

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

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

Outcome 2 – Schools and Youth

Outcome 3 – Tertiary, Skills, International and Indigenous Strategy

DEEWR Question No. EW0646_12

Senator Nash provided in writing.

Question

Review of Student Income Support Reforms report

Refer to Review of Student Income Support Reforms report:

1. Will the Government be considering any of the other recommendations subject to budget constraints and priorities, and if so, which ones?
2. On page 50 of the Review of Student Income Support Reforms report, Table 6 details a comparison of entitlements under current and proposed arrangements. Under the parental income bracket of between \$95,645 - \$110,777, it states the student is eligible for rent assistance.

One of the parents in regular contact with Senator Nash's office states her family had a combined income for the relevant year of \$97,000 and were not eligible for any assistance. "We did not qualify for rent assistance as we did not qualify for \$1 of Youth Allowance. If we had qualified for rent assistance then we would have been eligible for the start up scholarship and relocation scholarship. This table on page 70 suggests that if you earn between \$95,645 and \$110,667 you would currently qualify for rent assistance. This is incorrect. We are in this bracket and do not qualify. I have just confirmed this by calling Centrelink. This is very misleading. I think the higher amount may refer to a family with another sibling living at home. This still reads wrongly and means the recommendations here are wrongly informed."

Can the department please clarify if the constituent with a combined income of \$97,000 is eligible for rent assistance given it falls into the \$95,645-\$110,777 income range.

Answer

1. Changes to student payments, following consideration by the Australian Government of the Review of Student Income Support Reforms by Professor Kwong Lee Dow AM (the Lee Dow Review), were announced by Senator the Hon Chris Evans, Minister for Tertiary Education, on 14 September 2011.

The Second Reading Speech for the Social Security Amendment (Student Income Support Reforms) Bill 2011, presented by the Hon Peter Garrett, AM, MP, Minister for School Education, Minister for Early Childhood and Youth, in the House of Representatives on 21 September 2011 outlines the Government's response to the recommendations of the Lee Dow Review.

2. As noted in the text preceding the table on page 50 of the report of the Review of Student Income Support Reforms, the scenario set out in Table 6 is based on an 18 year old dependent higher education student living away from home. The scenario uses 2011 rates and assumes the student is paying rent that is high enough to qualify for the maximum non-sharer rate of Rent Assistance of \$116.40. It notes that the cut-out point, that is, the maximum parental income, for Youth Allowance basic payment in that particular scenario is \$95 645 and the cut-out point for Rent Assistance, again for that particular scenario, is \$110 777.

The cut-out points (maximum parental incomes) for payment of Youth Allowance basic payment and Rent Assistance will vary depending on the circumstances of the individual student and the family. While a young person may qualify for Youth Allowance by satisfying the basic criteria of age, residence and participation, whether Youth Allowance is payable depends on a range of factors including income and assets tests.

To qualify for Rent Assistance, a student would need to qualify for Youth Allowance and be paying rent (other than Government rent) that is above the specified rent threshold in order to occupy their principal residence. If qualified for Rent Assistance, the amount of Rent Assistance payable will depend on individual circumstances such as the combined parental income, whether the Family Actual Means Test applies, the student's personal income, the circumstances of their siblings, the amount of rent paid by the student and whether the student is sharing accommodation or living alone.

Subject to meeting relevant eligibility criteria, Student Start-up and Relocation Scholarship are payable where a student is receiving an amount of Youth Allowance basic payment. Student Start-up and Relocation Scholarship are not payable if the student is receiving Rent Assistance without any basic payment of Youth Allowance.