



STUDENT INCOME SUPPORT—AGE OF INDEPENDENCE

The Rudd Government will reduce the age of independence, from the current 25 years to 22 years, with phased implementation of the measure so that the age of independence would be reduced to 24 years in 2010, 23 years in 2011 and 22 years in 2012.

The cost of this measure is \$98.7 million over four years.

Who will benefit?

This measure will benefit 760 new recipients and 1 100 existing recipients receiving higher payments in 2010, increasing to 2 750 new recipients and 4 400 existing recipients in 2011, and to 7 600 new recipients and 12 100 existing recipients in 2012.

This measure is part of the reforms to the student income support system which aim to ensure that financial barriers to the participation of students from low socio-economic backgrounds are removed. The reforms will provide better support for those who need it most. The reforms are critical to meeting the Government's target of 20 per cent of higher education enrolments at undergraduate level being students from low socio-economic backgrounds by 2020.

What will this measure deliver?

This measure seeks to ensure equitable access and adequacy of student income support payments to those in greatest need based on their family circumstances and recognise the increasing self-sufficiency of young people as they mature in line with international and community standards.

This measure only applies to students on income support, including Youth Allowance and ABSTUDY.

Phased implementation of the measure reduces the age of independence to 24 years in 2010, 23 years in 2011 and 22 years in 2012.

Next steps

This measure, along with other reforms to student income support, will be legislated in 2009 and guidelines updated as appropriate.

Centrelink has been consulted on both costings and the timeframe for implementation of this measure. Required modifications to Centrelink systems are expected to be completed by December 2009.