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Senate Rural and Regional Affairs and Transport References  
Committees

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

with respect to:  
Proposed Changes to the Eligibility Requirements for the  
Independent Youth Allowance

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7 August 2009

## 1. Summary

Changes to the eligibility criteria for receipt of the Independent Youth Allowance will disadvantage scores of young people across regional and rural Australia including young people and families living in the Corangamite Electorate.

Parents and students alike have expressed their concerns to me in community forums which have been held in Geelong and Colac (in the Corangamite Electorate), in my conversations with members of the community and in correspondence I have received.

There are deep concerns as to how students will undertake studies, attend the required tutorials and lectures and hold down 30 hour a week jobs. Most have informed me that this workload would be near to impossible.

Further, in difficult economic times comes the challenge of finding a job in the first place, let alone one which will allow for the needs of a tertiary student at exam times or when assignments are due.

The proposed changes also discriminate against young people from regional areas who are expected to find a place to live, secure a 30 hour a week job and undertake their studies in their chosen field.

It is also feared that significant limitations on students' time by reason of the new eligibility criteria will cause great stress within the family: time available to return 'home' and visit family will be sacrificed in the face of needing to commit to studies and work. Ultimately, this will in many cases lead to the severing of the connection that students have with their home communities – increasing the risk of an effective 'brain drain' from regional areas.

These changes need to be revisited. In their current form they do not assist young people but discourage them from pursuing their dream to attend university or other forms of higher education. Those who do persevere with tertiary studies will be burned out by high demands on time from both studies and work, potentially leaving them socially isolated and with a reduced desire to return to their home community once studies have been completed.

## 2. Impact on rural and regional students

This Submission is based on representations made to me by concerned members of various communities which make up the Corangamite Electorate. I also personally hosted two community meetings, one in Geelong and the other in Colac. Further information was gained from participating in a student meeting at Deakin University Waurin Ponds Campus and engaging a number of secondary school principals from across the Corangamite Electorate.

The impact on rural students as a result of changes to the Independent Youth Allowance can be summarised as follows:

- **Financial disadvantage** in the form of waiting periods for assistance;
- Greater pressures on students caused by increased **time constraints**, due to a greater emphasis on work while undertaking studies;
- **“Brain drain”** as young people become more disengaged from their home community there is less desire to return there when studies have been completed;
- **Reduced productivity in regional towns** as parents decide to leave small towns to live in large cities to give their children the best chance to gain a tertiary education;
- **Reduced choice in courses** as students are put under greater pressure the further they move from home to undertake the studies of their choosing.
- **Social isolation** from family and friends as time constraints take their toll.

### Financial Disadvantage

These changes will impact most upon the people who least can afford it. To prove financial independence from parents a young person will need to work 30 hours a week for eighteen months before becoming eligible for the Independent Youth Allowance. The major issue here is that the majority of universities only allow an offer on a course to be deferred for one year.

This means that a student will be forced to go to university to take up their place, a full six months before student income assistance is available.

While some tertiary institutions are adapting their requirements for future enrollees, many young people who have taken a “Gap Year” this year are being forced now to decide what they are doing next year without knowing if they will be eligible for assistance.

While it is true that there are some parents in regional communities who may be able to support their child or children when going to University, these people are very much in the minority. Drought is one major factor that has placed many families under considerable financial strain in this electorate.

The means test on parents is also slanted against a vast number of primary producers. With land passed down through generations and machinery needed for numerous farming enterprises costing many hundreds of thousands of dollars, a family can be relatively asset rich but cash poor. A child wanting to undertake tertiary education in these circumstances is placed at a very real financial disadvantage.

In one case, a young woman with whom I spoke at a community forum sought to undertake the course of her choosing, structuring her final years of high school so as to get the marks and base knowledge required to enter the course. She took the Gap Year with advice from her School Careers Counselor with the understanding that when she took up her offered position that she would be eligible for the Independent Youth Allowance.

She said that if she was take up the course without the support of the Youth Allowance her parents will be forced to postpone or even forego a retirement. Her parents are willing to work longer than they had planned to put their daughter through university but the young woman feels very guilty for wanting to do the course at the expense of her parents comfort in their later years.

Parents already expend large costs when their children go to university even under the current Independent Youth Allowance arrangements. A number of parents have told me in the forums and in various discussions sending a son or daughter to university in Melbourne can cost between \$15,000 and \$20,000 per year even under circumstances where they are receiving the Independent Youth Allowance.

