



ABOUT THIS GUIDE

This Guide provides information about the Student Financial Supplement Scheme and sets out the terms and conditions of the loan. The Scheme provides some tertiary students with access to an optional loan to help pay for living and educational expenses while you study.

After your claim for Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement is assessed, you will be advised if you are eligible for a Financial Supplement loan, and the amount you can apply for.

This Guide should answer most of your questions about the Student Financial Supplement Scheme. Please read it carefully before deciding whether to take out a Financial Supplement loan.

If you need more information you can either ring:

Youth Allowance, Austudy payment, Pensioner Education Supplement	13 2490
ABSTUDY	13 2317

or visit any Centrelink Customer Service Centre
or check out the Centrelink Web site at:

www.centrelink.gov.au

CONTENTS

What is the Student Financial Supplement Scheme?	2
How much can I get?	5
Do I have to pay interest on a Financial Supplement loan?	9
How do I repay a Financial Supplement loan?	11
What should I consider when deciding whether to take out a Financial Supplement loan?	15
Budget Planner	17
How do I apply?	18
Fourteen day cooling off period	20
Is there a closing date?	21
Can I stop or change how much I receive?	22
Will I be advised how much my loan balance is?	24
What are my responsibilities?	25
Where can I get more information?	26
Glossary of terms	27

WHAT IS THE STUDENT FINANCIAL SUPPLEMENT SCHEME?

The Student Financial Supplement Scheme is a voluntary loan scheme which gives some tertiary students the option of borrowing money to help cover their expenses while they study.

A Financial Supplement loan can help pay for expenses such as accommodation, transport, food or books, or may be a good source of emergency finance if personal circumstances change unexpectedly during the year.

It can also help students who rely on their parents for money to be more financially independent.

A Financial Supplement loan is not paid as a lump sum, but is deposited into your bank account in fortnightly instalments.

Funds for Financial Supplement loans are provided by the Commonwealth Bank of Australia through an agreement with the Commonwealth Government. However, as you can see by the features listed on page 3 a Financial Supplement loan is different to a commercial loan.

There are two categories of Financial Supplement loans:

Category 1

- Is for tertiary students who are eligible to receive the general rate* of Youth Allowance or Austudy payment, the ABSTUDY Living Allowance, or the Pensioner Education Supplement. These students can elect to trade in (or give up) part or all of their payment to receive double the amount as a Financial Supplement loan.
- The maximum loan available is \$7000, which would require a trade in of \$3500 general rate.
- The minimum loan available is \$500, which would require a trade in of \$250.

Category 2

- Is for dependent tertiary students who are not eligible for ABSTUDY Living Allowance or Youth Allowance general rate, but who would have been eligible if not for the parental income test or the Family Actual Means Test, and their adjusted parental income/family actual means is less than \$57 750 (threshold for 2001). The adjusted parental income/family actual means includes a concession for each dependent sibling within the family.

- Students whose parents receive Family Tax Benefit for them are not eligible to receive a Category 2 loan.
- Category 2 students can take out a loan of up to \$2000 a year.
- The minimum loan available is \$500.

*The general rate of Youth Allowance and Austudy payment, and the Living Allowance of ABSTUDY is the actual payment you receive, taking into consideration any parental, partner and/or personal income, assets and family actual means tests and any overpayments (if appropriate). The general rate does not include any additional benefits such as Rent Assistance, Pharmaceutical Allowance, Remote Area Allowance, Fares Allowance or Incidentals Allowance. This definition of general rate applies to all references to Youth Allowance, Austudy payment and ABSTUDY throughout this guide.

Features of a Financial Supplement loan

There are no credit checks or interviews required to get a Financial Supplement loan and you do not need a guarantor.

The interest charged on a Financial Supplement loan by the Commonwealth Bank is paid by the Commonwealth Government. However, a Financial Supplement loan is adjusted annually for changes in the cost of living based on the Consumer Price Index.

(Note that Category 1 students are required to trade in [or give up] part or all of their Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement to receive double the amount as a Financial Supplement loan.)

A Financial Supplement loan is paid in fortnightly instalments to your nominated bank, building society or credit union account.

If you take out a Financial Supplement loan, you can change the amount of your loan (within given limits) at any time during the year if your financial circumstances change.

For a loan taken out in 2001 any repayments you make on or before 31 May 2006 are voluntary, and are given an increased value (a bonus). If you wish to clear your debt in full during this time you need only repay 85 per cent of the total amount outstanding.

If you choose to make voluntary repayments you cannot redraw on those repayments at a later date.

You do not **have** to start repaying a Financial Supplement loan until after the loan contract period with the Commonwealth Bank, which ends on 31 May of the fifth year after the year in which the loan was paid. For example, compulsory repayments for a Financial Supplement loan taken out for 2001 are not required until June 2006, and then will only be necessary if your taxable income reaches the level of average earnings.

