



Centrelink payments for students in 2010

(August 2009)

Centrelink payments such as Youth Allowance, Austudy, and ABSTUDY are available to Australian students as a living allowance while they study. This is an entitlement for students who are expected to be future taxpayers or have paid tax in the past.

There were several major changes regarding Centrelink payments to students announced in the 2009 Federal budget. Most of these changes are expected to commence on 1 January 2010. The information below is for students planning to study in 2010.

Eligibility for Centrelink benefits

Youth Allowance

Youth Allowance is a government assistance scheme which is available to full-time students under 25. Part-time students under 21 may receive a payment if they are actively seeking work and have an agreement with Centrelink. There is a parental income test to determine eligibility unless you are classified as belonging to one of the Youth Allowance Independent categories.

Dependent Category – Subject to the Parental Income and Assets Test

In 2010 the threshold for the Parental Income Test will rise. Contact Centrelink for further details, as you may be eligible for a Youth Allowance payment in 2010 even if you were ineligible in 2009.

The Standard Rate

Applies to students who live at home or students who do not qualify for the Away-from-Home Rate.

Away from Home Rate

The away from home rate is higher than the Dependent rate. If a student lives away from home, the Away from Home Rate does not automatically apply.

The Away from Home rate only applies if:

- the family home is more than 90 minutes from the University by public transport (including wait and walk times), or
- there is a compulsory residence requirement for the course, or
- unusual home conditions make study difficult.

The Away from Home rate still depends on parental income unless you are considered Independent by Centrelink (See below).

It is worth noting that the Commonwealth government is providing a number of new scholarships in 2010 for students who must leave home to study. Also worth noting is that equity-based scholarships up to the value of \$6,622 per year are expected to be exempt from means testing in 2010. Contact Centrelink for more information.

The Special Rate

There is a Special Rate for students over 21 years of age who have been unemployed for 6 out of the previous 9 months. The Special rate is higher than both the Dependent and the Away From Home Rate. Contact Centrelink for more information on 13 24 90 or www.centrelink.gov.au

Independent Categories

If you are considered Independent under Youth Allowance your parents' income does not affect your rate of pay. Whether or not you live with your parents will determine whether you get paid the At Home rate or the Away from Home rate. No reasons need to be supplied for not living at home.

The following are the categories under which it is possible to be regarded as Independent under Youth Allowance:

- you have or have had a dependent child, or
- you are or have been married, or
- you are living in, or have lived in, a de facto relationship that has lasted at least one year (you must be over the age of consent for that time), or at least six months where the relationship ended because of the death of your partner or because of domestic violence, or
- you have worked full-time for 30 hours per week for at least 18 months since leaving school, or
- you are a refugee, ward of the state, orphan or homeless, or
- you have parents who cannot exercise their responsibilities (e. g. they are in prison or remanded in custody for at least 14 days, or in a nursing home, or mentally incapacitated to the extent that they cannot exercise their responsibilities), or
- it is unreasonable for you to live at home. This category only applies if there are extreme circumstances that force you to move out of home. Long distances and/or travel time from home to University is not a sufficient reason.

Some of the workforce participation requirements for independent status will be removed in 2010. Students who have gained eligibility via these criteria and are receiving Youth Allowance in 2009 should not be affected

If you have turned 25 years old while receiving Youth Allowance, you will be considered independent and allowed to remain on Youth Allowance. It is expected that the age of independence will be reduced to 24 in 2010, and go down to 22 years by 2012. At the time of printing it is unclear how this will occur (contact Centrelink for further details). Students who commence or return to full-time study after they turn 25 must apply for Austudy.

Austudy

Austudy is a government student assistance scheme for students who are 25 years or older. All Austudy recipients are considered Independent. Eligibility is determined on the basis of citizenship, personal and partner income and assets tests, as well as previous study and current study load. If you receive Austudy you may also be entitled to receive Rent Assistance, Advance Payment, Fares Allowance and have access to the Student Income Bank. For further information contact Centrelink on 13 24 90 or check out the website at www.centrelink.gov.au

ABSTUDY

ABSTUDY is a Department of Education, Training and Youth Affairs program delivered by Centrelink. It is available to Aboriginal and Torres Strait Islander students. Payment amounts depend on:

- whether you are full-time or part-time
- what course you are studying
- your age
- whether you need to live away from home
- whether you are considered independent or dependent under ABSTUDY
- how much you or your partner or your parents/guardians earn

If you are an ABSTUDY recipient you may be entitled to Rent Assistance, Incidentals allowance, Masters and doctorate living allowances, Relocation Allowance, Thesis Allowance, Fares Allowance, Away From Base Assistance and Pharmaceutical Allowance. ABSTUDY recipients may also access the 'Residential Costs Option' for assistance in paying for accommodation costs when living on campus or in student accommodation. For further information regarding ABSTUDY contact Centrelink on 13 23 17 or check out the website at www.centrelink.gov.au

Postgraduate students

Some Master courses have been approved for Youth Allowance/Austudy. Please visit the link below and/or confirm with your Faculty whether your course has been approved. Please note that even if your

Masters course is not approved, if there is an 'exit point' (such as the end of a diploma component) you may be eligible for a payment up until this point. Contact Financial Aid or your faculty for further details.

www.services.unimelb.edu.au/finaid/income/centrelink/academic

Most postgraduate degrees and doctorates are approved for ABSTUDY.

