

# ABSTUDY Policy Manual 2002

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# Part 1: Introduction to ABSTUDY

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## 1.1 About The Manual

The ABSTUDY Policy Manual is divided into seven major parts. They are:

- [Part 1 - Introduction to ABSTUDY](#)
- [Part 2 - How to Apply for ABSTUDY](#)
- [Part 3 - Eligibility and Awards](#)
- [Part 4 - Study Requirements](#)
- [Part 5 - Student Status](#)
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In addition there are three appendices:

- [Appendix 1 - Standard Hostels Agreement](#)
- [Appendix 2 - Determination of Education Institutions and Courses – \(Determination No. 1999/2\)](#)
- [Appendix 3 - National Centre for Vocational Education Research Course Classifications](#)

## 1.2 Terms and Abbreviations

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

### A

#### **Abatement**

An abatement rate is a system of gradual reduction in assistance as individual (student), parental or partner income levels rise.

#### **Aboriginal or Torres Strait Islander**

An Australian Aboriginal or Torres Strait Islander person for ABSTUDY purposes, is one who:

- is of Aboriginal or Torres Strait Islander descent, and
- identifies as an Australian Aboriginal or Torres Strait Islander person, and

- is accepted as such by the community in which s/he lives or has lived.

**Note: The terms Indigenous, Aboriginal or Aboriginality are used throughout this manual to refer to both Australian Aboriginal and Torres Strait Islander people.**

## **ABSTUDY**

ABSTUDY is the Aboriginal and Torres Strait Islander Study Assistance Scheme. It has three components of assistance:

- Schooling;
- Tertiary; and
- Masters and Doctorate.

## **Additional Assistance**

Additional Assistance is financial assistance provided to the student which is over and above a student's normal entitlements where the student can provide evidence of extreme financial difficulties associated with education costs.

## **AECG/IECB**

The State and Territory Indigenous Education Consultative Body (IECB) is the committee of Aboriginal and Torres Strait Islander people established to provide advice on Aboriginal and Torres Strait Islander education matters to the relevant State and territory Minister for Education.

## **AEU**

See [Indigenous Education Unit](#).

## **AEP**

National Aboriginal and Torres Strait Islander Education Policy (AEP).

## **AFI**

Adjusted Family Income (AFI) is the parental income, after adjustments to take into account the number of children in the family, used in the parental income test to determine whether the student qualifies for a Living Allowance.

## **Age**

Age, for the purposes of determining the rate of Living Allowance (Basic Payment) on any day, is the student's actual age on that day.

## **AHL**

Aboriginal Hostels Limited (AHL) provides boarding facilities for Aboriginal and Torres Strait Islander students.

**AIC**

The Assistance for Isolated Children (AIC) Scheme provides distance education, boarding and second home allowances for primary and secondary students who have no reasonable daily access to appropriate Government schooling.

**Allowable Deductions**

Allowable deductions are amounts by which gross income may be reduced to obtain the income figure on which the income test is based.

**Allowable Income Limit**

The allowable income limit is the income threshold point at which Living Allowance starts to abate (reduce). Maximum Living Allowance is payable where student and parental or partner income is below the relevant allowable income limits.

**APA**

Australian Postgraduate Award (APA) scheme.

**API**

Adjusted Partner Income (API) is the partner income which applies to 21 year olds and over, after adjustments to take account of the number of children in the family, used in the partner income test to determine if the student qualifies for a Living Allowance.

**Applicant**

An applicant is a person who has lodged an ABSTUDY claim form with Centrelink. This is usually a parent/guardian or student.

**Approved Course**

An approved course is an academic programme for which ABSTUDY assistance is awarded.

**Approved Institution**

An approved institution is an institution which is registered by a State/ Territory accrediting authority and meets the requirements at [4.2.1.1](#) for Schooling Awards and [4.3.1.1](#) for Tertiary Awards.

**APS**

Australian Public Service (APS).

**Area Manager**

See [Centrelink Area Manager](#).

**Assessor**

See [Customer Service Officer](#).



**Asset test**

An asset test is the measure used to establish eligibility for Living Allowance - there are family and personal asset tests.

**ATO**

Australian Taxation Office (ATO).

**ASSPA**

**The Aboriginal Student Support and Parental Awareness (ASSPA) Programme, administered by DEST.**

**ASSPA Committee**

The ASSPA Committee is the committee formed for each school or school cluster to plan and run ASSPA activities.

**ATAS**

**The Aboriginal Tutorial Assistance Scheme (ATAS), administered by the Department of Education, Science and Training (DEST).**

**ATSIC**

Aboriginal and Torres Strait Islander Commission (ATSIC).

**Austudy Payment**

Austudy payment is the student assistance scheme administered by Centrelink for Australian students 25 years and over from 1 July 1988.

**Award**

An Award is an entitlement to specified benefits made under the ABSTUDY provisions unless otherwise stated.

**Away-From-Base Activities**

There are two broad categories of ABSTUDY away-from-base:

1. **Travel and accommodation for 'mixed-mode' courses** (a term used to describe courses delivered through a combination of distance education and face-to-face teaching for students who are based in their home communities and need time on campus.) Eligible ABSTUDY students have travel and accommodation costs paid for by the institution.
2. **Travel, accommodation and meals for special activities** such as field trips or practical placements essential for a course are paid by Centrelink in

advance or by reimbursement. The student may receive money to help meet meals and accommodation costs. This element of away-from-base remains unchanged. For this type of assistance students will still apply to Centrelink.

It is the first category of ABSTUDY away-from-base which has been transferred to the Indigenous Education Strategic Initiatives programme (IESIP) and is now IESIP away-from-base.

To simplify procedure for both students and institutions the funding is paid direct to the institutions for students in 'mixed-mode' courses to attend residential schools.

This means that eligible ABSTUDY students in mixed-mode courses do not need to apply to Centrelink for away-from-base activities but need to be enrolled in the 'mixed-mode' course to be eligible to apply for this assistance paid by the institution.

The institution will then be responsible for paying the accommodation and travel providers.

## **B**

### **Boarding Fees**

Boarding fees are fees charged for boarding costs (accommodation, meals, etc) for students living away from home.

**Note: These fees are distinguished from school fees for secondary students.**

### **Bridging Programme**

A bridging programme is a study programme conducted prior to the commencement of a formal award course, and is provided for particular types of disadvantaged students who need additional preparation prior to commencing the award course. Programmes which form part of a formal award course or for which credit will or may be given towards an award course are not considered to be bridging programmes.

## **C**

### **Centrelink**

Centrelink was set up to provide a wide range of Commonwealth Government Services to the Australian community. Centrelink delivers payments and services provided under ABSTUDY.

### **Centrelink Area Manager**

The Centrelink Area Manager is an officer who has responsibility for Centrelink Customer Service Centres in her/his administrative area.

### **Centrelink Customer Service Centre**

The Centrelink Customer Service Centre is the location for ABSTUDY form lodgement – the organisational units which are responsible for the assessment and processing of ABSTUDY claim forms and benefits.

### **Centrepay**

ABSTUDY customers can make use of Centrelink's Centrepay service which enables deductions from ABSTUDY entitlements, such as Living Allowance, Rent Assistance, Pharmaceutical Allowance and Remote Area allowance, to be directed to approved third parties in accordance with Centrelink/Centrepay Organisation Agreements.

### **CDEP**

The Community Development Employment Projects (CDEP) Scheme is a programme administered by ATSIC which enables Aboriginal and Torres Strait Islander communities and organisations to take control of their own community, economic and social development and to provide employment for people in their communities.

### **Coherent Course Sequence**

A workload concession for tertiary students studying two associated courses where one merges with or leads into the other course. See [4.4.2.1](#).

### **Continuing Students**

Continuing students are those students continuing study as a full-time student **without interruption** from the previous academic year.

**Note:** Continuing students aged 21 years or more who have been receiving the 1999 rate of the ABSTUDY living allowance will be maintained at the 1999 rate of living allowance until the completion of the course. Similarly, Pensioner Education Supplement recipients will be maintained at 1999 levels until the completion of their current course.

### **Current Income Concession**

Current income assessment is a concession available for students whose parents or partner experience a substantial drop in income from the previous financial year. They are therefore approved to be income tested on the basis of income for the current financial year.

### **Customer Service Officer**

A Customer Service Officer (CSO), previously known as an assessor, is an officer of Centrelink whose duty is to assess, organise and, as appropriate, approve payments under the student assistance schemes administered by Centrelink.

### **Cut-off Limit**

Cut-off limit is the amount immediately past the upper income limit for the income tests on personal (student) income, parental income, family actual means and partner income, beyond which Living Allowance is not payable.

## **D**

**DEST**

Commonwealth Department of Education, Science and Training (DEST).

**Delegate**

A delegate is a person to whom the Minister or the Secretary has delegated their authority. Such delegation gives that person the authority to make decisions (see list of ABSTUDY delegations [1.5.6](#)).

**Delegated Officer**

A delegated officer is an officer of Centrelink whose duty is to assess, organise and, as appropriate, approve payments under the student assistance schemes administered by Centrelink.

**Dependent Child**

A dependent child is a child who is:

- under 16 years of age;
- not receiving ABSTUDY, AIC, YA or Veteran's Children's Education Scheme benefits; and
- wholly or substantially dependent on her/his parents/guardian.

**Dependent Child Adjustment**

A dependent child adjustment is an amount that may be added to income in respect of other dependent children in a family for the purposes of the parental income test (see definitions of adjusted family income ([AFI](#)) and adjusted partner income ([API](#)), for 21 year old and over ).

**Dependent Partner**

For the purposes of ABSTUDY a dependent partner is a legal or de facto husband or wife who is wholly or substantially dependent on the student and there is a dependent child or dependent student. See also [Partner](#).

**Dependent Status**

A student is of dependent status if s/he:

- does not meet any of the criteria for independent status under ABSTUDY;
- is not in receipt of a pension; and
- is not in lawful custody.

**Dependent Student**

A dependent student is:

- aged 16 to 24 years, and

- in a full-time secondary or tertiary course approved for ABSTUDY, AIC or YA;
- not eligible for the independent rate of ABSTUDY or YA; and
- not receiving assistance from a Commonwealth education allowance other than ABSTUDY, AIC, YA or Veteran's Children's Education Scheme; or
- under 16 years of age, and
  - is receiving ABSTUDY, AIC, YA or Veteran's Children's Education Scheme; and
  - is not eligible for the independent student adjustment.

### **Dependent Student Adjustment**

Dependent student adjustment is an amount that may be subtracted from taxable income in respect of other dependent students for the purposes of the parental income test (see adjusted family income ([AFI](#)) and adjusted partner income ([API](#)), for 21 year olds and over).

### **DVA**

Commonwealth Department of Veterans' Affairs (DVA).

### **DVA Pensions**

DVA provides different types of pensions.

DVA Service Pension - full income support Living Allowances to returned service personnel and/or their dependants, for example on the grounds of age or permanent and total incapacity. A person cannot get ABSTUDY Living Allowance while receiving a service pension (s/he may qualify for Pensioner Education Supplement).

DVA Disability Pension - compensation-type payments for partial disability or health impairment related to war service. A DVA Disability Pension does not stop a student from getting an ABSTUDY Living Allowance.

The Veterans' Children Education Scheme (VCES) is a programme that provides financial and other benefits to student children (up to the age of 25) of veterans or members of the Armed Forces who meet certain specific disability conditions such as qualifying for disability pensions at the special rate (T&PI). Students who choose to take up the VCES benefits become ineligible for assistance under ABSTUDY.

## **E**

### **Enabling Courses**

An enabling course is a programme of study which provides bridging or supplementary education for the purpose of enabling a person from a designated disadvantaged group to undertake an award course. See [Appendix 2](#) for the Austudy

Determination of Courses - Schedules 1 and 2 for secondary enabling courses; Schedule 3 for tertiary enabling courses.

Students undertaking enabling courses are exempt from HECS. Programmes which form part of a formal award course for which credit will or may be given towards an award course are not considered to be enabling courses.

## F

### FaCS

The Department of Family and Community Services (FaCS).

### Family

See [Family Actual Means Test](#) definition.

For Compassionate Travel see [7.9.5.4.4](#).

For Additional Assistance family refers to a student's parent or partner; see definition of [Parent](#).

### Family Actual Means Test

Family Actual Means Test (FAMT) is a test applied to a dependent student whose parent is a designated parent (see Policy Manual [6.5.2](#)) for the FAMT. The expenditure and savings of all assessable family members are taken into account to determine the dependent student's rate of ABSTUDY.

### Fees for Secondary Students

Fees are those amounts charged by a government or non-government school or other institution for all students enrolled in a particular programme. These fees cover tuition, examinations, services and amenities.

Note: Such fees are distinguished from boarding fees.

### Foster Care

Foster care is where a student has been placed in substitute care through a State or Territory Department of Welfare or through legal process.

### Full-time Student

A full-time student is a student enrolled in and undertaking at least 75% of the accredited full-time workload for the course. A student may also be considered full-time for ABSTUDY purposes if s/he qualifies for a workload concession (see [4.4](#)).

## G

### Guardian

A guardian is a person who has assumed the financial and custodial responsibilities of a parent for a student.

## H

### **HECS**

Higher Education Contribution Scheme (HECS) is the scheme under which students pay part of the cost of their higher education. HECS payments depend on study load.

### **Homeless Student**

A homeless student is a student of at least the required minimum school leaving age for her/his State or Territory (see [5.5.1.3](#)) who is living away from the parental home because of serious risk to their physical or emotional health.

## I J K

### **IECB**

The State or Territory Indigenous Education Consultative Body (IECB) is the committee of Aboriginal (and where appropriate, Torres Strait Islander) people established to provide advice on Aboriginal and Torres Strait Islander education matters to the relevant State or Territory Minister for Education.

### **Income Bank**

An Income Bank allows a student to earn money during breaks from study without affecting their Living Allowance.

### **Income Test**

An income test is the measure used to establish eligibility for Living Allowance - there are student, parental and partner income tests.

### **Independent Status**

A student is of independent status if s/he meets at least one of the criteria for independence specified in [5.3](#).

### **Indigenous Education Strategic Initiative Programme (IESIP)**

Indigenous Education Strategic Initiatives Programme (IESIP) is the main source of supplementary assistance to government and non-government education providers to ensure Indigenous students achieve success in education. The primary objective for IESIP over the 1997-99 triennium is to achieve performances targets aimed at improving Indigenous education outcomes.

### **Indigenous Special Course**

An Indigenous special course is a course which is developed specifically for Australian Aboriginal and Torres Strait Islander students (see [4.1.1.2](#) for approval procedures).

### **Indigenous**

Indigenous means a member of the Indigenous race of Australia and includes a descendant of the Indigenous inhabitants of the Torres Strait Islands.

### **Indigenous Education Unit**

Indigenous Education Units (IEUs) are part of DEST and are responsible for the local administration and delivery of elements of the Indigenous Education Direct Assistance (IEDA) programme. These are the Aboriginal Tutorial Assistance Scheme (ATAS), Aboriginal Student Support and Parent Awareness (ASSPA) programme and the Vocational and Educational Guidance for Aboriginals Scheme (VEGAS).

## **L**

### **Late Starting Course**

A late starting course is not a short course, but starts between 1 April and 30 June or between 1 August and 31 December inclusive.

### **Lawful Custody**

A student is considered to be in lawful custody for ABSTUDY purposes if s/he is, for a period of more than two weeks, imprisoned or detained in a correctional institution, remand centre or youth training centre.

### **Living Allowance/ Basic Payment**

A term used by Centrelink which refers to ABSTUDY Living Allowance.

## **M**

### **Mainstream Course**

A mainstream course is a course which is developed for members of all sections of the Australian community. See [Appendix 2](#) for the Determination of Education Institutions and Courses (Determination No.1999/2) that also applies to all mainstream course approvals for ABSTUDY.

### **Minister**

The Minister is the Commonwealth Minister for Education, Science and Training.

### **Motor Vehicle Allowance (MVA)**

Where use of a private vehicle is necessary or appropriate, the Department of Family and Community Services rates will be used for ABSTUDY (see [7.9.4.10](#)).

## **N**

### **NEIS**

New Enterprise Incentive Scheme (NEIS).

### **Non-approved Course**

A non-approved course is a mainstream or Indigenous special course which is not approved for ABSTUDY assistance.



## O

### Orphan

An orphan is a person whose natural or adoptive (legal or traditional) parents are dead or legally missing and presumed dead.

## P Q

### Parent

A parent is a natural or adoptive (legal or traditional) parent, step parent, de facto partner of natural or adoptive parents with whom the student normally lives, and/or any other person who is fully or substantially responsible for the student (not including the de facto partner of the student) (also see [Guardian](#)). Does not include foster parents.

### Partner

For the purposes of ABSTUDY, partner means:

- a married husband or wife; or
- an unmarried person who is living with a person of the opposite sex in a de facto relationship:
  - which is of at least six months duration, or
  - there is a child in the relationship who is dependent on the student or the de facto partner.

### Part-time Student

A part-time student is a student who is enrolled in, and undertaking, an approved course but is not carrying a full-time workload.

### Payee

A payee is a person to whom ABSTUDY assistance is paid.

### Pensioner Education Supplement

The Pensioner Education Supplement (PES) is a benefit paid to students who continue to receive a FaCS or DVA pension during the period of study.

### Pensioner Student

A pensioner student is a student receiving a FaCS or DVA pension.

### Permanent Home

A permanent home is defined as follows:

Type of Student	Definition
-----------------	------------

Dependent	The place at which the student normally lives when not studying (prior to study and during vacations), usually with a parent or guardian.
Independent and Pensioner (for secondary and initial tertiary study)	The place where the student lived immediately prior to the commencement or recommencement of the approved course (for secondary studies and initial tertiary qualification only).
Independent and Pensioner (for further tertiary studies)	The place where the student is studying, that is the place to which the student has relocated for their studies.

### **Permanent Independent Status**

Permanent independent status is granted on the basis of a condition which cannot change in a way that will substantially affect the independence of a student.

### **Pharmaceutical Allowance**

The Pharmaceutical Allowance (PhA) is a payment for pensioner students who are incapacitated for study, to assist with the cost of pharmaceutical prescriptions under the Pharmaceutical Benefits Scheme.

## **R**

### **Relevant Period**

Generally the income test period applies to the period that the student is eligible to receive ABSTUDY assistance (see [Part 6 - Income and Rates](#)).

### **Remote Area Allowance**

The Remote Area Allowance (RAA) helps to meet additional costs associated with residence in remote areas. RAA makes a contribution towards some of the higher costs associated with living in particularly remote areas.

### **Reviewable Independent Status**

Reviewable independent status is granted on the basis of a condition which can change in a way that may substantially affect the independence of a student for ABSTUDY purposes.

## **S**

### **Scheme**

The Scheme is the Aboriginal and Torres Strait Islander Study Assistance Scheme (ABSTUDY).

### **School Fees Allowance**

School Fees Allowance is a benefit paid under ABSTUDY Schooling Awards to assist with the cost of school fees (see [7.8](#)).

### **School Term Allowance**

The School Term Allowance is a benefit intended to help meet the costs associated with equipping an under 16 year old student, living at home, for school (see [7.2](#)).

### **School Year**

The school year is the period in a calendar year which starts on the first day on which the school requires a student to attend her/his course and ends on the last day of required attendance for that course. The last day of the school year for a Year 12 student is the day of her/his final examination.

### **Short Course**

A short course is not more than 30 weeks in duration, ie the first and last days are not more than 30 weeks apart.

### **SHR**

Student Homeless Rate (SHR) is the rate of Living Allowance paid to students approved as independent under the ABSTUDY Homeless provisions (see [5.5](#)).

### **Special Assessment**

Special assessment is a concession allowing the parental/partner income test to be waived if the parent(s)/partner are, or become, dependent on certain Commonwealth Government assistance (see [6.3.3](#)).

### **State Care**

State care is where a student has been placed in substitute care through a State or Territory Department of Welfare or through legal process.

### **Student**

A student is a person whose ABSTUDY claim has been accepted by Centrelink.

### **Student Assistance Act**

The *Student Assistance Act 1973* is the legislation covering, among other things, ABSTUDY overpayment and recovery matters.

### **Supplementary Programme**

A supplementary programme is one which is provided for students subsequent to their commencement of a formal award course, and which is undertaken concurrently with that course. Such programmes provide supplementary teaching in the form of a separate, discrete programme. The supplementary programme is systematic, structured and aimed at addressing difficulties experienced by particular types of disadvantaged students undertaking the award course. Programmes which form part of a formal award course, or for which credit will or may be given towards an award course, are not considered to be supplementary programmes.

## **T U**

### **TAN**

Tax Assessment Notice (TAN).

### **TFN**

A Tax File Number (TFN) is usually required for:

- each student 16 years or older who applies for an allowance;
- the parents/guardians of dependent students; and
- the partner of students who are married/living in a de facto relationship.

Some exceptions apply (see [6.6.2.2](#)).

### **Travel Allowance**

Travel allowance entitlement is to cover cost of accommodation for students who are at a transit location or attending an Away-from-base activity. The Department of Employment, Workplace Relations and small Business has granted permission for DEST to use the Travel Allowance and Meal Allowance rates under the conditions of their subscription agreement for the purpose of ABSTUDY. (see [7.10.3.2.7](#) and [7.10.3.2.10](#))

### **Travel 'No Show'**

Travel 'no show' refers to authorised or chartered travel booked for a student who did not travel and did not advise Centrelink that the travel would not be undertaken.

## **V**

### **Vacation**

A short vacation is any one of the two or three major vacations (depending on the State or Territory) occurring between terms within a school year.

A long vacation is that which occurs between the end of one year and the commencement of the next.

## **W**

### **Waiver**

A waiver is a written request by a parent or a student to have all or part of an allowance to which s/he is entitled paid to another person or institution.

## **Y Z**

## **YHA**

Young Homeless Allowance (YHA) is an allowance paid by Centrelink on behalf of FaCS to homeless and unemployed youth.

## Youth Allowance

YA is an income support payment for young people regardless of whether they are studying, looking for work, training or are sick. A customer can go from study to training to job hunting without changing payments.

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## 1.3 What is ABSTUDY?

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## Introduction

This chapter provides an overview of the objectives of ABSTUDY and the types of assistance available.

### 1.3.1 Background

#### 1.3.1.1 Introduction of ABSTUDY

The Aboriginal Study Grants Scheme (ABSTUDY), the precursor to the current ABSTUDY scheme, was introduced in 1969 as part of the Commonwealth Government's commitment to implement special measures to assist Australian Aboriginal and Torres Strait Islander people to achieve their educational, social and economic objectives through financial assistance to study.

ABSTUDY became available to Indigenous students in tertiary studies from the beginning of the 1969 academic year in response to the lack of participation of Indigenous peoples in higher education. Eligible full-time students received a Living Allowance, with higher rates applying to married students and where there were dependent children. Compulsory course fees were also paid, as well as a book and equipment allowance. Travel costs were paid for students who needed to study away from home.

Initially, the Commonwealth government clearly identified that primary and secondary education was the responsibility of the States and Territories. However, it became evident during 1969 that many Indigenous students were not eligible for entry to tertiary education, and hence for ABSTUDY assistance, because of the gap between the cessation of compulsory schooling and normal commencement of post-secondary education. Because of the low numbers of Indigenous students staying at school past the compulsory period, the

scheme was extended during 1969 to mature age secondary students to enable them to advance to matriculation studies and to gain entry into a tertiary course.

To promote the participation of Aboriginal and Torres Strait Islanders in secondary education so that they were able to continue on to tertiary studies, the Aboriginal Secondary Grants Scheme (ABSEG) was introduced at the beginning of 1970. In 1973, ABSEG was extended by Government decision to include all Indigenous students attending secondary school. This decision recognised that these Indigenous students needed additional assistance and encouragement prior to leaving school to realise their educational potential, as it was evident that many did not undertake senior secondary studies.

Further developments were mainly in the post-secondary area with extension of entitlements to Indigenous students undertaking short courses, assistance with tutoring and eligibility for students undertaking studies by correspondence.

It became apparent that many Indigenous students wishing to undertake post-secondary courses often lacked the necessary educational preparation to undertake post-secondary studies in formal institutions. Family commitments also prevented many others from leaving isolated communities to pursue studies. The schemes were therefore broadened to provide a wider range of opportunities, both in education institutions and through specially arranged courses provided for groups of Indigenous students.

In 1975 and 1976, ABSTUDY was extended to enable special courses to be established for Aboriginal and Torres Strait Islanders in remote areas who did not have access to the usual range of education and training opportunities. Where local experts were not available to run these courses, specialist instructors were brought in to the local communities.

In 1988, the two schemes were amalgamated into the current Aboriginal and Torres Strait Islander Study Assistance Scheme (ABSTUDY) which has two components, ABSTUDY Tertiary and ABSTUDY Schooling. A major revamp of the ABSTUDY scheme was undertaken in 1989 and 1990 following the introduction of the National Aboriginal and Torres Strait Islander Education Policy (AEP).

In December 1998, the Government announced changes to ABSTUDY to take effect from 1 January 2000, which intended to help target ABSTUDY benefits to those students most in need of assistance, and to address particular educational disadvantages faced by these Indigenous students. The decisions reflect many of the concerns raised by the Indigenous community that the additional benefits available under YA were not available under ABSTUDY and that ABSTUDY be retained as a separate scheme.

The changes have brought ABSTUDY Living Allowance payments in alignment with those payable under YA for 16-20 year old students. Indigenous students aged 21 years and over became eligible for the Newstart rate which is a higher rate of payment than students in receipt of the YA or Austudy payment. Students over 21 years of age became subject to a more generous partner income test than is applied for Newstart recipients. The Pensioner Education Supplement is aligned with that payable under the *Social Security Act 1991*.

In addition, the alignment with YA meant that for the first time, all eligible Indigenous students would have access to the additional benefits, payable under the YA, of Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, where applicable. ABSTUDY recipients would also remain eligible for a range of supplementary benefits targeted to address particular disadvantages faced by Indigenous students not available to recipients under the YA or the new Austudy payment.

### **1.3.1.2 Government Commitment**

ABSTUDY represents a major component of the Government's commitment to Indigenous Education to:

- ensure Aboriginal and Torres Strait Islander involvement in educational decision making;
- provide equality of access for Aboriginal and Torres Strait Islander peoples to education services;
- raise the rates of Aboriginal and Torres Strait Islander participation in education to those for all Australians; and
- achieve equitable and appropriate educational outcomes for Aboriginal and Torres Strait Islander people.

## 1.3.2 Objectives of ABSTUDY

### 1.3.2.1 Objectives

The main objectives of the ABSTUDY policy are to:

- encourage Aboriginal and Torres Strait Islander people to take full advantage of the educational opportunities available;
- promote equity of educational opportunity; and
- improve educational outcomes.

### 1.3.2.2 Supporting Programmes

ABSTUDY is supported in its aims and objectives by the following National Aboriginal and Torres Strait Islander Education Policy (AEP) programmes which are administered by the Department of Education, Science and Training (DEST):

The Indigenous Education Direct Assistance (IEDA) programmes are;

The **Aboriginal Tutorial Assistance Scheme (ATAS)** is targeted at students requiring supplementary tutorial assistance. Indigenous students who are assessed as requiring additional assistance with their studies may receive assistance from a tutor, either individually or in a small group. Apart from the provision of tutors, ATAS funds may also be provided to Homework Centres where Indigenous school students can complete homework and study assignments.

The **Aboriginal Student Support and Parental Awareness (ASSPA)** programme provides funding to school-based parent committees with the aim of increasing the participation of parents in educational decision-making and enhancing educational opportunities for Aboriginal and Torres Strait Islander school students.

The **Vocational Education Guidance Assistance Scheme (VEGAS)** provides grants to sponsoring organisations to conduct projects for Indigenous students, their parents and prisoners in lawful custody which foster positive attitudes towards participation in education,

and which provide information to assist students to consider their options for further study and career.

Further information on the IEDA programmes is available from DEST [Indigenous Education Units \(IEUs\)](#).

Indigenous Education Strategic Initiatives Programme (IESIP) is the main source of supplementary assistance to government and non-government education providers to ensure Indigenous students achieve success in education. The primary objective for IESIP over the 2001-2004 quadrennium is to achieve performance targets aimed at improving Indigenous education outcomes.

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## 1.4 Policy Changes

### General

The 2002 ABSTUDY Policy manual has evolved from an ongoing review process during 2001 which has included:

- Analysis of Ministerial representations and of cases referred from Area Offices of Centrelink and DEST;
- Consultation between officers from DEST and Centrelink National Office;
- Integration of changes arising from the decisions announced in the Budget.

#### **Policy changes announced:**

- Students in receipt of the Long Tan Bursaries or School Based Apprenticeships are also eligible to receive ABSTUDY entitlements. (See Policy Manual [3.1.4.2.6](#) and [4.2.2.1.4](#). Any income directly received by students of Scholarship monies falls under the Student Income Test. (See Policy Manual [6.2.1.1](#)).

#### **ABSTUDY Policy Manual Reprint**

The ABSTUDY Policy Manual is now on line on the DEST internet site. It will be updated periodically. There is also a hard copy version of the ABSTUDY Policy Manual available for the year 2002.

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## 1.5 Administration

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-

## Introduction

This chapter provides information on the administration of ABSTUDY.

### 1.5.1 Authority for Decisions

#### 1.5.1.1 Ministerial Approval

The policy of ABSTUDY, set out in this manual known as the ABSTUDY Policy Manual, has the approval of the Minister for Education, Science and Training.

#### 1.5.1.2 Updates

Updates to the Policy Manual will be advised by DEST to Centrelink that will then advise its network. These may reflect:

- changes to ABSTUDY policy;
- clarifications of existing policy or procedures;
- additional information about existing ABSTUDY policy or procedures; and
- changes to assessment procedures in light of queries raised by Centrelink Customer Service Centres or others.

**Note: Updates to the Policy manual will be advised by DEST to Centrelink that will then advise its network.**

#### 1.5.1.3 Financial Controls

Payment procedures and practices for ABSTUDY benefits, unless otherwise specified, are to be carried out in accordance with the *Financial Management and Accountability Act 1997* and the *Finance Regulations* and *Finance Directions* of the Department of Finance and Administration.

#### 1.5.1.4 Overpayments and Recovery

Provisions relating to overpayments and recovery matters, including delegations to waive or recover student assistance debts, are authorised under the *Student Assistance Act 1973*.

#### 1.5.1.5 Delegations

Delegations should be carried out in accordance with the *Delegations Guidelines of Centrelink* and the ABSTUDY delegations listed at [1.5.6](#).

#### 1.5.1.6 Student Services

ABSTUDY eligibility and entitlement decisions are usually made by officers in Centrelink Customer Service Centres. ABSTUDY processing units located in the Centrelink Customer Service Centres are authorised to approve or reject claims for ABSTUDY assistance.

## **1.5.2 Who Administers ABSTUDY?**

### **1.5.2.1 Delivery of ABSTUDY**

ABSTUDY is administered and delivered by Centrelink.

ABSTUDY policy remains the responsibility of the Minister for Education, Science and Training and DEST.

### **1.5.2.2 Local Offices**

ABSTUDY services to customers at the local level, such as answering general enquiries and accepting forms, are provided by ABSTUDY processing units and other Centrelink Customer Service Centres. Customers in remote localities can also be assisted by Centrelink field officers.

### **1.5.2.3 Matters to Refer to National Support Office**

ABSTUDY processing unit managers may refer difficult cases to National Support Office at their discretion. These referrals are to be in writing.

## **1.5.3 Customer Obligations**

### **1.5.3.1 Correct Information**

It is an offence to provide false or misleading information in connection with ABSTUDY.

Students who provide false or misleading information may be prosecuted in a court of law.

Where a student's ABSTUDY is calculated on the basis of details about a parent or partner (eg, income particulars), that person can also be prosecuted for providing false or misleading information.

### **1.5.3.2 Notification of Changes**

Applicants and/or students must advise Centrelink within fourteen days of any situation that may change their ABSTUDY payments.

### **1.5.3.3 Debt Recovery and Compliance**

In fairness to all, it is important that ABSTUDY eligibility is checked carefully. Centrelink takes very seriously its responsibilities to make sure ABSTUDY is paid properly and to those most in need.

In addition to information and documentation required at the time of application, Centrelink conducts extensive checks on information provided by applicants. The *Student Assistance Act 1973* and *Data-Matching Programme (Assistance and Tax) Act 1990* gives Centrelink the power to check information relevant to ABSTUDY eligibility with:

- education institutions;

- employers; and
- other Government agencies, such as the Australian Taxation Office.

See further details in [1.5.3.4](#).

Centrelink's Compliance Units contact ABSTUDY customers during the year to check on any change of circumstances that could affect ABSTUDY. Additional special-purpose checks are conducted from time to time to investigate specific eligibility and entitlement aspects in more detail.

Centrelink actively encourages the reporting of any instances where abuse of ABSTUDY is suspected. Reports can be made to the Compliance Units. The accuracy of such reports is carefully investigated before action is taken.

Where unsolicited information is provided in writing, staff should refer the letter to:

- the Compliance Support Group, Compliance, Call Centres and Privacy; or
- the relevant Centrelink Customer Service Centre for forwarding to their local Compliance Unit.

### **1.5.3.4 Data-Matching Programme**

Under the *Data-Matching Programme (Assistance and Tax) Act 1990*, some information may be checked against information provided by other departments to prevent fraud and duplication of payments. These departments include:

- Australian Taxation Office;
- Department of Health and Aged Care;
- Department of Education, Science and Training;
- Department of Family and Community Services; and
- Department of Veterans' Affairs (DVA).

Eligibility for ABSTUDY may also be checked with:

- employers for work history and current earnings;
- education institutions for course and enrolment details;
- financial institutions for account details;
- other areas of Centrelink; and
- other Commonwealth departments.

## **1.5.4 Claims from Staff or Family**

### **1.5.4.1 Background**

Centrelink is concerned to ensure that the assessment of claims from staff members or their families should avoid any conflict of interest and appearance of more or less favourable treatment or any suggestion that staff use their own expert knowledge to their own or a family member's advantage.

Where a claim is received from a staff member or from an officer's family member, procedures are necessary to ensure that the claim is treated fairly and in accordance with the processes applying to all other students. The following procedures in no way question or raise doubt about the integrity of individual staff members.

#### **1.5.4.2 Claim by a Member of Staff or Family Member**

Where a staff member submits a claim to the Centrelink Customer Service Centre in which s/he works, or is aware that an immediate family member, friend or person residing at the same address has done so, then:

- the staff member should notify the Centrelink Manager of the existence of the claim as soon as it is lodged;
- the staff member must not, in any way, take part in the processing or any subsequent reassessment of the claim;
- the assessment of the claim is to be endorsed by the Manager; and
- for the balance of the year, the Manager is to hold the claim in a secure place, separate from other claims held in the office.

#### **1.5.4.3 Claim from a Centrelink Manager or Family Member**

Where a Centrelink Manager submits a claim to the Centrelink Customer Service Centre which s/he manages, or is aware that an immediate family member, friend or person residing at the same address has done so, then:

- the Centrelink Manager must notify the Centrelink Area Manager, of the existence of the claim as soon as it is lodged;
- the Centrelink Manager must not, in any way, take part in the processing or any subsequent reassessment of the claim;
- the assessment of the claim is to be endorsed by the Area Manager; and
- for the balance of the year, the claim should be held in a secure place by another senior Centrelink Customer Service Officer, separate from other claims held in the office.

#### **1.5.4.4 Claim from Area, NSO or DEST Staff or Family Member**

Centrelink Area Managers and National Support Office, Student Assistance Operations staff and DEST Indigenous Education Branch staff should advise the Head of the Youth and

Student Customer Segment of the existence of claims from themselves or members of their immediate family.

## **1.5.5 Officer Responsibilities**

### **1.5.5.1 Advising Members of the Public - Duty of Care**

Staff must take the utmost care when providing members of the public with information or advice regarding ABSTUDY eligibility and entitlement.

A formal decision about ABSTUDY can only be made after assessment of the full claim. This should be made clear to clients seeking information over the counter or by telephone.

Encourage students to apply for ABSTUDY if any doubt exists about whether they qualify for assistance. This will allow the claim to be assessed fully.

See '*Essentials Booklet No.3 - APS Values and Standards of Conduct*' for more information concerning Duty of Care. It provides further details relating to the provision of advice and information.

### **1.5.5.2 Other Enquiries**

Enquiries regarding matters not administered by Centrelink, eg taxation matters, should be referred to the authorities concerned.

### **1.5.5.3 Freedom of Information**

The public may request access under the *Freedom of Information Act 1982* to all documents created or held by Centrelink or DEST for the purposes of managing the 2002 ABSTUDY Policy Manual. The Act contains several provisions which exempt certain categories of documents from release.

### **1.5.5.4 The *Privacy Act***

The *Privacy Act 1988* requires that officers must at all times strictly observe confidentiality of information provided to the Department and Centrelink in connection with any ABSTUDY claim.

Personal information provided by ABSTUDY students or persons whose circumstances affect ABSTUDY assessment must not be released, other than:

- to verify ABSTUDY eligibility and entitlement;
- where a legal requirement exists for the information to be released;
- for the enforcement of criminal law; or
- with the consent of the person who provided the information.

### **1.5.5.5 *Privacy Act* - Third Parties**

Information provided by third parties in connection with any ABSTUDY claim should not be released to another person, including the applicant, unless:

- it is understood by the third party who supplied the information that the information is likely to be released to the applicant;
- release is directed under a Freedom of Information request; or
- the third party consents to the release of the information.

### **1.5.5.6 Referral to Other Authorities**

An officer may, in the process of approving the Student Homeless Rate (SHR), receive advice of the following:

- sexual harassment;
- domestic violence;
- extreme family breakdown; or
- other similar unreasonable circumstances.

If the student reports the situation first to Centrelink, s/he should be advised:

- that a suitable counsellor or organisation should be approached for professional support and assessment; and
- of the legal requirements of the State/Territory in respect of reporting sexual and incestuous harassment and/or domestic violence.

If it is subsequently established that the student has been subject to incestuous harassment and there is no legal compulsion for reporting to State/Territory authorities, the matter is to be referred only with express written permission of the student.

### **1.5.5.7 Claims Involving Possible Criminal Activities**

Claims involving possible criminal activities should be treated with particular caution. If the student's claim cannot be verified without contacting the Federal or State/Territory Authorities, the case should be referred to the delegate to determine whether such contact is necessary to support the student's claim, for example to obtain information on criminal convictions recorded against the family member concerned.

## **1.5.6 Delegations**

### **1.5.6.1 Delegations Instrument**

The ABSTUDY [Instrument of Authorisation](#) is shown.

### **1.5.6.2 Table 1 of the Schedule**

Table 1 of the Schedule to the ABSTUDY Authorisation identifies the delegations attached to functional areas and levels.

### 1.5.6.3 Table 2 of the Schedule

Table 2 of the Schedule to the ABSTUDY Authorisation identifies delegated powers.

#### THE SCHEDULE

### TABLE 1 – Delegations and Limitations

COLUMN 1	COLUMN 2			
Functional Area and Level	Reference Category			
	ABSTUDY1	ABSTUDY2	ABSTUDY3	ABSTUDY4
<b>National Support Office</b>				
Chief Executive Officer	LAF	LAF	LAF	LAF
<b>Youth and Student Customer Segment</b>				
National Manager	LAF	LAF	LAF	LAF
Centrelink 4 pay points 3 and above	LAF	LAF	LAF	LAF
Centrelink 4 pay points 1 and 2	LAF	LAF	LAF	LAF
Centrelink 3 pay points 4 and above	SL	SL	SL	LAF
Centrelink 3 pay points 3 and below	SL	SL	NA	NA
Centrelink 2 pay points 5 and above	SL	NA	NA	NA
<b>Youth and Student Service Integration Shop</b>				
Centrelink 4 pay points 3 and above	LAF	LAF	LAF	LAF
Centrelink 4 pay points 1 and 2	LAF	LAF	LAF	LAF
Centrelink 3 pay points 4 and above	SL	SL	SL	LAF
Centrelink 3 pay points 3 and below	SL	SL	NA	NA
Centrelink 2 pay points 5 and above	SL	NA	NA	NA
<b>ABSTUDY Processing Units</b>				
Youth and Student Manager ABSTUDY Manager/OIC/ Executive Officer - Centrelink 4 pay points 1 and 2 Centrelink 3 pay points 4 and above	LAF	LAF	LAF	LAF
Centrelink 3 pay points 3 and below	SL	SL	SL	NA
Centrelink 2 pay points 5 and above	SL	SL	NA	NA
Centrelink 2 pay points 4 and below	SL	NA	NA	NA



**Notes: LAF means Limit of Available Funds  
 SL means Scheme Limits  
 NA means not authorised for any level of expenditure**

**Note: Only the Area Manager can approve Additional Assistance.**

**TABLE 2 Limitations Applying to Reference Categories**

Reference Category	Limitation on Powers
ABSTUDY 1	<p>Power to grant ABSTUDY, <b>excluding</b> the following:</p> <ul style="list-style-type: none"> <li>• Approve advance payments</li> <li>• Review and rule on queries about Aboriginality of student</li> <li>• Approve workload concession based on coherent course sequence</li> <li>• Approve disability workload concession</li> <li>• Approve illness and injury concession to normal workload requirements</li> <li>• Approve extension of time to complete course</li> <li>• Approve reviewable independent status</li> <li>• Approve away from home rate for secondary students</li> <li>• Approve away from home rate on the grounds of home conditions</li> <li>• Determine whether boarding costs are reasonable</li> <li>• Approve transfer of unused school fees to cover excess boarding costs</li> <li>• Approve payment of the Under 16 Boarding Supplement</li> <li>• Approve Masters and Doctorate Award Relocation Allowance</li> <li>• Approve assistance under Students in Lawful Custody Award</li> <li>• Approve Additional Incidentals Allowance</li> <li>• Approve compassionate travel</li> <li>• Approve orientation, supervisor and education institution representative travel</li> <li>• Approve claim of "no show" penalty</li> <li>• Approve Away-from-base submissions</li> <li>• Approve bulk funded Away-from-base allowances</li> <li>• Approve additional assistance</li> <li>• Approve Student Homeless Rate</li> <li>• Completion of hostel contracts</li> </ul>

<p>ABSTUDY 2</p>	<p>Power to grant ABSTUDY <b>excluding</b> the following:</p> <ul style="list-style-type: none"> <li>• Review and rule on queries about the Aboriginality of a student</li> <li>• Approve extension of time to complete course</li> <li>• Determine whether boarding costs are reasonable</li> <li>• Approve payment of the Under 16 Boarding Supplement</li> <li>• Approve Additional Incidentals Allowance</li> <li>• Approve compassionate travel</li> <li>• Approve claim of "no show" penalty</li> <li>• Approve Away-from-base submissions</li> <li>• Approve bulk funded Away-from-base allowances</li> <li>• Approve additional assistance</li> <li>• Approve Student Homeless Rate</li> <li>• Completion of hostel contracts</li> </ul>
<p>ABSTUDY 3</p>	<p>Power to grant ABSTUDY <b>excluding</b> the following:</p> <ul style="list-style-type: none"> <li>• Review and rule on queries about the Aboriginality of a student</li> <li>• Approve bulk funded Away-from-base allowances</li> <li>• Approve additional assistance</li> <li>• Completion of hostel contracts</li> </ul>
<p>ABSTUDY 4</p>	<p>Power to grant ABSTUDY <b>excluding</b> the following:</p> <ul style="list-style-type: none"> <li>• Approve additional assistance</li> </ul>

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## 1.6 Reviews and Appeals

- [1.6.1 Reviews](#)
  - [1.6.1.1 Reviews](#)
  - [1.6.1.2 Rights of Review](#)
  - [1.6.1.3 Variance or Confirmation of Original Decision](#)
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- 1.6.2 Appeals
  - 1.6.2.1 Appeals to the Minister
  - 1.6.2.2 Right to Appeal Debt Recovery Decision
  - 1.6.2.3 Types of Debt Recovery Decisions
  - 1.6.2.4 Waiver of Debt
  - 1.6.2.5 Legislation

## 1.6.1 Reviews

### 1.6.1.1 Reviews

Applicants, or students on whose behalf claims have been made, may request in writing to the Centrelink Manager that any decision affecting their eligibility or entitlement for ABSTUDY benefits, including the ABSTUDY Supplement, be reviewed.

### 1.6.1.2 Rights of Review

An applicant's rights of review regarding an **assessment** decision differ to those relating to matters of **debt recovery**.

Rights of review regarding assessment decisions are set out in 1.6.1.4 below, while debt recovery decisions are made under the provisions of the *Student Assistance Act 1973* (see 1.6.2.2 to 1.6.2.5).

### 1.6.1.3 Variance or Confirmation of Original Decision

If the original decision is varied, any benefit withheld and now payable is to be paid retrospectively from the effective date and the customer advised in writing.

If the original decision is upheld, the applicant must be advised in writing. The reply should:

- explain the reasons for the decision,
- set out the findings by the authorised officer on material questions of fact,
- include a copy of the relevant part(s) of the ABSTUDY Policy Manual and/or SAA legislation, and
- provide advice on further appeal provisions.

**Note: When referring to the Centrelink Customer Service Officer carrying out such a review, the appropriate terminology is 'Authorised Officer'. Where the notice of decision also refers to recovery (or waiver) of a resulting overpayment, reference should be made to the decision of the 'Delegate of the Chief Executive Officer' (see 1.6.2.2).**

### 1.6.1.4 Rights of Appeal

Where an authorised officer, in reviewing a decision, upholds the original decision, the student or applicant should be informed of her/his right to appeal.

Appeals about assessment should be addressed to the responsible Minister (see [1.6.2.1](#)).

Appeals about debt recovery should be directed to the Social Security Appeals Tribunal (SSAT) (see [1.6.2.2](#)).

## 1.6.2 Appeals

### 1.6.2.1 Appeals to the Minister

If students or applicants are not satisfied with a review by the delegate, they (or an agent acting on her/his behalf) may appeal in writing to the Minister about any Centrelink decision affecting their entitlements, including ABSTUDY Supplement. The relevant Minister is:

Dr Brendan Nelson  
Minister for Education, Science and Training  
Parliament House  
CANBERRA ACT 2600.

In general, the grounds for appeal are that:

- the decision being appealed against was contrary to ABSTUDY provisions; or
- the circumstances of the case meet the intention but not the letter of the ABSTUDY Policy Manual.

### 1.6.2.2 Right to Appeal Debt Recovery Decision

ABSTUDY debt recovery decisions are made under the provisions of the (*Student Assistance Act 1973*). Customers who are dissatisfied with a **debt recovery** decision may apply for a review of the decision by a delegate. If they are dissatisfied with the outcome, they can apply to the Social Security Appeals Tribunal (SSAT) for a review of the decision. If they are not satisfied with the SSAT decision, they can apply to the Administrative Appeals Tribunal (AAT).

Following a review of the original decision, appeals to the SSAT or the AAT may be lodged directly with the Tribunals or through Centrelink. (Brochures for appeal to the SSAT are provided with the review of decision by Centrelink where that review has been unfavourable to the client.)

Since 1999, the Federal Court and the Full Federal Court decisions have provided that the SSAT and AAT may review a decision by the Secretary of DEST to recover a debt under the ABSTUDY Scheme (under the *Student Assistance Act 1973*) and also to review the decision to raise and recover the debt, including the reasons for raising the debt and the quantum of the debt. The SSAT and AAT under subsection 42(3) of the Act may not review the decision by the Secretary to issue a garnishee order against a third party in order to recover the debt. If a student is questioning a decision about her/his eligibility for ABSTUDY, the procedures outlined in [1.6.1](#) and [1.6.2.1](#) are to be followed.

**Note: When referring to the Centrelink Customer Service Officer carrying out a review relating to debt recovery, the appropriate terminology is 'Delegate of the Chief Executive Officer'.**

### 1.6.2.3 Types of Debt Recovery Decisions

Decisions about recovering a debt, which are made by delegates in the Debt Recovery Units, include:

- the setting of rates for withholding from current entitlement;
- garnisheeing bank accounts and wages;
- writing off or waiving a debt; and
- imposing late payment charges and/or interest.

### 1.6.2.4 Waiver of Debt

A debt can be waived under conditions set out in the *Student Assistance Act 1973* legislation. These include:

- administrative error by Centrelink, where:
  - this is the sole cause of the overpayment, and the person has received the money in good faith; and
  - the debt was not raised within six weeks of the person notifying a change in circumstance which affects her/his entitlement;
- waiver of the balance of a debt under certain conditions where 80% has been repaid;
- where special circumstances of an unusual nature affect the person's capacity to repay; and
- waiver of part of a debt in satisfaction of the whole debt.

Decisions on administrative error waiver and waiver in special circumstances are made by the Centrelink Manager. Other waiver decisions are usually made by Debt Recovery officers.

### 1.6.2.5 Legislation

The relevant legislation is contained in the *Student Assistance Act 1973*:

#### **for debt recovery**

- s.39A – regarding payment by instalments
- s.40 – regarding applying interest and late payment charge
- s.41 – regarding removing penalty charges
- s.42 – regarding debt and garnishee
- s.43 – regarding writing off debts
- s.43A-43F – regarding waiver of debts, and
- s.343-345 – regarding obtaining information; and

**for review of decisions see** Part 9 (sections 302 to 334 inclusive)

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## Introduction

Applications for ABSTUDY are made on one of five claim forms, by either the student, a parent/guardian or an interim applicant. Interim claims may only be accepted in limited circumstances (see Policy Manual - [2.1.1.3](#)). Lodgement of claims can be made at a Centrelink Student Services office or any other Centrelink Customer Service Centre. This chapter provides details relating to claims for ABSTUDY.

### Integrity of Information

All information provided by the applicant on the claim form must be true and accurate.

### False or Misleading Information

Customer Service Officers (CSO)s, previously known as assessors are to be alert to cases where it appears that an applicant has knowingly provided false or misleading information. In such circumstances the local guidelines regarding referrals to the local Compliance Unit should be followed.

### Penalty

The applicant is warned when signing the claim form of the penalties that may be imposed under the *Student Assistance Act 1973* for a person who knowingly gives false and misleading information. The penalties range up to a \$6,000 fine, imprisonment for 12 months, or both.

## 2.1.1 Who Should be the Applicant?

There are three types of acceptable applicants for ABSTUDY. They are:

- students;
- parents or guardians; and
- interim applicants.

This topic covers each of these groups individually.

## 2.1.1.1 Student and Parent/Guardian Applicant

### 2.1.1.1.1 Eligibility to Apply - Student

The student may be the applicant for ABSTUDY assistance if the student is:

- a school student and will be 16 years of age or over in the year of assistance;
- a school student and meets one of the independent status criteria;
- applying for tertiary or postgraduate study; or
- receiving a Commonwealth Government pension, eg Sole Parent Pension or Disability Support Pension, etc.

### 2.1.1.1.2 Eligibility to Apply - Other Person

For school students other than those specified above, an ABSTUDY claim form is to be completed by the person who has the responsibility for care and maintenance of the student and with whom the student normally lives. The applicant will be:

- either of the student's natural or adoptive parents, where the student lives with the natural or adoptive parents;
- the natural or adoptive parent with whom the student lives, where the student's natural or adoptive parents are separated and the student lives with one of them;
- a guardian, where responsibility for the student's care has been assumed by a guardian with whom the student normally lives;
- the foster parent, guardian or parent(s) as appropriate (see the three dot points above), where the student is in State care but placed in the care of foster parent, guardian or parent(s);
- an appropriate responsible officer of the relevant State/Territory authority, where the student is in government care and is living in an institution; or
- where the student would, but for reasons of age, qualify as an orphan or as a homeless student and is in the care of a person or institution, that person or an official of that institution.

**Note: Income details will not be required from such an applicant.**

## 2.1.1.2 Disputed Responsibility

### 2.1.1.2.1 Doubt as to who has Responsibility

Where more than one person has applied for ABSTUDY on behalf of a student or there is doubt as to who is the parent/guardian, investigations will be carried out with:

- both people, and/or
- with the applicants' knowledge, an independent authority such as a school or welfare worker,

to determine who is the most suitable person to apply. Advice may also be sought from the student.

#### 2.1.1.2.2 Considerations in Determining Applicant

The following should be considered in determining who is the most suitable person to apply:

- whether the student lives with the applicant and has done so in the last twelve months;
- whether the student lives with the applicant during vacations;
- who is responsible for the care of the student, eg providing food and shelter;
- who contributes regularly and significantly to the student's living and education costs;
- who receives Family Payment or other allowances in respect of the student; and/or
- who has been awarded custody of the student.

#### 2.1.1.2.3 Action During Year

Where doubt is raised through the year as to who is in fact the parent/guardian, the above should be considered and the student's file documented. Appropriate action should then be taken if necessary.

### **2.1.1.3 Interim Applicant**

#### **2.1.1.3.1 Eligibility to Apply**

An interim claim on behalf of a student can be accepted where:

- the student or person who would normally apply on behalf of the student is not able to submit a claim because of exceptional circumstances, such as serious illness;
- the person who submits the interim claim has temporary care of the student, is able to make an informed declaration about the student's Aboriginality and is prepared to accept ABSTUDY conditions; and
- Centrelink Student Services has no reason to believe that by accepting an interim claim it is not following the wishes of the student or parent/long-term guardian in respect of the student's schooling.

**Note: Interim claims can only be accepted when the interim applicant has the student in their care temporarily. Interim claims will not be accepted from a school or school official, except in the circumstances outlined in 2.1.1.3.2 below.**

#### 2.1.1.3.2 Circumstances when Interim Claims can be Accepted From Boarding Schools

Interim claims can be accepted from boarding schools only in the following circumstances:

- the student is from a remote location in the same State/Territory as the boarding school;
- the claim is lodged in Term 1;
- the boarding school accepts responsibility for obtaining a full claim from the student's parent/guardian; and
- the institution accepts responsibility for the student's boarding and tuition fees where a complete claim is not subsequently lodged by the student's parent/guardian.

Where the above circumstances are met, only Fares Allowance for Terms 1 and 2 one and two can be approved. Where a full claim from the student's parent/guardian has not been received by the end of Term 2, no further Fares Allowance is to be approved.

#### 2.1.1.3.3 Approval of Entitlements

Where an interim claim has been accepted:

- the delegate may, based on available information, approve only ABSTUDY non-income tested allowances; and
- a new claim must be lodged as soon as possible by the appropriate person.

## 2.1.2 Claim Forms

To apply for ABSTUDY assistance, an ABSTUDY claim form must be completed. This topic covers the different types of forms available and when you should use each of them.

### 2.1.2.1 The Claim Forms

#### 2.1.2.1.1 Five Types of Form

There are five claim forms to cover particular circumstances - for new students, including specific forms for pensioner students, students in lawful custody and students undertaking testing and assessment programmes. They are:

- ABSTUDY Schooling A Claim Form,
- ABSTUDY Claim Form,
- ABSTUDY Pensioner Student Claim Form,

- ABSTUDY Student in Lawful Custody Claim Form, and
- ABSTUDY Testing and Assessment Claim Form.

The function of each of these forms is explained below.

#### 2.1.2.1.2 ABSTUDY Schooling A Claim Form

The ABSTUDY Schooling A Claim Form is for students who, in the year for which they are applying, are:

- Secondary school students under 15 years old or turning 15 years of age in 2002, or
- Primary school students aged 14 years at 1 January 2002.

**Note: Schooling A continuing students will not be required to complete a new Claim Form. These students will receive a letter from Centrelink requesting further details and acceptance of Schooling A payment.**

#### 2.1.2.1.3 ABSTUDY Claim Form

The ABSTUDY Claim Form is for:

- Secondary or primary students who, during 2002, are or will be 16 years of age or older;
- dependent secondary students younger than 16 years old and living away from home;
- secondary students claiming independent status;
- tertiary students; or
- postgraduate students, including applicants for the Masters and Doctorate Award.

#### 2.1.2.1.4 ABSTUDY Pensioner Student Claim Form

The ABSTUDY Pensioner Student Claim Form is for new pensioner students. It is a shortened version of the ABSTUDY Claim Form as pensioners are required to provide less information. Pensioner students may also use the ABSTUDY Claim Form.

#### 2.1.2.1.5 ABSTUDY Students in Lawful Custody Claim Form

The ABSTUDY Students in Lawful Custody Claim Form is for students who are currently in lawful custody. It is a shortened version of the ABSTUDY Claim Form as students in lawful custody are required to provide less information. Students in lawful custody may also use the ABSTUDY Claim Form.

#### 2.1.2.1.6 ABSTUDY Testing and Assessment Claim Form

The ABSTUDY Testing and Assessment Claim Form is for applicants applying for funding to participate in a testing and assessment programme such as an interview or selection test

conducted by a tertiary education institution. Applicants may also use the ABSTUDY Claim Form.

#### 2.1.2.1.7 Which form when?

This table summarises the information given on the previous two pages.

If applying for...	and the student is...	then use...
Primary school study	aged 14 years at 1 January and under 16 years throughout 2002	Schooling A Claim Form
	aged 14 years and under 16 years old throughout 2002 and living away from home	
	aged 16 years or older	ABSTUDY Claim Form
Secondary school study	under 16 years old throughout 2002 and living at home	Schooling A Claim Form
	under 16 years and living away from home	ABSTUDY Claim Form
	aged 16 years or older	
	claiming independent status	
	a pensioner commencing a new course	Pensioner Student Claim Form*
in lawful custody	Student in Lawful Custody Claim Form *	
Testing and assessment programme	travelling away from permanent home to attend a selection test or interview for entry into a tertiary course	Testing and Assessment Claim Form *
Tertiary or Postgraduate study	at least of State/Territory school leaving age	ABSTUDY Claim Form
	a pensioner commencing a new course	Pensioner Student Claim Form*
	a student in lawful custody	Student in Lawful Custody Claim Form *
Masters or Doctorate study	in full-time study	ABSTUDY Claim Form

\* Student may also use the ABSTUDY Claim Form.