(Example: The threshold for repayment of 1993 to 1996 Financial Supplement debts for the 2000-01 income year is \$31 639).

If you would like to confirm the total amount needed to repay your Financial Supplement loan you need to contact Centrelink, and not the Commonwealth Bank.

Money you receive as a Financial Supplement loan is not part of your taxable income. This includes any Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement you trade in for a Financial Supplement loan.

A Financial Supplement loan is paid for a maximum period of one calendar year. You will be advised if you are eligible for the next year.

HOW MUCH CAN I GET?

The minimum Financial Supplement loan is \$500 for a calendar year.

You will be advised of the maximum amount of loan you can apply for after your claim for Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement (PES) is assessed. If you are continuing study from one year to the next, you will be advised of the maximum amount you can apply for before the new year.

A Financial Supplement loan is paid in fortnightly instalments into an account nominated by you. It does not have to be paid into the same account as your Youth Allowance, Austudy payment, ABSTUDY or PES payments. The account can be with a bank, building society or credit union.

Financial Supplement loan payments cannot be paid by cheque.

If you want to change the account your payments go into, you need to advise Centrelink that you wish to change your account for your Financial Supplement loan, as well as for any other payments you receive. You should also make sure your payments are going into the new account before closing the old one.

You can increase or reduce the Financial Supplement loan you receive (within the limits specified on your Supplement Entitlement Notice) at any time during the year.

Category 1

If you are a tertiary student receiving Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement, you can choose to trade in (or give up) some or all of your payment for a Financial Supplement loan.

The maximum loan available for a Category 1 student is determined by:

- the period for which you are eligible for Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement, and
- the amount of Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement that you are entitled to receive in this period.

The maximum Financial Supplement loan that a student may receive in a year is \$7000 - this requires a trade-in of \$3500.

Example



Anne is studying at TAFE and is eligible for Youth Allowance of \$4070 (\$155.68 a fortnight) for the period she is studying in 2001. She works out that she will need \$230 a fortnight

(about \$6000 over the whole year) to cover her expenses while she is studying.

Anne's Supplement Entitlement Notice states that she is eligible to trade in up to \$3500 of her Youth Allowance for the maximum Financial Supplement loan of \$7000. She decides to trade in \$2000 of her Youth Allowance for a Supplement loan of \$4000.

Anne will now get assistance totalling \$6070 (\$232.19 a fortnight). This is made up of:

- \$2070 (\$79.18 a fortnight) as Youth Allowance, and

- \$4000 (\$153 a fortnight) as a Financial Supplement loan which she will have to repay later (see pages 11 to 14 for further details).

Therefore in 2001 Anne will receive \$2000 less Youth Allowance and receive \$4000 in Financial Supplement loan payments.

The table below shows you how much you could receive each fortnight depending on the amount of Financial Supplement loan you apply for:

Financial Supplement loan \$	Fortnightly Payment Figures assume entitlement for a full year and have been rounded up to the nearest dollar \$
500	20
1000	39
1500	58
2000	77

Trade back

The table on page 6 shows the range of fortnightly payments you could receive depending on your Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement, and the amount of Financial Supplement loan you choose to apply for.

A tradeback transaction is applied when you are entitled to receive a retrospective Financial Supplement loan payment. For example, if you

have already received some Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement before you receive your first Financial Supplement loan payment, part of those payments will need to be traded in for your Financial Supplement loan. Rather than make you repay these amounts, they will be deducted from your first Financial Supplement loan payment. This deduction is called trade back.

The Commonwealth Bank will record the trade back amount against your Financial Supplement loan account and it will become part of your Financial Supplement loan.

For example, John started a course and received his first Youth Allowance payment of \$250 per fortnight. He then applied for a Financial Supplement loan of \$400 per fortnight – this requires a trade-in of \$200 per fortnight. John's correct payments are now Youth Allowance of \$50 per fortnight and Financial Supplement loan of \$400 per fortnight. But because John had already received his first Youth Allowance payment without the trade-in amount deducted, his first Financial Supplement loan payment included an arrears payment of only \$200 and a tradeback transaction of \$200. The effect of the tradeback transaction is to reduce the amount of Youth Allowance paid by \$200 and increase the amount of Financial Supplement loan payment by \$200.

