

CONTACT DETAILS TO REMAIN CONFIDENTIAL

The Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

SUBMISSION TO THE SENATE INQUIRY EXAMINING THE IMPACT OF THE PROPOSED CHANGES TO THE INDEPENDENT YOUTH ALLOWANCE CRITERIA

In January 2007 many electors agreed with Kevin Rudd as he spoke for the ALP in his campaign to become our Prime Minister when he said “The Australian economy needs an education revolution.” “Education is the platform on which our future economic prosperity will rest. It is the focus for our future aspirations. With a Labor government, it will be the first priority for investment and reform.” (New Directions Paper on the critical link between long term prosperity, productivity growth and human capital investment. ALP January 2007)

Yes, education is the platform on which our *future rural and metropolitan economic and social* prosperity will rest.

[a. the financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE;](#)

We are advised by Centrelink that students who have previously proven their independence for Independent Youth Allowance will not lose their independent status, therefore not lose their eligibility to receive Independent Youth Allowance.

[b. the education alternatives for rural and regional students wanting to study in regional areas;](#)

If the course of choice is available within commuting distance of a students’ home, they are more likely to be able to afford live at home and study than if their course is located in a town or city away from their home.

[c. the implications of current and proposed government measures on prospective students living in rural and regional areas;](#)

[d. the short- and long-term impact of current and proposed government policies on regional university and TAFE college enrolments;](#)

[e. the adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;](#)

The proposed changes will not impact city families to the extent that they will affect rural families because most city students can choose to live at home whilst attending university. Rural students, who need Youth Allowance to afford to leave home to attend university, will need to defer their enrolment for three or four semesters.

The ALPs' Education Revolution will disadvantage middle income rural students who planned to undertake tertiary education. The new Youth Allowance eligibility criteria will hold back many of our brightest 18 year olds who made informed decisions 3 years ago, are working toward commencing university in 2010 and who could not have anticipated that their goal posts would be moved!

As 15 year olds, during year 10 at high school, young people needed to decide on whether or not to work toward university entrance. Those who did choose to undertake the Tertiary Entrance Exam (TEE) pathway, had to dedicate themselves to work extremely hard throughout years 11 and 12 to achieve TEE results for their university acceptance. Many undertook this pathway with the knowledge that they could only afford to attend university if they defer their university entrance for 1 year and work in unskilled jobs, to earn a minimum of \$19,532 to prove their independence to Centrelink, to gain eligibility to receive Youth Allowance once they have been out of school for eighteen months. The new Federal Government budget ruling will effectively, retrospectively penalise these young people who have taken the responsibility to work toward becoming professional citizens. Their plans would quite likely have been different if the rules had been known.

Under the new requirements, which take affect 1 January 2010, to achieve eligibility, young people will need to have worked full-time for at least 30 hours a week, for at least 18 months consecutively within 2 years, earning a minimum of \$18,850.

For the 18 year old high school graduates of 2008, who are currently in their gap year, even though they previously had a higher income target, if they have not been working regular hours or have just broken their regular pattern by having a few days off, they need to start accruing again! They aimed to meet the criteria that where known but many had irregular work schedules and a week or two off mid year when many retail and hospitality businesses schedule staff leave during quieter periods, which will mean those young people need to recommence their quest to meet the proposed independence criteria! They will not have been out of school for 18 months, to have been able to work for 18 months before university commences in 2010, they will need to find out if they can defer for a further semester or two and not all courses offer such extended deferrals. If they had known, they would have used their time better or taken a different pathway into their adult lives.

High school graduates of 2008, who need to achieve eligibility for Youth Allowance to enable them to afford to study at university in 2010 will have 3 choices;

1. Those who, by chance, have worked for at least 30 hours per week, consecutively, since January or early February 2009 can now aim for the mid year university intake in 2010 rather than starting in semester one if their university will allow.
 - 1.1. This is being introduced during a period of reduced employment vacancies.
 - 1.2. This will reduce the number of university entrants because the longer students are in the workforce, the more likely they are to establish reliance on regular income, embark on travel or have children.
 - 1.3. The longer that young people are performing adult roles in a community the more valued and attached they become to their community. This could be by assisting family, playing or coaching sport, or any kind of local commitments, which deter them from relocating away from a rural community to attain tertiary education.

2. Work until they are 22 years old in 2013 to become eligible for Student Allowance so that they can then afford to commence university.

3. Be fully funded by their parents to relocate and live in the city, pay for their books, transport and accommodation whilst they accrue a considerable debt for their education.
 - 3.1. Parents will need to accept full financial responsibility until 2013 when Student Allowance will become available for these students.
 - 3.2. If parents had known that eligibility for Youth Allowance would change in 2009:
 - 3.2.1. Some families may have borrowed finance for their children to start university in 2009 instead of having them work for the gap year and then finding their own finance.
 - 3.2.2. They could have advised their children that they will not be able to commence university until 2013, when they can get Student Allowance.
 - 3.2.3. They may have encouraged their children to take up apprenticeships or traineeships instead of aiming for university.
 - 3.3. Life and career plans change dramatically for young people when graduation ages change. For example, for 4 year courses, students; enter straight after completing high school to graduate at 21, work a gap year and graduate at 22 or enter at 22 and graduate at 26 years of age.
 - 3.3.1. This is particularly concerning for girls because if they want to have children, they have a limited number of years after university in which to establish their career before they need to take time off to share their time and energy between career and children for many years.
 - 3.4. Many parents are over the parental income threshold because they both work hard to support their families, yet their incomes are not sufficient to enable them to pay for their children to live independently in the city where the majority of universities are located.

