From 1 January 2010, all university students receiving income support will be entitled to an annual Student Start-up Scholarship of $2254 in 2010 and indexed thereafter. This will include university students who are assisted under veterans’ schemes.

The Student Start-up Scholarship will provide essential assistance to university students for the high up-front costs of textbooks and specialised equipment. All students receiving income support provided through Youth Allowance, Austudy and ABSTUDY will also receive the Student Start-up Scholarship. The Scholarship will be paid at the full value whether a student is receiving the maximum rate of payment or a part payment. It will be paid in two instalments, at the beginning of each semester, in each year of a student’s course of study at university. The Student Start-up Scholarship will replace the current Commonwealth Education Costs Scholarships (CECS), while existing CECS recipients will be ‘grandfathered’.

The Start-up Scholarships are estimated to benefit 146,600 students in 2010, compared with the 5,120 allocated for commencing students in 2007 under the old system and the 12,900 that was allocated for 2010 as a result of the Rudd Government’s commitment to double the number of Commonwealth Scholarships by 2012. The number of Start-up Scholarships will continue to grow and is expected to be received by 172,600 students by 2013.

The Rudd Government will provide $1259.6 million over four years to implement this measure.

What will this measure deliver?

The measure allows all university students receiving student income support to receive an annual Student Start-up Scholarship, valued at $2254 in 2010, to assist with essential study costs. This is equivalent to an additional $43 per week in 2010. Centrelink will issue payments in two instalments, one at the beginning of each semester.

This measure applies to all university students receiving income support, provided through Youth Allowance, Austudy and ABSTUDY.

This measure will take effect from 1 January 2010.

Next steps

This measure, along with other reforms to student income support, will be legislated in 2009 and guidelines updated as appropriate.

Required modifications to Centrelink systems are expected to be completed by December 2009.