to the committee today.

Councillor Vickery—Thank you for the invitation.

[1.01 pm]

PROUD, Miss Briana, Private capacity

CHAIR—I now welcome Miss Briana Proud. We have received your submission. Would you like to make some opening remarks to the committee?

Miss Proud—I would love to. Good afternoon, distinguished committee members, ladies and gentlemen. My name is Briana Proud and I am really honoured to have been asked to speak here today. I am from Port Macquarie on the mid-North Coast of New South Wales and I have just recently completed my third year of an arts-law degree at the University of New South Wales. Hence, as a university student who was required to relocate to study the course of my choice, I feel as though I can provide some valuable evidence on how the changes to the Social Security Act have affected, and will continue to affect, students from inner regional areas if this amending bill is not passed. The best way I can express that is by explaining the effects relocation has had on my life and therefore the effects it has had and will have on thousands of other students in the same position as I am.

As I outlined in my written submission, regardless of whether I chose to study at a regional university, such as the University of New England or the University of Newcastle, or, as I chose, at the University of New South Wales, I was required to move at least three hours away from my family home. The point I am trying to emphasise here is that relocation in order to undertake tertiary study is not a choice but a necessity for thousands of inner regional students. Whether classified as inner regional or as from any other region, students whose family home is not situated in a metropolitan area or in an area close to a major university are required to relocate to commence tertiary study. Allowing for significantly different criteria to determine whether a student can be classified as independent—based on whether they live in an inner regional or any other regional area—creates a grossly unequal and, frankly, unacceptable system.

I do acknowledge that the review of youth allowance was necessary to prevent numbers of students who were able to remain living at home while studying at university accessing it, but the system should be based on whether you live in proximity to a university and whether you need to relocate. Undeniably, this includes inner regional students as equally as it does outer regional, remote and very remote students.

Ironically, after I moved to Sydney completely independently I qualified to receive full youth allowance on a dependent basis. Without youth allowance I simply would not be at university. Unfortunately, however, there are thousands of inner regional students who right now believe that they will be prevented from obtaining a tertiary education for this very reason.

I have now completed my third year of uni and I can safely say that it is extremely difficult to balance any paid employment with a full-time university load. It is near to impossible to complete the 30 hours of paid employment required under the changes made earlier this year whilst trying to stay afloat in the daunting and academically demanding university environment. However, the alternatives—either postponing university until the midyear intake at the end of the 18-month period or deferring for a further year—are no better. This only discourages regional students from pursuing a tertiary education and prevents them from accessing one.

As I outlined in my submission, the financial impact of having to leave home at the age of 18 or 19 is extreme. Without youth allowance, a social security system developed specifically for financially assisting students, this would be impossible. The flow-on effect of this is that an increasing number of students will be prevented from obtaining a tertiary education—a number the current government contrarily aims to increase. However, this does not mean that regional students should get a free ride to university. Rather, I am of the opinion that inner regional students should have the same access to financial assistance that every other regional student receives. To make this distinction seems grossly unfair and discourages inner regional students who have significant academic potential but limited financial assistance from obtaining the tertiary education of their choice.

As I stated in my written submission, it is my hope that the government will recognise how hard it is for regional students to obtain a tertiary education and, instead of making it even harder, enact this bill in order to provide some assistance to these students. Regional students should be the focus of education related spending; however, sadly, we are forced to fight for the minimal entitlements other regional students receive. It is imperative that this imbalance is addressed by accepting the proposed changes for the sake of regional students now and, most importantly, in the future.

Senator NASH—Thank you very much, Miss Proud, for being here today. I note from your submission that you have quite a large family.

Miss Proud—I do have quite a large family.

Senator NASH—You have four siblings?

Miss Proud—Yes, I have four siblings.

Senator NASH—Do you want to tell the committee how your parents are managing with their current students studying and will manage with potential students studying. How are they going to manage educating five children?

Miss Proud—Luckily, as I said, I have youth allowance on a dependent basis and I receive the full rate. As you would be aware, that means that my parental income, when it was assessed, was less than \$38,000—now \$48,000, which is virtually nothing. My next younger sibling completed high school in 2008, so she was able to qualify in the 2009 gap year cohort. However, I have a sister now who is on her gap year—I do not know what it is at the moment—and she is enrolled to study medicine next year at Armidale. Without youth allowance, she does not know whether she will be able to attend that university. Obviously, she has amazing academic potential. She has been accepted to study medicine. It is just this financial barrier that is preventing her.

My two youngest siblings live at home. My brother is completing his HSC at the moment and will be coming up to study university. The costs associated with sending not even one child but three children to university if these changes are not made would be astronomical. I was 18 when I moved out of home and for my first year of university I lived at a university college. To put it in perspective, the rent for a university college is \$13,000 a year—and that is kind of standard; it could go up further, but it would not get any less than that. Just in terms of that, that means that they are spending at least—this is without food, textbooks or any other university related costs like transport—\$13,000 on my siblings just to get them to university. That is not to study but just to physically attend.

I think this is ridiculous since they have the capacity and the ability to work and contribute to the workforce. My sister who will study medicine next year has done that—she has worked three jobs this entire year—but she still will not meet the 30 hours a week criteria. That kills me. If she lived 30 minutes down the road, again she would have qualified. It means my family is going to have to make extreme financial sacrifices if they simply want to send my brothers and sisters to university.

I am so grateful and lucky to be on youth allowance, but that is in jeopardy every year because if my mum's income changes so will my youth allowance because I am a dependent student. I am not certain whether in the next two years of my degree I will be financially supported. That is the nature of the way I obtain youth allowance, but I suppose it puts huge financial pressure back on my family. That is how it will affect my family situation.

Neither my brother, my sisters nor anyone else who I have spoken to who is completing a gap year or who has previously completed a gap year has any problem with taking a year off to work, but a system based on an 18-month period is just totally distinct from the academic calendar. It is not based on any form of similarity to the academic year. If the system went from November, when you finish your HSC, until February the following year, when you have started university, sure enough, 30 hours a week might be achievable, but when you set it for 18 months that goes from November, when you finish, until May, so that means that for four months of your first year of university you are expected to work 30 hours a week if you want to go. That is impossible.

Senator NASH—Thanks, Briana. Just before I pass to one of my colleagues: do you think the excuse the government use that they cannot find the \$90 million a year to treat regional students fairly is good enough?

Miss Proud—Not at all. When you consider what the government spends on a yearly basis, \$90 million is nothing. And, when you think about it, it is \$90 million that we are spending on the future of Australia's education. The government has explicitly stated numerous times over the past two-year period that education and improving Australia's education systems are one of the most important things that need to be focused on. It saying that a mere \$90 million cannot be found to support these inner regional students who have the exact same, if not more, academic ability and strength as their metropolitan or even outer regional, remote or very remote counterparts just baffles me as to how that distinction can be made. Metropolitan students, sure, are included in the 30-hour-a-week criteria, but they are still living at home. Speaking from my own experience, when I go to class and I see students who have had their parents drive them to uni, have had their parents cook dinner for them, did not have to do washing, did not have to go to the supermarket and did not have to do all these extra tasks that you have to do when you move out of home, especially at such a young age, at the age of

18 or 19, and are attempting to study a university degree full time, it is hard. It is really hard. Taking away this tiny, tiny bit of financial assistance that regional students receive is just unfair.

