



2014 Budget

Working age payments

The Australian Government supports Australian families and individuals to help them participate economically and socially and to manage life transitions. Working age payments should provide incentives for people to work, train or learn, while supporting those who need it most.

What was announced in the 2014 Budget?

The Budget is part of the Australian Government's Economic Action Strategy to build a strong, prosperous economy and a safe, secure Australia.

Changes were announced in the 2014 Budget to encourage young people to participate in the workforce or pursue educating and training opportunities.

Disability Support Pension

From 1 July 2014, changes to the Disability Support Pension (DSP) will help young people with disability enter the workforce if they are able to do so.

Compulsory work-focused activities, such as work experience, education, training and job searching

will help certain DSP recipients aged under 35 years to find and keep a job.

Certain DSP recipients aged under 35 years will also have their work capacity reassessed and eligibility reviewed, and will be supported to help maximise their work capacity.

From 1 January 2015, new rules will be introduced that limit the period a person can be paid and continue to qualify for DSP outside Australia. Under the new rules, most DSP recipients will be limited to a total of four weeks payment overseas every 52 weeks.

Newstart and Youth Allowance

From 1 January 2015, young people aged up to 30 years who are able to work full-time will be encouraged to either earn or learn through tighter payment conditions for Newstart and Youth Allowance (other).

New recipients will need to wait up to six months before they receive these payments, depending on their work history.

For every one year of work history, one month will be discounted from their waiting period, pro-rated for part-time/casual work, to a maximum of five months' discount from the waiting period.

In recognition of the importance of education and training in preventing future unemployment, young people who return to school or take up full-time vocational education or university study will not be subject to the six-month waiting period. Following the waiting period, income support will be available for six months in a 12-month period, dependent on the recipient participating in Work for the Dole for at least 25 hours per week.

Job seekers will still have access to the full range of employment services to help them find a job and gain work-related skills.

After completion of six months Work for the Dole, a wage subsidy will be available for a potential employer.

Job seekers will be expected to take up any suitable work, will be supported to relocate to where the jobs are and be self-supporting wherever possible.

People exempt from the six-month waiting period are those who are in full-time education; have a partial work capacity (<30 hours per week); a single parent receiving Family Tax Benefit for a child; a part-time apprentice; a principle carer parent; a Stream 3 or Stream 4 job seeker (or Remote Jobs and Communities Programme equivalent) under the current employment services arrangements; or eligible for Disability Employment Services.

From 1 January 2015, young job seekers aged 22 to 24 years who become unemployed will receive Youth Allowance (other) until they turn 25 years. They will not be eligible for Newstart Allowance. There is a higher income-free threshold for Youth Allowance, so this change will strengthen the incentive for young unemployed people to work or pursue education and training opportunities.

Student payments

Student Start-up Scholarships will be replaced with Student Start-up Loans for higher education students on student payments from 1 January 2015.

Students from major cities will no longer be eligible for the Relocation Scholarship unless they move to a regional area to study from 1 January 2015.

Students will no longer be eligible for student payments while holidaying overseas from 1 October 2014, but will remain eligible while studying through formal overseas exchange programmes as part of their Australian qualification, receiving eligible medical treatment or attending a family crisis.

The Education Entry Payment and the Pensioner Education Supplement for income support recipients will no longer be available from 1 January 2015.

Key facts

- Changes to DSP, Newstart and Youth Allowance for people with disability and young people are designed to provide incentives to work, study or train while delivering payments for people who need support.
- From 1 July 2014, DSP recipients aged under 35 years may have their work capacity assessed and eligibility reviewed.
- From 1 July 2014, certain DSP recipients aged under 35 years will be required to undertake compulsory work-related activities.
- From 1 January 2015, new rules will be introduced generally limiting the period a person can be paid and continue to qualify for DSP outside Australia.

- From 1 January 2015, job seekers aged up to 30 years will be subject to a six-month waiting period before gaining access to Newstart or Youth Allowance (other) unless exempt.
- Some people will be exempt from the six-month waiting period.
- People with a strong work history will have one month discounted from their waiting period, for every year of work, up to a maximum of five months.
- Young people who return to school or take up full-time vocational education or university study will not be subject to the six-month waiting period.
- From 1 January 2015, higher education students on Youth Allowance (student), Austudy or ABSTUDY (Living Allowance) will be able to access the Student Start-up Loan, which replaces the Student Start-up Scholarship, at the same rate of payment.
- From 1 January 2015, students from major cities will no longer be eligible for the Relocation Scholarship unless they move to a regional area to study. Students living in regional areas will continue to be eligible for the Scholarship.
- From 1 October 2014, students will no longer be eligible for student payments while holidaying overseas, but will remain eligible while studying through formal overseas exchange programmes as part of their Australian qualification, receiving eligible medical treatment or attending a family crisis.
- From 1 January 2015, the Education Entry Payment and the Pensioner Education Supplement for income support recipients will no longer be available. Eligible students will still be able to access employment services and targeted study assistance.
- A one-week waiting period will apply to working age payments from 1 October 2014.
- While there will no longer be carbon pricing, the Energy Supplement will continue to be paid to pensioners, income support recipients, family assistance recipients and veterans.

More information

For more information about this measure and other Department of Social Services' Budget measures, go to www.dss.gov.au

For information about the 2014 Budget, go to www.budget.gov.au