

Committee Secretary

Senate Standing Committee on Rural and Regional Affairs and Transport

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To whom it may concern

According to an article in the Sydney Morning Herald on the 19 May 2009 ' *The changes to the Youth Allowance arose from the Bradley Review of Higher Education, which found 49 per cent of students on the benefit lived at home in households with incomes above \$80,000 and 36 per cent above \$100,000.*'

The proposed changes to the Youth Allowance for students fails to address this, and further penalises regional students.

The proposed changes and apparent lack of support for our young people wanting to build a future, has had a damaging effect on the psyche of many students in regional Australia who are sitting their HSC in just a few months. For many at my daughters school and in the local area, the dole now seems the best option in 2010, with regional unemployment a given and consequently their aspirations for further education at University dashed, with many parents unable to support them. Many of the students who aspire to go to University around here (Mid North Coast NSW) come from a middle income family, so means testing wipes them out. The prospect of a middle income family supporting a child to leave home to attend University when there are still other children to support at home, is a sad impossibility, without causing financial hardship.

The proposed changes do not actively seek to redirect benefits to those who are not able to live at home due to the geographical relocation essential to enable them to undertake study. The proposed changes are income threshold based, and, along with ineligibility for other family benefits (in respect to taxation), further punishes middle-income earners.

I am a university graduate, who was self supporting when blue-collar parents with five children could not support me through my studies. Through those difficult times – (and even though part time jobs were easier to find, and university education was 'free'), it was nothing short of a struggle. It is much harder now, with greater expenses and more challenges for our youth.

Nearly thirty years on... I am married and living in regional NSW with three daughters, and both my husband and myself employed. I am currently facing the dilemma - do I leave work so that we can afford for our children to attend university? That is - if I leave work, my children may be eligible for Youth Allowance, or at least some of the associated benefits, such as such as rent assistance, relocation allowance, pharmaceutical allowance, fares allowance, telephone allowance and a health care card. This hardly seems just.

Our eldest daughter currently in year 12 and has her goal set on a course at a university in Sydney. It is not offered locally. If she tried to seek Youth Allowance through the proposed amendments to the GAP system, there is no way she could find 30 hours a week employment in this town (Coffs Harbour), ( and especially with employers knowing she intended to leave in 18 months). She is one of the fortunate students in our town to have had a part time job for the past 4 years. Permanent part timers with dependants have been chasing more hours unsuccessfully, so we know that is not a realistic option for her or her sisters in the future, particularly given the current global financial crisis, and the seasonality of employment on the north coast of NSW. Then there is the dilemma of deferring and having to reapply for the university course. So much uncertainty. A tragedy after working so hard for the HSC.

So we will be faced with the prospect to pay for her and her other two sisters (currently 16 & 14) to attend university. Based on current college rent costings, fees such as internet connection, food and text books required over a year, we have estimated it will cost us around \$350 - \$400 per week for her to study in Sydney (16000 per year for a 40 week year) Multiply this by 2, then 3 and it becomes impossible, particularly with mortgage repayments still on the agenda.

Currently, you can legally drink and smoke at 18, vote at 18, represent and die for your country at 18, but it seems if you are 18 and leave home to extend your education you are no longer considered like an adult. I fail understand how an 18 year old moving out of home in regional NSW where no equivalent university course exists, to attend university, is not considered independent. They are fending for themselves.

However, if instead they choose to join the unemployment ranks, then I believe they will be deemed eligible for Centrelink payments and all the associated benefits. Added to this, the baby bonus seems like an option for easy cash for some, plus the welfare benefits of being a single parent... For many young girls in this town this has been an option. Many feel trapped and unable to see the way ahead. I wonder who will bear the burden in a few short years when depression, crime and suicide rates soar once more in a welfare- centred regional Australia.

This whole situation makes a mockery of our PMs references to the 'clever country', or how 'smart ' our nation needs to be. It seems that only the rich, and those living in Sydney , Canberra, Newcastle or Wollongong will have the opportunity to be clever, while our regional youth in NSW flounder.

I hope the Senate Inquiry can see clear to give our youth in regional Australia a chance. Please recommend a system that assists regional students to move out of their home town to attend University, independent of parental income, so they may be eligible for Youth Allowance if relocating to undertake tertiary studies, and thereby allowing them to make a valuable contribution to society.

### **A points based system**

Finally, I believe Youth Allowance for school leavers should be based on a points system to qualify, and performance to maintain payment. Parental income should not be a factor, but if it is, then the number of dependents still living at home should also be a factor for consideration.

Selective criteria could be used to make up a transparent 'points system', with a

threshold to allow receipt. A bit like the immigration points system. The criteria with a 'points value' associated with it could include:

1. Is it possible for you to live at home while undertaking your studies      Yes    No

    If yes, then

Have you undertaken the 30 hours for 18 months to be eligible for Youth Allowance ? *(if yes then continue, if no then not eligible)*

    If No then

Provide evidence of for example:

- location of family and or both parents' home(s) relative to location of educational institution:

- if applicant is a ward of the state

- or other DoCS/ Centrelink related criteria?)

2. Is an equivalent course offered at a location within commuting distance to & from the family home?

3. Distance from family home to the location of the course

eg 0-50km,    51 - 100km    101 - 300    301+

4. Is it possible for the course to be undertaken online/by distance education?

5. Categorise the 'priority' of course with respect to skills shortage - nothing too complex, eg

Category A: maths & science teachers, engineers, (higher points)

Category B: archaeologist, historian (lower points)

with each category having a score or factor associated with it.

Add it all together and see how they score.

6. Then there needs to be minimum performance requirements for ongoing receipt (ie passing all subjects, ie show commitment - and possibly a small cash bonus or reward for outstanding performance eg all HDs!

Lets make this equitable. How much your parents earn is not a satisfactory criteria in this day and age.

Please keep me updated on the outcome of the enquiry.

Thank you

Yours sincerely

Kerry Cooper