Projected annual Youth Allowance, Austudy payment, ABSTUDY, or Pensioner Education Supplement before taking a Financial Supplement loan \$	Fortnightly Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement before taking a Financial Supplement loan \$	Total fortnightly payment after taking a Financial Supplement loan (i.e. remaining Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement plus Financial Supplement loan)								
		Financial Supplement loan \$								
		\$500	\$1000	\$2000	\$3000	\$4000	\$5000	\$6000	\$7000	
1000	39	48	58	77	n/a	n/a	n/a	n/a	n/a	n/a
1626**	62	72	82	101	120	n/a	n/a	n/a	n/a	n/a
2000	77	87	96	115	134	154	n/a	n/a	n/a	n/a
3000	115	125	134	154	173	192	211	230	n/a	n/a
4000	154	163	173	192	211	230	249	268	287	287
5000	192	201	211	230	249	268	287	307	326	326
6000	230	240	249	268	287	307	326	345	364	364
7000	268	278	287	307	326	345	364	383	402	402
8000	307	316	326	345	364	383	402	421	440	440

*The above figures have been rounded up to the nearest dollar. They are based on the rate of Youth Allowance, Austudy payment or ABSTUDY

**This amount represents the maximum Pensioner Education Supplement entitlement for 2001

Category 2

If you have been excluded from receiving Youth Allowance or ABSTUDY Living Allowance because of the Parental Income or Family Actual Means Test, you may still be eligible for a Financial Supplement loan. A Category 2 loan of up to \$2000 per year is available if the adjusted parental income/family actual means is less than \$57,750 (the threshold for 2001). The adjusted parental income/family actual means tests include a concession for each dependent sibling in the family.

Students whose parents receive Family Tax Benefit for them are not eligible to receive a Category 2 loan.

You can take out a Financial Supplement loan of an amount between \$500 and the maximum amount shown on your Supplement Entitlement Notice, which will not be more than \$2000.

DO I HAVE TO PAY INTEREST ON A FINANCIAL SUPPLEMENT LOAN?

You do not pay the interest charged on a Financial Supplement loan by the Commonwealth Bank. This is paid for you by the Commonwealth Government.

However, an adjustment is made on 1 June each year to the **balance of your Financial Supplement loan**, starting the year after the loan is accepted. This is called indexation and takes account of increases in the cost of living as measured by the Consumer Price Index.

Centrelink will send you a statement in June each year showing the adjustment made to your debt (see page 24 for further details).

The following example shows the effect of the Consumer Price Index adjustment on a Financial Supplement loan.

Remember, if you are a Category 1 student you will be required to trade in (give up) Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement equivalent to one-half of the amount of Financial Supplement loan you choose to accept. The amount you trade in is repaid to you as part of your Financial Supplement loan and you will have to repay the full amount. For example, if you accept \$7000, you must trade in \$3500 and repay \$7000.

Example



Lee takes out a Financial Supplement loan of \$7000 in 2001. He does not make any repayments by 31 May 2002.

At 1 June 2002 his 2001 Financial Supplement loan balance will be adjusted for 2001 indexation.

Lee's 2001 Financial Supplement loan balance at 31 May 2002	\$7 000
Indexation added 1 June 2002 (3% ¹) (\$7000 x 0.03 = \$210)	<u>\$ 210</u>
Lee's Financial Supplement loan balance at 1 June 2002	\$7 210

Lee does not repay any of his Financial Supplement loan by 31 May 2003. On this date his Financial Supplement loan balance will still be \$7210.

At 1 June 2003 his 2001 Financial Supplement loan balance will be adjusted for 2003 indexation.

Lee's 2001 Financial Supplement loan balance at 31 May 2003	\$7 210
Indexation added at 1 June 2003 (3%) (\$7210 x 0.03 = \$216 ²)	<u>\$ 216</u>

Lee's 2001 Financial Supplement loan balance at 1 June 2003 \$7 426

Lee's loan balance will be indexed on 1 June each year until his loan balance has been fully repaid.

¹ For the purposes of this example an annual CPI adjustment of 3 per cent has been used. Actual CPI adjustments will vary and may be higher or lower than this.

² Cents are disregarded when calculating indexation adjustments.

HOW DO I REPAY A FINANCIAL SUPPLEMENT LOAN?

If you take out a Financial Supplement loan any time in 2001 you will not have to start compulsory repayments until at least July 2006. The period from the date you sign the application form to 31 May of the fifth year after the year for which the loan is paid is called the contract period. Voluntary repayments can be made at any time during the contract period, and will attract a bonus. Voluntary repayments within the contract period must be made to the Commonwealth Bank.

On 1 June of the fifth year, when the contract period has expired, the Commonwealth Government pays the Commonwealth Bank the amount you owe and you will then be required to make repayments to the Government through the taxation system.

Compulsory repayments commence only when your taxable income reaches average earnings. (Example: the threshold for repayment of 1993

to 1996 Financial Supplement loans for the 2000–01 income year is \$31 639, or \$603 a week).

The amount of your repayments for any year depends on your taxable income for that year.

Your annual repayment is calculated by the Australian Taxation Office and included in your income tax notice of assessment which is issued after you lodge your tax return. So, if you take out a Financial Supplement loan in 2001 and your taxable income in 2005–06 is more than average earnings for that year, your first compulsory repayment will be calculated when you lodge your taxation return in 2006.

The following table shows the current repayment rates.

