

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 ADDITIONAL ESTIMATES HEARING

Outcome: 2

Output Group: 2.2 – New Apprenticeships

DEST Question No. E829_05

Senator Carr provided in writing.

Question:

- a). Please provide details of the proposed extension to the New Apprenticeships Living Away From Home Allowance (LAFHA) to third year apprentices.
- b). Please explain the rationale for the extension of the LAFHA to New Apprentices living in investment properties owned by their parents.
- c). What is the definition of 'parent' for this purpose?
- d). Why is the subsidy not to be made available to (eg) those living in investment properties owned by their grandparents?
- e). Can the parent be a part-owner or tenant in common?
- f). What proportion of the property must the parent own?
- g). Please provide a copy of the relevant guidelines.

Answer:

- a). *Extension of LAFHA to third year New Apprentices*

From 1 July 2005, the Living Away From Home Allowance (LAFHA) will be extended to a third year at a rate of \$25.00 per week, under the New Apprenticeships Incentives Programme. New Apprenticeships Centres will be administering this on behalf of the Australian Government. It is expected that a New Apprentice will be required to continue to submit claims to access payment of LAFHA.

- b). *Outcomes of LAFHA Review*

LAFHA is directed at New Apprentices who leave the family home to live in a location where they can take up a New Apprenticeship. The Programme currently provides assistance to eligible New Apprentices in their first two years of training, if they have to move away from their parent's or guardian's home in order to take up a New Apprenticeship; remain in a New Apprenticeship; or receive essential supplementary on-the-job training with another employer.

Under the previous arrangements, if the New Apprentice had moved away from their parent's home to a residence owned by the parents, then they were considered to be in a parental home regardless of whether the parents were living there; and thus were not eligible for LAFHA.

As a result of a review into this criterion, it was determined that this criterion in LAFHA was inconsistent with other Government definitions of the family home, for example in income support programmes administered by Centrelink and therefore should be withdrawn, that is, the criterion relating to New Apprentices living in a residence owned by their parents should be withdrawn. This criterion was withdrawn and backdated with effect to 1 July 2003.

c). *New Apprenticeships Incentives Programme Guidelines- Living Away From Home Allowance*

The parent or guardian refers to the parent or guardian whose home was the New Apprentice's usual place of residence prior to undertaking the New Apprenticeship.

d). *New Apprenticeships Incentives Programme Guidelines- Living Away From Home Allowance*

Under the current arrangements, the ownership of the property or any details pertaining to the ownership of the property are not taken into account when determining eligibility for LAFHA.

A New Apprentice living in a property owned by their grandparents would not necessarily be excluded from LAFHA.

e). *New Apprenticeships Incentives Programme Guidelines- Living Away From Home Allowance*

Under the current arrangements, the ownership of the property or any details pertaining to the ownership of the property are not taken into account when determining eligibility for LAFHA.

A New Apprentice living in a property part-owned by their parents or as a tenant in common would not necessarily be excluded from LAFHA.

f). *New Apprenticeships Incentives Programme Guidelines- Living Away From Home Allowance*

Under the current arrangements, the ownership of the property or any details pertaining to the ownership of the property are not taken into account when determining eligibility for LAFHA.

The proportion of a property owned by parents is not taken into account when determining eligibility.

g). *New Apprenticeships Incentives Programme Guidelines - Living Away From Home Allowance*

The New Apprenticeships Incentives Programme Guidelines do not contain this amendment. The New Apprenticeships Incentives Programme Guidelines will be next updated with effect from 1 July 2005.