



Youth Allowance

STUDENT INCOME SUPPORT— PERSONAL INCOME TEST THRESHOLD

This measure proposes to raise the personal income threshold from \$236 to \$400 per fortnight, so that students receiving income support payments provided through Youth Allowance, Austudy or ABSTUDY would be able earn up to \$400 per fortnight from part-time employment before their payments are reduced. Additionally, the personal income threshold would be indexed according to the Consumer Price Index (CPI) for the first time.

This proposed measure was costed at \$287.3 million over three years.

Benefits

Subject to the passage of the enabling legislation, this measure will benefit approximately 61 480 students receiving student income support who have personal earnings from part-time work in excess of \$236 per fortnight.

This measure is one 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 those who need it most, including those from regional and remote areas and Indigenous students. They are critical to meeting the Australian 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?

Student income support recipients would be able to earn up to \$400 per fortnight before their payments are reduced.

This proposed measure would only apply to students receiving income support, including Youth Allowance, Austudy and ABSTUDY.

Subject to the passage of legislation, this measure will take effect from 1 July 2012 and the threshold amount of \$400 will be indexed by the CPI thereafter.

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.