



## Fairer support for more students

# new Youth Allowance

Youth Allowance is changing to create a fairer system for more students and to ensure increased support for those who need it most.

The changes particularly benefit students who have to move away from home to study, rural and regional students, and students from low socio economic backgrounds.

### More students will be eligible for Youth Allowance

#### Parental Income threshold raised

From 1 January 2010, the Parental Income Test (PIT) threshold for students to get the maximum rate of Youth Allowance (YA) or ABSTUDY will increase from \$32,800 to \$44,165. This means more students will be entitled to Youth Allowance, and many students already on Youth Allowance will receive more support.

#### Age of Independence lowered

The age of independence is changing from 25 to 22 years, meaning more students will be eligible for Youth Allowance. This will be phased in, so that the age of independence would be reduced to 24 years in 2010 years, 23 years in 2011 and 22 years in 2012.

This means that in 2012, 7 600 more students will be entitled to Youth Allowance and 12 100 students will receive higher payments.

#### Personal Income Test threshold raised

The personal income threshold will rise from \$236 to \$400 per fortnight so that students receiving support will be able earn up to \$400 per fortnight without having their payments reduced.

From 1 January 2011, 61,480 students receiving support will be able to keep more of their personal earnings.

#### Support for Masters Students

From 1 January 2012, students enrolled in all masters by coursework programs will be eligible to apply for Youth Allowance. This gives fairer access to student income support.

The changes, which are subject to the passage of legislation, support the Australian Government's target that by 2025, 40 per cent of 25 to 34-year-olds will hold a bachelor degree or higher and will give more people a chance to go to receive Higher Education.

### More students will receive scholarships

#### Student Start-Up Scholarship

All university students receiving student income support will receive a Student Start-up Scholarship for each year of their course. In 2010 this will be valued at \$2254. The Government estimates that 146 600 students will receive the annual Student Start up Scholarship next year. This represents an additional 133 700 scholarships on top of those allocated in the old program.

#### Relocation Scholarship

Eligible university students receiving student income support who have to relocate to study will receive a Relocation Scholarship of \$4000 in the first year and \$1000 in subsequent years to assist with their costs. Combined with the Student Start-Up Scholarship, this means they will get \$6254 in their first year of study and \$3254 in later years.

### Increased support for the students who need it the most

#### Workforce Participation Criteria Changed

Effective from 1 January 2010, a young person will be required to work full time for a minimum of 30 hours a week for at least 18 months in a two-year period to be considered financially independent. This will ensure that support is targeted to students genuinely in need of assistance. No existing recipient will be disadvantaged by this change. Most students no longer eligible under the changed criterion will be automatically eligible as a result of the increased parental income test.

**These changes could affect you. To discuss your situation, contact Centrelink on 13 2490.**