



# Youth Allowance

FACTSHEET 4

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

Subject to the passage of the legislation, all university students receiving income support will be entitled to a Student Start-up Scholarship for each year of their course. In 2010 the proposed Scholarship will be valued at \$1434, increasing to over \$2254 in 2011. This amount would be indexed annually. Recipients would include university students who are assisted under veterans' schemes.

The proposed 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 would also receive the Student Start-up Scholarship.

It is proposed that 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'.

Subject to the passage of legislation, the Start-up Scholarships are estimated to benefit over 150 000 students in 2010, compared with the 5120 allocated for commencing students in 2007 and the 12,900 that was allocated for 2010. The number of Student Start-up Scholarships would continue to grow as the CECS are phased out.

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

### Increasing participation

This Scholarship is a centrepiece of the proposed reforms that aim to 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.

Subject to the passage of the legislation, it is intended that the Student Start-up Scholarships would 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 would 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 proposed measure deliver?

Subject to the passage of legislation, this measure would allow all university students receiving student income support to receive an annual Student Start-up Scholarship, valued at \$1434 in 2010 and increasing to \$2254 plus indexation in 2011, to assist with essential study costs. This is equivalent to an additional \$43 per week in 2011. Centrelink will issue payments in two instalments, generally one at the beginning of each semester.

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

### 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.