



Youth Allowance

FACTSHEET 3

STUDENT INCOME SUPPORT—AGE OF INDEPENDENCE

The Australian Government proposes to reduce the age of independence for full-time students seeking Youth Allowance from the current 25 years to 22 years. It is proposed to phase the implementation of the measure so that the age of independence would be reduced to 24 years in 2010 years, 23 years in 2011 and 22 years in 2012, subject to the passage of the enabling legislation.

This proposed measure was costed at \$98.7 million over four years.

Who will benefit?

Subject to the passage of the legislation, 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 proposed 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 aim to provide better support for students. 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 proposed measure deliver?

This proposed 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 would apply to students seeking support through Youth Allowance and ABSTUDY.

Phased implementation of the measure would reduce the age of independence to 24 years in 2010, subject to the passage of legislation, 23 years in 2011 and 22 years in 2012.

Next steps

While legislation to give effect to the proposed reforms has already passed the House of Representatives, the Senate has not passed the legislation. The Government has indicated that it intends to again seek passage of the reforms by the Senate in early 2010. Commencement dates are subject to the passage of the legislation.