Senator NASH—Thanks, Miss Proud.

Senator XENOPHON—I think Miss Proud's evidence speaks for itself fairly clearly, so I do not have any questions.

Senator BACK—Can I ask what course you are doing?

Miss Proud—I am doing arts law.

Senator BACK—At the University of New South Wales, which is in Sydney?

Miss Proud—Yes.

Senator BACK—And one sister is about to do medicine?

Miss Proud—Yes.

Senator BACK—The other one is—

Miss Proud—My other sister is enrolled at the University of Sydney doing a degree in commerce and agricultural studies.

Senator BACK—And the brother?

Miss Proud—He is completing the HSC.

Senator BACK—And what is he hoping to do?

Miss Proud—He is hoping to study law also.

Senator BACK—There is a fifth one, but I will not get into that. In the event that you and the others are successful in your university courses, what is the likelihood that you would return to Port Macquarie?

Miss Proud—For Lara, my sister studying medicine, it is extremely likely that she will return to a rural area. Medicine is a degree so focused on regional and rural students that she will—and she wants to—definitely return to a regional centre. I most probably will. I cannot say 100 per cent what I am going to do once I graduate, but I feel as though there are an array of very important legal issues in regional communities and I feel as though my university degree will assist me to make positive changes in regional communities. So, in answer to your question, yes, I probably will return to a regional community once I finish my degree.

Senator BACK—And the sister studying agriculture is more likely to return.

Miss Proud—That speaks for itself, yes.

Senator BACK—So you are a family that, given the opportunity, would be more likely to remain in a regional community than in the city?

Miss Proud—Definitely. I am 21 now. Within the next few years I will be starting a family of my own, but I do not want to move back to a regional community if my children are going to have to face the huge academic and financial restrictions that I and my brothers and sisters will face. I would not put anyone else through this. It is unfair. What these changes say to me is that that does not matter, my regionality does not matter. I think it should, to the same extent that it does for any other regional student.

Senator BACK—Sure. I do not want to go into your parents' financial circumstances, but you do make the comment that they would be placing themselves at extreme financial disadvantage if they were to attempt to put all five of you through university. On that basis would they not qualify for some form of financial assistance by virtue of having five children all capable of going on to university or higher studies?

Miss Proud—I have a very complex family situation. Obviously I have dependent youth allowance on a different basis from my siblings. But my parents still have an income of between \$44,000 and \$150,000 a year. Even if they were earning at the upper end of that scale, it still costs, on average, \$15,000 to \$20,000 per year to send a student to university. I have the scale here. At the very end of the scale you get \$8 a fortnight, which pays for a bus ride to uni. What this change is doing is leaving a huge gap where middle-income families have to put themselves out in the most extreme financial ways to support their children who want to study at university. The last witness said he will find a way to put his children through university—as will my family. They will find a way. But they should not have to find a way. The way should be provided by the government, as it has been in the past and as it is for other students.

Senator BACK—So your point is that the concept of one year between school and higher studies is acceptable.

Miss Proud—Definitely. It means that we contribute to the workforce. Students who are bright and talented who have just completed their HSC can contribute to the community they live in, or they can travel overseas. They can make all these contributions to the world around them. That is fine. No-one has ever complained about having to take a gap year. The problem is being forced to take either a year and a half off or defer for two years, in most cases. I am not 100 per cent sure of the rules of every single university, but I know that for many universities you cannot defer for two years.

Senator BACK—You cannot defer.

Miss Proud—You are going to have to give up your place and then take a gamble.

Senator BACK—The other point is that for somebody in that final six months to be starting university, with all of its attendant issues of being away from home, and then having to find 30 hours work is absolutely and utterly setting a student up for failure. I would counsel very strongly against that in any circumstances. Your second point would then be that the criterion for eligibility should be whether or not a student has to relocate to study, regardless of where. There would be city based students who would have to relocate.

Miss Proud—Definitely.

Senator BACK—So you have no difficulty accepting the gap year, but the rule should be that whether or not a student has to relocate to study determines whether or not they should be eligible, having regard for other factors, such as capacity.

Miss Proud—Definitely. Those other factors can include things like access to transport. As you just said, metropolitan students may have to relocate. This is an example that I have just come up with now: if a student is living in Gosford, which is a regional area, they can jump on a train and be at a uni in an hour. That is not an unacceptable amount of time to travel when there are students who live a 20-minute drive from uni who commute on public transport for an hour and a half every day each way. So I suppose there are other factors which need to be taken into account, but at the core of it should be whether or not you have to relocate to go to university.

Senator BACK—That is correct.

Miss Proud—As I said earlier, it does not matter whether or not I chose a regional university or a university in Sydney, which is where I ended up, I still had to relocate. In Port Macquarie there is a campus for the University of Newcastle, which offers nursing and teaching. I had no interest in studying either of those courses. We cannot limit students' choices; we cannot say, 'There's a university an hour down the road. It doesn't offer the course you want to do but that doesn't matter because it is still a major university.' We cannot limit what students want to do, so that also needs to be taken into account. The issue we are discussing today, which can be changed today, is that there is no difference between an inner regional and an outer regional student when relocating to university. I just do not understand how this issue arose.

Senator BACK—That is the point on which we are agreeing: it is relocation, not geography. Slightly unrelated, but I am concerned about this: there is the criterion of 90 minutes by public transport. You and your associates are comfortable to jump on a train or bus in Sydney at half past eight or nine o'clock at night after your last lecture and travel for 90 minutes?

Miss Proud—Definitely not comfortable, but if you have to do it you have to do it. If you want to study and you need to get to university—I do not want to say 'only 90 minutes' because it is a considerable amount of time but at the same time if I lived 90 minutes away from university and I did not have to find my own place, pay my own rent, buy my own food et cetera, I would do it. I would be in a much more secure financial position and I would not have to put myself under the amount of stress that I do, having to depend on an insecure youth allowance payment and be in paid employment. I could focus more on my studies. When I see people in class who just come from home—I made this point earlier—there is such a huge difference between the opportunities they have and the opportunities I have.

Senator BACK—You may have heard me ask previously but I will ask you as well. You are obviously accumulating a HECS debt. Whilst it might not be the preferred option, would a solution be across the board perhaps or more widely an extension of HECS to include some costs associated with the cost of living paid back once you get to a certain level of salary—recognising that as a graduate you are probably going to be on a higher salary than if you had not gone to university and stayed in a potato factory peeling potatoes, for

example? I am not suggesting it is my preferred option; I am asking what your position would be and that of your friends and associates.

