

31 July 2009

The Chairperson
Senate Rural and Regional Affairs and Transport References Committee
Parliament of Australia
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir / Madam

Submission regarding the proposed retrospective changes to Youth Allowance

Hi, my name is Paul Nichols and I am writing regarding the proposed retrospective changes to Youth Allowance. This is the first submission I have ever made to a Senate Enquiry but this issue directly affects my family as well as the many families who have children currently undertaking a gap year. I believe the decision to make changes to Youth Allowance retrospectively not only discriminates against all those students who have willingly undertaken a gap year so as to qualify for Youth Allowance during their tertiary education but also victimises their families as well.

My wife, Julie and I are the typical Australian working family with 2 lovely daughters and we live in Bundaberg Queensland. My eldest daughter Sarah completed year 12 in November 2008 with an OP of 2 and we are very proud of her. She has always wanted to be a primary school teacher and was accepted at the University of Queensland. Prior to finishing school we attended our local Centrelink Office to see what options were available to Sarah. We were advised of the gap year process and the present rules to qualify for Youth Allowance and this avenue appealed to both Sarah and us as a family and in fact was recommended by Centrelink.

Sarah subsequently elected to undertake the gap year and deferred her UQ teaching degree for a year. She then obtained a full time Dispensary Assistant traineeship at a local chemist so as to meet the current Youth Allowance rules regarding income. Sarah has voluntarily deferred her studies for a year and has been working hard so as to qualify for Youth Allowance during her subsequent tertiary studies. She and we as a family made this decision based on advice from Centrelink officials, government information and school advisers as well as speaking with other parents and students currently receiving Youth Allowance. We could see the benefit of Sarah working hard for a gap year so as to obtain the financial benefit of Youth Allowance during her degree, which would then allow her the time to study rather than having to work excessive hours during her study so as to afford to attend university.

Under the proposed changes to Youth Allowance, being 30 hours per week for 18 months, Sarah will now effectively have to work a second gap year in order to qualify for Youth Allowance as the academic year commences in March and she will not have completed 18 months full time work. Students can not possibly work 30 hours per week and study full time so this now forces them to work the second extra year to qualify before commencing their studies.

This was not the case when Sarah was advised about and decided to undertake the single gap year to obtain Youth Allowance. If we had been advised or known then that she would have to undertake two gap years, not one as is the case now, to qualify for Youth

Allowance before going to university then she would have had a choice in the matter and would have probably gone straight to university on completing school but as it stands she has not been given that choice and it is this issue that we object to. I do not object to the fact that the government needs to make changes to the Youth Allowance in order to save money but I do object to it being introduced retrospectively and affecting those kids who are now half way through meeting their current Youth Allowance requirements.

I would not be writing this letter if the proposed changes to Youth Allowance were being introduced in January 2011 when students and parents have had the opportunity to assess the implications of the proposed changes to Youth Allowance prior to undertaking it and to then determine whether it is suitable for them. However I believe it is not only unfair, but it is just not right and is plain un-Australian to impose these proposed changes retrospectively on those students currently undertaking their gap year in good faith under the current rules, as they do not and have never had that opportunity to make an informed choice. A second "dead" year is being thrust upon them through no fault of their own and we feel this is definitely discriminatory to them as they do not have any choice in the matter.

We as parents also feel both guilty and angry at having advised our daughter to undertake the single gap year to obtain Youth Allowance using government information and Centrelink's recommendation, believing it to be beneficial to her long-term future, only to now have the rug pulled out from under her by the government midway through. It was most disheartening as a parent to have to tell my daughter that she will now have to postpone her teaching career and will have to "waste" another year of her life doing an extra gap year to qualify for Youth Allowance because the government has decided to change the goal posts half way through even though she has been working hard and done everything right. It has been her subsequent tears that have in part compelled me to write this letter. This has been a cruel twist that has hit Sarah very hard as I am sure it has also similarly hit all those other gap year students and families in the same boat.

It is also of note that when I spoke with Centrelink regarding this issue and their previous recommendation regarding undertaking a gap year under the current rules, they were sympathetic concerning the proposed Youth Allowance changes and its affect on those students currently undertaking their gap year and they recommended that I pursue this course of action.

It is for these reasons that I request that you not only consider but that you recommend that the proposed changes to the Youth Allowance not be introduced retrospectively but that they be implemented from the 1st January 2011 so as the students and parents affected by the proposed changes actually have a choice in assessing whether Youth Allowance under the new proposed changes is an appropriate option for them to take.

Yours sincerely

Paul Nichols