**Note: Schooling A continuing student will not be required to complete a new Claim Form. This student will receive a letter from Centrelink requesting further details and acceptance of Schooling A payment.**



## 2.1.3 Lodgement Requirements

A completed ABSTUDY claim form, signed by the applicant, is the document instrument by which ABSTUDY benefits may be approved. A claim form must be lodged each year for each student seeking ABSTUDY assistance.

### 2.1.3.1 How to Lodge a Claim

#### 2.1.3.1.1 Lodgement

An ABSTUDY claim form may be lodged in person:

- at the nearest Centrelink Customer Service Centre, or
- in remote areas, with a Centrelink field officer.

Forms may be posted to the nearest Centrelink Student Services Customer Service Centre shown on the claim form.

#### 2.1.3.1.2 Date of lodgement

Students may advise Centrelink that they have an intent to lodge an application. Where students actually lodge the application within 3 months of advising the intent, the application will be deemed to have been lodged on the date of intent. This means that students are able to lodge claims up until 31 March 2002 if they have advised of an intent to claim by 31 December 2002, to be eligible from 1 January 2002. Intent of lodgement of the ABSTUDY claim form must also meet the closing date specified in 2.1.3.1.3. This includes an ABSTUDY claim being accepted where an incorrect or inappropriate claim for another payment was lodged on time, eg FACS PES, Youth Allowance, Austudy payment or AIC.

#### 2.1.3.1.3 Closing date for claims

The table below lists the closing dates for lodgement of ABSTUDY claims with Centrelink.

If the applicant is applying for...	then the closing date is...
a full-year course	by the end of the calendar year.
a course of less than one year	by the end of the course.
Testing and Assessment	by the end of the selection test or interview.

The table below lists the closing dates for lodgement of Pensioner Education Supplement (PES) claims with Centrelink.

if the applicant is applying for...	then the closing date is...
a full-year course	by 31 March

a second semester course	by 31 July
a course of less than one year	28 days from the commencement of the course
Testing and Assessment	by the end of the selection test of interview.

In all cases, claims must be lodged prior to the student discontinuing study.

#### 2.1.3.1.4 Closing Date for Additional Information

There is no closing date for acceptance of additional information.

#### 2.1.3.1.5 Lodgement Within the Prescribed Time

Where claims are lodged within the prescribed time or where the delegate considers that the claim would, but for circumstances beyond the applicant's control, have been lodged within the prescribed time, students may receive full benefits in accordance with their approved entitlements.

**Note: The applicant must provide a written statement explaining the reason for late lodgement of the claim. Other evidence to the delegate's satisfaction may also be requested.**

#### 2.1.3.1.6 Before Processing can Occur

Before processing can occur, an ABSTUDY claim form must:

- be signed by an eligible applicant (see Policy Manual - [2.1.1.1.1](#), [2.1.1.1.2](#), [2.1.1.3.1](#) and [2.1.1.3.2](#)); and
- be lodged within the prescribed time (see Policy Manual - [2.1.3.1.3](#) on previous page).

**Note: Applications from residents of remote communities require a signature from only one parent or guardian.**

#### 2.1.3.1.7 Benefits not Approved

No benefits may be approved for a student:

- in respect of a year for which there is no ABSTUDY claim form (but see Policy Manual - [2.1.3.1.2](#) on previous page); or
- before the claim form has been approved by a delegated officer.

### 2.1.3.2 Changed Circumstances

#### 2.1.3.2.1 Changed Circumstances

Circumstances may change during the student's course of study which require amendments or updates to the original claim.

#### 2.1.3.2.2 Update Details

The circumstances listed below require notification in 14 days and the original claim may be updated from this information:

- a student leaves school or a course;
- a student reduces or increases the study workload in her/his approved course, including transferring between full and part-time study; or
- a student withdraws from the course nominated on the claim form and enrolls in a second course.

#### 2.1.3.2.3 New Form Required

A new claim form must be lodged when there is a change of applicant for an under 16 years schooling student.

### 2.1.4 Supporting Documentation

ABSTUDY claims generally require documentation to support details provided in the claim. This supporting documentation may include:

- proof of enrolment;;
- proof of age;;
- proof of income;;
- a Health Care Card; and/or
- proof of Australian citizenship

This section covers the types of acceptable documentation and when they must be presented.

#### 2.1.4.1 Proof of Enrolment

##### 2.1.4.1.1 Who must Provide Proof of Enrolment?

Students must provide proof of enrolment if they are studying at an institution other than a secondary school.

##### 2.1.4.1.2 Acceptable Documents

#### **DIFFERENT TO YA/AUSTUDY PAYMENT**

Acceptable proof of enrolment is:

- the original or a photocopy of the institutions enrolment advice to the student;
- an enrolment fee receipt;
- a HECS statement;
- a student identification card (where period of enrolment is specified on the card);
- a statement from the institution advising acceptance into the course; or
- proof of registration for Open Learning students.

**Note: Courses which are conducted as modules across semesters and calendar years are to be treated in the same way as an articulated study course with continuity of payment.**

See Policy Manual [4.1.1.7](#) and [4.1.1.8](#).

#### 2.1.4.1.3 Period of Grace

If acceptable proof of enrolment is not provided with an ABSTUDY claim as required, the documentation must be provided within two weeks of the nominated date of commencement of the course.

#### 2.1.4.1.4 Payments

Subject to the normal eligibility criteria being met, payments may commence in the interim for up to two weeks from the date nominated by the student as the date s/he would commence the course.

#### 2.1.4.1.5 Proof of Enrolment not Provided

If proof of enrolment documents are not provided within the two week period of grace, payments are to be stopped and an overpayment raised.

#### 2.1.4.1.6 Reassessment

Should acceptable proof of enrolment documents be provided after ABSTUDY payments are stopped, the claim should be reassessed as eligible for the full study entitlement period.

### 2.1.4.2 Proof of Age

#### 2.1.4.2.1 Who Should Provide Proof of Age?

Students must provide proof of age with their ABSTUDY claims or within the period of grace if they:

- are not eligible for one of the ABSTUDY proof of age exemptions (see Policy Manual - [2.1.4.2.3](#) below); and
- will be turning 16 years old during 2002; or

- will be 16 years or older in 2002.

**Note: See below for explanations of period of grace and exemptions to proof of age.**

#### 2.1.4.2.2 Acceptable Documents

Acceptable proof of age can be an original or certified copy of a:

- birth certificate or extract;
- driver's licence;
- passport; or
- other government documentation that contains the date of birth of the student; or
- other non-government documentation that contains the date of birth of the student.

#### 2.1.4.2.3 Exemptions

Proof of age is not required for students who:

- are continuing students turning 17 years or older in 2002, or
- will be under 16 years throughout 2002.

#### 2.1.4.2.4 Period of Grace

If acceptable proof of age documents are not provided with an ABSTUDY claim as required, the documentation must be provided within four weeks (28 days) from the date of initial assessment or by the 16th birthday, whichever is later, for students turning 16 years old during 2002.

#### 2.1.4.2.5 Payments

Subject to the normal eligibility criteria being met, payments may commence in the interim for up four weeks (28 days) from the date of initial assessment, or up to the student's 16th birthday, whichever is later.

#### 2.1.4.2.6 Proof of Age not Provided

If proof of age documentation is not provided within four weeks (28 days) from the date of initial assessment (or by a student's 16th birthday), payments are to be stopped and an overpayment raised.

The Centrelink /ABSTUDY Manager may approve an extension of time to provide proof of age documentation for an appropriate length of time where this is deemed necessary.

#### 2.1.4.2.7 Re-assessment

Should acceptable proof of age documents be provided after ABSTUDY payments are stopped, the claim should be reassessed as eligible for the full entitlement period.

## 2.1.4.3 Proof of Income

### 2.1.4.3.1 Who Should Provide Proof of Income?

Prior to payment of Living Allowance (Basic Payment), acceptable proof of income documentation must be provided by:

- parents/guardians of a dependent student who is subject to the parental income test; or
- the partner of a independent student who is subject to the partner income test.

**Note: See 2.1.4.3.2 below for exemption to the proof of income requirements.**

### 2.1.4.3.2 Exemption

Where a taxation return has been lodged for the applicable financial year, proof of income is not required from the parent/guardian or partner of a continuing student (ie, where the student is **continuing study in the same course as a full-time student without interruption from the previous academic year**). In these cases, parental or partner income will be verified through data matching with the Australian Taxation Office.

**Note: Income details are not required in the following circumstances:**

- where special assessment applies (see Policy Manual - [6.3.3](#)); or
- from the applicant for a student who:
  - but for reasons of age (ie has not reached the minimum school leaving age - see Policy Manual - [5.5.1.3](#)), would qualify as an orphan, a student whose parents cannot exercise parental responsibilities or as a homeless student (see Policy Manual - [5.3.4.7](#), [5.3.4.10](#), [5.5](#)), or
  - is living under an officially approved substitute care arrangement (see Policy Manual [5.4](#)).

### 2.1.4.3.3 Acceptable Proof of Income

Acceptable proof of income is:

- a 2000/2001 Tax Assessment Notice from the Australian Taxation Office;
- Group Certificate(s) accompanied by a statutory declaration or letter from an accountant, stating the Group Certificates represent all income received in the 2000/2001 financial year;
- a copy of taxation returns;
- a statement of income from an employer or accountant;

- a statement of income from Centrelink;
- for income earned in a foreign country, a statement of salary or other records from an employer or, in their absence, a statutory declaration; or
- a statutory declaration from a partner or parent/guardian who has no income or no other proof of income.

#### 2.1.4.3.4 Provision of Documentation

Documentation may be supplied as follows:

- Tax Assessment Notices - photocopies are acceptable;
- original document(s) may be mailed in with the claim, in which case certified copies will be taken of the document(s) which will then be returned to the client; or
- original document(s) and the claim may be taken by the client to a Centrelink Customer Service Centre or any other Centrelink office where copies of the document(s) will be taken and the originals given back to the client.

### 2.1.4.4 Health Care Card

#### 2.1.4.4.1 Who Should Provide a Low Income Health Care Card

When making application for ABSTUDY, proof that the parent or partner is a holder of a current low income Health Care Card is accepted for special assessment (see Policy Manual - [6.3.3.2](#)).

#### 2.1.4.4.2 Provision of Proof of Low Income Health Care Card

Parents and partners may prove that they hold a current low income Health Care Card by either:

- taking the low income Health Care Card with the claim to a Centrelink office or any other Centrelink Customer Service Centre, or
- sending a photocopy of the low income Health Care Card that clearly shows the dates of entitlement.

**Note: Original documents posted with claims must be photocopied and returned to clients.**

### 2.1.4.5 Proof of Australian Citizenship

#### 2.1.4.5.1 Who Must Provide Proof of Citizenship?

Students must provide proof of Australian citizenship if they

- are a new student; and/or
- their Aboriginality is queried.

#### 2.1.4.5.2 Acceptable Documents

Acceptable proof of Australian citizenship is:

- birth certificate or extract;
- passport; or
- other government documentation that contains details of the student.

#### 2.1.4.5.3 Provision of Documentation

Documentation may be supplied as follows:

- original birth certificate or extract; or
- Australian citizenship official certificate or extract official copy.

#### 2.1.4.5.4 Proof of Australian Citizenship for Continuing Students

A continuing student undertaking study in 2002 from 2001, will not be required to prove Australian citizenship to receive ABSTUDY assistance. However, proof of identity is required if there is a change to a different Centrelink payment.

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## 2.2 Changed Circumstances

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### 2.2.1 Advice of Changes

It is important that applicants are made aware of their obligation to advise Centrelink of any changed circumstances that will affect their eligibility or entitlement. The Declaration section of ABSTUDY Claim Forms makes it clear that Centrelink must be notified within fourteen days of any changes in circumstances.

### 2.2.2 Examples

Some examples of changed circumstances which may affect eligibility or entitlement are:



- a non-student applicant ceases to be responsible for the student;
- the student or applicant changes address or bank account;
- the applicant or applicant's partner ceases to receive a Commonwealth Government pension or benefit, a Department of Family and Community Services (FaCS) DSS Family Payment or a Community Development Employment Projects (CDEP) scheme wage;
- where the dependent student deduction has been applied, if a dependent child/student of the student or of the parent/guardian ceases full-time study;
- a dependent child of the student or parent/guardian commences full-time study and becomes eligible for Commonwealth Student Assistance;
- the student discontinues school/study or has a prolonged absence from the school/course;
- the student changes education institution or course;
- the student reduces the number of subjects or units being studied;
- the student receives another form of government assistance to study;
- the student's income increases substantially.

### 2.2.3 False or Misleading Information

People who give false or misleading information in connection with a claim for ABSTUDY can, under the provisions of the *Student Assistance Act 1973*, incur penalties of up to a \$6,000 fine or twelve months imprisonment.

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## Part 3 : Eligibility and Awards

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## Introduction

This chapter covers the criteria required for a student to be eligible for ABSTUDY assistance.

### 3.1.1 General Eligibility Criteria

#### 3.1.1.1 General Eligibility Criteria

The general ABSTUDY eligibility criteria are:

- the student is an Australian citizen;
- the student is an Australian Aboriginal or Torres Strait Islander person;
- the student is enrolled in an approved course; and
- the student is not receiving or will not receive any other government assistance to study.

**Note: Enrolment must be for the current academic year.**

**Different to YA: No residency requirements.**

### 3.1.1.2 Definition of Aboriginality or Torres Strait Islander

To be eligible for ABSTUDY assistance a student must be an Australian Aboriginal or Torres Strait Islander person in accordance with the ABSTUDY definition which requires that the student:

- be of Aboriginal or Torres Strait Islander descent; **and**
- identify as an Aboriginal or Torres Strait Islander, **and**
- be accepted as an Aboriginal or Torres Strait Islander person in the community in which s/he lives or did live.
- the student is an Australian citizen.

### 3.1.1.3 Approved Study

A student must be studying:

- at an approved education institution, and
- in an approved course.

See [4.1](#) for detailed explanation on approved and non approved courses.

**Note: For all awards other than Part-time Awards, students in Lawful Custody Awards and Testing and Assessment Awards, the approved course must also be taken on a full-time basis, although there are workload concessions for certain groups of students (see Policy Manual - 4.4.2).**

### 3.1.1.4 Other Financial Assistance

Except for some pensioners, students are not eligible for ABSTUDY assistance if they receive other government assistance for education, training or study, whether paid directly to the student or as a wage subsidy to an employer (see [3.1.4](#)). If, however, a student receives income support to undertake full-time study in the nature of a wage, salary or Living Allowance from a **non-government** employer during the period of study, the financial support received is treated as income for income testing purposes (see [6.1.1](#)).

## 3.1.2 Aboriginality or Torres Strait Islander Eligibility

To be considered as eligible for ABSTUDY assistance, applicants must first establish Aboriginality or Torres Strait Islander status.

This topic covers the establishment of Aboriginality or Torres Strait Islander status and what to do if Aboriginality or Torres Strait Islander status is queried.

### 3.1.2.1 Establishing Aboriginality or Torres Strait Islander Status

### 3.1.2.1.1 Declaration of Aboriginality or Torres Strait Islander Status

The Declaration on the claim form will normally be sufficient to assess a student as an Australian Aboriginal or Torres Strait Islander person.

### 3.1.2.1.2 Who Decides on Aboriginality or Torres Strait Islander Status?

Where a student's Aboriginality or Torres Strait Islander status is challenged or questioned, such cases are to be referred to the Centrelink ABSTUDY Manager who is to make all decisions regarding Aboriginality or Torres Strait Islander query cases or potential cases.

Where the Manager is not an Aboriginal or Torres Strait Islander person, these decisions are to be made in conjunction with an available senior Aboriginal or Torres Strait Islander staff member.

**Note: Advice in these matters may also be taken, as appropriate, from Centrelink staff or from other government departments, agencies or authorities who may have relevant local community knowledge.**

## 3.1.2.2 Querying Aboriginality or Torres Strait Islander Status

### 3.1.2.2.1 When to Initiate a Query

A Centrelink ABSTUDY Manager may initiate an Aboriginality or Torres Strait Islander status query if:

- an anonymous or identified person writes to Centrelink claiming that there is doubt about a student's Aboriginality or Torres Strait Islander status and indicating why one or all of the three criteria of the ABSTUDY definition of Aboriginality or Torres Strait Islander have not been met; or
- as a result of information or substantial suspicion from an anonymous or identified person or another source, the Centrelink ABSTUDY Manager determines that preliminary investigation is warranted and the result of that preliminary investigation confirms that there is a doubt about the student's eligibility claim.

### 3.1.2.2.2 Preliminary Investigation

Where possible, attempts should be made to establish a student's Aboriginality or Torres Strait Islander status through informal channels. A preliminary inquiry could take the form of:

- liaison with staff from other government departments, agencies or authorities;
- contact with local community groups;
- a check with the student's education institution, particularly with an:
  - ASSPA Committee - for schools, or

- Indigenous Student Centre - for tertiary education institutions; or
- investigation by Compliance Unit staff.

Where a Centrelink ABSTUDY Manager determines that an Aboriginality or Torres Strait Islander query should be investigated further, the process outlined in 3.1.2.4 is to be followed.

### 3.1.2.3 Aboriginality or Torres Strait Islander Evidence Requirements

#### 3.1.2.3.1 Evidence of Aboriginality or Torres Strait Islander Status

Where uncertainty exists as to the Aboriginality or Torres Strait Islander status of the student, evidence will be required to establish that s/he is an Australian Aboriginal or Torres Strait Islander person in accordance with **all three parts** of the ABSTUDY definition (see 3.1.1.2).

**Note: The onus is on the applicant to establish Aboriginality or Torres Strait Islander.**

#### 3.1.2.3.2 Acceptable Evidence

The following documentation is acceptable as evidence in accordance with this definition:

##### **Aboriginal or Torres Strait Islander descent**

Birth records or genealogies verified by a suitable authority as relevant to the student.

**Note: Where records are not available, a letter signed by the Chairperson of an Aboriginal or Torres Strait Islander incorporated organisation may be accepted.**

##### **Identification as an Aboriginal or Torres Strait Islander person**

An affirmation should be signed by the student, declaring that s/he identifies as an Australian Aboriginal or Torres Strait Islander person.

##### **Acceptance as an Aboriginal or Torres Strait Islander person**

Confirmation in writing with the Corporate Seal from the Chairperson of the Aboriginal or Torres Strait Islander incorporated organisation in a community in which the student lives or has previously lived.

### 3.1.2.4 Investigating Aboriginality or Torres Strait Islander Status

#### 3.1.2.4.1 Investigation Process

Once the Centrelink ABSTUDY Manager is satisfied that there are grounds for doubting a student's Aboriginality or Torres Strait Islander status, the action summarised in the table below must be followed.

Stage	Description
1	An initial letter of advice is sent to the applicant.
2	Benefits either continue, are deferred or commence, depending on the



	circumstance.
3	Applicant advises the ABSTUDY Manager within four weeks of receiving the letter whether s/he intends contesting the query.
4	Outstanding cases are reviewed within two months of sending the initial advice and a decision is made as to the Aboriginality or Torres Strait Islander.
5	The applicant is notified of the outcome. Appropriate action is taken.

**Note: These stages are described below.**

#### 3.1.2.4.2 Initial Advice Letter

A letter must be sent by registered mail to the applicant advising that:

- the student's Aboriginality or Torres Strait Islander has been queried;
- the applicant should contact the Centrelink ABSTUDY Manager within four weeks of the date of receiving the letter to indicate whether the query is to be contested and evidence of Aboriginality or Torres Strait Islander supplied;
- if the query is to be contested, the applicant must provide acceptable evidence (see [3.1.2.3.2](#)) to prove the student's Aboriginality or Torres Strait Islander within one month of the date of receiving the letter; and
- failure to respond to this letter or provide evidence will result in loss of ABSTUDY assistance.

#### 3.1.2.4.3 Continuation of Benefits

The table below explains what to do about the applicant's benefits depending on the circumstances.

<b>If ABSTUDY assistance has...</b>	<b>then benefits should...</b>
commenced for the year	continue.
not commenced for the year	be deferred.
not commenced for the year and the Centrelink ABSTUDY Manager considers the complaint is a malicious one	commence current payment of benefits, but not make back-payments.

#### 3.1.2.4.4 Applicant's Intended Course of Action

The table below explains the actions to be taken based on the applicant's course of action.

<b>If, within one month (four weeks), the applicant...</b>	<b>then...</b>
--	----------------

advises that the query is to be contested and evidence will be supplied	benefits are to continue, be deferred or current entitlement only commence (see continuation of benefits, <a href="#">3.1.2.4.3</a> ).
advises that the query will not be contested	then Aboriginality or Torres Strait Islander is not established and procedures should be followed as outlined (see <a href="#">3.1.2.4.7</a> ).
does not respond	Aboriginality or Torres Strait Islander is not established and procedures should be followed as outlined (see <a href="#">3.1.2.4.7</a> ; also see Note below).

**Note: If, in the opinion of the Centrelink ABSTUDY Manager, there are circumstances such as remoteness of community which require an extension of time or direct contact with the applicant, the Centrelink Manager may grant a reasonable extension of time or direct contact may be made with the applicant so that a fair and reasonable assessment can be made.**

#### 3.1.2.4.5 Review of Query Cases

Outstanding Aboriginality or Torres Strait Islander query cases are to be reviewed within two months of the date of the initial advice by the Centrelink ABSTUDY Manager. The review must determine whether:

- acceptable evidence has been provided and therefore Aboriginality or Torres Strait Islander can be established;
- acceptable evidence has not or cannot be provided and Aboriginality or Torres Strait Islander cannot be established; or
- an extension of up to one month is required for the applicant to obtain the acceptable evidence.

#### 3.1.2.4.6 Aboriginality or Torres Strait Islander Status is Established

If, at the conclusion of the review, a student's Aboriginality or Torres Strait Islander status is established:

- eligibility is confirmed and benefits continue uninterrupted, or benefits begin and back-payment is made; and
- the applicant is advised in writing of the decision and of the effect on entitlements.

#### 3.1.2.4.7 If Aboriginality or Torres Strait Islander Status is not Established

If, at the conclusion of the review, a student's Aboriginality or Torres Strait Islander status is not established:

- eligibility is revoked;
- payments are suspended if they have been made;

- an overpayment is raised, if required;
- the applicant is advised in writing of
  - the decision and the reason for the decision,
  - the effect on entitlement, including overpayment result, and
  - reconsideration provisions; and
- eligibility under AIC, YA or Austudy payment should be examined and, if appropriate, relevant information be relayed to the applicant.

**Note: Refer to 2.1 Penalty, concerning false or misleading information.**

### 3.1.3 Introduction to Approved Study

To be eligible for ABSTUDY assistance an applicant must be enrolled in, and undertaking, an approved course (see 4.1.1) at an approved education institution (see 4.2.1 for Schooling and 4.3.1 for Tertiary).

#### Study Requirements

Part 4 of these Guidelines covers in detail the study requirements for ABSTUDY eligibility.

### 3.1.4 Other Financial Assistance

In general, students will not be eligible for ABSTUDY allowances if they are receiving financial assistance from another government department or authority, such as:

other Commonwealth student assistance schemes, or

Commonwealth or State/Territory government study assistance through training schemes, scholarships, bursaries, cadetships and similar assistance.

There are, however, some exceptions, such as students receiving pensions or non-employees receiving government funded scholarships. This topic covers the eligibility or ineligibility of students in receipt of one or more of these other sources of government financial assistance.

Applicants are to be assisted with advice on ABSTUDY benefits to allow a well informed choice of which scheme is most appropriate for the student.

#### 3.1.4.1 Other Commonwealth Student Assistance Schemes

##### 3.1.4.1.1 Commonwealth Schemes

There are several Commonwealth Government schemes that provide financial assistance for students who study approved courses.

##### 3.1.4.1.2 Ineligibility

#### **DIFFERENT TO YA/AUSTUDY PAYMENT**

Students are generally ineligible for ABSTUDY assistance if they receive another form of Commonwealth Government assistance to study, such as:

- YA;
- Austudy payment;
- Assistance for Isolated Children (AIC);
- Veterans' Children Education Scheme (VCES);
- Apprenticeships/Traineeships that are full time (excluding NAAP participants see Policy Manual [3.1.4.2.3](#)); and
- Community Development Employment Projects (CDEP) for study or training.

One exception relates to students receiving YA who may be eligible for ABSTUDY part-time entitlements (see [3.1.4.2.6](#)).

### 3.1.4.2 Other Government Assistance to Study

#### 3.1.4.2.1 Introduction

Several Commonwealth and State/Territory government schemes provide financial assistance for people to train, including assistance for formal study related to the training.

#### 3.1.4.2.2 Duplicate or Similar Benefits

Persons who are receiving training assistance for formal study or are assisted through a Commonwealth or State/Territory government wage subsidy to an employer, are ineligible for ABSTUDY. This includes training schemes, scholarships, bursaries, cadetships and any similar assistance.

**Note: Students may receive assistance through either ABSTUDY or the training programme, but not both.**

Full-time apprentices and trainees are not eligible for ABSTUDY assistance (see [3.1.4.2.4](#)). This does not apply to students in receipt of Aboriginal School Based Traineeships (ASBTs). (For further details see [4.2.2.1.4](#))

#### 3.1.4.2.3 Access Programmes

Full-time New Apprenticeships Access Programme participants are **not** excluded from ABSTUDY assistance, however, they are not eligible for Incidentals Allowance as participants are not required to meet any course fees or charges (see [4.1.3](#)).

#### 3.1.4.2.4 Students who are Full-time Apprentices or Trainees

A student cannot get ABSTUDY if s/he is:

Employed as an apprentice or trainee under a training agreement, regardless of whether or not the agreement is under the former award-based system or under the new apprenticeship arrangements; and

Engaged in the apprenticeship or traineeship on a full-time basis, ie her/his hours of employment, including the training component, are not less than the usual hours of employment for a full-time apprenticeship or trainee in the industry or occupation involved.

#### 3.1.4.2.5 Benefits not Duplicated

ABSTUDY may be payable where the student is undertaking additional studies not related to the course for which the student is receiving other government assistance to study. That is if the studies are in a field unrelated to the field of the traineeship and are being pursued in addition to the studies required under the traineeship.

#### 3.1.4.2.6 Date of Ineligibility for ABSTUDY

### **DIFFERENT TO YA/AUSTUDY PAYMENT**

Students receiving study assistance from Commonwealth or State/Territory governments are ineligible for ABSTUDY assistance, including Fares Allowance, from the date the assistance commences or an agreement is signed whichever is the earlier.

### **Scholarships**

There are exceptions to this rule for some scholarships. Students holding State/Territory government scholarships can receive ABSTUDY provided they are not an employee of the government agency awarding the scholarship. This does not include periods for which the student is an employee for the purposes of work experience. The value of the scholarship will, however, be counted as income when assessing the student's living allowance entitlement. Tuition fees and HECS paid on a student's behalf direct to an education provider are not counted as income. If they are paid direct to the student however, they are counted as income.

**Note 1: Whilst the receipt of the scholarship will not preclude the scholarship holder from receiving some ABSTUDY benefits, all scholarship funds received by the scholarship holder will be considered as income for ABSTUDY purposes. This includes the Neville Bonner Scholarship, the Rural Australia Medical Undergraduate Scholarship, the Rotary Foundation Ambassadorial Scholarship and the Long Tan Bursary.**

**Note 2: This does not apply to secondary student awarded an approved independent boarding school scholarship (see 4.2.1.1) as outlined at 5.2.3.12.1.**

### **CDEP**

There is also an exception for students receiving Community Development Employment Project (CDEP) assistance for employment. Students may receive ABSTUDY Living Allowance and supplementary benefits whilst receiving CDEP if the CDEP payment is not for education and training. Full time independent students in receipt of a CDEP wage for employment are income assessed for ABSTUDY eligibility.

### **Part-time award**

Students may be eligible for ABSTUDY part-time entitlements if they are studying part-time and receiving a Family and Community Services (FaCS) income support payment such as YA or Newstart Allowance.

#### 3.1.4.2.7 Date of Commencement of Other Government Assistance

The assistance should be taken as commencing at the point at which the student begins study under the programme or the date an agreement is signed, whichever is the earlier. For School Based Traineeships/Apprenticeships see Policy Manual 4.2.2.1.4.

### 3.1.4.3 Other Income Support Schemes

#### 3.1.4.3.1 Eligibility for Other Government Income Support

A student who is receiving assistance under Commonwealth Government income support such as a social security pension or allowance may meet the eligibility criteria for some ABSTUDY assistance. The student may not, however, receive ABSTUDY living allowance and income support from another government source concurrently.

#### 3.1.4.3.2 Cease to be Eligible for Other Income

A person who commences full-time study ceases to qualify for a FaCS income support benefit because s/he has become unavailable for full-time employment. S/he may, however, be eligible for ABSTUDY living allowance from the day on which study commences.

See [7.3.5.6](#) to [7.3.5.12](#) for information about when ABSTUDY commences for clients transferring from a FaCS income support benefit or allowance.

Such persons are obliged to inform the paying Centrelink Customer Service Centre that they have commenced full-time study.

Recipients of a FaCS benefit who are studying part-time may be eligible for the ABSTUDY Part-time Award.

#### 3.1.4.3.3 Pensioner Education Supplement

Pensioners studying full-time may retain their pension but are not entitled to ABSTUDY living allowance. They may, however, qualify for a Pensioner Education Supplement (see [7.6](#)).

Some part-time pensioner students may also be eligible for the Pensioner Education Supplement if the workload concession applies (see [4.4.2.4](#)).

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## Introduction

ABSTUDY awards relate to students' level of study and the entitlements and allowances for which students are eligible.

This chapter covers in detail the study awards available in ABSTUDY.

### 3.2.1 Specific Eligibility Criteria

There are seven awards available to eligible ABSTUDY applicants. They are:

- Schooling A,
- Schooling B,
- Tertiary,
- Part-time,
- Testing and Assessment,
- Masters and Doctorate, and
- Student in Lawful Custody.

This topic covers the specific eligibility criteria needed to qualify for each award. It also lists the benefits that the applicant may be entitled to under that award.

For full details of the benefits to which a student is entitled, see [Part 7](#) of these Guidelines.

## Eligibility

Students are eligible for an ABSTUDY award if they meet:

- the general ABSTUDY eligibility criteria; and
- the eligibility criteria for the type of award for which they are applying.

### 3.2.1.1 Schooling A Award

#### 3.2.1.1.1 Eligibility

A student is eligible for a Schooling A Award if s/he meets the general ABSTUDY eligibility criteria (see [3.1.1](#)), and:

- is 15 years or younger and is either living at home or is not approved for the living away from home or independent rates and is studying a full-time secondary course;

**OR**

- is a full-time primary school student and 14 years of age or more at 1 January in the year of study;

**AND**

- lives in Australia while studying or is eligible for assistance under the Overseas Study provisions (see [Policy Manual 4.5](#)).

**Note: Students who cease to participate in full-time study for any part of the academic year, are no longer eligible for ABSTUDY living allowance. Students**



**enrolled in full-time study for part of a school year are eligible for pro-rata entitlements (see also Policy Manual 4.2.2.1).**

#### 3.2.1.1.2 Benefits

A student approved for a Schooling A Award may be entitled to the following benefits:

- School Term Allowance;
- School Fees Allowance; and
- assistance with travel, meals and accommodation costs for distance education/correspondence students to attend residential schools.

### 3.2.1.2 Schooling B Award

#### 3.2.1.2.1 Eligibility

A student is eligible for a Schooling B Award if s/he meets the general ABSTUDY eligibility criteria (see 3.1.1), and:

- is 16 years of age or older and is undertaking an approved course of full-time primary studies, or full-time secondary studies;

**OR**

- is under 16 years of age and has been approved for the away from home or independent rates of Living Allowance and Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, where applicable;

**OR**

- is 15 years and in State Care;

**AND**

- lives in Australia while studying or is eligible for assistance under the Overseas Study provisions (see 4.5).

Also see [Part 4](#) for attendance requirements.

#### 3.2.1.2.2 Benefits

A student approved for a Schooling B Award may be entitled to the following benefits:

- Living Allowance; or

- Pensioner Education Supplement;
- School Fees Allowance;
- Fares Allowance;
- Orientation and special purpose visits;
- Away-from-base assistance for distance education/correspondence students to attend residential schools; and/or
- Incidentals Allowance (where student is 18 years or over at 1 January in the year of study);
- Under 16 Boarding Supplement;
- Rent Assistance;
- Remote Area Allowance, where applicable; and/or
- Pharmaceutical Allowance, where applicable.
- Additional Assistance

**Note: Students who are turning 16 years old during the year may be entitled to School Term Allowance under the Schooling A Award paid on a *pro rata* basis up to their 16th birthday.**

### 3.2.1.3 Tertiary Award

#### 3.2.1.3.1 Eligibility

A student is eligible for a Tertiary Award if s/he meets the general ABSTUDY eligibility (see [3.1.1](#)), and:

- is studying a full-time post-secondary course;
- has reached the minimum school leaving age as defined by the relevant State/Territory education authority (or has provided evidence that s/he has been granted exemption from the State/Territory education authority in order to attend TAFE or another tertiary institution);
- is studying a full-time workload;
- is making satisfactory progress; and
- lives in Australia while studying or is eligible for assistance under the Overseas Study provisions (see [4.5](#)).

#### 3.2.1.3.2 Benefits

A student approved for a Tertiary Award may be entitled to the following benefits:

- Living Allowance; or
- Pensioner Education Supplement;
- Incidentals Allowance;
- Additional Incidentals Allowance up to \$2,000 for a full year's study;
- Fares Allowance;
- Rent Assistance;
- Remote Area Allowance, where applicable;
- Pharmaceutical Allowance, where applicable;
- Orientation and special purpose visits;
- Away-from-base assistance;
- Additional Assistance; and/or
- ABSTUDY Supplement.

### **3.2.1.4 Part-time Award**

#### 3.2.1.4.1 Eligibility

A student is eligible for a Part-time Award if s/he meets the general ABSTUDY eligibility criteria (see [3.1.1](#)), and:

- is studying a post-secondary course; and
- is not studying a full-time workload;

**OR**

- is 18 years or older at 1 January in the year of study; and
- is studying a secondary course; and
- is not studying a full-time workload;

**AND**

- lives in Australia while studying or is eligible for assistance under the Overseas Study provisions (see [4.5](#)).

#### 3.2.1.4.2 Benefits

A student approved for a Part-time Award may be entitled to the following benefits:

- Incidentals Allowance (not including Additional Incidentals Allowance),
- Away-from-base assistance, and/or

- Fares Allowance to attend Away-from-base activities.

**Note: A tertiary student approved for the Part-time Award may be entitled to living allowance if s/he loses her/his income while attending an Away-from-base activity (see 7.10.3.3).**

### 3.2.1.5 Testing and Assessment Award

#### 3.2.1.5.1 Eligibility

A student is eligible for a Testing and Assessment or Torres Strait Islander eligibility criteria (see 3.1.1), and:

- seeks to enrol in an approved tertiary course and is required to travel away from her/his normal place of residence to attend a selection test or an interview to determine suitability for, and acceptance into, the course, where such a test/interview is a normal requirement for admission to the course;
- is unable to be assessed from previous study (see 7.10.4.3); and
- is not receiving or will not receive any other significant form of financial assistance for the test/interview.

#### 3.2.1.5.2 Limit of Assistance

Applicants may be assisted to attend a maximum of two testing and assessment programmes in a year.

#### 3.2.1.5.3 Benefits

A student approved for Testing and Assessment Award may be entitled to the following benefits:

- Fares Allowance, and
- Away-from-base assistance.

### 3.2.1.6 Masters and Doctorate Award

#### 3.2.1.6.1 Eligibility Conditions

The allowances for the Masters and Doctorate Award are based on those which apply for the Australian Postgraduate Award (APA).

#### 3.2.1.6.2 Eligibility

A student is eligible for a Masters and Doctorate Award if s/he meets the general ABSTUDY eligibility criteria (see 3.1.1), and:

- is enrolled in an approved Masters degree or Doctorate (PhD) course;
- any employment undertaken by the student must not be to the detriment of her/his full-time study programme; and
- lives in Australia while studying or is eligible for assistance under the Overseas Study provisions (see 4.5).

**Note: Part-time Masters and Doctorate students are entitled to apply for an ABSTUDY Part-time Award.**

#### 3.2.1.6.3 Approved Course

An approved course is a full-time course for which a Masters or Doctorate degree is offered by an approved higher education institution.

#### 3.2.1.6.4 Non Approved Courses

Other postgraduate courses, such as the following, do not qualify for this Award:

- Masters qualifying course,
- Postgraduate Diploma, eg Diploma of Education, and
- Postgraduate Bachelor Degree, eg Bachelor of Letters.

Students in such courses may apply for benefits under the Tertiary Award or the Part-time Award.

#### 3.2.1.6.5 Benefits

A student approved for an ABSTUDY Masters and Doctorate Award may be entitled to:

- Living Allowance or Pensioner Education Supplement;
- Incidentals Allowance;
- Additional Incidentals Allowance up to \$2,000 for a full year's study;
- Thesis Allowance;
- Assistance to pay Higher Education Contribution Scheme (HECS) commitment or compulsory course fees;
- Relocation Allowance or Fares Allowance;
- Away-from-base assistance up to \$2,080;
- Additional Assistance; and/or
- ABSTUDY Supplement.

#### 3.2.1.7 Student in Lawful Custody Award

#### 3.2.1.7.1 Eligibility

A student is eligible for this award if s/he meets the general ABSTUDY eligibility criteria (see [3.1.1](#)), and:

- is in lawful custody for a period of more than two weeks (see [5.7.1.1](#) for definition); and
- is studying a suitably approved course (see [5.7.1.3](#)).

#### 3.2.1.7.2 Benefits

A student approved for the Students in Lawful Custody Award may be entitled to the following benefits:

- Lawful Custody Allowance; and/or
- Away-from-base assistance (where permission has been given by correctional institution for the student to attend).

### 3.2.1.8 Concurrent Awards

#### 3.2.1.8.1 Number of Awards that can be held

Under normal circumstances a student can hold only one Award at any one time. However, a student may hold two awards concurrently (apart from a Testing and Assessment Award) providing only one of the awards pays living allowance or the Pensioner Education Supplement (see Policy Manual for Incidentals Allowance [7.7.3.1](#)).

See also Coherent Course Sequence, [4.4.2.1](#).

#### 3.2.1.8.2 Benefits

Benefits in respect of each Award are not affected by the concurrent award.

#### 3.2.1.8.3 Example 1

*A tertiary student who is studying two approved courses, each on a part-time basis, will be entitled to:*

- *Incidentals Allowance for each award according to the length of each course; and*
- *Away-from-base entitlements for approved activities required for each course.*

#### 3.2.1.8.4 Example 2

*A 16 year old secondary student who is receiving living allowance under the Schooling B Award may also receive fares and Away-from-base entitlements under the Testing and Assessment Award to attend a selection test or interview required for admission to a tertiary course.*

## 3.2.2 Table of Available Benefits Per Award

### 3.2.2.1 Benefits per Award Table

This table lists all the benefits that are available to eligible ABSTUDY students and to which award(s) they relate. It is designed to be used as a checklist to ensure that each applicant's entitlement has been fully assessed.

**Note: This does not mean that every applicant who is eligible for the particular award is automatically entitled to all the benefits listed for that award.**

#### 3.2.2.2 How to use this Table

There are two ways in which this table can be used:

- locate the award (along the top row) that the applicant is eligible for, then look down that column to find the benefits to which the applicant may be entitled.

Awards are: A for Schooling A, B for Schooling B, T for Tertiary, P/t for Part-time, T/A for Travel Allowance, M/D for Masters and Doctorates and S/LC for Students in Lawful Custody.

- locate the benefit (down the left column), then look across the row to find out to which award the benefit may apply.

Benefit	ABSTUDY Awards						
	A	B	T	P/t	T/A	M/D	S/LC
School Term Allowance	YES						
Living Allowance		YES	YES			YES	
Pensioner Education Supplement		YES	YES			YES	
School Fees Allowance	YES	YES					
Incidentals Allowance		YES	YES	YES		YES	
Additional Incidentals Allowance			YES			YES	
Lawful Custody Allowance							YES
Rent Assistance		YES	YES				
ABSTUDY Supplement			YES			YES	
Fares Allowance	YES	YES	YES	YES	YES	YES	YES
Orientation and special purpose visits		YES	YES				
Residential schools	YES	YES	YES	YES		YES	YES
Other Away-from-base assistance			YES	YES	YES	YES	

<b>Relocation Allowance</b>						YES	
<b>Thesis Allowance</b>						YES	
<b>Assistance to pay HECS commitment or compulsory course fees</b>						YES	



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## 4.1 Approved Courses of Study

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## Introduction

To be eligible for ABSTUDY allowances, students must meet certain requirements regarding courses of study.

This chapter covers approved and non-approved courses of study and education institutions.

### 4.1.1 Approved Courses

#### 4.1.1.1 Approved Mainstream Courses

A mainstream course is a course available to all members of the Australian community.

All mainstream courses approved under the 'Determination of Education Institutions and Courses' No 1999/2 (see [Appendix 2](#)) are also approved for ABSTUDY. The determination does not specify full or part time courses.

It should be noted that the Determination of Education Institutions and Courses addresses only courses that are offered as (or can be regarded as) full-time courses. A mainstream course may still be approved for ABSTUDY if it meets all approval criteria except that it cannot be classified as a full-time course (see [4.1.1.3](#)). Students undertaking such courses, however, can be approved only for part-time entitlements.

#### 4.1.1.2 Approval of Indigenous Special Courses

##### **DIFFERENT TO YA/AUSTUDY PAYMENT FOR AWAY-FROM-HOME ENTITLEMENTS.**

Indigenous special courses of study are courses developed with course content designed specifically for Australian Aboriginal and Torres Strait Islander students. Indigenous special courses of study may be approved subject to the course meeting course requirements below:

- not being identified in [4.1.2 Non Approved Courses](#),
  - this includes courses which are comprised wholly or substantially of Away-from-base activities (see [4.1.2.2](#) and [4.1.2.3](#)); and
- having a vocational education focus; and being either:
  - a course accredited by an education institution or relevant State/ Territory authority, or
  - a study programme approved by a correctional services authority for a student in lawful custody.

**Note: Where there is an equivalent mainstream course, Indigenous special courses are to be approved as the mainstream course. Approval of Indigenous special courses should be undertaken in conjunction and agreement with the Senior ABSTUDY Customer Service Officer (CSO).**

#### 4.1.1.3 Approval as a Full-time or Part-time Course

A course approved under [4.1.1.1](#) or [4.1.1.2](#) in previous paragraphs may be classified as a full-time course if it is:

- a higher education course and has a HECS weighting; or
- a non-HECS mainstream course of one year's duration or longer and involves at least 12 contact hours a week; or
- a non-HECS mainstream course of less than one year's duration and involves at least 20 contact hours a week (including work experience); or
- a non-HECS Indigenous special course and involves at least 20 contact hours a week (including work experience but excluding tutorial Assistance under ATAS).

A course offered by an institution only as a part-time course may be classified as a full-time course if the institution can define a full-time workload which meets one of the above criteria.

Students undertaking courses that may be classified as full-time courses may be assessed for full-time student entitlements, subject to their workload and eligibility for workload concessions (see [4.3.2.2](#)).

A course must be regarded only as a part-time course if:

- it does not meet one of the above criteria; or
- a full-time workload cannot be defined (eg courses without attendance requirements which cannot verify full-time study requirements).

Students undertaking such courses can be approved only for part-time entitlements. Workload concessions cannot be applied to such courses.

#### **4.1.1.4 Approval of Levels of Courses**

An accredited secondary school course means a course accredited as a secondary course by the authority responsible for the accreditation of those courses in the State or Territory in which the course is conducted. These courses are approved as 'schooling' courses under ABSTUDY.

An accredited vocational education and training course means a course accredited as a vocational education and training course by the authority responsible for the accreditation of those courses in the State or Territory in which the course is conducted, and conducted by a Registered Training Organisation, which includes TAFEs, secondary school, non-government institution, and in some circumstances, a higher education institution.

These courses may be 'schooling' or 'tertiary' courses under ABSTUDY, depending on their content. Mainstream TAFE courses are defined in the 'Determination of Education Institutions and Courses' No. 1999/2 in Appendix 2 of the ABSTUDY Policy Manual.

Where institutions do not specify a TAFE level (this will particularly be the case in respect of non-government institutions offering vocational education and training courses), the Course Approvals officer must refer to course documentation such as a course prospectus in

addition to the Determination at Appendix 2 to assess whether a course should be classified as a 'secondary' or a 'tertiary' course.

An accredited higher education course means a course that is:

- accredited as a higher education course by the authority responsible for the accreditation of those courses in the State or Territory in which the course is conducted; or
- if a higher education institution or a non-government institution is authorised by the law of the State or Territory in which the institution is located to accredit its own higher education courses, a course conducted and accredited as a higher education course by that institution.

These courses are approved as 'tertiary' courses under ABSTUDY.

#### **4.1.1.5 Courses Which Include Both Secondary and Tertiary Subjects**

Where a course includes both secondary and tertiary subjects, it should be determined to be either a secondary course or a tertiary course according to the criteria set out in Policy Manual - [4.2.1.4](#) for Schooling study and [4.3.1.5](#) for Tertiary study.

#### **4.1.1.6 The New Apprenticeships Access Programme**

The New Apprenticeships Access Programme (NAAP) provides pre-vocational training and support and assistance for job seekers who experience barriers to skilled employment. Its primary focus is to assist disadvantaged job seekers to obtain and successfully participate in a New Apprenticeship. Secondary outcomes include full or part-time employment and further education and training

#### **4.1.1.7 Qualifications Pathways (Articulated Short Courses)**

The structure of some qualifications includes modules (or sometimes short courses) which can be undertaken on a stand alone basis, but also link together to result in a complete qualification or a part-qualification with a Statement of Attainment award. The length of time to achieve a qualification, which may for example also include bridging programmes, will vary according to individual requirements and delivery arrangements. Also see [4.1.1.8](#).

Students enrolled in and undertaking parts of a qualification should:

- be in at least two consecutive semesters which:
- have a total duration exceeding 30 weeks; and
- the first course of which is not a late starting course; and
- the student has not had a break in study of more than one semester,

these students can get ABSTUDY for 12 calendar months/full calendar year or to the end of the course for longer articulated short courses.

See [4.1.4 Study Through Open Learning Australia](#).

#### 4.1.1.8 Australian Quality Training Framework

The Australian Quality Training Framework is the nationally agreed quality arrangements for the vocational education and training system. It includes standards for the registration and audit of training organisation and for the issuing of qualifications.

Registered Training Organisations and qualifications and courses meeting the Framework requirements are listed on the National Training Information Service (<http://www.ntis.gov.au/>). Registered Training Organisations must have the qualification/course listed in their scope of registration to enable them to issue the qualification or a related Statement of Attainment.

To ensure that students are not disadvantaged by taking courses offered under the Framework (or by using the flexibility available not to commit themselves to undertaking the longer course), ABSTUDY time limits are applied to allow the student either:

- minimum time plus the additional period where the student is enrolled in any stage or stages with a minimum duration of more than one year; or
- unlimited study in any stage or stages with a minimum duration of one year or less,

**whichever is the greater.**

**Note: This refers to mainstream courses only and cannot be applied when assessing Indigenous special courses for approval.**

#### 4.1.1.9 Mode of Study

An approved course may be studied by:

- attendance at classes;
- distance education/correspondence; or
- a mode of study featuring a combination of distance education/ correspondence study and classes (also see [4.1.2.3 Courses comprised substantially of Away-from-base activities](#)).

#### 4.1.1.10 Short Course

A short course is one not more than 30 weeks in duration, ie the first and last days are not more than 30 weeks apart. This period includes any holidays and vacations.

Students doing short courses are normally paid only from the start to the finish of the course.

Special rules apply for students who are undertaking successive short courses as part of an overall qualification, that is, 'articulated' short courses (see [4.1.1.7](#) and [4.1.1.8](#)).

#### 4.1.1.11 Late Starting Course

A late starting course is not a short course, but is one which:

- lasts for more than 30 weeks; and
- starts between 1 April and 30 June **or** between 1 August and 31 December, inclusive.

Students studying in late starting courses are normally paid only from the start of the course, that is, from the beginning of the pay period which includes the first day of the course.

#### 4.1.1.12 Full Year Course

A full year course is a course that:

- lasts for more than 30 weeks, and
- starts before 1 April **or** between 1 July and 31 July.

Students studying in full year courses normally study for the whole academic year. See [7.3.5.1](#) for the period of entitlement which applies.

### 4.1.2 Non Approved Courses

#### 4.1.2.1 Non Approved Courses

The following courses are not approved for ABSTUDY:

- courses conducted through a non-registered education institution;
- non-accredited higher education or TAFE-equivalent courses conducted by private providers,
- non-accredited vocational education and training programmes comprising a sequence of training that consists of modules from other vocational education training courses.

**Note: This does not apply to study programmes undertaken by students in lawful custody (see [5.7.1.3](#)), Access Programme courses (see [4.1.3](#)) or articulated short courses under the National Framework for Recognition of Training (see [4.1.1.4](#));**

- Commonwealth Government funded programmes such as :
  - mainstream Labour Market Programmes, or
  - community-based strategies;

- courses conducted through the Community Development Employment Projects (CDEP) scheme by the Aboriginal and Torres Strait Islander Commission (ATSIC);
- personal development, recreational or leisure courses, such as general fitness, weight reduction, martial arts, yoga, make-up, personal grooming and body-building courses; and
- courses comprised wholly or substantially of Away-from-base activities (see [4.1.2.2](#) and [4.1.2.3](#) following).

#### **4.1.2.2 Courses Comprised Wholly of Away-From-Base Activities**

A course is considered to be comprised **wholly** of Away-from-base activities where there are no course work requirements in addition to the Away-from-base activities.

#### **4.1.2.3 Courses Comprised Substantially of Away-From-Base Activities**

A course is considered to be comprised **substantially** of Away-from-base activities where there are minimal course work requirements in addition to the Away-from-base activities.

Courses are not considered to be comprised substantially of Away-from-base activities where there is an ongoing requirement for students to undertake course work throughout their study period, both during and between the Away-from-base activities. Such courses may then be approved if they meet the requirements of [4.1.1.1](#) or [4.1.1.2](#).

### **4.1.3 New Apprenticeships Access Programme (NAAP)**

#### **4.1.3.1 Introduction**

The Commonwealth Government provides pre-vocational training, support and assistance to job seekers who experience barriers to skilled employment to:

- promote equality or opportunity for all Australians to obtain access to vocational training which can offer them a pathway to stable and skilled employment, and
- the recognition that a diverse society should be reflected by a similarly diverse workforce.

#### **4.1.3.2 Direct Programme Funding and Applying for ABSTUDY**

Commonwealth funding under the New Apprenticeships Access Programme (NAAP) is provided to cover only course related costs (participants are not required to meet any course fees or charges). As all course costs are paid, students undertaking NAAP courses are not eligible for Incidentals Allowance.

However, no direct financial assistance is provided to participants under the Programme and students can apply for ABSTUDY assistance other than Incidentals Allowance.

### 4.1.3.3 Workload and Duration

The New Apprenticeships Access Programme is tailored to meet the individual needs of the participant and as such, courses will vary in content and duration from student to student. There will be no established standard course (**however, NAAP courses cannot exceed 26 weeks duration**).

As it would be administratively cumbersome and time-consuming for each ABSTUDY applicant's course to be individually approved, it has been decided that NAAP courses be generically approved.

The following details should be considered in relation to scheme eligibility.

### 4.1.3.4 Course Type

New Apprenticeships Access Programme courses are tertiary level courses.

### 4.1.3.5 Contact Hours

NAAP courses should be considered to have nominal class contact of 20 hours a week (the minimum required for short TAFE-type courses and Indigenous special courses). This value should then be used as the benchmark for assessing whether or not an ABSTUDY applicant meets the scheme's workload rules:

- to be considered full-time, students must undertake study involving at least 15 hours of class contact a week (this load satisfies the 75% workload rule);
- students eligible under workload concessions (see 4.4) must undertake study involving at least 25% workload or 5 hours, whichever is the greater, a week (for the pensioner and disability workload concessions) or 66% workload or 13.4 hours, whichever is the greater, a week (for the two-thirds workload concession);
- contact should be made with the ABSTUDY applicant's training provider where there is doubt as to the amount of study being undertaken.

### 4.1.3.6 Duration of Assistance

NAAP courses run for a **maximum** of 26 weeks. Eligible ABSTUDY students can only be paid assistance for the actual duration of their course (ie, from the beginning of the pay period which includes the first day of the course, up to the end of the pay period which includes the last day of the course). Not all students will be required to study for the full 26 weeks. Students must give information on the length of their course in the ABSTUDY claim form.

## 4.1.4 Study through Open Learning Australia

### 4.1.4.1 Introduction

"Open Learning" is available through Open Learning Australia (OLA) which is a broker of distance education from a number of institutions throughout Australia. It is committed to

accessible, flexible delivery of quality education and provides study units from the Vocational, Undergraduate, Postgraduate and Professional sectors.

#### **4.1.4.2 Registration for Open Learning study**

Open Learning is coordinated by Open Learning Australia, which is located in Melbourne. Students register with Open Learning Australia to undertake a particular unit; the institution responsible for the selected unit is then contracted to offer that unit to the student.

At this stage, the student becomes the responsibility of the relevant institution, and must meet the normal student obligations associated with that institution in respect of advice of changes in circumstances (cessation of study, changes in address, etc).

**Note: An Open Learning student may register for units at one or more of the participating institutions.**

#### **4.1.4.3 Recognition of Open Learning study**

Open Learning students do not formally enrol in a degree course at a specific institution.

Institutions offering particular Open Learning units are responsible for assessing registered students at the conclusion of each study period. Results of assessments are forwarded by the institution to Open Learning Australia for entry onto its data base.

Participating institutions are committed to accepting successfully completed Open Learning units as credit towards appropriate qualifications/degrees that students may wish to enter at a later date.

**Note: Assessment for Open Learning students is identical to that for internal students.**

#### **4.1.4.4 Open Learning Study Units**

OLA has arranged for Centrelink Customer Service Centres to be placed on the mailing list for updates of available units. ABSTUDY Managers should contact the OLA direct if updates are not received or address details change.

Contact: Open Learning Australia  
Level 6 30 Collins Street  
Melbourne Victoria 3000

PO Box 18059  
COLLINS STREET EAST VIC 8003

Telephone: (03) 9903 8900  
Fax: (03) 9903 8966

#### **4.1.4.5 Open Learning study periods for 2002**

There are four Open Learning study periods in a year, each extending over 13 weeks. For 2002, these are:

**For Undergraduates:**



First study period	From 05 March 2002 to 01 June 2002
Second Study Period	From 04 June 2002 to 31 August 2002
Third Study Period	From 03 September 2002 to 30 November 2002
Fourth Study Period	From 03 December 2002 to 01 March 2003

**For Postgraduates and Professional Studies:**

Session 1	From 26 February 2002 to 12 June 2002
Session 2	From 16 July 2002 to 30 October 2002
Session 3	From 03 December 2002 to 02 March 2003

#### 4.1.4.6 Normal full-time Workload

Generally, university level units offered by OLA have a credit weighting of 1/8 or 0.125 of a normal full time workload for single units or 1/4 for double units or a weighting of 0.25.

Units with a credit weighting of 0.25 will generally run for two consecutive study periods of thirteen weeks each.

OLA also offers Vocational Education and Training (VET) modules. For ABSTUDY purposes the normal full time workload for an OLA student undertaking VET modules is 214 hours in a single study period.

#### 4.1.4.7 Eligibility Minimum Workload

University level units Students will normally need to register in and undertake at least two single Open Learning units in any one study period to receive assistance.

Units with a credit weighting of 0.125 will be identified by a 2 number unit code, (eg PSY11) and will generally run for one study period of 13 weeks. Generally a student would need to register in and undertake at least 2 of these units within any one study period to receive assistance.

Units with a credit weighting of 0.25 are identified by a 3 number unit code, (eg FRE112) and will generally run for two consecutive study periods of thirteen weeks each, but can range up to 39 weeks. Generally a student would need to register in and undertake at least 1 additional unit in a study period to receive assistance for that study period.

#### VET modules

Students who undertake OLA VET modules equivalent to 160 hours per study period may be eligible to receive assistance.

**Note: The unit registration of students over two or more study periods is not averaged across the study periods.**

#### 4.1.4.8 Example

*Mary registers for three units in the first study period and one unit in the second. Mary is ineligible for assistance in the second study period as she is part-time. Her workload is not averaged to 2 units per study period.*

#### **4.1.4.9 Eligibility Minimum Workload - sole parent /student with disabilities**

The workload concessions for sole parent pensioners and students with disabilities also applies to Open Learning students. Students meeting the requirements of the concession can receive assistance as long as they study at least 25% of the normal full-time workload, ie one university level unit , or VET modules equivalent to 54 hours in a study period.

#### **4.1.4.10 Payment Period/s for Eligible Students**

Open Learning study is to be treated as study in a 'full year' course. The assessment of entitlement periods will not significantly differ from that for conventional university full-year courses. The following tables set out the periods for which ABSTUDY can be paid in 2002 to students who meet the workload and other eligibility requirements including the requirements concerning commencement date of assistance, (see 7.3.5.1).

#### **4.1.4.11 Workload Confirmation**

The following table sets out payment periods for student undertaking two units in a study period.

<b>If the student studies two units in a study period:</b>	<b>then ABSTUDY can be paid for the period*:</b>
four and one (across two calendar years)	1 January to end of study period 1
one and two	1 January to end of study period 2
one, two and three	the full year
one, two, three and four	the full year
two and three	beginning of study period 2 to 31 December
two and three and four	beginning of study period 2 to 31 December
one, three and four	study period 1 <u>and</u> from beginning of study period 3 to 31 December
three and four	beginning of study period 3 to 31 December

**Note 1: Students studying in the 4th study period must have their situation assessed for the 2003 period/year to be paid after 31 December 2002.**

**Note 2: Consideration must be given to whether there has been a break in study, see Policy Manual - 7.3.5.4.**

#### 4.1.4.12 Two Units in a Single Study Period or in Two Non-Consecutive Periods

Assistance is also available to students who undertake at least two university level units in only one study period, or in two non-consecutive study periods. In these cases assistance is restricted to the actual duration of the study period/s involved.

