

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 BUDGET 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. E706\_07

Senator Wong provided in writing.

#### Question:

DEST Annual Report 2005-06 (p.95) details the number of full time students supported by the Youth Allowance and Austudy. In the past 2 years:

- the number of students receiving Youth Allowance has fallen 5%
- the number of students receiving Austudy has fallen 16%.

How does the Department explain the reduction in the number of full time students receiving Youth Allowance or Austudy? Why is the reduction more pronounced for Austudy recipients?

#### Answer:

##### *Differential decline in numbers of recipients on Youth Allowance and Austudy*

The Department considers that higher than anticipated personal and parental incomes were probably the main reasons for students not being eligible for Youth Allowance and Austudy. The median income of couple families with dependent children was \$72, 436 in 2003-04, having increased by an average of 7.9% per annum for the previous seven years. The median income for one-parent families with dependent children also increased at the same rate over that period. The buoyant labour market and economic conditions that have prevailed since that time suggest that there has been continued strong growth in family incomes since 2003-04.

In addition to its impact on family incomes, the strong labour market in recent years has provided a greater range of alternative options to full-time study.

Youth Allowance is an income support payment for young people aged 16 to 24 who are studying, training or undertaking an Australian Apprenticeship on a full-time basis. Austudy is a payment to Australian Apprentices or full-time students who are doing an approved course at an approved institution and are aged 25 years and over. People aged 25 years and over tend to have a greater attachment to the workforce than people aged under 25 years. This may explain their greater responsiveness to the prevailing economic conditions than is evident with younger people.