

## Appendix 4

### A guide to Australian Government payments\*

#### Youth Allowance (YA)

##### Basic conditions of eligibility

- Full-time students aged 16 to 24 years, or temporarily incapacitated for study:
  - students aged 16 and 17 must generally be in full-time study;
  - students aged 25 or over, getting Youth Allowance immediately before turning 25 AND remaining in the same course.
- Unemployed, aged under 21, looking for work or combining part-time study with job search, or undertaking any other approved activity, or temporarily incapacitated for work.
- Independent, aged 15 and above the school leaving age (e.g. homeless) who are in full-time study or undertaking a combination of approved activities.

##### Residential requirements

- Must be an Australian resident.
- Available to newly arrived migrants after 104 weeks as an Australian resident in Australia (some exemptions may apply).
- If exempt from activity test may be paid for up to 13 weeks of temporary overseas absence in certain circumstances. Different rules apply to full-time students.

##### Basic Rates

- Single, no children:
 

- Aged under 18, at home	\$178.70
- Aged under 18, away from home	\$326.50*
- Aged 18 and over, away from home	\$326.50*
- Aged 18 and over, at home	\$214.90
- Single, with children \$427.80\*
- Partnered, no children \$326.50\*
- Partnered, with children \$358.50\*

\* Rent Assistance may be payable.

- Special rate for long-term income support or migrants studying English aged 21 or over commencing full-time study:

Single, living at home	\$263.90 pf
Single, living away from home	\$396.60 pf
Partnered, no children	\$358.50 pf

- Young people not considered independent must be assessed to get the away from home rate.
- Pharmaceutical Allowance may be paid. See Chart H.
- Payment is generally made to a parent for those aged under 18 who are not independent.
- Advance of Youth Allowance of up to \$500 may be payable.
- Work for the Dole participants may be eligible for an additional payment of \$20.80 per fortnight.

### **Fares Allowance**

- Only paid to tertiary students who have to live away from their permanent home for study.
- Reimbursement of the cost of cheapest practicable form of public transport, regardless of transport actually used.
- Not payable for daily travel.

### **Rent Assistance**

- See Chart G.
- Rent Assistance for single people without children may only be paid to those who receive the away from home rate of Youth Allowance.
- Where both members of a couple without children are getting an allowance or benefit, Rent Assistance is shared.

### **Parental Income test**

- If not independent, a parental income test applies.
- Rate reduces if parent's income exceeds threshold of \$28 850 PLUS for additional dependent children:
  - \$1230 for first dependent child aged under 16;
  - \$2562 for each additional dependent child aged under 16;
  - \$3792 for each dependent child:
    - aged between 16–24 in full time study OR
    - aged between 16–20 and seeking employment OR
    - who receives a boarding allowance or second home allowance under the

### Assistance for Isolated Children scheme.

- \$7585 for a tertiary student living away from home, where there are two such children in the family.
- Rate reduces by \$1 for every \$4 over the threshold.
- After applying parental income test, a personal income test is applied.
- The parental income and assets tests does not apply if the parent(s) hold a current low-income Health Care Card or they receive a designated income support payment through either Centrelink or the Department of Veterans' Affairs. The Family Actual Means Test may still apply.
  - If parent(s) have a low-income Health Care Card, the Parental Income Test does not apply, but the Parental Assets and the Family Actual Means Tests do apply.
- In some circumstances (where parental income decreases/increases substantially) parent/s' income in the current tax year is used.

### Personal Income test

- Gross income is assessed.
- There is an income-free area of \$62 per fortnight if unemployed and \$236 per fortnight for students.
- Income above the income-free area reduces payment (unless credit in Income Bank).
- See Chart D(a).

### Full-time Student Income Bank

- Allows Youth Allowance recipients to accumulate up to \$6000 of any unused portion of their fortnightly income-free area.
- Income Bank credits can be used to offset any income earned that exceeds the fortnightly income-free area.

### Assets test

- If not independent, family assets test applies (no personal assets test):
  - No payment can be made if family's assets exceed \$502 750.
  - A 75 per cent discount for farm/business assets applies to the family assets test.
- If independent:
  - Homeowners see Chart A;
  - Non-homeowners see Chart B.
- Payment may be deferred when liquid assets exceed \$2500 (single) or \$5000 (couple or single with dependants).