Miss Proud—If it was a choice between being a regional student and not receiving any youth allowance or putting the amount that I would receive on top of my HECS debt, of course I would take the HECS debt. The fact of the matter is: I need money now to put a roof over my head and to eat. I do not have any problem with having to eventually repay that. We have overseas HELP loans, which you can apply for from the government, and other student loans, which can go on top of your HECS debt. That is not a system that would be a totally new concept but, at the end of the day, we just need to break down this barrier between inner regional and other regional students. If that arbitrary line is removed, there is no problem. The gap year is a great system. As I said before, it contributes to the community and it allows students to develop and mature before they go to university. At the end of university degrees, we have got graduates who have amazing life skills from having time on a gap year rather than just going and slogging their guts out to try and get the money that they need to survive.

CHAIR—Thank you, Miss Proud, for a very succinct written submission and a very capable and competent presentation to this committee today. I am sure you will do very well in your chosen profession.

Miss Proud—Thank you.

CHAIR—Thank you very much for your appearance before the committee today.

[1.28 pm]

DRAYTON, Ms Moya, General Manager, Education, Employment and Support Programs, Centrelink

McCRUDDEN, Ms Fiona, Business Manager, Youth Allowance/Austudy, Centrelink

MILLIKEN, Ms Marsha, Group Manager, Income Support Group, Department of Education, Employment and Workplace Relations

SYKES, Ms Margaret, Branch Manager, Income Support Policy and Information Branch, Income Support Group, Department of Education, Employment and Workplace Relations

CHAIR—I welcome representatives from the Department of Education, Employment and Workplace Relations and Centrelink. I note that the Senate has resolved that an officer of a department of the Commonwealth or a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to the minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

Ms Milliken, would you advise me why the department never made a written submission to this inquiry.

Ms Milliken—Substantial information about the student income support arrangements is already a matter of public record. The legislation as it currently stands was passed in March this year and, at that time, the framework was outlined and there is significant information available about the operation of the current arrangements.

CHAIR—But this is a bill that will potentially impact upon the appropriation of \$300 million. I would have thought that at least the committee could have expected a written submission about that.

Ms Milliken—I take your comment, Senator Marshall.

CHAIR—Ms Drayton, why didn't we get a submission from Centrelink?

Ms Drayton—Centrelink's involvement in this is administering the policy on behalf of the Australian government, so our involvement in this initiative is really to work out the service delivery aspects of it as opposed to determining and commenting on policy at all.

CHAIR—It is the clear position of the committee that if it is doing an inquiry into a piece of legislation, regardless of how it is generated, the committee has an expectation that it will receive a written submission from the relevant department. Do you have a statement to make to the committee before we move to questions?

Ms Milliken—Thank you for the opportunity to appear before the committee. I will make a brief opening statement which outlines the purpose and the main elements of the student income support reforms. As I am sure you appreciate, student income support is intended to provide financial assistance to students from low-income backgrounds to support their anticipation in education and training and assist them to acquire the skills and qualifications essential for sustainable employment. There have been three programs providing that since 1998. These programs have a key role in facilitating education and training outcomes, including the achievements of the government's targets for educational attainment, which are that 90 per cent of young people aged 20 to 24 will have attained year 12 or equivalent qualifications by 2015, that 40 per cent of 25- to 34-year-olds will have obtained a bachelor level qualification by 2025 and that 20 per cent of undergraduate enrolments in higher education will be students from low socioeconomic status backgrounds, including from rural and regional areas, by 2020.

The Bradley review of Australian higher education, which reported in December 2008, found that student income support programs were not accurately targeting those students most in need of assistance to study. By contrast, and as an unintended effect, youth allowance was being accessed by some students living at home in higher income households. The review recommended comprehensive reform of student income support programs, including substantial retargeting of support to those students most in need of financial assistance. The review considered such reform essential to ensure adequate support for the educational participation of students from lower socioeconomic backgrounds. In the 2009-10 budget, the government announced a comprehensive package of reforms to student income support in response to recommendation 5 of the Bradley review. In that economic climate, the government's package of student income support reforms was designed to be budget neutral over the forward estimates.

Young people can access youth allowance and Abstudy as dependent or independent recipients, depending on their personal circumstances. Under the reforms, access to payments for dependent young people includes assessment of their parents' capacity to contribute to their support through the parental income test. Changes to the parental income test improve access for dependent young people from low- to medium-income families. At the same time, the reforms make a number of changes to how young people can access the payment as independent recipients, primarily through lowering the age of independence and tightening the criteria for how young people are assessed as self-supporting through participation in work.

The parental income test is a key element of the reforms and is the main criterion for students to qualify for youth allowance and Abstudy. In July 2010, the parental income test threshold was increased from \$33,000 to \$44,165 and will further increase in January 2011. The 20 per cent family taper rate was introduced replacing the 25 per cent per child taper rate and over 100,000 students are expected to benefit from those changes. Many will receive a higher payment than would have previously been applied and many students who have previously considered it necessary to gain eligibility as independents would no longer need to do so.

The workforce participation criterion was changed. While Bradley review found that the parental income test for youth allowance was too tightly targeted so that access to payment had steadily declined since the early 2000s, it also found that young people from higher income families were able to access youth allowance by meeting the workforce participation criterion for independence. The review identified the need to tighten the rules that govern eligibility for independent status under the workforce participation criterion.

In line with the recommendations of the review, from 1 July 2010 the criterion requires young people to work full-time for an average of 30 hours per week for at least 18 months in a two-year period to demonstrate financial independence. This is to ensure that support is targeted to those genuinely in need of financial assistance and who have demonstrated that they are self-supporting. Young people are no longer able to qualify through the two previous workforce participation criterion elements working part-time for at least 15 hours per week for at least two years since leaving school or earning in an 18-month period since leaving school an amount equivalent to 75 per cent of the appropriate maximum national training wage award.

There are special arrangements for two categories of students outer regional and remote measure for independents assists young people in outer regional, remote or very remote Australia who are required to live away from home to study. They are able to access the former elements of the workforce participation criterion. This is provided their parents' income is less than \$150,000 per year. That measure commences on 1 July next year. As we know the Australian Bureau of Statistics Australian Standard Geographical Classification Remoteness Structure is used for determining whether a student's family home is in outer regional, remote or very remote Australia.

In addition transitional arrangements recognise that some young people based their plans for commencing university in 2010 around taking a working gap year in 2009 in order to meet the workforce participation criterion in 2010. Those young people who completed year 12 in 2008, who took a gap year in 2009, and who needed to live away from home to undertake their chosen university course in 2010 can until 31 December this year be assessed under the pre-existing workforce participation criterion for independence.

Other aspects of the reforms include reducing the age of independence to 22 years by 1 January 2012 and the introduction of scholarships for university students receiving student payments. The Student Start-Up Scholarship for all university students receiving youth allowance, Austudy or Abstudy assists with the costs of textbooks and specialised equipment even for those on a part rate of student income support. That scholarship was \$650 in each half-year of this year and it will be \$1,097 in each half-year of next year. By the end of August 2010 around 174,000 students had received at least one payment of that scholarship.

