CENTRELINK PAYMENTS FOR STUDENTS

Centrelink payments such as Youth Allowance, Austudy, and ABSTUDY are available to eligible Australian students and Permanent Residents while they study.

This leaflet contains
- Information about Student payments and other relevant allowances and supplements.
- Common problems that students face in claiming payments.
- Contact details for advice and assistance. Student Financial Aid advisors can assist with your claim for, and retention of, your student support payment.

Student Support Payments

**Youth Allowance**
Youth Allowance is a government assistance scheme which is available to full-time students aged 16-24. Youth Allowance will be paid to students over 25 if they were receiving Youth Allowance immediately prior to turning 25 and remain in the same course. Part-time students aged 16-21 may receive a Youth Allowance if they have an approved activity agreement with Centrelink which can include a range of approved activities including part time study.

You will receive Youth Allowance as either a dependent student or an independent student. Dependent students are subject to a parental income and assets test. For independent students these tests do not apply.

**Dependent Category**
- **The Standard Rate**
  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 At Home rate. If a student lives away from home, the Away from Home Rate does not automatically apply unless:

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

  The Away From Home rate is still dependent upon parental income unless you are considered Independent by Centrelink (See below).
The Special Rate
There is a Special Rate for commencing full-time students over 21 years of age who have been unemployed and receiving Centrelink Income Support for 6 out of the previous 9 months. The Special rate is higher than both the Dependent and the Away From Home Rate.

Independent Categories
Parental income will not affect your rate of pay or eligibility. However, independent students may still be subject to the ‘At Home’ rates if living with parents.

The following are the categories where students may be regarded as Independent under Youth Allowance:

- You are aged 22 or older. Students who commence or return to full-time study after they turn 25 must apply for Austudy.
- 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 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, 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 such as family breakdown, violence, or serious risk to your safety and wellbeing. Long distances and/or travel time from home to University is not a sufficient reason.
- You have supported yourself through full-time paid employment for at least 18 months within a period of two years.
- Students from families where the family home is categorised under the Australian Standard Geographical Classification (AGSC) as outer regional, remote or very remote Australia, may be considered independent for Youth Allowance purposes if they have supported themselves through paid work consisting of, part-time employment of at least 15 hours per week for at least 2 years since the person last left secondary school, or a period or periods of employment over an 18-month period since the person last left secondary school, with cumulative earnings totalling at least 75% of Wage Level A of the National Training Wage Contact Financial Aid or Centrelink for further details.

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. Students must be enrolled on a full time basis unless you have a substantial disability and are undertaking at least 25 per cent of the normal full-time load for the course.

ABSTUDY
ABSTUDY is the student payment available to Aboriginal and Torres Strait Islander students. ABSTUDY recipients may also access the Residential Costs Option. Students can elect to ‘trade’ their benefit for accommodation costs such as college fees. Students thinking about the residential cost option are encouraged to
speak to Centrelink on the new Abstudy line **1800 132 317**. For more information about payment rates, eligibility and other allowances please visit the website. www.humanservices.gov.au/customer/services/centrelink/abstudy

**Other Centrelink Payments and Supplements**

Below are details of some of the more common payments and supplements. A full list of Centrelink payments can be found at www.humanservices.gov.au/customer/information/centrelink-website

**Newstart**

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

- Aged 22 or over and seeking suitable work
- Unemployed and not studying full-time. Part-time study is acceptable.
- Prepared to enter into, comply with, or vary an existing activity agreement.

Unless your Newstart activity agreement includes study provisions, you will be in breach of your agreement if you refuse to take up suitable work opportunities offered to you. Study is not considered a good enough reason to refuse suitable work.

**Centrelink Scholarships**

**Student Start-up Scholarship.**

Full-time students receiving Youth Allowance, Austudy or ABSTUDY payments will be entitled to the Student Start-up Scholarship. The rate in 2013 is $1025 each semester. **(On 13 April 2013, the Government announced that from 1 January 2014 Student Start-up Scholarships will be replaced by income contingent loans for new student payment recipients, repayable along with students’ HELP debts once they are earning above the HELP repayment threshold.)**

**Relocation Scholarship**

Dependant Youth Allowance students who receive the “Living Away From Home” payment are eligible for a Relocation Scholarship. All students will receive $4,048 in their first year. Rates for subsequent years are $1012. Higher rates for 2\(^{nd}\) and 3\(^{rd}\) years are applicable to students have relocated from an area classified as Inner Regional Australia, Outer Regional Australia, Remote Australia or Very Remote Australia. [http://www.humanservices.gov.au/customer/enablers/centrelink/relocation-scholarship/payment-rates](http://www.humanservices.gov.au/customer/enablers/centrelink/relocation-scholarship/payment-rates)

You do not need to apply for these Scholarships - they are assessed at the time of application. Conditions apply for both scholarships.

**Pensioner Education Supplement (PES)**

Students in approved courses who are receiving a pension are eligible for a pension supplement per fortnight during teaching periods. There are two rates which are dependent upon study load.

**Education Entry Payment**

Education Entry Payment is a payment available to students who are receiving non-study related Centrelink payments to assist with the expenses of starting a course.

**Rent Assistance**

Rent Assistance is available for Youth Allowance, Austudy and ABSTUDY and Newstart recipients who live away from the parental home and pay rent. The rate is dependent upon the amount of rent you pay and whether you live alone.
or share with others. Students who aren’t on the lease (and have difficulty proving their rental amount) should contact Centrelink for a rent certificate, which can also be completed online.