Current (2000-01) Taxable Income Range Taxable income ranges are adjusted each income year in line with the changes in average earnings	Weekly Taxable Income	Repayment Rate
\$	\$	%
Below \$31 639	\$0-\$602.99	nil
\$31 639-\$35 954	\$603-\$685.99	2
\$35 955-\$50 339	\$686-\$961.99	3
\$50 340 and above	\$962 and above	4

If you take out Financial Supplement loans in more than one year, the loan balances are combined in your accumulated Financial Supplement debt once the loan contract periods expire. The repayment thresholds and rates stay the same, but it takes longer to repay the larger accumulated Financial Supplement debt.

If you are employed and have an accumulated Financial Supplement debt that has been transferred to the Australian Taxation Office, you may need to have additional amounts withheld from your pay under the Pay As You Go (PAYG) system. The additional amounts are to cover the anticipated compulsory repayment in your income tax notice of assessment. You must advise your payer (employer) of your Financial Supplement debt by completing a *TFN Declaration* when you commence employment, or a *Withholding Declaration* if you are already employed. Your payer will regularly withhold additional amounts once your taxable income is likely to reach the minimum repayment threshold.

The additional amounts withheld are not credited to your Financial Supplement account during the year, but are part of the total amount shown on your annual PAYG payment summary as 'tax withheld' and on your income tax notice of assessment. When you lodge your tax return, the Australian Taxation Office will calculate the amount of any compulsory Financial Supplement repayment. This will be shown as the Financial Supplement assessment debt on your income tax notice of assessment.

The person who signs the Student Financial Supplement Application and Agreement form is solely responsible for the repayment of the Financial Supplement loan. The loan cannot be transferred to a partner and the income level of the partner does not affect repayment obligations.

You do not have to make a repayment in respect of any income year that your taxable income falls below average earnings.

Category 1 students should remember that they will be required to repay the full amount of their Financial Supplement loan, including any Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement traded in.

The following example shows how the repayment arrangements work.

Example

In 2001 Stephen had a Financial Supplement loan of \$5000. He completed his studies in 2001 and started work in July 2002.

Financial year	Financial Supplement loan amount	Taxable income	Repayment rate	Repayment amount for that year
	\$	\$	%	\$
2002-03	During contract period—no compulsory repayment required			
2003-04	During contract period—no compulsory repayment required			
2004-05	During contract period—no compulsory repayment required			
2005-06	5 000	30 953	nil	nil
2006-07	5 000	32 200	2%	644
2007-08	4 356	30 031	nil	nil
2008-09	4 356	36 124	3%	1 083
2009-10	3 273	41 028	3%	1 230
2010-11	2 043	51 692	4%	2 043 (final repayment)

The repayment levels do not include the repayment of any deferred Higher Education Contribution Scheme (HECS) liability. Any HECS payment you are required to make will be on top of your Financial Supplement loan repayments.

NOTE: The repayment amounts stated in the above table have been calculated using the current repayment thresholds as shown in the table on page 11. These thresholds change from one income year to the next, dependent on average earnings at the time.

The table above shows the amount of Stephen's 2001 Financial Supplement loan and repayments required in subsequent years, if his annual taxable income increased as shown. In the table above the amounts are the loan amounts. They do not include the annual cost of living adjustment.

Voluntary repayments

You can make voluntary repayments of your Financial Supplement loan at any time after you begin to receive the Financial Supplement loan. However, you do not have to commence repaying the Financial Supplement loan until after the end of the contract period and then

only when your income reaches average earnings, as described on page 11. If you take out a loan in 2001, any repayments you **choose** to make **on or before 31 May 2006** will be regarded as voluntary repayments.

Any voluntary repayments you choose to make are given an increased value (a bonus). For example, a repayment of \$850 will reduce the balance of your Financial Supplement loan by \$1000. To repay your Financial Supplement loan in full within the contract period you need only repay 85 per cent of the total amount outstanding which includes any CPI adjustments. Centrelink will be able to tell you how much this is.

If you choose to make voluntary repayments to the Commonwealth Bank you cannot redraw on those repayments at a later date.

Voluntary early repayments within the contract period must be made directly to any branch of the Commonwealth Bank quoting your Financial Supplement loans account number.

If you take a Financial Supplement loan in more than one year you can choose which loan the voluntary repayment will be made against by quoting the relevant Financial Supplement loan account number to the Commonwealth Bank.

After the end of the contract period any outstanding amount of Financial Supplement loan is transferred to the Australian Taxation Office for collection through the taxation system. You may continue to make voluntary repayments, however they will not attract a bonus. Voluntary repayments after the end of the contract period must be made to the Australian Taxation Office.

WHAT SHOULD I CONSIDER WHEN DECIDING WHETHER TO TAKE OUT A FINANCIAL SUPPLEMENT LOAN?

A Financial Supplement loan gives you the option of accessing extra money at a time when you have limited income and need additional financial assistance to meet all your expenses.

