Schedule 1, item 2, page 4 (lines 17 to 20), omit subsection (10A), substitute:

(10A) Paragraph (10)(b) does not apply for the purposes of determining whether a person is to be regarded as independent for the purposes of Part 2.11, this Part or section 1070G, unless subsection (10B) or (10C) applies to the person.

(10AA) Paragraph (10)(c) does not apply for the purposes of determining whether a person is to be regarded as independent for the purposes of Part 2.11, this Part or section 1070G, unless subsection (10B), (10BA) or (10C) applies to the person.

[Independence—required to live away from home]

(2) Schedule 1, item 2, page 4 (after line 24), after paragraph 1067A(10B), insert:

(10BA) This subsection applies to a person if the Secretary is satisfied that the person is required to live away from home to pursue his or her chosen course of education.

[Independence—required to live away from home]

(3) Schedule 1, page 5 (after line 25), at the end of item 2, add:

(10D) The regulations may prescribe an audit process to enable the Secretary to verify that a person who is to be regarded as independent for the purposes of Part 2.11, this Part or section 1070G because of subsections (10AA) and (10BA) continues to meet the requirements of those subsections.

(10E) Regulations made for the purposes of subsection (10D) may include a requirement that such a person periodically provide relevant information to the Secretary, including evidence capable of satisfying the Secretary that the person continues to live away from home.

(10F) If:

(a) a person fails to meet a requirement prescribed by regulations made for the purpose of subsection (10D); or
(b) the Secretary is no longer satisfied that the person meets the requirements of subsections (10AA) and (10BA);
the Secretary may determine that the person is no longer to be regarded as independent for the purposes of Part 2.11, this Part or section 1070G because of subsections (10AA) and (10BA).

[audit of living away from home requirements]

(4) Schedule 1, item 4, page 6 (line 4), omit “, (10B)”, substitute “, (10AA), (10B), (10BA)”.

[independence—required to live away from home]