#### 4.1.4.13 Students Undertaking Three or More Units in a Study Period

The following table sets out payment periods for students undertaking three or more university level units in a study period.

<b>If the student studies three units in a study period:</b>	<b>then ABSTUDY can be paid for the period:</b>
one (only)	1 January to end of study period 1
one and two	the full year
one, two and three	the full year
one, two, three and four	the full year
one and three	the full year
one, three and four	the full year
one and four	1 January to end of study period 1 <u>and</u> beginning of study period 4 to 31 December
two (only)	beginning of study period 2 to 31 December
two and three	beginning of study period 2 to 31 December
two, three and four	beginning of study period 2 to 31 December
two and four	beginning of study period 2 to 31 December
three (only)	beginning of study period 3 to 31 December
three and four	beginning of study period 3 to 31 December
four (only)	beginning of study period 4 to 31 December

**Note 1: Students studying after 31 December 2002 in the fourth study period must have their situation reassessed for the 2003 period/year.**

**Note 2: Consideration must be given to whether there has been a break in study, see Policy Manual - 7.3.5.4.**

#### 4.1.4.14 Assistance is Payable for Exam Periods

Eligible students can receive assistance for study in the relevant exam period/s. Examinations are generally held during the weeks following the end of the Open Learning study periods. However, some institutions delay exams until later in the year. ABSTUDY is payable for examination periods and for ease of administration these are considered to be the three weeks immediately following the end of the relevant study period.

Eligible students can receive ABSTUDY up to and including the last day of the exam period. These dates are listed below:

Study period	Exam period
one	5 June 2002 to 18 June 2002
two	4 September 2002 to 17 September 2002
three	4 December 2002 to 17 December 2002
four	5 March 2003 to 18 March 2003

**Note: \*See 4.1.5.16 Students continuing study into 2003 from the fourth study period of 2002.**

#### 4.1.4.15 Continuation of Payments from One Study Period to the Next

For ABSTUDY purposes, it is not necessary for students to register for Open Learning study for study periods in advance. The continuation of assistance from one study period to the next is based initially on the student's stated intention to study in the next period in the required number of units and later confirmation of their formal registration (see Policy Manual - 7.3.8.3. Payment commences).

Note that the OLA does not require students to register for study in more than one study period at the same time. While it will accept registration for multiple periods, OLA recommends to students that it is in their best interests to register only in one or two study periods at the same time.

Payments should continue unbroken into the next study period if the proposed workload is acceptable, but will again be subject to confirmation of formal registration for that period.

**Note 1: Local arrangements should be made to ensure review of entitlements towards the end of each study period, and timely follow-up to avoid gaps in payment.**

Note 2: CSO nominated paragraph **S90** may be used for this purposes:

*"For payments to continue beyond the current study period, you must provide proof of continued registration with Open Learning Australia. The Official notification of registration must be supplied within four weeks of the commencement of each study period this year."*

Care should be taken in requesting confirmation of enrolment. For example, students who undertake three university level units in the second study period do not have to study in the third period for payments to continue through to 31 December 2002. However, a student who undertook two university level units, or VET level study, in the second study period would need to study in the third period to get assistance to 31 December 2002.

#### 4.1.4.16 Students Continuing Study into 2003 from the Fourth Study Period of 2002

The fourth study period for 2002 starts on 3 December and extends through to 1 March 2003. Students studying in the fourth study period of 2002 can only receive ABSTUDY for 2002 up until 31 December 2002. To receive assistance in 2003, students will have to complete the applicable Centrelink form for continued payment. Where this is done, and

eligibility is maintained for the duration of the fourth period, payment can be made for the period 1 January to the end of the fourth examination period. Students must register for the required number of units/modules in the first study period of 2003 for payments to continue after this time.

#### **4.1.4.17 Closing Date for Applications**

To receive full benefit, the following application closing dates apply to Open Learning students (unless extenuating circumstances apply):

<b>If student first applies for ABSTUDY for study period:</b>	<b>then the closing date for the application is:</b>
<b>one</b>	18 February 2002
<b>two</b>	19 May 2002
<b>three</b>	18 August 2002
<b>four</b>	17 November 2002

#### **4.1.4.18 Workload: Concurrent Open Learning/Conventional Study**

There may be cases where students enrol as conventional internal or external students, and also undertake one or more Open Learning units.

In the first instance, eligibility should be assessed for each form of study. The student would be eligible if the normal workload requirement is met in either the conventional course or in Open Learning study.

Where an institution accepts Open Learning study as part of the student's primary course, the amount of work in both modes of study may be combined. The student must provide a letter from the academic registrar (or equivalent officer) of the institution confirming that the successful Open Learning study will be credited towards the student's primary course. Note that a single university level unit of Open Learning study would equal 0.125 of a full-time HECS semester load.

See also [4.1.5.7 Eligibility minimum workload](#)

#### **4.1.4.19 Break in Study Rule**

A 'semester' refers to the usual half-year teaching period. It does not directly cover Open Learning study periods.

As a general rule Open Learning students who have had a break of more than two study periods can be considered to have had a break of more than one semester.

As vacation periods are disregarded when calculating the length of the break in study, a student studying in any one study period, would have to miss, (or study part-time without a concession), all or part of the next two study periods before being considered to have had a break in study of more than one semester.

#### **4.1.4.20 Open Learning Deferred Payment Scheme**

The Open Learning Deferred Payment Scheme (OLDPS) is available for all **undergraduate** university units offered through OLA. It lets OLA students defer the payment of their OLA fees by taking out a loan with the Commonwealth Government. The scheme is similar to the HECS applicable to university study and the repayment arrangements are the same.

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## 4.2 Schooling Award Study

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## Introduction

To be eligible for ABSTUDY Schooling Award, students must meet certain study criteria.

This chapter covers the education institution, level and workload requirements for secondary study.

## **4.2.1 Where Can Students Study?**

### **4.2.1.1 Approved Institutions**

Approved education institutions for Schooling Award are:

- government schools including those offering distance education/ correspondence courses;
- non-government education institutions offering primary, ungraded, secondary or special courses accredited by the relevant State or Territory education authority;
- senior secondary colleges; and
- TAFE institutions.

### **4.2.1.2 Secondary School**

A secondary school is a school in Australia or on Christmas Island or Cocos (Keeling) Islands that is:

- a government secondary school, or
- a non-government school that is not conducted for the profit of a person and is recognised as a secondary school:
  - under State or Territory law,
  - for the payment of government capital or recurrent grants, or
  - for the payment of government grants or bursaries to the students.

### **4.2.1.3 Special Schools**

To be eligible for ABSTUDY Living Allowance or Pensioner Education Supplement, as applicable, students at special schools are required to:

- study at an approved special school, ie, a school conducted primarily for students having a mental or significant physical, intellectual or psychiatric disability that is:
  - a. a government school, or
  - b. a non-government school that is recognised as a school:
    - i. under the law of a State or Territory, or
    - ii. for the payment of government capital or recurrent grants, or

- iii. for the payment of government bursaries or allowances to its students; and
- undertake study that the State/Territory education authority, non-government education authority or school Principal has stated, **in writing**, to be at secondary level

Where a student is studying in a course not approved for the purposes of ABSTUDY, the student's family may be eligible for an allowance under AIC.

#### 4.2.1.4 What is a "Secondary Course"

Neither the 'Determination of Education Institutions and Courses No. 1999/2' under sub section (3)(1) and (5D)(1) of the *Student Assistance Act 1973* nor the ABSTUDY policy guidelines define what is a "secondary course" at a special school. Given this, a special school programme would be accepted as a "secondary course" for ABSTUDY purposes where an education authority determines the course to be secondary.

Centrelink Customer Service Officers are not expected to assess the level of study undertaken by individual students attending special schools. This assessment appropriately rests with an education authority, usually the relevant State/Territory or non-government education authority, as appropriate or, in some cases, the school Principal.

#### 4.2.1.5 Victorian Special Schools

Advice from the Victorian Department of Education is that all students of secondary age at its special development schools, special schools or equivalent schools are regarded as undertaking secondary courses. All students who otherwise qualify for ABSTUDY Living Allowance or PES can be regarded as being of secondary age.

**Note: There is a Centrelink Course Approvals Officers in each State/Territory who can provide confirmation on whether or not an individual school is an approved special development school.**

#### 4.2.1.6 Action by Course Approvals Officers

Where a State/Territory education authority or non-government education authority has not advised their position regarding the status of courses undertaken by special school students, the ABSTUDY course approvals officers should contact the education authority to ascertain whether the authority can provide a general statement advising that particular schools or type of schools provide secondary courses and that a particular type or age of student undertake such a course.

A general or blanket statement from an education authority will obviate the need to contact individual school Principals to confirm a student's status and ensure consistency of ABSTUDY assessments within each State/Territory. For non-systemic non-government schools it may be necessary for the Principal to be contacted about the status of a student.

**Note: If it is necessary to make contact with a school Principal about the status of a student the Course Approvals Officer must comply with the requirements of the Privacy Act 1988 (see 1.5.5.3)**



#### **4.2.1.7 Statements from School Principals**

While a general or blanket statement about the status of special school students may be able to be obtained from the relevant education authority, where this is not possible, a written statement from a school Principal will be necessary and should generally be obtained prior to ABSTUDY payments commencing.

As special schools would cater for students with a range of disabilities, it will not necessarily be the case that all students attending a particular school will be undertaking secondary-equivalent study. Because of this, and where there is no general or blanket statement from the relevant education authority available, the study programme undertaken by students applying for assistance will need to be individually confirmed by Principals.

Where a Principal advises that a student is of "secondary age", or undertaking "a modified curriculum" or study at, for example, "Year 11", the Principal should be asked to simply confirm that the student is undertaking a secondary course.

Where advice is given by a school Principal contrary to education authority advice that a student is 'secondary', the advice of the authority should take precedence. There should be few, if any, cases where conflict arises.

#### **4.2.1.8 Students not Eligible for ABSTUDY**

Generally, students 16 years of age and over, who are undertaking a course at a special school that is not 'secondary' for ABSTUDY purposes are likely to have a more substantial intellectual disability and therefore qualify for the Disability Support Pension. Thus, income support should normally always be available to students from needy families. Any cases where the student:

- is not receiving a Disability Support Pension; and
- is ineligible for ABSTUDY assistance because they are not undertaking an approved course,

should be referred to the Student Assistance Team, Youth and Students Customer Segment Team, Centrelink ABSTUDY Unit before the student is assessed as ineligible for assistance.

Also, where a State/Territory education authority or Principal advise that students are doing study other than at secondary level but consider that ABSTUDY should be available, details of the concern should be forwarded to the Centrelink ABSTUDY Unit for consideration.

#### **4.2.1.9 Study at More Than One institution**

A secondary student may study at more than one institution, providing her/his total workload is full-time. Full-time workload can be confirmed by the school or institution.

#### **4.2.1.10 Concurrent Secondary School Study and TAFE Study**

Senior secondary schools and TAFE colleges are increasingly offering the opportunity for students to gain greater exposure to vocational education while studying towards their Year 12 qualification. Such study aims to increase participant's employment skills levels on leaving the secondary sector.

The following are to be treated as 'secondary' students even though some TAFE level study may be undertaken in conjunction with secondary subjects:

- secondary students who choose to take TAFE study outside of any formal arrangement between their secondary school and a TAFE college; and
- students whose TAFE or other vocational study may simply be credited to, or enable the student to enter, a TAFE course after secondary schooling is completed (ie the student is not formally enrolled in a TAFE qualification course at the same time as completing the secondary study). This is generally the case for students undertaking study under Australian Vocational Certificate arrangements and those in 'Year 13' type study.

#### **4.2.1.11 Home Schooling Arrangements**

To receive ABSTUDY, students are required to study at an approved education institution in an accredited award. It is not intended that assistance be provided to families who choose to withdraw their children from a formal school setting without consideration of the requirements of the relevant State/Territory education authority for the granting of education qualifications.

However, ABSTUDY can be made available for home-based schooling where the relevant State/Territory Government school education authority has given specific approval for an individual student to undertake home study and the authority confirms that the study is full-time and conforms with, and will be accredited towards, the secondary qualification accredited by that authority.

In the absence of education authority approval, ABSTUDY should be available for home schooling only where the student is:

- formally registered at a secondary school recognised for ABSTUDY purposes;
- studying accredited subjects; and
- undertaking a workload deemed to be full-time by the school.

#### **4.2.2 Attendance and Workload**

To be eligible for ABSTUDY Schooling Awards, students must meet certain attendance requirements.

This topic covers the workload and attendance requirements.

##### **4.2.2.1 Schooling Workload**

#### 4.2.2.1.1 Full-time Study

A student must study full-time in the approved course to be eligible for assistance under an ABSTUDY Schooling Award unless s/he meets the criteria for a workload concession (see 4.4).

#### 4.2.2.1.2 Part-time Study

Part-time schooling students who are 18 years or older at 1 January, may be eligible for assistance under the ABSTUDY Part-time Award.

#### 4.2.2.1.3 Full-time Criteria

Students are considered full-time if they:

- attend school daily;
- do not attend school daily but have been approved by the relevant State/Territory education authority to study course work at home (original or certified copy of State or Territory approval must be provided) (see 4.2.1.5);
- do not attend school daily but study course work at home which is:
  - set by the school,
  - supervised regularly by the school, and
- the study mode is approved by the school

**Note: This study mode will only be approved because of injury, illness or other circumstances beyond the student's control.**

- study a course at TAFE or similar institution or by distance education/ correspondence and undertake at least three-quarters of the accredited amount of full-time work; or
- qualify for a workload concession (see 4.4).

#### 4.2.2.1.4 School Based Apprenticeships/Traineeships

ABSTUDY students in Years 11 and 12 who are involved in full-time secondary schooling and attending TAFE for one or two days a week on an apprenticeship/traineeship are eligible for full ABSTUDY benefits. Any payment under the apprenticeship/traineeship agreement is treated as personal income under the Income Bank rules, (see 6.8) for example, the Toowoomba TAFE Certificate in Salon Practice Apprenticeship and the Clontarf Traineeships in West Australia.

### 4.2.2.2 Progress

#### 4.2.2.2.1 Progress

There are no progress rules under the ABSTUDY Schooling Awards for school students. However, students undertaking secondary studies through a TAFE or similar institution are eligible for assistance providing they can complete the approved course of study within a reasonable time.

#### 4.2.2.2.2 Reasonable Time

### **DIFFERENT TO YA/Austudy PAYMENT**

The table below defines what constitutes a reasonable time for different secondary courses studied at a TAFE or similar institution.

**Note: These do not apply to students attending a school.**

<b>If the course is...</b>	<b>then a reasonable time to complete the course is...</b>
two years' duration or less	twice the normal course duration.
a course of more than two years' duration	the normal course duration plus two years.

**Note: The student's eligibility should be measured at the start of the academic year, and at that date, the student must have studies less than the maximum time limit allowed. A student may continue to be eligible for ABSTUDY until the end of the academic year, even where s/he will have studied more than the maximum limit by the end of that academic year. That is, previous study is only measured against the reasonable time once a year, at the start of the year.**

#### 4.2.2.2.3 Approval of an Extension

The delegate may approve the extension of an award for up to one year beyond the reasonable time duration specified above if:

- the student's progress has been impeded by physical, psychiatric or intellectual disability or other circumstance beyond her/his control (see 4.6.4.2); and
- the education institution recommends in writing that the student continues the course and indicates that the student is expected to complete the course this year.

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## 4.3 Tertiary Study

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## Introduction

To be eligible for ABSTUDY Tertiary Award or Part-time Award, students must meet certain study criteria.

This chapter covers the education institution, level and workload requirements for tertiary study.

### 4.3.1 Where Can Students Study?

#### 4.3.1.1 Approved Institutions – Tertiary

Approved education institutions for a Tertiary Award are:

- higher education institutions which attract Commonwealth funding;
- TAFE institutions;
- Aboriginal colleges which attract Commonwealth funding; and
- Private education institutions provided
- their primary focus is education, **and**
- they are registered, **and**
- their courses are accredited by the relevant State/Territory education authority.

A student who studies a secondary course through a tertiary institution is a secondary student and can apply under a Schooling Award.

#### 4.3.1.2 Higher Education Institutions

For ABSTUDY purposes, a higher education institution is:

- an institution that receives Commonwealth Government funding under the *Higher Education Funding Act 1988*, or
- is a private institution:

- which conducts courses accredited by the relevant State or Territory accreditation authority as being a higher education course; or
- whose awards have been determined by a private institution that has been given the power under State or Territory legislation to confer awards in higher education.

**Note: Bond University in Queensland and Open Learning Australia are higher education institutions for ABSTUDY purposes.**

#### **4.3.1.3 TAFE Institutions**

For ABSTUDY purposes, a TAFE institution is :

- registered as an institution providing vocational education and training by the appropriate State or Territory authority; and
- receiving or is eligible to receive funding from the appropriate State or Territory authority; and
- provides courses that are accredited under State or Territory requirements, for the accreditation of vocational education and training courses; and
- not conducted for profit.

#### **4.3.1.4 Non Approved Institutions**

The following education institutions are not approved institutions for the purposes of ABSTUDY assistance:

- the International Institute of Business and Technology (WA), and
- the Australian Institute of Sport and the State based equivalents.

#### **4.3.1.5 Registered Training Organisation**

Under the Determination No 1999/2 (Appendix 2 of the Policy Manual) TAFE's are now included in the definition of 'a registered training organisation' (RTO).

#### **4.3.1.6 Concurrent Secondary School Study and TAFE Study**

Increasingly, schools and TAFE colleges are joining together to offer students the opportunity to study towards their matriculation qualification and a recognised TAFE qualification. In these situations, students' TAFE study is directly credited to a distinct qualification (generally, a certificate or advanced certificate).

Students are considered as 'tertiary' students for scheme purposes where:

- concurrent study is undertaken leading to both the senior secondary qualification and to an accredited TAFE qualification; and
- there is an association between the secondary study and the tertiary TAFE study; and
- secondary and TAFE study is integrated within the structure of the course; and
- both the institution offering the secondary study and the one offering the TAFE study are approved institutions for scheme purposes to offer that level of study; and
- they are formally enrolled at both the secondary school and the TAFE college; and
- both secondary and TAFE study is undertaken in a year:
  - where TAFE study is integrated within both Year 11 and 12 study, students are 'tertiary' for both years;
  - where TAFE study is integrated only in Year 12, students remain as 'secondary' for Year 11.

## 4.3.2 Tertiary Workload

### 4.3.2.1 Introduction

Students applying for a Tertiary Award or a Part-time Award will be considered to be full-time or part-time on the basis of their study workload judged against the normal full-time study workload requirement of the approved course.

Normally, students must undertake at least 75% of the normal full-time workload to be eligible for full-time study entitlements, however, they also may be considered full-time if they qualify for a workload concession (see 4.4).

### 4.3.2.2 Full-time Workload Assessed Courses

The normal Higher Education Contribution Scheme (HECS) assessment is 1.0 over a year; 0.5 each semester.

Students studying higher education courses for which there is a HECS assessment will be regarded as full-time in a semester provided that they are enrolled in and undertaking a HECS workload of at least 0.375 in that semester (ie, 75% of a full-time workload for the semester).

See 4.3.2.12 to 4.3.2.21 for further information about assessment of full-time workload courses.

Where special arrangements for Aboriginal and Torres Strait Islander students have been made to facilitate take up of higher education courses (eg a study programme involving non-HECS bridging subjects) and the institution classifies the study programme as being full-time and leading into a full-time degree course, the study programme will be considered to be a full-time course. Written advice is needed from the institution.



### 4.3.2.3 Full-time Workload in Other Tertiary Courses

The normal workload for non-HECS tertiary courses is the normal study programme as set down in course documentation.

Tertiary students studying non-HECS assessed courses who are enrolled in, and study, at least three-quarters (75%) of the normal full-time study workload are regarded as full-time students and may be eligible for benefits under an ABSTUDY Tertiary Award. Students must be full-time in each semester.

Students undertaking courses without full attendance requirements, ie in mixed-mode, distance education or competency based training courses, who cannot provide evidence of a full-time study workload, may be approved only for part-time entitlements. Acceptable workload evidence would be a timetable or similar document showing dates assignments are due and completion dates for the modules in which the student is enrolled.

**Note: Tutorial assistance sessions funded under the DEST Aboriginal Tutorial Assistance Scheme (ATAS) are not to be included when assessing a student's full-time workload**

### 4.3.2.4 Part-time Workloads

Students who are not undertaking at least 75% of a normal full-time workload or do not qualify for a workload concession as described in Policy Manual - 4.4, may be eligible for benefits under the ABSTUDY Part-time Award (see [3.2.1.4](#)).

### 4.3.2.5 Two Part-time Courses

Two part-time courses cannot be grouped to make one full-time course. The student is entitled to the benefits arising from each Part-time Award. Exceptions to this are articulated courses which are described in Policy Manual - [4.1.1.4](#) and [4.1.1.5](#).

However, students may be eligible for full-time entitlements where they are enrolled in one course while undertaking their study at more than one institution or campus. This can be applied if the study at both institutions counts toward one qualification and totals at least three-quarters of the full-time course workload (or the student is eligible for a workload concession and undertaking the required workload for that concession). Also see [4.3.2.11](#).

A statement supporting the ABSTUDY workload requirement must be provided by one institution where this cannot be clearly identified.

### 4.3.2.6 Distance Education/Correspondence

The workload criteria set out in this section apply equally to students studying distance education/correspondence courses.

### 4.3.2.7 Masters and Doctorate Study Requirements

Students must meet the requirements of the university for studying full-time in the particular Masters or Doctorate course being undertaken.

**Note: Part-time Masters and Doctorate students are entitled to apply for assistance under the ABSTUDY Part-time Award.**

### **4.3.2.8 Credited Subjects Do Not Count**

Subjects in which the student is not currently undertaking study cannot be counted for workload purposes. Subjects, units or points 'credited' for work done previously do not count as ABSTUDY workload.

### **4.3.2.9 Example**

*Jon studies for two years in a Bachelor of Commerce course. He then transfers to Economics. During his first year, he is awarded half a year's credit on the basis of his previous studies. The credited subjects do not count for workload purposes.*

### **4.3.2.10 Combined Courses**

Where a student is undertaking a course that is a combined course for ABSTUDY purposes (eg an approved BA/LLB course), workload is measured against the normal full-time study load for the combined course.

### **4.3.2.11 Enrolment at Two Institutions**

A student may study at more than one institution.

Normal workload requirements apply:

- the student must undertake at least 75% of normal full-time student workload in at least one course;
- studies through a second institution can be counted for workload purposes only if:
  - the subjects are recorded as enrolment by the first institution in the approved course, or
  - the student provides evidence that the subjects will be counted towards the approved course on completion (eg a statement from the main institution that the results will be recognised towards the student's main course);
- a student cannot add together workloads in unrelated subjects which do not form part of an approved course;
- both institutions must be approved for ABSTUDY.

The above rules also apply to studies which combine HECS and non-HECS subjects.

### **4.3.2.12 What is HECS and How Does It Work?**

A HECS course is a course in which students attract a charge under the Higher Education Contribution Scheme (HECS) administered by DEST.

HECS loadings are calculated based on institutions' advice about the normal full-time student workload in each year of a course. The year's normal full-time student workload has a HECS load (or weighting) of 1.0. HECS loads for individual subjects are determined based

on the institution's advice about how much of the normal full-time student workload a subject comprises.

A normal full-time semester workload in a HECS course will be 0.5 (that is, one half of the full-year workload of 1.0). Three quarters (75%) of a full-time workload will be 0.75 in a year or 0.375 in a semester.

#### **4.3.2.13 HECS Workload - Rounding Effects**

HECS values are expressed to three decimal places and rounded down. Thus, a subject which is one-third of a semester's work has a HECS value of 0.166 rather than 0.167. A subject worth one-eighth of a semester's work has a value of 0.062, while a quarter of a semester's work is worth 0.125.

A student should not be regarded as ineligible for ABSTUDY because of the effects of HECS rounding errors. (Rounding discrepancies will be 5/1000ths (0.005) or less.)

#### **4.3.2.14 Calculation of HECS Values**

The minimum concessional HECS value for a student to be considered full-time is:

- 0.664 for a year, or
- 0.332 for a semester.

#### **4.3.2.15 How is HECS Taken Into Account for ABSTUDY?**

ABSTUDY normally requires that students in HECS courses undertake a HECS load of at least 0.375 per semester.

Generally, it would be unfair for students with a lesser HECS load to get Commonwealth student assistance simply because an institution does not properly present courses with full HECS loads of 1.0 per year or has otherwise arranged courses to minimise HECS contributions outside the normal operation of the Commonwealth HECS legislation.

#### **4.3.2.16 Example**

*If an institution tells the Commonwealth that a normal full-time load is 10 (equal) subjects, each subject should have a HECS load of 0.1 per year or 0.05 per semester. The institution should not then set normal full-time loads at only 8 of these subjects without amending HECS weightings.*

*Just as it is unfair on students in other courses or other institutions for proper HECS liability not to be applied, it would be unfair if ABSTUDY waived its normal HECS requirements rather than encourage the institution to ensure its HECS loadings were fairly and correctly calculated.*

#### **4.3.2.17 HECS Workload – Census Date**

Students' HECS liability is calculated at the HECS census date in each semester (31 March and 31 August). The census date does not normally affect ABSTUDY. A student who withdraws from or ceases studying in a subject after the census date decreases her/his

workload by that subject's HECS load from the date of withdrawal or cessation, irrespective of whether HECS remains payable for that subject.

Conversely, a student who withdraws before the HECS census date and who undertook, and was enrolled in, subjects is credited with their workload to the date of withdrawal.

#### **4.3.2.18 HECS Anomalies**

From time to time, anomalies do arise in HECS loadings. ABSTUDY is concerned that individual needy students should not be unfairly penalised in such circumstances. If the student's workload is consistent with the full-time workload as described in the institution's handbook or official course structure, ABSTUDY workload eligibility can, for administrative purposes be determined in accordance with the provisions of 4.3.2.2.3 instead of 4.3.2.2.2, essentially in such cases the HECS loading is ignored.

Any cases should be referred to the Operational Policy Support Unit where:

- a student's HECS load is less than 0.375 per semester; **but**
- it appears unfair to regard the student as less than full-time because the discrepancy seems due to institutional HECS anomalies.

#### **4.3.2.19 Example 1: Industrial Experience**

*The first semester of Year 3 in Janni's Bachelor of Engineering consists of compulsory Industrial Experience for which no HECS is paid. She remains enrolled full-time for this period.*

*Janni is counted as a full-time student for ABSTUDY workload purposes.*

*Industrial or practical experience components are not generally covered by HECS and so do not have a HECS weighting. These periods should be assessed under 4.3.2.2.3.*

#### **4.3.2.20 Example 2: Uneven Workload Across Semesters**

*Second Year Nursing is arranged so that the normal HECS weighting for Semester 1 is 0.664, but Semester 2 only 0.334. Under 4.3.2.2.2, students undertaking HECS loads of 0.334 in a semester are not full-time (allowing for HECS rounding errors, it is 66.66% of a 'normal' 0.5 HECS load).*

*However, ABSTUDY can be paid if a student in this Nursing course is granted a workload concession under 4.4.2.2 because of the institution's normal requirements for the course or other approved reason.*

#### **4.3.2.21 Example 3: HECS Not Allocated Proportionally**

*The final year of Bachelor of Electrical Studies requires completion of a full year Project. The project is divided into three units, two must be completed in Semester 1 and one in Semester 2. The institution has allocated HECS for this subject equally across each semester even though the workload in Semester 1 is greater than Semester 2. ABSTUDY workload eligibility can be determined by ignoring the HECS loading and the student's workload is assessed against the normal full-time workload for the final year of the Bachelor of Electrical Studies as described in the institution's handbook or official course structure.*

## 4.3.3 Progress and Duration of Assistance

### 4.3.3.1 Extent of Assistance

The duration for which a student can continue to receive ABSTUDY is subject to:

- the course being completed in a reasonable time, and
- limits on the assistance available for study in degree courses.

### 4.3.3.2 Reasonable Time

#### DIFFERENT TO YA/AUSTUDY PAYMENT

ABSTUDY Tertiary students are eligible for assistance providing they can complete the approved course of study within a reasonable time.

The table below defines what constitutes a reasonable time for different length tertiary courses.

If the course is...	then a reasonable time to complete the course is...
two years' duration or less	twice the normal course duration.
a course of more than two years' duration	the normal course duration plus two years.

See also - [4.1.1.7](#) and [4.1.1.8](#) concerning articulated short courses.

#### **Transfer for students over 21 years from ABSTUDY to Newstart Allowance (NSA) because of ABSTUDY ineligibility under the reasonable time rule.**

ABSTUDY recipients who transfer to NSA because they have exceeded their reasonable/maximum time for completion of their course, may finish their course as an Approved Activity under NSA if they have less than 12 months of their course to complete. ABSTUDY customers are to be processed in the same way as Youth Allowance.

**Note: The student's eligibility should be measured at the start of the academic year, and at that date, the student must have studied less than the maximum time limit allowed. A student may continue to be eligible for ABSTUDY until the end of the academic year, even where s/he will have studied more than the maximum limit by the end of that academic year. That is, previous study is only measured against the reasonable time once a year, at the start of the year.**

### 4.3.3.3 Additional Reasonable Time

In addition to the above, where a graduate student is accepted into a mainstream Bachelor degree course on the basis of completion of the initial Bachelor degree course, the reasonable time rules can be extended by up to two additional years. This provision applies to those students whose acceptance in the second degree was as a result of completion of

the first degree being a mandatory prerequisite or alternative entry requirement imposed by the institution on such students.

The provision also applies to students who have been accepted into the second degree on the basis of an arrangement made with the institution that is specific to the student. That is, where successful study in the first course is accepted by the institution as an alternative means of entry to the second degree. Different rules apply where completed study at the same level is the usual or compulsory requirement for entry to the degree course for all students. In this situation, the provision at [4.3.3.9](#) is applicable.

#### **4.3.3.4 Extension of One Year Because of Disability or Circumstances Beyond the Student's Control**

The delegate may approve the extension of an award for up to one year beyond the reasonable time duration specified above if:

the student's progress has been impeded by physical, psychiatric or intellectual disability or other circumstance beyond her/his control (see [4.6.4.2](#)); and

the education institution recommends in writing that the student continues the course and indicates that the student is expected to complete the course this year.

#### **4.3.3.5 Assistance for Degree Courses**

##### **DIFFERENT TO YA/AUSTUDY PAYMENT**

ABSTUDY assistance is normally limited to:

- one undergraduate Bachelor degree (including Honours, combined degrees and/or prerequisite studies);
  - one degree at Masters level; and
  - one degree at Doctorate level;
- OR
- one undergraduate Bachelor degree (including Honours, combined degrees and/or prerequisite studies); and
  - two higher degrees at the same level, (for example if a student completes two degrees at the Masters level no Doctorate is payable OR if a student completes two degrees at the Doctorate level no Masters is payable).

The limitation is applied by comparing the reasonable time for the course with the length of time that the student has received ABSTUDY Living Allowance for study at the level of the degree course. See [4.3.3.6](#) for how this limitation is to be applied.

Students may, however, be approved for any number of non-degree undergraduate and/or postgraduate courses.

**Note: Students continuing study in a degree course which commenced prior to 1998 may be considered to meet this rule where they are studying in a second or subsequent degree course. This applies for either the duration of the student's current course or until s/he discontinues or defers studies (but see also 4.6.4.2 Circumstances Beyond Student's Control).**

#### 4.3.3.6 Calculating Limit of Assistance for Degree Courses

The assessment of a claim for a student in a degree course is to include a comparison of the reasonable time for the course (as determined by 4.3.3.2, including where applicable, the additional reasonable time at 4.3.3.3) with the length of time that the student has received Living Allowance for study at the level of the degree course.

If at the commencement of the year of claim, the length of time that the student has received Living Allowance for study at the level of the degree course is greater than or equal to the reasonable time allowed for the second course, then the student is not eligible for further assistance.

#### 4.3.3.7 Calculating Period of ABSTUDY Assistance

Periods of study for which Living Allowance was not paid (eg, for part-time study or because of income testing) and periods of study in courses other than degree level courses, are not taken into account.

#### 4.3.3.8 Studies More Than 10 Years Ago

Studies undertaken more than 10 years before the year of study are disregarded when calculating previous study time for either undergraduate or postgraduate degrees.

#### 4.3.3.9 Prerequisite Study

If a previously completed degree course at the same level is **a recognised prerequisite** for entry to another degree course, the previous course is not taken into account when calculating time spent. That is, the reasonable time rule at 4.3.3.2 is calculated separately for the second course and the period Living Allowance was received to undertake the first course is disregarded.

This applies only where a previous course is the **usual or compulsory requirement for entry** to the degree course for all students, for example, the graduate entry requirement into the Bachelor of Social Work or the Bachelor of Medicine at Flinders University, SA. It does not apply because an **individual student** needs to get into the course in that way. The institution handbook should be consulted to verify the prerequisite requirement.

This provision does not apply to a student who has been accepted into the second degree on the basis of an arrangement made with the institution which is specific to the student. In these cases, the additional reasonable time rule at 4.3.3.3 applies.

#### 4.3.3.10 Professional Admission Courses

The Barristers or Solicitors Admission Board's course or other similar professional admission courses for graduates may be approved following completion of an undergraduate degree where it is an essential requirement for entry to the profession relevant to the completed undergraduate degree.

### 4.3.3.11 Master's Qualifying Courses

A Master's qualifying course is a year of full-time or part-time undergraduate study that is an alternative to the completion of an Honours year to enable entry to Masters or Doctorate study. The Masters Qualifying year is undertaken following the completion of an undergraduate pass degree, ie a degree without Honours, so that a student can receive assistance to complete an Honours year or a Masters Qualifying course, but not both.

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## 4.4 Workload Concessions

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-



## **Introduction**

To be eligible for a workload concession, students must meet certain study criteria.

This chapter explains the qualification requirements of the workload concessions.

### **4.4.1 Introduction to Workload Concessions**

#### **4.4.1.1 Concessions for Tertiary Students**

There are five ABSTUDY workload concessions to a Tertiary Award:

- coherent course sequence concession;
- two-thirds concession;
- disability concession;
- pensioner concession; and
- illness and injury concession.

#### **4.4.1.2 Concessions for Schooling Students**

There are three ABSTUDY workload concessions to a Schooling Award:

- two thirds concession (TAFE and correspondence students);
- disability concession; and
- pensioner concession.

#### **4.4.1.3 Concessions Details**

These concessions are explained in the following topic.

### **4.4.2 Types of Workload Concessions**

#### **4.4.2.1 Coherent Course Sequence Workload Concession**

Tertiary students studying two associated courses where one merges with or leads into the other course may be considered full-time if the workload of the two course elements total at least 75% of the accredited full-time workload, eg a bridging course leading into, or a supplementary programme studied concurrently with, a degree course. The institution's confirmation should be obtained where appropriate.

Special arrangements apply for Aboriginal and Torres Strait Islander students made to facilitate take up of higher education courses where the HECS assessment would normally be .375 points (75% of a full time workload but where the load has been reduced to meet these students study requirements. Where the institution classifies these studies as being full-time and leading into a full-time degree course these courses will be considered to be

full-time courses. Written advice is needed from the institution. This arrangement must also satisfy the two-thirds workload concession at 4.4.2.2.

#### 4.4.2.2 Two-thirds Workload Concession

A student can get ABSTUDY if:

- s/he is undertaking at least **two-thirds** of the normal full-time workload; and
- it is not possible to study 75% of the normal workload because of:
  - the institution's normal requirements for the course, or
  - a **specific** direction in writing from the deputy Principal, an academic registrar or an equivalent officer, or
  - a **recommendation** in writing from the academic registrar or equivalent officer, for academic or vocational reasons. The institution does not have to specify the reasons on which the recommendation is based. Workload requirements cannot be reduced for academic or vocational reasons for more than half of the academic year.

Examples of an institution's normal requirements which restrict a student's workload in a course **include**:

- timetable clashes,
- subject pre-requisites not satisfied because of failure or other reasons,
- subject cancelled or over-enrolled, and
- reduced workload needed to complete course.

**Note: The 'institution's normal requirements' concession does not need written confirmation from the academic registrar, but can be obtained from the relevant faculty/school of the institution or, in the case of a reduced workload needed to complete a course, the institutions' handbook or official course structure.**

#### 4.4.2.3 Disability Concession

To receive the disability concession a student must be assessed as eligible by reason of disability in accordance with the provisions outlined in 4.4.3 and undertake at least 25% of the accredited full-time workload.

Evidence requirements are detailed at 4.4.3.3 and 4.4.3.4.

**Note: A Disability Support pensioner who stops getting the pension (and therefore no longer qualifies for the Pensioner Education Supplement) can retain eligibility for the disability concession and get the ABSTUDY Living Allowance (subject to income testing) for the remainder of the calendar year.**

#### 4.4.2.4 Pensioner Concession

Students who are undertaking at least 25% of the normal full-time workload (at all times) are to be regarded as full-time students and a Pensioner Education Supplement can be paid if they are receiving one of the following Department of Veterans' Affairs (DVA) or Family and Community Services (FaCS) pensions or allowance;

- FaCS disability support pension;
- DVA invalidity service pension;
- DVA carer service pension;
- in the case of a person whose partner is receiving a FaCS disability support pension – a wife pension;
- a carer payment;
- a parenting payment (single);
- a widow B pension;
- a widow allowance;
- in the case of a person who is a sole parent – a special benefit;
- defence / war widow pension;
- in the case of a person whose partner is receiving an DVA invalidity service pension – a partner service pension.

**Note: Following the changes to Social Security Law from 1 March 2000 and continuing into 2002, the workload has been divided into full and part time workload payments:-**

- students who are eligible for PES undertaking a study load of between 25% to 49% will be eligible for a PES payment of \$30 per fortnight.
- students who are eligible for PES undertaking a study load of 50% or more will be eligible for a PES payment of \$60 per fortnight.
- Students receiving a DVA invalidity service pension, a FaCS disability support pension or a war widow pension (where the widow has a dependent child under 16 and receive an income support supplement (incapacity for work) will be exempt from this legislation.

#### 4.4.2.5 Pension Ceases

A pensioner getting the 25% workload concession who stops getting the pension (and therefore no longer qualifies for the ABSTUDY PES) during the **academic year** and who is unable to increase her/his enrolment to at least 75% (or 66.66% where the workload

concession applies) can get ABSTUDY Living Allowance (subject to the usual income tests) to:

- the end of the vacation following the current enrolment period where the change occurs in the first semester or in a term other than the last term in a year; **or**
- the end of the current enrolment period where the change occurs in a short or late starting course; **or**
- 31 December, where the change occurs in the second semester, the last term in a year, or where the student is enrolled in a year-based course.

If a student getting the pensioner workload concession stops getting the pension outside an enrolment period (ie during a mid-year or long vacation) s/he will only qualify for the ABSTUDY Living Allowance if s/he meets the normal workload (ie 75% or 66.6% as appropriate) from the start of the next enrolment period (ie semester or term) in the year. Such a student can get an ABSTUDY Living Allowance subject to the usual means tests from the date the pension and PES entitlement stops.

**Note: A disability support pensioner who stops getting the pension (and therefore no longer qualifies for PES) can retain eligibility for the disability concession (see Policy Manual 4.4.2.3) and get the ABSTUDY Living Allowance (subject to income testing) for the remainder of the calendar year.**

#### 4.4.2.6 Illness and Injury

A tertiary student who suffers an illness or injury and is unable to maintain a full-time workload may continue to be regarded as a full-time student under the conditions set down for extended periods of approved absence (see 4.6.4).

### 4.4.3 Disability Workload Concession

#### 4.4.3.1 General Principles

This concession is intended to be used beneficially in circumstances where a student is incapable of, or would face additional educational barriers or disadvantage through studying under normal ABSTUDY workload and reasonable time requirements because of substantial physical, psychiatric or intellectual disability.

Centrelink assessment practices require sufficient proof of disability, and its effects on study, to:

- ensure that eligible students can be granted the concession in a fair and timely way, and
- safeguard against abuse of the concession by students without substantial disabilities to avoid general ABSTUDY workload and reasonable time requirements (see 4.2.2.2.3).

#### 4.4.3.2 How to Apply for the Disability Concession

To apply for the concession, a student can either provide a statement with their claim or complete a separate form stating:

- the nature of their disability and its anticipated effect on studies;
- any details of:
  - receipt of a FaCS disability support pension or DVA invalidity service pension,
  - whether the education institution has recommended or required the student to enrol at less than normal full-time workload because of disability,
  - whether s/he has already been assessed by the former Commonwealth Rehabilitation Service (*now called CRS Australia*) to determine her/his capacity to study at normal full-time workload.

If the student is not getting a disability support pension or DVA invalidity service pension, s/he may need to provide supporting medical evidence.

#### 4.4.3.3 Evidence of Substantial Disability: Physical Disability

A student should be accepted as having a substantial physical disability for the purposes of ABSTUDY if:

- s/he is getting a disability support pension or DVA invalidity service pension, or
- the delegate is satisfied that the concession is in order because sufficient evidence of disability is available from the student's statement or supporting details, for example:
  - the student's advice about the disability, **and either**
  - a statement from the institution clearly stating that the student cannot or should not study at the normal full-time rate, or
  - a statement from an appropriate medical practitioner who has detailed knowledge of the applicant. The statement must confirm the student's disability and state its anticipated effect on the student's ability to study under normal workload and reasonable time rules. A statement from a GP can be accepted if the effect of a particular type of disability is self-evident.

If more information is needed about whether a student satisfies the conditions for the concession, advice should be sought from the Disability Officer in the Institution. **Ensure the student signs the Centrelink Release of Information form first.** If the student has a physical, psychiatric or intellectual disability that would benefit from Rehabilitation, refer her/him to the Disability Officer for referral to the Commonwealth Rehabilitation Service Australia (CRS). (See YASIDOC Disabilities and Carers Procedures).

#### **4.4.3.4 Evidence of Substantial Disability: Psychiatric or Intellectual Disability**

The procedures for assessment of students with substantial psychiatric or intellectual disabilities are similar to those for students with a physical disability, except that students who do not get a disability support pension or DVA invalidity service pension must provide:

- for students with a psychiatric disability, a statement from a specialist psychiatrist;  
**or**
- for students with an intellectual disability, a statement from an appropriate medical specialist, usually a registered psychologist.

(See below for advice about what must be included in the specialist medical statement.)

Thus, a student should be accepted as having a substantial psychiatric disability for the purposes of ABSTUDY, if s/he:

- is getting a disability support pension, DVA invalidity service pension, or
- provides a statement from a specialist psychiatrist (for psychiatric disabilities) or other appropriate medical specialist, normally a registered psychologist (for intellectual disabilities) who has a detailed knowledge of the applicant. The statement must confirm the student's disability and state its anticipated affects on the student's ability to study successfully under normal workload and previous study/reasonable time rules.

**The concession is not available to non-pensioners who cannot supply such a statement.**

The requirement for a new statement can be waived if sufficient evidence is available from previous records. If doubt exists or previous records cannot be obtained, a new statement will be required.

#### **4.4.3.5 Assessment by CRS Australia**

Assessment by CRS Australia should be sought if substantial doubt exists about a student's eligibility for the concession on disability grounds, that is physical, psychiatric or intellectual. CRS Australia charges Centrelink on a user-pay basis for referrals for ABSTUDY assessment purposes.

#### **4.4.3.6 Arranging a CRS Australia Referral**

A Centrelink determining officer refers the student to CRS Australia for the ABSTUDY disability workload assessment, after obtaining approval from the student (or parent/guardian if the student is a minor) to make the referral. Information forwarded should include the client's name, name of course and institution, current workload and the nature of the disability.

The CRS Australia rehabilitation consultant contacts the client with an interview time, requesting him/her to bring relevant information about the course to the interview (including timetable, course requirements, assessment procedures, medical information, and so on).

#### **4.4.3.7 Disability Workload Concession**

An ABSTUDY concessional study load assessment will normally include an initial needs assessment, contact with the educational institution, and an examination of the available reports.

#### **4.4.3.8 Workload Concession Decisions by CRS Australia**

If CRS Australia advises the person with a disability is not able to undertake a normal workload, the concession should be granted. If CRS Australia advises that the person could make satisfactory progress while undertaking the normal full-time workload, the student's claim should be assessed on the basis of normal (non-concessional) ABSTUDY workload requirements.

If a concession is not granted by CRS Australia the student should be advised promptly that a reduced workload cannot be granted to allow her/him to vary enrolment and workload accordingly.

#### **4.4.3.9 CRS Australia Sponsorship of Studies**

CRS Australia can sponsor studies by disabled people if they meet certain criteria that show they would enhance a person's vocational potential and lead to reasonable employment prospects.

If a student is assessed by CRS Australia as meeting its criteria for sponsorship, s/he may be entitled to a FaCS sickness allowance and offered a CRS Australia training allowance. **A person cannot get both a FaCS sickness allowance or CRS Australia training allowance and ABSTUDY.**

**Note: Some students may still be receiving a rehabilitation allowance under former arrangements (ie before Disability Reform Package changes). These students can receive the ABSTUDY PES if they meet the disability concession criteria. Students receiving a rehabilitation allowance who do not meet the disability concession criteria, can receive the ABSTUDY PES under the standard workload rules.**

If not eligible for CRS Australia assistance or if the student chooses not to accept the assistance, the CRS Australia will:

- refer the matter back to the Centrelink Customer Service Centre, together with an assessment of the student's disability, and
- indicate whether the student is capable of undertaking a normal workload.

#### **4.4.3.10 Student Not Able to Undertake a Normal Workload**

If CRS Australia advises that the person with a disability is not able to undertake a normal workload, the concession should be granted.

If CRS Australia advises that the person could make satisfactory progress while undertaking the normal full-time workload, the student's claim should be assessed on the basis of normal (non-concessional) ABSTUDY workload requirements.

If the concession is not granted, the student should be advised promptly so that he or she knows that ABSTUDY cannot be granted on reduced workload. This will allow the student to vary enrolment and workload accordingly.

#### **4.4.3.11 CRS Australia Payment of Fares to Assessment**

For the purpose of assessment, CRS Australia clients have the cost of their return travel from their home to a CRS Australia office, met by CRS Australia. This will apply also to students referred to the CRS Australia, for whom an interview or assessment is arranged.

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## **4.5 Overseas Study**

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## **Introduction**

Students may be eligible for ABSTUDY allowances when studying overseas if they meet the guidelines outlined in this chapter.



This chapter covers these circumstances and criteria in detail.

## 4.5.1 Eligibility and Application

### 4.5.1.1 Eligibility for Schooling Award Students

A student who is studying overseas is eligible for ABSTUDY Schooling Award assistance where:

- the education institution at which the student is studying is equivalent to an approved education institution in Australia; and
- the course the student is studying is at secondary level and meets the workload provisions set down for Schooling Award study (see 4.2.2.1).

The ABSTUDY Schooling assistance applies for an approved period as specified below.

### 4.5.1.2 Period of Assistance

The table below lists the periods for which overseas ABSTUDY assistance may be approved under certain circumstances.

<b>If the student is...</b>	<b>then assistance approved for...</b>
participating in an <b>international educational exchange programme</b> recognised by the relevant State or Territory education authority	the period of the study at an overseas education institution.
<b>accompanying parent(s)/ guardian(s)</b> who are employed by the Commonwealth of Australia (eg members of the Australian Armed Forces)	the period of the overseas posting.
studying overseas for <b>any other reason</b>	a period of 12 months from the first date of attendance at the overseas education institution, ie where a student does not return to Australia, ABSTUDY assistance ceases from the end of the payment period that includes the anniversary of the first date of attendance.

### 4.5.1.3 Attendance

The attendance provisions applying to students studying in Australia also apply to students studying overseas.

### 4.5.1.4 Documentation

Schooling students studying overseas must provide documentation from the relevant organisation verifying points in [4.5.1.1](#) above.

### **4.5.1.5 Eligibility for Tertiary Award Students**

A student who is studying overseas is eligible for ABSTUDY Tertiary Award assistance where:

the student is enrolled in an approved Australian course at a higher education institution which approves the overseas study and is prepared to credit successful study at the overseas education institution toward the approved course; and

the student meets the workload provisions set down for Tertiary Award study in respect of the approved Australian course (see [4.3.2](#)).

### **4.5.1.6 Period of Study**

For students studying overseas under an ABSTUDY Tertiary Award there is no limit to the period of study overseas provided other eligibility and reasonable time conditions are met.

**Note: The period of study overseas need not be compulsory for all students.**

### **4.5.1.7 Attendance**

Overseas study attendance need not be monitored for the ABSTUDY Tertiary Award.

### **4.5.1.8 Claims**

A claim for a tertiary student studying at an overseas institution must be:

- lodged for each calendar year of overseas study, and
- supported by a statement from the Australian education institution confirming:
  - the student will remain enrolled as a full-time student in the approved course for the duration of the overseas study, and
  - the extent to which studies overseas will, if successfully completed, be credited toward the approved course.

## **4.5.2 Entitlements and Payments**

### **4.5.2.1 Entitlements**

Subject to the Living Allowance and Fares Allowance provisions below, students approved to study overseas do not receive any additional entitlements over and above their entitlements if studying at an approved Australian institution.

### **4.5.2.2 Living Allowance**

Schooling students may qualify for Living Allowance at the away from home or independent rate, subject to income-testing, if their circumstances overseas would meet the requirements for these rates were the student in Australia.

A tertiary student approved for ABSTUDY while studying overseas is entitled to the away rate.

### 4.5.2.3 Fares Allowance

Students approved to study overseas may receive Fares Allowance entitlements if their circumstances overseas would entitle them to Fares Allowance if these conditions were experienced in Australia, eg a family is posted to a remote area overseas.

**Note: This refers to travel within the overseas country. Fares allowance to travel between Australia and the overseas country is not available.**

### 4.5.2.4 How Payments are Made

Payments of entitlements are to be made to an Australian bank account by direct credit or to an Australian address by cheque.

### 4.5.2.5 Evidence and Verification

Normally payments for schooling students will be made after receipt of written verification from the education institution confirming enrolment.

**Note: Confirmation of satisfactory attendance covering entitlement for a six month period is required twice a year.**

### 4.5.2.6 Payments in Advance

Schooling students studying overseas in a recognised international educational exchange programme may, on submission, be paid in advance to whichever is the less of:

- up to six months entitlement; or
- up to the end of the academic year.

### 4.5.2.7 Regular Payments After Advanced Payments

At the end of the period for which the advance payment was made, regular payments can commence provided:

- the education institution has confirmed enrolment and satisfactory attendance; and
- a claim form is lodged for the next year where the period of study extends to a new calendar year.

## 4.6 Attendance, Absence and Living Allowance Adjustments

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  - 4.6.1.1 Activity Test
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## Introduction

Absences from classes where attendance is a requirement of the course, will have a bearing on the student's Living Allowance and, where relevant, Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance.

This chapter covers the attendance requirements for students. It also contains the policy on approved and unapproved absences and the effect they have on the student's Living Allowance and Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, where applicable.

### Tertiary Students and TAFE Secondary Students

Tertiary students and TAFE Secondary students do not have attendances checks and so will not have unapproved absences. These students are checked for enrolment at least twice a year or as directed by the Compliance Unit.

## 4.6.1 Activity Test

### 4.6.1.1 Activity Test

For the purposes of ABSTUDY, secondary school students must satisfy ABSTUDY requirements test to qualify for their payment after a non-approved absence of more than five days in a term. These requirements include an activity test as evidence that the student is meeting attendance requirements. It is a written agreement negotiated between the student and the Centrelink Customer Service Officer. It is a signed record where the student agrees to attend school regularly. Other conditions may also be required.

### 4.6.1.2 Activity Test Requirements

To satisfy the requirements a secondary school student must :

- participate in full-time study including full daily programme attendance.

### 4.6.1.3 Activity Test Breaches

An activity test breach occurs when a secondary school student does one of the following:

- is not attending classes
- is not enrolled at an institution
- does not complete the workload requirement

### 4.6.1.4 Activity Test Breach Penalty

Breach	Penalty
First breach in a year. (Student has had five days or more unexplained absences in a school term).	Five plus days in a term. A secondary school student will be required to enter into an ABSTUDY Activity Agreement, (see Policy Manual 4.6.2). The five days do not have to be consecutive.
Second breach in a year. (Student has not complied with the Activity Agreement in terms of school attendance).	A penalty of 18% of Living Allowance (Basic Payment), including Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, for a period of 26 weeks applies if Activity Agreement is breached for the first time.
Third breach in a year. (Student has again not complied with the Activity Agreement in terms of school attendance).	A penalty of 24% of Living Allowance (Basic Payment), including Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, for a period of 26 weeks applies.
Fourth and subsequent breaches in a year. (Student has still not complied with the Activity Agreement in terms of school attendance).	A penalty of 100% of Living Allowance, including Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, for a period of 8 weeks applies.

### 4.6.1.5 Activity Test

A period during which an ABSTUDY allowance that would otherwise be payable to the secondary school student is payable at a reduced rate, or is not payable because of failure to comply with the requirements of the ABSTUDY Activity Test.

### 4.6.1.6 Activity Test Non-Payment Period

Subject to any pre-existing non-payment period or if a secondary school student commences a course, the length of an activity test non-payment period is 8 weeks. The non-payment period starts on the day on which notice is given to the secondary school student.

### 4.6.1.7 Activity Test Breach Rate Reduction Periods

This applies if an activity test non-payment period applies to that secondary school student and during the whole or a part of that period

#### **4.6.1.8 Activity Test Pre-Existing Reduction Period**

If, at the time of the commencement of an activity test reduced -payment period, the secondary school student is already subject to a pre-existing reduction period, the pre-existing reduction period is taken to end immediately before the commencement of the next activity test reduced -payment period.

#### **4.6.1.9 Activity Test Exemptions**

The reasons for an exemption from the activity test, generally relate to circumstances that make it unreasonable for a secondary school student to satisfy the activity test and may include situations such as major personal crisis, bereavement and confinement.

#### **4.6.1.10 Activity Test for Minimum School Leaving Age**

For the purposes of ABSTUDY there is no Activity Test for students of compulsory school age (see [5.4.1.3](#)). Responsibility lies with the individual State or Territory to ensure attendance requirements are complied with.

### **4.6.2 Activity Agreement**

#### **4.6.2.1 Activity Agreement**

An activity agreement is a record of the agreed activities that a secondary school student will undertake to meet their activity test requirements. For secondary school students who are not full-time, these activities are formulated as an outcome of negotiations between the secondary school student and Centrelink.

#### **4.6.2.2 Activity Agreement for Full-time Secondary School Students**

Activity Agreements for full-time secondary school students are intended to lead to education outcomes. ABSTUDY recipients who are full-time secondary students are required to enter into an Activity Agreement when the student has unauthorised absences of more than 5 days per term.

#### **4.6.2.3 Activity Agreement Terms**

An Activity Agreement should take into account the student's individual circumstances and include suitable, achievable activities tailored to the individual student which will lead to educational outcomes. The Activity Agreement is to be approved by an Centrelink Customer Service Officer.

### **4.6.3 Attendance Requirements**

#### **4.6.3.1 Attendance**

Secondary school students must study full-time or qualify for a workload concession to retain their full Living Allowance and Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance entitlement. For courses where attendance at class is required, secondary school students must attend classes regularly and for the full daily programme to be regarded as studying full-time.

### **4.6.3.2 Types of Absences**

The two types of absences for the purpose of Living Allowance calculations are:

- approved absence, which does not affect the secondary school student's Living Allowance and Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance entitlements; and
- unapproved absence, which may affect the secondary school student's Living Allowance and Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance entitlements.

### **4.6.3.3 Attendance at Classes**

#### **Secondary School Students Only**

Living Allowance and Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance entitlement for secondary school students attending a school may be reduced if the cumulative number of unapproved absences during a term exceeds five full days (see [4.6.5.2](#) and [4.6.4.1](#)).

### **4.6.3.4 Enrolment and Attendance Checks**

#### **Secondary School Students**

Each secondary school student's enrolment and attendance details are to be checked at least twice a year or as directed by the Compliance Unit.

#### **Tertiary Students and RTO/TAFE Secondary Students**

Each full-time and part-time secondary student's enrolment is to be checked at least twice a year or as directed by the Compliance Unit.

### **4.6.3.5 Late Resumption from Vacation**

If a secondary school student resumes study after a vacation period after classes have commenced, this period of absence is to be assessed as approved or unapproved absence as appropriate depending on the circumstances of the absence (see also [7.3.5.3](#)).

### **4.6.3.6 Resumption of Full-time Study After Cessation of Entitlement**

A secondary school student who discontinues in the course and subsequently resumes the same course in the same year is entitled to Living Allowance:

- from the beginning of the pay period which includes the day on which s/he recommenced classes if the break is greater than four weeks; or
- paid continuously if the break is less than four weeks.



## 4.6.4 Approved Absences

### 4.6.4.1 Definition

An approved absence is a period of absence that results from circumstances beyond the secondary school student's or applicant's control. Such absences have no effect on Living Allowance, Rent Assistance, Remote Area or Pharmaceutical Allowances.