However, taking out a Financial Supplement loan is an important decision and you should think carefully about whether it is the right option for you. Youth Allowance, Austudy payment and ABSTUDY recipients can earn up to \$236 gross (before tax) a fortnight without affecting their payment. If you earn over \$236 a fortnight, the extra earnings are deducted off your Income Bank balance. The Income Bank allows full-time students to earn extra money without any effect on Youth Allowance, Austudy payment or ABSTUDY. Below are some questions you might like to think about when considering whether to take out a Financial Supplement loan.

Do you really need extra money?

Preparing a budget can help establish whether you will need additional money during the year and, if so, how much. You might like to use the **Budget Planner** on page 17 to work out your income and expenses to see whether you really need extra money.

Is a loan the best option? Can extra money be obtained from other sources? Will your family give you financial help? Can you get a part-time or holiday job?

Will a Financial Supplement loan affect my Youth Allowance/Austudy payment/ABSTUDY/Pensioner Education Supplement?

To receive a Financial Supplement loan, students who receive Youth Allowance, Austudy payment, ABSTUDY Living Allowance or the Pensioner Education Supplement are required to trade in part of their income support entitlement. The amount you trade in or give up is paid to you as part of the loan, and is repayable. You should consider carefully whether you really wish to give up some of your entitlement for a loan e.g. if you have accepted a loan for \$7000 and traded in \$3500, you will receive \$7000 in loan payments, and you must repay \$7000.

Is a Financial Supplement loan a better choice than a commercial loan?

You will not have to trade in any of your income support entitlement to get a commercial loan. A commercial loan may require a guarantor or credit checks. Repayment of a commercial loan will usually commence after graduation, or earlier.

Your particular circumstances will help you determine which option is best for you.

Remember—a Financial Supplement loan is voluntary. The choice is yours.

Have you considered an advance payment of your Youth Allowance, Austudy payment or ABSTUDY?

Youth Allowance, Austudy payment and ABSTUDY customers may apply for a lump sum advance payment of up to \$500. Only one advance payment is payable in a 12 month period. The advance is recovered over a period of 13 fortnights from future Youth Allowance, Austudy payment and ABSTUDY payments. Recovery commences from the payday following the payment of the advance. For more information on advance payments please call Centrelink on 13 2490 (Youth Allowance/Austudy payment students) or 13 2317 (ABSTUDY students).

Will a Financial Supplement loan affect your taxation status?

Financial Supplement loans are not regarded as income for taxation purposes. You should contact the Australian Taxation Office on 13 2861 for information about any effect on deductions for self education expenses or your entitlement to a Beneficiary Rebate.

Before you decide to take out a Financial Supplement loan.

Before you decide whether or not to take out a Financial Supplement loan you should consider discussing the scheme with your family and/or campus financial adviser.

Remember that a 14 day cooling off period applies to the Financial Supplement loan (see page 20 of this Guide).

BUDGET PLANNER

INCOME

	ANNUAL TOTALS
1. Youth Allowance, Austudy payment, Pensioner Education Supplement or ABSTUDY, and Additional Payments (Rent Assistance, Pharmaceutical Allowance etc)	\$ _____
2. Net salary or wage (after tax): \$ _____ per week x _____ weeks	\$ _____
3. Other income \$ _____ per week x _____ weeks	\$ _____
TOTAL INCOME	\$ _____

EXPENSES

1. Direct education costs:

-Tuition Fees, books, course materials, etc	\$ _____
-Student Union	\$ _____
-Other: _____	\$ _____

2. Living costs:

-Rent/accommodation	\$ _____
-Food	\$ _____
-Clothing	\$ _____
-Gas/electricity	\$ _____
-Telephone	\$ _____
-Insurance	\$ _____
-Other: _____	\$ _____

3. Transport costs:

-Public Transport	\$ _____ per week x _____ weeks	\$ _____
-Car/motorcycle		\$ _____
-Registration (including compulsory insurance)		\$ _____
-Petrol	\$ _____ per week x _____ weeks	\$ _____
-Comprehensive or Third Party Property Damage Insurance		\$ _____
-Service/repairs (estimated on previous years' cost)		\$ _____
-Special costs (e.g. protective clothing, helmet, etc)		\$ _____
-Other (e.g. bicycle): _____		\$ _____

4. Any other costs:

Total of Items 1-4	\$ _____
Add 10% of Total Expenses Items 1-4 (to allow for unforeseen expenses)	\$ _____

TOTAL EXPENSES

DIFFERENCE BETWEEN TOTAL INCOME AND TOTAL EXPENSES (+ OR -)

\$ _____

HOW DO I APPLY?

If you have decided that a Financial Supplement loan is the best thing to do in your circumstances you need to work out how much you need. Check the maximum and minimum limits shown on your Supplement Entitlement Notice.