- 3.5. Average incomes in rural areas are statistically lower than average city incomes, decreasing affordability for rural students.
- 3.6. Middle income rural families with multiple children are the most disadvantaged. If students could live at home to attend university it would negate the cost of relocating to live independently in the city but this is not the current reality for many.

The joint parental income threshold is well below two parents earning average wages. Many responsible rural families who raise a family independently of welfare assistance, need to have two parental incomes, which provides enough to assist their students on top of Youth Allowance but not enough to fully fund young adults to live away from home independently and attend university.

- Centrelink have told me that our combined parental incomes are above the threshold and the only way our third daughter will be able to gain eligibility will be by working 30 hours per week consecutively for 18 months to become eligible in 2 years. She has worked since she left school, in good faith to earn eligibility under the existing criteria but her rosters have fluctuated above and below 30 hours per week and it was too hard for both her and her rural employers for her to maintain two jobs which both had changing rosters which *might* have kept her minimum weekly work above 30 hours per week.
- We cannot afford to send her to university unless she receives Youth Allowance but two years out of study will reduce her academic aptitude.
- Our combined incomes that exclude the girls from accessing Youth Allowance could not enable us to send our three daughters to Perth to university if they could not receive Independent Youth Allowance.
- My daughter is stressed by uncertainty because her goal posts have moved.
- I am grateful to be able to utilise limited time between full time work, assisting my aging Mother, keeping house and being a wife and mother, to address the cause of the distress by hoping that you, our politicians, will see reason if the problems are explained.
- Please, at least initially defer the implementation of the change until 1 January 2011 so that the current 'gap year' students can go through and the Senate Inquiry can examine and improve the legislation.

f. the educational needs of rural and regional students;

g. the impact of government measures and proposals on rural and regional communities;

RURAL STUDENTS NEED YOUTH ALLOWANCE TO AFFORD TO LIVE INDEPENDENTLY AWAY FROM HOME

We are a middle class rural family and can not afford to send our 3 children to the city to attend university unless they can receive Youth Allowance or we relocate the whole family to the city. One was Dux of a large high school, 2 earned Tertiary Entrance Rankings over 90% and the other over 80%.

NEW YOUTH ALLOWANCE ELIGIBILITY WILL DUMB DOWN RURAL COMMUNITIES

The proposed changes will flow on to a reduction in the number of university graduates who will choose to work outside the metropolitan areas, which will have the flow on affect of serious reductions in professional services in rural areas.

For example, it is recognised by the University of Western Australia's School of Medicine that students who come from rural areas are more likely to return to work in short staffed rural practices and hospitals after they graduate. For this reason the university implements strategies to attract rural students, to aim to address the rural recruitment difficulties.

Succession planning for rural family businesses will be impeded because many businesses have middle income earning capacity for proprietors and to keep business progressive, it is important for the upcoming generation gain tertiary education.

I ask you to support rural students who aspire to attend university, to be able to continue to gain Independent Youth Allowance within 18 months of completing high school by earning an achievable target income within 12 months. They contribute as employees in many casual and part time positions whilst gaining valuable experience.

This enables them to relocate to attend university after one year of deferral because it is achievable for parents to assist or for students to support themselves from savings, until May of semester one, when Youth Allowance can commence. To meet the new criteria of 30 hours per week consecutively for 18 months, most rural aspirants for Independent Youth Allowance will need to relocate from their rural communities just to source employment that will meet the criteria.

RURAL STUDENT ASPIRATIONS

As parents like ourselves can't work hard, smart, long enough to fund high achieving students to attend university, this discourages students from aspiring to become our next generation of professional people.

[h. other related matters: Postponement of child bearing.](#)

The proposed changes will affect female students more seriously than male students because those who need to defer university entrance for two years, are also reducing their childbearing career break options by two years. Need I remind, that career establishment and optimal childbearing years are challenging to separate.

CAREER ESTABLISHMENT AND CHILDBEARING

Two years to earn affordability to live independently of the family home to attend university plus four to six years at university plus a minimum of four or five years to initiate ones career means that professional females are significantly compromising their career if they take time out to have babies before they are nearing the end of their optimal childbearing age. An initial two year setback can make all the difference! The choice between children or career or inadvertently, between natural conception and IVF!

SUMMARY

Youth Allowance with the old eligibility requirements was the life line for many rural families to be able to afford university education for their children. As a rural parent, whose own rural parents' business commitments prevented them from helping me, a straight A student, to further my education, I am horrified to see these new impediments disadvantage my daughter, her friends and many, particularly rural university aspirants and subsequently, rural communities.

I strongly urge you to review your new eligibility requirements for Independent Youth Allowance to enable middle income families to also be a part of the Rudd Governments' "Education Revolution".

At the very least, postpone the Youth Allowance eligibility change, to allow those who are already part way through their 'gap year' and could not have known that they would need to work for 30 hours per week consecutively for 18 months, to reach the eligibility goal they planned to reach.

To penalise a student who innocently took holidays between casual jobs in May, before they could have known that break would postpone their Youth Allowance eligibility by at least 18 months is extremely callous. If a casual worker has a medical certificate instead of a pay slip for 15 hours of a 30 hour week, 17 months into their 18 months work, will they need to restart their entitlement effort?

Politicians who have so little knowledge of the availability of employment or choice of tertiary education for young people in rural Australia should not have the patronising ability to veto tertiary education aspirations for rural youth.

A Rural Independent Youth Allowance could be initiated with the same or similar eligibility criteria as the current allowance to continue to allow rural students to access metropolitan university education with no more than one gap year between high school and university. This could allow the Government to save face and meet rural needs. The proposed Start-Up and Relocation Scholarships would be welcomed but not as a trade off.

Elizabeth Asher

Wife, Mother of 3 Daughters and

Like many others, juggler of work, homemaking and parenting

6 August 2009