



# Youth Allowance

FACTSHEET

MARCH 2011

## STUDENT INCOME SUPPORT SCHOLARSHIPS

### Student Start-Up Scholarship

Full-time students undertaking an approved scholarship course and who are receiving student income support are entitled to a Student Start-up Scholarship for each year of their course. An approved scholarship course is an accredited higher education course or preparatory course that is undertaken at a higher education institution.

The Scholarship is valued at \$1097 for each six months of qualifying study in 2011 (a total of \$2194 if a student qualifies for the whole year). This amount will be indexed on 1 January annually thereafter.

The Student Start-up Scholarship provides essential assistance to students for the high up-front costs of textbooks and specialised equipment. All higher education students receiving income support provided through Youth Allowance, Austudy and ABSTUDY and who are undertaking an approved scholarship course receive the Student Start-up Scholarship, except for those already receiving a Commonwealth Education Costs Scholarships (CECS) or Indigenous CECS. University students who are assisted under veterans' schemes may also be eligible for this Scholarship.

The Scholarship is paid at the full value whether a student is receiving the maximum rate of payment or a part payment of student income support. It is paid in two installments—one at the beginning of each semester, in each year of a student's course of study. The Student Start-up Scholarship replaces the CECS, while existing CECS recipients will continue to receive their scholarship payments provided they maintain their eligibility.

#### Increasing participation

The Student Start-up Scholarship is aimed at increasing participation in higher education by students from low socio-economic status (SES) backgrounds, including those from regional and remote areas and Indigenous students, who may otherwise be discouraged by the high up-front costs of study.

It supports the Government's broader education outcome objectives of:

- 40 per cent of 25-34 year olds attaining a bachelor level qualification by 2025; and
- 20 per cent of undergraduate enrolments in higher education being students from low SES backgrounds by 2020.

#### Payment arrangements

The Student Start-up Scholarships are paid by Centrelink in two payments, one at the beginning of each semester together with students' income support payments.

The administration of payments by Centrelink ensures that students receive the Student Start-up Scholarship as part of their student income support entitlement. It also ensures students retain their Student Start-up Scholarship even if they transfer from one higher education institution to another.

### Relocation Scholarship

From 1 April 2010, dependent students and certain independent students receiving Youth Allowance and ABSTUDY who are undertaking an approved scholarship course, and who have to live away from the family home for study, are assisted by a Relocation Scholarship. An approved scholarship course is an accredited higher education course or preparatory course that is undertaken at a higher education institution.

The Relocation Scholarship is provided in addition to the Student Start-up Scholarship. This Scholarship is available to dependent students living away from home as well as independent students who are disadvantaged by personal circumstances, except for those already receiving a Commonwealth Accommodation Scholarship (CAS) or Indigenous CAS. Higher education students who are assisted under veterans' schemes may also be eligible for this Scholarship.

The Relocation Scholarship provides \$4124 (in 2011) for students in their first year at university and \$1031 (in 2011) in each year thereafter and will be indexed. The Relocation Scholarship replaces the CAS while existing CAS recipients will continue to receive their scholarship payments provided they maintain their eligibility.

Relocation Scholarships assist dependent students with the cost of establishing new accommodation in order to undertake study away from home. Its objective is to remove financial barriers to the educational participation of students from low socio-economic status (SES) backgrounds, particularly those from regional and remote areas and Indigenous students.

By improving support for students who need to live away from home for study, the Relocation Scholarship supports the Australian Government's target of 20 per cent of higher education enrolments at undergraduate level being students from low SES backgrounds by 2020.

This measure allows eligible disadvantaged students to receive \$4124 (indexed annually) on commencement of their course and \$1031 (indexed annually) for each year thereafter for up to four years.

#### *Payment arrangements*

Payment of the Relocation Scholarship is administered by Centrelink, linking the provision of scholarships to higher education students receiving income support payments.

## **Equity and Merit-based Scholarships Exempted from means testing**

From 1 April 2010, the treatment of equity and merit-based scholarships under the social security means tests is aligned with that of the Commonwealth Scholarships. This means that equity and merit-based scholarships will be exempted from being treated as assessable income for means testing under the Social Security Act 1991, up to the equivalent combined value of the Commonwealth Education Costs Scholarship and the Commonwealth Accommodation Scholarship, valued at \$6870 in 2011. Scholarship amounts in excess of this value will continue to be subject to means testing.

This initiative aims to ensure that financial barriers to the participation of students from low socio-economic backgrounds are removed.

#### *Equal treatment of scholarships for income support recipients*

This measure ensures equal treatment, for income support means testing purposes, of students who receive an equity or merit-based scholarship awarded by universities and other organisations.

The exemption applies to eligible students receiving or applying for income support payments, including Youth Allowance, Austudy, ABSTUDY, Parenting Payment and the Disability Support Pension.