Complete a **Student Financial Supplement Application and Agreement form**—one is enclosed at the back of this booklet. The form is also available from your local Centrelink Customer Service Centre or your nearest Commonwealth Bank branch. Take the form and your Supplement Entitlement Notice to the Commonwealth Bank.

If this is the first time you have applied for the Financial Supplement loan you will be required to provide the bank with documents which prove your identity. These documents must total at least 100 points.

Acceptable documents include:

Form of identification	Point value
Supplement Entitlement Notice	25
Birth certificate, passport or citizenship certificate	70
Drivers licence, social security benefit card or Student Identification card	40
Letter from an employer (within the last two years) confirming your name and address	35
Credit/debit cards, passbooks or Medicare card	25

After your application has been accepted, a copy of your completed Application and Agreement form will be given to you by the bank.

Payment of Financial Supplement loan to students under 18 years of age

If you are a dependent Youth Allowance student under 18 years of age, your Financial Supplement loan instalments will normally be paid to your parent/s or guardian/s account as nominated on your Youth Allowance claim form. Your parents/guardians may elect to have Financial Supplement loan instalments paid directly to you.

When you turn 18 years of age you will need to provide Centrelink with details of your own bank account. Financial Supplement loan instalments will then be paid directly to you. This approach is consistent with payment of Youth Allowance to parents/guardians of students under 18 years of age.

Payment of the Financial Supplement loan to all students

To ensure that your Financial Supplement loan is paid into the correct account it is important that you do not confuse your Financial Supplement loan Account Number with your credit account number. All Financial Supplement loan payments will be **deposited** into your **credit account** (i.e. the account nominated by you) and **debited against** your **Financial Supplement loan account**.

You should receive your first Financial Supplement loan payment within four weeks of lodging your application. If you do not, contact Centrelink.

You can apply for a Financial Supplement loan each year if you are an eligible tertiary student. **A new Student Financial Supplement Application and Agreement form must be completed each year.**

Instalments of Financial Supplement loan may also be paid to a nominee on your behalf.

Please contact Centrelink for further information.

FOURTEEN DAY COOLING OFF PERIOD

All Financial Supplement loan contracts are subject to a 14 day cooling off period. The cooling off period allows you the opportunity to reconsider your decision to take out a Financial Supplement loan. The cooling off period starts on the first day of the contract period, which is the day the Commonwealth Bank accepts the application.

The cooling off period gives you the right to cancel your contract with the Commonwealth Bank within 14 days. To cancel the contract you must give written notice to the Commonwealth Bank that you are withdrawing your application for a Financial Supplement loan.

You also have the right to waive the 14 day cooling off period if you choose. When you lodge your completed Application and Agreement form with the Commonwealth Bank you will be asked if you wish to waive the right to cancel the contract within the 14 day cooling off period. If you decide to waive the cooling off period you will be asked to complete and sign the waiver portion of the Application and Agreement form.

If you wish the cooling off period to be applied, your application will be processed after the expiry date of the cooling off period. Payment of your Financial Supplement loan will commence on the first available Financial Supplement loan payday thereafter. This will usually be within one to three weeks of the expiry date of the cooling off period.

If you decide to waive the cooling off period, your application will be processed from the date of acceptance. Payment of your Financial Supplement loan will commence on the first available Financial Supplement loan payday. This will usually be within one to three weeks of the day you lodge your application with the Commonwealth Bank.

In either event you can still cancel your contract with the Commonwealth Bank before your first payment (see page 22).

IS THERE A CLOSING DATE?

You can apply for a Financial Supplement loan up to 31 December 2001, providing you have not finished or discontinued your studies. For a Category 1 loan, you must also be eligible for Youth Allowance, Austudy, Pensioner Education Supplement or ABSTUDY.

The amount of Financial Supplement loan you could receive may be affected by when you apply—see the 'key dates' in the table below. The date you lodge your application will be used to establish the payability period of your Financial Supplement loan.

Note: For continuing students your eligibility start date will be 1 January 2001.

If you apply for a Financial Supplement loan after 30 September, the payability period of your Financial Supplement loan will start from the day you lodge your claim with the Commonwealth Bank.

Your Supplement Entitlement Notice will tell you the maximum amount of Financial

Supplement loan you can get if you apply before the relevant key dates.

Once your application is processed, you may receive a back-pay of your Financial Supplement loan. The back-pay amount is the additional amount to which you are now entitled from 1 January 2001, or the start of your payability period (whichever is applicable). Part of your back-pay amount may include a tradeback amount (see page 7).

Type of course	If you lodge your Financial Supplement loan application...	Your Financial Supplement loan repayments will be backdated to...
Full year beginning before 1 April	by 31 May by 30 September	your eligibility start date 1 July
First semester only	by 31 May	your eligibility start date
Second semester only	by 30 September	your eligibility start date
Short courses (30 weeks or less) and you are a Category 2 customer	by the short course offer cut-off date shown on your Supplement Entitlement Notice	the beginning of your course

CAN I STOP OR CHANGE HOW MUCH I RECEIVE?