Payments over vacation periods

Students receiving a study payment from Centrelink are entitled to a payment during breaks throughout the year and over the Summer vacation period. Part-time students who intend to pursue their course as a full time student in the following semester may be entitled to a Centrelink payment from time they finish their studies as a part time student. This means you may be entitled to Centrelink benefits over the Summer vacation period if you intend to study full-time in the new year, even though you may have had no Centrelink benefits as a part-time student.

The Liquid Assets Waiting Period (LAWP)

There may be delays in receiving a Centrelink payment, based on how much you own in 'liquid assets'. In most cases this refers to the money you can easily access. If you are single and have less than \$2500 in liquid assets, your payment will not be affected. However, in most circumstances, every \$500 you have over this amount will delay your Centrelink payment by one week, up to a maximum of 13 weeks waiting time.

The LAWP can be complex, depending on your circumstances. We encourage all students to apply for benefits as soon as they are eligible, and to discuss your particular circumstances with Centrelink.

Other Centrelink payments and supplements

Newstart

Newstart Allowance is a Centrelink payment paid to people who are:

- aged 21 or over and under Age Pension age
- unemployed
- registered with Centrelink
- prepared to enter into, comply with or vary an existing activity agreement. This will usually require you to find work.

In *most* cases you will be in breach of your agreement if you refuse to take up suitable work opportunities offered to you. Under Newstart, study is not considered a good enough reason to refuse work.

For more information phone Centrelink on 13 24 90 or visit the Centrelink website www.centrelink.gov.au

Pensioner Education Supplement (PES) & Education Entry Payment

Students in approved courses who are receiving a pension are eligible for a pension supplement per fortnight during teaching periods and an annual education entry payment of approximately \$208. The amount depends on workload. The maximum PES amount is \$62.40 per fortnight. For more information phone 13 24 90 or visit the Centrelink website at www.centrelink.gov.au

Rent Assistance

Rent Assistance is available for Youth Allowance Austudy and ABSTUDY recipients who live away from home. You have to be eligible for at least some living allowance to receive Rent Assistance. How much you receive depends on the amount of rent you pay and whether you live alone or share with others.

Fares Allowance

Students eligible for the 'away from home' rate due to distance and/or travelling time can receive assistance in the form of a fares allowance (this can include students undertaking placements that require them to live away from home). It covers the limited reimbursement of a single fare from the parental home to the tertiary institution at the start of the course and a single fare to return home at the end of the year. One return journey during the year is also allowed if the course is longer than six months.

Overseas study and travel

The federal government provides loans with long term repayment terms in the form of **OS HELP loans**. Loans are repaid through the HECS system. Students are entitled to borrow between \$2000 and \$5000. The fee that students were expected to pay for these loans will be removed in 2010.

For more information of OS HELP, visit the Melbourne Abroad site
www.mobility.unimelb.edu.au/OS_HELP.htm

Full time students who are *not* studying overseas, but simply travelling, are entitled to 13 weeks of Youth Allowance or Austudy.

Advance Payment

If you are receiving a government allowance you may be able to get a lump sum advance of between \$250 and \$500 from your future payments depending on how much you usually get paid fortnightly. This can be useful if you are having difficulty meeting unexpected expenses. The amount of the advance is repaid by automatic deductions from the next 13 fortnightly payments. To be eligible to apply, you must have been a recipient of one of these Centrelink allowances for at least three months and continue to receive it for the entire period of repayment. An advance payment can only be paid once in any 12 month period.

Part time work and Centrelink – The ‘Student Income Bank’

The Income Bank is available only to full time students on a Centrelink payment. The Income Bank is not an actual bank account but a “hypothetical balance”. When your Centrelink payments begin, the balance of your Income Bank is zero. If you earn less from your job than the ‘income-free area’ (currently \$236 per fortnight, this is expected to increase to \$400 in 2010), your Income Bank balance is increased by the difference between income-free area and how much you earned. This means that you can earn extra income in a later fortnight without losing your government benefit.

For example, currently if your job pays you \$200 in a fortnight, there is no effect to your payment and \$36 is added to your Income Bank balance (the maximum annual balance cannot exceed \$6000). If you earn over \$236 in a fortnight, the extra earnings are deducted from your Income Bank balance. If you have a ‘zero’ income bank balance, then some of this money (not all) will be deducted from your Centrelink payment. As previously mentioned, the figures in this example will change in 2010.

The income bank is most effective if you choose to do the majority of your work during semester breaks as you can work a greater number of hours without your payments being adjusted. Your fortnightly payment won’t be affected by your additional income until your balance becomes zero again, when the normal personal income test rules apply. For more information contact Centrelink on 13 24 90.

Centrelink on campus

Centrelink have outposted staff who are usually available at least once a week during teaching periods on the Parkville campus. They are conveniently located on the ground floor of the Baldwin Spencer building.

Please note that the Centrelink service is separate from Student Financial Aid. Both services have privacy policies and do not share information.

Centrelink problems

Student Financial Aid has trained advisers to help give independent and confidential assistance and advice when problems arise with Centrelink.

Student Financial aid also gives advice and assistance on budgeting issues and money matters, including loans.

If you are having trouble with Centrelink, budgeting or other matters concerning your finances, please make an appointment to see an adviser on 8344 6550.

Financial Aid - Student Wellbeing Services
Ground Floor, Baldwin Spencer Building
University of Melbourne
Web: www.services.unimelb.edu.au/finaid/