



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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Media Release

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Mexican standoff over Youth Allowance finally ended

The compromise reached by the Government and Opposition over changes to the youth allowance eligibility criteria has been described by the Independent Member for New England, Tony Windsor as not perfect but an improvement on the political impasse that has existed for months.

Mr Windsor said that like the original Bill proposed by the Government and the Howard Government's previous arrangements, there were still going to be winners and losers however there are still more young people going to be able to access youth allowance via the independence test or the income test than under the previous eligibility criteria.

"I am pleased that the Mexican standoff has finally ended and students can now plan for their studies with a degree of certainty about their youth allowance eligibility and amount that they can expect to receive.

"I am also pleased to have been a part of changing the original legislation in the removal of what was retrospective to young people who made a decision to take a gap year based on the previous rules.

"The uncertainty up until now created by the standoff has created much angst among our young people trying to decide whether they could afford to still take up their higher education offer.

"Whilst the changes don't cover all country based students particularly those in some large regional centres, the changes do make it possible for more country students to access the youth allowance than under the previous scheme.

"This decision gets the year off to a better start than it looked like being and I would encourage students who do not meet the new criteria for 'independence' to look at their circumstances to see how they may still qualify for assistance through the income test," Mr Windsor said.

The changes agreed to by the Government and Opposition will maintain the current workforce participation criteria from 1 January 2011 for some rural young people where the remote geographic location of their family home does require them to relocate to study.

These young people will retain access to the current criteria for workforce independence where:

- the person's family home is in a location categorized under the Australian Standard Geographical Classification (AGSC) as Outer Regional Australia, Remote Australia or Very Remote Australia;
- the person is required to live away from home;
- the person is undertaking full-time study; and
- parental income is less than \$150,000 pa.

According to the Minister's Office the Student Start-Up Scholarships will now be \$1,300 in 2010 and \$2,128(indexed) in 2011 and beyond.

For further information contact Tony Windsor, Ph (02) 6761 3080 or 0427 66 8868