EXPLANATORY STATEMENT

Rural Tertiary Hardship Fund Scheme 2011

Summary

Subsection 1061ZZFW(1) of the Social Security Act 1991 (the Act) requires the Minister for Tertiary Education, Skills, Jobs and Workplace Relations to, by legislative instrument, determine a scheme for paying $20 million, in the period starting on 1 January 2011 and ending at the end of 30 June 2013, for assistance for the undertaking of higher education by people under 25 years old who both:

(a) have their main place of residence in a rural or regional area; and

(b) would experience financial hardship in undertaking higher education without the assistance.

The effect of this Determination is to determine that scheme.

Background

On 1 December 2009, the Australian Government (the Government) announced the establishment of the Rural Tertiary Hardship Fund (the Fund).

Section 1061ZZFW of the Social Security Act 1991 provides the legal authority for administering the Fund. The Fund will provide $20 million through a series of grants from 1 January 2011 to 30 June 2013 which is additional to the benefits that rural and regional students have available to them under the students’ income support reform package; reduce barriers faced by rural and regional students in attending university; assist people under 25 years of age, who reside in a rural or regional area and would experience financial hardship in undertaking higher education without the assistance from the Fund.

On 18 March 2010, the Social Security Act 1991 was amended to provide for reforms to the student income support system. The reforms were made in response to the Bradley Review of Australian Higher Education. The income support reform package ensures that student income support payments are better targeted and more assistance is provided for those students who need it most, including rural and regional students.
The objective of the Fund is to assist young people under 25 years of age from rural or regional areas who would experience financial hardship in undertaking higher education without the assistance. In assisting disadvantaged rural and regional students, the Fund will also contribute to increasing higher education participation rates of rural and regional students; and contribute to the goal set by the Government that by 2020, 20 per cent of higher education enrolments at undergraduate level should be people from low socio-economic status backgrounds.

The $20 million allocated for the Fund will be awarded in the form of a one-off grant of $3000 to be paid to students from rural and regional areas between 1 January 2011 and 30 June 2013. This amount will be allocated across five semesters covered by the terms of the Fund, with greater amounts available in the first semester of each year. The Department of Education, Employment and Workplace Relations will call for applications for grants through formal Funding Rounds. Due to the limited number of grants, no application is guaranteed to be allocated a grant. Successful applications will be determined through an open, selection process assessing the relative merits of each eligible application against the selection criteria listed in program guidelines.

This Determination is a legislative instrument.

**Explanation of Provisions**

**Section 1.1** of the Determination states the name of the Determination.

**Section 1.2** states that the Determination commences on the day after it is registered.

**Section 1.3** provides definitions for the purpose of the Determination.

**Section 1.4** sets out the purpose of the Scheme as provided in the Social Security Act 1991 (the Act).

**Section 2.1** sets out the form of assistance as a payment of $3,000.

**Section 3.1** sets out the criteria for eligibility for the Scheme.

**Subsection 3.1(1)** provides that a person mentioned in the Act is eligible to be considered if the requirements of section 3.1 are met.
**Subsection 3.1(2)** provides that a person applying for assistance to study in the first semester must be under 25 on 1 March in the relevant year.

**Subsection 3.1(3)** provides that a person applying for assistance to study in the second semester must be under 25 on 1 August in the relevant year.

**Subsection 3.1(4)** sets out citizenship requirements.

**Subsection 3.1(5)** provides that a person’s main place of residence must not be in a major city.

**Subsection 3.1(6)** provides that the course of study a person is enrolled in must be at a bachelor degree or equivalent qualification.

**Subsection 3.1(7)** provides that the course must not be an enabling or preparatory course.

**Subsection 3.1(8)** provides that the person must be undertaking the course for the first time provided that deferrals or withdrawal from previous courses commenced are disregarded if done within 35 days after commencement.

**Subsection 3.1(9)** provides that a person must be enrolled on a full-time basis or another basis if the Minister is satisfied it is an appropriate basis of study given the person’s circumstances e.g. the person has a disability or parenting responsibilities.

**Subsection 3.1(10)** provides that the place on the course must be a Commonwealth supported place.

**Subsection 3.1(11)** provides that if a person’s main place of residence is in Inner Regional Australia the distance and time required for travelling to and from the tertiary institution at which the course is to be undertaken must be considered to be excessive using the concept that is used to determine if a person is eligible for payment of the Away From Home rate of Youth allowance.

**Subsection 3.1(12)** provides that if the person lives with either or both parents the income of the parent or the combined income of both parents for the last year of tax before the application is made must not exceed $150,000.

**Subsection 3.1(13)** prevents a person getting more than one payment from the Scheme.

**Part 4** of the Scheme provides for the manner of making applications and how applications will be considered.
Section 4.1 provides for the manner of making applications.

Subsection 4.1(1) provides that a person is to apply to the Minister.

Subsection 4.1(2) provides that the application is to be in writing using a form approved in writing by the Minister.

Subsection 4.1(3) sets out the information the person must provide about themselves.