### 4.6.4.2 Circumstances Beyond Secondary School Student's Control

Where a secondary school student has applied for a concession under ABSTUDY rules due to 'circumstances beyond the secondary school students control, **examples** of situations that would be acceptable, **include**:

- personal illness/injury;
- illness/injury of a member of the secondary school student's immediate family;
- death of close relative or friend;
- difficult home circumstances, eg alcoholism, assault, separation of parents or homelessness;
- the secondary school student was forced to discontinue the course on medical grounds, including because s/he had to move to another institution in another location for health reasons;
- the secondary school student was forced to discontinue the course because of the permanent relocation of her/his permanent home, or that of the parents' or partner, to another area distant from the original institution and s/he couldn't continue to study in an equivalent course and receive credits;
- the secondary school student discontinued the previous course because the institution ceased to offer the course;
- the secondary school student was unable to proceed in the previous course because of course quotas; or
- participation in lengthy significant cultural ceremonies, eg initiation in the case of secondary school students adhering to traditional Aboriginal cultural practices.

**Note: Obviously, the above list is not exhaustive and it would be expected that the delegate would use her/his discretion to decide whether other exceptional circumstances not covered above may be considered to constitute unexpected circumstances 'beyond the secondary school student's control'.**

### 4.6.4.3 Evidence Required

The evidence required to apply the concession due to circumstances beyond the secondary school student's control are:

- a signed statement from secondary school student explaining the grounds on which the concession is sought; **and**
- other supporting evidence such as medical certificates, letters from educational institution (where applicable); **or**
- statutory declarations from two other people who have first hand knowledge of the circumstances and who can attest to the circumstances (where a medical certificate is not applicable or is ambiguous).

**Note: CSOs must obtain sufficient evidence to be satisfied that the concession can be granted on bona fide grounds. However, statutory declarations may be accepted for this purpose if it would be unreasonable, or would cause undue distress, for the secondary school student to obtain other evidence, eg death certificates.**

#### **4.6.4.4 Sufficient Evidence**

An indication by the school in an attendance check that an absence was due to illness or other circumstances beyond the secondary school student's control may generally be accepted as sufficient evidence of approved absence.

#### **4.6.4.5 Absence Due to Transfer Between Schools**

An absence of up to 10 days or longer may be disregarded where it results from a transfer between schools if the absence is due to circumstances beyond the secondary school student's control.

#### **4.6.4.6 Extended Period - School Secondary School Students**

Full-time secondary school students will remain entitled to Living Allowance, Rent Assistance, Remote Area and Pharmaceutical Allowances during extended periods of approved absence unless they discontinue study.

#### **4.6.4.7 Extended Period – Tertiary and TAFE Secondary School Students**

Full-time tertiary and TAFE secondary school students will remain entitled to fortnightly allowances during an extended period of approved absence of up to eight weeks provided they:

- remain enrolled by the education institution; and
- provide a medical certificate to Centrelink within 30 days (or, if circumstances beyond the student's control intervene, as soon as possible after 30 days) of the commencement of the absence which:

- states the nature of the condition leading to absence and confirms that it prevents the student from studying full-time, and
- confirms that the condition is of a temporary nature and states the date on which the period of incapacity commenced and the date on which the student is expected to be able to resume full-time study.

**Note: Students will be considered to have discontinued study at the end of the period as specified in the medical certificate unless they resume study or receive an additional extension as detailed below.**

#### **4.6.4.8 Additional Extended Period – Tertiary and TAFE Secondary School Students**

One only additional period of extension of entitlement may be granted if:

- the student continues to remain enrolled in the course;
- a further medical certificate is provided containing the information indicated under extended period above; and
- a statement is received from the institution's Academic Registrar, or equivalent officer, which states that, at the end of the expected period of incapacity, the student will be allowed to resume full-time study in the course.

**Note: Student will be considered to have stopped study on the last day of the period specified in the second medical certificate if they do not resume full-time study on the following day.**

### **4.6.5 Unapproved Absences**

#### **4.6.5.1 Definition**

An unapproved absence is a period of absence that is not an approved absence. Such absences may reduce Living Allowance entitlement.

#### **4.6.5.2 Unapproved Absences**

Unapproved absences include full days of absence from classes in respect of which:

- the Principal or delegate of the approved education institution certifies that the secondary school student has not been in attendance at the school for the day;
- the applicant informs Centrelink that the secondary school student has not been in attendance at the school for the day;
- the secondary school student's absence was unexplained;

- the secondary school student's absence was not caused by illness or other circumstances beyond the secondary school student's control; and/or
- the secondary school student's absence was explained but not approved by the education institution.

#### **4.6.5.3 Extended Period of Unapproved Absence**

If an education institution advises that a secondary school student has continuously failed to meet compulsory attendance requirements for a period in excess of two weeks without an acceptable reason, the secondary school student will be deemed to have discontinued full-time study.

#### **4.6.5.4 Subsequent Resumption of Study**

If a secondary school student subsequently resumes after an extended period of unapproved absence, the provisions in [7.3.5](#) will apply unless the education institution retrospectively approves the period of absence.

#### **4.6.5.5 Retrospective Approval**

Where retrospective approval for an absence has been granted the secondary school student will not be considered to have discontinued full-time study.

It would be expected that an education institution would only grant retrospective approval of an unapproved absence where a secondary school student:

- continued to study course work while absent, or
- completed any missed course work on her/his return.

#### **4.6.5.6 Vacation**

A circumstance such as a vacation taken by the secondary school student with or without her/his family is not accepted as a circumstance beyond the secondary school student's control irrespective of whether the school approved the vacation.

#### **4.6.5.7 Suspension or Expulsion**

A secondary school student has no entitlement to Living Allowance or Rent Assistance for a period during which s/he is expelled or suspended from school. This loss of entitlement is to be treated separately to losses due to unapproved absences, ie, entitlement should be ceased for the period of suspension or expulsion. However, if a satisfactory boarding placement can be found for a secondary school student who has been excluded from local schooling, the secondary school student is eligible for the away rate of Living Allowance in subsequent years (see [5.2.3.7](#)).

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### Introduction

Under ABSTUDY there are five categories of students: Dependent, Independent, Pensioner, State Care and Lawful Custody.

The term 'status' refers to these categories.

### 5.1.1 Introduction to Student Status

#### 5.1.1.1 Five Categories

The student is categorised as being a:

- dependent student,
- independent student,
- pensioner student,
- student in State care, or
- student in lawful custody.

**Note: Students can belong to only one category at any one time.**

### 5.1.1.2 What Can Student Status Determine?

The status of a student is a factor which determines:

- the benefits to which a student is entitled,
- the income tests to be applied, and/or
- the rate of entitlement for certain allowances.

### 5.1.1.3 Awards for Which Student Status is not Relevant

Status is not relevant for students applying for:

- Part-time Award,
- Testing and Assessment Award, or
- Students In Lawful Custody Award.

### 5.1.1.4 Evidence

The evidence required to support a claim is detailed in the following chapters. However, additional evidence may be required by the delegate where this is necessary to support a claim.

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## 5.2 Dependent Status

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## Introduction

This chapter covers the details of the criteria to be met for a student to qualify for Living Allowance (Basic Payment) as a dependent student.

### 5.2.1 Introduction to Dependent Status

#### Introduction

This topic covers the more general information about dependent status, requirements for supporting evidence and the benefits available to dependent students.

##### 5.2.1.1 Definition of Dependent Status

###### 5.2.1.1.1 Dependent Status Students

Students are considered to be of dependent status for the purposes of ABSTUDY if they:

- do not meet any of the conditions for independent status;
- do not receive a pension; and
- are not in lawful custody.

###### 5.2.1.1.2 Two Types

There are two types of dependent students:

- those students who live at home to study (see [5.2.2.1.1](#)); and
- those students who are eligible for assistance to live away from the permanent home to study (see [5.2.3.1.1](#)).

**Note: These two categories are covered in detail later in this chapter.**

## **5.2.1.2 Benefits**

### 5.2.1.2.1 Benefits

The type of entitlements listed below may be available for dependent students if they meet the relevant criteria:

- School Term Allowance;
- Living Allowance at the standard and away rates;
- Incidentals Allowance;
- School Fees Allowance;
- ABSTUDY Student Financial Supplement loan;
- Fares Allowance;
- Away-from-base assistance;
- Rent Assistance;
- Remote Area Allowance; and
- Pharmaceutical Allowance.

### 5.2.1.2.2 Income Test

Living Allowance for dependent students is subject to an income test on parental income and student (16 years or older) income.

## **5.2.2 Living At Home**

### **Introduction**

This topic defines students living at home.

The standard rate is available to students who do not meet the provisions for the payment of the independent or the away from home rates. These students are subject to the student and parental income, assets tests and family actual means tests.

Students under State care arrangements, whose foster parents receive a foster care allowance, can receive the maximum applicable standard rate. The student and parental income tests are not applied.

### **5.2.2.1 Introduction to Living at Home**

#### 5.2.2.1.1 Introduction to Students Living at Home

For the purposes of assessing ABSTUDY benefits the following are regarded as students living at home:

- students who live at the permanent home;
- students who live away from the permanent home to study but do not meet the criteria for the away rate;
- students who are eligible for the away rate but who choose not to live away from home to study; and
- students in State care whose foster parents are receiving a foster care allowance (see Policy Manual - [5.4](#)).

**Note 1: The conditions under which a student may be approved to live away from home to study are given in detail (see [5.2.3.1.1](#)).**

**Note 2: Continuing on from 1 January 2000, in 2002, applicants for students living at home can elect for the payment of school fees to be made to the school or reimbursed to the applicant on evidence of expenditure.**

#### 5.2.2.1.2 Permanent Home

The permanent home for dependent students is the place where they normally reside during the period when they are not studying in school or in a secondary or tertiary institution. This is usually with parent(s) or guardian(s).

For dependent Schooling students, the home of the eligible applicant will be considered as the permanent home of the student.

If a dependent student lives on a permanent basis with a person who assumes the role of a guardian, even where the parent(s) provide some degree of financial support, the permanent home is considered to be that of the guardian for the purposes of determining whether the student should be approved as living at home or away from home.

See Policy Manual - [1.2.1.84](#) for the definition of permanent home for dependent and independent students.

## 5.2.3 Living Away From Home

### Introduction

This topic covers the provisions for the approval of Living Allowance at the living away rate for dependent students.

The away from home rate is available to students who must live away from their parental home to study but do not meet one of the provisions for independent status. The rate is not available simply because a student chooses to live away from home.

Students eligible for the 'away' rate are subject to the student and parental income, assets tests and family actual means tests.

Students under State care arrangements, whose foster parents do not receive a foster care allowance, can receive the maximum applicable away rate. The student and parental income tests are not applied.



## 5.2.3.1 Introduction to Living Away From Home

### 5.2.3.1.1 Provisions for Approval

A student may be approved for away from home entitlements where s/he meets one of the following provisions:

#### **Secondary and Tertiary Students**

- travelling time and access between the permanent home and the education institution make daily travel impossible or unreasonable;
- home conditions are a serious impediment to educational progress;
- s/he is in State care and a foster parent is not receiving a foster care allowance.

#### **Secondary School Students Only**

- s/he is studying an approved special secondary course at a government school;
- her/his academic needs are not met by local secondary facilities;
- s/he has disabilities;
- s/he is from an itinerant family;
- s/he has been excluded from attending local schools;
- s/he has been subjected to racial discrimination of a serious and continuing nature at the local school(s);
- s/he has previously been approved to live away from home and it would be unreasonable for the student to break continuity of study;
- s/he is receiving an independent school scholarship under the provisions detailed in [5.2.3.12](#).

**Note 1: Fares allowance for secondary students who choose to study interstate will not be approved, except where:**

- **the student lives near a State/Territory border and will attend a school at a nearby interstate location; or**
- **there are no available boarding places at boarding schools in the student's State/Territory.**

**Note 2: A student must undertake a majority of mainstream subjects at the boarding location to be approved for away from home entitlements except for students from remote areas (see [5.2.3.1.2](#) on the next page).**

#### **Tertiary Students Only**

It is a compulsory requirement of the course to reside at the education institution while studying.

Each of these conditions is explained in detail in the following sections.

#### 5.2.3.1.2 Initial Boarding Approval

Where students are taking up a new boarding placement, boarding schools must confirm students will be undertaking a majority of mainstream secondary subjects. Students from remote areas who would initially be unable to undertake the majority of mainstream subjects may be approved for board on the condition that the school provides a remedial program which would enable the student to undertake a majority of mainstream secondary subjects in later years.

Schools must have assessed that first year secondary students are capable of undertaking mainstream secondary studies or, in the case of students from remote communities, approved secondary studies, before approval for away from home entitlements can be given.

#### 5.2.3.1.3 Non Approval of the Away Rate - Living With Either Parent

A student cannot be considered to be living away from the permanent home when s/he is living with either parent, such as when s/he moves on a permanent basis from the home of one parent to the home of the other parent. In such cases, the student will be deemed to be in the care and custody of the parent with whom s/he is living at the time on a permanent basis, and assessed on the income of that parent.

#### 5.2.3.1.4 Non Approval of the Away Rate - Other Parental Circumstances

A student cannot be considered to be living away from the permanent home when:

- a student's parents maintain two homes and the student lives with one of the parents in the second home while studying;
- a student is temporarily not living with her/his parent(s)/guardian(s), eg because they have taken an extended trip or vacation; or
- a student is studying by distance education/correspondence, **except** if s/he meets the home conditions, disability or itinerancy provisions and is not living at the parental home.

#### 5.2.3.1.5 Eligible for Group 2 School Fees Allowance

In some circumstances, students who are not eligible for the away rate may be eligible for Group 2 School Fees Allowance. This may be approved where there is no local government school (or the local government school does not provide the appropriate level of schooling) but the student lives at home and attends a local non-government school (see [7.8.2.1 Group 2 dot point 2](#)).

#### 5.2.3.1.6 Evidence

Evidence will generally be required to support claims for the living away rate. The types of evidence required are outlined in the following pages.

There is no need for additional supporting information other than the information contained in the claim form for some living away from home situations. This may occur:

- for some claims based on geographic isolation; or
- where the student has been approved for the living away rate in the previous year and her/his situation has not changed.

### **5.2.3.2 Travel Time and Access**

#### 5.2.3.2.1 Approval Criteria

##### **Secondary Students**

Students may be approved for the away from home rate if their permanent home is not within a reasonable travelling time of:

- government schools which provides tuition in the year of schooling in which the student is qualified to enrol; or
- TAFE colleges or senior matriculation colleges for students who are 18 or older at 1 January in the year of claim.

##### **Tertiary Students**

Students may be approved for the away from home rate if their permanent home is not within a reasonable travelling time of the approved education institution offering the approved course.

**Note: Dependent schooling and tertiary students studying by distance education/correspondence are not eligible for the away from home rate under the Travel Time and Access provision.**

#### 5.2.3.2.2 What Constitutes Reasonable Travelling Time

For the purposes of ABSTUDY, a student's permanent home would not be within a reasonable travelling time of a suitable education institution if:

- travel time taken for a single journey by the most convenient transport service available, including reasonable walking and waiting time, would, on average, exceed one and a half hours; or
- there are special circumstances which periodically affect access between the permanent home and the local school or education institution for a significant portion of the school or academic year, eg impassable roads, flooding or unreliable transport.

#### 5.2.3.2.3 Significant Portion of the Year

A significant portion of the year would comprise at least 20 school days, not necessarily consecutive, during which the student would not have access, either at all or within reasonable travelling time to the school or education institution. A case for the use of the provision would be made with reference to applicable conditions in previous years.

#### 5.2.3.2.4 Documentation

Where documentation is required to support the claim for living away from home, the following kinds of documentation are acceptable:

- a travel schedule from the student showing travel routes and travel timetables between the permanent home and the school or education institution;
- a statement from school authorities giving details of transport between the permanent home location and the nearest school; or
- a statement from the local Council:
  - describing access conditions between the permanent home and the nearest school, and
  - providing details of the number of occasions on which access was not possible during the previous school year.

#### 5.2.3.2.5 Change of Permanent Home

Living away from home approval should be revoked if students reduce their daily travelling time by moving to live in a permanent home closer to the education institution (but see [5.2.3.11.5](#) regarding continuation of School Fees Allowance).

However, where the new permanent home is close to the school but the student continues to board, continuity of study rules may apply to the end of the year (see [5.2.3.11.4](#)).

### 5.2.3.3 Special Courses

#### 5.2.3.3.1 Approval Criteria

The away from home rate may be approved if government schools within reasonable travelling time are unable to cater for a secondary student's educational needs because of her/his special course requirements and the student needs to attend a school away from home.

Students may **not** be approved for away from home entitlements where an applicable special course is available within reasonable travelling time (see [5.2.3.2.2](#)).

**Note: Dependent schooling students studying by distance education/correspondence are not eligible for the away from home rate under the Special Course provision.**

#### 5.2.3.3.2 Definition of a Special Course

To qualify as a special course, the course must be one of the following:

- a full-time secondary course where the student receives a formal specialising qualification on completion;
- a secondary course which is a prerequisite for entry to a specific post-secondary course;
- a secondary course containing agricultural subjects;
- specialist secondary studies in drama, music, art, ballet, sport or technology; or
- a secondary course containing Aboriginal studies.

**Note: Each of these is explained in detail below.**

#### 5.2.3.3.3 Formal Specialising Qualification

A special course can be a full-time secondary course on completion of which students receive a formal specialising qualification such as a Certificate of Business Studies or the International Baccalaureate Diploma.

State or Territory education authorities should recognise:

- the course as a specialisation not generally available at secondary schools; and
- the completion certificate as a formal qualification.

#### 5.2.3.3.4 Formal Specialising Qualification for Mature Age Students

Approval may also be given to a student who will be undertaking secondary studies at a post-secondary Indigenous controlled specialist institution which caters specifically for Indigenous students, where the student is:

- 18 years or older; and
- studying a course resulting in a completion certificate which is recognised as a formal qualification by the State/Territory education authority.

**Note: These institutions may be members of the Federation of Independent Aboriginal Education Providers Limited.**

#### 5.2.3.3.5 Federation of Independent Aboriginal Education Providers Ltd Members

The following institutions are members of the Federation of Independent Aboriginal Education Providers Limited:

- Tranby Aboriginal Cooperative College, NSW;

- Institute for Aboriginal Development (IAD), NT;
- Tauondi Incorporated, SA;
- Aboriginal Dance Theatre Redfern Incorporated, NSW; and
- National Aboriginal and Islander Skills Development Association (NAISDA) Incorporated, NSW.

#### 5.2.3.3.6 Prerequisite to Post-Secondary

A special course can be a secondary course which is a prerequisite for entry to a specific post-secondary course.

The student should be in one of the final two years of secondary school and have clearly decided to enter the chosen tertiary course if accepted. There must be no similar tertiary course which could be regarded as an available alternative and there must be satisfactory evidence from the school which the student has been attending that the student has the potential to gain admission to the nominated course.

#### 5.2.3.3.7 Agricultural Subjects

A special course can be a secondary course which contains two agricultural subjects or, under special conditions, one agricultural subject.

The study requirements are defined in 5.2.3.3.8 following.

#### 5.2.3.3.8 Agricultural Study Requirements

The student must study an agricultural course:

- on a full-time basis at either a specialist agricultural school or at a normal secondary school; or
- on a part-time basis at an education institution such as a technical college, in addition to attending a normal secondary school for most of the school week.

#### 5.2.3.3.9 Agricultural Course Components

The agricultural course should:

have a substantial weekly time allocation, which is directly related to the theory and practice of farming eg equivalent to four periods of approximately 40 minutes each;

- be recognised by the State/Territory education authority; and
- be a subject which, if studied part-time, is assessed by the school to determine part of the student's overall performance.

#### 5.2.3.3.10 One Agricultural Subject

A student in either of the final two years of secondary schooling who is studying only one agricultural subject, may be eligible for Living Allowance at the away rate if:

- the student has studied at least two agriculture subjects in each of the junior secondary years after the first;
- the subject **agriculture** or its equivalent, which the student is at present studying, is not available at a school within reasonable distance from her/his home; and
- the school which the student is attending offers at least one agricultural subject in each secondary year, except the first year in some States.

#### 5.2.3.3.11 Specialist Courses in the Arts, Sport, Technology

A special course can be any specialist secondary course in drama, music, art, ballet, sport or technology at a government school which has been approved by the State/Territory education authority. Students should be selected by the appropriate education authority to enter **government** schools with specialist curricula.

**Note: This provision is aimed at students who have an exceptional ability which could lead toward a career in the particular specialist area.**

#### 5.2.3.3.12 Indigenous Studies

A special course containing Indigenous studies must have at least one secondary school subject in Indigenous Studies, which:

- is formally accredited by the relevant State or Territory education authority for examination purposes;
- is endorsed by that State's or Territory's Indigenous Education Consultative Body as a course of study (subject) particularly valuable for Aboriginal and Torres Strait Islander students to study; and
- has the equivalent of a minimum weekly allocation of four hours for the specific Indigenous studies subject.
- **Students cannot be approved for away from home entitlements solely on the basis of the chosen school being an Indigenous school. Customer Service Officers (CSOs) must check local government and non-government schools to ensure that Aboriginal/Indigenous Studies is not offered locally or, if offered locally, and does meet the above criteria, the away rate cannot be approved.**

#### 5.2.3.3.13 Documentation

Where documentation is necessary to approve the away rate for a student to undertake a special course of study, a statement from the appropriate education institution or authority confirming the claim is required.

**Note: CSOs should verify that the special course of study is not available within reasonable travelling time of the student's permanent home.**

#### 5.2.3.3.14 Accreditation for Years 8-10 Queensland Only

**Note: The formal accreditation process for curriculum for Years 8-10 in non-government schools in Queensland is that the school principal must approve the curriculum for Indigenous studies. In lieu of dot point one at 5.2.3.3.12, approval for a special course of study (subject) containing Indigenous Studies for Years 8-10 in non-government schools in Queensland must be undertaken in the following way.**

- The school principal must approve the curriculum for this subject:
- All curriculum documents for the Indigenous studies subject, including assessment and endorsement documents from the Ministerial Council for Aboriginal and Torres Strait Islander Education, must be forwarded to:

Assistant Secretary  
Indigenous Education Branch  
DEST  
Location Code 161  
GPO Box 9880  
CANBERRA ACT 2601

- A copy of the timetable must also be forwarded showing that the equivalent of a minimum of four hours has been allocated per week for the Indigenous studies subject; and
- The curriculum for the course of study (subject) must meet *The National Aboriginal and Torres Strait Islander Studies Curriculum Framework K-12*.

#### 5.2.3.3.15 Approval of Year 8-10 Curriculum

DEST will advise Centrelink of any non-government schools that have had a specialist course of study (subject) for Years 8-10 Aboriginal Studies or Torres Strait Islander Studies approved in this way.

### 5.2.3.4 Limited Local School Facilities



#### 5.2.3.4.1 Approval Criteria

The away from home rate may be approved if government schools within reasonable travelling time are unable to provide appropriate schooling for a secondary student, due to limited local school facilities. Reasonable travelling time is defined at [5.2.3.2.2](#).

**Note: Dependent schooling students studying by distance education/correspondence are not eligible for the away from home rate under the Limited Local School Facilities provision.**

#### 5.2.3.4.2 Preparation for Mainstream Upper Secondary Studies

In preparation for upper secondary studies, students may be approved for away from home entitlements if:

- they have completed non-mainstream Year 10 studies in the home community;
- mainstream Year 10 studies are not available locally;
- there are no local facilities to undertake Years 11 and 12; and
- they will be studying a mainstream Year 10 course away from home.

#### 5.2.3.4.3 Automatic Approval of Living Allowance

The living away from home allowance will be automatically paid to enable students to bypass a South Australian Special Rural School (Area School) and an Aboriginal School in order to attend a larger secondary school.

#### 5.2.3.4.4 Living Allowance Will Not Be Paid

A Living Allowance at the away rate will not be paid:

- to assist the student to bypass the nearby school to attend another school of her/his choice;
- because particular subjects which the student wishes to study are unavailable at the nearby school (this does not include special courses of the types listed in [5.2.3.3.2](#) or courses to meet the special needs of students with disabilities defined in [5.2.3.5](#));
- where there is another government school within reasonable distance (see [5.2.3.2.2](#));
- specifically to enable a student to attend a non-government school;
- for a primary student who is otherwise eligible for ABSTUDY benefits;
- if the State or Territory education authority objects to the bypassing of the particular school or type of school involved; or
- where the student would undertake a similar course as is available in the home community.

**Note: Students cannot bypass a Catholic school in their remote area to attend a Catholic school in a metropolitan area.**

#### 5.2.3.4.5 Advice to Applicants

In assessing claims to bypass local schools which do not come under these clauses, Centrelink Customer Service Centres should advise applicants that:

- advice will be sought from the education authority concerned;
- to enable this advice to be obtained they should provide the information specified below; and
- they will be informed when a decision has been reached on the basis of the advice received from the education authority.

#### 5.2.3.4.6 Documentation

The applicant should be asked to give the names of the schools that the student has attended during each of the two years preceding the year for which benefits are sought. In addition the applicant should be asked to provide the documentation listed in the table below.

<b>If students...</b>	<b>then they must provide...</b>
have already been living away from home to attend the new school and if they have been there for at least one school year	a statement from the new school showing:  the subjects and, where applicable, the levels being studied by the student; and  details of the student's school performance; and  comments from the principal on the student's academic potential.
have already begun living away from home to attend the new school but are in their first secondary school year	a statement from the new school showing:  the subjects and, where applicable, the levels being studied by the student; and  a similar statement from the student's previous school.
have not yet begun living away from home to attend the new school	a statement about the course that the student intends to study at that school, supported by a statement from the school that the course is available; and  a statement from the student's previous school indicating subjects and levels studied.

#### 5.2.3.4.7 Advice from Education Authority

When the applicant provides the information described in 5.2.3.4.5 and 5.2.3.4.6, the advice of the State or Territory education authority should be sought in the following way:

- the request must be directed to that part of the State or Territory education authority which has previously agreed to handle such enquiries - this should be at Regional Directorate/Inspectorate level or above;
- the request must notify the name and address of the student and the name of the school being bypassed and must be accompanied by the information provided by the applicant; and
- the State or Territory education authority should advise on whether the nearby school can cater adequately for the educational needs of the student, taking into account factors, such as:
  - the range of subjects and (where applicable) levels available at the local school,
  - the course that the student is studying, or proposes to study, at the other school, and
  - the student's academic performance and potential.

The State or Territory education authority should provide an academic assessment to Centrelink.

#### 5.2.3.4.8 Retaining Eligibility

Students who are eligible for Living Allowance at the away rate will retain their eligibility for the whole year. They will also retain eligibility for subsequent years, unless there is a significant change in circumstances.

### **5.2.3.5 Disability**

#### 5.2.3.5.1 Approval Criteria

The away from home rate may be approved if a government school within reasonable travelling time is unable to cater for a secondary student's educational needs because of her/his disability and the student needs to attend a school away from home.

Reasonable travelling time is defined at [5.2.3.2.2](#).

#### 5.2.3.5.2 Definition of a Disability

A disability is defined as a:

- physical or intellectual disability;
- psychological, emotional or behavioural problem; or
- medical condition.

#### 5.2.3.5.3 Eligibility

A student with a disability may qualify for Living Allowance at the away rate for the following reasons to:

- board at a special education institution;
- have access to special facilities;
- avoid lengthy daily travel;
- have access to regular medical treatment; or
- have access to a different climate.

Each of these reasons is explained in detail below.

#### 5.2.3.5.4 Boarding at a Special Education Institution

A special education institution is one which is designed to meet the needs of students with a particular disability or disabilities and is recognised by State or Commonwealth authorities.

#### 5.2.3.5.5 Access to Special Facilities

Special facilities include a special centre for disabilities or special educational or physical facilities for the disabled within normal schools.

#### 5.2.3.5.6 Documentation not Required

If acceptance at the special education institution/facility indicates that a professional assessment has been made of the student's physical, emotional or psychological requirements, further documentation is not required.

#### 5.2.3.5.7 Medical Certificate

A medical certificate must be provided which specifies the nature of the disability and affirms that the student could not be expected to live at home and travel daily to the nearest suitable government school.

#### 5.2.3.5.8 Access to Regular Medical Treatment

If the disruption to the student's schooling because of her/his need to seek medical treatment amounts to the equivalent of at least 20 school days a year, not necessarily consecutive, the student is eligible for assistance at the away-from-home rate to board near the treatment centre.

However, the student's need to receive regular medical treatment should be supported by a statement from:

- an appropriate medical authority at the treatment centre; and
- the applicant giving full details of the travel required if the student were living at home.

#### 5.2.3.5.9 Access to a Different Climate

A medical certificate is required specifying the student's condition and indicating that:

- the local climate or other circumstance, if the student were to live at home during the school terms, would be likely to cause the student severe illness for a total of at least four weeks during the school term;
- it is essential for the student to attend school in another area; and
- in the area chosen for the student to attend school, the effects described above would be less likely to arise.

### 5.2.3.6 Itinerant Family

#### 5.2.3.6.1 Itinerant Because of Occupation

Families whose lives and occupations demand constant relocation are described as itinerant families. Occupation groups which are often itinerant include:

- fencing contractors;
- railway workers;
- fruit pickers;
- shearers; and
- performers and show workers.

#### 5.2.3.6.2 Eligibility

The away from home rate may be approved where:

- the parent/s' occupations require them to spend a **significant amount of time** travelling long distances, with the result that the children have no fixed residence; or
- the occupation of the parent/s involves frequent, lengthy travel and the student is denied access to appropriate schooling because the parent/s is/are not normally resident at a fixed location during the school week, eg a sole parent is an interstate transport driver.

**Note: In a two parent family, both parents need to be itinerant for the student to be eligible. If one parent is stable in location, the family is not considered itinerant.**

#### 5.2.3.6.3 Significant Amount of Time

A significant amount of time would be 40 week-nights during the year.

#### 5.2.3.6.4 Documentation

A statement of the family's projected itinerancy for the forthcoming year and itinerancy over the previous twelve months is required to accompany the claim.

#### 5.2.3.6.5 Demonstration of Itinerancy

If an applicant can demonstrate, eg by having met and providing evidence of itinerancy conditions in the previous year, the away rate may be approved if conditions are continuing in the current year and the other allowance eligibility conditions are met.

If this cannot be demonstrated, the procedure outlined on the next page must be followed.

#### 5.2.3.6.6 Assessment of Itinerancy for Employment Reasons

The guidelines below are for assessment of claims made before the beginning of the school year. Where a claim is made after that date, the same guidelines will be followed, but they will be adapted to consider circumstances that have arisen between the beginning of the school year and the date of claim.

When such a claim is received at the beginning of the school year, no payment will be made immediately. The Centrelink Customer Service Centre advise the applicant that:

- the claim that the family is itinerant will be examined in the light of moves actually made during the course of the school year, with the first review of the situation to take place at the end of Term 1;
- the applicant should notify the Centrelink Customer Service Centre at the end of the term of moves actually made - this notification should be sent earlier if three moves occur before the end of term; and
- any decision on whether or not to place the student in a boarding situation in the meantime should not be based on an assumption that the family will be accepted as itinerant and that Living Allowance at the away rate will be payable.

#### 5.2.3.6.7 Evidence That Family Has Moved

Any claim that the student's family has moved to a new locality must be supported by some form of written evidence such as a statement by a new employer or verified that parents have registered for employment/FaCS benefits at the new locality.

#### 5.2.3.6.8 Eligibility for Assistance

Eligibility is determined in the light of family movements during the course of the school year, according to the guidelines set out in 5.2.3.6.9 following.

#### 5.2.3.6.9 Two Moves In First Term

Where the family undertakes two moves of the type specified above during first term, the family may be accepted as itinerant for that period and the first term payment may be

made once the second move is verified. The applicant should be advised that eligibility for the away rate in the remaining terms is still under review and that s/he should continue to notify the Centrelink Customer Service Centre of family movements.

#### 5.2.3.6.10 Accepted as Itinerant for the First Term

Once a family has been accepted as itinerant for the first term on the basis of two moves during that period, assessment of eligibility for Living Allowance at the away rate in the remaining terms should be based on the following guidelines:

- if at least one move occurs during any of the remaining terms, the family should be accepted as itinerant for the full year and further payments made accordingly;
- if no move occurs during any of the remaining terms, the student remains ineligible for Living Allowance assistance at the away rate after first term.

#### 5.2.3.6.11 Three or More Moves in First Term

Where the family undertakes three or more moves during the first term, each of which would require a change of school for the student, the family may be regarded as itinerant for the full year. The first term payment may be made immediately upon verification of at least the first three moves and arrangements for subsequent payments should be made in the usual way.

#### 5.2.3.6.12 Four Moves Over Two Terms

Where the family undertakes four moves in the year spread over at least two terms, the family may be accepted as itinerant for the full year and Living Allowance at the away rate paid accordingly.

#### 5.2.3.6.13 Ineligibility

A student cannot be approved for the away from home rate if:

- her/his family could be reasonably expected to maintain a fixed address because the movement required by working is over a limited area, eg within the metropolitan area or at no time more than 56 km from one centre offering adequate schooling; or
- the parent/s occupation requires a transfer every two or three years and the family could normally expect to spend at least one full year in a location but happens to be moved more than once in a school year.

#### 5.2.3.6.14 Constant Movement

Where a parent's occupation necessitates constant movement and the family's home environment is in effect 'mobile' (eg a railway construction camp) and is constantly changing, the away from home rate may be approved if:

- the student boards away from home; and

- for at least half the year, on a monthly, weekly or daily basis, the location of the student's permanent home meets the travel time and access criteria set out in [5.2.3.2](#).

#### 5.2.3.6.15 Temporary Movement for Employment

Families who are not normally itinerant but who are temporarily moved in their employment or must move several times in the course of a year to widely scattered localities in search of employment, may apply for the away from home rate to enable their children to avoid frequent changes of school.

#### 5.2.3.6.16 Temporary Residence In Locality

If a family temporarily resides in the locality in which any of its eligible students are boarding or spends some time in this locality as part of its regular movements, the following principles apply:

- where it would be reasonable to expect a student to cease boarding and rejoin her/his family, whether on an extended basis or for short periods on a regular basis, boarding benefits are not payable for those periods;
- where the student cannot attend the school except as a boarder, or the school would charge full boarding fees anyway, the student remains eligible for the away from home rate.

**Note: Parents should be advised at the time of assessment of the need to advise the Centrelink Customer Service Centre if they temporarily reside in a student's locality.**

#### 5.2.3.6.17 Permanent Residence During a School Year

Where a family has been **accepted as itinerant for a year** (see [5.2.3.6.11](#) and [5.2.3.6.12](#)) but takes up permanent residence during the course of that year at a fixed address which provides access to suitable schooling, any student in the family who has been eligible for the away from home rate up to that point, remains eligible for the remainder of the year providing continuity of study rules are met (see [5.2.3.11](#)).

### 5.2.3.7 Exclusion From Local Schooling

#### 5.2.3.7.1 Eligibility

A secondary student is eligible for Living Allowance at the away rate if:

- during a year s/he has been excluded by school authorities from all available local schooling;
- there are no other schools within reasonable travelling time (see [5.2.3.2.2](#));



- distance education/correspondence studies are not appropriate; and
- a satisfactory boarding placement is found.

**Note 1: The student remains eligible in subsequent years if the student remains excluded from local schooling.**

**Note 2: Continuity of study rules (see 5.2.3.11) may apply where appropriate.**

**Note 3: Dependent schooling students studying by distance education/correspondence are not eligible for the away from home rate under the Exclusion From Local Schooling provision.**

#### 5.2.3.7.2 Documentation

A letter from an appropriate officer of the State/Territory education authority confirming the above.

### 5.2.3.8 Home Conditions

#### 5.2.3.8.1 Eligibility

A student may be approved for the away from home rate if the conditions at the permanent home constitute a serious impediment to the student's educational progress.

#### 5.2.3.8.2 Serious Impediment to Educational Progress

Home conditions which would constitute a serious impediment to the students' educational progress are those that:

- consistently deprive students of basic necessities;
- represent a serious threat to the student's health or well-being; or
- prevent, or excessively disrupt, the student's ability to study at home.

**Note 1: The first two conditions may qualify students as independent on the grounds of being homeless if they are 15 years or older (see Policy Manual - 5.5).**

**Note 2: Examples of each of these conditions are given below.**

#### 5.2.3.8.3 Deprived of Basic Necessities

Examples of basic necessities, the lack of which may make the student eligible for the away from home rate, include:

- food;
- clothing;
- power;
- water;

- shelter; and
- sleep.

#### 5.2.3.8.4 Threat to Health

Examples of serious threats to a student's health or well-being include:

- alcohol or drug abuse;
- criminal or illegal activities;
- violence (actual or threatened) in the home; or
- serious and continuing breakdown in family relationships.

#### 5.2.3.8.5 Disruption to Study

Examples of home conditions that prevent or seriously disrupt a student's ability to study include:

- excessive noise;
- overcrowding;
- lack of facilities for doing homework; or
- chronic illness.

#### 5.2.3.8.6 Not Included as Impediments to Study

The following are not included in home conditions which constitute a serious impediment to a student's educational progress:

- influences to which s/he may be exposed outside the dwelling which is the permanent home;
- minor difficulties of a kind which can be commonly encountered in a family situation;  
or
- not having a room to herself/himself for private study.

#### 5.2.3.8.7 Factors to be Considered

In assessing whether home conditions constitute a serious impediment to educational progress, consideration is to be given to:

- the amount of homework necessary for the course;
- the accessibility of alternative places where the student may study such as homework centres or libraries; and

- the size of the dwelling and the number and age of occupants.

#### 5.2.3.8.8 Approval Requirements

A student may be approved on the basis of home conditions if:

- an authorised officer interviews the student or applicant and assesses that, on the basis of the evidence available, a criterion for approval has been met; or
- supporting documentation and/or verification from another source is provided.

#### 5.2.3.8.9 Documentation and Verification

Where documentation is required to support a claim for the away from home rate on the grounds of home conditions, it should be in the form of a written statement from the applicant outlining the home circumstances and, where necessary, describing the dwelling and providing details on the number and ages of occupants who normally live there. One or more supporting statements from an independent authority as listed below must also be provided.

#### 5.2.3.8.10 Independent Authorities

In most cases, it will be necessary for the claim to be verified by at least one independent authority with a first-hand knowledge of the circumstances. Examples of authorities from whom verification may be sought, as appropriate, are:

- a Commonwealth or State/Territory health, police or welfare authority;
- a school or education institution authority, including a counsellor or Aboriginal Education Assistant;
- an Aboriginal community official;
- a medical practitioner or specialist; and/or
- an officer of a private welfare agency, clinic, shelter or refuge.

### 5.2.3.9 Racial Discrimination

#### 5.2.3.9.1 Eligibility

Secondary students may be approved for the away from home rate where there is evidence that they have been subjected to racial discrimination of a serious and continuing nature at the local government school(s).

**Note: Dependent schooling students studying by distance education/correspondence are not eligible for the away from home rate under the Racial Discrimination provision.**

#### 5.2.3.9.2 Attempts to Resolve Problem

Approval on the basis of this condition would only be given if and when all possible attempts to resolve the problem at the local level have proved to be unsuccessful. These attempts should be conducted with the help of:

- school authorities;
- local Aboriginal Education Consultative Group (AECG) members; and/or
- local ASSPA Committee members.

#### 5.2.3.9.3 Approval and Evidence

Approval will require substantiation and may be given if:

- an authorised officer interviews the student or applicant and assesses that, on the basis of the evidence available, the condition for approval for Living Allowance at the away rate due to racial discrimination has been met; or
- the documentation described below is provided.

A student's eligibility on the basis of racial discrimination cannot be clearly established from the claim form without supporting documentation from another source.

#### 5.2.3.9.4 Documentation

Documentation should be in the form of a written statement from the applicant plus one or more supporting statements from:

- AECGs;
- ASSPA Committee;
- school authority; or
- an incorporated Aboriginal and/or Torres Strait Islander organisation.

### **5.2.3.10 Compulsory Residence**

#### 5.2.3.10.1 Eligibility

Students may be approved for the away from home rate for the period that they must, as a compulsory requirement of the approved tertiary course, reside at the education institution while studying.

#### 5.2.3.10.2 Approval and Evidence

Approval may be given only if residence is compulsory for all students studying the course or stage of the course. It is expected that compulsory residence requirements are detailed in the course description of the education institution calendar, faculty handbook or similar publication.

### 5.2.3.10.3 Documentation

Documentation can be in the form of:

- a publication of the education institution; or
- a letter from an appropriate member of the institution stating that compulsory residence is a requirement for all students in the course or at a particular stage of the course.

### 5.2.3.11 Continuity of Study

#### 5.2.3.11.1 Eligibility - Students Previously Eligible for AFH Rate

Students may be eligible for the Living Allowance at the away rate if they:

- have been previously approved for this rate; **and**
- no longer meet a condition for approval for this rate due to a change in circumstances; **and**
- continue attending at the same education institution; **and**
- it would be unreasonable to break continuity of study.

**Note: Students who were eligible for the away from home rate because they were receiving an independent school scholarship, cannot continue to receive this assistance under the continuity of study provisions should they cease to hold the scholarship.**

#### 5.2.3.11.2 Unreasonable to Break Continuity of Study

In relation to students covered under the provision above, it is considered unreasonable to break continuity of study:

- at any time during a school or academic year; **or**
- if the State/Territory authorities regard continuity of schooling between Years 9 and 12 to be at least highly desirable.

**Note: Students must be enrolled in accredited secondary school studies.**

#### 5.2.3.11.3 Special Concessions for Yr 12 Students

Special continuity of study concessions apply to Year 12 students who were receiving Living Allowance at the away rate until the end of the previous year. These concessions are intended to ensure that these students are not adversely affected by a change in parental income. The student may continue to receive Living Allowance at the away rate until the end of the year or until s/he discontinues study in that year, **if** the student:

- is undertaking Year 12; **and**
- was **receiving** Living Allowance at the away rate until the end of the previous year; **and**
- continues attending at the same school; **and**
- the student would become ineligible for Living Allowance due to not passing the parental income test.

#### 5.2.3.11.4 Eligibility - Students not Previously Eligible for AFH Rate.

Students may also be eligible if:

- they have not previously been approved for the away from home rate; **and**
- they remain enrolled in the same course at the same institution and it would be unreasonable to break continuity of study; **and**
- as a result of a change in their circumstances or in policy, they will soon, ie in less than 12 months, be eligible for the away from home rate.

Examples of situations where this provision may be used are:

- a family move to an isolated area, or
- the discontinuation of a school bus service.

#### 5.2.3.11.5 School Fees Allowance

Where the conditions of travelling time between the permanent home and the approved education institution are no longer met and the student becomes a day student at the same school, School Fees Allowance may continue to be paid up to the limit of the entitlement for a student approved for Living Allowance at the away rate.

#### 5.2.3.11.6 Documentation

Where documentation is required to support a continuity of study claim, it should be in the form of a statement from the applicant and verified by an appropriate independent authority.

### 5.2.3.12 Independent School Scholarship

#### 5.2.3.12.1 Eligibility

#### **DIFFERENT TO YA/AUSTUDY PAYMENT**

A secondary student may be approved for the away from home rate on the basis of being offered a scholarship by an approved independent school (see Policy Manual - [4.2.1.1](#)) offering an accredited course providing:

- the school has an SES funding score for Commonwealth General Recurrent Grants of 100 or greater (*The State Grants (Primary and Secondary) Assistance Bill 2000*); and
- the scholarship being offered by the school contributes a minimum of 15% of the total tuition and boarding fees while ABSTUDY pays for the remainder up to the maximum level of entitlement; and
- the local Indigenous Education Consultative Body (IECB) is involved in determining the scholarship selection criteria, selecting the students and monitoring their progress.

**Note: The school must provide Centrelink with mandatory written evidence as outlined in 5.2.3.12.3.**

#### 5.2.3.12.2 Income Testing

Scholarship awardees will automatically qualify for non-income tested living away from home benefits but they will still need to pass the income, assets and family actual means tests for Living Allowance.

#### 5.2.3.12.3 Documentation

The following documentation is required **in the first year** a student receives a scholarship. The school must provide Centrelink written evidence that:

- the school has an SES funding score for Commonwealth General Recurrent Grants of 100 or greater (*The State Grants (Primary and Secondary) Assistance Bill 2000*); and
- the scholarship being offered by the school contributes a minimum of 15% of the total tuition and boarding fees while ABSTUDY pays for the remainder up to the maximum level of entitlement; and
- the local Indigenous Education Consultative Body (IECB) is involved in determining the scholarship selection criteria, selecting the students and monitoring will be their progress; and
- the scholarship has been granted to the student.

The following documents are required **in the second and following years** that a student receives a scholarship:

- the student is continuing in the scholarship; and
- the local Indigenous Education Consultative Body (IECB) is involved in determining and monitoring the progress.

### 5.2.3.13 Students in State Care

### 5.2.3.13.1 Criteria for Students in State Care

See Policy Manual - [5.4](#) for the approval criteria for students in State care.

## 5.2.4 Change of Status

### 5.2.4.1 Cessation of Dependent Status

Students cease to be dependent students with effect from the first day on which they qualify for assessment as independent students, pensioner students or students in lawful custody.

### 5.2.4.2 Cessation of Away Rate

A student ceases to qualify for the Living Allowance at the away rate from the date that s/he returns home to live during the academic or school year.

### 5.2.4.3 Temporary Return Home for Study

If students who normally live away from home opt to return to the parental home on a temporary basis while studying an integral part of their course, eg for a period of practical training, they remain entitled to the away rate unless that period is equal to or greater than one term or semester in length, depending on the structure of the course.

If the period is longer, the student will be regarded as residing permanently at home from the start of the period, including any vacations.

### 5.2.4.4 Temporary Return Home for Vacation

A visit or temporary return home during a vacation or at the beginning and end of the academic or school year does not constitute a change of status and the student remains entitled to away from home benefits.

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## 5.3 Independent Status

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## Introduction

This chapter covers details of the criteria required for a student to qualify for Living Allowance as an independent student.

Students are considered to be independent for the purposes of ABSTUDY if they meet one or more of the provisions for independence detailed in this chapter.

For ABSTUDY purposes, the term 'independent' means that a student is independent of, or exempt from, the normal parental income, assets and family actual means tests. ABSTUDY independent Living Allowance provisions are not necessarily intended to reflect community expectations of what 'independence' means for other purposes. For example, they may not be a reflection of a student's personal maturity or lifestyle choice.

While independent students are not subject to the parental income, assets and family actual means tests, they must meet the student income test (see Policy Manual - 6.2.1). If they have an assessable partner, the partner income, assets and family actual means tests is also applied (see Policy Manual - 6.2.3).

## 5.3.1 Types of Independent Status

### 5.3.1.1 Two Types

There are two types of independent status:

- Permanent independent status, and
- Reviewable independent status

### 5.3.1.2 Permanent Independent Status

Permanent independent status is granted on the basis of a condition which cannot change in a way that will substantially affect the independence of the student.

To meet conditions for permanent independent status the student must:

- meet the age criteria;
- be married or have been married;
- have or have had a dependent child;
- meet certain workforce criteria;
- have been in lawful custody for a cumulative period of six months or more;
- be an orphan; or
- be 15 years of age or older and the Chairman and another member of the applicant's community verifies that the applicant has undergone and completed a traditional initiation ceremony. The student must be living in the traditional community independently of family.

**Note: Such communities will only be recognised for ABSTUDY purposes in Queensland, South Australia, Western Australia and the Northern Territory.**

### 5.3.1.3 Retaining Independent Status

Students who are granted permanent independent status retain their status under ABSTUDY without reassessment, whether or not they continue in unbroken study.

An exception to this is the age provision where students will only be maintained under certain circumstances (see 5.3.4.1.2).

### 5.3.1.4 Reviewable Independent Status

Reviewable independent status is granted on the basis of a condition which can change in a way that may substantially affect the independence of the student.

To meet the conditions of reviewable independent status the student must:

- be 16 years of age or older and living in a de facto relationship which is of at least six months in duration or there is a dependent child/student;
- currently have the care or custody of another person's dependent child or student;
- be 15 years of age or over and have parent(s) who cannot exercise parental responsibilities;
- be 16 years of age or over and living in an Aboriginal community after previously being adopted or fostered by a non-Aboriginal family for more than two years; or
- be of minimum school leaving age and a homeless student.

### 5.3.1.5 Re-Application

Students granted reviewable independent status must re-apply for independent status each year or whenever their current circumstances change.

**Note: Students must notify Centrelink of any changes to their circumstances within fourteen days of the change.**

## 5.3.2 Assessment and Verification of Claims

### 5.3.2.1 Assessment of Permanent Independent Status

For a student applying on the basis of a permanent independent condition, independent status may be approved by the delegated officer providing:

- the student has completed all sections of the claim form pertaining to that condition of independence and supplied all relevant documentation if required; and
- the delegated officer has no reason to doubt the accuracy of the information supplied.

### 5.3.2.2 Assessment of Reviewable Independent Status

For students applying on the basis of a reviewable independent condition, independent status may be approved by the delegated officer providing one of the following points apply:

- **Previously Granted Independence** - the student has been granted independent status previously for the same condition and has declared that her/his circumstances with respect to that condition have not substantially changed;

- **Authorised Officer Report** - a report by an authorised officer (see below) who has personally interviewed the student and/or conducted a home investigation and can confirm that the policy provisions for the condition of independence, as outlined in the relevant sections of the next topic, are met; or
- **Documentation** - the documentation to support the claim for independence as set down for the provisions of independent status has been supplied.

### 5.3.2.3 Authorised Officer

Claims to reviewable independent status can be investigated by an authorised officer. An authorised officer is an officer authorised by the Centrelink/ABSTUDY Manager to conduct interviews and/or home investigations for the purpose of ABSTUDY reviewable independence claims. The officer may be:

- from a Centrelink Customer Service Centre; or
- another suitably qualified officer or person.

### 5.3.2.4 Nomination of an Authorised Officer

In nominating authorised officers for this purpose, the Centrelink/ABSTUDY Manager should take account of:

- the officer's knowledge of, and ability to apply, the relevant policies;
- their knowledge and understanding of Indigenous culture and ability to communicate effectively with Aboriginal and Torres Strait Islander people; and
- the circumstances that may affect a fair and impartial judgment, eg a family or other association with the student.

## 5.3.3 Benefits

### 5.3.3.1 Entitlement

The entitlements listed below may be available to independent students if they meet the relevant award criteria:

- Living Allowance;
- Incidentals Allowance;
- School Fees Allowance (in limited circumstances);
- Rent Assistance;
- Fares Allowance;

- Residential costs;
- Remote Area Allowance;
- Pharmaceutical Allowance
- Away-from-base assistance; and
- ABSTUDY Student Financial Supplement loan.

### 5.3.3.2 Income and Assets Tests

Living Allowance for independent students is not subject to an income test on parental income, but is subject to income tests on student income and, if applicable, partner income and assets tests.

### 5.3.3.3 Permanent Home

See [Terms and Abbreviations](#) for definition of permanent home for independent students.

## 5.3.4 Approval of Independent Status

This topic covers the provisions for approval of Living Allowance at the independent rate.

### 5.3.4.1 Age

#### 5.3.4.1.1 Age of Independence

Where a student does not already qualify for independent status under another provision, s/he can be granted permanent independent status once s/he turns 25 years of age.

#### 5.3.4.1.2 Students Under 25 Previously Granted Independent Status

This section applies to students who:

- received ABSTUDY Living Allowance for any period **in 1998** at the independent rate based on age (being at least 22 years old); **OR**
- received ABSTUDY Living Allowance in 1997 at the independent rate based on age; **and**
  - did not receive ABSTUDY in 1998 **only** because a compulsory requirement of their course (for example, work experience) did not allow full-time study and hence ABSTUDY Living Allowance eligibility in 1998; **and**
  - resumed full-time study in 1999 **in the same course as was undertaken in 1997.**

Students under 25 previously granted independent status, but not receiving ABSTUDY at some time during 1998 (or 1999 because of the above circumstance), will **not** be

maintained and are subject to the age 25 requirement, since the policy change of 1 January 2000, unless they qualify for independent status on other grounds.

#### 5.3.4.1.3 Example 1 - Maintained from 1998 Studies

*Prudence turned 25 in late 2001 and received the independent rate of Living Allowance when she turned 22 in 1998. She was studying a Bachelor of Science degree. As she was previously granted independent status and received that rate in 1999, Prudence continued to be eligible for the independent rate of Living Allowance in 2001. Once she turns 25 years of age Prudence then falls under the standard 25 year independent age rule.*

#### 5.3.4.1.4 Example 2 - Not Maintained from 1997 Studies

*Robert commenced study in a 4 year Bachelor of Engineering in 1997. He received ABSTUDY Living Allowance at the independent rate in 1997 based on age grounds as he was then 22. Robert did not study in 1998 or 1999 or undertake any compulsory work/industrial experience for his course. He applied for ABSTUDY in 2000 while aged 24 after resuming study in the Bachelor of Engineering. Robert did not meet the age criteria for independent status until he turned 25 during 2000. Unless he satisfied any of the other independent status criteria, he was assessed as a dependent student until he turned 25.*

#### 5.3.4.1.5 Documentation

Where documentation is required to support the claim for independence, applicants must provide an original or certified extract of a birth certificate or other official documentation indicating date of birth (see [2.1.4.2.2](#)).

### **5.3.4.2 Current or Previous Marriage**

#### 5.3.4.2.1 Eligibility

Students are independent if they are:

- legally married or recognised as married under Aboriginal/Torres Strait Islander law;
- or
- divorced or separated from their partner.

#### 5.3.4.2.2 Documentation

Where documentation is required to support the claim for independence, applicants must provide an original or certified copy of their marriage certificate, *decree nisi* or other official documentation indicating marriage.

### **5.3.4.3 Parenthood**

#### 5.3.4.3.1 Eligibility

Students qualify as independent if they have or previously had a dependent child or dependent student of their own. (See also [5.3.4.9 Child in Student's Care](#)).



**Note: This includes situations where a child is given up for adoption; OR a student shares custody and financial responsibility of a child and the child lives with the student for at least half the week.**

#### 5.3.4.3.2 Dependent Child

A dependent child for the purposes of ABSTUDY is:

- under 16 years of age, and
- not receiving benefits under ABSTUDY/YA/AIC.

#### 5.3.4.3.3 Dependent Student

A dependent student for ABSTUDY purposes is:

- 16 years of age or older and:
  - in full-time studies approved for ABSTUDY/YA/AIC;
  - not eligible for the independent rate of ABSTUDY/YA, and
  - not receiving assistance from a Commonwealth education allowance other than ABSTUDY/YA/AIC; or
- under 16 years of age, and:
  - receiving ABSTUDY/YA/AIC, and
  - not eligible for the independent rate of ABSTUDY/YA.

#### 5.3.4.3.4 Documentation

Where documentation is necessary to support the claim for independence, the student must provide evidence that:

- s/he is the child's natural or legally adoptive parent; and
- at some time the child has been wholly or substantially dependent on either the student or the partner with whom the student is currently living.

Evidence that a student has a dependent child should include:

- the original birth certificate or certified extract of a birth certificate confirming that the student is the child's natural parent; or
- legal documentation confirming that the student is the child's adoptive parent; or
- other official documentation showing the date of birth.

#### 5.3.4.4 Workforce Participation

#### 5.3.4.4.1 Eligibility

Students are independent if they have been full-time members of the workforce for periods totalling at least three years (156 weeks) during the previous four years (208 weeks). See [5.3.4.4.4](#) for definition of full-time.

**Note: Care should be taken to calculate actual weeks in borderline cases.**

#### 5.3.4.4.2 Definition of Workforce Participation

In general, the periods which come within the workforce participation provision are:

- those which involve a bona fide full time employer-employee relationship or self employment; and
- those in which a person is unable to enter employment but receives income from a government authority (not including a prescribed educational payment) plus any statutory waiting time which the student is required to wait prior to receiving the support.

#### 5.3.4.4.3 Periods Included in Workforce Participation

Workforce participation includes periods where the student was:

- in full-time paid employment or self-employment;
- under an apprenticeship or full-time training agreement;
- unemployed and registered with Centrelink, but waiting to receive a FaCS benefit;
- unemployed and getting Youth Allowance, Newstart, youth training or formal training allowance, special benefit or support under the New Enterprise Initiative Scheme (NEIS);
- on sick, maternity or recreation leave (but not paid study leave);
- receiving an income support pension under the Veterans' Entitlements Act or sickness allowance or carer payment or disability support or sole parent pension (parenting payment – single) or similar social security pension or benefit;
- available for full-time employment but supporting medical evidence indicates that illness or incapacity prevented employment;
- a member of a religious order where it can be demonstrated that the student was supported by the order (eg board and lodgings);
- receiving assistance under the Commonwealth rehabilitation training scheme;
- in lawful custody; or

- receiving a Community Development Employment Projects (CDEP) scheme wage.

#### 5.3.4.4.4 Full-time Employment

To be considered full-time in the workforce in any week, a student must have either:

- worked at least 35 hours a week in one or more jobs; or
- been considered full-time and entitled to benefits available only to full-time workers for the purposes of the award of industrial agreement under which s/he was employed.
- Where an applicant who had been in full-time employment took accrued recreation leave on termination of her/his employment, the actual number of weeks of recreation leave to which s/he was entitled and/or had taken at the time should be taken into account when calculating periods in the workforce.

**Note 1: Part-time work (ie where the student was not working at least 35 hours a week in one or more part-time jobs) CANNOT be taken into account unless the student remained registered for full-time work, in which case, that period is counted on a full-time basis.**

**Note 2: If a student worked more than 35 hours in a week, the excess hours are ignored in calculating the student's eligibility for independent status.**

#### 5.3.4.4.5 Periods Excluded from Workforce Participation

Periods cannot be counted towards the required three years (156 weeks) if the student was:

- registered with Centrelink but not available for full-time employment in Australia;
- undertaking full-time primary or secondary study, including vacations between study periods;
- undertaking full-time post-secondary study, unless the student can demonstrate that while studying, s/he was also a full-time member of the workforce;
- receiving education assistance (not wages) for a course approved for ABSTUDY; or
- on paid study leave.

