

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 ADDITIONAL ESTIMATES HEARING

Outcome: 1 and 2
Output Group: 1.2 Assistance for individuals including those with special needs
2.5 Assistance for post-school students including those with special needs

DEST Question No. E811_07

Senator Carr provided in writing.

Question:

Youth Allowance

Answer E365_07 provides details of trends in numbers of recipients of student income support from Abstudy, Austudy and Youth Allowance since 1999.

1. What are the reasons, in the Department's view, for the drop in the number of students in receipt of Youth Allowance by over 12% between June 2002 and June 2006? Have you commissioned or carried out any research on this? If so, please provide copies of any relevant reports.
2. What is meant in the table provided in the answer to E707_07 by "independent" and "workforce participation"? What is the difference?
3. Are these categories bundled together in the final percentage figures?

The Department notes that the trend toward a "gap year" on the part of school leavers headed for university might account for the growth in the number of students on Youth Allowance on the basis of workforce participation.

4. Have you looked into the reasons why school leavers take a "gap year"? Is there any indication that it is because they wish to become eligible for Youth Allowance?
5. Is it because it is becoming increasingly difficult to be assessed as eligible for the Allowance on the basis of parental income?
6. Have you looked at lowering the bar in this regard?

Answer:

Youth Allowance

1. See the answer to E810_07. The Department undertakes ongoing monitoring of trends in Youth Allowance recipient numbers.
2. In the answer to E707_07, the Independent category refers to the subset of all Youth Allowance (full-time student) recipients who have independent status. Independent status is assessed on the basis of independence criteria, including reasons relating to workforce participation. The Workforce Participation category refers to a subset of the Independent category, being those recipients who have independent status as a result of satisfying workforce participation criteria.

3. No.
4. The Department understands that many school leavers take a 'gap year' to pursue a variety of work, volunteering and leisure related activities before commencing university. However, relatively few school leavers take the 'gap year' in order to become eligible for Youth Allowance. The Australian Vice Chancellors' Committee (AVCC) Australian University Student Finances 2006 report shows that 21% of students had taken a gap year prior to commencing undergraduate studies. Of these students, the report found only 10% did so in order to establish 'Independent' status for Centrelink purposes.
5. See the answer to 4. above.
6. Youth Allowance eligibility and entitlements are matters for Government.