- Hardship provisions may apply to the personal assets test.

### **Family Actual Means Test**

- Family actual means (i.e. family spending and savings) in the 2002–2003 tax year is used where you are not independent and where one or both of your parents:
  - had an interest in a trust, private company or unlisted public company;
  - was self-employed (except as a sole trader engaged wholly or mainly in primary production) or a partner in a partnership;
  - earned in excess of A\$2500 (including tax exempt income) from a source in Norfolk Island or overseas;
  - was a wage or salary earner who claimed or will claim a tax deduction for a business loss (whether current or carried forward) that does not consist only of a passive investment loss in your partnership income tax returns;
  - had an interest in assets held overseas in excess of A\$2500 or is a migrant who first entered Australia under a business skills category (business migrant) after 31 December 1987.
- In certain circumstances family actual means in the current tax year may be used.
- Where a family member receives Exceptional Circumstances Relief Payment the Family Actual Means Test does not apply.

## **Austudy Payment**

### **Basic conditions of eligibility**

- To qualify for Austudy Payment, a person must be undertaking qualifying study and be aged 25 or over.

### **Residential requirements**

- Must be an Australian resident.
- Available to newly arrived migrants after 104 weeks as an Australian resident in Australia (some exemptions may apply).
- May be paid for up to 13 weeks of temporary overseas absence, or longer in certain circumstances.

### **Basic Rates**

Single	\$326.50 pf
Single, with children	\$427.80 pf

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- |                          |             |
|--------------------------|-------------|
| Partnered, with children | \$358.50 pf |
| Partnered, no children   | \$326.50 pf |
- Special rate for long-term income support recipients commencing full-time study:
 

Single	\$396.60 pf
Partnered, no children	\$358.50 pf
  - Advance of Austudy Payment of up to \$500 may be available.
  - Pharmaceutical Allowance may be paid. See Chart H.

### **Fares Allowance**

- Only paid to tertiary students who have to live away from their permanent home to study.
- Reimbursement of the cost of cheapest practicable form of public transport, regardless of transport actually used.
- Not payable for daily travel.

### **Rent Assistance**

- Not payable.

### **Personal Income test**

- Gross income is assessed.
- The income-free area is \$236 per fortnight.
- Income above the income-free area reduces payment (unless credit in Income Bank).
- See Chart D(a).

### **Student Income Bank**

- Allows Austudy Payment recipients to accumulate up to \$6000 of any unused portion of their fortnightly income-free area.
- Income Bank credits can be used to offset any income earned that exceeds the fortnightly income-free area.

### **Assets test**

- Homeowners see Chart A.
- Non-homeowners see Chart B.
- Payment may be deferred when liquid assets exceed \$2500 (single) or \$5000 (couple or single with dependants).
- Hardship provisions may apply to the assets test.

## **ABSTUDY Scheme**

### **Basic conditions of eligibility**

- Student is:
  - of Aboriginal or Torres Strait Islander descent according to the ABSTUDY definition of Aboriginality;
  - studying an approved course at an approved education institution;
  - not receiving other government assistance for study.

### **Residential requirements**

- Must be an Australian citizen and normally live in Australia.

### **Basic Rates**

- Living Allowance:

<b>Students-standard</b>	<b>Per fortnight</b>
Aged under 16 years tertiary	\$24.60
Aged under 16 years in State Care and Foster Care Allowance paid	\$178.70
Aged 16-17 years in State Care and Foster Care Allowance paid	\$178.70
Aged 18-20 years in State Care and Foster Care Allowance paid	\$214.90
Aged under 16 years in State Care and no Foster Care Allowance paid	\$326.50
Aged 16-20 years in State Care and no Foster Care Allowance paid	\$326.50
Aged 16-17 years	\$178.70
Aged 18-20 years	\$214.90
Aged 21 years or over*	\$399.30
<b>Students –away from home</b>	
Aged under 16 years	\$178.70
Aged 16-20 years	\$326.50
Aged 21 years or over*	\$399.30
<b>Independent students-single, no children</b>	
Aged under 16 years	\$326.50