#### 5.3.4.4.6 Registration With Centrelink While at School

No account is to be taken of registration with Centrelink during periods in which the student undertook full-time primary or secondary study. Registration during school vacations is not to be taken into account.

Also, no account is taken of periods of registration between the end of the school year and 31 December, even in respect of the student's last year of schooling, if the student was

entitled to receive ABSTUDY (or other education assistance) for that end-of-year period. Students who were not eligible to receive education assistance for the period from the end of schooling to 31 December can count periods of Centrelink registration during that time.

#### 5.3.4.4.7 Waiting Period for FaCS Benefit By School Leavers

The waiting period for YA **as a school leaver** may be included, if the school leaver was registered with Centrelink for this period. However, the period from the end of the school year to 31 December cannot be counted if the student was entitled to receive YA/Austudy for that time.

**Note: Since 1993, registration has not been mandatory for Education Leaver Waiting Period (ELWP) purposes. The ELWP may be counted without registration (excluding any period of YA/Austudy entitlement).**

#### 5.3.4.4.8 Registration With Centrelink While Qualified To Get ABSTUDY

No account is to be taken of periods that a student was registered for full time employment with Centrelink, **if** the student was also eligible and qualified to receive ABSTUDY.

A full-time student in a short or late-starting course only has an ABSTUDY entitlement during the actual period of the course. Such a student would be able to count periods of registration before the start or after the end of the course (but not for any vacations during the course).

#### 5.3.4.4.9 Example

*Mary undertakes a normal year of full-time study and commences getting ABSTUDY from 1 March. She cannot count, for independent status, any period of registration with Centrelink from 1 March onwards, as from that time she is regarded as a student.*

#### 5.3.4.4.10 ABSTUDY Starts or Stops During the Year

A student who was part-time in first semester but changed to full-time at the start of second semester and qualified for ABSTUDY could count any:

- period of registration to the commencement date of full time study; and/or
- period of payment including periods where students received Newstart Allowance or YA up to three weeks into their course.

If a student ceased full-time study during the year and entitlement to ABSTUDY ceased , any periods of registration after the date entitlement ceased can be counted toward a future claim for independent status.

#### 5.3.4.4.11 Periods of Full-time Post Secondary Education

Periods during which a student was undertaking full-time post-secondary study are not generally counted towards the 3-year workforce requirement unless the student can demonstrate that while studying, s/he was also a full-time member of the workforce.

Periods of paid study leave or periods during which a student was under a training agreement or in receipt of educational assistance (such as teacher scholarships or ABSTUDY) will not usually be included in the three year period.

Periods during which a student undertook academic studies at the Australian Defence Force Academy (ADFA) in Canberra cannot be counted. However, periods of military training in the academic vacations may be counted.

Periods of industrial experience forming part of a student's course may be counted if normal wages are paid (but periods of industrial training for which ABSTUDY is paid are not).

#### 5.3.4.4.12 Sporting Activities

Periods spent training for and playing sport are not acceptable, even though the person may have received some remuneration from a sporting club, unless:

- the student was a professional sportsperson; and
- the sporting activity was his/her occupation.

The sporting activity must be the person's primary occupation. Someone who plays for a local club, trains during the week and receives match fees for a game cannot be said to be a professional sportsperson.

#### 5.3.4.4.13 Periods of Unemployment While Overseas

Periods while a student was overseas but not in full-time employment are **not** counted.

#### 5.3.4.4.14 Periods in Self-Development and Adventure Programs

Periods that a student spent as a participant in a youth self-development program (such as the Duke of Edinburgh's Award Scheme or Operation Rally) are not counted for independent status purposes. This applies even if:

- all upkeep is provided by the program involved; and
- some community services are performed.

#### 5.3.4.4.15 Supporting Evidence Not Normally Required On Initial Claim

Students are initially required to only provide a schedule of their workforce participation history.

Where there is doubt about a student's claim, or a subsequent check of their eligibility is being carried out, students must provide suitable supporting documentation.

#### 5.3.4.4.16 Evidence of Employment

Where supporting documentation of employment is required, CSOs are to use their discretion when examining evidence of full-time employment.

#### 5.3.4.4.17 Supporting Evidence of Group Certificates and Statements of Earnings

Where evidence is requested, a group certificate or a statement of earnings are sufficient evidence to demonstrate both period of employment and hours worked.

For example, if a student presents group certificates and it is quite clear from the certificates that they worked as a full-time clerk, it would not be necessary to obtain a separate statement from the company setting out the hours worked.

#### 5.3.4.4.18 Supporting Evidence of Tax Documents

Where evidence is requested, a taxation return may in some cases be evidence of participation where:

- it confirms the occupation (for example, that a sports person was a 'professional', or the student was self-employed); and
- the details of earnings and income period are sufficient to demonstrate both period of employment and hours worked.

#### 5.3.4.4.19 Supporting Evidence of Statement of Hours

Where evidence is requested, and a group certificate or statement of earnings is not indicative of full-time employment, further evidence will be required. In these cases, it may be necessary for the student to obtain a statement of hours of employment from her/his employer.

Statements that include statements such as "average of x hours a week" are not acceptable. The actual number of hours must be shown for each week.

#### 5.3.4.4.20 Supporting Evidence From Family Businesses

Care should be taken when examining periods of employment where students worked for their parents or family businesses.

In these cases group certificates, tax stamps or similar documentation may be required to ensure that the applicant was a bona fide employee.

A declaration from the student's parent is **not** sufficient.

#### 5.3.4.4.21 Supporting Evidence of Self Employment

Where proof of self-employment is required, documentary evidence may be difficult to obtain. In these cases a statement from the student's accountant along with taxation documentation may be sufficient evidence.

There may be instances where the CSO has to rely solely on a student's own declaration concerning hours worked (eg bread vendor).

Students who claim to have been self-employed in hobby-type activities (eg producing craft work) should not be accepted unless strong evidence can be produced that the activity was genuinely being undertaken as a full-time business.

#### 5.3.4.4.22 Supporting Evidence in Cases of Doubt

While it is the period worked and not the amount earned that determines entitlement, in cases of doubt (eg where the student was self-employed or working in a family business) documents which show amounts of income earned (eg tax assessment notices) can be useful corroborating evidence in determining whether the student can reasonably be considered to have been in full-time employment.

#### 5.3.4.4.23 Supporting Evidence of Statements from Centrelink

In appropriate cases, statements may be required from Centrelink confirming the period/s that the student:

- received benefits, or
- was registered for full-time employment.

#### 5.3.4.4.24 Supporting Evidence by Student Declaration

Where a student has been requested to provide evidence of their claim and has made all reasonable efforts to obtain supporting documents for a particular period but has been unsuccessful (eg because prior Centrelink records are no longer available) a statutory or student declaration from the student providing details of the period of employment/registration may be accepted as sufficient evidence for that period.

#### 5.3.4.4.25 ABSTUDY Records

ABSTUDY records can be used to indicate whether or not the student was studying full-time and in receipt of ABSTUDY Living Allowance during the period in question.

### 5.3.4.5 Special Adult Status

#### 5.3.4.5.1 Eligibility

Students are independent if they are 15 years or older and have special adult status in an Aboriginal/Torres Strait Islander community which follows a lifestyle based on adherence to coming-of-age ceremonies.

Such ceremony is to have been sanctioned by recognised Aboriginal or Torres Strait Islander elders of that community.

To be eligible, the student's permanent home (see Definition at [Terms and Abbreviations](#)) must be in the traditional community, where the student lives independently of family when not studying, at the time of assessment. If the student subsequently moves to live in another location, the student does not lose his independent status as Special Adult Status is regarded as a permanent independent status.

**Note: Communities which follow this lifestyle will only be recognised for ABSTUDY purposes in the Northern Territory, Queensland, South Australia and Western Australia.**

#### 5.3.4.5.2 Documentation

Where documentation is necessary to support the claim for independence, the student must provide a statement signed by the Chairman and another member in the student's home community, for the observance of cultural practice. The statement must confirm that the student has undergone and completed a traditional initiation ceremony sanctioned and recognised by Aboriginal and Torres Strait Islander Elders.

The student must provide a statement confirming that they are not supported financially by their family and live independently in the community when not studying.

### 5.3.4.6 Previous Lawful Custody

#### 5.3.4.6.1 Eligibility

Students are independent if they are secondary students aged 18 years or older or tertiary students, and were previously, for a six month cumulative period or more, in lawful custody at:

- a corrective institution;
- a remand centre; and/or
- a youth training centre.

#### 5.3.4.6.2 Documentation

Where documentation is necessary to support the claim for independence, the student must provide a statement from the institution or corrective service authorities confirming the period of time spent in lawful custody.

### 5.3.4.7 Orphanhood

#### 5.3.4.7.1 Eligibility

Students are independent if they are 15 years of age or older and are orphans.

**Note: The definition of an orphan is expanded below.**

#### 5.3.4.7.2 Definition of an Orphan

An orphan is a person whose natural or adoptive parents are:

- dead; or
- legally missing and presumed dead.

**Note: A student cannot be regarded as an orphan while at least one natural or adoptive parent is known, or presumed, to be alive.**



#### 5.3.4.7.3 Living With Other Than Natural Parents

Students who meet the conditions for orphanhood can qualify as independent even though they are living with someone other than their natural or adoptive parents.

#### 5.3.4.7.4 Parent Missing and Presumed Dead

If a student's parent has been missing (ie whose whereabouts is unknown) for not less than seven years, under common law the parent may be presumed dead.

**Note: State or Territory laws may vary the length of time and/or conditions under which a person may be presumed dead.**

#### 5.3.4.7.5 Evidence

In support of their claim for independent status, students must provide a death certificate or documentation from an Aboriginal/Torres Strait Islander organisation to the effect that a parent is:

- dead, or
- is legally missing and presumed dead.

### 5.3.4.8 De Facto Relationship

#### 5.3.4.8.1 Eligibility

Students are independent if they are 16 years of age or older and are living in a de facto relationship (or 17 years of age or over in South Australia or Tasmania, due to Age of Consent Laws) and the de facto relationship is of at least six months' duration or there is a dependent child/student.

#### 5.3.4.8.2 Dependent Children

Dependent children for the purposes of ABSTUDY are:

- under 16 years of age, and
- not receiving benefits under ABSTUDY or AIC.

#### 5.3.4.8.3 Dependent Student

Dependent students for ABSTUDY purposes are:

- 16 years of age or older and:
  - in full-time studies approved for ABSTUDY/YA/AIC,
  - not eligible for the independent rate of ABSTUDY/YA, and
  - not receiving assistance from a Commonwealth education allowance other than ABSTUDY/YA/AIC; or

- under 16 years of age, and are:
  - receiving ABSTUDY or AIC, and
  - not eligible for the independent rate of ABSTUDY.

#### 5.3.4.8.4 Documentation

Where documentation is required to support the claim for independence, applicants must provide a statutory declaration signed by both parties, plus other documentation indicating cohabitation such as rental agreement, electricity, water or telephone account.

#### 5.3.4.8.5 Change of Status

Students who are no longer in a de facto relationship cease to be classed as independent on that basis but may be independent under other ABSTUDY criteria.

### **5.3.4.9 Child in Student's Care**

#### 5.3.4.9.1 Eligibility

Students are independent if they currently have the care or custody of another person's dependent child(ren) or dependent student(s).

#### 5.3.4.9.2 Dependent Children

Dependent children for the purposes of ABSTUDY are:

- under 16 years of age; and
- not receiving benefits under ABSTUDY or AIC.

#### 5.3.4.9.3 Dependent Student

Dependent students for ABSTUDY purposes are:

- 16 years of age or older and:
  - in full-time studies approved for ABSTUDY/YA/AIC;
  - not eligible for the independent rate of ABSTUDY/YA; and
  - not receiving assistance from a Commonwealth education allowance other than ABSTUDY/YA/AIC; or
- under 16 years of age, and are:
  - receiving ABSTUDY or AIC, and
  - not eligible for the independent rate of ABSTUDY.

#### 5.3.4.9.4 Documentation

Where documentation is necessary to support the claim for independence, the student must provide documentation indicating their responsibility for the dependent child or student, such as:

- evidence of Family Payment; or
- other official documentation.

### 5.3.4.10 Parents Cannot Exercise Parental Responsibilities

#### 5.3.4.10.1 Eligibility

Students qualify for independent status where:

- they are 15 years of age or older; **and**
- both of their natural or adoptive parents are (or if the students have only one parent, that parent is):
  - serving a prison sentence;
  - likely to be mentally incapacitated for an indefinite period;
  - living in a nursing home or similar institution for an indefinite period; or
  - missing (and all reasonable attempts to locate or contact them have failed).

#### 5.3.4.10.2 Parent (s) Temporarily Incapacitated

Students whose parent (s) is/are incapacitated temporarily and who cannot give the student a home should apply as a 'homeless' student (see Policy Manual - 5.5).

#### 5.3.4.10.3 Parent(s) Missing

Parents are accepted as being missing if:

- their whereabouts are unknown; and
- all reasonable attempts to contact them have failed.

**Note: If a parent(s) is legally missing and presumed dead, independent status as an orphan should be considered (see 5.3.4.7).**

#### 5.3.4.10.4 Student Dependent on Another Person

Students can still qualify as independent even though they are dependent, or were last dependent, on someone other than their natural or adoptive parents.

#### 5.3.4.10.5 Evidence - Parent(s) in Prison

Students whose parent(s) are in prison must provide confirmation of such from the relevant authority in their State or Territory.

The authority should confirm the period for which the parent(s) has/have been imprisoned, **and** the likely period which the parent(s) has/have still to serve.

**Note: Where a student is granted independent status under this provision, but the period of their eligibility may be foreseen, the student's claim must be reviewed at the appropriate time. An example of where this may occur is if there is a likelihood that the parent will be released from prison within the current year of study.**

#### 5.3.4.10.6 Evidence - Parent(s) Indefinitely Incapacitated

Students must provide confirmation from the relevant authority in their State or Territory that their parent(s) is/are confined indefinitely to a medical institution such as a psychiatric hospital or nursing home.

#### 5.3.4.10.7 Evidence - Parents Missing

Students whose parent(s) is/are missing must provide evidence of attempts to locate and contact them, for example, through telephone directories and/or electoral rolls.

If a parent has a history of periodically going missing, the period s/he has gone missing and the likelihood of return should be considered.

### 5.3.4.11 Returning Home

#### 5.3.4.11.1 Eligibility

Students are independent if they are 16 years of age or over and have returned to live in an Indigenous community after having been adopted or fostered by a non-Indigenous family for more than two years.

#### 5.3.4.11.2 Review of Independence

Independent status approved on the basis of returning to the home community may be withdrawn if the student reverts to adoptive, foster or another form of State care. Students who do not qualify for permanent independence by another condition should have their circumstances reviewed each year.

A significant change of circumstances, however, would be expected to involve a change of address to a location other than the home community. Hence, provided that the student continues to live in the home community, this will be sufficient basis to maintain independent status.

#### 5.3.4.11.3 Documentation

Where documentation is necessary to support the claim for independence, the student must provide a statement from:

- an Indigenous community organisation;

- a well known and respected person of the Indigenous community; or
- a relevant State or Territory authority.

### **5.3.4.12 Homeless Students**

#### 5.3.4.12.1 Criteria for Homeless Students

See Policy Manual - 5.5 for the approval criteria for homeless students.

## **5.3.5 Change of Status**

### **5.3.5.1 Independent Status Commences**

Students commence to be independent students with effect from the first day on which:

- they meet one of the conditions for independence;
- they cease to be a pensioner and meet one of the conditions for independence; or
- they have been in lawful custody for at least six months (cumulative) and are released.

### **5.3.5.2 Independent Status Ceases**

Students cease to be independent students with effect from the first day on which:

- they cease to meet one of the conditions for reviewable independence; or
- they commence to be a pensioner or in lawful custody.

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## **5.4 Students in State Care**

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  - [5.4.1.1 Eligibility](#)
  - [5.4.1.2 Definition](#)
  - [5.4.1.3 Minimum School Leaving Age](#)
- [5.4.2 Parental Income Concession](#)
  - [5.4.2.1 Parental Income Concession - State Care](#)
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- 5.4.2.5 Cessation of Order for Other Reason
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- 

## Introduction

This chapter covers details of the criteria required for a student in State care.

### 5.4.1 Introduction to State Care

#### 5.4.1.1 Eligibility

Students in State care are eligible for:

- ABSTUDY Living Allowance either at the standard rate or the away rate and related entitlements (see [7.8.2.1](#), [5.4.1](#) and [7.9.3.1](#)), if they have reached the minimum school leaving age; or
- School Term Allowance and School Fees Allowance if they are under the minimum school leaving age (see [5.4.1.3](#)).

#### 5.4.1.2 Definition

Students are considered to be in State care if they have been placed in substitute care through a State or Territory Department of Welfare or through legal process.

### 5.4.1.3 Minimum School Leaving Age

The table below shows the minimum school leaving ages for each State and Territory.

State or Territory	Minimum school leaving age
NSW	15th birthday
VIC	15th birthday
QLD	15th birthday
SA	15th birthday
WA	end of school year in which the student turns 15
TAS	16th birthday
NT	15th birthday
ACT	15th birthday

### 5.4.2 Parental Income Concession

#### 5.4.2.1 Parental Income Concession - State Care

Students may be exempt from the ABSTUDY parental income test if they have been directed or authorised by a Court or government authority to live away from their natural or adoptive parents in substitute or foster care.

These students are paid Living Allowance at either the standard rate or the away rate depending on whether the carer receives a regular foster care allowance for the student's upkeep. Fifteen year old students are paid at the 16-17 year rate. (Students fourteen years old and under receive, School Term Allowance and School Fee Allowance).

#### 5.4.2.2 Who Can Get the Concession

Students qualify under this provision if:

- they have reached the minimum school leaving age in their State or Territory (see 5.4.1.3 on the previous page); **and**
- they are **not** living with either of their natural or adoptive parents; **and**
- they are in the guardianship, care or custody of a Court, Minister or Department; **or**
- there is a current direction or authorisation from a Court, Minister or Department placing the student in the guardianship, care or custody of someone who is not the student's natural or adoptive parent; **or**
- they stopped being subject to the direction only because of age (see 5.4.2.4 on the next page).

- Students qualifying under this provision are normally clients of a State or Territory government welfare authority. That is, the authority:
- has been involved to some extent in placing the student in substitute care; and
- demonstrates ongoing involvement in the student's welfare.

**Note: Usually the authority would have accepted certain custodial and/or financial responsibilities for the child.**

#### 5.4.2.3 Who Does Not Get the Concession?

Students are not normally eligible for this concession, if they:

- have left home to live in a government funded or subsidised refuge or residential care facility; **and**
- the State/Territory welfare Department has not accepted ongoing responsibility for their welfare.

**Note: These students may, however, meet the 'homeless' provisions (see 5.5).**

#### 5.4.2.4 Cessation of Care Order Due to Age

If the care order ceases only because the student reaches an age nominated by the authority (usually, but not always, this will be 18 years), **and** the student does not return to live with either natural or adoptive parents, the student may:

- continue to qualify (and receive the away rate because the carer is no longer receiving a payment for their upkeep); or
- choose to apply for the Student Homeless Rate (the normal SHR documentation requirements apply).

#### 5.4.2.5 Cessation of Order for Other Reason

The parental means test will apply if the care order/authorisation ceases because students were placed in care:

- while their parents were incapacitated, and they are now in a position to resume caring for the student; or
- for a specific period for a particular reason not especially linked to their age (eg completion of a good behaviour bond).

#### 5.4.2.6 Visits Home



Students are eligible for the parental income concession only while they do **not** live with either or both of their natural or adoptive parents.

They are not normally eligible if they visit a parent's home regularly (eg at weekends, during the school holidays). In these cases, students are subject to the parental income test.

However, eligibility will probably not be affected if an occasional home visit is arranged or encouraged by the welfare authority for reconciliation purposes.

## 5.4.3 Evidence Required

### 5.4.3.1 Statement from Relevant Government Agency

Students who are currently living in State care must provide a statement from the relevant government agency:

- confirming that a direction or authorisation by a Minister, Court or Department is currently in effect in relation to the student's care;
- advising of the care arrangements, including the name and address of the person(s), government agency or other organisation authorised to care for the student; and
- advising whether the person or organisation authorised to care for the student is receiving any continuous payment to assist directly with the student's upkeep.

**Note: Where a State/Territory Welfare Department contracts out to a private provider to coordinate placement of a student in care, the letter authorising the placement must be signed by an officer of the appropriate State/Territory authority.**

### 5.4.3.2 What Family Details Are Required?

Apart from relevant payment details, students applying for the parental income concession do not need to give any other parent/guardian details.

## 5.4.4 Benefits

### 5.4.4.1 Living Allowance Rate of Payment

A student who is, or has been, living under an officially approved substitute care arrangement and has reached the minimum school leaving age for that State/Territory is entitled to receive Living Allowance at the rates specified below.

### 5.4.4.2 Standard Rate

The maximum standard rate of Living Allowance, free of parental income test, may be paid if the carer receives from a government authority or other organisation:

- a regular foster care allowance; or

- other allowance which is intended directly for the student's upkeep or personal use (eg regular Adolescent Community Placement or Placement Provider Reimbursement payments made directly or indirectly by the Victorian Government).

However, where the authority pays the carer directly to compensate for extra costs involved in caring for the student, eg setting up a bedroom or repairing damage done by the student, the away from home rate may be paid.

**Note: Commonwealth Government payments for dependent children in general (eg Family Payments) and payments made by any government authority or other organisation towards the upkeep of a residential care facility (eg payments to help with general running costs of the institution) do not stop students getting the standard rate.**

#### 5.4.4.3 Away From Home Rate

The maximum away from home rate of Living Allowance, free of parental income test, may be paid if the carer does not receive from a government authority or other organisation:

- a regular foster care allowance; or
- other allowance which is intended directly for the student's upkeep or personal use (eg regular Adolescent Community Placement or Placement Provider Reimbursement payments made directly or indirectly by the Victorian Government).

**Note: Commonwealth Government payments for dependent children in general (eg Family Payments) and payments made by any government authority or other organisation towards the upkeep of a residential care facility (eg payments to help with general running costs of the institution) do not stop students getting the away rate.**

#### 5.4.4.4 Independent Rate

The independent (homeless) rate of Living Allowance may be paid if the student has reached the minimum school leaving age (see 5.4.1.3), has left the carer's home to live in a government funded or subsidised refuge or residential care facility and the State/Territory Welfare Department has not accepted ongoing responsibility for the student.

#### 5.4.4.5 Other Government Payments

Commonwealth government payments for dependent children in general (eg Family Tax Benefits) and payments made by any government authority or other organisation towards the upkeep of a residential care facility (for example, payments to help with general running costs of the institution), do **not** affect the students eligibility.

#### 5.4.4.6 Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance

Students eligible for the away from home or independent rates may be eligible for Rent Assistance, Remote Area Allowance and Pharmaceutical Allowance, if they don't live with

their carer, or their natural or adoptive parents while studying and they are in private rental accommodation (see [7.12](#), [7-13](#) and [7-14](#)).

## 5.4.5 Payments

### 5.4.5.1 Who is ABSTUDY Paid To?

In general, students who qualify for ABSTUDY under this provision receive their allowances direct. The carer does not receive payments on the student's behalf.

However, the authority may request that payment be made direct to the care giver or a person nominated by the student, if:

- the relevant government authority or an organisation approved by that authority believes that payment of allowances direct to younger students could jeopardise the student-carer relationship; or
- it is determined that the student is unable to manage his/her own finances, eg a student in a special school.

In these cases, the request should be included in the documentation from the welfare department. Payment directions (ie name and bank account) must be included in the relevant section of the ABSTUDY claim form.

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## 5.5 Homeless Students

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## **Introduction**

This chapter covers details of the criteria required for a homeless student.

### **5.5.1 Introduction to Homeless Criteria**

#### **5.5.1.1 Eligibility**

Students who are granted reviewable independent status as a homeless student must reapply for independent status each year or whenever their circumstances change. See 5.3 for reviewable independent status other than homelessness.

A person is independent under the homeless criteria if:

a) the person cannot live at the home of either or both of his/her parents:

i) because of extreme family breakdown or other similar exceptional circumstances; or

ii) because it would be unreasonable to expect the person to do so as there would be a serious risk to his/her physical or mental well-being due to violence, sexual abuse or other similar unreasonable circumstances; or

iii) are unable to provide the person with a suitable home because they lack stable accommodation; and

b) the person is not receiving continuous support, whether directly or indirectly and whether financial or otherwise, from a parent of the person who is acting as the person's guardian on a long-term basis; and

c) the person is not receiving, on a continuous basis, any payments in the nature of income support (other than a social security benefit) from the Commonwealth, a State or a Territory.

#### **5.5.1.2 Age**

Students applying for ABSTUDY Student Homeless Rate (SHR) must have reached the minimum school leaving age for their State or Territory.

#### **5.5.1.3 Minimum School Leaving Age**

The table below shows the minimum school leaving ages for each State and Territory.

State or Territory	Minimum school leaving age
NSW	15th birthday
VIC	15th birthday
QLD	15th birthday
SA	15th birthday
WA	end of school year in which the student turns fifteen
TAS	16th birthday
NT	15th birthday
ACT	15th birthday

#### 5.5.1.4 State Wards

SHR does not apply to students who now are or previously were wards or in other state authorised care. Such students may, however, qualify for assistance under other ABSTUDY provisions.

Students qualify for independent status where they:

- qualified as independent in 1990 under ABSTUDY through being a ward, or having been a ward; and
- continue to be a ward or stopped being a ward only because of their age.

**Note: This criterion is no longer current. However, students who were granted independent status in 1990 on the basis of being a ward retain this status. New applicants are not eligible for this provision.**

#### 5.5.1.5 Status Assessed Against Natural or Adoptive Parents

Eligibility is determined in relation to the student's natural (ie, birth) parent(s) or legally adoptive parents. Where the student's natural or legally adoptive parent(s) live in separate households, the student must satisfy the SHR criteria in relation to each household.

#### 5.5.1.6 Rent Assistance

Students who meet the criteria for reviewable independent status as above and receive a Living Allowance, may be eligible for Rent Assistance, Remote Area Allowance and/or Pharmaceutical Allowance..

See [7.12](#) for details.

#### 5.5.1.7 Student Homeless Rate Centrelink Additional Information Form



All students applying for ABSTUDY Student Homeless Rate (SHR) must complete the appropriate Centrelink Additional Information Form as well as the ABSTUDY Claim (Form b). Continuing students need not provide full supporting documentation if their circumstances have not changed. However, each time they reapply for ABSTUDY, they must complete the appropriate Centrelink Addition Information Form.

#### **5.5.1.8 Early Application for SHR Continuing Students**

Special arrangements are in place to help avoid gaps in payment to SHR students who continue study between years. SHR recipients who are on pay until 31 December and genuinely intend to continue in full-time study may make early application for ABSTUDY **prior to receiving a formal offer of a place**. If the student subsequently ceases full-time study, no overpayment will be incurred if the student:

- genuinely intended to continue studying; and
- fails to be offered a place in the proposed course; and
- would have otherwise been eligible for a FaCS benefit; and
- notifies ABSTUDY as soon as being advised that s/he has not gained a place.

#### **5.5.1.9 Commencement of Payments**

Payment of SHR may be backdated to the date the student started living away from the parental home provided that the student had reached minimum school leaving age and was otherwise eligible for ABSTUDY.

### **5.5.2 Transfer from Family and Community Services Homeless Rate**

#### **5.5.2.1 Transferring to ABSTUDY From FaCS Benefit as a Homeless Young Person Under 18 Years of Age**

Direct transfer to ABSTUDY SHR can occur if the student has been receiving the FaCS benefit, 'Unreasonable to live at home' payment of YA or Special Benefit.

Jobseekers aged up to 21 years of age or students up to 25 wanting to transfer to ABSTUDY SHR (as long as they are otherwise eligible for ABSTUDY) can do so without having to be re-assessed as a homeless young person if they are considered independent and receiving the 'Unreasonable to live at home' payment of YA or Special Benefit.

#### **5.5.2.2 Centrelink Payment Recipients Transferring to ABSTUDY SHR**

If receiving YA or Special Benefit as an independent young person on other grounds besides the 'Unreasonable to live at home' criteria, (eg Parents cannot exercise responsibilities) attempts should be made to transfer the young person to ABSTUDY under an aligning independent criteria. If the similar independent criteria is not available under ABSTUDY guidelines, then the customer will need to apply for ABSTUDY SHR in the usual way.

#### **5.5.2.3 Parental Contact**

In some cases, where attempts to contact parents have failed, Centrelink can choose to pay a customer a FaCS benefit as a young homeless person based on other evidence without the parents' side of the story and then review the claim in four weeks.

Where customers are seeking transfer to SHR and have been receiving a Centrelink benefit as a homeless young person for eight weeks or less, advice should be sought about whether parents have been contacted. Care should be taken to ensure that any claims assessed without parental contact must be reviewed within four weeks of payment of ABSTUDY SHR, with parental contact being attempted by a Centrelink Social Worker in that period.

## 5.5.3 Youth Protocol for Student Homeless Rate

### 5.5.3.1 Youth Protocol Requirements for SHR under 15 Year Olds

All students who enquire about Student Homeless Rate and are under 15 years of age must be referred to a Centrelink social worker for assessment. Subject to privacy obligations, where in the opinion of the assessing social worker the young person is at risk, the social worker must refer the young person to the responsible State/Territory welfare authority for an assessment of/for protective services and attendant support.

The privacy of homeless young people coming into contact with Centrelink is protected under the *Social Security Act 1991* or the *Privacy Act 1988*. While Commonwealth employed or contracted social workers will endeavour to persuade these young people to accept referral to the State/Territory welfare authority, the rights of the young person to decline such assistance will be respected, **subject only** to the public interest provisions of the relevant privacy legislation.

### 5.5.3.2 Youth Protocol Requirements for Homeless Students Aged 15 to 17 Years Inclusive

Where a young person is 15 to 17 years of age (inclusive) and presents to Centrelink seeking support at the Student Homeless Rate, the young person must be interviewed by a social worker employed or contracted by Centrelink. This interview may be conducted by telephone. The social worker should determine whether there is a need to refer the young person to a State/ Territory welfare authority, including younger siblings remaining in the home, for a protective investigation. Referral will be subject to the consent of the young person, or in accordance with release of information under the *Student Assistance Act 1973* (see 5.5.10.3), and/or in accordance with mandatory reporting requirements. For full details of the Protocol Procedure, you must refer to your State or Territory Procedures.

## 5.5.4 Approval Factors

### 5.5.4.1 Overview

ABSTUDY assists students who may be at risk of giving up their studies because of traumatic family circumstances. This provision recognises that there are situations where students face serious physical or mental harm in the family home. It gives such students the opportunity to continue in their studies after they have moved to a safer, more stable environment. The provision is for students who cannot reasonably remain at home and therefore must live independently for the sake of their well-being.

The provision is not intended to encourage students to leave home nor to encourage parents to cease contributing towards their children's education. It is not a means for students to choose to leave home so that they can get a higher rate of ABSTUDY.

#### **5.5.4.2 Definition**

A student qualifies as independent through it being unreasonable that s/he live at home, if:

- s/he cannot live at the home of either or both of her/his natural or adoptive parents:
  - because of extreme family breakdown or other similar exceptional circumstances; or
  - because to do so would be at serious risk to her/his physical or mental well-being due to violence, sexual abuse or other similar unreasonable circumstance; and
- s/he is not receiving continuous financial or other support, directly or indirectly, from a parent of the student; and
- s/he is not wholly or substantially dependent on a person other than a parent of the student, on a long term basis; and
- s/he is not receiving a regular payment of welfare or student assistance from the Commonwealth, a State or a Territory (except ABSTUDY); and
- s/he does not have a partner who, being entitled to a regular payment from the Commonwealth, a State or a Territory, gets the payment at a higher rate because the student is his or her partner.

#### **5.5.4.3 All Available Relevant Information Taken Into Account**

All SHR decisions must be considered carefully for correctness and to be fair and accountable to:

- the student and his or her advocates;
- the parents; and
- other ABSTUDY applicants who must abide by the parental income tests requirements.

Centrelink takes into account all relevant information in deciding whether to grant or continue SHR assistance.

#### **5.5.4.4 General Factors To Be Taken Into Account**

When determining a claim for the Student Homeless Rate, it is essential to consider the following factors prior to making the final decision:

- has the student provided "good reason" for applying for the Student Homeless Rate?; and
- are the family circumstances so extreme that it would be unreasonable for the student to live at the home of her/his parents(s)?; and
- are there any support issues which need further investigation?; and
- where the student does not strictly meet the SHR criteria, ensure that consideration is given to the other independent reviewable provisions or away from home criteria.

#### **5.5.4.5 Do Visits Home Affect SHR?**

If the student visits home regularly, this may indicate that the student's home circumstances are not sufficiently severe to warrant SHR and that a reasonable degree of reconciliation has been achieved. Further investigation may be required to clarify the current situation. The student must be given the opportunity to provide further information regarding the home visits prior to the case being reviewed.

Brief and infrequent visits home need not disqualify the student for SHR provided that the visits are consistent with the student's reasons for leaving home (eg. the visits were made in an attempt to reconcile the family situation, or the visits were in the interests of maintaining contact with a family member who is at risk from another member of the household).

#### **5.5.4.6 Monitoring Possible Change In Circumstances**

Students who qualify for SHR must have their circumstances reviewed in the context of their claim for continuing benefits.

CSOs must monitor all new approvals for SHR by noting circumstances that may need reviewing during the year of study, for example:

- if a parent is expected to be released from prison;
- where a student has been sexually harassed at home but circumstances improve;
- the student marries or enters into a de facto relationship;
- the student advises Centrelink of a change of circumstances or provides information on the eligibility check form that warrants further investigation; or
- where a student is participating in family mediation or counselling and there is a likelihood of the student returning to the family home.

### **5.5.5 Social Worker**

#### **5.5.5.1 Role of the Social Worker**

Social workers provide advice on SHR claims and assist SHR CSOs in determining SHR eligibility.

The social worker will be expected to provide a professional **recommendation** as to whether a student's circumstances meet SHR conditions.

**Note: The SHR CSO is responsible for approving (or not approving) SHR, and to approve payment.**

It is important that the social worker does not indicate to persons being interviewed (including the student and parents) whether SHR will be approved or not.

The social worker does not normally provide more than general counselling services to SHR applicants. If, for example, a student needs counselling and has not already contacted an appropriate service, the social worker may provide the student with information on counselling services and assist the student by making a referral or an initial appointment.

A contract for social worker services has been distributed by National Support Office for use nationwide. There is flexibility in the contract to allow each Centrelink Customer Service Centre to develop a preferred format for the social worker's report. Ideally, the social worker's report should include:

- the name, address and telephone number of persons providing information relevant to the student's claim;
- their position and organisation (if applicable);
- the basis of their relationship with the young person;
- the length of time they have known the young person;
- how and when knowledge of the person was obtained;
- whether or not the person also knows the rest of the family and what basis; and
- whether or not the person has had recent contact with other family members.

#### **5.5.5.2 Assistance Provided by the Social Worker**

The social worker may provide expert assistance in the following areas:

- offering a professional opinion on the information provided with an SHR claim;
- identifying any further investigation that may be needed to properly determine SHR eligibility;
- conducting or assisting with further investigations, in writing, face-to-face or over the telephone;
- referring students to the local State or Territory welfare authority in line with the requirements of the Protocol;
- providing professional advice to young SHR applicants who need assistance to obtaining supporting information;
- providing referrals to local welfare agencies;

- investigating claims where the student has refused permission to contact parents and making recommendation as to whether the student, (or another person would face serious risk if the parents were to be contacted);
- providing assistance with reviews and SSAT cases; and/or
- mandatory reporting.

### 5.5.5.3 Social Worker Referral

Centrelink offices have local arrangements for referral to social workers. However, all customers under 18 should be referred to a Centrelink social worker for assessment under Protocol requirements.

In addition, the following cases should be referred to the social worker for a professional opinion of the overall family situation:

- **all** claims under the "extreme family breakdown" criterion;
- cases with little or no supporting evidence from a health/welfare professional;
- cases where the parent(s) dispute their child's claim for homelessness;
- cases where the student has refused permission to contact the parents; and
- complex cases.

## 5.5.6 Application Process

### 5.5.6.1 Documentation

All SHR claims (except claims from orphans) **must** be accompanied by:

- a completed and signed appropriate Centrelink Additional Information Form;
- a personal statement written by the student which describes why it is unreasonable for the student to live at home with their parents and giving details of any support received. If the student's natural or legally adoptive parents live in separate households, the student will need to provide details regarding both parental homes (unless the student has had no contact with a non-custodial parent for two years or longer);
- a statement from an appropriate health/welfare worker (eg, social worker, school counsellor, medical practitioner or other health professional, police officer, trained youth counsellors employed by a registered government agency, minister of (mainstream) religion, or a Centrelink Manager).

Statements from advocates must give an objective, **independently investigated account** of the family situation, including whether the student is receiving any support. Preferably, the statement will show that the advocate has spoken with at least one of the student's parents except if s/he believes that direct contact with either parent could place the student or another person at risk of harm.

**Medical statements** provided in support of a claim should only be accepted if they address the connection between the home conditions and a threat to the student's physical or mental health.

As well, students **may** provide a statement from one or both parents, and/or statements from any other persons who have a first-hand knowledge of the situation.

**Note 1: Statements which rely solely on information given by the student are not normally accepted.**

**Note 2: It is the quality of the supporting documentation that is important, not the quantity.**

**Note 3: Students who are clearly having difficulty in providing any statements, including their own, must be helped as described in 5.5.6.2.**

**Special arrangements apply for students transferring to ABSTUDY from a FaCS benefit as a homeless young person (see 5.5.2.1 and 5.5.2.2).**

### **5.5.6.2 Difficulties in Completing/Providing Documentation**

Students who have difficulty in completing the SHR form, providing their own personal statement or providing supporting documentation must be offered referral as quickly possible to an SHR CSO or the Centrelink social worker. These staff will assist the student as required. The assistance could include providing an opportunity for the student to explain her/his circumstances, or assisting the student to obtain supporting evidence by:

- clarifying what supporting evidence is required;
- helping the student identify appropriate sources of supporting statements;
- explaining what facts or issues need to be addressed or resolved;
- undertake enquiries or investigations on the student's behalf if the student is unable to do so;

referring the applicant to the local State or Territory welfare authority for a protective assessment in line with the Homeless Youth Protocol (see 5.5.3).

### **5.5.6.3 Inadequate Supporting Documentation**

The following statements are not adequate for assessment purposes: (and further information should be sought):

- a statement that is based on the view that any young person who has left home is entitled to government assistance and does not provide facts relevant to determining whether SHR eligibility criteria are met; or
- a statement based solely on information supplied by the student; or
- a statement prepared for a different purpose (eg State benefit purposes) that does not provide information relevant to ABSTUDY SHR criteria.

#### 5.5.6.4 Procedure for Assessing a SHR Claim

The following table outlines the SHR claim procedure:

Step	Action
1	Check that the appropriate Centrelink Additional Information Form has been completed and relevant supporting evidence is attached.
2	If not, check whether the student requires assistance in completing the form and offer referral to an SHR CSO or the social worker.
3	Ascertain if there is sufficient evidence to indicate that the student is likely to meet the two basic SHR conditions: - that they are facing traumatic home circumstances; and - that the 'support' conditions are met?  If YES, go to Step 4 and/or refer to the social worker.  If NO, decide if the case should be investigated further. It may be helpful to refer the student to appropriate counselling or a youth support agency, and/or refer to the social worker if necessary.
4	USE THE TELEPHONE to check basic information: - with parents where appropriate (check permission first); - the person(s) with whom the student is living; and - the health/welfare worker who has provided a statement (or whose name has been given by the student).

**Remember to keep clear file notes.**

### 5.5.7 Contacting Parents

#### 5.5.7.1 Natural or Adoptive Parents

SHR is determined in relation to the student's natural and/or adoptive parent(s).

SHR cannot be granted for 'homelessness' from a person who is not the student's natural or adoptive parent.

#### 5.5.7.2 Separated and Non-Custodial Parents



If a student's natural or legally adoptive parents live in separate households, the views of both parents, and the situation in both households are normally taken into account. This is regardless of whether one or both parents have custody or guardianship.

However, SHR may be granted on the basis of homelessness from the custodial parent's home ONLY, providing that:

- the student has had no contact with a non-custodial parent for two years or longer (including that the non-custodial parent has not paid maintenance during that time);  
or
- if the student has had more recent contact, or maintenance has been paid, the frequency and nature of the contact should be considered before taking that parent into account.

Where a student satisfies the SHR criteria in respect of the custodial parent but a non-custodial parent has provided continuous support to the student over the previous two years, the student may be assessed as dependent against the income of the non-custodial parent. For a student to be assessed in this way, it would need to be established that the non-custodial parent has maintained regular and substantial contact or financial support to the student.

### 5.5.7.3 Purpose of Parental Contact

SHR will not normally be approved until the student's parent(s) have been given the chance to comment.

The key reasons for this contact are:

- to ensure that decisions are made on the basis of full information;
- to demonstrate that SHR operates fairly, recognising community concerns that decision makers should give parents the opportunity to tell their point of view before taking action in matters which concern their family; and
- explore the possibility and appropriateness of mediation, counselling or family therapy.

**Note: Parents are not contacted to seek or give permission for SHR.**

### 5.5.7.4 Permission to Contact Parents

Under Privacy requirements, the student **must** give permission before parents can be contacted. Where the student refuses permission, s/he should be referred to the social worker as outlined in [5.5.5.3](#).

Unless students withhold permission, parents **must** be given the opportunity to comment (either written or orally), except in the cases listed in [5.5.7.5](#) or in [5.5.7.7](#).

### **5.5.7.5 Student Refuses Permission to Contact Parents**

Although the student's wishes about contact with parents must be respected during the assessment process, it must also be explained that refusing permission to contact parents without good reason may mean that the claim for SHR cannot be investigated properly and may have to be rejected or payment cancelled.

Where a student refuses permission, the social worker must discuss the reasons with the student or another person and decide whether the student or another person would be at serious risk if the parents were to be contacted. If so, the reasons must be clearly noted by the SHR CSO and signed by the Centrelink Manager or her/his delegate and placed on the student's file. This is required to justify any grant of SHR without parental contact.

If it is established that the student or another person would not be placed at risk if the parent(s) were to be contacted, then the student has the following options:

- to change his/her mind and give permission for parental contact;
- to give permission for parental contact but with conditions about the non-disclosure of certain information;
- to give more information so that other possible grounds for grant can be explored; or
- to withdraw the claim or accept the rejection. If the claim is rejected, the student must be informed about the reason(s) for the rejection and her/his right to have the decision reviewed.

### **5.5.7.6 Approval Without Contacting Parents**

SHR claims may only be approved without seeking a parent's view in the following circumstances:

- at least one parent's views are provided in writing with the claim and there is no doubt as to the authenticity of the statement (although note that where parents live in separate homes, the other parent's views may need to be sought;
- there is sufficient evidence available to indicate that the student's or another person's safety could be at risk if the parent(s) were contacted;
- there is independent evidence from a government welfare department, medical or police authority of domestic violence or sexual abuse; or
- where the non-custodial parent has had no or insignificant contact with the student, including no payment of maintenance, for more than two years.

### **5.5.7.7 Process for Contacting Parents**

The following table outlines the process for contacting parents:

Stage	Description
1	The SHR CSO and/or social worker determine whether one or both of the parents should be contacted. If the parents have already provided adequate information in a written statement, there is no need for further contact unless there is doubt as to the authenticity of the statement.
2	Contact the parents by telephone. If the parents wish to ring back at a more convenient time, or when they can speak more privately, make a firm arrangement about when they will ring back.
3	The parents are advised by telephone that the student has applied for ABSTUDY under the independent rate. They are invited to give comment, from their point of view, why the student is unable to live at home, and whether they are providing any support for the student. At this time the appropriateness of family mediation, counselling or family therapy may be explored.
4	Before finalising the call, leave a contact name and phone number for the parents in case they want to contact at a later date.
5	If unable to contact a parent by telephone, including if messages to call back are unanswered, the parent should be contacted by certified mail, asking him or her to telephone the officer nominated in the letter. If no response is received within ten days, the student's claim should be assessed using social worker expertise and supporting documentation available. Persons providing supporting documentation should be contacted by phone or letter during this process (as considered necessary).
6	Ensure that the whole process of contacting parents has been documented.

## 5.5.8 Criteria and Verification Procedures

### 5.5.8.1 Violence

#### 5.5.8.1.1 Violence - Definition

For the purposes of SHR, violence refers to physical abuse or attacks. Abuse of a covert or psychological nature is covered by 'other exceptional circumstances'.

The severity and/or frequency of the violence will help determine whether SHR should be granted.

#### 5.5.8.1.2 Required Information

Where a young person is alleging that violence is the reason for leaving home, the SHR CSO or social worker should ascertain the following:

- who is behaving violently and who is being abused;
- the nature, duration and frequency and severity of occurrence;
- the extent of actual harm or damage to person or property;
- the likelihood of further violence; and
- the effect on the young person living in this situation.

#### 5.5.8.1.3 Perpetrator

For SHR to be granted on the grounds of violence, the violence must be the reason the student cannot live in the parent's home without serious risk to his or her health. Parents need not be the perpetrators of the violence. Other members of the household, or relatives who visit frequently, may be the perpetrators. In some cases, the student may be a perpetrator of the violence because it is symptomatic of the overall family situation.

#### 5.5.8.1.4 Victim

A student may be granted SHR on the grounds of violence irrespective of which member of the household is the perpetrator of the violence and who is the victim. The student need not be the direct recipient of violence. However, where the violence is not current or recent, closer investigation is required to establish the extent of the emotional or psychological effects on the student.

#### 5.5.8.1.5 Medical Attention

SHR may apply if violence has on any occasion caused injury requiring medical attention or hospitalisation. Conclusive proof of this is doctor's or hospital records where these can be attributed directly, or by supporting information, to violence.

#### 5.5.8.1.6 Lack of Supporting Evidence

If the student is unable to provide evidence of violence, the applicant should be referred to the Centrelink social worker (see [5.5.5](#)) for interview and if under the age of 18 years, possible referral to the appropriate State/Territory welfare authority (see [5.5.3](#)).

#### 5.5.8.1.7 Contact with Parents Where Violence is Alleged

SHR CSOs or social workers should not initiate contact with parents who are alleged to be the perpetrators of violence. This could place the student or another person at risk and is most unlikely to assist with verification. Contact may compromise a police or State/Territory welfare investigation of violence. The social worker should decide if, in exceptional circumstances, contact with the alleged perpetrator is warranted.

The student's permission must be obtained first. Contact with the partner of an allegedly abusing parent should be considered. The social worker will decide if such contact should not be made because of risk to the non-abusing parent, other family members or to the student.

#### 5.5.8.1.8 Unacceptable Grounds

SHR cannot be granted on the grounds of violence where Centrelink is not satisfied that the student's health would be at serious risk if they were to live in the family home. For this reason, SHR cannot be granted if:

- a normally non-violent parent strikes the student on an isolated occasion without causing injury. (However, if such behaviour is a symptom of other ongoing conflict, SHR may be applicable on other grounds);

- the student or other family members initiate or provoke the violence primarily as a means of gaining SHR;
- the violence is perpetrated by a visitor to the household and reasonable action could be taken to remove the risk; or
- the student is claiming SHR because of violence outside the home itself, eg violence from a neighbourhood gang or at school, but is living in accommodation in the same neighbourhood. (However, SHR may be granted if all attempts to avoid the violence have been made, without success, and the student has been forced to move to distant location).

#### 5.5.8.1.9 Temporary Accommodation

A student may be eligible for SHR while one parent re-establishes a home due to violence. This can happen when:

- a student and that parent have fled the former home to escape violence; **and**
- the parent is temporarily accommodated in a refuge; **and**
- the student lives away from the parent; **and**
- the student is not getting continuous support from the parent while s/he is re-establishing a home.

#### 5.5.8.1.10 Youth Protocol Requirement for Homeless Students

A student who is within the age group covered by the operational guidelines in her/his State/Territory who applies for SHR on the grounds of violence abuse must be referred to that State's or Territory's welfare authority (see 5.5.3).

### 5.5.8.2 Sexual Abuse

#### 5.5.8.2.1 Sexual Abuse - Definition

Sexual abuse is any act of a sexual nature which is threatened or imposed on a young person by another person taking advantage of a position of authority or trust. Persons imposing or threatening sexual abuse or harassment may include natural, adoptive, step or foster parents, siblings, grandparents, and other relatives or persons who either live in or visit the home. The sexual abuse or harassment must be the reason why the student cannot live in a parent's home without serious risk to her/his health.

#### 5.5.8.2.2 Required Information

Verification of sexual abuse or harassment may be obtained from the following sources:

- a medical practitioner, therapist or counsellor who is treating the young person for sexual abuse;
- police or court authorities;
- the State/Territory welfare department; or
- other individuals whom the young person nominates as having knowledge of the abuse.

#### 5.5.8.2.3 Lack of Supporting Evidence

Normally SHR cannot be granted on the grounds of sexual abuse without independent supporting evidence. However, the Centrelink social worker will be able to determine whether the matter can be confirmed in any other way or whether SHR appears warranted on other grounds. If a student applies for SHR on the basis of sexual abuse, but has not reported the matter to health/welfare professional or agency:

- advise the student if the matter is subject to mandatory reporting (see [5.5.11](#));
- refer the case to the Centrelink social worker for SHR purposes only; and
- provide contact details for an appropriate organisation or agency dealing with sexual abuse or harassment.

This should not only assist the young person, but could then be a source of information about the likelihood of sexual abuse having occurred.

#### 5.5.8.2.4 Sexual Abuse of Another Person

Where a student has **not** been subjected to sexual abuse, but other members of the household are being abused by a member of, or frequent visitor, to the household, it may be accepted that it would be unreasonable to expect the young person to remain in the household. Where the abuse is not current or recent, closer investigation may be required to establish the extent of the emotional and psychological effects on the claimant. The likelihood of further sexual abuse occurring should also be looked at. However, in such cases the student should apply for SHR on the grounds of 'other exceptional circumstances' rather than 'sexual abuse'.

#### 5.5.8.2.5 Sexual Abuse by a Frequent Visitor

If the student is sexually abused by a visitor, SHR will normally only be approved where the senior SHR CSO is satisfied that all reasonable action has been taken to remove or avoid the abuse or harassment (eg banning the visitor). SHR may be granted where the CSO is satisfied that no 'reasonable' action is possible, for example, based on information from the student, his or her doctor or counsellor, or from the Centrelink social worker.

#### 5.5.8.2.6 Homeless Youth Protocol Requirement

A student who is within the age group covered by the operation guidelines in her/his State/Territory who applies for SHR on the grounds of sexual abuse must be referred to that State's or Territory's welfare authority (see [5.5.3](#)).

### 5.5.8.3 Other Similar Unreasonable Circumstances

#### 5.5.8.3.1 Other Similar Unreasonable Circumstances - Definition

For the purposes of SHR, this refers to any cause of serious risk to the student's physical or mental health in the family home other than sexual abuse or violence. For SHR to be granted, the circumstance must be of comparable gravity and severity to sexual abuse or violence. It is not possible to list all the circumstances that might qualify as unreasonable and expose a young person to severe risk. The examples listed are indicators only. SHR CSOs and social workers should take care not to exclude a person whose circumstances do not precisely fit any of the examples given.

If in doubt, complex cases should be discussed with National Support Office.

#### 5.5.8.3.2 Criminal Activity

Where parents or other family members are alleged to be engaged in criminal activities such as drug dealing, receiving or trading stolen goods, prostitution or robbery, the parental home could pose a serious threat to a young person's mental health and/or safety.

The existence of criminal activity alone is not sufficient to warrant SHR - a judgement must be made about the risk to the young person if s/he returned home. Where a crime is already known to authorities, ie a family member has been charged or convicted, verification can be sought from police or court records, parole officers, community corrections agencies, or the State/Territory welfare department.

Where the alleged criminal activity is not known to authorities, it is unlikely that verification could be sensitively sought. The overall family relationship and the risk to the young person returning home should be explored instead.

#### 5.5.8.3.3 Serious Neglect

Serious neglect can include failure to provide adequate food, clothing, shelter, hygiene, medical attention or supervision. Neglect need not necessarily be of the student, but may involve the neglect of siblings. Parents may have difficulty in providing basic needs because of a physical or mental illness, invalidity or drug or alcohol addiction.

The State/Territory welfare authority should be contacted for information relating to any allegations of serious neglect. If the State/Territory welfare authority is not already aware of the family situation they will conduct an investigation and advise.

#### 5.5.8.3.4 Substance Abuse

Where a family member has a drug or alcohol addiction or other substance abuse problem, the student's physical or mental health must be adversely affected in order to qualify for SHR (that is, the existence of the problem does not **necessarily** make it unreasonable for the student to live at home).

Verification of substance abuse may be obtained from medical records, or police records, drug and alcohol rehabilitation services, or counselling services. These sources may also confirm the harmful effects on the student.

#### 5.5.8.3.5 Psychiatric Illness

SHR may be granted where a family member suffers from a psychiatric illness and the student's physical or mental health would be at risk if s/he were to live at home; or where the student suffers from such an illness and the family is unable to cope with her/his continual presence in the home. Verification should be sought from medical and/or counselling sources.

#### 5.5.8.3.6 Psychological Abuse

SHR may be granted if the student's physical or mental health is at serious risk because of psychological intimidation, emotional abuse or manipulative family relationships. Applications on these grounds must be referred to and investigated by the Centrelink social worker.

#### 5.5.8.3.7 Abnormal Demands of a Cultural Nature

SHR may be granted if the student's physical or mental health is at serious risk because of extreme parental demands such as:

- insistence upon an unwanted marriage;
- abnormal and unreasonable demands on the student's labour;
- insistence on leaving school prior to the completion of Year 12; or
- forced participation in extreme religious rites which are against the student's sincerely held beliefs.

#### 5.5.8.3.8 Nature and Severity of Situation

The nature and severity of the overall family situation determines if the student is at serious risk in the home. While poverty, overcrowding, poor accommodation or study conditions are not in themselves enough to justify independent status, these conditions could be symptomatic of deeper family problems.

If the reasons or evidence provided by the student are ambiguous, CSOs may need to look further (with social worker assistance) before deciding SHR eligibility.

#### 5.5.8.3.9 Unacceptable Grounds for "Other Unreasonable Circumstances"

As a guide, SHR will NOT normally be approved **solely or principally** on the grounds that:

- parents choose not to assist or support the student in education;
- parents state that they cannot afford to keep the student in education;
- parents do not approve of a particular course of study;
- the student wishes to live independently of her/his parents;
- the student leaves home rather than live with parental expectations which are not unreasonable given the student's age and family lifestyle;



- a student's parents have separated, and acquired new partners and step-children, and the student does not wish to live with either family;
- additional relatives or boarders are invited to live in the home, resulting in less room for the student;
- the parent's home is geographically distant from the student's chosen course of study;
- parents move house before the student has completed a course of study at a particular institution;
- parents are absent from the principal family home (eg overseas) and choose to rent it out rather than allow the student to live there; or
- parents do not approve of a particular relationship (see 5.5.8.3.10).

#### 5.5.8.3.10 Parents Disapprove of a Student's Relationship

SHR cannot be granted **solely or primarily** on the grounds that the student lives in a relationship of which the parents do not approve. This could be for example, if the student has a relationship or lives with:

- a person whose lifestyle or religion are unacceptable to parents;
- a person whom parents know or believe to use drugs; or
- a homosexual partner.

The fact that parents choose to withhold financial assistance from a student on the grounds of an unwelcome relationship is not in itself sufficient grounds for SHR. All cases of this nature should be assessed against normal 'extreme family breakdown' criteria (see 5.5.8.4.1 and 5.5.8.4.2 on next page).

### 5.5.8.4 Extreme Family Breakdown

#### 5.5.8.4.1 Eligibility on Grounds of Extreme Family Breakdown

Students may be eligible for SHR if they cannot live at home because of extreme family breakdown. CSOs must be satisfied that both conditions (ie, 'cannot' and 'extreme' ) are met.

#### 5.5.8.4.2 Definition of 'Extreme Family Breakdown'

Family breakdown will be considered to be extreme, rather than mild, serious or severe, where:

- there is a history of on-going conflict (existing for 6 months or more) between the student **and** his or her parent(s) and/or other family members; and
- the social worker confirms that the conflict is extreme and is currently irreconcilable.

The existence of ongoing conflict alone is insufficient grounds for SHR to be granted. Indications that the family breakdown is extreme may include:

- unsuccessful attempts having been made to resolve the issue(s), for example through counselling or mediation;
- trial period(s) of the student living away from home and then returning, but without success;
- the student and/or an immediate family member is suffering medically documented physical or psychological illness as a result of the conflict; and/or
- evidence that the emotional or physical well-being of the student or another family member would be jeopardised if the student were to live at home.

Where students do not satisfy the criteria under extreme family breakdown, assessment should be considered under one of the other SHR categories.

#### 5.5.8.4.3 Cannot Live at Home

It will be accepted that the student cannot live at home because of extreme family breakdown if the conditions in [5.5.8.4.2](#) above and [5.5.8.1.2](#) are met, **and**:

- the student has been banned or barred from entering the home; and/or
- s/he would suffer extreme emotional distress if s/he had no option but to live there; and/or
- s/he (or another family member) could face physical harm if s/he were to return.

#### 5.5.8.4.4 Not Accepted That the Student Cannot Live at Home

It will not be accepted that the student cannot live at home for SHR purposes if the conditions in [5.5.8.4.2](#) and [5.5.8.4.3](#) on the previous page and [5.5.8.2.2](#) and [5.5.8.2.3](#) are not met and s/he:

- chooses not to live at home; or
- is a secondary student whose parents have moved to a new location; or
- is a tertiary student committed to living away to study.