For those students who need to move away from home to study the Relocation Scholarship of \$4,000 in the first year of relocation and \$1,000 in later years is available. The scholarship replaced the Commonwealth Accommodation Scholarship. At the end of August 2010 over 22,000 students had received a Relocation Scholarship. Also under the changes to student income support, the Rural Tertiary Hardship Fund is being established to operate in the period 1 January 2011 to 30 June 2013 to help address the barriers preventing disadvantaged rural and regional students from attending university.

A rural and regional task force was established to consider and advise on criteria for assistance under the fund and the government has just announced that it has accepted the task force's recommendations. The assistance provided by the fund is intended to be additional to the benefits that rural and regional students have available to them under the student income support package.

The reforms also included an increase to the personal income test threshold from 1 July 2012 at the same time as an increase in the student income bank, changes to extend student income support to all master's by coursework programs from 1 January 2012 and relaxation of the means test for equity and merit based scholarships from April 2010.

A comprehensive review is to be undertaken of the impact of the student income support reforms, with particular focus on the impact on rural and regional students. The review is provided for in social security law and under the agreement with the independents it must be completed by 30 June 2012.

CHAIR—I understand that the subject of our inquiry today was part of a much broader suite of reforms. Have the reforms as a whole extended the access of student support for studying at tertiary institutions, and if they have, to what extent?

Ms Milliken—The first stages of the reforms were implemented in April of this year with the student scholarships, and from 1 July of this year with the changes to the workforce participation criterion, recognising that gap year students from 2009 have until December of this year to qualify under those arrangements. So it is early days in terms of the reforms to the student income support and their implementation. However, there has been substantial take-up of the scholarships. By the end of August almost 174,000 students had received a Student Start-up Scholarship, almost 38,000 people had received one payment of \$650 and over 136,000 had received the two payments—

CHAIR—And these are new payments?

Ms Milliken—That is the new payment that replaced the former Commonwealth education costs scholarship. And with the Relocation Scholarship, which is also a new scholarship under this arrangement, almost 14,000 students had received by the end of August the \$4,000 for students in their first year of relocation. And over 8,000 had received the \$1,000 scholarship, which is for students in a subsequent year of relocation.

CHAIR—In your remarks you also said that there have been some changes to the criteria to get independence and that there will be a number of people who no longer need to qualify. Could you quantify those changes for me.

Ms Milliken—The changes are in their early days. But for a family with two dependent children living away from home, for example, under the previous arrangements for student income support, for a family with a child aged 17 and another aged 21, both away from home, the parental income cut-out point—the point at which they would no longer be eligible for Youth Allowance at the dependent rate—was \$76,000. From January 2011, because there is an increase in rates at that time, the cut-out point will be \$146,454. That means that in a family of two children they will receive a part rate, at least, of student income support, where those young people live away from home, up to a family income of \$146,454. Those children receiving at least a part rate of student income support at the dependent rate would also be eligible for the Student Start-up Scholarship and also for the Relocation Scholarship, if living from home.

Senator NASH—On that 146,000 figure, what would the part rate be?

Ms Milliken—At the 146,000, it is the very end of the—

Senator NASH—I understand that, but how much would it be?

Ms Milliken—It would be close to a dollar or two of student income support. I do not have the specific amount—

Senator NASH—You can take it on notice.

Ms Milliken—It will be a very small amount at that end of the spectrum, but they would receive the full amount of student start-up and relocation scholarships.

Senator NASH—I understand that. I just wanted to get the rate.

CHAIR—I am trying to clarify something about the people who do not need to qualify under the working allowance. Maybe I am on the wrong track here, but were you present for the last witness?

Ms Milliken—Yes.

CHAIR—Under those circumstances, would the younger siblings she was talking about still need to qualify?

Ms Milliken—The rate at which the older sibling is paid Youth Allowance at university, or whether they qualify, does take it into account because the family taper is used now rather than a per child rate. So the change in the way the parental income test operated does take into account the number and age of siblings also receiving Youth Allowance aged 16 or above. So families with an older sibling at university and a sibling at home, at secondary school and also qualifying for Youth Allowance, would receive a higher rate than one without a sibling at secondary school.

CHAIR—Can you explain the logic of the 18 months required for working? It has been put to us that the majority of universities will only allow a one-year deferral, so can you explain to the committee the logic of having an 18-month work requirement?

Ms Milliken—The intention of the workforce participation criterion is to recognise those young people who are genuinely self-supporting. Young people who have worked for at least 18 months out of two years at an average of 30 hours a week would be regarded as being self-supporting and so eligible for youth allowance in their own right. Those who have not been self-supporting but have been earning income to assist them with university may qualify under the dependent rate of student income support.

CHAIR—I am not sure that answers the question, though. Are you actually required to work for an 18-month period to establish that, and how do you do that? If you leave the equivalent of your HSC, as I think some of the examples have used—it is an old-fashioned thing still happening in New South Wales, I understand—are you required then to work for 18 months before you are eligible?

Ms Milliken—The changes to the youth allowance take the focus away from the reliance that some people had on using their gap year to qualify for youth allowance at the independent rate, which some people could do through the other two criteria, particularly the criterion of earning 75 per cent of the maximum rate—or \$19,000, as it was then—in the 18-month period since leaving school. So it took the focus off taking a gap year to earn income to qualify for the youth allowance and placed the focus on the parental income test as the primary means of accessing youth allowance. The focus, as I said previously—

Senator NASH—Sorry, can I just stop you there. The chair is specifically asking about the independent rate, not the straight youth allowance. Is that right, chair?

CHAIR—Yes.

Senator NASH—Yes. Could you refer to that?

Ms Milliken—The whole package goes to targeting assistance more closely to young people from lower socioeconomic backgrounds, and the 18 months in two years is an average of working 30 hours per week over 18 months in a two-year period. So you might have a break in that two-year period. It is not necessarily 18 months straight but, on average, 30 hours per week for 18 months out of 24. You could achieve that in 18 months; you might achieve it in two years if you have some breaks.

CHAIR—Correct me if I am wrong—and maybe I am jumping to the wrong conclusion here—but is it to get away from people simply working a gap year, qualifying for the allowance and then using the allowance in combination with parental support, which probably is not actually complete independence, and to move to a point where, if you are going to be independent, you are going to need extra income anyway? Is that it?

Ms Sykes—It is about establishing an overall pattern of full-time employment to establish that genuine independence—hence the averaging of 18 months over a two-year period. So it is about establishing that pattern of full-time employment.

CHAIR—To establish genuine independence?

Ms Sykes—To establish genuine independence.

CHAIR—Right, and that is quite different from the dependent support.

Ms Sykes—Yes.

