

19<sup>th</sup> July 2009

**To the Secretary  
Senate Rural and Regional Affairs and Transport References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600**  
**Email:** [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)

Dear Sir/Madam,

### **PROPOSED CHANGES TO YOUTH ALLOWANCE**

We are writing to express our concerns about recently announced changes to Youth Allowance in the Federal Government Budget.

We have read the following excerpt which leaves us confused and alarmed.

“ From 1 January 2010, the workforce participation criteria will be limited to having worked full-time for at least 30 hours a week, for at least 18 months in the last 2 years. Students who have already met the workforce participation criteria, prior to 1 January 2010, will be unaffected. Other independence rules based on personal circumstances will not change. “

SOURCE: [http://www.budget.gov.au/2009-10/content/glossy/education/html/education\\_overview\\_07.htm](http://www.budget.gov.au/2009-10/content/glossy/education/html/education_overview_07.htm)

Our son, Phillip, completed Grade 12 in 2009 achieving an OP1. He has a place at the University of Queensland for 2010 After carefully considering his options he decided to take a gap year and try to achieve “independent” financial status for Youth Allowance. We contacted Centrelink to confirm the existing requirements as outlined below in Centrelink documentation. We believed that it would be possible for him to earn 75% of the maximum rate of pay in an 18 month period if he could find work.

He has been working hard at two part-time jobs since Christmas 2008 to achieve this result. He should reach the 75% requirement by the end of 2009, but he will only have been out of school for twelve months and cannot apply until May 2010.

We feel it would be totally unjust and inequitable for the criteria to be changed at such short notice, i.e. starting January 2010. Such a change has no effect on previous Youth Allowance applicants, but will seriously affect this year’s “gap students”. This year’s gap students can’t just change their minds and start university tomorrow - they are “locked-in” to the decision they made early this year for the next 9 months. The decision particularly affects rural and regional student who have higher tertiary education costs, living away from home.

Students finishing high school in November 2009 will at least know that the 75% of maximum pay rate is not an option and can act accordingly.

Basically this year’s rural and regional gap students will have had the rug pulled out from underneath them. Many of them will have made a decision to take a gap year based on the current regulations allowing entitlement based on 75% of the maximum rate of pay. Reform of these regulations is no doubt necessary but it should be implemented at a time that does not seriously prejudice the decisions

of just one small group of young people.

**We therefore urge the Federal Government to review its decision and change the implementation date from 1<sup>st</sup> January 2010 to 1<sup>st</sup> July 2010.**

This will allow the current gap year students, who made their decisions based on current published Centerlink guidelines, to qualify before July 2010.

Our son rightly feels that the proposed changes are unfair to him, and he is very despondent that his cohort is being singled out in this way. We again respectfully request that the Federal Government amend the implementation date for the proposed changes.

We look forward to your support in this matter.

Yours faithfully,

Henry and Jenny Drew

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## **CENTERLINK INFORMATION**

### **YOUTH ALLOWANCE – INDEPENDENT STATUS.**

“ If you apply for Youth Allowance, you will be assessed as either dependent or independent.

You are considered independent if:

- you have worked full-time (at least 30 hours a week) for at least 18 months in the last 2 years, or
- you have worked part-time (at least 15 hours a week) for at least 2 years since leaving school, or
- you have been out of school for at least 18 months and have earned at least 75% of the maximum rate of pay under [Wage Level A of the Australian Pay and Classification Scale](#) in an 18 month period, or
- you have [partial capacity to work](#) as determined by a [Job Capacity Assessment](#), or
- you are or have been previously married or living in a marriage-like relationship for at least 12 months, or
- you have, or have had a dependent child, or
- you have parents who cannot exercise their responsibilities, or
- you are unable to live at home due to extreme family breakdown, violence in the home, or serious threats to your health or well-being, or
- you are a refugee, orphan or someone who cannot live at home, or
- you are in State care, or only stopped being in State care because of your age.

You are also considered independent if you are aged 25 or over and a full-time student.

To qualify as independent in a marriage-like relationship, you must be over the age of consent in the State or Territory you live in for that time. Six month relationships are accepted in special circumstances. “

<http://www.centerlink.gov.au/internet/internet.nsf/ea3b9a1335df87bcca2569890008040e/f510076349be359fca2574ab0001fd6f!OpenDocument>