

SOUTH EAST LOCAL GOVERNMENT ASSOCIATION INC

Incorporated under the provisions of The Local Government Act

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President:
Mayor Richard Vickery

The Secretary
Senate Rural and Regional Affairs and Transport References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Executive Officer:
Rob Forgan

Attention: Committee Secretary

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

Member Councils:

City of:
Mount Gambier

The South East Local Government Association Incorporated (SELGA) appreciates the opportunity to make our submission to the above Senate inquiry.

Districts of:
Grant
Kingston
Naracoorte Lucindale
Robe
Tatiara
Wattle Range

SELGA is a regional subsidiary representing 7 Constituent Councils in the South East of South Australia and was established pursuant to Section 43 of the Local Government Act 1999 by the Constituent Councils. Our region lies roughly half way between the metropolitan cities of Adelaide and Melbourne and has a regional population in excess of 64,000.

Our mission is to represent and serve our Member Councils and to advance our regional community through effective advocacy, facilitation and innovation.

We have made a number of representations to Australian Government Ministers and Senators on the issues of equitable access to education and a review of the Independent Youth Allowance criteria.

Executive Summary

- The increase to the parental income test threshold test and the changes arising from the Bradley Report that have led to the introduction of the Commonwealth Start-Up Scholarship and the Relocation Allowance are welcomed.
- Changes to the criteria for Independent Youth Allowance will disadvantage rural, regional and remote students and their families.
- The requirement of students to work 30 hours a week over a 2 year period (up from 15 hours per week) during University is unreasonable and the former requirement of 15 hours per week should be maintained.
- Rural and Regional Students who made decisions “in good faith” to defer their studies until 2010 with objective of earning \$19,500 to qualify for Youth Allowance under the old guidelines have been unwittingly penalised. We believe that the changes proposed by the Government unintentionally overlooked the needs, aspirations and circumstances of rural and regional students.
- The availability of qualified teachers in the country or prepared to move to the country is at crisis point and aggravated by the ageing of the country teaching workforce.
- Broadband and Internet services in regional Australia are not on par with those available to students and homes in metropolitan areas and we are in danger of not being part of the Australian Government’s “Education Revolution”.

Aims and Objectives of SELGA

SELGA is established to:

- Work in association with both the Local Government Association of South Australia and the Australian Local Government Association to assist in the achievement of their aims and objectives.
- Undertake co-coordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level.
- Facilitate and co-ordinate activities of local government at a regional level related to social, environmental and community development with the object of achieving improvement for the benefit of the communities of its Constituent Councils.
- Develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community.
- Develop further co-operation between its Constituent Councils for the benefit of the communities of its region.
- Develop and manage policies which guide the conduct of programs and projects in its region with the objective of securing the best outcomes for the communities of the region.
- Undertake projects and activities that benefit its region and its communities.
- Associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.
- Implement programs that seek to deliver local government services on a regional basis.

The seven Councils are:

1. The City of Mount Gambier
2. District Council of Grant
3. Kingston District Council
4. District Council of Robe
5. District Council of Tatiara
6. Naracoorte Lucindale Council
7. Wattle Range Council.

The Terms of Reference

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

Changes to the Independent Youth Allowance criteria make it extremely difficult for regional and rural students to meet the new Independent Youth Allowance classification.

These changes will act as impediments to rural, regional and remote students accessing tertiary education.

The majority of our students have to move away from their family home to access higher educational opportunities not on offer in their own communities. This imposes a costly burden on students and their families. Students who relocate to the city often take up casual employment opportunities. Many undertake week end shifts, a choice that severs the important social links with family and the strong social networks they left behind in rural and regional communities. This dislocation can impact on the emotional and physical wellbeing of the student and their family.

The estimated and known costs associated with sustaining a south east student away from home are well in excess of \$15,000 per annum. This expense is borne by families who naturally want to see their children achieve their career ambitions and their full academic potential.

The costs of not going on with higher studies on offer in metropolitan areas can also have a negative financial and social impact on our regional and rural communities. Our region in particular has had ongoing skill shortages and has been active in recruiting skilled workers from other regions and overseas to address this skill shortage.

A “time series” analysis of our regional population statistics reveals that our youth leave in their late teens and early twenties to undertake tertiary education. The same statistical series shows that the numbers for those in their mid twenties show an upward trend with those in their late twenties and early thirties increasing. This is an indicator that many are returning home to the region to settle with qualifications matching skills in demand by regional industries.

Changes to the Independent Youth Allowance that will discourage our students going onto further studies because of financial hardship will amplify the skill shortage issue.

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

The choices for students in rural and regional Australia are limited. Subjects currently on offer in regional areas are restrictive and in some cases unavailable.

In the regional centre of Mount Gambier we are fortunate to have a regional TAFE and a UniSA presence. Measures introduced by the Australian Government such as the changes to the Independent Youth Allowance may cause students to rethink their options and consider TAFE or UniSA as they will not be able to afford to live independently in the city. However, unless their career goals are confined to nursing, social work or business the alternatives are not available regionally.

For those students who live in regional towns and centres outside the regional City of Mount Gambier the presence of a TAFE or branch of UniSA is of little consequence.

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

A number of the changes resulting from the Bradley Review of Higher Education in Australia are seen as a “step in the right direction” for rural and regional Australians.

