

Senate Inquiry Submission
PROPOSED CHANGES TO YOUTH ALLOWANCE ELIGIBILITY

As a Principal of a Victorian regional school The Hamilton & Alexandra College and a parent of a teenage child, I request that the proposed changes to guidelines for workplace participation requirements for students seeking independent status for Youth Allowance purposes as outlined in the 2009 budget be reconsidered.

The Hamilton & Alexandra College has one of the highest rates of deferral post VCE. As a snapshot in 2008, 100% of students received a tertiary offer. 64% of students chose to defer their first year of university, the second highest rate of deferral in Victoria. The majority of these students have chosen to work in the understanding that the prohibitive cost of relocation for their families once they take up their university placement is exacerbated by the additional need to supplement living expenses. Accordingly, by deferring and working, they have the expectation of being able to access Youth Allowance in 2010. In two instances, students have taken up a 2009 Navy GAP placement. With the changes in legislation, all of these students will now be ineligible for Youth Allowance, having deferred their first year of university without fear of legislative change to their circumstances.

I am concerned that the changes will only further highlight the issues of poor access and inequity which rural students already face in pursuing further education. I also believe the changes will negatively impact economic development in rural and regional areas and exacerbate skills shortages in the professional fields.

It is appreciated that changes need to be made to the current guidelines and finding an appropriate balance could be difficult. I hope some of the suggestions we make below will assist in amending some of the proposed changes in the 2009 budget.

Rural and regional young people are underrepresented in higher education and are particularly in need of assistance, the intended guideline changes will only further disadvantage them limiting their aspirations of further education. As indicated by many submissions to the 2008 Victorian Parliamentary Inquiry into Geographical Differences in the Rate in which Victorian Students Participate in Higher Education:

- **Rural and regional young people should be classified as a separate disadvantaged group when access and equity to education is the issue, they should have immediate eligibility to Youth Allowance if they prove they are living independently from their families.**

Many students defer their university entrance and join the workforce with the aim to qualify for independent status. Rural and remote students often take a gap year to help fund the substantial costs of having to move and live away from home to attend university, as the financial burden is too great for their families. The consequence of the intended guideline changes effectively prevents many students from rural and remote areas ever attending a university. As a double disincentive, once families recognise well in advance that the costs of sending their children to university from a remote area are prohibitive, children of such families may see little value in schooling to VCE, with the potential for them to become disaffected and potentially give cause for a falling school age retention rate.

Under the proposed guidelines current gap year students will be ineligible for independence. These students and their families have made decisions based on current guidelines and should be able to continue through with these decisions. In our region, in addition to the two students I mentioned in the navy, there exists a number of families participating in the specifically designed Australian Defence Forces Gap Year Program, who are also very concerned about the government's ability to meet their obligation to the program. Furthermore most universities do not allow students to defer a selected course for more than twelve months.

For many students in rural and remote areas finding full time jobs for a two-year period in the local region is an unlikely prospect. Students will be forced to move away from home to seek employment, further adding financial and emotional pressure to students, their families and the community. There is the additional risk that students who do attain employment will become disengaged from seeking university study due to the long period of two years away from study.

Local businesses that have for many years supported students with 12 months employment in their firms will also lose out from the changes. Firms that have encouraged young people to work in their sector with the hope of attracting them back once they have graduated will be less inclined to have a school leaver for a two year period rather than one. Rural graduates make up a high percentage of those filling professional positions in rural and regional areas.

I request that the proposed change be reviewed in light of the undesirable implications for access to higher education for students from rural and remote regions and in particular request that rural and remote students be classified as a separate disadvantaged group in terms of access and equity in educational opportunity. Having in the past personally lobbied with then Ministers Nelson and then Bishop in the previous Government, and Stephen Smith as then Opposition Spokesperson for Education and Training, you may be assured that there is no political agenda here, merely the seeking of equity for regional students and their families.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bruce S Simons', written in a cursive style.

Bruce S Simons
Principal

The Hamilton & Alexandra College