CHAIR—Can you tell me what impact the \$20 million Rural Tertiary Hardship Fund, which you referred to, will have in addressing some of the specific concerns that have been raised in this inquiry? Or is it not targeted at that? Is it targeted at something else?

Ms Milliken—The Rural Tertiary Hardship Fund will be targeted at those young people in rural and regional areas who are facing particular disadvantage in accessing university for the first time.

CHAIR—One of the earlier submissions we had—and I forget exactly whose it was—indicated that on the whole they were supportive of the system that is there if there could be flexibility built into it to acknowledge

that there are some things about the lines on the map that are not particularly logical and some specific circumstances, whether they are in or out of the lines, which make their circumstances quite different and that if there was the ability to have flexibility built into the system—and unfortunately for you, Ms Drayton, they suggested that Centrelink should have some of that process, and I am sure that you would welcome that—that would be useful. So is the \$20 million assistance fund designed to, in effect, address what might be called an ‘anomalous situation’?

Ms Milliken—The fund is complementary to the broader range of student income support reforms and it does not replace them. The intention is that students from areas other than major capital cities, who are starting a bachelor degree and who are experiencing severe financial hardship in doing so, would be able to apply for a \$3, 000 one-off grant to assist them to undertake the university degree. Some of those people may qualify for youth allowance or Abstudy study in the normal course of events as a dependent or an independent person.

CHAIR—This would be on top of that?

Ms Milliken—Yes.

CHAIR—So the design of that is to assist them with moving or books—or is there no criteria? If you are experiencing financial hardship—

Ms Milliken—It is financial hardship. It is not assigned to a particular type of expenditure, say, books or relocation. For all students who are attracting income support payments the Student Start-Up Scholarship is intended to assist them with some of the costs of books and those sorts of things that are essentials for the university. That is why it is paid at the start of each semester. And for those who are dependent students, the Relocation Scholarship will assist them in relocation, and it could be personal circumstances or other situations that are causing them financial hardship in attending university.

CHAIR—It has been suggested that the impact of this bill, if it were successful, would really only be extending the provision to an extra 9, 000 potential students. Is that your estimation? I think that was just presented to us today, though I am not sure it was presented to us as hard statistical evidence—

Ms Milliken—My understanding—and we are checking the information—is that it is in the order of 5, 500 students.

CHAIR—How much do you estimate this bill, if it were passed by the parliament, would impact upon the budget?

Ms Milliken—In the order of \$270 million over the forward estimates period to 2013-14.

Senator BACK—I would just like to go back to the rural hardship, the \$20 million. Is it for all regional students who are eligible or only those in the outer regional areas?

Ms Milliken—The selection eligibility criteria have been released today.

Ms Sykes—It is students who have their usual place of residence in areas other than major cities of Australia.

Senator NASH—Did you say the criteria has just been released today?

Ms Sykes—That is correct.

Senator NASH—That was good timing. Does that mean that the task force has presented all of their work to the government and that has been released today?

Ms Sykes—That is correct, Senator.

CHAIR—Ms Milliken, you read from an opening statement—is that available for you to table to the committee?

Ms Milliken—It is.

CHAIR—Are you able to do that now?

Ms Milliken—Yes.

CHAIR—Thank you.

Senator BACK—Just to clarify, Ms Sykes, the \$20 million rural hardship provisions which have been announced today relate to all students who have to relocate to attend an institution of higher learning?

Ms Sykes—Students who have their usual place of residence in areas other than major cities of Australia?

Senator BACK—Yes.

Ms Sykes—Applicants from inner regional Australia must need to move away from home to study?

Senator BACK—Yes.

Ms Sykes—Other applicants may and live at home or away from home.

Senator BACK—No—I understood you to say that they would have to relocate to be eligible for this rural hardship provision. I am sorry—I misunderstood you.

Ms Sykes—Students who have their usual place of residence in an area that is other than a major city of Australia are eligible. Applicants from inner regional Australia must need to move away from home to study. Other applicants may live at home or away from home.

Senator BACK—So a student could be living in Ballarat or Toowoomba and attending a campus in their home town and be eligible for the rural hardship grant?

Ms Sykes—Senator, could you clarify whether Ballarat is inner regional?

Senator BACK—Let me consult the map. Yes, it is. There is a purple dot at Mount Gambier. Mr Sparks, is Ballarat the purple dot midway—

CHAIR—No, that is Hamilton.

Senator BACK—Let's say Toowoomba then, which is inner regional.

Ms Sykes—Students from inner regional areas do need to relocate to study.

Senator NASH—So students in outer regional areas can access this tertiary hardship fund but they do not have to relocate?

Ms Sykes—That it is correct.

Senator NASH—So what are the chances of those in outer regional having a university within commuting distance?

CHAIR—Nil.

Ms Sykes—I could not confirm that at this point.

Ms Milliken—The criterion for outer regional is that they may or may not need to relocate to study.

Senator NASH—Why would you even have that as a criterion that they could live at home if they cannot even go to a university from home?

Ms Milliken—I think the criteria do not specify that they must move away from home.

Senator NASH—I will come back to that.

Ms Milliken—It is possible that they may stay at home.

Ms Sykes—If that were their choice.

CHAIR—Even though it is incredibly unlikely that there is a situation where—

Senator NASH—So why do the inner regionals have to be away from home?

Ms Milliken—The task force has recommended that inner regional students need to relocate.

Senator BACK—Could I focus on that. This is the very point of our inquiry and all of the evidence that has come before us today. It is absolutely substantiated by the guideline you have just told me about—that is that, for an inner regional student to qualify for this rural hardship grant, they have to be able to relocate.

Ms Sykes—They need to relocate to study.

Senator Back—Yes. The plea that has been put to us all day from around Australia is that, in the event that that very criterion has to be met—that is that a student has to relocate to study—that should be the only criterion, having regard for socioeconomics and parental income, and that, if a student has to relocate from wherever, then they should be entitled to the youth allowance provisions that have previously been available and are available to others in outer regional areas for exactly the same reason that the \$20 million criterion presents—that is, the need to relocate from home.

Ms Sykes—I am sorry, Senator—what was the question?

Senator BACK—I am going to the logic of inner versus outer regional geography, when both have to relocate. We have heard evidence today about Mount Gambier—450 kilometres from either Melbourne or Adelaide—that if a resident moved their dwelling 150 metres they would be eligible for outer regional

classification, whereas while they are living in Mount Gambier they are not eligible. Patently obviously, to do the university course they want to do in Adelaide or Melbourne, they must relocate. I am interested that those who structured the criteria for the rural hardship grant have picked up on that very same point, and that is that the need to relocate is the overriding criterion, not whether somebody is in the middle of a purple map, in Mount Gambier. That is the point I am going to. I am asking the question: what is the logic of that being extended and having wider application?