Cancelling your Financial Supplement loan

You can cancel your Financial Supplement loan at any time **before the date of your first payment**. To do this you must fill in a **Student Financial Supplement Request to Cease Payments** form, which is available at Commonwealth Bank branches, or write to the Commonwealth Bank where you lodged your application, quoting your Financial Supplement loan Account Number, and requesting that your Financial Supplement loan contract be cancelled.

It may take up to four weeks to process the request to cancel your Financial Supplement loan and restore your Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement payments to the level that you were receiving before you applied for a Financial Supplement loan.

If you are paid an amount of Financial Supplement loan after you have cancelled your loan, including where the loan has been cancelled during the cooling off period, the payment is deemed not to have been made if you repay that amount to the Commonwealth Bank within seven days.

Stopping your Financial Supplement loan

You can stop your Financial Supplement loan payments at any time during the year. To do this you must either fill in a **Student Financial Supplement Request to Cease Payments** form, which is available at Commonwealth Bank branches, or write to the Commonwealth Bank branch where you lodged your application quoting your Financial Supplement loan Account Number, and requesting that your Financial Supplement loan payments be stopped.

It may take up to four weeks for your Financial Supplement loan payments to cease. All of the money you receive as a Financial Supplement loan before payments stop must be repaid according to the repayment arrangements outlined on pages 11 to 14.

Increasing or decreasing your Financial Supplement loan

You can increase or decrease the amount of Financial Supplement loan you receive (within the limits shown on your Supplement Entitlement Notice) at any time during your eligibility period.

To do this complete a **Student Financial Supplement Variation to Application and Agreement** form, which is available at Commonwealth Bank branches, and lodge it at your nearest Commonwealth Bank branch. You should apply for the new total amount of Financial Supplement loan you wish to receive for the year.

For example: If you have previously arranged to receive \$1000 and you wish to receive an extra \$2000, you should apply for the total of \$3000.

It may take up to four weeks before the variation comes into effect.

Your Financial Supplement loan cannot be decreased to less than the amount you have already received during the current year. If it is reduced to the amount already received your Financial Supplement loan payments will cease automatically.

WILL I BE ADVISED HOW MUCH MY LOAN BALANCE IS?

If you take out a Financial Supplement loan in 2001 you will receive a statement in June 2002 from Centrelink which will set out details of your Financial Supplement loan balance as at 1 June 2002. The statement will show:

- the amount of Financial Supplement loan you received during 2001;
- any repayments you made prior to 1 June 2002 and the associated bonus amounts (see section on Voluntary repayments on page 13); and
- the Consumer Price Index adjustment applied to the amount outstanding at 1 June 2002.

Centrelink will issue statements in June each year until your Financial Supplement loan is repaid in full, or the loan balance is transferred to the Australian Taxation Office, whichever occurs first.

To ensure that you continue to receive the statements issued by Centrelink you should advise Centrelink immediately if you change your address during the five year contract period.

The Commonwealth Bank will send you a statement in January each year which will show the transactions relating to your Financial Supplement loan account. However, these statements will not include any bonus amounts applied to voluntary repayments, or show Consumer Price Index adjustments.

The Commonwealth Bank will also send a statement at the end of the five year contract period, advising of the amount that has been transferred to the Australian Taxation Office (ATO). However, as with all Commonwealth Bank statements for the loan, it will not include CPI adjustments or bonuses on voluntary repayments.

A student who has fully repaid a loan may still receive a statement advising that an amount has been transferred to the ATO, because the bonuses have not been taken into account.

Statements from Centrelink will show the correct balance. Contact Centrelink for any inquiries regarding statements.

WHAT ARE MY RESPONSIBILITIES?

When you sign the Student Financial Supplement Application and Agreement form you are entering into a binding contract with the Commonwealth Bank and are agreeing to all the conditions associated with the Financial Supplement loan. You must inform Centrelink within 14 days of any change in your circumstances which may affect your Financial Supplement loan entitlement. This must be done in writing.

Changes in circumstances which may affect your Financial Supplement loan entitlement include, but are not limited to:

- any change in your income;
- any change in your partner's income (if applicable);
- if you are a dependent student, any change in your parents' income where they previously provided an estimate;
- if you are a dependent student, any increase in your parents' financial year income of at least 25 per cent;
- withdrawing from or deferring a course;
- reducing your study workload to a point below the workload requirements for Youth Allowance, Austudy payment, ABSTUDY Living Allowance or Pensioner Education Supplement;
- change of address; and/or
- any change to the details of the account to which your Financial Supplement loan payments are credited.

After you advise Centrelink about your change of circumstances you will be advised if the amount of Financial Supplement loan you are eligible for has changed.

