



# Youth Allowance

## STUDENT INCOME SUPPORT—THE STUDENT START-UP SCHOLARSHIP

From 1 January 2010, all university students receiving income support will be entitled to an annual Student Start-up Scholarship of \$2254 in 2010 and indexed thereafter. This will include university students who are assisted under veterans' schemes.

The Student Start-up Scholarship will provide essential assistance to university students for the high up-front costs of textbooks and specialised equipment. All students receiving income support provided through Youth Allowance, Austudy and ABSTUDY will also receive the Student Start-up Scholarship. The Scholarship will be paid at the full value whether a student is receiving the maximum rate of payment or a part payment. It will be paid in two instalments, at the beginning of each semester, in each year of a student's course of study at university. The Student Start-up Scholarship will replace the current Commonwealth Education Costs Scholarships (CECS), while existing CECS recipients will be 'grandfathered'.

The Start-up Scholarships are estimated to benefit 146 600 students in 2010, compared with the 5,120 allocated for commencing students in 2007 under the old system and the 12,900 that was allocated for 2010 as a result of the Rudd Government's commitment to double the number of Commonwealth Scholarships by 2012. The number of Start-up Scholarships will continue to grow and is expected to be received by 172 600 students by 2013.

The Rudd Government will provide \$1259.6 million over four years to implement this measure.

### Increasing participation

This Scholarship is a centrepiece of the reforms that will promote an increase in 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.

Extension of the Commonwealth Scholarships program to all eligible students on Youth Allowance or Austudy is a key recommendation from the Bradley Review and supports the Government's broader objective of lifting the proportion of

25 to 34 year olds with at least a bachelor level qualification from 29 per cent to 40 per cent by 2025.

The Student Start-up Scholarships will be paid by Centrelink in two instalments at the beginning of each semester together with students' income support payments. Transferring the administration of payments to Centrelink will extend the rigorous income support assessment process to scholarship entitlements and ensure students who are most in need receive the Student Start-up Scholarship as part of their student income support entitlement. It will also ensure students retain their Student Start-up Scholarship even if they transfer from one university to another university.

This enhanced support is critical to meeting the Government's target of 20 per cent of higher education enrolments at undergraduate level being students from low SES backgrounds by 2020.

### What will this measure deliver?

The measure allows all university students receiving student income support to receive an annual Student Start-up Scholarship, valued at \$2254 in 2010, to assist with essential study costs. This is equivalent to an additional \$43 per week in 2010. Centrelink will issue payments in two instalments, one at the beginning of each semester.

This measure applies to all university students receiving income support, provided through Youth Allowance, Austudy and ABSTUDY.

This measure will take effect from 1 January 2010.

### Next steps

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

Required modifications to Centrelink systems are expected to be completed by December 2009.