One parent who attended the Colac meeting spoke of how he was about to send his fourth child to university in Melbourne. This parent was concerned that he would be unable to support two children going to university at the same time should the criteria change now.

### Time Constraints

Many who attended the community forums raised concerns about the enormous time constraints imposed on students who chose to work and study in order to comply with the new Independent Youth Allowance criteria.

One student stated that her course will require her to have 40 contact hours per week. If she is to fulfill her working hours in order to become eligible for the Independent Youth Allowance in eighteen months time, she will need to start a 30 hour a week job now and work for a full twelve months before commencing her

studies. For the period of time she attends university whilst working, she will effectively be required to work 70 hours person in order to meet the eligibility criteria. In such circumstances, she felt this was impossible to achieve and currently does not know how she is going to support herself financially whilst attending university.

A father at the Geelong meeting spoke about his son who is undertaking an outdoor education course. During the week, his son needs to travel around the state to complete coursework. On the weekends, his son works his part time jobs as he cannot secure weekday work. It would be impossible for this man's son and others taking such a course to fulfill 30 hours of work a week while studying.

Time constraints are also felt by those who took the Gap Year this year. A young man from Colac was distressed that he had taken the gap year as a break from studies. He had done some work but nowhere near the 30 hour per week which would be required of him should the changes to the Independent Youth Allowance be passed. He also stated that there would be no feasible way for him to self fund his way at university.

In another case, a young woman put herself forward to participate in the Defence Force Gap Year Program. She will be discharged two months before taking on her studies. However it is understood that the hours she has already committed to in the Defence Force will be insufficient to qualify for the Independent Youth Allowance despite being initially advised to the contrary. She now has to consider seeking work in her two month break. This will be difficult as she will be competing with the VCE students of this year who are leaving school and seeking work to fulfill their own Independent Youth Allowance commitments.

Regional students are more vulnerable to the working hours requirement than their urban and city equivalents. Much of the work in the Colac district is based on seasonal work in the tourism and agricultural industries which limits the earning potential of many young people.

The other issue which has been raised is the effects of the drought on the local economy. Many farming families have sought to supplement the small profits being made or offset the losses their farms are incurring during the drought by taking up jobs in towns and regional centers. Many of these jobs would have once been prime employment for young people seeking to prepare themselves for university.

Unfortunately the slowing economy will further impact on the ability of young people to secure long term positions with substantial hours as employers become more selective about the people they employ. If a young person is seeking work which will allow them to qualify for the Independent Youth Allowance, it is more likely an employer will seek to employ a young person who is prepared to commit long term to such employment opportunity.

Employers want certainty from their workforce and they do not want to have to train someone, only to see them walk out the door in eighteen months. There is also the real issue of the cost of starting a new job. Provisions may need to be made in the way of clothes for work and transportation including a car. A car in particular incurs large financial commitments and ongoing costs which can be an ongoing financial burden.

As life in the workforce develops and time is again committed in greater part to work, the desire to seek educational opportunities may be reduced. As one parent said during the Geelong meeting, a lot can happen in eighteen months and intentions to attend university can be changed.

### Brain Drain

Should changes to the Independent Youth Allowance proceed, “brain drain” from regional areas is a very real concern. Greater time constraints on those working and studying will place additional pressure on students’ capacity to enjoy a reasonable work/life balance. This, in turn, impacts on their capacity to return easily to their home community and to engage with their family and friends from home.

One very real fear amongst those with whom I spoke is that as young people become less engaged in their home town, they will lose their connection with their community and be more inclined not to return home.

Particular concerns have been expressed about the prospects of medical students returning to their home communities. The low number of doctors working in rural communities is already of great concern to rural and regional communities: the changes to the Youth Allowance will only exacerbate this problem.

Statistics from a local employment network in Colac indicate that this community already has a worse than state average uptake for tertiary education. The Victorian state average as quoted by this network was 47% compared with only 30% in Colac.

The representative from the employment network had also been involved in a forum on the Youth Allowance changes in Warnambool. She reported that many young people are feeling very uncomfortable about the changes and that many have decided that should the work requirement be set at 30 hours per week that this will force them to withdraw from seeking further education after their VCE year.

People at both the Geelong and Colac forums expressed their confusion about what these changes to the Independent Youth Allowance would achieve. Many felt that the changes would discourage regional students from taking on tertiary

studies and instead seek medium skilled jobs. One parent expressed concern that the attitude of some students is “why bother doing the VCE?” This would put further pressure on low skill and low paying jobs not only across the Corangamite Electorate but across Australia.