Ms Milliken—The overall package of student income support reforms, as I mentioned earlier, was designed to be a budget neutral package and the variations that were introduced early this year were framed in that context. Part of that framing involved a change to the costing of the start-up scholarships for this year. Young people in inner regional locations can qualify for an away-from-home rate of student income support which is the same amount that is paid to independent students—young people who are attracting at the maximum level. It is subject to the parental income test and family income and assets test. Young people who relocate from inner regional locations to study and who attract the dependent rate of youth allowance will also attract the relocation scholarship of \$4,000—

Senator BACK—As would an outer regional student?

Ms Milliken—As would an outer regional or further out—as well as the student start-up scholarship, whatever the amount of youth allowance they were eligible to receive as a dependent student. So young people in inner regional locations can attract youth allowance and associated scholarship payments where they need to relocate to study.

Senator NASH—But they are substantially less than the independent ones.

Senator BACK—They are not getting the same as a person who happens to be classified as outer regional or remote—in other words, if they live on the left side of the street in Mount Gambier versus on the right side.

Ms Milliken—If they qualify as dependent—

Ms Sykes—They still need to meet the independence criteria. It is not a given. No matter where they live they would still need to meet the independence criteria.

Senator BACK—You mentioned 5,500 students are in this category. Do you know what the overall number of students is—in other words, inner regional, outer regional, remote, all combined?

Ms Milliken—Could I qualify my previous statement about the 5,500: it was estimated to be 5,500 in 2011-12.

Senator BACK—So what is the total cohort we are speaking of? The inner regionals are 5,500. Could you give me some idea what the total number is?

Ms Sykes—Of students?

Senator BACK—Yes.

Ms Sykes—In higher education?

Senator BACK—No, those who would find themselves in the outer regional and remote. I am trying to get non-metropolitan. You can take that on notice. My next question is: in the event that this overall activity had to be budget neutral, how much would it have to reduce per student to actually be able to include every student whose eligibility would be the need to relocate from their home? That is what I am getting at. I understand budget sensitivities. If the government cannot afford the \$90 million a year or \$270 million over forward estimates, I want to know by how much it would have to decrease for each student to then include the 5,500 or presumably the significant proportion of them. If you could take that on notice I would be appreciative.

Ms Milliken—By ‘decrease’ you mean decrease the rate of youth allowance at the independent rate?

Senator BACK—That is correct. I then go to the ‘aspirations of government’—to be applauded—and that is that by 2020, 20 per cent of students in higher education will be from low socioeconomic areas including regional. Do you have any figures now for the proportion of those low socioeconomic statistics that would include the regional students, the non-metropolitan students?

Ms Milliken—I will not take that on notice; we may be able to come back with that information.

Senator BACK—The reason I ask the question is that in a previous hearing earlier in the year—I believe it was in Melbourne—we were told by several of the universities that they are actually at or near or, indeed, already exceeding the 20 per cent figure. It was specifically in Melbourne; I do not know which universities in

Melbourne but they are already at or beyond the 20 per cent. The question I am asking is: do we not see a higher proportion of low socioeconomic students in regional areas, including inner regional areas, so if we can't free up or expand eligibility for students in inner regional areas we are simply going to exacerbate the unavailability of university education for those low socioeconomic people in the inner regional areas? Therefore, my plea to get rid of the geographic boundaries altogether.

Ms Milliken—We will take that question on notice, if you do not mind, and we will consult with our colleagues in the higher education area.

Senator BACK—Sure. A previous witness gave the example of the fact that she has qualified for the one-year gap year but her younger siblings will not and that is obviously going to place their family in very significant financial difficulty. The position she took was that the situation may be that the younger members of the family have got to do the one-year gap year. Then to qualify they have to try, in the first six months at university, to manage the transition away from home, to relocate to a city to do medicine, as was the case for one sister, and at the same time do 30 hours work a week. As a person who was a university academic, I can certainly say that that would create failure. From your experience and knowledge of the education sphere, would you agree with me that demanding that a student try to do 30 hours work a week as well as adjusting to university and adjusting to living away from home is an absolute nonsense?

Ms Milliken—It is a substantial shift to move from home and secondary education to university and do a challenging course such as medicine. The provisions exist that the young person can work for 30 hours a week over 18 months. But they may also qualify as a student under the dependent provisions, which could take into account siblings also eligible for youth allowance, aged 16 and above, who are still in secondary school. So the criteria for how much a tertiary education student receives on youth allowance will also take into account the eligibility of their siblings for youth allowance.

Senator BACK—Could you correct something for me. When we were questioning the 18 months and 30 hours a week in Senate estimates, I understood that I was told that that was actually not designed for school leavers proceeding to higher education but was structured around people already in the workplace for numbers of years—certainly a period exceeding 18 months—where they already qualified because they had worked 30 hours a week for 18 months or more. This was recognising their enthusiasm to leave the workplace to commence higher studies. Am I wrong in having that recollection?

Ms Sykes—If they have established that genuine self-supporting independence and they wish to return to study then the criteria certainly would apply.

Senator BACK—I was clear on being told that this aspect was not designed around a school leaver, because of the 18-month requirement. As we know—and as Senator Nash read out earlier—the universities simply will not allow deferment for two years. I imagine with a course like medicine the chances of getting a deferral for two years would be very, very low.

Ms Milliken—As we mentioned, the criteria are aimed at people—whether they are young people or people who have been in the workforce for a period—who show that they are genuinely self-supporting. Of course, that would relate to people under the age of 23 from January of next year because that is when the age of independence is reduced. So if someone has left school and become genuinely self-supporting they can demonstrate their eligibility for the independent rate. For other young people, I think I mentioned earlier that the objective is to have income support as a dependent to be the primary area, which allows the targeting of the income support payment towards the lower socioeconomic families.

Senator BACK—Thank you.

CHAIR—Senator Xenophon, are you still with us?

Senator XENOPHON—I am still here and I apologise because there some construction jackhammers operating above my office at the moment—but it is not part of the BER! I have questions to ask.

CHAIR—Please proceed.

Senator XENOPHON—In terms of the hardship allowance and the criteria that has been announced today, is that \$20 million over forward estimates or per annum?

Ms Milliken—It is indeed \$20 million for the period in which the scheme is to operate.

Senator XENOPHON—Over what period is that?

Ms Milliken—Over the period January 2011 to June 2013.

Senator XENOPHON—So it is 2½ years.

Ms Milliken—Yes.

Senator XENOPHON—That is fine. In terms of the criteria, I do not know if you heard the evidence of Sarah Dickins, who gave evidence along with the South East Local Government Association in South Australia. Did you have an opportunity to hear her evidence?

Ms Milliken—Only part of her evidence.

Senator XENOPHON—The gist of it was that, because she is classified as inner regional compared to fellow students that are a stone's throw away, she has to work an extraordinary amount of hours and miss out on extracurricular activities just to qualify. Would someone like Sarah Dickins qualify for this hardship fund? If so, would the limit of that assistance be the \$3,000 you referred to?

Ms Sykes—In terms of the criteria for assistance under the fund, it is not restricted only to income support recipients. So should a young person who does not receive income support demonstrate financial hardship against the criteria then they would, after going through the assessment process, be eligible to apply.

