

Senate Rural and Regional Affairs and Transport Committee

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

**Submitted by:
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Re: Inquiry into Rural and Regional Access to Secondary and Tertiary Education Opportunities.

I am writing this submission to raise my concerns regarding the recent changes to the eligibility criteria for regional and rural students to access Youth Allowance as an independent person.

a. The financial impact on rural and regional students who are attending metropolitan secondary schools, universities or TAFE;

The financial impact on students living away from home is enormous when compared to students who are able to live at home, consider the costs of rent, food, travel. In addition students living away and studying at universities will have limited time available to undertake part time work and therefore rely heavily on parental support.

The recent changes to the eligibility criteria to receive the Independent Youth Allowance have virtually eliminated the option of regional and rural students being eligible for the allowance. Consider this, the new criteria requires that a student undertakes paid work for a period of 2 years at 30 hours per week (every week - not averaged out), this is instead of the current requirement to earn approximately \$19,000 within 18 months. The new requirement is very difficult to achieve in many rural communities, especially in locations where work opportunities are seasonal in nature.

The means test threshold is far too low and a very crude way of determining eligibility, I would suggest that not many working families would have a combined family income of less than \$42,559, and those that do are probably still not in a position to send their children to university.

Interesting, politicians receive \$215 per day as a *Living Away from Home Allowance*, I do not have an issue with this payment, although it should be noted that it is not means tested for this group.

b. The education alternatives for rural and regional students wanting to study in regional areas;

In many regional and rural locations there are not many options for students wishing to gain tertiary qualifications in their chosen field, given that this inquiry is about equity, the fact is that there is little equity for regional rural students when comparing opportunities between them and their metropolitan counterparts. This inquiry is also about opportunity, there should be no impediment to prevent students from gaining entry to a higher valued course in another town or city.

c. The implications of current and proposed government measures on prospective students living in rural and regional areas;

The recent changes to the eligibility criteria which were introduced as part of the last Federal budget have had a retrospective impact on students (Year 12, 2008) who are currently undertaking the "gap year" with the view of becoming eligible for the Youth Allowance by complying with required criteria at the end of their year 12 school year, 2008.

These students made their decisions to undertake a gap year based on the criteria researched via various Federal Government agencies, their family's financial circumstances, the availability of their preferred courses at universities, and the availability of work necessary to derive the required income (approximately \$19,000) within the 18 month timeframe.

The decision to take a gap year is not made lightly given that these students would generally prefer to attend university with a supporting commitment from their families instead of seeking fulltime employment within their local communities, generally in low skilled occupations. These students had also made a decision to defer the completion of their university studies/qualifications and subsequent entry to the workforce for a period of 12 months. The point here is that if students and their families had the financial means to attend university immediately after the completion of their secondary school studies, most would choose to attend rather than take a gap year.

The retrospective nature of the changes to the eligibility criteria have the most impact on these regional and rural students currently undertaking the gap year. This change is grossly unfair by any measure, given the problem the federal government is trying to solve with regard to sorting of the system by students who are able to live at home and still receive the youth allowance.

The decision to undertake a gap year was made in good faith with information provided by federal government agencies.

The government should honour the criteria as set out 1st January 2009.

The solution to the retrospective issue is relatively simple, instead of introducing the changes on the 1st January 2010, simply defer the change until 1 July 2010.

This will allow those students currently undertaking the gap year to be eligible for the youth allowance under the current criteria and those students currently undertaking year 12 will be aware of the new criteria and in a position to make an informed decision regarding their future studies.

The government has failed to recognize the impact on students currently undertaking the gap year and their families, they are passed off as collateral damage.

Furthermore, when the new proposal was first introduced by the federal government, the option to defer the start date at university by more than one year was not available. Under the new criteria students would have to wait two years and then reapply for entry. I believe that most universities have now agreed to a two year deferment, this highlights the lack of research carried out by the government.

d. The short- and long-term impact of current and proposed government policies on regional university and TAFE college enrolments;

The application of the Youth Allowance as it currently stands allows students to attend universities away from their home.

The government proposal will deter students from attending universities which are away from their home even though they have attained high marks and have a passion for their particular vocational choice. This will lead to regional and rural students predominantly attending regional universities and metropolitan students attending metropolitan universities. It will eventually lead to a shortfall in vocations in regional and rural areas which are not supported in regional universities, for example students studying medicine at metropolitan universities will tend to remain in those areas close to family and friends thereby creating a shortage of this vocation in regional and rural areas.

e. The adequacy of government measures to provide for students who are required to leave home for secondary or post-secondary study;

Under the current criteria students had to undertake a gap year before they were eligible for support in the form of the Independent Youth Allowance, this was not undertaken by choice but rather by necessity.

The new government proposal is far more stringent with a greater number of hours to be worked over a longer period, students will be required to defer for two years. In addition the proposed Relocation Scholarship is inferior to the Commonwealth Accommodation Scholarship, it does not take into account any of the realities of living away from home and is simply a crude way of reducing cost to the government while not addressing the real inequities between regional/rural students and metropolitan students.

f. The educational needs of rural and regional students;

The educational needs of regional and rural students are not particularly different to those of their metropolitan counterparts, the real issue is the need to overcome the “tyranny of distance” to attend the appropriate educational facilities.

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

The new proposal is yet another example of government deserting regional and rural communities. The reduced support to regional and rural students will manifest itself in time by the lack of professional services within these communities, as historically regional and rural students who attain professional qualifications are more likely to return to these communities than metropolitan students.

h. Other related matters.

I would suggest that there will be a reduction in university entrants in the coming year leading to these institutions lowering the UAI. The next year will see an unusual increase in university applicant demand in which case the UAI will be raised, thereby creating disappointment and lost opportunity for those students currently undertaking the gap year who were forced to wait a further 12 months.

Conclusion

From my point of view there are two issues to be considered;

1. The new government requirement for eligibility to the Youth Allowance is retrospective and disadvantages those students currently undertaking a gap year. The students had made decisions in good faith based on information sourced from various federal government agencies. Given some of the responses received from senior federal ministers it would seem they have no conscience and consider these students as collateral damage. There is no doubt that the current system was being rorted by students receiving the youth allowance and still living at home, however the solution does little to address the real issue. The remedy is simple, move the date for the application of the new criteria to the 1st July 2010, current gap year students would be treated fairly and current year 12 students would be aware of the new requirements and therefore be in a position to make an informed decision.
2. The new eligibility criteria has created a greater disadvantage and inequity to regional and rural students than metropolitan students. The real issue has always been about distance and the requirement for students to live away from home, not the ability of families to provide financial support. The crude application of the means test will always have a greater impact on regional and rural families regardless of their income.

Finally I have heard and read the government responses to issues raised by students and parents, frankly I find it difficult to believe their rational when listening to the figures they quote with regard to those who will be advantaged by the new criteria. I would ask the committee to do the comparative analysis between the existing and new criteria.

To each of the committee members, thankyou for the opportunity to present my submission.