On the positive side:

- The increase to the parental income tax threshold for access to the maximum rate of Youth Allowance or Abstudy (currently \$32,800) to align with Family Tax Benefit FTB (A) income test which is currently \$42,559 and alignment of the indexation and taper rate arrangements with those applying under FTB is regarded as positive. This means that students from families with 2 children in the Youth Allowance age range living away from home and a combined income of up to \$139,388 will now be eligible to receive a part rate of Youth Allowance.
- A new Student Start-Up Scholarship of \$2254 for all university students receiving income support, except for those receiving a Commonwealth Education Costs Scholarship to take effect from January 2010.
- A Relocation Scholarship of \$4000 in the first year and \$1000 in later years to offset the costs of relocating for study for dependent university students who have to move away from the family home for study and independent students disadvantaged by personal circumstances. This does not apply to those already receiving Commonwealth Accommodation Scholarships.
- An increase to the personal income test threshold from the current \$236 to \$400 per fortnight and the introduction of CPI indexation to the threshold enabling students to earn more from part time work before their payments are reduced – to apply from January 2011.

A further outcome of the Bradley Review was that student income support could be targeted better. It found:

- 36% of independent students living at home were from families with incomes over \$100,000.
- 18% of students in this situation came from families earning incomes over \$150,000; and
- 10% of students in this situation came from families who earned over \$200,000.

On the negative side:

In altering the criterion for Independent Youth Allowance, we believe that the Government has inadvertently overlooked the serious impact the changes have on rural and regional students, families and their communities.

The requirement for students to work for 30 hours a week for at least 18 months during a 2 year period to be considered financially independent from their parents will not help rural and regional students.

Rural and Regional Students who end up making the move to the city will find the move harder than those who have gone before them. These students do not have access to the same support networks as those who live in the city, many leave behind their close friends and few have access to the support networks and contacts that result in them acquiring employment and adjusting to city life. At a time of well publicised and rising unemployment levels in Australia our regional youth are particularly vulnerable.

The 30 hour a week requirement will even test the capability and resilience of our best students

who will attempt to balance the demands of full time study and work. The notion of balanced equilibrium with study, work and recreation may be unachievable.

Those students who have chosen to work a “gap year” and defer their studies until 2010 have been unwittingly caught up in the proposed changes.

Rural and Regional Students who embarked on a gap year in 2009 did so in good faith.

Major decisions had to be made whether they were to take up their placements in 2009 or defer. The majority in our region chose to defer. In hindsight, they may have opted to move to the city without taking a gap year had they known of the proposed changes. The Year 12 Class of 2008 at Mount Gambier High School saw only 2 of over 100 Year 12 students going straight onto university the following year gives a clear indication that the existing gap year option for rural and regional students was one way of easing the financial burden brought on by the high cost of further education away from home.

To their credit, many “gappies” have left their towns and regional centres in pursuit of job opportunities elsewhere. A move that demonstrates their independence and the difficulty for many young unskilled job seekers to find work in rural Australia with limited job options with many districts remaining drought affected. The changes to the former eligibility criteria for qualifying for Independent Youth Allowance have disappointed and angered them.

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

As stated earlier, a number of the proposed changes are appropriate.

However, the impact of the changes to the Independent Youth Allowance for rural and regional Australians cannot be underestimated.

The high costs of education combined with the high costs of relocation will impact on the participation of rural and regional students. There will be a resultant reduction in numbers attending higher education and the gap between city and country will be widened rather than bridged.

There will be an increase in the number of families who will leave rural and regional Australia to provide their children with opportunities for higher education. This will impact on economic and community development and will result in population decline, a situation that many rural communities are trying to reverse.

The long term effects may lead to lower education levels, reduction of tertiary qualified people who want to live and work in rural Australia and a drift of professional people and services out of regional Australia.

With lower education levels, there are the associated risks of higher unemployment, population decline, poorer health, shorter life expectancy, increased crime etc.

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

The introduction of the Student Start-Up Scholarship and the Relocation Scholarship will be welcomed by those students and their families who leave home for higher study.

Consideration should be given to the introduction of an allowance that recognises the significant rental accommodation and living away from home costs incurred by rural and regional students. This allowance could be a one off payment or a periodical payment made through Centrelink.

f. The educational needs of rural and regional students

Rural and regional students are often disadvantaged through lack of available subject choice and access to educational resources.

The educational needs of rural and regional students are also impacted by the shortage of qualified teachers who are not interested in relocating to rural and regional areas. This will be exacerbated as our current teaching population is ageing with no immediate replacements coming on stream.

This issue we believe is an issue for all Australians, not just Country Australians.

While access to technology is seen as an integral part of the "Education Revolution" and regarded as a possible solution to address equity, access and distance education issues in regional areas, there is still considerable progress to be made.

Limited or zero broadband coverage, poor and slow internet speeds remain a problem in many of our rural and remote areas and are not on par with metropolitan services. The roll out of the National Broadband Network across rural and regional Australia with an emphasis on education, health and emergency services if sustained will go some way in addressing this imbalance.

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

Covered elsewhere.

h. Other related matters

No further comment.

In closing, we are pleased that this issue is the subject of a Senate Inquiry. If further information or clarification is sought on any of the matters raised in our submission, please do not hesitate to contact me.

Yours sincerely



Rob Forgan
Executive Officer
SELGA

7 August 2009