



Youth Allowance

FACTSHEET 5

STUDENT INCOME SUPPORT—RELOCATION SCHOLARSHIP

Subject to the passage of the legislation, university students receiving Youth Allowance and ABSTUDY who have to live away from the family home for study will be assisted by a Relocation Scholarship. This would be available to dependent students living away from home as well as independent students who are disadvantaged by personal circumstances.

The proposed Relocation Scholarship would provide \$4000 for students in their first year at university and \$1000 in each year thereafter and will be indexed. It will replace the Commonwealth Accommodation Scholarship (CAS) for new students, while existing CAS recipients will be 'grandfathered'.

This proposed measure was costed at \$193.2 million over four years.

Removing financial barriers

The Relocation Scholarship would assist students with the cost of establishing new accommodation in order to attend university. 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.

This proposed measure is tightly targeted and aims to improve support for students. It is critical to meeting the Australian Government's target of 20 per cent of higher education enrolments at undergraduate level being students from low SES backgrounds by 2020.

Subject to the passage of legislation, an estimated 14,200 students will benefit from this measure in 2010, rising to 28 700 by 2013. This compares with the 3,571 Commonwealth Accommodation Scholarships allocated in 2007 for commencing students under the previous system and the 8,100 allocated in 2010 as a result of the Government's commitment to double the number of Commonwealth Scholarships by 2012.

What will the proposed measure deliver?

The proposed measure would allow disadvantaged university students to receive \$4000 generally on commencement of their course and \$1000 for each year thereafter for up to four years.

It is proposed that the Scholarship will be administered by Centrelink, linking the provision of scholarship benefits to university students receiving income support payments.

The Scholarship would only be available to university students on income support, including Youth Allowance, Austudy and ABSTUDY, and university students who are assisted under veterans' schemes.

Commencement of the measure is subject to the passage of the enabling legislation.

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.