

**BENDIGO YOUTH ALLOWANCE ACTION GROUP
SUBMISSION TO THE INQUIRY INTO REGIONAL ACCESS TO SECONDARY
AND TERTIARY EDUCATION OPPORTUNITIES**

This submission is on behalf of the 'Bendigo Youth Allowance Action Group' (BYAAG). BYAAG consists of former students from Bendigo's three VCE providers who coalesced out of a mutual feeling of shock, disbelief and betrayal. Along with approximately one third of all rural students have all deferred to earn the amount required to qualify for youth allowance this year only to find out that we will qualify for lesser amounts if anything at all.

Our initial concern was that many of the 188 Bendigo students who had taken a gap year would miss out on assistance. However, our community campaign has resulted in a wider-ranging discussion in Bendigo about the challenges that regional students face when undertaking tertiary study. Our group has gone from being a small and enthusiastic but obscure group of teenagers to a well-recognised and well-informed source of information about Youth Allowance in the Bendigo media. We have come to the conclusion that the proposed Youth Allowance will significantly disadvantage rural students and will hit rural middle income earners particularly hard.

BYAAG has promoted debate and discussion about Youth Allowance in a number of ways:

A forum at the Bendigo Town Hall attended by over 200 concerned citizens. Speakers included Steve Gibbons MHR, Damian Drum MLC, Wendy Lovell MLC, parent John Ferris and Jennifer Hippersley from the Regional Youth Affairs Network.

A protest- mock marriages in response to the changes. We were heartened to see our point taken up by state and federal politicians.

We have run an effective media campaign, through the Bendigo Advertiser, Bendigo Weekly, ABC Central Victoria, WIN News, Southern Cross Ten State Focus and Facebook aimed to inform locals of the changes. In return we have received valuable feedback from the community.

As a result of our efforts, BYAAG believes that rural students have been unfairly disadvantaged in an effort to end rorting by an undeserving, metropolitan few.

We would like to make the following recommendations based on the views and concerns of those who have supported us:

Rural and regional students should not be disadvantaged in an attempt to prevent wealthy students from exploiting the system. Regional students are already disadvantaged. We have lower average achievement, are less likely to gain a university place and face significantly higher living costs. This is why Youth Allowance has been so valuable to rural students. The choice to attend university has a price tag of \$15-20,000 per year for rural students- a price metropolitan students cannot imagine. The changes have stopped metropolitan students from unfairly claiming Youth Allowance, but have drastically cut an already-inadequate allowance for country students.

The Youth Allowance changes should be pushed back to January, 2011. It is unfair that these changes apply retrospectively to current gap year students. Parents at the BYAAG forum showed that many were advised by Centrelink and school career advisors to take a gap year, with no reference to the fact that criteria could change. Due to the cost of moving away from home to study, taking a gap year has for many years been viewed as a legitimate way to offset university costs. Gap year students have been hurt to be

portrayed as ‘rorting the system’ when they have simply done what so many have done before them.

If the proposed Youth Allowance is introduced, rates of payment should be increased proportionally for all recipients. Under the new means test, payments continue to be low, even for the lowest income earner. At the BYAAG forum, Jennifer Hippersley from the Regional Youth Affairs Network (RYAN) showed that the highest rate of allowance will still place recipients below the poverty line unless other support is found. A parent, John Ferris, noted to applause that even with children on full Youth Allowance and paid jobs, he has to send money every week in order for them to get by. There was a feeling that current Youth Allowance is inadequate and the new system will simply reduce payments even further. Furthermore, the means test appears to be based on nation-wide average income, whereas parents suggested that it should be based on the average income of families with children of university age. On a dramatic note, Wendy Lovell MLC stated that due to financial pressures, up to 40% of women in Melbourne brothels are students and we see no reason why this figure might change under the new system.

The means-test based on combined parental annual income excludes 'dependants' not aged between 16 and 22, despite the fact that parents may be supporting people outside this age range at significant cost. BYAAG has heard many examples of this problem: A family with one 18-year-old on a gap year whilst the rest are aged under 16. Under the proposed system the family would be recognized as having one dependent child despite the costs of supporting other children. The threshold is unfairly low given the significant cost of running their family.

A parent having to choose which of her children would have to go to university because she could afford to support three unrecognised children whilst a fourth was at university. Families supporting elderly relatives or disabled children at significant cost. This is not taken into account when calculating the number of dependents.

These examples suggest that deserving people can ‘fall through the gaps’ under the proposed system. Youth Allowance should not be given to everyone in the household, but large, young families and parents acting as carers need to be recognized as facing significant financial burdens.

The age of independence should be lowered to 18 if the child is living away from home. In relation to Youth Allowance, the term ‘independent’ is a joke. A person is independent in any other sense when they move away from home and control their own life. This is exactly what rural students do when they move away in order to study. Students are usually taxpayers who are investing their time in order to begin a career. We should be regarded as what we are, independent of our parents and deserving of support on our own income.

The government should not cut funding to Youth Allowance. The government will save \$1.8 billion by implementing the proposed system. Given that rates of payment are low, the system is clearly underfunded at the present time and further cuts are unjustified.

The Bendigo Youth Allowance Action Group believes that whilst the Youth Allowance needs to be reformed to stop wealthy students from receiving payments, deserving families will miss out on Youth Allowance due to narrow ‘dependent’ eligibility criteria, that current gap year students are being penalized for following government advice and that the proposed changes are not significant enough to address rural disadvantage. This submission reflects the concerns voiced to us by the people of Bendigo through our

high-profile local campaign.