

Submission – Proposed Changes to the Qualifying Criteria for Youth Allowance – 2009 Federal Budget

I am writing to seek your assistance in calling on the Government to reconsider changes announced in the Budget 2009-2010 in relation to Student Income Support - Youth Allowance workforce participation criteria.

On the basis of fairness, the changes should apply from 1 July 2010 rather than 1 January 2010. This would overcome the inequity of retrospectively making ineligible all those students who left school at the end of 2008 and who have already made life altering plans on the basis of current legislation.

In my son Adam's case he has deferred his University of Melbourne Science course until 2010 just to qualify for the Youth Allowance in terms of current guidelines. He is working two jobs which vary in hours between 9.15am and 9.30pm to reach the required income benchmark over the 18 month period. It has been extremely difficult for Adam to gain employment to achieve the existing income threshold for the Youth Allowance. It would be very difficult for him to attain employment of 30 hours per week for 2 years (as per proposed legislation) in our country town (Corowa NSW).

The proposed change in legislation completely alters his current situation. We have sought advice from Centrelink via their hotline number and been informed that based on our financial circumstance, Adam cannot qualify for any of the proposed government assistance packages.

Our family's details are

Phil - Gross Income \$89,657pa

Cathie - housewife who cares for our Disabled daughter. (Home Duties)

Adam – Completed VCE 2008 with enter score of 95.1

Kelli – Disabled daughter

We do not consider ourselves to be in any "wealthy" category.

We live in the small country town of Corowa which will mean that Adam will need to be supported with his daily living expenses while attending university in Melbourne, I have investigated the cost of Adam's University of Melbourne costs. Basic accommodation & meals will be approx \$20,000p.a, without any consideration for the actual cost of course materials. These costs only account for a 36 week annual period.

There is no doubt that we have to re-assess Adam's ability to accept his University of Melbourne placement in light of the proposed government changes. This is very upsetting for all our family particularly when Adam achieved an entry score of 95.1.

The change in government policy in relation to the Youth Allowance is grossly unfair. A reasonable approach would have been to allow the "VCE Class of 2008" to finish their

Gap Year in terms of the qualification criteria set down at the time they all had to decide on their future direction. To change the rules halfway through the period is unconscionable.

Another related issue we now face is that because Adam deferred his placement for 12 months the University has extended the course for those commencing in 2010 from 4 years to 6 years! This will place additional strain on our family's ability to meet the financial necessities of normal living for a further 2 years.

I also question the data supplied to the government regarding the benefits provided to families on low income families. I find it difficult to accept that more low income families living in regional areas will be able to afford to send their child to university even with the new Youth Allowance grants. These families would need to find about \$10,000+pa themselves which would be extremely difficult bearing in mind the normal living costs of mortgage/rent, electricity, vehicle, food, etc.

It appears that the report has not taken into account the challenges faced by parents living in regional areas.

Our family seeks your support and action to champion our cause which we consider to be one of common justice. A government or any other organisation must display fairness and equity in all their judgements. To change rules/legislation halfway through any qualifying period should be deemed by any fair minded tribunal as totally unjustifiable.