Senator XENOPHON—Although in Sarah Dickins's case it would not help her because she still has to comply with her criteria to be eligible in the first place in terms of the number of hours she has to work over the period that she has to work. That is why she gave evidence that she picked potatoes for a year and she now seems to spend all her spare time doing whatever odd jobs she can in order to keep up the number of hours.

Ms Sykes—So that is in terms of qualifying as an independent for youth allowance?

Senator XENOPHON—Yes. That is my understanding.

Ms Sykes—But in terms of the Rural Tertiary Hardship Fund and the \$3,000 grant, if she could meet the criteria and demonstrate that severe financial hardship against the criteria then she would be eligible to apply for the grant under the fund.

Senator XENOPHON—Sorry, I am not clear on that. Are you saying that she would still need to do the hours but she may be eligible to get some extra funding to the tune of \$3,000? So she would still have to get the hours up in order to be classified as independent for the purposes of the allowance?

Ms Milliken—The Rural Tertiary Hardship Fund is not linked as directly as your question might suggest as to whether you are an independent or a dependant recipient of income support. There is a range of criteria. Location is one of them, because it is intended for rural and regional students, as well as the type of course, the level of study and a financial hardship measurement. But it is not dependent on whether or not you are receiving youth allowance.

Senator XENOPHON—Perhaps my question was not clear, which probably did not help, with the angle grinder being used in the area immediately above my office. The point I am trying to clarify is this. I understand that they are not that closely linked. But is it the case that this particular fund will not absolve Sara Dickins, for instance, of the responsibility to keep her independent status for the purpose of getting the allowance? So she would still have to comply with that and just simply being eligible for the hardship fund will not absolve her of her obligations, in terms of the number of hours she has to do over an 18-month period, in order to qualify?

Ms Sykes—If she still intended to qualify as an independent for youth allowance she would need to meet the independence criteria.

Senator XENOPHON—So the hardship fund will not really help her with that in the context of the number of hours she has to do to make up the hours to qualify.

Ms Sykes—There are no hours of work attached to assistance under the Rural Tertiary Hardship Fund.

Senator XENOPHON—No, but the hardship fund will not absolve her of the responsibility to be doing all the extra hours she has to do now in order to qualify for an independent status.

Ms Sykes—Not in order to qualify for independent.

Senator XENOPHON—In other words, in Sarah Dickins' case it will not be much good for her in terms of her dilemma, being the number of hours she has to find, missing out on extracurricular activity and basically other university activities because she has to work seemingly in every spare hour she has in order to qualify.

Ms Milliken—The criteria and operation of the fund are separate from the operation of the youth allowance provisions, so they do not interact.

Senator XENOPHON—You understand that, from a policy point of view, it seems that, as worthy as the fund is, it is not going to assist her with the issues that she raised before the committee in terms of the prejudice that it causes her in the hours she has to find to get that independent status.

Ms Milliken—I will not comment particularly on the young woman who gave evidence earlier, but if a young person in an inner regional location does not qualify for youth allowance as a dependent student and/or is seeking to qualify as a person with independent status for youth allowance, then they will need to work for 30 hours a week on average for 18 months over a two-year period.

Senator XENOPHON—I do not think I can take it any further. Thank you for that.

Senator NASH—Further to the Rural Tertiary Hardship Fund, I want to compare this to students that cannot get the independent payment in those inner regional areas, which is roughly \$377 a fortnight. This is a \$3,000 one-off payment?

Ms Sykes—Yes.

Senator NASH—Which would equate over three years to \$20 a week if you are going to average it out. Would that be roughly right?

Ms Sykes—Is a \$3,000 one-off grant.

Senator NASH—So that is distinctly less assistance than if a student was able to access independent youth allowance at the \$377 a fortnight rate as opposed to this fund, which would give them \$40 a fortnight.

Ms Sykes—This assistance under the fund is separate to and could be additional to any other assistance that an individual might be eligible for.

Senator NASH—But my point is that if they cannot get independent and this is offered in its place for rural hardship it is significantly less assistance.

Ms Milliken—A young person could qualify at the dependent rate if they satisfy the parental income test. So it does not mean that young people from inner regional locations who do not qualify for independent will not get youth allowance. They may be eligible as a dependent student.

Senator NASH—Okay. This taskforce report was due to be given to the government at the end of November. It is a little curious that it has come out the morning that you are appearing before a Senate inquiry. Is that just coincidence?

Ms Milliken—Yes, Senator.

Senator NASH—Which is two weeks late, isn't it? The date it was supposed to report was 30 November. Is that correct?

Ms Sykes—That is correct.

Senator NASH—This whole hardship fund, from memory, is due to start on 1 January next year, which is a few weeks away. What are the chances of having it up and running by the date it was meant to start?

Ms Milliken—The scheme will operate from January. Now that the criteria have been settled, the expectation is that we would be calling for students to put in submissions for grants in January.

Senator NASH—I go to the potential costs relating to the bill, which I think you have said are \$270 million cost to the budget over the three years. Is that right?

Ms Milliken—Yes.

Senator NASH—And how many students?

Ms Sykes—It is 5½ thousand in the first year and somewhere between 10,000 and 11,000 in subsequent years.

Senator NASH—Is that 5½ thousand in 2011-12?

Ms Sykes—Sorry, 2011-12.

Senator NASH—Why the discrepancy in the figures?

Ms Milliken—The discrepancy between?

Senator NASH—The 5½ thousand in the first year, moving to 10,000 to 11,000 in subsequent years.

Ms Sykes—The numbers build, and it comes down to a number of assumptions in looking at the populations. It is averaged over a two-year period for students that fall into this category. The costings—

Senator NASH—If you haven't got any idea I am happy for you to take it on notice.

Ms Sykes—We could probably provide a more fulsome explanation on notice.

Senator NASH—You would agree, wouldn't you, that with figures of 5½ thousand in the first year then doubling in the second year there would have to be a significant reason for that to be the way you have counted the numbers?

Ms Sykes—If you have 5½ thousand, in the following year there will be another 5½ thousand plus the 5½ thousand from that first year. That would give you the population, so it is a cumulative effect.

Senator NASH—It is a cumulative effect; okay. I am struggling a little bit as to how you can be so definitive about the actual cost and yet a bit grey about what the actual figures are. Surely it is just determined by figuring out how much per student it is going to cost and adding it up—to be very simplistic. How about I make it easy and you take on notice for us, if you would not mind, the exact determination of—that is, how you arrived at—those figures.

How many regional students at the moment are accessing independent youth allowance? How many are recipients of independent youth allowance in the 2010-11 financial year—that is, right now?

Ms Milliken—As at 27 August there were 88,478 higher education students receiving youth allowance—

Senator NASH—No, I specifically want the independent figure, and I only have six minutes.

Ms Milliken—Receiving youth allowance who meet the independence criterion.

