

AUSTUDY/ABSTUDY Supplement Regulations (Amendment) 1993 No. 365

EXPLANATORY STATEMENT

STATUTORY RULES 1993 No. 365

Issued by the Authority of the Minister for Schools, Vocational Education and Training

Student Assistance Act 1973

AUSTUDY/ABSTUDY Supplement Regulations (Amendment)

The *Student Assistance Act 1973* (the Act) provides the legislative authority for the AUSTUDY scheme and for a debt management regime for the AUSTUDY, ABSTUDY and Assistance for Isolated Children Schemes. These schemes pay financial assistance directly to students or their parents. The Act also provides for the AUSTUDY/ABSTUDY Supplement, under which voluntary loans are provided to tertiary students.

Section 56 of the Act provides that the Governor-General may make regulations for the purposes of the Act.

These Regulations make the following changes to the AUSTUDY/ABSTUDY Supplement:

- the maximum financial supplement payable to Category 1 students (i.e., students who are eligible for AUSTUDY or ABSTUDY) is increased from \$4000 to \$6000;
- the amounts of financial supplement to which a student is entitled will be rounded up to the nearest whole dollar; and
- there is no longer a minimum repayment of financial supplement.

These Regulations commence on 1 January 1994.

A detailed explanation of the Regulations is set out in the Attachment.

ATTACHMENT

Details of the AUSTUDY/ABSTUDY Supplement Regulations (Amendment)

Regulation 1. Commencement

Subregulation 1.1 provides that these Regulations will commence on 1 January 1994.

Regulation 2. Amendment

Subregulation 2.1 provides that the AUSTUDY/ABSTUDY Supplement Regulations are amended as provided by these regulations.

Regulation 3. Regulation 9 (Maximum amount of financial supplement for category 1 students)

Subregulation 3.1 amends paragraph 9(1)(a) of the AUSTUDY/ABSTUDY Supplement Regulations to increase the present maximum financial supplement payable to category 1 students from the present level of \$4,000 to \$6,000.

"Category 1 students" are students who qualify for the financial supplement on the basis that they are eligible for AUSTUDY or ABSTUDY.

Subregulation 3.2 amends subregulation 9(4) of the AUSTUDY/ABSTUDY Supplement Regulations. Under subregulation 9(4), the maximum amount of category 1 financial supplement is subject to a pro rata reduction when the period of the grant is less than one year. This amendment will reflect the increase of a maximum possible category 1 financial supplement from \$4,000 to \$6,000.

Subregulation 3.3 inserts new subregulation 9(5) which will provide that where the calculation of the amount of financial supplement payable to a category 1 student results in an amount of dollars and cents, it will be rounded up to the nearest whole dollar. This will avoid some technical difficulties in the processing of supplement payments.

Regulation 4. Regulation 10 (Maximum amount of financial supplement for category 2 students not in short courses)

Subregulation 4.1 inserts new subregulation 10(2) which will provide for the rounding of amounts of financial supplement up to the nearest whole dollar where payments to category 2 students doing courses 30 weeks or longer in duration are pro-rated under regulation 10 of the AUSTUDY/ABSTUDY Supplement Regulations.

"Category 2 students" are certain students who qualify for the financial supplement on the basis that they would have been eligible for AUSTUDY or ABSTUDY but for the parental income test.

Regulation 5. Regulation 11 (Maximum amount of financial supplement for category 2 students in short courses)

Subregulation 5.1 inserts new subregulation 11(2) which will provide for the rounding of amounts of financial supplement up to the nearest whole dollar where payments to category 2 students doing courses less than 30 weeks are pro-rated under regulation 11 of the AUSTUDY/ABSTUDY Supplement Regulations.

***Regulation 6.* Regulation 16 (Minimum amount of repayment that can be made)**

Subregulation 6 provides that regulation 16 of the AUSTUDY/ABSTUDY Supplement Regulations will be omitted. Regulation 16 provides that the minimum repayment of financial supplement that a student is entitled to make is \$500. This amendment will enable a student to make a repayment of any amount.