#### 5.5.8.4.5 Social Worker to Advise on Nature of Breakdown

Given the difficulty in determining whether the conditions described in [5.5.8.4.2](#) and [5.5.8.4.3](#) on the previous page and [5.5.8.2.2](#) and [5.5.8.2.3](#) are met, and because the criterion of extreme family breakdown is the provision most open to exploitation by students or families otherwise bound by ABSTUDY parental income testing, all claims under extreme family breakdown must be referred to the Centrelink social worker for:

- a full assessment of the situation;
- possible family mediation referral;
- Youth Protocol commitments required for SHR applicants; and/or
- the possibility of mandatory reporting.

#### 5.5.8.4.6 Family Breakdown Not Considered Extreme

The following situations of family discord do not, in themselves, qualify as 'extreme':

- divorce or separation of the student's parents;
- situations more akin to the 'home conditions' situations covered in [5.2.3.8](#); or
- situations covered in [5.5.8.3.9](#) or in [5.5.8.1.8](#).

### 5.5.8.5 Circumstances Beyond the Family's Control

#### 5.5.8.5.1 Other Circumstances Similar to Extreme Family Breakdown

This criterion covers situations of family dysfunction related primarily to circumstance beyond the family's control. They do not necessarily involve irreconcilable breakdowns in relationships (see [5.3.4.10](#)).

#### 5.5.8.5.2 Parents Unable to Provide a Home, Care and Support

In all cases covered by this criterion, parents (or a single parent) will be unable to provide a home, care or continuous financial support for the student, normally for reasons beyond their control (see [5.3.4.10](#)).

**Note: This criterion differs from other provisions in that the situations covered here are of a more temporary nature.**

Situations include where a parent or parents are:

- in prison for periods of less than 10 years;
- living away from home to undergo drug or alcohol rehabilitation;
- incapacitated in a medical (including psychiatric) institution for a known period (except for hospitalisation for relatively short periods, eg, up to a month); or
- living in a refuge which does not permit the student to live there.

#### 5.5.8.5.3 Support Provisions

Approvals under this criterion are subject to normal 'continuous support from a parent' conditions (see [5.5.9.2](#)).

Students are not normally eligible for SHR if they are living in accommodation owned or rented by their parents. However, where a student whose parents are in prison or a medical institution takes over all financial responsibility for the family home (including mortgage

payments, rates, electricity bills etc), s/he may be eligible for SHR. In such cases, the CSO will need to be satisfied that the parent(s) is/are not contributing to the upkeep or maintenance of the house, nor to the student's support, for example, following receipt of an insurance settlement for injuries which led to the parent's incapacitation.

Where the student is accepted as being the de facto owner of the family home, s/he will cease to be eligible under this criterion if either or both of the parents return to live in the house after being released from prison or discharged from a medical institution.

CSOs should ensure that students who qualify under this provision are reviewed regularly to ensure that the conditions are still being met.

**Note: Students who might otherwise qualify under this provision may already be clients of a State/Territory welfare authority and may be assessed quickly under the provisions for Students in State Care (see 5.4).**

#### 5.5.8.5.4 Verification

Evidence of a parent's residence in prison, medical institution, etc must be provided by the relevant State/Territory government department or, in the case of private rehabilitation, by the centre's administrator. Evidence of support arrangements must also be obtained.

#### 5.5.8.5.5 Parent(s) Overseas

Students are not eligible for SHR solely on the basis that their parent(s) is/are living overseas. In particular, students are not eligible for SHR where parents choose to return overseas during the critical period of SHR eligibility (ie. ages 15 to 24), leaving the student to live with relatives or friends. In such cases, the student must be assessed under normal dependent rate criteria.

Claims that the student has been abandoned by parents who have returned overseas should be checked to see if Family Payments are being made in respect of the student.

## 5.5.9 Receiving Support

### 5.5.9.1 Support Provisions Must Be Satisfied

Although a student may be faced by one or more traumatic home situations, SHR is not payable if s/he is receiving certain forms of support.

### 5.5.9.2 Continuous Support From a Parent

Students are not eligible if they are receiving continuous support from a parent. 'Parent' refers to the student's natural or adoptive parents.

'Continuous' is not tied to any specific period of time, nor to a specified amount or type of support. Continuous support must have a regularity or stability which enables the student to have a reasonable expectation that it will be received. Consideration should be given to the nature and intention of the support, that is, whether it is continuous rather than emergency in nature and intent, and whether it shows on-going concern for the student.

### 5.5.9.3 Examples of Continuous Support

These include:

- regular payments (eg weekly, fortnightly, monthly, annually), regardless of the amount, however also see [5.5.9.8](#) and [5.5.9.9](#);
- payments made in advance for, eg school fees, HECS or rent;

**Note: However, a particular payment could have been made prior to the reasons for claiming SHR becoming apparent. In this case, the payment need not, in itself, preclude eligibility;**

- regular payments for certain items, eg car registration/maintenance, mobile phone upkeep, text books, student and sporting fees;
- regular provision of food, meals, services such as laundry, use of a family car; and/or
- use of accommodation owned, leased or rented by a parent, or where a parent holds the lease and/or has paid the bond for the student's accommodation.

#### **5.5.9.4 Financial or Other Support**

Support is not confined to monetary payments. It can take the form of goods or services, eg food, meals, laundry, use of a family car, or beneficial arrangements, eg part-time employment in a family or associated company.

#### **5.5.9.5 Direct or Indirect Support**

SHR is not payable if the student is supported indirectly by a parent. This includes where parents arrange for assistance to be provided through a third party or organisation. Examples of such support could include:

- employing the student in a family business;
- leasing or subsidising accommodation for the student's use; and/or
- accepting education or other subsidies from the parent's employer on behalf of the student.

#### **5.5.9.6 At Boarding School When Applying for SHR**

Students who are at boarding school at the time of applying for SHR will not normally be eligible for SHR. This is regardless of which person or organisation is paying or subsidising the fees, as the student must be regarded as currently receiving support (including accommodation and care) on a regular or long term basis.

However, where there is evidence that the student has been placed in the boarding school as an emergency measure to remove him/her from harmful home circumstances and fees have been waived or subsidised by the school on an emergency basis, SHR may be applicable.

**Note: Possible alternative of assisting students under the Assistance for Isolated Children (AIC) Scheme or ABSTUDY on grounds of emotional/behavioural problems requiring boarding school supervision should be looked at.**

### 5.5.9.7 Parents Offer to Provide Support

Subject to 5.5.9.8 on the next page, students will not be eligible for SHR if their parents wish to support them and pay money directly to them, or their carers, or into their bank accounts. This is the case even if the student refuses to accept the money.

A student will not normally be eligible for SHR where the parents are prepared to support the student away from home, eg at boarding school or with friends, and have taken steps to confirm these arrangements at the time the SHR claim is lodged.

### 5.5.9.8 Disregarded Parental Support

Students may be eligible for SHR if support from a parent or another person is:

- promised or provided in a manipulative or vindictive way; or
- conditions are placed on the support such that the students' physical or emotional health is compromised; or
- where one parent is the perpetrator of violence or abuse and the remaining parent who continues to share the home gives the student irregular and insignificant amounts of money or gifts.

### 5.5.9.9 Court Ordered Maintenance

In some cases, a Court may order parents to pay maintenance direct to the student (eg under the *Family Law Act*). Such payments constitute "continuous support" and will normally preclude eligibility. However, as a parent may not comply with such an order, a student should not be ruled ineligible for SHR simply because a maintenance order has been made. Instead, the CSO must be satisfied that the payments are actually being made.

Where Court-ordered payments are being made regularly but do not amount to more than \$50 a week, they may be counted as personal income and need not in themselves, preclude eligibility for SHR.

**Note: This concession applies only to Court-ordered maintenance.**

### 5.5.9.10 Accommodation Owned or Leased by a Parent

SHR is not applicable where the parents own or rent accommodation (including holiday houses, caravans, etc) in which the student is living. If the student is paying:

- little or no rent for the accommodation, s/he is receiving continuous parental support; or

- full market rental, the fact that the parents are allowing the student rental accommodation is inconsistent with a claim of extreme family breakdown. (If genuinely renting on a purely commercial basis, the student may choose to rent elsewhere).

For the same reasons, SHR is also not applicable where a student is living on the same property as a parent, whether or not there are separate rental agreements, eg a caravan in the back yard or an adjacent flat.

### 5.5.9.11 Wholly or Substantially Dependent

SHR is not payable if the student is wholly or substantially dependent on another person, including a de facto partner (see 5.5.9.13 on next page), or organisation, on a long term basis.

The student need not be dependent solely in a financial sense, for example, s/he may contribute towards her/his upkeep from dependent rate of ABSTUDY, FaCS benefits or part-time employment. Nonetheless, in the overall context of the relationship, the student may be considered to be substantially dependent on the other person or organisation for, eg accommodation and care.

**Care must be taken, however, to ensure that students are not denied SHR when the support is being provided genuinely on an emergency or 'good Samaritan' basis (see 5.5.9.12 example (a) below).**

### 5.5.9.12 Long-Term Basis

SHR is not payable if a student is dependent on another person or organisation on a long-term basis.

**'Long-term' is not necessarily tied to any particular length of time.** The nature and intention of the arrangement and relationship need to be taken into account. For example:

- a. Emergency or short-term help from friends, strangers, relatives or an organisation (eg, youth refuge) will not normally preclude eligibility for SHR. Where such help genuinely began as emergency support, and the student has continued to live with the person or organisation in safe and stable accommodation, s/he can continue to get SHR if it is clear that s/he is contributing towards her/his support and is not substantially dependent on the carer.
- b. Where it is evident that a student, although in a 'long term' relationship is not also 'wholly or substantially dependent' on the partner, the relationship does not of itself preclude eligibility for SHR.
- c. Where the student was not facing harm or extreme conflict at home, and is now living with another family because the student's parents are living overseas or are on

an extended holiday, the support provided should normally be considered long-term in intention.

In the latter case, if the student is under 18 years and/or there are siblings aged under 16 years living in the same household, enquiries should be made about guardianship, and Family Payment directions.

### **5.5.9.13 Support From a De Facto Partner**

A student who is living with a de facto partner is not necessarily ineligible for SHR. There should be no presumption that the student is being wholly or substantially supported by the partner. The only automatic exclusion from SHR of a partnered student is where an allowance in respect of the student has been granted because the student's partner is receiving a FaCS benefit.

The length of the relationship does not necessarily indicate that the student is being wholly or substantially supported by the partner. Very often the partner of the student is also a young person and in similar economic circumstances. The nature of support given to the student by the partner should be tested in the same way as support given by any other person (other than the parent).

If it is decided that the student is 'wholly or substantially dependent' on the partner, then the length of the de facto relationship may be further relevant in determining whether that dependency is on a 'long term' basis (see 5.5.9.12).

Where the student is 'wholly or substantially dependent' on the partner, s/he is not eligible for SHR. In these cases the student may be subject to the parental income test if not eligible for independent status due to being in a de facto relationship (see 5.3.4.8).

### **5.5.9.14 Ineligible on Grounds of Long-Term Support**

Where students are considered ineligible for SHR on the grounds of long-term support from another person (including a de facto partner), there is currently no option but to assess them for ABSTUDY against parental income, unless they are eligible for independent status due to being in a de facto relationship (see Policy Manual - 5.3.4.8). If such students are genuinely unable to obtain the necessary details from their parents and the Centrelink is unable to determine whether special assessment may apply, the case should be referred to the Operational Policy Support Unit.

### **5.5.9.15 Other Support Arrangements**

Where a person, including a relative, commenced caring for the student in an emergency capacity or on a short-term basis (without assuming full financial and/or custodial responsibilities), and the relationship has continued for longer than expected (eg because no alternative could be found, or out of kindness of the carer), the student should not be precluded from being granted SHR.

**Note: In such cases, the CSO will need to be satisfied that the care arrangement commenced and is continuing because few or no other options were available. Arrangements which appear to be of the family's choosing (eg parents living overseas, or interstate and no extreme family conflict or breakdown is evident) will not qualify as 'emergency' in nature.**



This is notwithstanding that Family Payments, additional pension or benefit or Parenting Allowance may have been claimed or received for the student prior to her/his claim for SHR. The relevant Centrelink Customer Service Centre should be advised if SHR is granted so that these payments are ceased.

### **5.5.9.16 Income Support From the Commonwealth, State or Territory**

Continuing income support received by the student from a Commonwealth Department or an instrumentality of a State or Territory Government will preclude eligibility for SHR. Income support is defined as payments received directly or indirectly by the student which are intended to meet, or to assist in meeting, his or her general living costs regardless of whether they are adequate for this purpose. Such payments can be considered to be continuing where they are received on a regular basis and the student has a reasonable expectation that they will be available for a reasonable period of time.

### **5.5.9.17 Ineligible Commonwealth Support**

Commonwealth payments which will preclude eligibility for SHR include:

- YA, Newstart allowance, sickness allowance, partner allowance or special benefit;
- payments made by the Department of Veterans' Affairs (DVA) through the Veterans' Children Education Scheme, and
- training allowances or similar benefits.

Where it appears that a student has received or may have been receiving welfare or student assistance payments such as those listed above, a check with the relevant Department should be made to ensure that there is no continuing payment after the commencement of SHR. ('Double-dipping' of Commonwealth benefits is routinely checked by Benefits Control. To avoid overpayments, CSOs should, however, initiate such checks prior to granting ABSTUDY where it is suspected that other benefits are being paid).

### **5.5.9.18 Disregarded Commonwealth/State/Territory Support**

The following support will not preclude eligibility for SHR:

- a series of separate or unrelated payments made for specific purposes or in emergency situations; and/or
- assistance provided under rent relief schemes operated by some State housing authorities (such payments do not constitute income under the income test).

**Note: Such payments preclude eligibility for ABSTUDY rent assistance.**

- payments provided by welfare authorities to a person who, or an institution which, provides accommodation or other assistance to homeless persons.

**Note: A death benefit or superannuation payment or annuity to which a parent was entitled as a government employee, and which is paid direct to the student**

**(and not to the surviving parent if there is one) following the parent's death, is not government assistance and will not preclude eligibility for SHR. (However, any income generated from a lump sum inheritance may be taken into account under the student income test.)**

## 5.5.10 Release of Information

### 5.5.10.1 Confidentiality

All documentation provided with the appropriate Centrelink Additional Information Form is subject to normal privacy and confidentiality requirements. Given the sensitive and personal nature of SHR, it is critical that these obligations are carefully observed.

All SHR files and materials should be kept in a secure place with access limited to a strict need-to-know basis.

As a rule, no details relating to SHR should be divulged to another person (including a parent) without the student's written permission. This includes information about whether a student has applied for or been granted SHR, however see [5.5.10.4](#).

### 5.5.10.2 Release of Information by Student Authorisation

The appropriate Centrelink Additional Information Form asks the student to indicate if authorisation is given to the release or exchange of information relevant to determination of SHR eligibility. Permission is specifically sought to release or exchange information with a relevant government agency and to contact parents. Check the student's claim form to ensure authorisation has been given. If it has not, the SHR CSO or social worker must follow the procedures set out in [5.5.7.2](#) and [5.5.7.5](#).

### 5.5.10.3 Release Under the Student Assistance Act

The *Student Assistance Act 1973* allows for the release of student information in certain circumstances. The most relevant of these to SHR are that information may be released:

- if authorised by the student (paragraph 355(1)(d); or
- in the public interest and certified by a delegate that the release is in accordance with Ministerial Guidelines (paragraph 355(1)(a); or
- where the Secretary has authorised the release to other Commonwealth Government departments for their administrative purposes (paragraph 355(1)(b).

**Note: There are severe penalties for staff who make unauthorised releases.**

For further advice on the release of information under the *Student Assistance Act 1973* contact your local Privacy Officer or National Support Office.

### 5.5.10.4 Handling Requests for Confidentiality

All reasonable steps must be taken to ensure that students and other information-givers are aware of any limitations on confidentiality. Social workers and SHR CSOs should not make promises of absolute confidentiality.

The following information may be given to information-givers who are concerned about limits on confidentiality:

- Centrelink will ensure that SHR information is restricted within the Agency and to a limited number of officers, however, there are certain circumstances where release of information is required by law (see [5.5.10.3](#));
- students may appeal in writing to the Minister about any decision affecting their entitlements, including ABSTUDY Supplement. The grounds for appeal may be that the decision being appealed is contrary to ABSTUDY provisions or that the circumstances of the case meets the intention but not the letter of the ABSTUDY policy guidelines;
- students have the right to appeal ABSTUDY decisions in relation to overpayments which may have occurred over a period during which they would have been entitled to FaCS payments, to an independent body called the Social Security Appeals Tribunal;
- if the student appeals, Centrelink is required to give the Tribunal a copy of all records relating to that student. The Tribunal can, by law, release any or all of these records to the student. Tribunal hearings are open to the public, although usually only the student and support persons attend. The Tribunal issues written decisions which may include details about the case. These decisions are matters of public record;
- Centrelink can request that certain information not be released to the student, however, the Tribunal is not bound to agree to this request. Most Tribunals take the view that the student has a right to know the basis on which Centrelink's decision was made and normally will release all records;
- Centrelink can request a private hearing, or private decision, but again the Tribunal is reluctant to do this unless there are very exceptional reasons; and
- Centrelink cannot give any undertaking that information provided will not become known to the student in this way.

These arrangements are not intended to discourage people from giving information, but only to safeguard that, in fairness, Government decisions are not based on 'secret off the record' factors. People who give information must be made aware of these arrangements.

### **5.5.10.5 Freedom of Information Act**

Under the *Freedom of Information Act* (FOI), applicants can ask to see material directly related to their case. Other persons (including parents) seeking access to information about the case may also lodge a request under FOI, however, FOI will not normally allow release of information to a 'third party' - that is, a parent cannot normally get information about the student through FOI.

## 5.5.11 Mandatory Reporting

### 5.5.11.1 Mandatory Reporting of Child Abuse

Some States/Territories have statutory laws requiring actual or suspected incidents of child abuse (sexual or other) to be reported to a nominated authority. The SHR CSO and social worker should ensure they are familiar with any mandatory reporting requirements relevant to their State or Territory. If the student is within the statutory reporting age and has not reported the abuse elsewhere, the case **must be referred immediately** to the SHR CSO and the Centrelink social worker.

### 5.5.11.2 Mandatory Reporting Obligations

Social workers who are contracted by Centrelink as consultants are subject to mandatory State/Territory reporting laws. The social worker should discuss the case further with the student before taking any necessary action.

Temporary and permanent employees under the *Commonwealth Public Service Act* are not legally bound to comply with State reporting laws. However, if the SHR CSO is satisfied that the case has substance and meets the State reporting criteria, a brief report should be forwarded to the appropriate State or Territory authority.

### 5.5.11.3 Cost of Mandatory Reporting

Centrelink meets any extra cost incurred by the social worker in preparing a separate report for mandatory reporting requirements for State/Territory authorities.

## 5.5.12 Review of Decisions

### 5.5.12.1 Review of Decisions

On receipt of a request for consideration, the SHR CSO must:

- give priority to the request; and
- consider the reasons given by the student for the request for consideration; and
- thoroughly investigate any **new or additional** information provided to support the request for consideration; and
- refer the request for consideration to the social worker who will arrange a priority interview (phone or face-to-face) with the student.

**Note: If the student has already been interviewed by the social worker prior to the original decision being made, the student must be interviewed again to discuss the**

**request for consideration and to ascertain if any new information should be taken into account.**

The social worker will also need to write a priority report.

A more senior officer than the SHR CSO who made the original decision is responsible for ensuring that the following issues have been fully investigated prior to reviewing the decision:

- if the natural or adoptive parents are separated or divorced, have the natural or adoptive mother **and** the natural or adoptive father been contacted;  
(The only cases where this is not necessary is where there has been no contact for more than two years, or where the student has provided substantial reasons for refusing permission to contact and there is no doubt as to the student meeting the "unreasonable to live at home" criterion or where the student would be at extreme risk if the parent(s) were to be contacted. The reasons for non-contact must be fully justified.)
- is it unreasonable for the student to reside with the natural or adoptive mother or the natural or adoptive father;  
Even if the original decision not to grant SHR was correctly based on the situation in relation to one parent only, and at the time it was considered unnecessary/irrelevant to contact the other, the request for review must take the other parent's views of the situation into account.
- has support from the natural or adoptive mother **and** the natural or adoptive father been fully investigated;
- where the natural or adoptive parents are **not** separated or divorced, has their account of the current overall family situation been thoroughly taken into account;
- is there another person who can verify the overall family situation? Has this person been contacted; and
- can you justify your decision in the event of the decision being confirmed and the student applying for a review?

It is imperative that all the above issues are well documented and investigated prior to the decision being made.

The senior officer will review the decision as soon as the social worker provides a recommendation.

The student will be informed in writing and the letter should provide clear, concise reasons for the decision.

## 5.5.12.2 Appeal Against Decision

See [1.6.2](#) for information about the appeals process.

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## 5.6 Pensioner Students

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- [5.6.4 Change of Status](#)
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## Introduction

This chapter covers details of the criteria required for a student to qualify for the Pensioner Education Supplement

### 5.6.1 Definition of Pensioner Students

#### 5.6.1.1 Definition

A pensioner student is a student receiving a social security pension or an income support pension from the DVA.

**Note: A list of pensions is provided in 5.6.2.**

#### 5.6.1.2 Orphan's Pension

Students receiving orphan pensions are not regarded as pensioner students for the purposes of ABSTUDY. They are eligible to apply as independent students (see Policy Manual - 5.3.4.7).

### **5.6.1.3 FaCS Benefits**

FaCS benefits or allowances, eg Newstart Allowance

Sickness Allowance, Family Payment and Parenting Allowance, are not pensions.

### **5.6.1.4 Allowances Included as Pensions**

Some allowances are also considered pensions for the purpose of ABSTUDY Pensioner Education Supplement entitlements (see list in 5.6.2).

## **5.6.2 Types of Pension**

### **5.6.2.1 Acceptable income support for PES**

For the purposes of ABSTUDY Pensioner Education Supplement, the entitlement is available to customers receiving the following income support payments:

- FaCS disability support pension;
- DVA invalidity service pension;
- DVA carer service pension;
- in the case of a person whose partner is receiving a FaCS disability support pension – a wife pension;
- a carer payment;
- a parenting payment (single);
- a widow B pension;
- a widow allowance;
- in the case of a person who is a sole parent – a special benefit;
- defence / war widow pension;
- in the case of a person whose partner is receiving an DVA invalidity service pension – a partner service pension.

## **5.6.3 Benefits**

### **5.6.3.1 Entitlement**

The types of entitlements listed below may be available to pensioner students if they meet the relevant criteria:

- Pensioner Education Supplement;
- Incidentals Allowance;
- Fares Allowance;
- Away-from-base assistance; and
- ABSTUDY Student Financial Supplement loan.

### 5.6.3.2 Pensioner Education Supplement

A pensioner student studying full-time may be entitled to receive a Pensioner Education Supplement (no Living Allowance), including the concession which permits part-time study to be treated as full-time study for ABSTUDY purposes.

**Note: From 1 March 2000 the workload concession was changed:-**

- **students who are eligible for PES undertaking a study load of between 25% to 49% will be eligible for a PES payment of \$30 per fortnight.**
- **students who are eligible for PES undertaking a study load of 50% or more will be eligible for a PES payment of \$60 per fortnight.**

Students receiving a DVA invalidity service pension, a FaCS disability support pension or a war widow pension (where the widow has a dependent child under 16) and receives an income support supplement (incapacity for work) will be exempt from this legislation.

PES does not affect the rate of the pension.

### 5.6.3.3 PES/CDEP

From 20 September 1999, parenting payment (single) recipients on the Community Development Employment Projects (CDEP) Scheme (and other pensioners joining CDEP) will lose \$1 of parenting payment for every dollar that they earn on CDEP.

### 5.6.3.4 Part-time Pensioner Student

A pensioner student studying part-time may be entitled to receive the same benefits as other students on the Part-time Award (see Policy Manual – [3.2.1.4](#)) if s/he is not eligible for the pensioner workload concession (see Policy Manual - [4.4.2.4](#)).

## 5.6.4 Change of Status

### 5.6.4.1 Change of Status

If students cease or commence to be a pensioner, their student status will vary with effect from the date on which they cease to be or become entitled to receive the pension.

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## 5.7 Students in Lawful Custody

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    - 5.7.1.2 Not in Lawful Custody
    - 5.7.1.3 Availability of ABSTUDY Assistance
  - 5.7.2 Change of Status
    - 5.7.2.1 Study Ceases on Commencement of Period of Lawful Custody
    - 5.7.2.2 Continues With Approved Study in Custody
    - 5.7.2.3 Continue Study After Custody
- 

### Introduction

This chapter covers details of the criteria required for a student to qualify for benefits as a student in lawful custody.

### 5.7.1 Definition of Lawful Custody

#### 5.7.1.1 Definition

Lawful custody is a period of more than two weeks of:

- imprisonment in a correctional institution;
- detention on remand, eg while awaiting trial; or
- detention in a youth training centre because of a criminal conviction.

#### 5.7.1.2 Not in Lawful Custody

A person on parole, home detention program or work release or transfer release while living in the community is not regarded as being in lawful custody and has entitlement under the general ABSTUDY Awards.

#### 5.7.1.3 Availability of ABSTUDY Assistance

ABSTUDY assistance is available for a student in lawful custody where either:

- the general eligibility criteria set out in Policy Manual - 3.1.1 are met; **or**
- for non-accredited courses:
  - the student is Aboriginal or Torres Strait Islander (see Policy Manual - 3.1.1.2),

- the delegate is satisfied that the proposed course of study cannot be provided through educational programs operated by the correctional institution in which the student is detained, and
- the correctional institution authorities agree to the student receiving the assistance.

See Policy Manual [7.5.2.3](#) – Essential Course Costs.

## **5.7.2 Change of Status**

### **5.7.2.1 Study Ceases on Commencement of Period of Lawful Custody (See Policy Manual [7.3.7.2](#))**

If a student received ABSTUDY benefits prior to discontinuing study on being admitted to lawful custody, eligibility for these entitlements ceases from the last day of attendance at classes.

### **5.7.2.2 Continues With Approved Study in Custody**

If the student continues with her/his approved course while in lawful custody, her/his change of circumstances should be recorded on a change of circumstances form.

Entitlements under the Students in Lawful Custody Award may be paid in accordance with the entitlement and payment procedure for that semester, provided that another entitlement for the same purpose has not already been paid for that semester.

### **5.7.2.3 Continue Study After Custody**

For Lawful Custody Allowance, a continuing student is one who was studying an approved course before imprisonment, continues the same study in jail, and then continues the same course when released from prison. In this circumstance, the student need only fill in a Change of Circumstance Form on release to begin receiving normal ABSTUDY entitlements if all other ABSTUDY criteria are met, however, deductions should be made for any benefit, besides course costs, already paid for while in custody that semester.

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## 6.1 Income Requirements

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## Introduction

This chapter explains the general income requirements for ABSTUDY eligibility.

### 6.1.1 Introduction to Income

#### 6.1.1.1 Eligibility and Providing Income Details

Where a student meets the ABSTUDY general eligibility criteria (see Policy Manual - [3.1.1](#)), income details must be provided to assess the level of assistance that student may receive.

A student is not eligible for ABSTUDY if s/he receives other government assistance for education, training or formal study, except if receiving certain pensions (see Policy Manual - [3.1.4](#)).

Students undertaking full-time apprenticeships or traineeships in accordance with a training agreement are excluded from ABSTUDY assistance.

#### 6.1.1.2 General Income

The student, parental and partner income tests take into account income from all sources which is assessable for ABSTUDY purposes, less any deductions allowable by the Australian Taxation Office (ATO). The resulting amount is taxable income and is shown on the ATO Tax Assessment Notice (TAN).

#### 6.1.1.3 All Assessable Income

All assessable income is taken into account for the income tests. Where a payment in the nature of income is not specifically exempt, it should be regarded as income for ABSTUDY purposes.

#### 6.1.1.4 Maintenance Received or Paid

Amounts paid for the maintenance of children or a former partner are deducted from assessable income to arrive at a figure for total income, and any maintenance received is added to assessable income to arrive at a figure for total income (see Policy Manual - [6.7.1.26](#)).

#### 6.1.1.5 Negative Income By One Parent

It is not possible for one parent's loss or negative income to reduce the effect of the other parent's positive income. The loss should be treated as zero income and the other parent's income will be the family's total taxable income.

### 6.1.1.6 Income Averaging

Income averaging for self employed primary producers is not provided for under the ABSTUDY income test.

### 6.1.1.7 Compensation

Compensation is a payment that is made wholly or partly in respect of lost earnings or lost capacity to earn within or outside of Australia.

### 6.1.1.8 Compensation Payments That Do Not Affect ABSTUDY

For the purposes of assessing entitlements to ABSTUDY, the following payments, ordinarily considered to be compensatory in nature, are not considered to fall within the definition of compensation given immediately below.

- Compensation payments made for criminal injuries, discrimination or workplace harassment;
- Compensation for non-economic loss;
- Compensation paid on death; and
- Compensation for war injuries.

**NOTE: Indigenous peoples who were employed under the former Community Wages Scheme on Queensland settlements and reserves between 1975 and 1986, have been awarded compensation with a one off payment of \$7000. For ABSTUDY purposes this payment is not to be included for any ABSTUDY income or means tests. Minister Kemp made this determination on 30 November 1999.**

### 6.1.1.9 Compensation Payments Affecting ABSTUDY

The following compensation payments do affect ABSTUDY:

- Periodic personal injury compensation for economic loss; and
- Lump sum personal injury compensation for economic loss.

### 6.1.1.10 ABSTUDY Entitlements Affected by Compensation

The following ABSTUDY entitlements are affected by compensation:

- ABSTUDY Living Allowances; and
- ABSTUDY School Fees Allowance (Group 2).

### 6.1.1.11 Taxable Compensation Lump Sum Payments

Taxable compensation payments which are paid in a lump sum are regarded for ABSTUDY purposes as the assets of the person to whom the compensation payment was made and affect the student in accordance with the personal assets and family assets tests.



### 6.1.1.12 Non-taxable Compensation Lump Sums.

Non –taxable compensation payments paid in a lump sum are not regarded as an asset for ABSTUDY purposes.

### 6.1.1.13 Effect of Compensation on ABSTUDY Living Allowance

Living Allowance is affected by compensation payments as follows:

Where a compensation payment is paid in a lump sum:

- Compensation payments paid in a lump sum which are taxable are regarded as the assets of the person to whom the compensation payment was made and affect the student in accordance with the personal assets and family assets tests.

Where a compensation payment is taxable and paid on a regular and ongoing basis to:

a. **the parent(s)/guardian(s) of the student:**

the compensation payment forms part of the parent(s)/guardian(s) Parental Income for the normal application of the Parental Income test (including Current Income Assessment).

b. **the student:**

the compensation payment forms part of the student's ordinary income for the application of the student's personal income test.

*Exception: Where a student has a partner who is in receipt of a FaCS payment where the rate of that payment has been calculated on the basis of the student being in receipt of a compensation payment the compensation payment should not affect the student's ABSTUDY. Where a student has a partner who is serving a Compensation Preclusion Period and that preclusion period cannot be adjusted to take into account any affect on the student's ABSTUDY payments, the compensation payment should not affect the student's ABSTUDY. That is: ABSTUDY Payments should not be affected where the effect of the compensation payment on ABSTUDY cannot be reflected in the effect of a couple's FaCS entitlements.*

c. **the partner of the student:**

The compensation payment forms part of the partner's ordinary income for the application of the partner income test.

*Exception: Where a student has a partner who is in receipt of a FaCS payment where the rate of that payment has been calculated on the basis of the student being in*

*receipt of a compensation payment the compensation payment should not affect the student's ABSTUDY. Where a student has a partner who is serving a Compensation Preclusion Period and that preclusion period cannot be adjusted to take into account any affect on the student's ABSTUDY payments, the compensation payment should not affect the student's ABSTUDY. That is: ABSTUDY Payments should not be affected where the effect of the compensation payment on ABSTUDY cannot be reflected in the effect of a couple's FaCS entitlements*

#### **6.1.1.14 Affect of Compensation on ABSTUDY School Fees Allowance (Group 2)**

ABSTUDY School Fees Allowance (Group 2) is affected by compensation payments made to the parent(s)/guardian(s) of a dependent student to the extent that a Compensation payment forms part of the parent(s)/guardian(s) taxable income in the application of the Parental Income Test.

#### **6.1.1.15 Effect of Community Development Employment Projects (CDEP) on ABSTUDY**

##### **DIFFERENT TO YA/AUSTUDY PAYMENT**

In some circumstances, people can be eligible for both Community Development Employment Projects (CDEP) and ABSTUDY.

Full-time independent students in receipt of a CDEP wage for employment are assessed against their personal and (where relevant partner's) income for eligibility for the ABSTUDY Living Allowance.

For dependent students, where either parent is in receipt of a CDEP wage as a participant in the scheme (not as an administrator), the parental income test is waived. This provision also applies to other low income earners, such as social security pensioners or holders of a currently Health Care Card.

CDEP participants who receive wages for employment may also be eligible for ABSTUDY supplementary benefits.

If, however, a student were to be granted CDEP wages to undertake study or training, the student would not be eligible for ABSTUDY. This reflects ABSTUDY policy that students cannot generally receive ABSTUDY if they are entitled to other Government financial assistance to study.

#### **6.1.1.16 Fringe Benefits**

Following changes to Taxation legislation and the introduction of the Goods and Services Tax, from 1 July 2000, group certificates and tax assessment notices for financial years will show Fringe Benefits entitlement which need to be taken into account for assessment. Assessors should include the amount shown in the Fringe Benefits box for assessment.

## 6.1.2 Income Testing Periods

### 6.1.2.1 Normal Period of Income Testing

Income testing normally applies to the fortnightly income of the student in the year of study (the relevant year) and to the combined taxable income of the student's parents/guardians for the financial year ending on 30 June of the preceding year. For 2002 eligibility, this is the 2000/01 financial year.

### 6.1.2.2 Another Accounting Period

If the student's parents, under Section 18 of the *Income Tax Assessment Act 1936*, adopted a 12 month accounting period which ends on a date other than 30 June in the year preceding the relevant year, the assessment is based on taxable income (plus or minus maintenance payments, if applicable, see Policy Manual - [6.7.1.26](#)) in that accounting period.

This does **not** alter income test period principles. In particular:

- the normal test period remains the 12 month accounting period ending before the current year of study, ie **before** 1 January 2002. This applies whether or not the student is eligible or qualifies for ABSTUDY from that date;
- the current income test period remains the 12 months accounting period ending during the current year of study, 1 January 2002 to 31 December 2002. This applies whether or not the student is eligible or qualifies for ABSTUDY for the whole or part of the year; and
- there is no provision to take into account a 12 month accounting period which finished after the current year of study, that is after 31 December 2002. This applies whether or not the student is eligible or qualifies for ABSTUDY until the end of the year.

### 6.1.2.3 Current Income Assessment

In certain cases the income test may be applied to the parents'/guardians' income for the financial year ending on 30 June in the year of study. The current income assessment applies when there has been:

- a marked and sustained fall in income as outlined in Policy Manual - [6.3.1.1](#); or
- a 25% or more increase in the parents' income since the previous financial year (see Policy Manual - [6.3.2](#)).

## 6.1.3 Types of Income Tests

### 6.1.3.1 Three Types of Income Test

Some ABSTUDY allowances are subject to income tests.

Tests are normally made on:

- **student income** – for all students, except those under 16 years of age; and either
- **parental income** - for all dependent students; or
- **partner income** – for all independent students who have a partner.

**Note 1: Some exceptions apply (see Policy Manual - 6.2.1.2 and 6.2.2.4).**

**Note 2: Special assessment may apply where a parent guardian is receiving certain government income support payments (see Policy Manual - 6.3.3).**

### 6.1.3.2 Income Tested Allowances

Allowances subject to income testing are:

- Living Allowance;
- Group 2 School Fees Allowance greater than \$4,211; and
- Masters and Doctorate Award Living Allowance, Relocation Allowance, Thesis Allowance and payment of compulsory course fees or HECS.

**Note: School Term Allowance and Group 1 ('at home' rate) School Fees Allowance are indirectly income tested (see Policy Manual - 7.2.3 and 7.8.2) on the basis of qualifying or receiving other government income support assistance.**

### 6.1.3.3 Non Income Tested Allowances

Allowances not subject to income testing are:

- Group 2 School Fees Allowance less than to \$4,211;
- Pensioner Education Supplement;
- Incidentals Allowance;
- Additional Incidentals Allowance;
- Fares Allowance;
- Lawful Custody Allowance;
- Away-from-base entitlements;

- Remote Area Allowance;
- Pharmaceutical Allowance; and
- Rent Assistance.

#### 6.1.3.4 Effect for Different Students

The status and age of the student determine which of the three tests apply, as follows:

- Dependent students are subject to:
  - the student income test unless the student is under 16, and
  - the parental income test
- Independent students are subject to:
  - the student income test, and
  - the partner income test if the student has a partner.

#### 6.1.3.5 Summary of Each Type of Income Test

The following table summarises the main features of each test:

Type of Test	Definition of Income	Income Period
Student	Taxable income (income less all deductions allowed by ATO), plus or minus maintenance payments	Relevant period as detailed in Policy Manual - 6.2.1.13.
Parental	Taxable income (income less all deductions allowed by ATO), plus or minus maintenance payments	Previous financial year, unless current income applies.
Partner	Taxable income (income less all deductions allowed by ATO), plus or minus maintenance payments	Relevant period as detailed in Policy Manual – 6.2.3.7.

### 6.1.4 Proof of Income

#### 6.1.4.1 Documentation Required

Parents/guardians and the partner applying for Living Allowance are required, prior to payment, to submit documentation supporting income details provided on the ABSTUDY claim (see Policy Manual - [2.1.4.3.3](#) for acceptable documentation and provision of documentation).

#### 6.1.4.2 Exemption

Persons receiving a FaCS or DVA pension are exempt from the requirements to provide proof of income

### **6.1.4.3 Certification That Income Details Are Correct**

Parents'/guardians'/partners' signatures certifying that income details provided are correct, are required on the ABSTUDY claim form. If income details are provided without these signatures and without acceptable proof of income (except for those exempt - see above) no assessment should be made.

### **6.1.4.4 Hard to Obtain**

If Centrelink is satisfied that it is difficult to obtain a signature for reasons such as long illness, mental incapacity, prolonged absence of the parent/guardian/partner (for example because they are in lawful custody), entitlement may be determined without any signatures on the basis of the proof of income provided.

If a student who is 16 years or older, or independent, is unable to obtain signatures because of the parent's/guardian's/partner's unwillingness to sign, benefits may not be paid unless proof of income has been provided.

## **6.1.5 Overseas Income**

This topic describes how to calculate taxable income earned overseas in Australian currency.

### **6.1.5.1 Calculating Overseas Income**

#### **6.1.5.1.1 Converting Taxable Overseas Income to Australian Amounts**

Taxable income earned overseas will need to be converted to Australian dollars if the income is included in the taxable income figure on an overseas country's tax notice of assessment or similar document.

If the income is shown on an Australian notice of assessment, it has already been converted from overseas dollars to Australian dollars. In these cases care should be taken not to double count the income.

Non taxable income earned in an overseas country is not to be included in the income tests but will be included in the family actual means test (see Policy Manual [6.5.2.5](#)).

#### **6.1.5.1.2 Example 1**

*Graham is a Torres Strait Islander studying in Cairns. His parents are resident in the USA. They earn income and pay tax in the USA for the entire 1999/00 Australian financial year. Their USA income in 1999/00 is \$US20,000. The overseas income is to be converted to Australian dollars using the average exchange rate for the 1999/00 Australian financial year. The conversion is:*

$\$US20,000 \div 0.7823 = \$A25,565.64.$

### 6.1.5.1.3 Example 2

*Suzy is studying full-time at college in Melbourne. Her parents earn income in England during the 1999/00 Australian financial year. Suzy's parents declare their overseas income in their Australian tax returns. The taxable income figure shown on their taxation notices of assessment includes the overseas income already expressed in Australian dollars. It will not have to be converted to Australian dollars again.*

### 6.1.5.1.4 Example 3

*Barry is a full-time tertiary student. His parents are currently residing in Saudi Arabia where they earn income. They do not pay tax on the income in Saudi Arabia as there is no such thing as income tax in that country. The income is **not** to be included in the income test, but will be added for the family actual means test.*

### 6.1.5.1.5 Use of Exchange Rates to Convert Overseas Income

When a person has taxable income from an overseas source, the overseas figure is converted to Australian dollars at the appropriate exchange rate from the CBA or Reserve Bank. This process is the same as Youth Allowance.

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## **6.2.1 Student Income**

This chapter describes the income tests which are applied for ABSTUDY assistance.

### **6.2.1.1 Students Affected**

The student income test is applied to all students' claims except for those specified below.

### **6.2.1.2 Students Not Affected**

Allowances for the following ABSTUDY students are not affected by the student income test:

- students under 16 years old;
- part-time students;

- students who are, or have been living, under an officially approved substitute care arrangement (see Policy Manual - [5.4](#));
- students receiving a social security pension or an income support pension from DVA; and
- students in lawful custody.

### 6.2.1.3 Definition of Student Income Test

The student's income test takes into account the assessable income from all sources, less any exemptions listed below.

Maintenance payments received from or paid to a former partner are also taken into account.

### 6.2.1.4 What Income Is Included?

Student income includes:

- taxable income, (except principal income derived from Norfolk Island);
- overseas income earned and taxed in a foreign country (see Policy Manual - [6.1.5](#) for further details);
- for independent students - maintenance or alimony whether paid for the student's own benefit or for the benefit of the student's dependents, including maintenance paid by the Child Support Agency or by way of a trust or other entity. Payment to a third party of school fees, household utilities, rates, rent, mortgages or for any other purpose that is for their, or their child's direct or indirect benefit, must be included.

**Note: For a dependent student this maintenance would be counted as income in the hands of the (custodial) parent**

- received by the student from a trust if it is assessable for tax purposes. Generally, trust income is not assessable where it has already been taxed in the trustee's hands. (Amounts paid from the capital of a deceased estate are generally not taxable income.);
- full-time Australian Defence Force (Navy, Army or Air Force) Reserve pay and allowances (payments to part-time reservists are not taxable and do not count as income);
- lump sum and other retirement/redundancy and similar payments to the extent that they are assessable income for tax purposes;

- prizes if they are provided as an employment benefit, or they carry an obligation to undertake further studies;
- taxable income received under a training agreement from a current or future employer;
- superannuation pensions, including those received by a student as a dependent child or a partner of a deceased member of a superannuation fund (eg Comsuper, DFRDB, etc) (see Manual 6.2.1.4a);
- certain forms of educational assistance (see 6.2.1.6); and
- compensation payments are included to the extent they are taxable. Payments that are made in place of income are generally taxable, while those that are for loss of future earning capacity such as compensation/ damages/pain and suffering/reimbursement of expenses, are not usually counted as income for tax purposes. Compensation payments for victims of crime should be treated in the same way. (see Manual 6.1.1.7)

#### **6.2.1.4a Early Release of Superannuation**

If early release of superannuation is requested the student obtains a letter from Centrelink to show Commonwealth income support for a set amount of time (see DFACS and Australian Prudential Regulation Authority (APRA) regulations) after which the student must apply to APRA for assessment and release of funds. The decision for early release is entirely between the student and the APRA. The released superannuation funds will then fall under the Income Bank and/or Asset test rules.

#### **6.2.1.5 Tax Deductions**

Do not give advice to students on taxation/deduction matters. Students must be referred to the Australian Taxation Office.

#### **6.2.1.6 Is Education Assistance Included?**

Where a student is not excluded from ABSTUDY assistance because s/he is receiving another form of government assistance to study (see Policy Manual - 3.1.4), education assistance counts as assessable income if it is paid to or in respect of the student principally or solely for the purpose of assisting the student to study. This includes:

- institutional scholarships and bursaries, including the value of any free board provided as part of the scholarship - the value of board should be determined by comparison with the institution's normal costs for similar board for other students;
- payments for a student's education from a family trust or a special education trust, (eg Vietnam Veteran's Trust Education Assistance Scheme);

- assistance paid to another person (eg, a student's parents) to help the students education;
- educational scholarships from industry or cultural foundations; and
- State payments to or in respect of students who live away from home or come from isolated families.

### **6.2.1.7 Educational Assistance Not Included**

Educational assistance should not be included as student's income if it is:

- ABSTUDY itself;
- tuition fee scholarships for students;
- assistance provided in relation to a course which is not ABSTUDY-approved (eg, for an intensive language course in the summer vacation);
- assistance provided by a Commonwealth/State/Territory government because the student is the child of a victim of a natural disaster or industrial accident;
- reimbursement by the State Government of tuition fees; or
- reimbursement of travel expenses (as opposed to course cost grants).

**Note: Income received under a training agreement is included (see 6.2.1.4).**

### **6.2.1.8 What Pensions and Benefits Are Not Included?**

These benefits and pensions are not included in the personal income test:

- Family Tax Benefit A & B;
- Double Orphan pension;
- Child Disability Allowance;
- Domiciliary Nursing Care benefit;
- CRS services not related to the course;
- payments received by the student for the care of a ward other than themselves (payments to students because they are themselves wards are included as student income);
- special assistance to the Textile, Footwear and Clothing industry (TCF Special Allowances) to the extent these are not counted as taxable income by the ATO.

### **6.2.1.9 Other Income Not Included in Test**

The following payments are also not included as part of a student's income:

- maintenance paid by a parent to or in respect of a dependent student - such maintenance counts as assessable income in the hands of the (custodial) parent;
- prizes are not regarded as income unless they are provided as an employment benefit or an obligation to be used to assist study;
- loans in general are not regarded as income. A loan made to a student under the Commonwealth's Special Assistance to Students Program (SASP) is not regarded as income;
- part-time Australian Defence Force Reserve pay and allowances (payments to full-time Reservists are taxable and hence regarded as income);
- Disability pensions paid by the Department of Veterans' Affairs (DVA) to veterans and ex-service personnel because of a war caused injury or illness are not included, even if they are received by the student as these payments are not taxable; and
- payments made on the student's behalf under the Higher Education Contribution Scheme (HECS) are also excluded from the income test.

#### **6.2.1.10 Deduction From Student**

Maintenance paid by the student for the upkeep of a non-custodial child and/or former partner is deducted from the student's income for the income test period.

#### **6.2.1.11 How Does Student Income Affect ABSTUDY?**

The student income test is based on how much a student may earn each fortnight. A student may earn up to \$230 gross (before tax) a fortnight without affecting their Living Allowance

If a student earns between \$230 and \$310, each \$1 the student earns over \$230 will reduce the Living Allowance by 50c. Income over \$310 a fortnight reduces Living Allowance by 70c in the dollar.

Students will also have access to the Student Income Bank which allows a student to earn money during breaks from study without affecting their Living Allowance (see Policy Manual 6.8).

#### **6.2.1.12 Determining Students' Period of Eligibility**

The student income test period applies to taxable income that students receive during the periods that they are eligible for ABSTUDY. The following table shows how to determine students' period of ABSTUDY eligibility:

Step	Action
------	--------

1	Determine the period that the student will be in approved full-time study.
2	Adjust for any period that the student cannot get ABSTUDY because s/he was ineligible or would have had no entitlement, for example, because the student starts study late.  <b>Note: If a student transfers to ABSTUDY from a FaCS benefit or allowance (eg Newstart Allowance), the student income test starts from the date of transfer.</b>

### 6.2.1.13 Relevant Period

The period over which a student's income is assessed in a year for the purposes of the ABSTUDY student income test is the fortnightly entitlement period.

### 6.2.1.14 Beginning and End of the Relevant Period

The relevant period begins on the day a student becomes entitled to ABSTUDY income tested allowances and ends on the last day a student is eligible for income tested allowances.

### 6.2.1.15 Pensioner Student

Where a student is a pensioner for a period during the year, this period as a pensioner student does not form part of the relevant period.

### 6.2.1.16 Relevant Period - Example 1

*Joan studies full-time in first term, part-time in second term and full-time in third term in the same course. The relevant periods apply to the entitlement periods of full-time study only. Income during the part-time period is not taken into account for the student income test*

### 6.2.1.17 Relevant Period - Example 2

*Meredith studied full-time in 1998. She worked full-time in 1999 and 2000, deferring her studies. In 2001, she resumed her course. The relevant period for income testing commences on the first day of her course, which is also when her entitlement commences.*

### 6.2.1.18 Relevant Period - Example 3

*Carol is a pensioner studying a full-time course for the full academic year. Her pension ceases on 2 August. Carol becomes eligible for income tested allowances on 3 August. The relevant period is 3 August to 31 December. See table above at [6.2.1.12](#).*

### 6.2.1.19 16th Birthday

A student becomes subject to the student income test from her/his 16th birthday or if they have independent status before they turn 16 years. The relevant period also applies from this date regardless of whether income tested allowances were payable before the student turned 16 or gained independent status.

### 6.2.1.20 Birthday During the Year

If a full-time student reaches an age during the year where a higher rate of Living Allowance is payable, that new rate commences from the student's birthday.

### 6.2.1.21 Period of Eligible Full-time Study

The following examples show:

- the period of eligible full-time study for particular study circumstances,
- the period for which the student income test operates for 2001, and
- what income is taken into account for the student fortnightly income test.

### 6.2.1.22 Example 1

*Mary is a new student, commencing full-time study in a 3-year Bachelor of Engineering Science course on 4 March. She was in employment before then (and for the previous 4 years).*

*As Mary had a break in study, she can get ABSTUDY only from the start of her course. This year, Mary's eligibility period is from the first day of her course (4 March), up to 31 December.*

### 6.2.1.23 Example 2

*Jill is a full time student applying for ABSTUDY for the whole year. She received ABSTUDY last year to 31 December and is continuing in her course. Jill is therefore considered a 'continuing student' (see Policy Manual - [1.2.1.42](#)).*

*Jill's eligibility period and income test period is 1 January to 31 December.*

### 6.2.1.24 Example 3

*Robert enrolls in a business college course that runs from 6 May to 20 September. He starts study on 6 May.*

*Robert's course runs for 20 weeks. Being a 'short course', Robert can get ABSTUDY only for its actual duration.*

### 6.2.1.25 Adjustment When a Student is Ineligible or Had No Entitlement

The following examples show when to adjust the income test period because the student:

- was ineligible, or
- had no entitlement (**except on personal income test grounds**).

### 6.2.1.26 Example 1

*Clyde is doing a full-year tertiary course but was not eligible for ABSTUDY until 1 April when he varied his subjects to meet workload requirements. Clyde's eligibility period for full-time ABSTUDY benefits is 1 April up to 31 December.*

### **6.2.1.27 Example 2**

*Fred is doing Year 12. However, because of the parental income, he first becomes eligible for ABSTUDY when he turns 18 on 27 August (due to a higher rate of Living Allowance being payable).*

*Fred's eligibility period is from 27 August to 31 December.*

### **6.2.1.28 Example 3**

*Danny is transferring to ABSTUDY from Newstart Allowance as he is to start full-time study in a BA. Danny will continue to receive the FaCS benefit for the first 3 weeks of his course until 24 March. Danny is eligible to receive ABSTUDY from 25 March.*

*Danny's eligibility and income test period is 25 March to 31 December.*

### **6.2.1.29 Example 4**

*Kerry is to continue as a full-time student this year after studying full-time last year. During the long vacation, she is employed full-time on a salary of \$3000. As she received ABSTUDY in 2001 she has accumulated a \$6000 credit in her income bank during 2001. At the start of her new year of study in 2002 and with her accumulated credit of \$6000, she would not lose any of her ABSTUDY Living Allowance. Kerry's eligibility period remains 1 January to 31 December. Her earnings from 1 January during the long vacation are taken into account under the income bank rules.*

## **6.2.2 Parental Income**

### **6.2.2.1 Definition of Parental Income**

The parental income test for taxation purposes from all sources, less any deductions allowable by the ATO. The resulting amount here is taxable income and is shown on the ATO Taxation Assessment Notice.

Maintenance payments received from or paid to a former partner are also taken into account.

### **6.2.2.2 How Does Parental Income Affect ABSTUDY?**

The adjusted family income of parents can be up to \$26,650 in the parental income test period without affecting ABSTUDY. ABSTUDY Living Allowance is reduced by \$1 for every whole \$4 by which parental income exceeds \$26,650.

### **6.2.2.3 Students Subject to Parental Income Test**

Dependent students who are under 16 years old and eligible for Living Allowance, or who are 16 years of age and over, are subject to income testing on the combined taxable income



of both their parents/guardians, irrespective of whether they live at home or away from home.

Parental income is taken into account whether or not parents/guardians actually provide financial assistance or support. This is because it would be unfair if more affluent families could get ABSTUDY simply by voluntarily choosing not to support their child's study. However, also see Policy Manual - [6.3.3](#) Special Assessment.

**Note: Dependent students 16 years of age or over are also subject to the student income test.**

#### **6.2.2.4 Students Not Affected by Parental Income Test**

Allowances for the following ABSTUDY students are not affected by the parental income test:

- part-time students;
- pensioner students;
- students who are or have been living under an officially approved substitute care arrangement (see Policy Manual - [5.4](#));
- independent students;
- students in lawful custody; and
- dependent students whose parents/guardians are receiving a Commonwealth income tested pension or benefit (see [6.3.3](#) and [7.2.3.2](#)).

#### **6.2.2.5 Definition of Parents**

For the purposes of income testing, 'parents' include:

- any natural or adoptive parent with whom the student normally lives or last lived; and
- the partner (married or de facto) of a parent, providing that the student normally lives with the partner.

Another adult can be a parent (ie. grandparents or other family members), but only if the student is wholly or substantially dependent on that adult, and the adult is not the student's de facto partner

#### **6.2.2.6 What Does 'Normally Live With' Mean?**

Students 'normally live with' a parent and/or the parent's partner (married or de facto) if they maintain a permanent home there. Students 'normally live with' the parent or parent's partner (married or de facto) even though they live away while studying, or are temporarily absent from the home on a holiday.

A student should be regarded as not normally living with a person if the student maintains a separate permanent home (including vacation and holiday periods).

### **6.2.2.7 Example**

*Sam has been living at his brother's home in Brisbane since April last year. Previously he lived with his mother in Cairns. In February last year Sam's mother married her de facto partner, with whom she had been living for six months. Sam has only returned to his mother's home for brief visits, including a period of approximately 4 weeks in January this year in order to pack and remove his belongings.*

*Sam's mother's new husband is not included in the parental income test. Sam has established his own permanent home and will not "normally live with" his mother and her partner. Sam's entitlement is based on the income of the parent with whom he last lived, ie his mother. Also, he may be entitled to the away-from-home rate of allowance if he meets the relevant criteria.*

### **6.2.2.8 Divorced or Separated Parents**

If the natural or adoptive parents are divorced or separated, the parent, for the purposes of the parental income test, is:

- the natural or adoptive parent with whom the student normally lives, ie with the custodial parent; or
- the parent on whom the student was dependent at the start of the eligibility period in the year of study if normally living with neither parent; or
- the parent on whom s/he was last dependent if dependent on neither parent at that time; or
- if each equally shares custody of the student, both natural or adoptive parents are taken into account where they are separated or divorced.

If the parents reunite, the student's entitlement is reassessed with effect from the date of the reunion, taking into account the 2000/01 incomes of both parents. In some cases current income may be applicable (see Policy Manual - [6.3.1.1.1](#)).

The income taken into account in the case of divorced or separated parents includes any payments made by way of maintenance to the parent on whom the student is dependent. However, any maintenance payments made to a former partner or in respect of other children are deducted from total income.

### **6.2.2.9 Step Parents**

Natural or adoptive parents also include step-parents. If the parent or the person on whom the student was last dependent remarries or enters a de facto relationship, the income of the step-parent is taken into account.

The step-parent's income may be disregarded only where:

- the step-parent is not the student's adoptive parent; and
- s/he is able to provide a statutory declaration to confirm s/he did not provide the student with any form of support at the start of the eligibility period in the year of study. In this case it would be expected that the other parent had sufficient income to support the student and that the step-parent was not the provider of food and/or shelter (See - [6.2.2.7](#)).

**Note: Any change to YA does not apply for ABSTUDY.**

### **6.2.2.10 Dependent on Non Parent**

If a student was wholly or substantially dependent at the start of the eligibility period in the year of study on a person who was not her/his natural or adoptive parent, that person is considered to be the student's parent even if one or both of the natural or adoptive parents are living.

### **6.2.2.11 What Does 'Wholly or Substantially Dependent' Mean?**

If a student claims a person other than a natural or adoptive parent (or the parent's partner) for parental income test purposes, the case will be considered on its merits to determine if:

- the person does support the student wholly or substantially; and
- the arrangement is bona fide, ie, it is not an arrangement to avoid assessment on the basis of the income of the student's natural or adoptive parent or their partner (married or de facto).

A student is not wholly or substantially dependent on another person if the parent (or parent's partner, married or de facto) is:

- supporting the student in the other person's home; or
- is providing financial assistance, directly or indirectly, to that person in respect of the student.

The other supporting adult cannot be the student's partner (married or de facto).

### **6.2.2.12 Evidence of Support from Another Adult**

Evidence of support can include that the supporting adult was receiving Family Tax Benefit A & B in respect of the student.

In cases of doubt, CSOs should clarify the circumstances of the student's natural or adoptive parents and the reasons for and duration of dependency on the other person.

Evidence of support can include that the supporting adult was receiving Family Payments or 'Family Tax Benefit' in respect of the student. Care should be taken not to disadvantage the student if either payment is moved to another person in town to disperse to the student as a matter of convenience because the natural parent is living on a remote community.

### 6.2.2.13 How Soon is a De Facto Partner Recognised?

A de facto relationship is recognised between a student's natural or adoptive parent and her/his de facto partner from the date the de facto relationship starts if the student 'normally lives with' the parent and the parent's partner (see 6.2.2.6 What does 'normally live with' mean?).