The dropout rate of first year university students was discussed at both meetings. It was generally agreed that the dropout rate should these changes be implemented would significantly increase as the pressures of study, work and life got too much for many regional students.

A parent at the Geelong forum also pointed out that Australia is relying more and more on a tertiary educated population, as manufacturing continues to move overseas. Any disincentive for regional students to want to go to university seems to be a great disservice to Australian society as a whole.

### Reduced Productivity of Regional Towns

Young people seeking further education will leave regional towns and greater numbers won't return due to the commitments they have made in the city or closer to the university where they gained their qualifications. This impact has already been explained in the 'brain drain' section of this Submission. The brain drain will impact heavily of the productivity and growth of regional centres like Colac and other smaller communities.

A further impact on productivity in these communities will be the even greater disincentive for young families to move into or establish themselves in regional areas.

At the Colac meeting a woman with three teenage daughters stated that she and her husband had seriously discussed leaving Colac for Melbourne so as to provide their daughters with educational opportunities. She feared remaining in Colac would give rise to such financial strain that she would not be in a position to send her children to university.

If this one family alone is considered, Colac would lose two professionals from the workforce immediately as well as their children and all the opportunities of young people returning. This woman felt that many other families would similarly be thinking of leaving Colac.

Less professionals working in regional towns will mean fewer families in the region and a stagnating population which will give rise to a further reduction in services and opportunities.

### Reduced Choice in Courses

The financial disadvantages imposed by changes to the Independent Youth Allowance will lead to reduced choice insofar as the university courses available to rural and regional students.

Regional universities like Deakin University at Warnambool, Ballarat University, LaTrobe University in Bendigo and Monash University in Gippsland have limited courses compared with what is available in metropolitan Melbourne and interstate.

Deakin University in Geelong through the Waurn Ponds and Waterfront campuses provides a wide scope of subject. Notwithstanding, some students will be seeking courses at universities which are well outside their home region.

The Independent Youth Allowance in its present form provides many students with the flexibility needed in their financial circumstances to enroll in courses based on their chosen career path.

Case in point is a young woman in Colac who is seeking to become a paramedic, a job which would greatly benefit any regional community. The only two universities in Victoria which offer the course required to take on this highly skilled and difficult vocation are Victoria University Melbourne and Monash University Frankston.

While travel to the Melbourne Campus of Victoria University would seem straight forward, it is a two and a half hour one way trip by car not including peak hour traffic. There are only three trains per day from Colac to Melbourne and back again, each taking over two hours and requiring a change of service at Geelong.

It would be a nightmare to travel to and from the Frankston Campus of Monash even if this student had a car. However among paramedics the Monash Course is considered to be superior.

The only logical option is to seek to live near the university which in this young woman's case requires the Independent Youth Allowance. She has worked part time during VCE but nowhere near the 30 hours which would be expected of her. Further she does not want to work a Gap Year, preferring to continue her studies so that she can become qualified in the shortest period of time possible.

This means she will have to seek her parent's assistance to go to University or find a job for 30 hours a week and then undertake 24 contact hours a week at university before studying and preparing assignments.



Again another young woman from Geelong wants to do a specialised veterinary course at James Cook University in Townsville. There is no equivalent course in Victoria. The Independent Youth Allowance under the current criteria enabled her to move to Townsville to complete this course.

If the rules are changed, she said she will be forced to defer for a second year while she accumulates both the funds needed to support her studies and gains 30 hours of work over eighteen months. The difficulty then arises that deferring for an additional twelve months means that her position at the university will no longer be held for her and she will be competing with the students of the 2010 VCE/HSC classes from across the country to regain her position.

The fact is that she may well miss out on this occasion as the grades of the students applying in 2010 may well be greater than her own grades in 2008. Also the course may fill before a second round offer becomes available. The uncertainty this young woman is now facing should never have arisen.

In good faith she postponed her studies for one year to get a break from the hectic studies of VCE. She secured her place and was assured that assistance would be forthcoming when she was ready to take her place. Retrospective changes to the eligibility criteria at this late stage are totally unfair, and place a great deal of strain on a young woman who had felt her future had been secured only to find it suddenly taken away.

