



CLARE HIGH SCHOOL

"To Seek A Worthy Goal"

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THE SENATE

SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

REFERENCES COMMITTEE

Rural and regional access to secondary and tertiary education opportunities

To whom it may concern,

The Federal Government recently announced changes to Youth Allowance eligibility that have the potential to impact significantly on country students seeking a tertiary education upon the completion of Year 12. Currently, students (either metro or country) can access Youth Allowance of \$371.40 per fortnight to assist with tertiary education expenses either through qualifying for Independent Student Status or meeting a Parental Income Test Threshold.

Under the Parental Income Test Threshold, a favourable change has been proposed to increase earning thresholds from \$32,800 to \$42,559 pa. Whilst this change is welcomed and designed to assist low socio-economic students, the threshold of \$42,559 is still significantly below average National wage benchmark and will result in only a minority of students qualifying for Youth Allowance under this criteria.

It is in the area of proposed changes to Independent Student Status, that country students in particular will be disadvantaged. Under the current Youth Allowance regulations students are able to work for one year and earn a minimum of \$19,532 before entering university in order to qualify for independent student status. This period between Year 12 and University is often referred to as a 'Gap Year' and it enables students to qualify for independent student status. As an independent student, students are then eligible for an annual Youth Allowance of \$9,656.40.

Many country students face enormous financial and emotional stress caused through relocation to a metropolitan environment in order to undertake tertiary study. Basic living costs for board and lodging are estimated at \$300 per week or \$15,000 pa and country students often lose the emotional, social and support networks of family and friends caused through leaving home. For many metropolitan students, living at home and maintaining family and friendship support networks can continue unabated whilst the costs associated with relocation are not applicable.

The proposed changes to Youth Allowance now require students to complete 18 months of paid work for a minimum of 30 hours per week and earn \$19,532 during this period to now qualify for Independent student status.

This policy change will further disadvantage country students who statistically remain under represented amongst university enrolments. Firstly, the ability to secure 30 hours of part time work in a country community is highly problematic. The growing jobseeker market coupled with unfavourable economic conditions and long term rural hardship caused through drought and agricultural/horticultural/viticultural decline, will result in many country students (and potentially their families) having to leave country communities in order to find employment options.



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Secondly, the increase in the 'gap year' from 12 months to 18 months, will effectively delay university entrance for students seeking independent student status by 2 years. Universities do not currently offer the provision for mid year entrance and many students will simply view the gap between finishing Year 12 and starting university as an independent student as simply too long. More importantly, South Australian Universities currently only allow students to defer for one year.

Thirdly, current students who have delayed university entrance in order to complete their gap year will be further disadvantaged by these new regulations that will come into effect in January 2010. Currently, university entrance can only be deferred by 12 months. The new 18 month work regulations will either mean that parents will have to fund the full costs associated with students living away from home or students will be forced to pursue other career pathways. This policy change has enormous potential to further discourage students from pursuing tertiary education.

Finally, the current Youth Allowance rate of \$371.40 per fortnight remains unchanged under the new proposal. A \$6,000 gap currently exists between current Youth Allowance rates and the standard boarding fees associated with many residential colleges. Rather than address this funding gap, Youth Allowance rates have remained unchanged.

A 2005 Senate inquiry into student income support made numerous recommendations to ensure equity provision is implemented for rural students. The recommendations have not been acted on and many Principals, politicians and parent groups from around the Australia have launched lobby action against the proposed changes to Youth Allowance.

Whilst the proposed changes to Youth Allowance eligibility have been designed to prevent the allowance being received by students living at home in major cities, it is country students who now face severe discrimination and inequity and may now be forced to abandon plans for a tertiary education due to a lack of funds.

The proposed policy changes also increase the occurrence of professional families relocating from rural to metropolitan communities in order to minimise the cost associated with both secondary and tertiary education for their children. This issue already exists for country communities and if these proposed policy changes are implemented, many country communities face the real likelihood of even greater loss of professional people from their communities.

As a Principal of a rural High School, a parent of secondary school age students and a board member of the South Australian Secondary Principals Association, I along with my colleagues and local community members seek an urgent review this budget proposal.

Policy changes to Youth Allowance must ensure affirmative action for country students and not further disadvantage them from pursuing tertiary education. Amongst these policy changes should be:

- An increased or a reclassification of Youth Allowance funding to a minimum of \$15,000 pa to cover genuine living away from home expenses incurred by country students pursuing a tertiary education.
- The abolition of the current paid employment 'gap' to allow immediate access to Youth Allowance for all students who complete Year 12 in a country school and who commence tertiary education.

If Australia is to grow and prosper economically, we need social, educational and employment policies that significantly build a highly skilled trade-based workforce along with a vibrant and cutting edge tertiary education sector. Rural students and their communities continue to experience significant educational disadvantage that needs to be addressed so that equitable learning opportunities for all exist.



Rob Knight



Principal



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