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Aged 16-20 years	\$326.50
Aged under 16 years at home	\$178.70
Aged 16-17 years at home	\$178.70
Aged 18-20 years at home	\$214.90
Aged 21 years or over*	\$399.30
Single, aged 60 years or over* (includes Pharmaceutical Allowance)	\$437.80

**Independent student-partnered, no children**

Aged under 16 years	\$326.50
Aged 16-20 years	\$326.50
Aged 21 years or over*	\$360.30

**Independent student – single with dependent child**

Aged under 16 years	\$427.80
Aged 16-20 years	\$427.80
Aged 21 years or over*	\$432.00

**Independent student – partnered with dependent child**

Aged under 16 years	\$358.50
Aged 16-20 years	\$358.50
Aged 21 years or over*	\$360.30

\* These amounts are indexed every March & September.

- School Term Allowance \$540.80 pa
- School Fees Allowance (at home):
  - Turning 16 before 1 July in school year \$78.00 pa
  - Aged under 16 years at 30 June in school year \$156.00 pa
- School Fees Allowance (boarding):
  - Maximum rate (subject to income test) \$7069.00 pa
  - Income test-free \$6000.00 pa
- Incidentals Allowance:
  - Less than 12 week course \$62.70 pa
  - 12 to 16 week course \$109.80 pa
  - 17 to 23 week (one semester) course \$218.60 pa
  - 24 week to one year course \$444.40 pa

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- **Additional Incidentals Allowance**
    - Essential course costs in excess of
    - less than 12 week course \$110.60 pa
    - 12 to 16 week course \$219.00 pa
    - 17 to 23 week (one semester) course \$438.00 pa
    - 24 week to one year course \$877.30 pa
    - Maximum in a year \$2080.00 pa
  - Lawful Custody Allowance essential course costs
  - Aged under 16 years Boarding Supplement \$1926.70 per semester
  - Residential Costs Option \$41.60 pf plus actual costs
  - Masters and Doctorate allowances:
    - Masters and Doctorate student \$18837.00 pa
    - living allowance \$722.50 pf
    - Relocation Allowance \$1485.00 maximum (\$515.00 adult; \$255.00 child)
    - Thesis Allowance
      - Masters \$420.00
      - PhD \$840.00
    - Compulsory course fees or HECS actual costs
  - Fares Allowance actual costs
  - Away From Base Assistance actual costs
    - Maximum payment for Masters/PhD \$2080.00 per year.
  - Remote Area Allowance.
  - Pharmaceutical Allowance may be paid. See Chart H.
  - The Pensioner Education Scheme (PES) is also payable under ABSTUDY (see PES page 13).
  - Advance of ABSTUDY of up to \$500 may be payable.

### **Rent Assistance**

- See Chart G.



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**Means tests**

- Income test on Living Allowance and Rent Assistance.
- The 'at home' rate of Schools Fees Allowance and the School Term Allowance are payable to applicants eligible for an income support payment, ABSTUDY Living Allowance, CDEP wages or a Health Care Card.
- Student and parental means tests do not apply to students in State care.

**Personal Income Test—Income Bank**

- Same as for Austudy Payment and the Youth Allowance personal income test and Student Income Bank for full-time students. Applies to students aged 16 or over and independent students aged under 16.

**Parental Income Test**

- Same as for Youth Allowance except for some additional circumstances where the parental income and assets tests doesn't apply and the parental income threshold is raised due to dependent students. Contact Centrelink for details.
- Applies to dependent students.

**Family Assets Test**

- Same as for Youth Allowance. Applies to dependent students

**Family Actual Means Test**

- Same as for Youth Allowance. Applies to dependent students.

**Independent Students—Assets Test**

- Same as for Youth Allowance and Austudy payment.

**Independent students—Partner Income Test**

- For students aged under 21—same as for Youth Allowance.
- For students aged 21 and over—same as for Newstart Allowance except for 50 cents in the dollar abatement of partner income over the income-free area and adjustments for dependent children.