Senator NASH—Okay. I am asking about regional areas, though.

Ms Milliken—No, we do not—

CHAIR—I would be happy for you to put any questions on notice, too; I am not trying to stop you doing that.

Senator NASH—Thanks. I appreciate that. So you have no idea of the regional breakdown?

Ms Milliken—I do not have it by regional breakdown.

Senator NASH—Can I just ask why you would not have that by regional breakdown, given this whole issue is about independent youth allowance and regional access to independent youth allowance?

Ms Milliken—I do not have it to hand, Senator.

Senator NASH—So we do not have a submission and we do not have the figures. It is not particularly satisfactory, is it? Chair, you did make a very good point that it would have been appropriate for a written submission to have been made, and I concur with your sentiments on that. It does make it very difficult for the committee to determine the appropriate way forward for our report when we lack information and, as it is only a one-day hearing, we do not have the opportunity to get you back.

CHAIR—I think it is a fair enough point, but there is no guarantee that the department would have anticipated exactly what you wanted to ask and included it in their written submission. But I think it is appropriate, if you have some specific questions about figures in dollars that you want to ask, that you can ask them either now or on notice. As we conclude we will talk about when I would expect some answers, and I would expect the department to respond to those accordingly.

Senator NASH—Thank you. I do place those on notice now so you can take them with you. Chair, given that we are reporting in the first week in February I am mindful of time frames and that we and secretariat will need this information to actually write the report. Perhaps you could consider a fairly timely date?

CHAIR—Those figures were going through my mind as you were speaking.

Senator NASH—Thank you. I do appreciate that. Could you take on notice for me how many students living in regional areas are accessing independent youth allowance now, of that date, and could you break them down for me into the inner regional, outer regional, remote and very remote areas.

Ms Milliken—Can I clarify that you are only interested in higher education students?

Senator NASH—Yes, independent higher education.

Ms Milliken—I am sorry; I do not have it just for higher education.

Senator NASH—Broken down into the four areas.

Ms Milliken—I do not have it—

Senator NASH—That is okay. If you could just take it on notice, I think that would be more useful for us. Also, could you indicate on notice to the committee how many students in the outer regional, remote and very remote areas you expect to access independent youth allowance next year. I am assuming there are some—

Ms Milliken—Outer regional, remote and very remote under the measure that commences from 1 January?

Senator NASH—Under the measure that they are able to use the existing criteria of the gap year, if you could do that for me as well.

Ms Milliken—I think that number is about 1,900.

Senator NASH—Okay. Just to clarify: the thresholds you were talking about before are all before tax thresholds, aren't they?

Ms Milliken—Yes.

Senator NASH—On the different criteria for the inner regional, what was the rationale behind providing a different set of criteria for regional students in the inner regional zones compared to the other three zones? Why is there a different set of criteria for those separate zones?

Ms Sykes—Are you talking about the measure that is due to commence from 1 January?

Senator NASH—I am. It is the independent youth allowance for inner regional, which is going to be the 30 hours for the 18 months over two years, compared to the other three regional zones, which are able to use the existing gap year criteria. What was the rationale for having separate criteria across the regional zones?

Ms Sykes—Those arrangements were negotiated just prior to the passage of the legislation in March.

Senator NASH—I know when they were negotiated. I am asking why different sets of criteria apply to different regional zones.

Ms Milliken—As my colleague said, those arrangements were reached prior to the passage of the legislation in March in the context of the broader package of student income support reforms which the government had designed to be a budget-neutral package. In order to afford those changes, there were offsetting changes to the amount of money in the Student Start-up Scholarship. So it was within the context of a broader package.

Senator NASH—You say it was budget neutral. So those students in the inner regional who were included under separate criteria are a savings measure to fund the whole package.

CHAIR—That is not what the department said.

Senator NASH—No, I am just clarifying.

Ms Sykes—There was a reduction in the Student Start-up Scholarship in order to remain within that budget-neutral package.

Senator NASH—I understand that, but I am just being very simplistic: the \$90 million that is not spent on inner regional is not spent so that the budget stays neutral; that is the rationale behind it.

CHAIR—I do not actually think the department is offering an explanation to that question. I think that is an assumption you are eligible to make if you wish to make it, but I do not think you can expect the department to respond to that.

Senator NASH—I shall not ask for the concurrence of the department.

CHAIR—I think it is problematic to ask the department to respond to that.

Senator NASH—Thank you very much for your advice, Chair. I have a lot of other questions which I will put on notice, but one I did want to raise is this issue that you were talking about that 30 hours a week determines a pattern of employment then resulting in independence. Is that correct?

Ms Sykes—It is a pattern of employment that indicates that an individual is self-supporting and independent of the family.

Senator NASH—Is that not making a judgment, though, that somebody in seasonal work is not self-supporting? Surely you could work for a two-month period at 60 hours a week and then have a period of two months unpaid. That would of course even out when working out what you had saved over that period to tide you through before your next opportunity for work came through.

Ms Sykes—It is an average of 30 hours—

Senator NASH—But that is surely still self-sufficient.

Ms Sykes—Where a young person does have irregular patterns of work, whether that is seasonal work or for some other reason, the hours of work are average but they still need to have engaged in full-time employment over a total period of 18 months. It can be broken down into different criteria—for example, at least 120 hours of work in each of 19 periods of four weeks. So it can be accommodated in terms of seasonal work.

CHAIR—The example that was put to the committee today was that due to the floods—I think it might have been in Dubbo—the shops have actually shut down for the last three weeks. Because of that, and through circumstances completely out of their control, a person who may have had employment in one of those shops will now not be eligible. But you are saying that is not the case because of the averaging effect?

Ms Sykes—Potentially.

Senator NASH—What if they have done their averaging to include those three weeks within one of those blocked time frames? If they had worked out their timeline so that those three weeks were part of the 12 weeks or whatever it is with a block with two separate ones and they then could not finish off that particular block through no fault of their own, it means they would not qualify. That was put to us by a witness earlier, and I think it is quite correct.

CHAIR—Again, maybe they can respond on notice to that because we are now out of time. What we will do, just so that everyone is clear, is that I will require that any questions on notice be submitted in writing to the secretariat by 12 noon next Monday, which means the department will have them sometime Monday afternoon after the secretary has put them in the appropriate form. I ask the department to respond to those questions on notice by 19 January. I do understand there is the Christmas break, but the committee has a reporting date of very early in February and we do need to be able to write the report and have it circulated amongst the committee for proper consideration.

Ms Milliken—Could I make a correction to my opening statement, please? I advise that I said that the outer regional and remote arrangements were commencing 1 July of next year. Of course, they commence on 1 January 2011.

CHAIR—Thank you for that correction. If there is any other information that you believe that the committee will require in order for it to complete its inquiry, you should feel free to also make sure the secretariat has that by 19 January. Thank you for your presentation to the committee. Thank you, Hansard; thank you, Senators; and thank you, Staff.

Committee adjourned at 2.32 pm