



Backing Australia's Skills

Extension of Youth Allowance, Austudy and ABSTUDY to full-time New Apprentices

Why is the Government committing income support funding to those who are earning a wage?

As one of its election commitments in 2004 the Government announced a package of initiatives to increase the participation and retention rates in apprenticeships and traineeships.

The extension of eligibility for Youth Allowance, Austudy and ABSTUDY payments to full-time New Apprentices will increase the income of apprentices and trainees in the initial years of their training, when their wages are relatively low.

This measure will increase the supply of skilled people with a nationally recognised qualification, to meet the needs of business and support a more competitive and innovative economy.

As New Apprentices' wages grow, the amount of assistance will be adjusted according to the application of the personal income test.

These payments are already extended to part-time and school based New Apprentices.

What funding is the Government committing to extending income support in this way?

The Government will provide \$537.3 million over five years for income support payments to eligible full-time New Apprentices.

How do New Apprentices qualify for payment?

New Apprentices may qualify for one of the fortnightly payments if they:

- are a full time apprentice or trainee;
- are an Australian resident; and
- meet the personal income test and where applicable the parental and partner income tests.

How do New Apprentices apply for payment?

Centrelink is responsible for administering the payment on behalf of the Department of Education, Science and Training. Eligible New Apprentices will need to lodge an application for payment with Centrelink.

Are payments taxable?

Yes, payments are taxable. To find out how the payment may affect income tax, New Apprentices should contact the Australian Tax Office.

How much extra should eligible New Apprentices expect to receive?

The amount payable depends on an individual assessment of a New Apprentice's personal situation and fortnightly earnings.

When will New Apprentices start to be paid?

Eligible New Apprentices should submit their application to claim the entitlement as soon as possible. If they are eligible they can start to receive payments from 1 July 2005. Claims received after 1 July can only be paid from the date they were received by Centrelink.

Where do New Apprentices go for further information?

New Apprentices will be provided with information on the payments when they register at the New Apprenticeship Centre.

New Apprentices requiring additional information should call the Centrelink call centre on 133 633 (available from 16 May 2005) or visit www.centrelink.gov.au