Paragraph 4.1(3)(a) requires the person to provide their estimated income for the relevant year.

Paragraph 4.1(3)(b) requires the person to provide a description and value of their liquid assets.

Paragraph 4.1(3)(c) requires the person to provide the number of dependent children in their family.

Paragraph 4.1(3)(d) requires the person to provide a description of their current means of support.

Paragraph 4.1(3)(e) requires the person to provide a description of the financial hardship being experienced and, if it is continuing, to state for how long.

Paragraph 4.1(3)(f) requires the person to provide a description of any personal or family disadvantage and, if it is continuing, for how long.

Subsection 4.1(4) requires the person to provide information about the applicant’s parents if relevant i.e. because the applicant is living with one or both parents.

Paragraph 4.1(4)(a) requires the person to provide information about the parents combined income for the year of tax before the application for assistance is made and the parents liquid assets.

Paragraph 4.1(4)(b) requires the person to provide a description of the parents liquid assets.

Subsection 4.1(5) requires the person to provide information about the applicant’s partner if relevant i.e. because the applicant is living with the partner.

Paragraph 4.1(5)(a) requires the person to provide information about the partner’s income for the year of tax before the application for assistance is made and the partner’s liquid assets.
Paragraph 4.1(5)(b) requires the person to provide a description of the partners liquid assets.

Subsection 4.1(6) requires a person who is not in receipt of a means-tested income support payment from the Commonwealth to provide an explanation of why.

Subsection 4.1(7) requires the person to declare they have not previously received a payment under the Scheme.

Subsection 4.1(8) provides that the application form may require the person to give other information or make other declarations.

Section 4.2 sets out how an application will be considered.

Subsection 4.2(1) provides that if the Minister receives an application the Minister must consider it and approve or refuse the application as soon as possible.

Subsection 4.2(2) provides that the Minister is only required to consider the information in the application and is not required to seek additional information or clarify any information given.

Subsection 4.2(3) provides that the Minister may, in writing, approve a number of things.

Paragraph 4.2(3)(a) provides that the Minister may approve in writing one or more methods of comparing and ranking applications in order of priority for approval.

Paragraph 4.2(3)(b) provides that the Minister may approve in writing arrangements by which the applicants financial hardship can be assessed as being sufficient for approval of the application.

Paragraph 4.2(3)(c) provides that the Minister may approve in writing a total amount of assistance that is to be paid in a period to applicants.

Subsection 4.2(4) sets out when the Minister must approve the application. Each of the paragraphs in the subsection must be satisfied.

Paragraph 4.2(4)(a) provides that one of the criteria is that the applicant meets the description in the Act.

Paragraph 4.2(4)(b) provides that one of the criteria is that the applicant has given the information required by the application form.
Paragraph 4.2(4)(c) provides that one of the criteria is that the applicant would experience financial hardship in undertaking higher education without the payment.

Paragraph 4.2(4)(d) provides that one of the criteria is that the applicant’s financial hardship is sufficient to make it appropriate to approve the application.

Paragraph 4.2(4)(e) provides that one of the criteria is that there is sufficient funding available to make the payment.

Subsection 4.2(5) provides that the Minister must notify the applicant of the decision as soon as practicable after making it.

Section 5.1 provides that payment must be made to the person as soon as practicable after an application is approved.

Section 6.1 sets out provision for review of decisions.

Subsection 6.1 provides that if the Minister refuses an application he must provide the applicant with information about review rights.

Subsection 6.2 provides that an applicant can request a discussion about refusal with the department.

Subsection 6.3 provides that an applicant may request, in writing, the Secretary of the department to review a refusal.

Subsection 6.4 provides that a request for review must be made within 13 weeks after the applicant is notified.

Subsection 6.5 sets out what the Secretary must do if a request for review is received.

Subsection 6.5(a) provides that the Secretary must review the decision as soon as possible.

Subsection 6.5(b) provides that the Secretary must apply any matters approved under subsection 4.2(3).

Subsection 6.5(c) provides that the Secretary must substitute a decision to approve the application if the Secretary is satisfied as to the matters in paragraphs 4.2 (4) (a) to (e).

Subsection 6.5(d) provides that the Secretary must confirm the refusal if not satisfied as to the matters in paragraphs 4.2 (4) (a) to (e).
Subsection 6.6 provides that a substituted decision takes effect from the day on which the application is refused.

Part 7 deals with administrative matters.

Subsection 7.1 provides that the Minister must publish on a website or by other means the dates by which applications must be made in a year, the periods in which the Minister proposes to make decisions on applications and other information about how applications are made or considered under the Scheme.

Subsection 7.2 provides that the Minister and the Secretary may delegate their powers under the Scheme to an SES employee or an APS employee performing duties in the department.

Consultation

External consultation - Department of Finance and Deregulation.

Regulatory Impact Analysis

This Determination does not require a Regulatory Impact Statement or Business Cost Calculator Figure. The Determination is not regulatory in nature, will not impact on business activity and will have no, or minimal, compliance costs or competition impact.