It is unrealistic to expect every university to provide every subject or course for every student. It is also impractical in many instances for professional degrees to be conferred via correspondence learning. Therefore changes to the criteria of the Independent Youth Allowance will restrict regional students to taking up courses offered by institutions in their own district.

This will disaffect many young people who will be lost to the system and seek full time work in professions which do not require tertiary education.

### Social Isolation

One of the greatest attributes of university life is the ability to meet new people, discuss new ideas and become involved in the culture of the university. Work requirements of 30 hours a week will destroy this fabric of university culture for regional students.

Parents and students at both the forums expressed their disappointment that the Gap Year was going to be traded in for a 'Work Year' just to gain the required hours of work to fulfill the new Independent Youth Allowance requirements.

The Gap Year would be transformed from a rest from studies to a work yourself 'ragged' so you can go to university next year. Several people in the Geelong

meeting referred to the need for a work/life balance, something the Federal Government has itself promoted through the Department of Tourism.

With the added weight of the 30 hours a week of work for eighteen months many said that young people would 'snap' before completing their course. Even more pressure will be imposed on students completing longer degrees such as medicine or law or pursuing post graduate studies.

The changes will effectively suspend the premise of a Gap Year being a year that allows prospective students to work whilst maintaining a sensible work/life balance.

For those forced to work 30 hours per week and study at the same time in order to meet the new criteria, social interaction will become almost non-existent. With added isolation of not having the support of family and friends from back home, regional students face further barriers in developing new relationships and social networks. At a time when the mental health of young people is increasingly in the spotlight, many parents expressed concerns as to the emotional stress this will place on their children.

#### Other Matters

There is considerable confusion as to the detail concerning the changes to the eligibility criteria for Independent Youth Allowance.

It has been reported by parents that Centrelink officers are giving conflicting and uncertain advice as to the impact these changes will have on young people.

In one instance a Colac mother sought the assistance of the Centrelink Call Centre to ascertain under what particular circumstances her daughter would be eligible for the Independent Youth Allowance. This mother was told, much to her concern, that her daughter could become eligible for the Independent Youth Allowance if she entered a defacto relationship, fell pregnant or became an orphan.

Many participants in the community meetings I held were confused about the 30 hours of work a week requirement. The question was asked several times as to whether the hours were calculated as a fixed number of hours per week or an average over the 18 month period.

Some parents were worried that the option of the Defence Force Gap Year program would be abandoned by young people as they seek wages and methods of becoming eligible for the Youth Allowance rather than taking up the challenges, discipline and comradeship of the Defence Force program.

Due to the requirements of 30 hours a week of work for eighteen months many felt that this would effectively create a two year gap. Even if universities allowed a two year deferment most of the students at the two meetings said they would not want to take it. A School Careers Advisor at the Geelong meeting warned against a two year gap between secondary school and tertiary education as she was aware of studies which indicated that knowledge not used for over a two year period is generally considered lost and the motivation of most people for any life goal will wane over a two year period if they are not making progress.

### **3. Conclusion**

It is irresponsible for the Federal Government to be suggesting these changes to the Independent Youth Allowance effective 1 January 2010 at this time in the education year. Year 12 students are on an irreversible path toward their chosen university course. The proposed changes have caused a very unwelcome and destructive shock amongst young people at a time when all of their efforts should be focused on getting the results they need to gain an entry into their chosen course.

If changes are going to occur the government should consider a phasing in period to allow those who have taken advice previously and already acted upon that advice to gain the opportunities they were originally told would be available to them.

Any legislation passed this year to change the eligibility criteria for the Independent Youth Allowance should not affect the graduates of this year's VCE or HSC.

The Defence Force Gap Year program needs to be safeguarded against adverse impacts from changes to the Independent Youth Allowance, as this initiative has far reaching benefits beyond encouraging young people to consider a career in the Defence Services.

The impact of changes to the Independent Youth Allowance criteria need to be fully investigated by the relevant government departments to assess their effect upon regional students before any vote on the legislation can take place. Each Member of Parliament deserves to be made aware of the repercussions of these changes on his or her electorate.

Any change to the Independent Youth Allowance needs to take into account the intrinsic disadvantage faced by regional students. It should also recognise the unique position farming families find themselves in with regard to asset value and real wealth.

I present this Submission in the hope that it will provide the Committee with a greater insight into the significant impact that changes to the eligibility criteria for

the Independent Youth Allowance will have on families living in the Federal  
Electorate of Corangamite.

Yours faithfully

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