### 6.2.2.14 What Happens if There is a Change of Parent During Period of Eligibility

In most cases, the parental income test will apply to the parents on whom the student is dependent at the start of eligibility. However, ABSTUDY will be reassessed if the student's parents change during the period of eligibility, so that, if a student:

- loses a parent by death or separation, ABSTUDY is reassessed based on the remaining parent from the date of change of circumstance (where separated/divorced parents share custody see 6.2.2.16);
- gains a parent (for example because a natural or adoptive parent remarries, or gains a de facto partner **and** the student normally lives with the partner), ABSTUDY is reassessed from the date of change of circumstances taking into account the combined income of the original parent and the new partner;
- changes parents, ABSTUDY is reassessed from the date of change of circumstances.

For example, the student:

- stopped living with one parent and moved in with the other;
- started or stopped normally living with a parent's partner; or
- started or stopped being wholly or substantially dependent on another adult.

**Note: Reassessment is based on the income of the parent(s) for the previous financial year unless the current income concession or special assessment applies.**

### 6.2.2.15 Separated Parents - Death of Custodial Parent

Where:

- a student has been living with one parent for a considerable time and that custodial parent subsequently dies; and
- there has been little or no contact with the non-custodial parent,

it would be unreasonable to require that ABSTUDY be based on the income of the surviving parent given that essentially no parental role (financial support or otherwise) has been played by the surviving parent for a long time, if at all.

CSOs should review the student's claim under the homeless provisions (see Policy Manual - 5.5.8.4). This is on the basis that it would be unreasonable for students to live in the home of their surviving parent because of extreme family breakdown.

Students would need to apply for Student Homeless Rate in the usual way, including the provision of appropriate evidence/statements to support their claim.

The following indicators should be met before independent status is granted under this provision:

- the student's parents had been separated for a considerable length of time (say 10 years, but period would be at the discretion of the CSO/social worker depending on individual circumstances);
- the surviving non-custodial parent has not provided support, either directly or indirectly, to the student or her/his former partner in that time (eg, child support payments, payment of school fees, etc);
- the student has had no recent contact with the surviving parent;
- the surviving parent has not resumed a parental role following the death of the previously custodial parent;
- the student has no other supporting adult; and
- the other homeless provisions in Policy Manual - 5.5.8 do not apply.

#### **6.2.2.16 Separated Parents - Shared Custody Arrangements**

Where separated or divorced parents share custody of the student, the following arrangements apply:

- where custody is shared between the parents, the income test is applied to the income of the parent with whom the student normally lives, and that parent's partner, married or de facto (if applicable); or
- where one natural parent has primary custody of the student (ie has custody of the student for a greater proportion of the time), the income test is applied to the income of that parent, and their partner, married or de facto (if applicable).

In the very rare cases of shared custody where the student spends an equal amount of time with each parent, the lower family income (taking into account the income of the relevant natural parent and her/his new partner, where applicable) may be used to calculate the student's entitlement subject to statements being provided confirming and setting out the

custodial (ie turnaround period) and maintenance payment arrangements (eg legal documentation from the Family Court or solicitors, or statements from each parent).

Given the information provided in the statement(s), the CSO should consider the following points when deciding whether or not to take account of the lower family income:

- turnaround of custody would need to be frequent, ie on a weekly/ fortnightly/monthly basis. Where, for example, the turnaround is on a longer term basis, (ie 3 or 6 monthly), it would be appropriate to apply the 'change of parent' provisions, see 6.2.2.14. Income testing would change from one parent (and their partner if applicable) to the other parent, (and their partner if applicable) from the date the student moves from one home to the other.
- where one parent pays considerably more maintenance than the other, this could be an indication that the student is primarily dependent on the parent receiving that maintenance. In these cases it would be appropriate to assess ABSTUDY entitlement on the family income of that parent (even if this is the higher 'family' income).

#### **6.2.2.17 Parental Situations - Example 1**

*Melanie's parents are separated and she normally lives with her mother. In June her mother remarries.*

*Melanie's ABSTUDY is reassessed for the period from the date of marriage on the basis of the combined income of her mother and her mother's new partner for the financial year ending prior to the end of the year for which ABSTUDY is sought.*

#### **6.2.2.18 Parental Situations - Example 2**

*Margaret's parents separate and Margaret will be normally living with her father.*

*Margaret's ABSTUDY is reassessed for the period from the date of her parents' separation based on only her father's income for the financial year ending prior to the year for which ABSTUDY is sought.*

#### **6.2.2.19 Parental Situations - Example 3**

*Jim's parents have been separated for 15 years and Jim lives with his mother. Jim has had no contact with his father for 10 years. During the long vacation Jim's mother dies and he goes to live with his uncle and aunt.*

*Jim is a continuing student and is assessed on the basis of his aunt and uncle's income as he is dependent on them at the start of the eligibility period.*

#### **6.2.2.20 Parental Situations - Example 4**

*Tony's father dies in May. Tony's ABSTUDY is reassessed on his mother's income only. However, because Tony's mother gave up her job to care for her husband, she has suffered*

*a substantial and lasting drop in income since the normal parental income test period. In this case, her income in the current income test period (income for the financial year ending in the year of study) can be taken into account.*

*If his mother starts getting a FaCS sole parent's pension (or applies for and gets a Low Income Health Care Card), the parental income test is waived because special assessment applies.*

*The current income concession or special assessment - on both parents' incomes - could have been granted prior to Tony's father's death if the qualifying drop in income or receipt of FaCS benefit started before that time.*

### **6.2.2.21 Example 2**

*Jacki's parents separate on 14 February. Jacki remains with her mother. Her parents reunite on 15 October. The parental income test is applied for the period(s):*

- *1 January to 13 February and 15 October to 31 December on both parents' 2000/01 financial year income; and*
- *14 February to 14 October on the mother's 2000/01 financial year income.*

### **6.2.2.22 Example 5**

*Ivy's parents are separated and share custody. Ivy spends one week alternately with each parent. The parental income test is applied according to [6.2.2.16](#).*

### **6.2.2.23 Students Not Normally Living With Parents**

If a student's parents live permanently apart, the parental income test applies only to the parent with whom the student normally lives. This applies whether or not the parents are legally divorced.

If a student's parents live permanently apart, but the student does not normally live with either parent, the parental income test applies:

- to only that parent with whom the student last lived if the parents stopped living together when the student last lived with them; or
- to both parents if they were not living permanently apart when the student last lived with them.

Where parents are 'separated but living under the one roof' for Family Law purposes, and the student normally lives in or last lived in the house shared by both parents, the income of both parents is taken into account.

Where parents live apart temporarily, (for example, because of absence due to work commitments as with some mining, fishing, sales representative or other occupations) and the student normally lives with, or last lived with, both parents, the income of both parents is taken into account (see [6.2.2.16](#) about shared custody arrangements).

### 6.2.2.24 Parental Income Test Period

The parental income test of parents during the financial year ending before the year of study. For most students, this financial year ends on 30 June of the previous year. That is, for ABSTUDY assistance in 2002, parental income is normally calculated on the financial year 1 July 2000 to 30 June 2001. However, the most recently completed financial year accounting period may end on another date if:

- the student's parents have, under Section 18 of the *Income Tax Assessment Act 1936*, adopted a 12 month accounting period which ends on a date other than 30 June, (see Policy Manual - 6.1.2.2), or
- parental income consists principally of income from a foreign country which uses a different taxation accounting period from that ending on 30 June (for example, New Zealand has a taxation period of 1 April to 31 March). The financial year ending before 1 January of the year of study is considered.

**Note 1: Where combined adjusted family income increases by 25% or more, ie from the 2000/01 to 2001/02 financial year, the student's entitlement is reassessed with effect from 1 October 2002 (see Policy Manual - 6.3.2).**

**Note 2: Where parental income suffers a substantial and lasting fall, a concession is available to take into account income in a financial year (or accounting period) no later than the financial year or last accounting period which ends during the year in which ABSTUDY is sought, that is, no later than the 2001/02 financial year for assistance in 2002 (see Policy Manual - 6.3.1).**

### 6.2.2.25 Why is the Test Based on Historical (Previous Financial Year) Income?

Historical income (that is, assessable income from the previous financial year) is used as the basis of the parental income test to minimise the scope for overpayments of ABSTUDY.

Using a historical test period means that actual parental income is known when student is applying for ABSTUDY. It avoids the need for parents to guess what their future earnings might be, or to supply proof of ongoing earnings throughout the year.

While having these benefits, historical income remains a fair indication of the need for ABSTUDY. Research has confirmed that historical income is normally a reliable indicator of current circumstances and financial barriers to education.

Most family incomes do not fluctuate disproportionately between financial periods, significant changes are the exception.

These exceptional cases are handled with special rules that apply when use of historical income is unreasonable. These apply where:

- there is a substantial and lasting fall in income under the current income concession (see Policy Manual - 6.3.1);



- a parent starts getting a Commonwealth pension or benefit, or is in receipt of a Health Care Card under the special assessment provision (see Policy Manual - [6.3.3](#));  
or
- parental income increases by 25% or more after the normal (previous financial year) income test period (see Policy Manual - [6.3.2](#)).

## 6.2.3 Partner Income

### 6.2.3.1 Definition of Partner

The partner income test takes into account the assessable income for taxation purposes from all sources, less any deductions allowable by the ATO. The resulting amount here is taxable income and is shown on the ATO Tax Assessment Notice.

Maintenance payments received from or paid to a former partner are also taken into account.

### 6.2.3.2 Students Subject to Partner

Independent students are subject to income testing on the income of their partner if relevant. Students below the age of 21 years are aligned to YA rates, students 21 years and over are aligned with Newstart rates. However, also see Policy Manual - [6.3.3](#) Special Assessment.

### 6.2.3.3 How Does Partner Income Affect ABSTUDY?

A student's partner can have income up to the disqualifying income limits of YA if the student is under 21 years or Newstart if the student is 21 years and over without it affecting the student's ABSTUDY Living Allowance. The ABSTUDY Living Allowance is reduced by \$1 for every whole \$2 by which the partner's income exceeds the disqualifying limit.

**Note: Following on from the policy changes of 2000, there is no minimum annual Living Allowance entitlement of \$250. A student can be paid whatever entitlement is due from ABSTUDY.**

### 6.2.3.4 Student Under 16 Years Old

When an independent student under 16 years old has a partner, the partner is subject to the partner income test.

### 6.2.3.5 Definition of a Partner

For the purposes of partner income, a partner is defined as:

- a married husband or wife who is not separated from the student; or

- an unmarried person who is living with a person of the opposite sex in a de facto relationship which is of at least 6 months' duration, or where there is a child in the relationship who is dependent on the student or the de facto partner.

**Note: For an ABSTUDY student who is in a de facto relationship and whose partner is receiving a social security pension or benefit align entitlement with Social Security Law.**

### 6.2.3.6 Relevant Period

A relevant period is generally the income test period when a partnered student is eligible to receive ABSTUDY assistance.

### 6.2.3.7 Periods the Partner Income Test Does Not Apply

The partner's income test is not applied for any period in a year when students:

- do not have a partner, or
- are divorced or separated from their partner.

**Note: Where the student and her/his partner are 'separated but living under the same roof' for Family Law purposes, the partner's income is taken into account.**

### 6.2.3.8 Example 1

*Nigel separates from his wife on 4 March, but they re-unite on 6 June.*

*The partner income test is not applied for the period 4 March to 5 June. The student is regarded as single independent for this period.*

*The partner income test is applied as normal for the periods 1 January to 3 March and from 6 June to 31 December.*

### 6.2.3.9 Example 2

*A single independent student is eligible for assistance from 1 January. She marries on 1 October. The partner income test is applied from 1 October.*

### 6.2.3.10 Example 3

*An independent student living in a recognised de facto relationship separates from his partner on 4 April. He then marries on 16 July. The claim of the partner income test is:*

- *from 1 January to 3 April, the test is applied to the de facto's income,*
- *from 4 April to 15 July, the student is regarded as single independent (no partner test applies), and*
- *from 16 July to 31 December, the test is applied to the income.*

## 6.3 Current Income and Special Assessment

- 6.3.1 Current Income Assessment
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    - 6.3.1.1.1 Acceptable Reasons for all Students
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    - 6.3.1.3.4 Warning to Applicants
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- 6.3.3.2 Basis for Special Assessment – Health Care Card
  - 6.3.3.3 Basis for Special Assessment – CDEP
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  - 6.3.3.6 Effect of Special Assessment
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## Introduction

This chapter explains income concessions.

### 6.3.1 Current Income Assessment

The current income assessment is a concession that allows the ABSTUDY income test to be applied to the income which the student's parents/ guardians receive in the financial year ending on 30 June in the year for which assistance is sought (instead of being applied to income earned in the previous, typical financial year).

This current income assessment may be approved for any student, except a single, independent status student or a student who is partnered, if a normal assessment is unreasonable because one of the circumstances described in this topic has caused a large and long-lasting drop in income.

In most instances, when current income assessment is approved, the income test will be applied to estimated income figures, which are subject to verification.

There is no provision for the parental income test to be applied to any period later than the 2001/02 financial year accounting period for a current income assessment.

#### 6.3.1.1 Reasons for a Current Income Assessment

#### 6.3.1.1.1 Acceptable Reasons for all Students

The circumstances under which assessment may be made on current income for all students are:

- permanent invalidity, retirement or any similar circumstance which removes or reduces the earning capacity of a student's parent; or
- drought, bushfire, flood, cyclone or other circumstances beyond the control of a parent and:
  - a situation of hardship is caused to the person,
  - the income is expected to be adversely affected for a period of two years from the date of the drop, or 1 January in the year of study, whichever is the later, and
  - it would be unreasonable to assess the student using the routine financial assessment.

#### 6.3.1.1.2 Other Acceptable Reasons for Dependent Students

In addition, assessment may be made on current income for dependent status students where:

- a parent dies;
- the parents separate; or
- the student moves from one parent's care to the other parent's care and it would be unreasonable to assess the student using the routine financial assessment.

#### 6.3.1.1.3 Reasons Not Accepted for Current Income Assessment

##### **Seasonal falls in income**

Seasonal falls such as occur where income normally fluctuates (as in the case of primary producers) are not a basis for current income assessment

##### **Short period of unemployment**

A short period of unemployment does not warrant current income assessment. If the parent is likely to be unemployed for a long period, or if re-employed is likely to be

receiving a substantially lower income than before, such a case can be considered if the usual criteria of the size and duration of the drop are met.

### **6.3.1.2 Size and Date of Drop in Income**

#### 6.3.1.2.1 Size of Drop in income

The Adjusted Family Income for the financial year ending on 30 June in the year for which assistance is sought should have a substantial drop in the normal assessment period.

#### 6.3.1.2.2 Discretion May Be Used

While a drop of 25% seems reasonable as a general yardstick, discretion may be exercised if the drop is considerably less than 25%. Clearly, for people on very low incomes, a lesser drop substantially affects their standard of living. Consideration should also be given not only to the size of drop in income, but to whether reassessment on current income would give the student an entitlement to income-tested assistance.

It should be ascertained that the estimate of the size of the drop is reasonable in the light of information available on factors such as previous earnings, the parent's trade or skills and current employment possibilities. In particular, sympathetic consideration should be given to situations where a family has experienced a considerable fall in weekly income but, because the current income assessment period includes a substantial amount of the former, higher income, the actual difference between the incomes for normal and current income years is less than 25%.

#### 6.3.1.2.3 Example of Use of Discretion

*John's family has an income of \$30,000 in the typical financial year. On 30 November in the following financial year the family breadwinner retires. The income of John's family for that year is \$15,000 for the period 1 July to 30 November and then \$160 a week from pension for the period 1 December to 30 June. Although this*

*does not represent a fall of 25% between the financial years, there has clearly been a drastic fall in family income and current income assessment should be granted.*

#### 6.3.1.2.4 Date of Drop in Income

The drop in income may occur at any time during the two years up to June in the year for which assistance is sought. The current income concession cannot be granted if income drops after that date.

#### 6.3.1.2.5 Current Income Assessment Not Needed

If, in the case of a dependent student, a parent dies before 1 January in the year for which assistance is sought, or if the parents are separated at that date, there is no need for current income assessment.

A normal assessment is made on the remaining parent's income. If the parents reunite, reassessment using both parents' regular incomes is made with effect from the date of the reunion.

#### 6.3.1.2.6 No Precise Date

In most cases the date from which income has dropped will be readily established. However, if income is affected by circumstances such as drought, it will be necessary to establish an approximate date based on such considerations as:

- the normal arrangements for marketing the product; and
- the period of production to which the income related when the adverse effect became apparent.

If no precise date is available, the date chosen would be the first of the most relevant month.

#### 6.3.1.2.7 Lump Sum Leave Payments

If a person retires from employment and receives a lump sum payment of leave entitlements which is to be included as income the date of income should be

regarded as the end of the period of leave and not the date of cessation of actual work.

#### 6.3.1.2.8 Example of Lump Sum Payments

*Mary's mother retires from work for health reasons on 31 October in the year prior to the year of study and received a lump sum payment of \$4,000, representing four weeks' sick leave and six weeks' recreation leave. The date of the fall in income is to be taken as 12 January, not 31 October. The income involved is regarded as accruing on the day on which it is received.*

#### 6.3.1.2.9 Normal Duration of the Drop In Income

Normally it is expected that the duration of the drop in income should be at least two years taken from the date of drop or 1 January in the year for which assistance is sought, whichever is the later, except in those cases where a student's parents separate or a parent dies.

If a parent dies the concession applies immediately. If a student's parents separate, the concession applies immediately. If the parents reunite, entitlement is reassessed and based on both parents' income but without retrospective effect.

#### 6.3.1.2.10 Period of Current Income Assessment

If the drop occurred before 1 January of the year for which assistance is sought, the entitlement for the whole of the year of study will be assessed on a current income basis.

If the drop occurred after 1 January and before 1 July of the year for which assistance is sought, current income assessment will apply only in assessing the allowance payable for that part of the year of study following the date of the drop. Normal assessment will apply up to that date.

### **6.3.1.3 Calculating Adjusted Income**



#### 6.3.1.3.1 Calculation for Dependent Students

To calculate the adjusted income of parents for dependent students:

- include the income of any person who is a parent of the student at the start of the eligibility period in the year for which assistance is sought;
- if a person, through separation, ceases to act as the student's parent between the start of the eligibility period and 30 June in the year for which assistance is sought, the income test is not applied to her/his whole year's income. The proportion of the current income financial year during which s/he acted as parent is determined and a similar proportion of her/his annual income in that year is used in the income test; and/or
- allow dependent adjustment only for children who at 30 June of the year of study, ie the end of the current financial year, were dependent on persons who were the student's parents at the start of the eligibility period in the year of study.

#### 6.3.1.3.2 Rise in Income

If the income rises above the level expected in the current income financial year, the applicant is required to notify Centrelink. (see Policy Manual [6.3.2.1](#))

If the rise in income means that the current financial year's income exceeds the income test cut-off point, all assistance paid under the current income concession is considered to be overpaid and is liable to recovery.

**Note: Reverse Current income does not apply to an independent student with a partner because of the fortnightly Partner Income Test.**

#### 6.3.1.3.3 Married and Independent Students

There is no current income concession for partnered or single independent students.

#### 6.3.1.3.4 Warning to Applicants

Applicants for current income assessment should be clearly warned at the outset of the possibility of overpayments resulting from underestimates of income. They should be advised to make allowance in their estimates for likely increases in wages, pensions, etc during the course of the year.

### 6.3.2 Increase in Current Year Income

#### 6.3.2.1 Increase in Income

Where there has been an increase in income by 25% since the previous financial year, current year income will be taken into account to reassess entitlement from 1 October to 31 December.

#### 6.3.2.2 Income After the Current Financial Year

There is **no** provision for the parental income test to be applied to any period later than the 2001/02 financial year accounting period.

#### 6.3.2.3 Example

*Jane is studying in second semester 2002 only. ABSTUDY will commence from 1 July 2002. Even though she is not getting ABSTUDY until after the 2001/2002 financial year has ended, there is no provision for income after 30 June 2002 to be taken into account.*

#### 6.3.2.4 How the Arrangement Operates

If the income increases, ABSTUDY entitlement is based on **Adjusted Family Income (AFI)** in the financial year ending **during** the year of study (that is, on assessable income in the 2001/02 financial year for assistance in 2002).

#### 6.3.2.5 When Does Reverse Current Income Apply?

Reverse current income applies where there has been a substantial increase in parental taxable, overseas or other income.

In 2002, reverse current income is applied from 1 October in the year of study when income earned in the 2001/02 financial year has increased by 25% or more since the 2000/01 financial year.

### **6.3.2.6 Financial Accounting Period Other Than 1 July - 30 June**

The parental income test under Section 18 of the *Income Tax Assessment Act*, adopted a 12 month accounting period which ends on a date other than 30 June.

This does **not** alter income test period principles. In particular:

- the normal test period remains the 12 month accounting period ending prior to the current year of study, ie **before** 1 January 2002. This applies whether or not the student is eligible or qualifies for ABSTUDY from that date;
- the current income test period remains the twelve months accounting period ended **during** the current year of study, 1 January 2002 - 31 December 2002. This applies whether or not the student is eligible or qualifies for ABSTUDY for the whole or part of the year; and
- there is no provision to take into account a twelve month accounting period which finishes after the current year of study, that is after 31 December 2002. This applies whether or not the student is eligible or qualifies for ABSTUDY until the end of the year.

## **6.3.3 Special Assessment**

### **6.3.3.1 Basis for Special Assessment - Pensions and Allowances**

To be eligible for a special assessment the student's parent(s)/spouse must be in receipt of one of the following payments:

- a social security pension or income support payment, or a similar provision from the DVA (excluding DVA disability pension);
- an allowance for full-time vocational training or education;
- assistance under Farm Household Assistance administered by the Department of Primary Industries and Energy;
- Exceptional Circumstances Relief Payment (ECRP) (see [6.3.3.4](#));

- Farm Help Income Support (see 6.3.3.5);
- assistance under the New Enterprise Incentive Scheme (NEIS); or
- a Textiles, Clothing and Footwear special allowance.

If a student's parent receives ABSTUDY living allowance or YA/Austudy payment, the parental income test is waived where:

- the parent's partner (married or de facto) also gets ABSTUDY or YA/Austudy Living Allowance; or
- the parent's partner (married or de facto) receives Parenting Payment (Partnered); or
- the parent is a sole parent.

**Note: Special assessment cannot be applied solely on the basis of a parent or partner receiving Basic Parenting Payment or Family Payments.**

### 6.3.3.2 Basis for Special Assessment –Low Income Health Care Card

A special assessment applies when one or both of the student's parents has a current low income Health Care Card. This does not apply where a parent has a card only because the child disability allowance is received.

Special assessment applies for the valid period of issue of the Card and must be reviewed at the end of this period for ABSTUDY to continue. Proof that a parent holds a current low income Health Care Card is required (see Policy Manual - 2.1.4.4.2). There is no eligibility for special assessment if a Card is cancelled and is, therefore, no longer valid.

Special assessment must be reviewed at the end of the period of issue of the card or when the card is cancelled, whichever is earlier.

A parent who has a Pensioner Concession Card is not entitled to the special concession unless s/he is currently receiving an eligible social security pension or allowance.

Special assessment does not apply to holders of the Commonwealth Seniors Health Card (CSHC).

### **6.3.3.3 Basis for Special Assessment – CDEP**

A special assessment applies where either parent on whom a student is dependent is receiving a Community Development Employment Projects (CDEP) Scheme wage as a participant, that is the CDEP wage **is not paid to administer a CDEP project which is an Aboriginal and Torres Strait Islander Commission (ATSIC) programme.**

Special assessment no longer applies to the partner of a student or to a parent/guardian who is a CDEP administrator, but a continuing student may be eligible for maintained entitlements.

#### **Maintained Entitlement**

Students who were receiving ABSTUDY Living Allowance immediately prior to the policy change but who will lose this entitlement because of the change to special assessment eligibility, will continue to receive Living Allowance until the end of their current course of study if their partner or parent/guardian remains on CDEP.

#### **For the entitlement to be maintained:**

- the student's partner must have been receiving a CDEP wage continuously since 1 July 1995; **or**
- in the case of CDEP administrators, the student's parent/guardian must continue to receive a CDEP wage for which eligibility commenced prior to 1 January 1997.

### **6.3.3.4 Basis for Special Assessment - Exceptional Circumstances Relief Payment**

Students from families receiving Exceptional Circumstances Relief Payment (ECRP) can apply for ABSTUDY under special assessment provisions. The usual parental or partner (as applicable) income test is waived.

While special assessment applies, the student can receive the maximum appropriate rate of Living Allowance subject to the student meeting the usual scheme requirements (including the student income test).

Applicants for special assessment on the basis of receiving ECRP need to:

- have the student complete and lodge an ABSTUDY claim; and
- provide a statement confirming their eligibility for ECRP.

Students are ineligible for ABSTUDY where they themselves receive ECRP.

### **6.3.3.5 Basis for Special Assessment - Farm Help Income Support (FHIS)**

The two key elements of the Farm Help Income Support (FHIS) are the payment of income support (similar to Newstart, but without the activity test) and access to re-establishment grants by eligible farming families.

#### **Income support component**

Families applying for and receiving the income support payment under FHIS will, for scheme purposes, be treated the same way as families receiving Newstart and the like. Hence 'special assessment' provisions apply, but only for the actual period of receipt of FHIS income support.

Students are ineligible for ABSTUDY where they themselves receive the income support component under FHIS.

#### **Re-establishment grant**

Grants of up to \$45,000 are available to eligible families who choose to leave farming. Grants are paid when the family farm is sold. However, a family's receipt of a re-establishment grant does not by itself provide any concessional treatment under the ABSTUDY income tests.

### **6.3.3.6 Effect of Special Assessment**

The parental income test. This means that subject to the student income test, the student is entitled to the maximum relevant rate of Living Allowance during the period of special assessment.

**Note: The partner fortnightly income test is waived for Exceptional Circumstances Relief payment 6.3.3.4 and Farm Family Restart 6.3.3.5.**

### **6.3.3.7 Period of Special Assessment**

Special assessment applies for the period that the parents/partner receives a pension, benefit, allowance or payment recognised for special assessment purposes during the year of study.

### **6.3.3.8 Exceptional Circumstances Relief Payment Ceases**

Where special assessment has been applied due to the family being in receipt of ECRP, this assessment is to continue to the end of the calendar year in which the 'exceptional circumstance recovery period' ends, even though ECRP is not paid past the recovery period, providing the student does not become ineligible for another reason, (eg change in income or study status).

If payment of ECRP ceases before the end of the exceptional circumstance recovery period because the family ceases to be eligible then the usual income test applies.

### **6.3.3.9 Pension or allowance ceases**

The applicant must notify Centrelink immediately if for any reason the pension, benefit, allowance or payment ceases. For example, if:

- a parent stops getting a sole parent pension because separated parents reunite; or
- an unemployed parent stops getting NSA because s/he regains work.

Where the pension, benefit, allowance or payment ceases for the parent/partner during the period of ABSTUDY eligibility, the entitlement must be reassessed. The reassessment applies from the date the period of assistance ceases and does not

affect the entitlement for the period while the pension, benefit, allowance or payment was received.

In the reassessment, entitlement for the new period is calculated in the normal way, using the previous financial year's income of anyone who was a parent/partner of the student at the start of the eligibility period in the year of study.

### 6.3.3.10 Example

Ellen's parents reunite after separating during the year of study. Her parents are separated on 1 February 2001 and she stayed with her mother who received a sole parent pension. On 1 September 2001 her parents are reunited after seven months' separation.

Assessment Period	Type of assessment
1 January 2002 - 31 January 2002	normal assessment on parent' 2000/01
1 February 2002 - 31 August 2002	special assessment parental income waived
1 September 2002 - 31 December 2002	normal assessment on parents' 2000/01 income

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## 6.4 Assets Tests

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    - [6.4.1.1 What Is Included In An Assets Test](#)
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-



## **Introduction**

This chapter describes the assets tests and limits which are applied for ABSTUDY. The student advises the net asset worth at the time of application and must advise Centrelink of any changes in the asset value during the course of a year.

### **6.4.1 What Is Included / Not Included In An Assets Test**

#### **6.4.1.1 What Is Included In An Assets Test**

- All funds, investments, property, cars, boats, household contents and personal effects.
- Money in approved deposit-funds or other roll-overs which can be withdrawn.
- Ownership or interests in a trust or company.
- The surrender value of life policies.
- Money lent out.
- Assets disposed of on or after 15 December 1998 (Government announced Assets Testing for ABSTUDY Living Allowance) for an unreasonably low value.
- Overseas assets.
- Self-deprived assets of more than \$10,000 per year.

#### **6.4.1.2 What Is Not Included in an Assets Test**

- The principal family home which includes any land around the home used primarily for private and domestic purposes if the land and the ground floor of the home are 2 hectares or less.
- A garage or storeroom of a flat or home unit that is used primarily for private or domestic purposes.
- The principal behind an annuity or superannuation pension that can't be withdrawn, sold or borrowed against.
- Funds frozen in a financial institution (unless they can be withdrawn after a waiting period).
- Assets which you have the right to use but which you may not sell or borrow against (eg. a life interest under a deceased estate).
- Personal disability aids.

## 6.4.2 Family Assets Tests

### 6.4.2.1 Family Assets Test

ABSTUDY is not payable if the value of a family's total assets exceeds the designated limit of \$438,250. The family assets limit is indexed and the new amount takes effect from 1 January of each year. All of the family's assets are included, except:

- the assets of independent children; and
- the assets of the partner's independent children; and
- farm assets, if a current drought relief exceptional circumstances certificate has been issued.

### 6.4.2.2 Exemptions from the Family Assets Test

The family assets test does not apply to parents or their partners who receive:

- an income support payment
- payment under the *Farm Household Support Act 1992*.

### 6.4.2.3 Discount for Business Assets

75% of a customer's interest in the value of a business, including farms, is disregarded if the customer owns the business and is wholly or mainly engaged in that business.

## 6.4.3 Personal Assets Tests

### 6.4.3.1 Personal and Spouse Assets Test

#### DIFFERENT TO YA/AUSTUDY PAYMENT

The following table shows assets value limits in dollars. These limits are indexed and the new amounts take effect from 1 July each year. ABSTUDY is not payable if the value of total assets exceeds these limits.

<b>Personal and Spouse Assets</b>	<b>Assets value limit for full benefits as at 1 January 2002</b>
Homeowner single	141,000
Homeowner couple	200,500
Non-Homeowner single	242,000
Non-Homeowner couple	301,500

**Note: (Different to YA/AUSTUDY payment) Some ABSTUDY benefits and allowances are not means tested. They are:**

- **Non means tested portion of Group 2 School Fees Allowance;**
- **Pensioner Education Supplement;**
- **Incidentals Allowance;**
- **Additional Incidentals Allowance;**
- **Fares Allowance;**
- **Lawful Custody Allowance; and**
- **Away-from-base Assistance.**

### 6.4.3.2 Exemptions from the Personal Assets Test

The personal assets test does not apply to:

- dependent students; or
- independent students with a partner receiving:
  - an income support payment
  - a payment under exceptional circumstances provisions; or
- farm assets if the student or their partner has current drought relief exceptional circumstances certificate

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## 6.5 Family Actual Means Test

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## **Introduction**

This chapter explains the Family Actual Means Test which is applied to ABSTUDY.

### **6.5.1 Introduction to Family Actual Means Test**

#### **6.5.1.1 Introduction**

Family Actual Means Test (FAMT) is a test applied to dependent students whose parent(s)/guardian(s), or the parent/guardian’s partner is in a designated category (see Policy Manual 6.5.2) for the FAMT. The spending and savings of all assessable family

members are taken into account to determine the dependent student's rate of ABSTUDY. The lesser of the two rates calculated under the Income Test and FAMT is the student's entitlement.

**Note: The designated parent(s)/guardian(s) for the FAMT can be the student's natural or adoptive parent(s) or parent's partner**

### **6.5.1.2 Exemption from FAMT**

Families are exempt from the FAMT while receiving an Exceptional Circumstances Relief Payment (ECRP) for the remainder of the calendar year. It should be noted that the holding of a Drought Exceptional Circumstances Certificate while not in receipt of ECRP, or the receiving of a payment under the Farm Family Restart Scheme does not give an exemption from FAMT.

## **6.5.2 Designated Parents**

### **6.5.2.1 FAMT Designated Parent**

The FAMT is only applied to dependent students when their parent's circumstances come under one or more of the following 7 designated categories.

A student's natural or adoptive parent, or their partner is a designated parent if they:

- had an interest in a trust, private company or unlisted public company in the base tax year; or
- were self-employed (except as a sole trader engaged wholly or mainly in a primary production business) in the base tax year; or
- were a partner in a partnership in the base tax year (includes primary producers who lodge a partnership return for taxation purposes); or
- derived income of \$A2,500 or more from a source in Norfolk Island or overseas in the base tax year that is not wholly from a pension or similar payment; or
- were a salary or wage earner for any period in the base tax year, who claimed or will claim a tax deduction for a business loss (whether current or carried forward) that does not consist only of a passive business loss; or
- have a current interest to the value of \$A2,500 or more in any assets located outside Australia and its external territories; or
- first entered Australia under a permanent visa or entry permit in a business skills category in the 10 years prior to 1 January in the current calendar year.

### **6.5.2.2 Interest in a Trust, Private Company or Unlisted Public Company**

All trusts are included in assessing FAMT categories except the following:

- a parent's account, held in trust for a child,
- deceased estate trusts,
- assets held in trust by an administrator,
- involvement in a trust created by a resident, complying superannuation fund,
- public unit trusts in which 50 or more people are not family members of the trustee, or they are offered for subscription or purchase by the public eg. body corporate trusts and most managed investment funds,
- charitable trusts, and
- trusts created by the operation of law.

A person holds an interest in a trust if they are a trustee, beneficiary, or unit holder, but not an agent creditor or employee of a trust.

The most common type of company an assessor will encounter is a private or family company, normally identified by 'Proprietary Limited', 'Pty Limited' or 'Pty Ltd' after its name. A private company has shares issued to family members and office holders are usually family members. These shares are usually not transferable without the consent of all shareholders.

An unlisted public company is not listed on the Australian Stock Exchange or any Stock Exchange.

### **6.5.2.3 Self-Employment**

A self-employed person is defined as someone who works for gain or reward other than under a contract of employment or apprenticeship, whether or not the person employs one or more employees.

Indications that a parent is self-employed are:

- maintaining their own financial accounting records;
- not receiving a group certificate from an employer at the end of the financial year;
- not having compulsory superannuation or Workcover payments paid by an employer on their behalf. Instead they pay their own superannuation and can claim it as a tax deduction or business expense, or
- paying tax on a monthly basis through the prescribed Payments System or the Reportable Payments System.

### **6.5.2.4 Partner in a Partnership**

A partnership does not need a written agreement to exist. Sharing profits and losses may indicate a partnership exists. A joint owner of an asset is not necessarily in a partnership for the purposes of the FAMT, even if they derive an income from that ownership.

A parent involved in a partnership must:

- provide evidence and supporting documents to show a partnership has been dissolved; and
- declare income or losses in their Individual Income Tax Return.

#### **6.5.2.5 Overseas Income at or Above \$A2,500**

The \$A2,500 threshold relates to any income a parent receives from overseas.

Income from a taxable overseas pension should be shown as overseas income under the parental income test. Parents are also included in this category if they earn \$A2,500 or more by working overseas in the base tax year.

#### **6.5.2.6 Salary or Wage Earner With a Business Loss**

A parent is a salary or wage earner if they earn income on a regular basis under a contract of employment, whether implied or expressed.

#### **6.5.2.7 Overseas Assets at or Above \$A2,500**

An asset is an overseas asset valued at or above \$A2,500 if:

- a parent would normally be obliged to declare it under the ABSTUDY asset test, and
- it is normally located outside Australia.

A parent may move in and out of this category as the value of their overseas assets changes during the year. Only the value of the parent's interest in the asset must be \$A2,500 or more. Parents must provide evidence of:

- disposal of asset, or
- the value of their interest reducing below \$2,500.

An asset is exempt if it is normally held in Australia, but is temporarily overseas, or an Australian resident invests in a company in Australia, independent of their family, and the company invests the money in overseas investments.

#### **6.5.2.8 Business Migrant**

A parent in the business migrant category is assessed under the FAMT on a full calendar year. This includes the year they arrived in Australia. A parent is in this category if within 10 years before 1 January in the calendar year in which ABSTUDY is payable, the parent first entered Australia under a permanent visa or entry permit. A parent remains in the business migrant category for 10 years from their arrival in Australia.

### **6.5.3 Actual Means**

#### **6.5.3.1 What is Included as Actual Means**

The spending and savings of all family members in the base tax year are taken into account to determine a family's actual means. This excludes spending or savings equivalent to the income received from exempt funds (see Policy Manual 6.5.4).

Where the applicant and/or other members of the assessable family live away from home all of their separate expenses under the various areas of spending must be included.

All spending and savings must be included from all sources including related entities, third parties and financial institutions eg. payments made by the business, friends and relatives for and on behalf of the family.

### 6.5.3.2 Areas of Family Spending

The following table shows the main areas of family spending and examples of each. Each area includes repayments of principal and interest on any loans for associated costs from a financial institution, taken out before the beginning of the base tax year.

Area of Spending	Examples
Principal Home	<ul style="list-style-type: none"> <li>• purchase and running costs,</li> <li>• mortgage repayments, rent and insurance,</li> <li>• rates, gas electricity and water,</li> <li>• repairs and extensions,</li> <li>• furniture and appliances.</li> </ul>
Transport	<ul style="list-style-type: none"> <li>• purchase costs, including lease payments;</li> <li>• maintenance, repairs and running costs;</li> <li>• insurances and registration; and</li> <li>• public transport.</li> </ul>
Education	<ul style="list-style-type: none"> <li>• school, tuition and boarding fees;</li> <li>• books, uniforms and amenities fees; and</li> <li>• evening and leisure classes.</li> </ul>
General living	<ul style="list-style-type: none"> <li>• food and clothing;</li> <li>• entertainment;</li> <li>• holiday costs;</li> <li>• insurances, medical and pharmaceutical expenses not covered by Medicare or private health insurance;</li> </ul>



	<ul style="list-style-type: none"> <li>• books, newspapers, magazines;</li> <li>• non-refundable child care expenses; and</li> <li>• telecommunication costs (phone and fax).</li> </ul>
Other	<ul style="list-style-type: none"> <li>• other loan costs;</li> <li>• expenditure on investments, such as real estate, shares, art and coin collection;</li> <li>• tax deductible business expenditure not necessary for carrying on the business, such as donations to charities; and</li> <li>• the taxable value of any fringe benefits, covering what would have been an expense to the family,</li> </ul>

### 6.5.3.3 Family Saving

The following table shows the main areas of family saving and examples of each. Each area includes repayments of principal and interest on any loans for associated costs from a financial institution, taken out before the beginning of the base tax year.

Area of Saving	Examples
Financial institutions	The net increase, including interest, in any bank, building society or credit union account. A decrease in the amount owed on loan or credit card is a repayment under the spending categories.
Retained profits	The value of a family member's base tax year share of: <ul style="list-style-type: none"> <li>• any undistributed profits from, and retained earnings in, a private or unlisted public company;</li> <li>• any increase in their partnership capital accounts and/or current accounts; and</li> <li>• undistributed trust profits if the family member is a beneficiary or trustee.</li> </ul>
Superannuation	Contributions above: <ul style="list-style-type: none"> <li>• the minimum amount required under the</li> </ul>

	<p><i>Superannuation Guarantee (Administration) Act 1992</i> for an employee; or</p> <ul style="list-style-type: none"> <li>• \$3,000 per family member</li> </ul>
Other	Loans by a family member to a related entity.

## 6.5.4 Exempt Funds

### 6.5.4.1 Exempt Funds

The following are exempt from the FAMT:

- tax deductible business spending necessary for the carrying on of the business (see [6.5.4.2](#))
- spending to acquire or modify property necessary to assist a family member with a disability;
- spending or maintenance payments for a former partner or child not in the day to day care of the assessable family member;
- spending covered by scholarships except where paid by a family trust or other related business entity;

Funds from the following sources are exempt for the FAMT and are able to count as a deduction because they do not affect a dependent applicant's entitlement. These are:

- a financial institution or arms length loan (equivalent to the terms of a loan from an institutional loan) ;
- prior year savings ie. the reduction from the opening balance as at 1 July to 30 June in the base tax year;
- sale of assets which were held at the beginning of the base tax year;
- non taxable compensation payments;
- windfall gains but not gifts;
- Defence Reserve Payments (maximum \$6,000 each);
- Government Benefits such as non taxable income assistance and payments for educational purposes;
- isolated or secondary boarders;
- dependent children's employment (maximum of \$6,000 each).

However, the spending from such sources must be included ie. the amount of the deduction must correspond with the amount of spending.

#### **6.5.4.2 Tax Deductible Business Expenditure**

All tax deductible business spending necessarily incurred in carrying on the business is exempt from the FAMT, except:

- losses carried forward from the previous financial year;
- superannuation contributions that are:
  - above the minimum required under the *Superannuation Guarantee (Administration) Act 1982*, if a person is employed by the business; or
  - the lesser of \$3,000 and the total voluntary contributions made by family members who were sole traders or partners in a partnership; and
- donations to charity.

#### **6.5.4.3 Government Income Assistance**

The income assistance payments that are exempt from FAMT are:

- a YA received by a person who is undertaking full-time study;
- an Austudy payment;
- a payment under the *Social Security Act 1991* (except a family tax payment), or the *Veterans' Entitlement Act 1986*, that is exempt income tax;
- a payment under a Student Financial Supplement Scheme or the ABSTUDY scheme or the AIC scheme;
- an Austudy Allowance;
- a payment under a scholarship; and
- a payment by a State or Territory, or a State or Territory authority, to assist the primary, secondary or tertiary education of a student.

#### **6.5.4.4 Sale of Assets**

Spending or savings equivalent to income sourced from the sale of assets may be excluded from the FAMT. However, the assets must have been held before the commencement of the appropriate tax year.

#### **6.5.4.5 Non-Taxable Compensation Payments**

A non-taxable compensation payment is the amount of a compensation payment that is not required to be included in taxable income under the *Income Tax Assessment Act 1936* or

1997. This is usually because the payment does not represent lost income. The deduction may relate to some or all of the compensation payment.

#### **6.5.4.6 Dependent Children's Employment Income Deduction**

Families are able to claim a deduction of up to a maximum of \$6,000 for each eligible family member from independent employment. However, only amounts earned after the dependent child has reached 16 years of age may be claimed, and all amounts claimed must be earned income and declared to the Australian Taxation Office.

#### **6.5.4.7 Boarding Concession under FAMT**

The cost of boarding for AIC or secondary boarders is exempted from the FAMT, including an ABSTUDY student if s/he is a dependent secondary student who:

- has a sibling receiving a boarding allowance under the AIC scheme; or
- is receiving an away from home rate as a secondary student.

Only the maximum concession rate of \$5,274 will be allowed.

### **6.5.5 Current Year Means Assessments**

#### **6.5.5.1 Current Year Means Assessment**

Where a family has experienced a substantial reduction in their actual means from the base tax year to the following financial year, they can request that their actual means be assessed on the current tax year ie the tax year immediately following the base tax year.

Substantial is taken to mean that if a payment or an increase in payment is able to be granted by using the current income test , it shall be regarded as being substantial.

#### **6.5.5.2 Current Year Assessment Conditions**

The conditions for using a current year assessment are similar to those used for the parental income test. The criteria are as follows:

- the drop in actual means is due to an event (or events) beyond the control of a family member; or
- there is no longer a designated parent for the FAMT (see Policy Manual [6.5.2](#)); or
- a family member has taken up full-time study in the tax year following the base tax year.

In addition the drop in the actual means must be expected to last for at least 2 years from 1 January in the year of ABSTUDY payment or the date of the event whichever is the later.

Finally the same rule applies as to an assessment using the base tax year ie. the lesser amount using both the Income Test and FAMT for the current year is the amount payable.

### 6.5.5.3 Period of Effect of Assessment

The following table shows the period of effect of current year assessment according to the date of the event that caused the decrease in actual means.

If....	The period of effect is.....
the event occurred on or before 1 January of the current year	<ul style="list-style-type: none"><li>• for the full calendar year from 1 January</li><li>• from the start of the period of ABSTUDY qualification to the end of the calendar year, if less than a full calendar year.</li></ul>
the event occurred after 1 January of the current year	from the date of the event until the earlier of: <ul style="list-style-type: none"><li>• the end of the calendar year; or</li><li>• the period of ABSTUDY qualification.</li></ul>
no event can be tied to the decrease in the current year	from the date after 1 January when the decrease started, until the end of: <ul style="list-style-type: none"><li>• the calendar year; or</li><li>• the period of ABSTUDY qualification.</li></ul>

### 6.5.5.4 Expectations of Decreased Profits

Documentary evidence of financial decreased actual means may be required before a current year assessment is granted.

### 6.5.5.5 Reasons for a Decrease in Actual Means

For a current year assessment to be used, the reasons for the decrease in actual means must be beyond the control of a:

- parent;
- student; or
- family member or whoever is relevant to the decrease in actual means.

Documentary evidence may be required to substantiate the claim.

### 6.5.5.6 Actual Means Decreased Due to Study

Current year actual means assessment is used if total family actual means decrease because a parent or a dependent student gives up substantial employment to take up full-time study.

## 6.5.6 Definition of Base Tax Year

### 6.5.6.1 Definition of Base Tax Year

The base tax year means the financial year that ended on 30 June in the calendar year before the year in which the ABSTUDY allowance is being claimed.

## 6.5.7 Definition of Family Members

### 6.5.7.1 Definition of Family Members

An applicant's assessable family for the purposes of FAMT are:

- the applicant;
- the parent (s)/guardian(s) whose income and assets are being taken into account under the ABSTUDY parental income and family assets tests;
- any dependent children under 16 years of age; and
- dependent children in the family aged 16 to 24 years of age who do not meet the independence criteria.

**Note: That only the details of the spending, savings and deductions for those person covered by this definition are to be provided for the purposes of this FAMT. For example, if any grandparents or non-dependent children live with the family, then exclude all of their spending, savings and deductions from the amounts in the FAMT.**

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## 6.6 Taxation

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## Introduction

This chapter explains the taxation issues relating to ABSTUDY allowances and the conditions under which there is a requirement for the provision of tax file numbers.

### 6.6.1 Taxable ABSTUDY Allowances

#### 6.6.1.1 Taxable Income

Payments intended to support the students' day-to-day living costs and certain other allowances are assessable forms of income for income tax purposes. Those allowances that are forms of taxable income are:

- Living Allowance, for students 16 years or older (including the Living Allowance component of the Masters and Doctorate Award); and
- additional assistance where paid as a supplement to a fortnightly allowance.

**Note 1: ABSTUDY taxable allowances are regarded as income, even if an allowance is actually paid to a parent/guardian applicant or an agent.**

**Note 2: Under the *Income Tax Assessment Act 1936* student assistance allowances paid on behalf of, or directly to students under 16 years of age (regardless of their status) are not regarded as taxable income.**

#### 6.6.1.2 Living Allowance Only

For students who live in a residential college or hostel and who elect to have residential fees paid directly by ABSTUDY, only the reduced Living Allowance entitlement of up to \$41.60 a fortnight is assessable as taxable income of the student

#### 6.6.1.3 Taxation Instalments

Students may elect to have tax deducted from taxable ABSTUDY allowances.

#### 6.6.1.4 Group Certificates Issued

Group Certificates detailing the following will be issued to the student at the end of the financial year:

- the gross amount of taxable income paid for the financial year; and
- the total amount (if any) of taxation instalments deducted for the financial year.

### **6.6.1.5 Lodgement of a Taxation Return**

Once tax instalments are deducted, tax payments are forwarded to the Australian Taxation Office (ATO). A student wishing to reclaim amounts paid in tax will not be able to do so until the end of the financial year after a taxation return has been lodged and a taxation assessment completed by ATO.

## **6.6.2 Tax File Number (TFN)**

### **6.6.2.1 Applicants Who Must Provide a TFN**

Legislation requires that the following categories of ABSTUDY applicants must provide their Tax File Number (TFN) when applying for ABSTUDY assistance:

- students aged 16 or older;
- parents/guardians of students aged less than 16 years; and
- parents/guardians of all students aged 16 years or older, including part-time applicants, upon whom the student is financially dependent; and
- the student's partner.

### **6.6.2.2 Applicants Who Need Not Provide a TFN**

The following categories of customers do not need to provide a TFN when making claim for ABSTUDY assistance:

- customers who supplied their TFN to ABSTUDY for a previous claim;
- students under 16 years of age;
- students, parents or partners who are exempt from providing their TFN under the *Income Tax Assessment Act 1936* as they receive a FaCS or DVA income support pension or benefit. These are:

\* a FaCS benefit, ie age pension, wife pension, disability pension, carer payment, sole parent pension, widow allowance, special needs pension or special benefit, or

\* a pension under part 3 of the *Veterans' Entitlement Act 1986*;

- students, parents or partners who are at risk from another person and whose physical safety could be at increased risk from the disclosure of their TFN;



- Aboriginal or Torres Strait Islander clients who are attending a traditional ceremony at the time of claim lodgement - a TFN must be provided on their return from participation in that ceremony;
- students, parents or partners who have lost all records of their TFN because of fire or flood damage to their home within the six months preceding the claim for ABSTUDY - ceases to take effect six months after the damage occurred;
- customers who have lodged a claim for a TFN through Centrelink but have not yet received advice from ATO;
- parents who live permanently outside Australia and who do not earn income in Australia; and
- parents or partners who are temporarily overseas - a TFN must be provided on their return to Australia.

### **6.6.2.3 Commencing ABSTUDY Payments**

Payments may not commence on an ABSTUDY claim until either the TFN has been provided from the relevant people or a TFN claim has been lodged with Centrelink for passing on to ATO.

### **6.6.2.4 Lodgement of Claims**

ABSTUDY applicants may lodge claims for TFNs at Centrelink Customer Service Centres.

Applications for TFNs may also be lodged at regional ATO centres.

### **6.6.2.5 Difficulty in Applying for a TFN**

For circumstances where a student, student's partner and/or parent/guardian may have difficulty applying for a TFN through normal channels, eg because of access or problems with obtaining documentation, Centrelink and ATO have special arrangements for ABSTUDY students and students' partners or parents/guardians.

These arrangements entail the use of a special form, called the 'Tax File Number claim/enquiry for an Aboriginal or Torres Strait Islander' form, which is only for Aboriginal and Torres Strait Islander people and which includes a section 'Proof of Age Reference' enabling an authorised referee to verify the applicant's identity instead of the need to provide documentary evidence of identity.

The 'Tax File Number claim/enquiry for an Aboriginal or Torres Strait Islander' form may be lodged at any Centrelink Customer Service Centre or mailed directly to Centrelink. Centrelink will then forward the claim to the ATO.

### **6.6.2.6 Regarded as Having Provided a TFN**

A student and student's partner or student's parent/guardian will be regarded as having supplied a Tax File Number (TFN) if:

- s/he has provided the TFN to Centrelink for a previous claim; or
- s/he provides her/his TFN for the current claim; or
- s/he has lodged a TFN claim/enquiry form with Centrelink.

**Note: A student and student's partner or parent/guardian who do not provide the required documentation described above will be considered not to have supplied a tax file number.**

## 6.6.2.7 Taxation Queries

Enquiries about taxation issues not covered in this Chapter should be referred to the nearest ATO.

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# 6.7 ABSTUDY Rates

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## Introduction

This chapter explains how the rates are calculated and lists the rates of Living Allowance

### 6.7.1 Calculation of ABSTUDY Rates

#### 6.7.1.1 Introduction

Annual ABSTUDY Living Allowance rates are calculated by multiplying last year's annual rate by the CPI index factor and rounding to the nearest dollar.

The fortnightly rate is then calculated by dividing the new annual rate by the number of days in the year and multiplying by 14 days.

#### 6.7.1.2 Factors in Calculating Entitlement

The allowable income limits abatement intervals and abatement rate needed to calculate Living Allowance entitlement and the upper income limits (UILs) are in the table below.

Abatement Factors	Income Tests			Dependent Child/Student
	Student	Partner	Parental	
Allowable Income Limit (AIL)	\$236.00 p/f \$6,000 pa	\$608.00 p/f over 21 \$15,850 pa	\$26,650	See table at <a href="#">6.7.1.19</a>
Abatement Interval (AI)	\$2.00	\$2.00	\$4.00	
Abatement Rate (AR)	\$1.00	\$1.00	\$1.00	

### 6.7.1.3 Calculating UILs

To calculate the UILs you need to use the allowable income limit, abatement interval and abatement rate (shown above) and the maximum fortnightly rates of Living Allowance (see [6.7.2.1](#)).

Step	Description of Step
1	<p>Calculate the Actual Annual Payment (AAP).</p> <p>The formula for the AAP is:</p> <p><b>(Fortnightly rate ÷ 14) x days in the year.</b></p> <p>When you get the answer ignore the cents.</p>
2	<p>To calculate the UIL, use the following formula:</p> <p><b>AAP x AI + (AIL + AI - AR).</b></p> <p>This is the last whole dollar of student, partner, dependent partner or parental income that can be earned before the student becomes ineligible for Living Allowance.</p> <p>The UILs relevant to each particular rate are shown in the table at <a href="#">6.7.2.1</a>.</p>

### 6.7.1.4 Definition of Upper Income Limit

The UIL is the last amount of income guardian or partner can earn before the student becomes ineligible for ABSTUDY Living Allowance

### 6.7.1.5 Qualifying for Maximum Living Allowance

To qualify for the maximum rate of ABSTUDY Living Allowance, the student's income and her/his parents'/guardians' or partner's income must not be higher than the allowable income limits. All relevant income tests must be met.

The allowable income limits shown in the table at [6.5.1.2](#) apply where students are eligible for Living Allowance for the full calendar year.

A *pro rata* amount applies where the students' relevant period is less than the full calendar year.

### 6.7.1.6 Qualifying for a Reduced Living Allowance

A reduced rate of Living Allowance may be payable where income is above the allowable income limits, but less than the upper income limits shown in the table at [6.7.2.1](#).

The table also shows the abatement intervals and abatement rate to use if you need to manually calculate a student's entitlement according to student and parental or partner income.

### 6.7.1.7 No Minimum Payment

Since the ABSTUDY changes for 2000, in 2002 the minimum amount of Living Allowance payable of \$250 a year no longer applies. A student can be paid any amount of entitlement owed.

### 6.7.1.8 Dependent Child/Student Adjustment

Each dependent child in the student's family provides an adjustment to the parents'/guardians' or partner's income for partnered students over 21. Children are defined as either dependent students or dependent children - see [6.7.1.9](#) and [6.7.1.10](#).

The amounts of the dependent child and dependent student adjustments are shown at [6.7.1.28](#).

### 6.7.1.9 Definition of Dependent Student

An eligible dependent student is any other child who is dependent on the student's parents/guardians, eg sister, brother, step-sister, step-brother, foster sister, foster brother, who is not an eligible dependent child as defined below and is either:

- 16 years of age or more **and:**
  - in a full-time secondary or tertiary course approved for ABSTUDY/AIC,
  - not eligible for the independent rate of ABSTUDY/YA, and
  - not receiving assistance from a Commonwealth education allowance other than ABSTUDY/YA/AIC; **or**
- under 16 years of age **and:**
  - is receiving ABSTUDY/AIC, and
  - is not eligible for the independent rate of ABSTUDY.

**Note : In no case can a dependent child attract both the dependent child adjustment and the dependent student adjustment.**

### 6.7.1.10 Definition of Dependent Child

An eligible dependent child is any other child who is dependent on the student's parents/guardians, eg sister, brother, step-sister, step-brother, foster sister, foster brother, who:

- is not an eligible dependent student as defined above;
- was dependent upon the parents at 30 June in the year preceding the year for which assistance is sought; and
- is under 16 years of age and not receiving benefits under ABSTUDY/AIC.

#### **6.7.1.11 Children Who Do Not Attract Adjustment**

The following children do not attract a dependent child/student adjustment:

- a child who is regarded as independent under the ABSTUDY rules or is in State care;
- a child who is living with the parents/guardians under a student exchange program;  
or
- a child who does not live with the/a parent but for whom that parent is paying maintenance.

#### **6.7.1.12 Dependent Adjustment Calculations**

All dependent adjustments are calculated on the number of dependent children on a continuing basis. ABSTUDY must be reassessed if the number of, or circumstances of dependent children in a family, changes.

See [6.7.1.19](#) which gives a ready reckoner for parental and a partnered student 21 years and over for income adjustments.

#### **6.7.1.13 Change in Number of Dependent Students**

Where there is a change in the number of dependent students, reassessment of ABSTUDY benefits will take place as described below:

##### **Loss of a dependent student**

If a student received income-tested assistance due to a dependent student adjustment causing the Adjusted Family Income (AFI) or Adjusted Partner Income (API) (for partnered students 21 years and over) to fall below the Family or Partner Income Limit, the claim must be reassessed with effect from the day that the dependent student:

- ceases to be a full-time student, or
- is granted independent status under ABSTUDY/YA.

If the student does not qualify for income-tested assistance without the dependent student, entitlement ceases from that day.

### **New dependent student**

If a student who has not qualified for income-tested assistance gains a dependent student through the year, the claim should be reassessed to take into consideration the effect of a dependent student in adjusting the AFI or API (for partnered students 21 years and over) to below the Family or Partner Income Limit.

The student's entitlement commences on the day s/he gains the dependent student.

