THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

HIGHER EDUCATION SUPPORT AMENDMENT (STREAMLINING AND OTHER MEASURES) BILL 2012

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be moved on behalf of the Government

(Circulated by authority of the Minister for Tertiary Education, Skills, Science and Research)
The Higher Education Support Amendment (Streamlining and Other Measures) Bill 2012 as introduced amends the *Higher Education Support Act 2003* to:

- act on the recommendations arising from the *Post Implementation Review of the VET FEE-HELP Scheme Final Report September 2011* and its commitments under the April 2012 COAG *National Partnership Agreement on Skills Reform*, particularly the redesign of VET FEE-HELP
- strengthen the integrity and quality framework underpinning the HELP schemes
- improve information sharing and transparency with the national education regulators
- improve arrangements for the early identification of low quality providers
- position the Government to better manage risk to students and public monies.

The Government amendments to the Bill will amend the *Social Security Act 1991* to allow a freeze of indexation on the Student Start-up Scholarship for the period 1 January 2013 to 31 December 2016. Consequently, the maximum amount payable under the Student Start-up Scholarship will remain at the 2012 rate of $2,050 until 1 January 2017.

**FINANCIAL IMPACT**

There are no financial impacts associated with the Bill as introduced.

The Government amendments to the Bill are estimated to achieve savings of $82.1 million over four years.
NOTES ON CLAUSES

Amendment 1 - Commencement

Amendment 1 amends the commencement provision in relation to Schedule 3A of the Bill. Schedule 3A will commence on the day the Act receives Royal Assent.

Amendment 2

Amendment 2 adds Schedule 3A to the Bill.

Schedule 3A—Student start-up scholarship payments

*Social Security Act 1991*

**Item 1** repeals and substitutes the note under section 592H of the *Social Security Act 1991* (the Act) to provide that the amount of the Student Start-up Scholarship payment will be indexed on 1 January 2017 and each later 1 January in line with CPI increases.

**Item 2** inserts new subsection 1192(8A) into the Act to provide that the Student Start-up Scholarship payment is not indexed on 1 January 2013, 1 January 2014, 1 January 2015 and 1 January 2016.