

SENATE STANDING COMMITTEE ON RURAL AND REGIONAL AFFAIRS AND TRANSPORT

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

SUBMISSION

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SUBMITTER

John Kirby

Telephone:

Fax:

Email: john@kirbyfinancial.com.au

CONTACT: Mr John Kirby

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Documents

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Kirby Financial Solutions

ACCOUNTANTS AND BUSINESS ADVISERS

A B N 13 060 300 070

157 Commercial Street East
(PO Box 1733)
Mount Gambier SA 5290

Telephone: (08) 8723 2744
Facsimile: (08) 8725 4666
Email: admin@kirbyfinancial.com.au
Website: www.kirbyfinancial.com.au

7th August 2009

The Secretary
Rural & Regional Affairs & Transport Committee
Australian Senate
Parliament House
CANBERRA ACT 2600

Dear Sir

RE: RURAL & REGIONAL ACCESS TO SECONDARY & TERTIARY EDUCATION OPPORTUNITIES INQUIRY.

I request that you include this letter as a "submission" to your Inquiry, relating to the proposed changes to the Youth Allowance eligibility criteria, and particularly how it affects rural and regional students.

As Accountants and Financial Advisers we see many clients who have children who need to travel away from home to attend tertiary courses, not only at University, but also trade based courses.

Our first concern is that the proposed changes to the eligibility criteria for the "Independent" test for Youth Allowance are proposed to be effective from 1st January 2010. We believe this is completely unjust, in that it has a considerable retrospectivity component to it. If the proposed changes are implemented on 1st January 2010 then many people, whether they are city or country based and have taken a year off so as to earn sufficient income to qualify for Youth Allowance, will either have wasted a year of their lives, or be totally denied an opportunity for tertiary education. Generally a University will accept a student deferring commencing a course for one year, but not for more than that. As those who left school at the end of 2008 will physically not be able to complete the proposed work requirement of 30 hours per week for 18 months prior to 1st January 2010, then those who would absolutely have relied on qualifying for Youth Allowance will have to give up their spot in their chosen course, and start the application process all over again.

We point out that these proposed changes to the Independent eligibility test for Youth Allowance affects not just rural students, but also some city students, particularly those who wish to pursue a career in a discipline or course which is not often in their local city, eg Vet Science is not offered in Adelaide. Further, with some very popular courses, such as Medicine, it is quite common for students to apply for positions at Universities right throughout Australia, so that they can possibly take up an offer in another city if they are not successful at their local University.

We acknowledge that current Government has identified some potential flaws in the current Youth Allowance system. We would strongly suggest that if the Government wishes to proceed with these tightening up provisions which will mean that virtually no students will qualify for Youth Allowance under the new Work Requirements Test, but instead some payments or allowances for Living Away From Home or Rent Assistance be introduced, with eligibility quite independent of Youth Allowance.

This LAFHA should be payable to those who live, say, more than 100 kilometres from the institution at which they are studying. Please note that we believe this allowance should also be payable to those undertaking Trade related courses. For example, many apprentices from the country need to travel to a major TAFE facility in a capital city for a week, or two, at a time, for several weeks a year, to do “block” study. Similarly, we also find that apprentices from more remote country towns need to travel to a major rural centre for similar block study periods.

We very strongly encourage you to take the above comments into consideration in your deliberations. Further, we very strongly urge you to announce any alterations to the initial proposals as soon as possible, as we are aware of several students simply not knowing if they are going to be able to afford to travel away to University next year or not. This affects things such as making arrangements for accommodation requirements.

Yours faithfully
KIRBY FINANCIAL SOLUTIONS

John Kirby