

**Subject: Independent Youth Allowance -Public Submission**

Date: 4th August 2009

To: The Committee Secretary,  
Senate Standing Committee on Rural and Regional Affairs and Transport.



Dear Jeanette,

I wish to express my disappointment on the changes that have been made to the youth allowance and the effect it will have on our family. We live one and a half hours away from the university that our son will be attending. Our son has been working to save money (approx \$19 500) to qualify for the Independent Youth Allowance. We noticed an article in the paper (about June 2009) about a Bunbury teenager who was going to be affected by the changes to the Youth Allowance. We couldn't understand why they used a girl who was already in her Gap Year. **Surely they meant for this to affect the next year of Gap students who would be made aware of the requirements for qualification at the onset of their journey to receive an allowance. But,** to our horror, our son received a letter from the University of W.A. saying that they would allow him to extend his gap year in order to qualify for the allowance. Our son was very disappointed in this new direction he had to take which could see him getting to University the year he turns 19. They changed the goalposts half way through the year. He was given until July 31st to let the University know of his intentions.

I have been corresponding with Centrelink and Don Randall's office to tackle the blurb that has been written about the changes. I came upon 2 sentences that gave our family hope. I have copied them for you to view.

**1st Article**

**Changes to youth allowance "independence" criteria** the "age of independence" for Youth Allowance and AB STUDY is to be gradually reduced from 25 to 22 years (i.e. 24 years in 2010, 23 years in 2011 and 22 years in 2012). From 1 January 2010 the following two existing "independence" criteria will no longer be available as a means of establishing "independent" status for Youth Allowance:

1. Having worked part-time for at least 15 hours per week for two years or more since leaving school;

1. Having earned equivalent to 75% of the relevant trainee minimum wage in an 18 month period since leaving school (in 2009 this requires earnings of \$19,532).

However, it will still be possible to establish "independence" where the person has had employment of at least 30 hours per week for at least 18 months during any period of two years.

**This change will not apply to students who are already "Independent" by virtue of having satisfied these criteria.**

**REFERENCE:** <http://www.welfarerights.org.au/Shared%20Documents/8-10.pdf>

**2nd article**

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.

**REFERENCE :** [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)

Don Randall's office has been trying to establish where our son stands in this confusing state of affairs and they have been given two different answers. I am waiting for a response but I am sending this now as they have not yet responded and I don't want to miss the deadline for submissions.

Aside from our personal quandary, I find it quite disturbing for future Gap year students that the qualifying period for full time work is exactly one month after they start University. So the Government is forcing them to stay away from University for at least 24 months - they can't work full time during that 1st month at University. What 18 year old student is lucky enough to pick up a 30 hour a week job for 18 months?(He or she would probably have to pretend that they were committing themselves to the company for a long period of time.) Of course, they would NEVER mention the word university for fear of being sacked.

Most 18 year olds fill the gaps that employers need filling as part time workers.

I would just like to state that we are very upset that a Government can change the rules for our Gap year students of 2009. Our son was only informed in June, nine months into the Gap year, by the University. The Government hasn't really officially informed our son of any changes. So I am hoping that the Government will understand how unfair this new eligibility criterion is for 2009 Gap year students. We sincerely hope that provision can be made to exempt us from this unfair change of rules. I will be sending this as a letter to make sure that you receive it.

Yours sincerely,

  
Ann Boyle