

21 July 2009

**The Committee Secretary  
Senate Standing Committee on Rural Affairs & Transport  
P O Box 6100  
Parliament House  
Canberra ACT 2600.**

**Dear Sir/Madam,**

**Our family is devastated with the Labor Government's Budget decision to change Youth Allowance criteria midstream for the 2009 Gap Year students to take effect January 2010.**

**We are drastically affected by this decision as a NSW rural family with a 2009 gap year student and a current 2009 HSC student. The dream of a university education seems to be slipping out of their grasp.**

**With the criteria change of students; working full time for a minimum of 30 hours a week on average for at least 18 months in a 2 year period since leaving school will still be considered independent. The problem is students who planned to take a gap year of 12 months off prior to university this year will now fall six months short of the above mentioned 18 months in a two year period, and despite recent University course adjustments, some courses are untenable to a middle year start. These changes are a shambles and must be reversed**

**The government would not introduce retrospective changes to taxation law as this would be obviously unfair. In this case the rules are being changed half way through the game and there is one group of very disillusioned students who made decisions in good faith based on the criteria at the time who now find that they are unable to fund their studies in courses into which they have already been accepted. Rural students will be brutally disadvantaged whereas; students that live in metropolitan areas with tertiary education facilities nearby will still have the option of living at home with the support of their parents. Rural students don't have this option unless they can access their chosen field at a local university. Effectively rural students have had the rug pulled out from under them and have lost a year for nothing! They had no warning and no time to adjust. This is totally unfair and has left 2008/09 HSC student floundering in the dark with regard to their educational future.**

**A Labor Education Revolution should surely be encouraging students to pursue further studies not deterring them as these new harsh criteria succeed in doing. The criteria change of working 30 hours for 18 months within a two year period is unrealistic for 18 year old unskilled students. With the economic downturn, business downsizing and retrenchment, full time jobs are generally difficult to find for largely unskilled youth as the youth job market is typically characterized by part time and casual employment. Even the 2009 Youth Allowance criteria of \$19,532 is an enormous amount to earn when you consider the 18 year old NSW restaurant award 's hourly casual rate of pay in a restaurant starts at \$12.61 per hour, over an 18 month period; i.e. approx 1549 hours, 86.05 per month and approx 19.88 hours pw.**

With this new criteria students could be forced to take to another year off and continue to work. If you do this, you will need to ensure you have full time work. Your university deferred place will lapse and you will need to reapply for your course again. You will risk not getting into your course again if the ENTER/UAI cut off rises. On Track Longitudinal Data shows that of Victorian regional students who defer Uni only 55.4% take up their deferred place within four years. If students have to defer Uni for two years, less may end up going to Uni in the long run. This is counterproductive and the decision changed.

It is estimated that it will cost a regional student between \$16 000 to \$20 000 per year to study in the City (not including tertiary fees which can be deferred through HECS). Costs include accommodation, living expenses, textbooks, printing credits, student work placement, public transport or car expenses, and forced moving between home and on campus college accommodation during student holidays etc.

While even the full allowance of \$380 a fortnight won't cover all expenses a student faces, it goes a long way towards rent, food and books, meaning that students don't have to work excessive hours in a part-time job, so they can focus on their studies. These young people are now faced with the prospect of working many hours a week on top of their studies to make ends meet, or dropping out of their place in higher education altogether

Labor has abolished the \$4415-per year Commonwealth Accommodation Scholarship, in favour of a Relocation Allowance which is just \$4,000 for the first year and \$1,000 per year thereafter. In 2010, a new Student Start-up Scholarship of \$2254 they will apply for, and receive, their scholarship through Centrelink.

There is a need for reform of the education system. It has been systematically undermined by failure of the out-of-touch Liberal Howard government to index key eligibility criteria and failure to address the explosion upper class rorting that had left the system hemorrhaging money to virtually everyone. If these proposals are enacted there will be no middle income country kids at university.

This Youth Allowance criteria change is bad policy with bad outcomes, and not the sort of thing one would expect from a government which claims to want to build 'an innovative knowledge-based economy. Why is Labor being so unsupportive to our youth, Australia's future potential. I thought Labor wanted an Education Revolution??

Please enable the Education Revolution to be available to support all our youth and not discriminate against rural youth. Please allow them all to have equal educational opportunities to better their future and Australia's. These Budget Changes to Youth Allowances must be reconsidered and changed as it is unfair, discriminatory, and counter-productive.

Yours sincerely,

Stuart & Jennie Walsh