

Senate Inquiry

The changes to the criteria to prove independence to qualify for the Youth Allowance will disadvantage our rural and regional young people. Without access to the Youth Allowance (or similar), tertiary study will become impossible for many rural young people.

The Government release explaining the proposed changes indicates:

"The Government is tightening the definition of independence to ensure that only students who have demonstrated genuine self support can qualify for Youth Allowance through workforce participation independence rules prior to turning 22 years of age.

From 1 January 2010, the workforce participation criteria will be limited to having worked full-time for at least 30 hours a week, for at least 18 months in the last 2 years."

These criteria are inequitable for rural and regional young people for the following reasons:

1. Obtaining full time employment is problematic in rural and remote towns.
2. Relocating to obtain full time employment involves significant up-front costs, which may not be readily available.
3. Deferment of a university course for two years is not allowed at most universities.
4. Statistics show that even a one-year deferment results in significant numbers of young people not entering university, so a two-year gap will only increase these numbers.

Surely young people from rural and regional areas can demonstrate genuine self support due to the fact that they need to relocate away from family and community support networks. They need to find accommodation and pay for boarding fees, rent, food and other living expenses.

A significant number of country students are currently able to partially fund their way to university by qualifying for Independent Youth Allowance by earning sufficient money in a gap year between High School and University. For many country students this option is the only practical means possible to get to university because many parents simply cannot afford the estimated \$15,000 per annum to cover the accommodation and educational costs for their children. The proposed changes will mean that the gap year will become a two year gap. This will lead to a lower participation rate for country students in tertiary and further education.

We urge you to reconsider this policy decision. A fairer system would be for all country students to automatically receive full Youth Allowance. The barriers against country students are already considerable and with this budget the Government has introduced criteria that will further disadvantage them.

For a detailed study of current costs and an equitable proposal please refer to "A new funding system for Tertiary Students from Rural and Regional areas" by Rowan Ramsey. This can be located at www.rowanramsey.com.au.