



Youth Allowance

FACTSHEET

MARCH 2011

STUDENT INCOME SUPPORT WORKFORCE PARTICIPATION CRITERION

From 1 July 2010, students receiving Youth Allowance (student) and ABSTUDY are able to establish financial independence under the workforce participation criterion by demonstrating employment of an average of 30 hours per week for at least 18 months during any period of two years. This arrangement applies to students on income support, including Youth Allowance and ABSTUDY. It also extends to recipients of Youth Allowance (other).

This element of the criterion recognises that young people who have established this work pattern are no longer financially dependent on their parents.

Also, from 1 July 2010, the workforce participation criterion for establishing financial independence for Youth Allowance and ABSTUDY has been tightened so that most students will no longer be able to achieve financial independence for Youth Allowance and ABSTUDY by meeting the second and third elements of the workforce participation criterion. These are:

- worked part-time for at least 15 hours a week for at least two years since leaving school; or,
- earned, in an 18-month period since leaving school, an amount equivalent to 75 per cent of the maximum rate of pay under Wage Level A of the Australian Pay and Classification Scale generally applicable to trainees (in 2011 this requires earnings of \$19 532).

From 1 January 2011, these elements are still available to young people from outer regional and remote areas provided:

- they are required to relocate to study because of the geographic location of their family home—their family home must be in a location categorised under the Australian Standard Geographical Classification (AGSC) as Outer Regional Australia, Remote Australia or Very Remote Australia, and
- their parents' income is less than \$150 000 per annum.

In addition to the tightened workforce participation criterion, Youth Allowance continues to recognise that some young people will establish independence through meeting the individual circumstances such as having, or having had, a dependent child; or being in a situation that makes it “unreasonable to live at home” due to extreme family breakdown, violence in the home, or serious threats to health or wellbeing. Go to www.centrelink.gov.au for more details.

Removing financial barriers

This measure is part of the reforms to student income support which aim to ensure that financial barriers to the participation of students from low socio economic backgrounds are removed. The reforms aim to target support more effectively to those who need it most, including those from regional and remote areas and Indigenous students.

While some young people will no longer be able to establish independence under the workforce participation criterion, many students will be eligible to receive Youth Allowance or ABSTUDY as a result of changes to the parental income test and the age of independence. The parental income test is now the main criterion for eligibility for Youth Allowance and ABSTUDY. For more information, please see the Parental Income Test fact sheet and the Age of Independence fact sheet.

All existing student income support recipients as at 30 June 2010 have been ‘grandfathered’ so that no existing recipient has been disadvantaged by this change.