

# **AUSTUDY/ABSTUDY Supplement Regulations (Amendment) 1994 No. 444**

## **EXPLANATORY STATEMENT**

### **STATUTORY RULES 1994 No. 444**

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, which is a voluntary loans scheme for 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 prescribed parental income used to determine eligibility for Category 2 students is increased from \$50,000 to \$50,850;
- the maximum Supplement payable to Category 1 students (students who are eligible for AUSTUDY or ABSTUDY) is increased from \$6,000 to \$7,000; and
- a legislative basis is provided for the current practice of paying the Supplement in fortnightly payments.

These Regulations commence on 1 January 1995.

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 1995.

#### ***Regulation 2.* Amendment**

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

#### ***Regulation 3.* Regulation 7 (Prescribed parental income)**

**Subregulation 3.1** amends Regulation 7 which prescribes the parental income for the purpose of section 12C(1)(b)(ii) of the *Student Assistance Act 1973*. This section of the Act provides that a student who qualifies for AUSTUDY or ABSTUDY but for the parental income test will qualify for Supplement if the student's adjusted parental income is less than the prescribed amount. This amendment will increase the prescribed amount from \$50,000 to \$50,850.

#### ***Regulation 4.* Regulation 9 (Maximum amount of financial supplement for category 1 students)**

**Subregulation 4.1** amends paragraph 9(1)(a) of the AUSTUDY/ABSTUDY Supplement Regulations to increase the present maximum Supplement payable to Category 1 students from \$6,000 to \$7,000.

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

**Subregulation 4.2** amends subregulation 9(4) of the AUSTUDY/ABSTUDY Supplement Regulations. Under subregulation 9(4), the maximum amount of Category 1 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 in the maximum Supplement available to Category 1 students from \$6,000 to \$7,000.

#### ***Regulation 5.* New regulation 16 (Time for payment of financial supplement)**

**Subregulation 5.1** inserts a new Regulation 16 which will provide for the fortnightly payment of the Supplement to students. This will provide a legislative basis for the current practice.