

To whom it may concern:

I am deeply concerned about the way in which the recent Federal Budget retrospectively affects students who have taken a gap year this year in an attempt to self-fund their future studies as their parents are not in a position to be able to support them adequately if living away from home.

Until this budget, on the completion of secondary education it was an acceptable strategy to defer entry to university for one year and to join the workforce to earn \$18850 (75% of the maximum rate of pay under Wage Level A of the Australian Pay and Classification Scale) in an 18 month period. This entitled students to qualify for Youth Allowance to partly support themselves during their studies.

My son and many of his friends embarked upon this legitimate strategy but it now appears that this means of qualification will be discontinued when it comes time to apply for Youth Allowance early next year.

It is not possible for them to qualify by working 30 hours/week full time for at 2 years as most student jobs are casual and he is already juggling two of these and still not working 30 hours. Full time jobs are very limited for school leavers and even more so in country towns.

Given that these students made their decisions in good faith based on the independence test criteria at the time, and given that they now cannot go back in time to amend their strategy, this change is being made retrospectively and this is highly irregular and grossly unfair.

*The retrospective nature of these changes will profoundly affect students who have based their VCE course selection on the expectation of working hard to have the opportunity to attend university and study in their chosen field. My son and many others will now not have this opportunity. As his parents we will not be able to fund his studies in a location 200 Kilometers from home without the support of the Youth Allowance.

No matter what the rhetoric is these changes discriminate against non-metropolitan parents and students I have been advised that the Commonwealth Accommodation Scholarship worth \$4324/year will be replaced by a new Relocation Scholarship worth \$4000 in the first year but only \$1000 in subsequent years, CentreLink is to date unable to advise on whether this scholarship will be means tested. This will disadvantage students who do not live in the major centers. Many students who had planned to avail themselves of Youth Allowance next year will no longer have this opportunity. However, students that live in metropolitan areas with tertiary education facilities nearby will still have the option of living at home with the support of their parents. Most students from non-metropolitan areas will not have this option.

The government would not introduce retrospective changes to taxation law as this would be obviously unfair.

In this case the rules are being changed half way through the game and there is one group of very disillusioned students who made decisions in good faith

based on the criteria at the time who now find that they are unable to fund their studies in courses into which they have already been accepted.

Students that finish Secondary school this year will be able to make their decisions based on the revised criteria but students who finished school in 2008 and took a gap year prior to commencement of studies in 2010 have had the rug pulled out from under them. They have affectively lost this year.

I am hoping that you will realise the importance of lobbying for the removal of the retrospective nature of the new independence criteria by applying the existing test to students who commence study in 2010 and only introducing the new criteria to students commencing study in 2011.

If these proposals are enacted you will have no middle income country kids at university. This will be a disgrace if this is allowed to occur.

Regards

Nigel Bowen