Centrelink may also contact you to confirm your continued eligibility for Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement. Failure to provide requested information may result in your payments, including your Financial Supplement loan payments, being suspended. If this occurs, there may be a delay in reinstating payments while your eligibility is re-established.

Failure to advise Centrelink of changes which affect your entitlement may be considered to be fraudulent and result in penalties such as the requirement to immediately repay part or all of your Financial Supplement loan, plus the interest amount paid by the Commonwealth Government to the Commonwealth Bank on your behalf.

You can appeal if you disagree with a decision regarding your eligibility for a Financial Supplement loan. The appeal procedures are the same as for Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement.

Please retain this Guide if you are taking out a Financial Supplement loan as a reference to the terms and conditions associated with your loan.

WHERE CAN I GET MORE INFORMATION?

If you would like more information on Youth Allowance, Austudy payment, ABSTUDY, Pensioner Education Supplement or the Financial Supplement loan contact Centrelink.

Telephone:

Youth Allowance, Austudy payment and Pensioner Education Supplement **13 2490**

ABSTUDY **13 2317**

Teletypewriter Service

Free service provided for people who are deaf or have a hearing or speech impairment (a teletypewriter phone is required to access this service) **FREECALL™ 1800 639 109***

Commonwealth Bank

Your nearest branch of the Commonwealth Bank can help you with lodging your Financial Supplement loan application.

Tell us what you think

We provide a number of ways for you to tell us what you think about our service so that we can make improvements in the areas that matter to you. These include talking to our staff, ringing Centrelink's Customer Relations Line on FREECALL™ 1800 050 004* (or Teletypewriter FREECALL™ 1800 000 567*), and filling out one of our comment cards.

We ask market research companies to do telephone surveys to ask you what you think of our service. To conduct the surveys we provide research companies with limited customer details in accordance with strict confidentiality guidelines. This information is destroyed after the survey is conducted.

Your comments are anonymous. Centrelink does not see your individual response. Although we greatly value all feedback you provide, you don't have to take part in any survey or feedback process if you don't want to. The choice is yours.

* Mobile telephones are charged at mobile phone rates.

Guide to the Student Financial Supplement Application and Agreement form

Acceptance of this form by the Bank will create a contract for a loan between you and the Commonwealth Bank of Australia.

Details of the amount of Student Financial Supplement you may obtain are shown on the Supplement Entitlement Notice received from Centrelink. To apply you must complete this Application and Agreement form and lodge it with a branch of the Commonwealth Bank of Australia (the Bank). You must also show the Bank your Supplement Entitlement Notice and proof of your identity.

Further information is available from the Student Financial Supplement Scheme - A Guide for Applicants booklet, copies of which are available from Centrelink offices.

Below is information which can help you complete each part of the form.

Branch Give the name of the Commonwealth Bank branch where you are lodging the form.

Given name/s/Surname Give your full name, including any middle names. Your surname should be printed last.

Marital status Tick the appropriate box.

Sex Tick the appropriate box.

Date of birth Give your date of birth, eg. 18/02/1978.

Telephone number This is the easiest way for us to contact you, include the STD code for your area.

Address Give the address to which you want correspondence to be mailed.

Benefit applied for Please tick the box that corresponds to the benefit for which you applied

Customer Reference Number Please provide your Customer Reference Number, which is shown on your Supplement Entitlement Notice

Account Details

Tick the box to indicate the account to which your loan payments are to be credited. The Commonwealth Bank is offering a new Streamline Express Account. If you wish to take advantage of this you need to complete the Bank's Streamline Express Account form. If you open a new account **the branch staff will fill in the account number.**

If you receive (any other) Youth Allowance, Austudy payment, ABSTUDY or Pensioner Education Supplement payments, and would like these to be credited to the new account, please contact your Centrelink office to request this.

Amount of dollars Write the sum of money you wish to borrow in figures (eg. \$500). The amount shown should not exceed the maximum offer shown in your Supplement Entitlement Notice.

Amount in words Write this same figure in words (ie. five hundred dollars).

Signature of student This form must be signed before the application may be accepted.

Cooling off period The cooling off period gives you the right to cancel the Financial Supplement contract with the Bank within 14 days of acceptance of this application. You may, however, choose to waive your right to this cooling off period.

If you wish to waive the right to the cooling off period, you need to complete the section of this form titled 'Waiver of Right to Cancel Contract' immediately **after** the Bank has accepted the application. **Processing for this application will commence from the date of acceptance.** Payments, which are made every second Wednesday, will normally start 1 to 3 weeks after this date.

If you wish the cooling off period to be applied, you do not need to complete the section of this form titled 'Waiver of Right to Cancel Contract'. **Processing for this application will commence from the expiry date of the cooling off period.** Payments, which are made every second Wednesday, will normally start 1 to 3 weeks after this date.