

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 3 – Tertiary, Skills, International and Indigenous Strategy

DEEWR Question No. EW0880_12

Senator Rhiannon asked on 20 October 2011, Hansard page 85

Question

Student accommodation

Senator RHIANNON: Do you say that confidently? I come from Sydney, and the overcrowding and housing issues are just so extreme. I would not have thought you would have used that word. Senator Chris Evans: That is right, but, as you know, housing issues are a problem across the community at the moment in the cities and in some of regional areas. Students are facing difficulties with affordable housing because we have affordable housing issues which impact on them as they do on others. But if you are asking about the rate of youth allowance and the uptake of youth allowance, the changes this government made have seen greatly increased uptake and higher payments to students. I am happy to set all that out for you. It is probably on my website, but we will get you all the figures. Senator RHIANNON: That is why I was just questioning the word success. It would seem that there are still real challenges and difficulties out there. Ms Paul: It is absolutely clear from the statistics that more low socio-economic students are accessing financial support than ever before because of the changes to youth allowance. There are more students, there is more money, and the scholarships for low SES which go with the youth allowance are also clearly benefiting more students. There are many, many more students who are in receipt of a scholarship than there were before these reforms were introduced. We can get you those numbers if you would like.

Answer

The Australian Government's reforms to student income support introduced in 2010 aim to ensure a fairer and more equitable allocation of resources to increase access to and better target support for students from low socio-economic backgrounds.

Comparing recipient numbers in March 2010 with June 2011:

- The number of Youth Allowance students in higher education has increased by 18 per cent from over 135 000 to almost 160 000.
- The number of dependent Youth Allowance students in higher education has increased by 39 per cent from over 55 000 to more than 76 000, so that dependent students comprise 48 per cent of Youth Allowance recipients in higher education.

The Parental Income Test threshold for Youth Allowance was increased on 1 July 2010 from \$33,300 to \$44,165, and a 20 per cent family taper was introduced. The threshold is indexed each year. On 1 January 2011, it increased to \$45,114 and it will increase again on 1 July 2012. The Parental Income Test changes mean that more young people are eligible for Youth Allowance as dependents, and many students who previously considered it necessary to gain eligibility as independents no longer need to do so.

In addition, the age of independence for Youth Allowance is being progressively reduced from 25 years to 24 years on 1 April 2010, 23 years on 1 January 2011 and 22 years on 1 January 2012.

The reforms to student income support introduced two new scholarships as an entitlement for eligible students receiving student income support and undertaking approved scholarship courses.

- Between April 2010 and June 2011, almost 262 000 students received Student Start-Up Scholarships towards their education costs. These scholarships are worth \$2194 (two payments of \$1097) in 2011.
 - In 2010, over 194 000 students received a Student Start-Up Scholarship and in 2011, to 24 June, more than 197 500 students had been paid a scholarship.
 - By comparison, in 2009 almost 26 000 Commonwealth Education Costs Scholarships were paid.
- Between April 2010 and June 2011, more than 41 000 students had received or Relocation Scholarships towards their accommodation costs. These scholarships are worth \$4124 in 2011 for the first year that the student is required to live away from home to attend an approved scholarship course at university and \$1031 in subsequent years.
 - In 2010, over 25 500 students received a Relocation Scholarship and in 2011, to 24 June, more than 32 000 students had been paid a scholarship.
 - By comparison, in 2009 around 17 000 Commonwealth Accommodation Costs Scholarships were paid.

Students in receipt of an income support payment living in rental accommodation, may also be eligible to receive Rent Assistance of up to \$119.40 per fortnight in addition to their student income support payment and scholarships.

(Source: Department of Human Services / Centrelink administrative data, DEEWR management information data)