## **Chart A and B—Assets test**

### **Chart A—Assets test for homeowners**

<b>Family situation</b>	<b>For full allowance</b>
Single	up to \$153 000
Partnered (combined)	up to \$217 000
Illness separated couple (combined)	up to \$217 500
One partner eligible	up to \$217 5000

### **Chart B—Assets test for non-homeowners**

<b>Family situation</b>	<b>For full allowance</b>
Single	up to \$263 000
Partnered (combined)	up to \$328 000
Illness separated couple (combined)	up to \$328 000
One partner eligible	up to \$328 000

Some assets are deemed to earn income, while certain assets are not included in the assets test. Contact Centrelink for more information

### **Extra Allowable Amount for Retirement Village and Granny Flat Residents**

If your Entry Contribution is equal to or less than the Extra Allowable Amount, you are assessed as a non-homeowner. Your Entry Contribution will count as an asset. You may qualify for Rent Assistance. The Extra Allowable Amount is the difference between the non-homeowner and homeowner asset test limits, currently \$110 500.

### **Hardship provisions**

If you have assets but little or no income you are expected to rearrange your affairs to provide for yourself. In some cases that is not possible. If you are in 'severe financial hardship' you may be able to get a social security payment. Different tests apply to such cases.

## Chart D(a)—Personal Income test for Youth Allowance, Austudy Payment, ABSTUDY

### Income test

Maintenance income does not affect this payment

Family Situation	For full Allowance (pf)	For Part Allowance (pf)
<i>Single, aged under 18, at home</i>		
Students	up to \$236	less than \$514.14
Unemployed	up to \$62	less than \$340.14
<i>Single, aged 18 or over, at home</i>		
Students	up to \$236	less than \$565.86
Unemployed	up to \$62	less than \$391.86
<i>Single or partnered, away from home</i>		
Students	up to \$236	less than \$725.29#
Unemployed	up to \$62	less than \$551.29#
<i>Partnered, with dependents</i>		
Students	up to \$236	less than \$771.00#
Unemployed	up to \$62	less than \$597.00#
<i>Single with dependents</i>		
Students	up to \$236	less than \$870.00#
Unemployed	up to \$62	less than \$696.00#
<i>Long-term unemployed aged 21 or over entering:</i>		
Full-time study at home	up to \$236	less than \$635.86
Students away from home		less than \$825.43#
<i>Partnered, no children</i>		
Students	up to \$236	less than \$771.00#

\* For unemployed, fortnightly income between \$62 and \$142 reduces fortnightly allowance by 50 cents in the dollar. Income above \$142 reduces payment by 70 cents in the dollar.

For students, fortnightly income between \$236 and \$316 reduces the fortnightly allowance by 50 cents in the dollar. Income above \$316 reduces payment by 70 cents in the dollar. For students the income test is subject to Income Bank credit.

Partner income which exceeds the cut-off point reduces fortnightly allowance by 70 cents in the dollar.

# These figures may be higher if you are eligible for Rent Assistance or Pharmaceutical Allowance.

*Note: For ABSTUDY recipients aged 21 years and over the income test is aligned to NSA. The ABSTUDY living allowance is reduced by one dollar for every whole two dollars by which the partner's income exceeds the qualifying limit.*

Maintenance income is not included as income for the personal income test.

## Chart G—Rent Assistance

Family Situation	Maximum payment per fortnight	No payment if your fortnightly rent is less than	Maximum payable if your fortnightly rent is more than
Single, no children	\$98.00	\$87.00	\$217.67
Single, no children, sharer	\$65.33	\$87.00	\$174.11
Couple, no children	\$92.40	\$141.80	\$265.00
One of a couple who are temporarily separated due to illness, no children	\$98.00	\$87.00	\$217.67
One of a couple who are temporarily separated, no children	\$92.40	\$87.00	\$210.20

\* Includes respite care and partner in gaol.

- Rent Assistance for families with children is usually paid with Family Tax Benefit.  
See Family Tax Benefit for current rates.
- Rent Assistance is not paid:
  - to people paying rent to a government housing authority, although in some situations sub-tenants may qualify for Rent Assistance.
  - for residents of Commonwealth funded nursing homes and hostels.
  - to single disability support pensioners aged under 21, without dependants, living with parents.
  - to other single people aged under 25, living with parents.

- to students without dependants, who receive Austudy Payment.
- Special rules apply to single sharers, people who pay board and lodging or live in a retirement village.
- Rent Certificates are required to verify rent where a customer does not have a formal written tenancy agreement or is not named as a tenant on a formal written tenancy agreement.
- Rent Assistance is paid as part of another payment. It may be reduced due to the income test rules applying to that primary payment.

