

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.4 – Funding for higher education

DEST Question No. E454_04

Senator Carr asked on 6 November 2003

Question:

Refers to DEST Question No. E059_04

How much will the Commonwealth save through reduced Centrelink payments and increased taxation collections as a result of the introduction of the Commonwealth Accommodation Scholarships (CAS) and Commonwealth Education Costs Scholarships (CECS)?

Answer:

Commonwealth Learning Scholarships scheme impact

It is not possible to know what the impact of the Commonwealth Learning Scholarships (CLS) scheme will be on overall Centrelink expenses as this will depend on the income and assets of scholarship holders.

The CLS costing did not include any anticipated savings from other government programmes. The combined Commonwealth Education Costs Scholarships (CECS) and Commonwealth Accommodation Scholarships (CAS) payments are roughly equal to a student's income bank entitlement. Social security payments to students are not affected until the income bank is exhausted and the income free area is exceeded. The income bank and income free areas available to students under Austudy, Abstudy and Youth Allowance mean that a student in receipt of a scholarship payment will always be better off than a student without the extra assistance.

CLS are awarded to full time students and as such are exempt from income tax.