

Senate Committee
Inquiry into proposed changes to Youth Allowance

It is proposed that changes to Youth Allowance eligibility will be introduced in 2010. However this unfairly penalises those young people who made decisions about study and work and are currently working hard towards their goal of independent status, on the basis of information provided to them by Centrelink when they left school at the end of 2008. Any proposed changes should therefore not come into effect until 2011.

For example our family lives in a regional centre in Western Australia. My daughter (18) completed high school towards the end of 2008 and has been working in a fast food outlet since December. She has been working an average of six days a week, and one or two double shifts a week to save as much money as she can in order to gain independent status by June 2010. She has deferred a university offer for 12 months and is planning to commence her degree in Perth in February 2010, supporting herself from February to May, with money saved and through obtaining a part time job. My daughter has no choice other than to leave home and move to Perth (Over 400km away) to pursue university qualifications for her chosen career.

We are a middle income family with another child in high school, and fall just outside the proposed cut off for assistance. We would really struggle to afford to support our daughter through her university studies, and certainly could not afford to support our son (16) through studies as well. (Currently he is anticipating attending university too)

The current proposals unfairly discriminate against rural families who already have higher living expenses than their city dwelling counterparts, and will have to support their children to live away from home to attend university. Many families will be unable to do this. And if they do manage to do this for one child would not be able to support two or more children through university concurrently.

Currently the system works well for rural young people who defer their university studies for a year and work during this time to earn enough money to be eligible for youth allowance and Independent status. They are eligible for youth allowance as independents having been out of school for 18 months and earned 75% of the maximum rate of pay.

Nearly all the young people from our regional town that I know now living in Perth and attending university have qualified for youth allowance under this criterion.

Under the proposed changes of working for at least 30 hours for 18 months before being eligible for youth allowance - Independent status, young people would have to defer their university studies for two years, providing universities allow this. (Not the current practice) There is a strong concern that having had two years away from study young people will be less inclined to give up earning money to pursue a university degree.

Regional and rural students already fall behind metropolitan students in terms of High School results. The proposed changes will make it more difficult for regional young people to attend university widening the divide between the educational opportunities afforded to city and regional young people.