**Health Care Cards**


**Fares Allowance**

Fares Allowance is for relevant to a limited category of students including dependent students who live away from their permanent home and receive the Away From Home Rate. It covers the 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. Fares allowance is not for the purpose of daily travel. Further information about eligibility can be found at [www.humanservices.gov.au/customer/services/centrelink/fares-allowance](http://www.humanservices.gov.au/customer/services/centrelink/fares-allowance)

**Advance Payment**

If you are receiving a government allowance you may be eligible for a lump sum advance of between $250 and $500. The amount of the advance is repaid by automatic deductions from future payments. Conditions apply.

**Clean Energy Advance (CEA) and Clean Energy Supplement (CES)**

Youth Allowance, Abstudy and Austudy allowances are eligible for the CEA a bonus designed to assist with the introduction of the carbon tax. Lump sum payments are paid in July each year. In 2014 students will receive a CES with their regular payment. [www.humanservices.gov.au/customer/services/centrelink/clean-energy-advance](http://www.humanservices.gov.au/customer/services/centrelink/clean-energy-advance)

**Income Support Bonus**

A biannual income support payment will be paid to student’s receiving Parenting Payment, Youth Allowance, Abstudy and Austudy from March 2013. A single person will receive $105 a member of a couple will receive $87.50.

**Centrelink Policies and Procedures that Cause a lot of Confusion**

**Scholarships as income**

Scholarships awarded to students on the basis of equity or merit are exempt from being considered as income for the purpose of Centrelink up to the value of $7,223.

**Masters Students**

Masters by Research courses are not approved courses for Centrelink. Only some Masters by Coursework courses are approved for Centrelink payments. Contact Financial Aid, or check our website to see whether your course is on the approved list. [http://services.unimelb.edu.au/finaid/income/centrelink/academic](http://services.unimelb.edu.au/finaid/income/centrelink/academic)

If it is not on the approved list, check whether your course has a “nested” degree with an exit point, you may be able to receive a payment up until that point. In 2017 all Masters by coursework are expected to be approved for Youth Allowance and Austudy. Most graduate 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 if the intention is to study full-time in the following semester.

Overseas study and travel
The length of time you can travel outside of Australia, on holiday and continue to be eligible for your student payment is 6 weeks. Full-time students receiving Youth Allowance, Austudy or Abstudy who undertake approved study such as an exchange are entitled to a student payment up to end of your overseas study. If you plan to combine travel and study overseas, to remain eligible for Centrelink your travel needs to be taken before the commencement of overseas study and cannot exceed six weeks. Exceeding this time will result in the cancellation of your Centrelink payment. Centrelink payments must be claimed in Australia and cannot be reinstated while overseas. Rent assistance is not paid whilst overseas.

If you are travelling overseas, don’t forget to also investigate OS-HELP loans at www.studyassist.gov.au/sites/StudyAssist/

The Liquid Assets Waiting Period (LAWP)
There may be delays in receiving a Centrelink payment, based on how much you own in ‘liquid assets’. This will only start to affect if you have more than $2,500 in liquid assets as a single person or $5,000 as a couple. Liquid Assets refers to the money you can easily access, such as your bank savings, cash on hand, shares and debentures, term deposits, insurance bonds, monies owing from last employer and compensation payments. There is a maximum of 13 weeks waiting time.

The balance of your liquid assets can be reduced by unavoidable or reasonable expenditure including living costs and study costs incurred in a 12 month period.

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 or Student Financial Aid.

Further information about the LAWP is available on our site at www.services.unimelb.edu.au/finaid/income/centrelink/income

Part-time work and the ‘Student Income Bank’
The Student Income Bank is available only to full-time students receiving Youth Allowance, Austudy or ABSTUDY. 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 $400 per fortnight) your Income Bank balance is increased by the difference between the income-free area and how much you earned. This means that you can earn income above the income free area in a later fortnight without losing your allowance. The income bank can accumulate when you are not doing much part time work, up to a $10,000 maximum.

For example, with the $400 income free area if your job pays you $300 in a fortnight, there is no effect to your payment and $100 is added to your Income Bank balance. If you earn over $400 in a fortnight, the extra earnings are deducted from your Income Bank balance.

If you have an ‘empty’ income bank, then earnings above the income free area will reduce your study payment by 50 to 60 cents per dollar earned.
The income bank is most effective if you choose to do the majority of your work during semester breaks. You can work a greater number of hours at the end of semester without your payments being reduced, having allowed the income bank balance to accumulate when you have been studying. Your fortnightly payment won’t be affected by your additional income until your balance becomes zero again, when the normal income rules apply.

**Living with a Partner**
Students under 22 years of age will not be considered in most circumstances to be independent by virtue of living in a de facto relationship until the relationship has existed for 12 months. Until that time you are considered to be a dependent student and your rate of payment is being tested against your parental income and not your partner’s income.

Independent student with partners will be tested against their partner’s income regardless of whether or not your partner provides financial support. Centrelink will consider the following in determining whether you are in a marriage like relationship – the financial social and sexual aspects of the relationship; the nature of the household; and the nature of the commitment to each other.

**Assistance with Centrelink Problems**
Student Financial Aid has trained advisers who can provide independent and confidential assistance and advice regarding Centrelink. If you are experiencing problems with Centrelink please come in and see a staff member in Student Financial Aid. Staff can also assist in advising about the Centrelink appeals process.

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

If you are having trouble with matters concerning your finances, please make an appointment to see an adviser.

On-line through the Student Advising System
- By phone via 13 MELB (13 6352)
- In person Ground Floor Baldwin Spencer Building, Parkville Campus