

AUSTUDY/ABSTUDY Supplement Regulations (Amendment) 1998 No. 179

EXPLANATORY STATEMENT

Statutory Rules 1998 No. 179

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

Subject: *Student and Youth Assistance Act 1973*

AUSTUDY/ABSTUDY Supplement Regulations (Amendment)

Part 2 and Part 4A of the *Student and Youth Assistance Act 1973* (the Act) provide the legislative authority for the AUSTUDY and the AUSTUDY/ABSTUDY Financial Supplement (the Financial Supplement) schemes respectively. Section 56 of the Act provides that the Governor-General may make regulations for the purposes of the Act. The Financial Supplement is a loan which is available to tertiary students: who are eligible for AUSTUDY or ABSTUDY; or

who would, except for the parental income test applicable under the AUSTUDY or ABSTUDY schemes, qualify for AUSTUDY or ABSTUDY and whose adjusted parental income is less than an amount prescribed in the AUSTUDY/ABSTUDY Supplement Regulations (the Regulations).

From 1 July 1998 AUSTUDY will be replaced by the Youth Allowance. The *Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Act 1998* amends the Act to, amongst other things, repeal Parts 2 and 4B (which provided for certain indexation provisions) and remove references to AUSTUDY from Part 4A. These amendments commence on 1 July 1998. These regulations:

- * remove references to AUSTUDY from the AUSTUDY/AB STUDY Supplement Regulations (**regulation 3, subregulations 4.2 to 4.7 and regulations 5 and 6**); and
- * insert a new definition of "indexation factor" in regulation 7A which is consequential on the repeal of Part 4B of the Act. This does not change the effect of the regulation (**regulation 7**).
- * **Regulation 1** provides that the regulations commence on 1 July 1998. The Attachment contains more details about the amendments.

ATTACHMENT

DETAILS OF THE AUSTUDY/ABSTUDY SUPPLEMENT REGULATIONS (AMENDMENT)

Regulation 1 Commencement

Regulation 1 provides that the regulations commence on 1 July 1998.

Regulation 2 Amendment

Regulation 2 provides that the AUSTUDY/ABSTUDY Supplement Regulations (the Regulations) are amended by these regulations.

Regulation 3 Regulation 1 (Citation)

Regulation 3 amends the title of the Regulations to the ABSTUDY Regulations.

Regulation 4 Regulation 3 (Interpretation)

Subregulation 4.1 omits the definition of "Act" and insert a new definition to mean the *Student Assistance Act 1973*.

Subregulations 4.2, 4.4, 4.5, 4.6 and 4.7 omit references to AUSTUDY from the definitions of 14 adjusted parental income", "category 1 student", "category 2 student", "living allowance" and "pensioner education supplement" respectively.

Subregulation 4.3 omits the definition of "AUSTUDY".

Regulation 5 Regulation 5 (Prescribed courses)

Regulation 5 omits subregulation 5(2) which refers to AUSTUDY.

Regulation 6 Regulation 6 (Prescribed benefits)

Regulation 6 omits "the AUSTUDY scheme or" from the regulation.

Regulation 7 Regulation 7A (Prescribed parental income - years after 1997)

Background

Regulation 7A provides for the "prescribed parental income" prescribed in regulation 7 to be indexed annually. The "indexation factor" is defined in subregulation 7A(3) to mean the indexation factor worked out under subsection 12ZZA(2) of the Act, as affected by subsection 12ZZA(3) and subsections 12ZZB(1) and (2) of the Act, in relation to the relevant year. Subsections 12ZZA(2) and (3) and 12ZZB(1) and (2) are contained in Part 4B of the Act which will be repealed on 1 July 1998 by the *Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Act 1998*. Therefore these provisions need to be inserted in the Regulations.

Amendments made by these regulations

Subregulation 7.1 omits the definition of "indexation factor" in subregulation 7A(3) and insert a new definition to mean the number for the relevant year using the formula:

the index number for the June quarter in the later reference period

the index number for the June quarter in the earlier reference period

Subregulation 7.2 defines:

"earlier reference period" to mean the year before the later reference period; and

"later reference period" to mean the year before the relevant year.

Subregulation 7.3 inserts new subregulations 7A(3A) and (3B) to provide that the indexation factor calculated under subregulation 7A(3) is rounded to three decimal places.

Subregulation 7.4 provides that if the Australian Statistician publishes an index number for a quarter in substitution for an index number previously published by the Australian Statistician for the quarter, the later index number is disregarded for the purposes of regulation 7A.

Subregulation 7.5 provides that if the Australian Statistician changes the reference base for the Consumer Price Index, the index numbers published in terms of the new reference base are used for the purposes of regulation 7A.