**Note: The upper income limits are set out in the table at 6.7.2.1**

### **6.7.1.14 Change in Number of Dependent Children**

When there is a change in the number of dependent children, reassessment of ABSTUDY benefits will take place as described below:

#### **Loss of a dependent child**

If a student received income-tested assistance due to a dependent child adjustment causing the AFI/API (for partnered students 21 year and over) to fall below the Family or Partner Income Limit, the claim must be reassessed with effect from:

- the date from which s/he commenced receiving benefits under ABSTUDY/AIC;
- the date from which s/he commences to be a dependent student (as defined on the previous page); or
- the date from which s/he ceases to be dependent upon the parents/ guardians.

If the student does not qualify for income-tested assistance without the dependent child, entitlement ceases from that day.

#### **New dependent child**

If a student who has not qualified for income-tested assistance gains a dependent child through the year, the claim should be reassessed to take into consideration the effect of a dependent child in adjusting the AFI/API (for partnered students 21 years and over) to below the Family or Partner Income Limit.

The student's entitlement commences on the day s/he gains the dependent child.

### **6.7.1.15 Dependent Adjustment Checking Related Claims**

Where a student ceases full-time study and is a tertiary student who ceases to be eligible for the away from home rate or is granted independent status, the student assistance eligibility of a parent, brother or sister (ie 'siblings') may be affected. The student's parent or sibling(s) should normally advise Centrelink about such a change. Prompt action should be taken to update all claims, whether the applicant's entitlement is affected or not.

### **6.7.1.16 Example 1**

*Alf applies for ABSTUDY. At the start of the year, he has three brothers and sisters:*

- *Beth (19 years; in full-time education),*

- Ches (15 years, in secondary education), and
- Delia (10 years, in primary education).

On 12 June, Alf's mother gives birth to twins, Eric and Freda.

From 1 January to 11 June, the adjustment is:

- Beth \$3,792
- Ches \$3,792
- Delia \$1,230
- **Total \$8,814**

From 12 June to 31 December, the adjustment is:

- Beth \$3,792
- Ches \$3,792
- Delia \$1,230
- Eric \$2,562
- Freda \$2,562
- **Total \$13,938**

### 6.7.1.17 Example 2

At the start of the year, Cassie has one older brother, Fletch, in full-time study.

The Adjusted Family Income for Cassie's entitlement will be reassessed if at any time during the year Fletch ceases to be in full-time study or meets an ABSTUDY independence criteria (eg marries).

This does not depend on whether Fletch actually gets ABSTUDY (for example, his course may not be approved, or his personal income may be too high, or he may be ineligible for ABSTUDY due to previous study or progress rules).

### 6.7.1.18 Automatic Calculation

The impact of student and parental or partner income on ABSTUDY entitlement is calculated automatically by the computer system.

The method of calculation is the same whether or not ABSTUDY is payable for the whole period. This includes if a student:

- is transferring from Family Tax Benefit A & B;



- becomes eligible very late in the period of eligibility, for example, where a student in a full-year secondary course turns 16 after the end of the school year but before 31 December, the daily rate is payable from the student's birthday; or
- turns 18 during a period, two daily rates are calculated:
  - using the relevant 16-17 year old rate until the day before the student's 18th birthday, and
  - using the relevant 18-20 year old rate on and from that day.

### 6.7.1.19 Ready Reckoner for Parental and Partner Adjustments

The following ready reckoner table can be used to calculate the parental or partner income adjustments. The size of the adjustment depends on the number of dependent children and/or dependent students in the family.

**Note: For students 21 years and over with partners and dependent children the size of the adjustment for partner income is the fortnightly equivalent.**

Number of Dependent Students	Number of Dependent Children					
	0	1	2	3	4	5
0		\$1,230	\$3,792	\$6,354	\$8,916	\$11,478
1	\$3,792	\$5,022	\$7,584	\$10,146	\$12,708	\$15,270
2	\$7,584	\$8,814	\$11,376	\$13,938	\$16,500	\$19,062
3	\$11,376	\$12,606	\$15,168	\$17,730	\$20,292	\$22,854
4	\$15,168	\$16,398	\$18,960	\$21,522	\$24,084	\$26,646
5	\$18,960	\$20,190	\$22,752	\$25,314	\$27,876	\$30,438

**Note: A tertiary student who receives the away-from-home rate of allowance will attract the higher rate of adjustment, \$7,585 for every other tertiary student in the family who also receives the away from home rate.**

**For example:**

APPLICANT	Steve	Tony	Elizabeth
Description	16 year old secondary student	Tertiary student eligible for AFH	Tertiary student eligible for AFH
Steve	No deduction	\$3,792	\$3,792
Tony	\$3,792	No deduction	\$7,585
Elizabeth	\$3,792	\$7,585	No deduction

### 6.7.1.20 Examples

- A family with two tertiary dependent students, of which one is the applicant, can add \$7585 to the parental income.
- A family with one 16 year old secondary student who is the applicant, with two tertiary AFH siblings, can add \$3792 for each tertiary AFH student to the parental income.
- A family with no dependent students (other than the student the claim is for) and one dependent child, can add \$1,230 to the parental income.
- A family with one dependent child and two dependent students (other than the student the claim is for) can add \$8,815 to the parental income

### 6.7.1.21 Adjusted Family Income

For the test on the parents' or partner's income figures called the **Adjusted Family Income (AFI)** or **Adjusted Partner Income (API)** (for partnered students 21 years and over with dependents) are required.

### 6.7.1.22 How is Parental Income Calculated?

This table shows the procedure for calculating parental income.

Step	Action
1	Calculate the total parental income by adding together: <ul style="list-style-type: none"><li>• the taxable income of both parents/guardians for the financial year ending in the year before the year of study, (except principal income derived from Norfolk Island);</li><li>• overseas income taxed in a foreign country (see Policy Manual - <a href="#">6.1.5</a>); and</li><li>• any maintenance payments received in that period by either parent/guardian. This includes maintenance paid direct to the student where it is not the taxable income of the student.</li></ul>
2	Deduct maintenance paid by a parent/guardian.
3	Add the amount for each child, other than the applicant student who is either under the age of 16, or aged 16 to 24 and in full-time study (see <a href="#">6.7.1.8</a> and <a href="#">6.7.1.9</a> ).

### 6.7.1.23 How is Partner Income Calculated?

This table shows the procedure for calculating partner income for students 21 years and over.

Step	Action
1	Calculate the total partner income by adding together: <ul style="list-style-type: none"> <li>• the taxable income of the partner for the fortnight, (except principal income derived from Norfolk Island)</li> <li>• overseas income taxed in a foreign country (see Policy Manual <a href="#">6.1.5</a>); and</li> <li>• any maintenance payments received in that period by the partner. This includes maintenance paid direct to the child where it is not the taxable income of the child.</li> </ul>
2	Deduct maintenance paid by a partner.
3	Add the amount for each child, who is either under the age of 16, or aged 16 to 24 and in full-time study (see <a href="#">6.7.1.8</a> and <a href="#">6.7.1.9</a> ).

### 6.7.1.24 Income Bank Formula and How It Works

The formula is:

**(Income - Income Bank) = Excess**

If the Excess is less than \$236 there is NO reduction to the YA rate.

If the Excess is between \$230 and \$316:

**then (Excess - \$236) x 0.5 = Affecting Income**

If the Excess is greater than \$316 then:

**[(Excess - \$316) x 0.7] + 40 = Affecting Income**

If the income is equal to the free area there is no effect on payment or income bank.

### 6.7.1.25 Maintenance Payments

The income taken into account in the case of divorced or separated parents includes any payments made by way of maintenance to the parent/guardian on whom the student is dependent. Maintenance includes:

- payments made in respect of the student and any other children (including step children) as well as for the upkeep of the custodial parent,

- payments made to a third party for school fees, household utilities, rates, rent, mortgages or for any other purpose that is for the parent's, or their child's direct or indirect benefit, and
- payments made by the Child Support Agency as these have originated from the non-custodial parent.

### **6.7.1.26 Negative Income By One Parent**

It is not possible for one parent's loss or negative income to reduce the effect of the other parent's positive income. The loss should be treated as zero income and the other parent's income will be the family's total taxable income

### **6.7.1.27 Averaged Income**

Averaged income as used for certain taxation purposes eg, by primary producers, is not taken into account for ABSTUDY purposes. Income for the previous financial year (2000/01) is used unless current income or special assessment applies.

### **6.7.1.28 Calculating Adjusted Family Income**

Add the following to the parent income threshold (AFI).

- a dependent child adjustment which is the sum of \$1,230 for the first child and \$2,562 for each other child (other than the applicant) who is not an eligible dependent student as defined in [6.7.1.9](#); and
- a dependent student adjustment of \$3,792 for each dependent student (other than the applicant) who is not an eligible dependent child as defined in [6.7.1.10](#).
- a dependant student adjustment of \$7,585 that applies to a tertiary student approved to live away from home who has a tertiary student sibling also approved to live away from home

See Ready Reckoner for parental income in [6.7.1.19](#).

### **6.7.1.29 Adjusted Income Figure**

The final figure is the AFI and is compared to the Family (parental) Limit.

### **6.7.1.30 Comparison of AFI/API Income Limits**

If the AFI exceeds the family (parental) limit the student is not entitled to any income tested form of assistance.

In the calculation of allowance entitlement, limits apply to the income of the student's parents or partner and to the student's own income. When income exceeds either of those upper limits the student has no entitlement to income tested assistance.

## 6.7.2 ABSTUDY Living Allowance Rates 2002

### 6.7.2.1 Maximum Rates

The following table shows the available Living Allowance rates at 1 January 2002. Living Allowance rates are subject to the Consumer Price Index (CPI) changes each year. Maximum rates for students 21 years and over are indexed by the CPI in March and September. Refer to the Centrelink Rate Guide for updated rates.

<b>Living Allowance</b>	<b>\$</b>
Single, under 16 - at home Tertiary - Foster Allowance paid - no Foster Allowance	22.80pf FaCS FaCS
Single, no children, at home - 16 -18 years - 18 to 20 years - 21 years and over	FaCS FaCS FaCS
Single, no children, away from home - 16 - 18 years - 18 to 20 years - 21 years and over	FaCS FaCS FaCS
Single, with children - under 21 - 21 and over	FaCS FaCS
Partnered - no children, under 21 - no children, 21 and over - with children, under 21 - with children, 21 and over	FaCS FaCS FaCS FaCS
Masters and Doctorate	\$17,609 pa
<b>Assets Test</b>	
Family Assets - Independent Student Homeowner - Single - Partnered (combined)	\$464,500 or 75% business/farm  up to \$141,000 up to \$200,500
Independent Student Non-Homeowners - Single - Partnered (combined)	up to \$242,000 up to \$310,500

### 6.7.2.2 Other ABSTUDY Rates 2002

<b>School Term Allowance</b>	\$540.80pa
<b>School Fees Allowance (at home)</b> Turning 16 before 1 July in school year Under 16 at 30 June in schools year	\$78.00pa \$156.00pa
<b>School Fees Allowance (boarding)</b> Maximum rate (subject to income test) Income test free	\$5,199.00pa \$4,211.00pa
<b>Incidentals Allowance</b> Less than 12 week course 12 to 16 week course 17 to 23 week (one semester) course 24 week to one year course	\$58.00 \$101.50 \$202.00 \$410.70
<b>Additional Incidentals Allowance</b> Less than 12 week course 12 to 16 week course 17 to 23 week (one semester) course 24 week to one year course Maximum in a year	\$102.20 \$202.40 \$404.80 \$810.70 \$2080.00
<b>Lawful Custody Allowance</b>	essential course costs
<b>Masters and Doctorate allowances</b> Relocation Allowance (\$480 adult; \$240 per child) Thesis Allowance - Masters - PhD	\$1385 maximum   \$420 \$840
<b>Compulsory course fees or HECS</b>	actual costs
<b>Fares Allowance</b>	actual costs
<b>Under 16 Boarding Supplement (half year)</b>	\$1,779.40
<b>Residential Costs Option</b>	\$41.60pf plus actual costs
<b>Rent Assistance</b>	as determined by FaCS
<b>Remote Area Allowance</b>	as determined by FaCS
<b>Pharmaceutical Allowance</b>	as determined by FaCS
<b>Away From Base Assistance Masters / PhD Maximum additional Incidental Allowance Masters / PhD maximum away-from- base</b>	Actual cost per student \$2,080.00 maximum  \$2,080.00 maximum

## **6.7.3 Rates in 2002 for Continuing Students Aged 21 Years or More**

### **6.7.3.1 Introduction: Maintenance of Rates Due to Policy Changes in 2000**

Rate Maintenance: Continuing students aged 21 years or more in receipt of the ABSTUDY Living Allowance in 1999 will be maintained at the 1999 rate of Living Allowance until the completion of their course . A similar provision applies to Pensioner Education Supplement recipients.

### **6.7.3.2 Policy Intent**

The policy intent is that students studying in 1999 who undertook a particular course of study and who were continuing in this course of study in 2000, 2001 and 2002, would be maintained on at least the 1999 rate of benefit for the duration of the course. This would ensure that students who had legitimate expectations about the level of ABSTUDY Living Allowance or Pensioner Education Supplement that would be available when they commenced their courses would not be financially disadvantaged by the changes.

### **6.7.3.3 Definition of a 'Current Course of Study'**

The definition of a 'current course of study' means:

- regular undergraduate courses;
- articulated courses, such as those where a series of courses can be linked to count towards a higher level of qualification;
- a continuing course in the same field of study undertaken at different institutions or at a different campus;
- a natural progression of courses, such as:
  - a Bachelor of Laws and Letters followed by a Graduate Diploma of Legal Studies, or
  - an access or bridging course undertaken as a prerequisite entry to a tertiary qualification, or
  - a Bachelor degree that is a prerequisite for a Graduate degree, or
  - an Honours or Masters Qualifying year followed by a Masters.

### **6.7.3.4 Break in Study Exemptions**

A continuing student is one who has not had a break in study between 1999, 2000, 2001 and 2002. Exemptions to this rule are exceptional circumstances beyond the student's control. A break in study can be justified on:

- medical grounds;

- personal circumstances; or
- academic course requirements or availability.

A decision concerning the circumstances of any student that is not covered by the above categories should be referred to the ABSTUDY manager or, where necessary, Centrelink National Office.

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## 6.8 Student Income Bank

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- [6.8.4 Operation of the Student Income Bank](#)
  - [6.8.4.1 Operation of the Student Income Bank](#)
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### Introduction

This chapter explains access to the student income bank and higher income free area.

**Note: Students who continued study in the same course from 1999 into 2000 had a one-off full income bank credit allowed for 1 January 2000 only.**

### 6.8.1 Introduction to the Student Income Bank

#### 6.8.1.1 Introduction of the Student Income Bank

The Student Income Bank allows a student to accumulate any unused part of their allowable income limit of \$236 per fortnight up to a maximum of \$6000 while studying without affecting their Living Allowance. It has been designed to reflect the fact that students generally earn income through the holiday periods, rather than throughout the year. The Student Income Bank operates by saving the unused part of the fortnightly income free area (\$236) as credits. The saved credits are then available to offset the personal income/earnings in future fortnights.

**Note: Students who continued study in the same course from 1999 into 2000 were given a one-off \$6,000 credit on 1 January 2000.**



## 6.8.2 Rules of the Student Income Bank

### 6.8.2.1 Rules of the Student Income Bank

The following rules apply to the student income bank:

- the maximum credit that can be saved is \$6,000.
- the balance is not set to zero annually,
- all credits are annulled when a student stops full-time study,
- continuing students retain their credits over vacation periods

## 6.8.3 Access to the Student Income Bank and Higher Income Free Area

### 6.8.3.1 Access to the Student Income Bank and Higher Income Free Area

Students have access to both the student income bank and the higher income free area on any fortnight in which they are considered to be a full-time student.

The following table shows when access to the student income bank and the higher income free area starts for students in different situations.

<b>A student who is</b>	<b>Has access from the.....</b>
a new student	<ul style="list-style-type: none"><li>• date their course starts.</li></ul>
an existing student	<ul style="list-style-type: none"><li>• date of the first fortnight of study or training; or</li><li>• date of eligibility for Living Allowance</li></ul>

#### **Exceptions**

Students who leave a course before the course ends have access to the student income bank and the higher income free area until:

- the end of the fortnight they leave the course, if notification requirements are met,  
or
- the end of the notification period, if one applies.

## 6.8.4 Operation of the Student Income Bank

### 6.8.4.1 Operation of the Student Income Bank

The following table shows how the student student income bank operates when a student has ordinary income in a fortnight.

<b>If the income is</b>	<b>Then....</b>	<b>And.....</b>
Less than the income free area,	subtract the income from the income free area to determine the saved amount,	add the saved amount to the student's student income bank credits.
Equal to the income free area,	there is no effect on payment,	there is no effect on the student income bank.
Greater than the income free area, but less than or equal to the student income bank credit,	subtract the income free area from the income to determine the reduction for income,	subtract the reduction to income from both the student income bank credit and the ordinary income. The effect is that there is no ordinary income for the fortnight.
Greater than both the free area and the student income bank credit,	subtract the student income bank credit from the income to determine the student income bank debit,	reduce the student income bank credit to zero. The income bank does not run into minus amounts.

### **Example**

*Adam has a \$500 credit in his Student Income Bank. He has worked within the last fortnight and earned \$350. As this is over the \$236 income limit, the amount that Adam has earned has reduced his Student Income Bank credit by \$114 to \$386. This has not affected Adam's payment for the fortnight as he had sufficient Student Income Bank credit to offset against his earnings.*

### **6.8.4.2 Review of Student Income Bank**

Students are required to declare their income every three months to Centrelink. Students with irregular income should tell Centrelink about their fortnightly income every fortnight, to minimise the risk of ABSTUDY debt. This is particularly important for students with no or low income bank balances. First entitlement letter will have a warning about the importance of advising Centrelink about changes to personal fortnightly income.

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## **6.9 Negative Gearing/Net Passive Business Losses**

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  - [6.9.1.1 Definition: Rental Property Losses](#)
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- 6.9.1.5 Valuing Negative Gearing
  - 6.9.2 Implementation Issues
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    - 6.9.2.3 Compliance
- 

## Introduction

The partner and parental income tests include the value of income losses claimed by individuals. This type of taxation deduction is often referred to as "negative gearing".

These deductions are to be self-declared at the time of application, by the student's parent/s or partner as applicable.

This chapter details which losses (negative gearing) are to be included in the income tests

## 6.9.1 Description of Negative Gearing Losses

### 6.9.1.1 Definition: Rental Property Losses

A parent or partner who reduces their taxable income by claiming a loss against rental property owned in their own name will have to add back the value of the rental property deduction (commonly known as negative gearing) for ABSTUDY purposes. Rental property losses flowing through to the individual parent or partner from rental property owned in a partnership, trust or company are not taken into account for the ABSTUDY income test.

Any substantial changes in taxable income deductions from rental property losses (negative gearing), may warrant reassessment because of the effect on current or reverse current income

### 6.9.1.2 What is Rental Property

"Rental property" owned by an individual person includes:

- a house, home unit or flat;
- a room in a house, home unit or flat;
- an on-site caravan;
- a house-boat;
- an overseas rental property; or
- any other similar rental property

### 6.9.1.3 Definition: Property Losses

A parent or partner who reduces their taxable income by claiming losses against any non-property investments, eg share portfolios, owned in their own name must add back the value of that deduction.

#### **6.9.1.4 What is Included?**

Items for which losses may be claimed against taxable income include:

- share portfolios;
- partnership, trust and company rental property losses.

#### **6.9.1.5 Valuing Negative Gearing**

Only the amount allowed as a taxable income deduction claimed by the individual relevant taxpayer (ie parent or partner) will be added to their income.

*For example: A relevant person's taxable income may be reduced by \$4,000 in claimable rental property losses, although other, non-claimable losses amounted to a further \$3,000. Only the amount of \$4,000 will be added to that person's income for ABSTUDY purposes.*

### **6.9.2 Implementation Issues**

#### **6.9.2.1 Self Declaration**

The partner or parent is required to self-declare on the ABSTUDY claim form, the net amount of negative gearing claimed against other taxable income in their individual or partnership income tax return.

#### **6.9.2.2 Forms**

The claim forms provide a box in the income section for self declaration by the partner or parent of the net amount of negative gearing claimed against other taxable income in his/her individual or partnership income tax return.

#### **6.9.2.3 Compliance**

Centrelink's Debt Management Unit will conduct compliance checks with the Australian Taxation Office (ATO).

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## **6.10 Fringe Benefits**

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  - [6.10.1.2 Overseas Fringe Benefits](#)
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- 6.10.1.4 Use of Exchange Rates to Convert Overseas Fringe Benefit Values
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  - 6.10.2 Valuing Fringe Benefits
    - 6.10.2.1 Employer Responsibility
    - 6.10.2.2 Fringe Benefit Tax Rate
    - 6.10.2.3 First \$1,000 Reportable FBT Exempt
    - 6.10.2.4 Fringe Benefits Tax Accounting Period
    - 6.10.2.5 Types of Benefits Included
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## Introduction

Following changes to Taxation legislation, from 1 July 2000, employers are required to report Fringe Benefits amounts on group certificates. As ABSTUDY is aligned to YA for students under 21 and Newstart for students 21 years and over, refer to Social Security law and the Social Security Guide for details of Fringe Benefits. For assessment follow the same procedure as YA

## 6.10.1 Description of Fringe Benefits

### 6.10.1.1 Introduction

Fringe benefits include the value of any employer provided benefit received during the base tax year. An employer provided benefit is any right, privilege, service, in kind payment or facility that an employee receives (or assigns to someone else) from their employment.

Employees may 'sacrifice' an amount of their cash salary and receive the value of the amount as a fringe benefit. In other cases, a fringe benefit may be a fixed part of the employee's salary package.

Common forms of salary sacrifice or fringe benefits include:

- leasing of vehicles,
- extra superannuation contributions,
- investments,
- expense benefits,
- housing assistance, and
- low interest loans.

As the value of the benefit is not recorded as salary for the employee, they do not pay income tax on that amount. Instead, the employer pays fringe benefits tax (FBT) on the value of the benefit.

The amount to be declared is the 'Reportable Fringe Benefits Total' as reported on the employee's group certificate. The reportable fringe benefit is used for the purposes of the ABSTUDY parental income test.

Fringe benefits apply to both aspects of current income, so that increases of 25% or more in income, including fringe benefits, and substantial decreases in income, may warrant reassessment based on current income.

### **6.10.1.2 Overseas Fringe Benefits**

The Australian equivalent of the value of fringe benefits provided overseas is taken into account for income testing purposes. If a student's partner or parents are working overseas and receiving any of those fringe benefits, the Australian equivalent of the value of the benefits is to be included.

### **6.10.1.3 Example**

*Harry is a full-time student who is eligible for ABSTUDY. His parents are Australian residents who live and work in New Zealand. Their employer provides them with a company car for their private use. The Australian equivalent of the value of the car fringe benefit is to be included under the income testing arrangements.*

### **6.10.1.4 Use of Exchange Rates to Convert Overseas Fringe Benefit Values**

The overseas value of the fringe benefit is converted to an Australian value by dividing the value of the benefit in the overseas currency by the appropriate exchange rate. For example, the value of the car benefit (see above) is converted to an Australian value by dividing the New Zealand value by the applicable exchange rate.

### **6.10.1.5 Exemptions**

Ministers of religion are treated the same as way any other employee for the purposes of assessing adjusted fringe benefits.

The assessment of adjusted fringe benefits for ministers of religion is also based on the grossed fringe benefit recorded on their group certificate. Certain benefits received by ministers of religion are exempt under Section 57 of the *Fringe Benefits Tax Assessment Act*. These benefits will not appear on their group certificate, and therefore will not be assessed as adjusted fringe benefits.

## **6.10.2 Valuing Fringe Benefits**

### **6.10.2.1 Employer Responsibility**

The employer is responsible for reporting fringe benefits on an employee's group certificate. The amount that is reported on the group certificate is the grossed-up value of the fringe benefit and is referred to as the 'reportable fringe benefit total'.

### **6.10.2.2 Fringe Benefit Tax Rate**

The FBT rate is the fringe benefits tax rate set by the *Fringe Benefits Tax Act 1986*. It is the highest marginal tax rate including the Medicare levy. There is an updated FBT rate each year and it is expressed as a percentage of 1.

A fringe benefits tax year runs from 1 April to 31 March. Where customers elect to give an employer statement of the value of their fringe benefits, the relevant fringe benefits tax year is the one completed in the relevant year of income. So, for example, for a 2002 ABSTUDY assessment, the relevant year of income will ordinarily be 2000/01. The relevant fringe benefits year will be the one that ended on 31 March 2001. The exception to this is current income based assessments. (see - [6.3](#))

### **6.10.2.3 First \$1,000 Reportable FBT Exempt**

The first \$1,000 of reportable fringe benefits is exempt from the parental and partner income test. Reportable fringe benefits in excess of \$1,000 appear on an employee's Group Certificate. The reportable fringe benefits will be reduced by the maximum tax rate and the adjusted fringe benefits will be added to the parental income.

### **6.10.2.4 Fringe Benefits Tax Accounting Period**

In respect of the reportable fringe benefits, the assessable value of such is normally measured against the fringe benefit tax accounting period (1 April to 31 March) ending prior to the year for which assistance is sought. This may vary if current income assessment (see - [6.3.1](#)) applies. The reportable fringe benefits total is found on the group certificate provided by the employer.

### **6.10.2.5 Types of Benefits Included**

The types of fringe benefits include the following but are not limited to:

- car fringe benefits
- debt waiver benefits
- loan fringe benefits
- expense payment fringe benefits
- housing fringe benefits
- living-away-from-home allowance benefits
- airline transport benefits
- board fringe benefits (certain meals)
- car parking fringe benefits
- property fringe benefits
- residual fringe benefits

### **6.10.2.6 Reporting of FBT**

Reporting fringe benefits is the responsibility of the employer. If further information is required in regard to fringe benefits, the employee should seek advice from the employer or the Australian Taxation Office.



## 7.1 Benefits and Allowances

- [7.1.1 Introduction to Benefits and Allowances](#)
    - [7.1.1.1 Voluntary Reduction of Benefits](#)
    - [7.1.1.2 Non Application for Certain Benefits](#)
    - [7.1.1.3 Attendance](#)
  - [7.1.2 Overpayments](#)
    - [7.1.2.1 Definition](#)
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    - [7.1.2.6 Boarding Institution as the Responsible Payee](#)
    - [7.1.2.7 School as the Responsible Payee](#)
    - [7.1.2.8 Tertiary Education Institution as the Responsible Payee](#)
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- 

### Introduction

This chapter details the benefits and allowances available to eligible ABSTUDY applicants. Entitlement to certain allowances is determined by students meeting the general eligibility criteria set out in Policy Manual 3.1.1, the specific eligibility criteria set out under the relevant Award in Policy Manual 3.2.1, and the status of students detailed in Part 5. The Awards identify the allowances for which a student may be entitled while student status determines the level of allowance entitlement.

**Note: There is a maintenance of 1999 levels of payment for continuing students for ABSTUDY Living Allowance and Pensioner Education Supplement who would otherwise be financially disadvantaged by the 2000 ABSTUDY changes. (See Manual [7.1.1](#) and [7.6](#))**

### Quick reference

A table in Policy Manual [3.2.2](#) of these Guidelines provides a quick reference to the benefits that are available to eligible ABSTUDY applicants.

## 7.1.1 Introduction to Benefits and Allowances

**NOTE 1: Continuing students aged 21 years or more in receipt of the ABSTUDY Living Allowance in 1999 will be maintained at the 1999 rate of Living Allowance until the completion of their course. A similar provision applies to Pensioner Education Supplement recipients. (See - 6.7.3.)**

**NOTE 2: ABSTUDY customers can make use of Centrelink's Centrepay service, which enables deductions from ABSTUDY entitlements, such as Living Allowance, to be directed to approved third parties in accordance with Centrelink/Centrepay Organisation Agreements.**

### 7.1.1.1 Voluntary Reduction of Benefits

Applicants may choose to receive any of their benefits at a reduced rate, but must request this in writing. The reduced entitlements will continue to be paid until such time as they cancel the request in writing.

### 7.1.1.2 Non Application for Certain Benefits

An applicant may also choose not to apply for certain benefits, eg Living Allowance or School Fees Allowance. Where this is the case, information required to assess that benefit is not required, eg an applicant who chooses not to apply for Living Allowance is not required to provide income details in support of the claim.

### 7.1.1.3 Attendance

Students may be entitled to certain ABSTUDY allowances subject to satisfactory attendance in their approved course. Attendance provisions for allowances are outlined in Policy Manual 4.6.1.

## 7.1.2 Overpayments

### 7.1.2.1 Definition

An overpayment occurs when payments which have been made in respect of a student exceed the amount to which s/he is entitled.

### 7.1.2.2 Debtor

The person responsible for repaying any overpaid amount is usually the person who received the ABSTUDY payment

### 7.1.2.3 Exceptions

Exceptions are:

- where a parent/guardian redirects payments to a private board provider for an approved boarding student, the parent/guardian is responsible for repaying any overpaid amount;and

- where payments are obtained fraudulently, the person who applied for ABSTUDY assistance is responsible for repaying any overpaid amount whether paid to themselves, to another person or to an institution.

#### **7.1.2.4 Parent/Guardian as the Responsible Payee**

For ABSTUDY Schooling students, a parent/guardian will be responsible for overpayments of:

- School Term Allowance paid to the parent/guardian;
- School Fees Allowance paid to the parent/guardian;
- Living Allowance paid to the parent/guardian;
- in the case of an approved boarding student, Living Allowance paid on behalf of the parent/guardian to a private board provider;
- Fares Allowance paid for under 16 boarding students; and
- Additional Assistance paid for an under 16 student

#### **7.1.2.5 Student as the Responsible Payee**

A student will be responsible for the overpayments if the following allowances are paid to the student:

- Living Allowance;
- Pensioner Education Supplement;
- Incidentals Allowance;
- Additional Incidentals Allowance;
- Masters and Doctorate Allowances;
- Away-from-base assistance paid as travel allowance;
- Fares Allowance;
- Pharmaceutical Allowance;
- Remote Area Allowance;
- Rent Assistance; and
- Additional Assistance

#### **7.1.2.6 Boarding Institution as the Responsible Payee**

##### **DIFFERENT TO YA/AUSTUDY PAYMENT**

A boarding institution will be responsible for overpayments of:

- Pharmaceutical Allowance, Rent Assistance, Remote Area Allowance, Living Allowance paid fortnightly, term-in-advance or on account to the boarding school, hostel or residential college;
- Under 16 Boarding Supplement; and
- Additional Assistance paid to the boarding institution.

The amount of the overpayment will be dependent on an individual boarding institution's policy on refunds as stated in its terms and conditions.

### **7.1.2.7 School as the Responsible Payee**

A school will be responsible for overpayments of:

- School Fees Allowance; and
- Additional Assistance paid to the school.

The amount of the overpayment will be dependent on an individual boarding school's policy on refunds as stated in its terms and conditions.

### **7.1.2.8 Tertiary Education Institution as the Responsible Payee**

#### **DIFFERENT TO YA/AUSTUDY PAYMENT**

A tertiary education institution will be responsible for overpayments of:

- Away-from-base assistance paid as residential costs and fares to the tertiary education institution;
- Additional Assistance paid to the tertiary education institution;
- Lawful Custody Allowance where paid to the tertiary education institution ;
- payments made to the institution under the Residential Costs Option in respect of board and lodging if the student is not eligible for the Residential Costs Option; and
- HECS or course fees where paid to the tertiary education institution.

### **7.1.2.9 Additional Information**

Further information on debt recovery can be obtained from the:

- Debt Recovery and Compensation Section, National Support Unit, Centrelink;
- Debt Management Information System (DMIS); and
- Debt Recovery Manual.

## 7.2 School Term Allowance

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### Introduction

This chapter contains details about School Term Allowance.

## 7.2.1 Summary of Schooling A Award School Term Allowance

### Summary table

The table below summarises the School Term Allowance

Feature of Allowance	Details
Availability	Schooling A Award applicants
Purpose	To assist with expenses associated with equipping the student for school, eg uniforms, textbooks, materials.
Eligibility conditions	<ul style="list-style-type: none"> <li>• Meets eligibility criteria for Schooling A Award, and</li> <li>• the student is of dependent status, and:               <ul style="list-style-type: none"> <li>○ the applicant or the applicant's partner qualifies for a prescribed form of Commonwealth Government assistance, <b>or</b></li> <li>○ the student would, but for age, qualify for independent status as an orphan, a student whose parent(s) cannot exercise parental responsibilities, or as a homeless student, <b>or</b></li> <li>○ the student is in State care and living with foster parents, <b>or</b></li> <li>○ the applicant or the applicant's partner is receiving a CDEP wage as a participant of the project, not as the administrator, <b>or</b></li> <li>○ the applicant or the applicant's partner has a current Health Care Card.</li> </ul> </li> </ul>
Applicant	Applicant is the dependent student's parent(s)/guardian(s).
Rate	\$540.80 a year
Payments period	<p>Four instalments as follows:</p> <ul style="list-style-type: none"> <li>• Term 1 \$187.20 1 January - 31 March</li> <li>• Term 2 \$83.20 1 April - 30 June</li> <li>• Term 3 \$187.20 1 July - 30 September</li> </ul>

	<ul style="list-style-type: none"> <li>• Term 4 \$83.20 1 October - 31 December</li> </ul>
Other entitlement features	Entitlement established by commencement of study in the term.
Payment features	<ul style="list-style-type: none"> <li>• Initiated from assessment of claim form,</li> <li>• paid term in advance,</li> <li>• paid to the applicant.</li> </ul>
Taxation status	Non taxable.
Indexation status	Not indexed.

## 7.2.2 Introduction to School Term Allowance

### 7.2.2.1 Qualification

Students on ABSTUDY Schooling A awards may qualify for a School Term Allowance subject to eligibility as detailed in this topic.

### 7.2.2.2 Purpose

The purpose of the School Term Allowance is to assist with expenses associated with equipping the student for school, eg uniforms, textbooks and materials.

## 7.2.3 Eligibility for School Term Allowance

### 7.2.3.1 Approval for Schooling A Award Payment of School Term Allowance

School Term Allowance may be approved for a term if the student meets the award eligibility criteria, is of dependent status and satisfies one of the following criteria:

- the applicant or partner of the applicant qualifies for one of the prescribed forms of Commonwealth Government assistance listed below for a period during the term;
- the student would, except for reasons of age (that is under the minimum school leaving age - see Policy Manual [5.5.1.3](#)), qualify for independent status as an orphan, a student whose parent(s) cannot exercise parental responsibilities or as a homeless student for a period during the term;
- the student is in State care, under minimum school leaving age (see Policy Manual [5.4.1.3](#)) and living with foster parents for a period during the term;

- the applicant or partner of the applicant is receiving a CDEP scheme wage (except where it is paid to administer a CDEP project) from ATSIC; or
- the applicant or partner of the applicant holds a current Health Care Card.

These criteria are described below.

### 7.2.3.2 Commonwealth Government Assistance

Prescribed forms of Commonwealth Government assistance, referred to above are:

- a FaCS income support benefit, eg new start allowance, sickness or special benefit;
- a social security pension, eg sole parent pension (parenting payment – single), disability support pension, age pension, bereavement allowance, carer pension; or
- a Department of Veterans' Affairs pension; eg age service pension, pension, war widow(ers) pension.

**Note: An applicant, or applicant's partner, does not need to actually receive one of the forms of Commonwealth Government assistance listed above - eligibility for School Term Allowance is on the basis of qualifying for the assistance. Also see 6.2.2.4.**

### 7.2.3.3 Students Without Parents

Students may be approved for this allowance if they are under the minimum school leaving age (see Policy Manual 5.5.1.3) but who, because of their circumstances, would be expected to meet the other ABSTUDY criteria as a homeless student, an orphan or a student whose parents cannot exercise parental responsibilities (see Policy Manual 5.3.4.7, 5.3.4.10 and 5.5).

### 7.2.3.4 Students in State Care

Students may be approved for this allowance if they are under the minimum school leaving age (see Policy Manual 5.4.1.3) but who have been placed in substitute care through a State, or Territory welfare authority or through legal process. In such cases, the foster parent's circumstances are not taken into account.

### 7.2.3.5 CDEP Recipients

To be eligible, a parent/guardian must be receiving the CDEP wage as a participant of the CDEP project (or for training purposes), not as the administrator of the project.

**Note: An applicant of a continuing student may be eligible for maintained entitlements. For the entitlement to be maintained, the student's parent/guardian must have been receiving a CDEP wage continuously since being assessed correctly as eligible for, and receiving, the Term 4 School Term Allowance payment in 1996.**

### 7.2.3.6 Health Care Card



When one or both of the student’s parent(s)/guardian(s) has a current Health Care Card, School Term Allowance may be approved for the period of the issue of the card. This does not apply where a parent/guardian has a Health Care Card because the child disability allowance is received. There is no eligibility for School Term Allowance if a Card is cancelled and no longer valid.

## 7.2.4 Entitlement and Payments of School Term Allowance

### 7.2.4.1 Entitlement

The annual entitlement of School Term Allowance is \$540.80 which is paid to the applicant in four quarterly instalments.

### 7.2.4.2 Entitlement Periods

The entitlement periods for School Term Allowance are listed in the table below.

Term	Entitlement Period
Term 1	1 January - 31 March
Term 2	1 April - 30 June
Term 3	1 July - 30 September
Term 4	1 October - 31 December

### 7.2.4.3 Entitlement is Established

Entitlement for the term is established when the student commences study in the period for which the payment is made.

### 7.2.4.4 Payable When

If claims are received in time School Term Allowance instalments are paid 1-2 weeks prior to the commencement of term. This is consistent with the purpose of the allowance since expenses associated with equipping the student for the term will generally be incurred at or prior to commencement of study.

### 7.2.4.5 Four Instalments

The School Term Allowance is paid in four instalments which correspond to the quarters of the year.

The pay-dates and amounts of each instalment are listed in the table below.

Term	Amount	Date
Term 1	\$187.20	Before Term 1 commences

Term 2	\$83.20	Before Term 2 commences
Term 3	\$187.20	Before Term 3 commences
Term 4	\$83.20	Before Term 4 commences

### 7.2.4.6 Payment in Advance

Only in exceptional circumstances is it possible to advance an instalment of School Term Allowance before the normal payment date. These circumstances are:

- the student is studying overseas (see Policy Manual 4.5), or
- the student changes school during a term and requires additional uniforms, textbooks, materials or other school equipment.

### 7.2.4.7 Responsibility for Overpayments

Refer to Policy Manual 7.1.2 to identify the responsible payee where an overpayment of this allowance has been made.

### 7.2.4.8 Taxation

The School Term Allowance is non taxable.

### 7.2.4.9 Indexation

The School Term Allowance is not indexed.

## 7.2.5 Change of Circumstance

### 7.2.5.1 Turning 16 During Term

Where a student turns 16 years of age during a term, s/he will be entitled to a *pro rata* School Term Allowance for the period leading up to the date of the birthday. Living Allowance entitlement may commence from the date of the 16th birthday.

### 7.2.5.2 If the Student Leaves School

There is **no entitlement** to a term's payment where a dependent student does not commence in the term.

**No overpayment** has incurred where a dependent student commences, but leaves during the term.

### 7.2.5.3 Change Resulting in Gain of Eligibility

The table below lists what occurs when, during a term, a student previously assessed as eligible for away from home benefits, returns home from boarding and becomes eligible for School Term Allowance

If...	then...
Living Allowance has been paid for the full term to the boarding institution and under the conditions of enrolment will not be refunded	there will be no overpayment of Living Allowance but entitlement to School Term Allowance for that term will be forfeited.
Living Allowance has been paid to an applicant or private board-provider	entitlement to Living Allowance is to be assessed on a <i>pro rata</i> basis.
for the period after boarding ceased, Living Allowance is either not paid or is refunded by the payee	the student will be entitled to School Term Allowance provided s/he commences school at the home location in that term.

#### 7.2.5.4 Cease to be Eligible

Students previously receiving the School Term Allowance who qualify for Living Allowance cease to be eligible for the School Term Allowance.

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## 7.3 Living Allowance

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    - 7.3.8.1 Payable To
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- 

## Introduction

This chapter contains details about Living Allowance.

### 7.3.1 Summary of Living Allowance

#### Summary table

The table below summarises the Living Allowance.

Feature of Allowance	Details
Availability	Schooling B, Tertiary and Masters and Doctorate Awards and some students eligible for Away-from-base assistance.
Purpose	To assist in meeting day-to-day living costs of the student.
Eligibility conditions	<ul style="list-style-type: none"> <li>• Meets eligibility criteria for relevant award,</li> <li>• is not in lawful custody or in receipt of a pension, and</li> <li>• qualifies under income tests on: <ul style="list-style-type: none"> <li>○ student income,</li> <li>○ parental income, assets and family actual means if a dependent student,</li> <li>○ partner income, assets and family actual means if married or in de facto relationship.</li> </ul> </li> </ul>
Entitlement	<ul style="list-style-type: none"> <li>• <b>Age</b> - Under 16; 16-17; 18-20; 21+,</li> <li>• <b>Student status</b> - at home; away from home; independent, and</li> <li>• <b>Family status</b> - single; married; single has/had a dependent child; married has/had a dependent child.</li> </ul>
Maximum rates	See table at <a href="#">6.5.2.1</a> (an abatement rate applies which may reduce a student's entitlement to Living Allowance).
Period of entitlement	<ul style="list-style-type: none"> <li>• 1 January – 31 December if studying for full academic year;</li> <li>• 1 January – 30 June if studying semester one only of a full year course;</li> <li>• 1 July - 31 December if studying semester two only of a full year course or a semester length bridging course which continues on to at least a full year course in semester 1 of the following year; and</li> <li>• from commencement to end of classes if other study period, however, also see Articulated Short Courses (<a href="#">4.1.1.7</a>, <a href="#">4.1.1.8</a>), Competency Based Training (<a href="#">4.1.4</a>)</li> </ul>

	<p>and Study through Open Learning Australia (4.1.5).</p> <p><b>Exceptions:</b></p> <ul style="list-style-type: none"> <li>• of study,</li> <li>• transfer from FaCS benefit,</li> <li>• returning to study after a break,</li> <li>• transfer from CDEP,</li> <li>• change of student status, or</li> <li>• discontinuation of full-time study.</li> </ul>
Other entitlement features	<ul style="list-style-type: none"> <li>• Loss of entitlement occurs when the student ceases full-time study; may also occur for excessive periods of absence from school or classes.</li> <li>• Tertiary students may have the cost of residential college or hostel expenses met by ABSTUDY and receive a reduced rate of Living Allowance (up to \$41.60 a fortnight - a reduced rate may apply).</li> <li>• Tertiary students are eligible to apply for an ABSTUDY Supplement Loan.</li> <li>• Students with dependent partners and a dependent child or children may be eligible for an increase in their Living Allowance</li> </ul>
Payment features	<ul style="list-style-type: none"> <li>• Rates are aligned, with FaCS payment rates.</li> <li>• The rate of allowance payable is affected by the level of student and parental or partner income.</li> <li>• Initiated from assessment of claim form.</li> <li>• Paid fortnightly in arrears.</li> <li>• Paid to: <ul style="list-style-type: none"> <li>○ the student for Tertiary and Masters and Doctorate Awards, or</li> <li>○ the parent/guardian, board provider or student</li> </ul> </li> </ul>

	<p>for Schooling Awards;</p> <ul style="list-style-type: none"> <li>• Payments to board institutions may be made fortnightly in arrears or by term in advance.</li> </ul>
Taxation status	<ul style="list-style-type: none"> <li>• For students under 16 years - not taxable,</li> <li>• For students over 16 years - taxable as income of the student.</li> </ul>
Indexation status	Indexed to CPI and adjusted annually.

## 7.3.2 Introduction to Living Allowance

### 7.3.2.1 Qualification

Students on the following awards may qualify for Living Allowance:

- Schooling B Award;
- Tertiary Award, or
- Masters and Doctorate Award.

Other students eligible for Away-from-base assistance may also qualify for Living Allowance for a short period.

### 7.3.2.2 Purpose

The purpose of Living Allowance is to assist in meeting the day-to-day living costs of the student. For school students it may also be used towards meeting school expenses such as school fees of students living at home.

Maximum Living Allowance rates for dependent students are set with the expectation that parents/guardians will contribute to students' living costs. Higher rates may be available for students who meet the ABSTUDY criteria for independence and students eligible for the away from home rate.

## 7.3.3 Eligibility for Living Allowance

### 7.3.3.1 Eligibility

A student is eligible for Living Allowance if s/he:

- meets the relevant award eligibility criteria;



- is a dependent or independent student (ie is not in lawful custody or on a pension); and
- qualifies under the provisions of the relevant income test(s).

**Note: A full-time or part-time student approved for Away-from-base assistance for Living Allowance if her/his regular source of income is lost (see Policy Manual 7.10.3.3.1).**

### 7.3.3.2 Income, Assets and Family Actual Means Tests

Income, assets and family actual means tests apply during the period for which the student is eligible for ABSTUDY assistance.

Income and assets tests also apply to:

- parental income, assets and family actual means for **dependent students**, and
  - partner income and assets, if the student has a partner, for **independent students**.
- The actual means test does not apply to independent students.
- The income and assets of students and their parents/guardians or partners, where relevant, must be below the allowable income and asset value limits (see Policy Manual 6.7.1.2 and 6.4.3.1) to receive the maximum rate of Living Allowance
  - Students may be entitled to a reduced rate of Living Allowance where the relevant income and assets tests are higher than the allowable income and asset value limits but below the upper income limits according to their circumstances (see the table at Policy Manual 6.7.2.1 and 6.4.3.1).

### 7.3.3.3 State Care - Income Test Waiver

The parental income and assets tests and the family actual means test are waived for students who are, or have been, living under an officially approved substitute care arrangement and who have reached the minimum school leaving age for their State/Territory (see Policy Manual 5.4.1.3).

Students in State care who remain within their family will have their parents' income taken into account (see Policy Manual 5.4.2.6).

## 7.3.4 Entitlement to Living Allowance

### 7.3.4.1 Entitlement

Living Allowance rate of entitlement is determined by the following factors:

- the age of the student;

- the status of the student;
- the family circumstances of the student;
- the type of award, for Masters and Doctorate Award students (see Policy Manual 7.4); and
- whether or not the student is a continuing student, for whom the rate of entitlement from 1999 has been maintained.

### 7.3.4.2 Rate Maintenance for Continuing Students from 1999

Continuing students aged 21 years or more in receipt of the ABSTUDY Living Allowance in 1999, who given their personal and partner circumstances would not have received as high a level of overall benefit under the policy changes of 2000, are to be maintained at the 1999 rate of Living Allowance until the completion of their current course. (see 7.3.4.3 and 7.3.4.4)

**NOTE: If a continuing student went onto the 2000 rate s/he cannot then go back to the 1999 rate should a change in her/his circumstances make the 1999 rate more attractive.**

### 7.3.4.3 Current Course of Study

Current course of study for Rate Maintenance provisions includes:

- regular undergraduate courses;
- articulated courses, such as those under Competency Based Training where a series of courses can be linked to count towards a higher level of qualification;
- continuing course in the same field of study undertaken at different institutions or at a different campus;
- natural progression, such as:
  - a Bachelor of Laws and Letters followed by a Graduate Diploma of Legal Studies, or
  - an access or bridging course undertaken as a prerequisite entry to a tertiary qualification, or
  - a Bachelor degree that is a prerequisite for a Graduate degree, or
  - an Honours year or Masters Qualifying year followed by a Masters.

### 7.3.4.4 Definition of Continuing Student

A continuing student is one who has not had a break in study between 1999, 2000, 2001 and 2002, except where, in exceptional circumstances that are generally beyond a student's control, the break in study can be justified on:

- medical grounds;
- personal circumstances; or
- academic requirements.

### 7.3.4.5 Age

Different rates of Living Allowance apply for students who are:

- under 16 years,
- 16 - 17 years,
- 18 - 20 years,
- 21 years and older.

Where a 15 year old is granted independent status under the provisions for orphanhood, homelessness, where parents cannot exercise parental responsibilities or special adult status in an Aboriginal community, s/he will be entitled to the independent rate for 16-17 year old students.

Proof of age is a requirement for all students turning 16 years old in 2002 and for new students who are 16 years or older (see Policy Manual [2.1.4.2.2](#) for acceptable documentation).

### 7.3.4.6 Student Status

Different rates of Living Allowance apply (see table in Policy Manual [6.7.2.1](#)) for students who are:

- dependent students living at home;
- dependent students approved for the Living Allowance at the away rate; or
- independent students; or
- full-time Masters and Doctorate students.

### 7.3.4.7 Family Circumstances

Different rates of Living Allowance apply for students who:

- are single and have no dependent children;
- are single with one or more dependent child/ren.

**Note: The sole parent rate of Living Allowance can be paid to a student who shares custody and financial responsibility of a child if the child lives with that parent for at least half the week.**

- have a husband, a wife, or de facto partner, and one or more dependent children.

- are married or in a de facto relationship of at least six months' duration and have no dependent child/ren.

#### **7.3.4.8 Living Away From Home**

Students receiving the away rate of Living Allowance are eligible for the full period of their entitlement providing they were living away from home when they commenced and completed full-time study in the approved course. No reassessment is required for vacation periods.

#### **7.3.4.9 State Care - Rates of Payment**

A student who is, or has been, living under an officially approved substitute care arrangement and has reached the minimum school leaving age for that State/Territory (see Policy Manual [5.4.1.3](#)) is entitled to receive:

- the 16 year old standard rate of Living Allowance if the carers receive a foster care allowance;
- the 16 year old away rate of Living Allowance if the carers do not receive a foster care allowance; or
- the independent (homeless) rate of Living Allowance if the student has left home to live in a government funded or subsidised refuge or residential care facility and the State/Territory Welfare Department has not accepted ongoing responsibility for the student.

#### **7.3.4.10 Masters and Doctorate Award**

Entitlements for the Masters and Doctorate Award are based on the standard stipend and allowance rates which apply for the Australian Postgraduate Award (APA) scheme.

Masters and Doctorate is covered in detail in Policy Manual [7.4.4.2](#) and rates at [6.7.2](#).

#### **7.3.4.11 Table of Rates**

A table of the maximum Living Allowance rates is given in Policy Manual [6.7.2.1](#).

Tables of indicative rates giving approximate Living Allowance entitlement according to income levels are included in the appropriate Centrelink information booklets.

#### **7.3.4.12 Residential Costs Option**

A tertiary student who:

- is eligible for Living Allowance at the away or independent rate, or the Pensioner Education Supplement; **and**

- is approved for away from home assistance to undertake full-time studies; **and**
- lives in a residential college or equivalent attached to the approved education institution or a hostel,

may elect to:

- have the residential fees paid by ABSTUDY direct to the college or hostel; and
- if entitled to Living Allowance, receive a reduced rate of Living Allowance of up to \$41.60 a fortnight during the period for which ABSTUDY pays residential fees; and
- receive the away from home rate of Living Allowance for periods during which residential fees are not charged.

**Note 1: Pensioner students who elect to have residential fees paid, forfeit Pensioner Education Supplement (PES) during periods when they are living in residence and are not eligible for the reduced level of Living Allowance. They will, however, receive the full rate of PES for any period residential fees are not charged.**

**Note 2: Non-PES students will be means tested against their parents/guardians or partner, if relevant, and consequently, Living Allowance entitlement may be less than \$41.60 a fortnight. However, residential costs may be paid where the student is entitled to Living Allowance of any amount.**

#### 7.3.4.13 Students to Compare Costs

Students considering the residential costs option should carefully compare the costs with their level of entitlement before making their decision. They can be referred to the indicative rates tables in the appropriate Centrelink information booklets, which gives approximate Living Allowance entitlement according to income levels.

**Note: Students who choose this option are ineligible for Additional Assistance and/or meals allowance to supplement the reduced rate of Living Allowance.**

#### 7.3.4.14 Ensure Charges are Reasonable

There is no set upper limit on the residential costs payable by ABSTUDY for approved students who choose the residential costs option, however, Centrelink should ensure that residential charges are reasonable, particularly where a large proportion of the students are on ABSTUDY support.

#### 7.3.4.15 Residential Fees Include

- Residential fees include:
- accommodation fees;
- meals provided;
- compulsory insurance;

- laundry charge;
- other compulsory charges.

**Note: Centrelink Customer Service Officers should check whether any fees are refundable.**

### **7.3.4.16 Residential Fees Do Not Include**

Residential fees do not include bonds or other refundable fees.

### **7.3.4.17 Transfer of Unused School Fees to Meet Board Fees**

School students may be entitled to transfer any unused School Fees Allowance to meet excess board fees which cannot be covered by the level of Living Allowance if they:

- are boarding at a hostel or boarding school; and
- are approved for boarding entitlements; and
- meet the Living Allowance means tests.

This includes approved boarders attending government schools (see Policy Manual [7.8.6](#)) and students who qualify for independent status as a homeless student, an orphan or a student whose parent(s) cannot exercise parental responsibilities (see Policy Manual [5.3.4.10](#)).

Transfer of unused School Fees Allowance to meet excess board costs is not automatic. Approval requirements are provided in Policy Manual [7.8.6.4](#).

Where transfer of the school fees entitlement is approved, the amount payable must not exceed the combined School Fees Allowance and Living Allowance entitlements for a term.

### **7.3.4.18 Reasonable Boarding Charges**

A schedule of boarding charges should be obtained from boarding institutions before paying the away from home Living Allowance.

The ABSTUDY Manager or her/his delegate must be satisfied that the boarding charges are reasonable. If the charges claimed appear unreasonable, the Customer Service Officer should request that the institution demonstrate that the charges are reasonable.

## **7.3.5 Period of Entitlement**

### **7.3.5.1 Normal Period of Entitlement**

The normal period of Living Allowance entitlement is:

- for courses of at least one school or academic year, from 1 January to 31 December;

- for courses of at least one academic year where the student commences full-time study in the second semester, from 1 July to 31 December; (Exception: Non-school (non-secondary) students who are not intending to continue study in the following year are only eligible to the last day of their course.)
  - for semester length bridging courses commencing at the beginning of semester 2 which continue on to at least a full year course in semester 1 of the following year, from 1 July to 31 December;
  - for courses of at least one academic year where the student ceases full-time study at the end of the first semester, from 1 January to the last day of the course.
  - for courses which are articulated short courses, see Policy Manual [4.1.1.7](#);
  - for courses other than those above, from the first day to the last day of the course.
- For these purposes, the last day of the course will be whichever is the later of either:
- the last day of attendance at classes in the course, or
  - the date of the last examination.

### **7.3.5.2 Circumstances Affecting Entitlement Periods**

Circumstances which affect the commencement of the entitlement period are:

- failure to lodge a claim on time (see Policy Manual [2.1.3.1](#));
- late commencement of study (see [7.3.5.3](#));
- resuming study after a break greater than one semester (see [7.3.5.4](#));
- transfer from a FaCS benefit (see [7.3.5.6](#) to [7.3.5.11](#)); and/or
- change of student status (see [7.3.7.2](#)).

Circumstances which affect the end of the entitlement period are:

- discontinuation of full-time study; or
- change of student status.

A student's period of entitlement may also be affected by loss of entitlement due to absences from class (see Policy Manual [4.6.1](#) and [4.6.3](#)).

With the exception of a student who is not accepted into her/his course (see [7.3.6.11](#) and [7.3.6.12](#)), a student who is not enrolled and who does not commence full-time study in an approved course is not entitled to Living Allowance for any period.

### **7.3.5.3 Late Commencement**

A student will not be regarded as commencing late if he/she commences full-time study in the approved course within the first three weeks of classes ie by the Friday of the third week of term or semester.

Where a student commences study in the course after the Friday of the third week, Living Allowance entitlement will start from the day on which the student actually commences full-time study in the approved course.

If, in the opinion of the delegate, a student's late commencement was due to circumstances beyond the student's control (see Policy Manual 4.6.4.2), Living Allowance entitlement may be made retrospective in accordance with the normal period of entitlement for that course.

### **7.3.5.4 Resuming Study After a Break**

A student who resumes full-time study after a break greater than one semester is entitled to assistance from the date of commencement which includes the day on which the student actually commences study in the approved course.

### **7.3.5.5 Exceptions to the Break in Study Rule**

ABSTUDY can be paid from 1 January or 1 July as applicable where a student:

- was forced to discontinue or defer her/his course more than a semester prior to resuming because of illness or other circumstances beyond her/his control (see [7.3.6.5](#) and [7.3.6.8](#));
- was prevented from (re)commencing study in the previous semester because of illness or other circumstances beyond the student's control (see [7.3.6.8](#));
- in the previous year completed Semester 1 but did not study in Semester 2, or completed Semester 2 but did not study in Semester 1 of the current academic year; or
- undertook part-time study in the previous year but correctly received ABSTUDY under a workload concession (see Policy Manual [4.4](#)).

### **7.3.5.6 Receiving FaCS Benefit or Allowance**

A student cannot get ABSTUDY Living Allowance for the same period that s/he gets:

- Newstart Allowance
- Parenting Allowance;
- Partner Allowance;
- Sickness Allowance;
- Special Benefit;
- YA; or



- Austudy Payment.

### **7.3.5.7 Payment of Another Benefit Prior to Study**

A FaCS benefit or allowance can continue to be paid up to the date the student commences full time study. No ABSTUDY is payable for any period while the FaCS allowances continue.

### **7.3.5.8 Directed to Undertake a Course of Six Months or Less**

A person cannot receive ABSTUDY if s/he:

- has been getting Newstart Allowance or YA; and
- starts study in a full time course of six months or less duration, and
- the student has been directed to undertake the course.
- These people will continue to get Newstart or YA. They may, however, transfer to ABSTUDY if it is financially beneficial to do so.

### **7.3.5.9 Not Directed to Undertake a Course of Six Months or Less**

Newstart or YA customers who start courses of six months or less duration will transfer to ABSTUDY if they have not been directed to undertake the course. The payment arrangements applying to this group of students are that the FaCS allowance will continue up until the day before the course commences. ABSTUDY will then pay from the course start date.

### **7.3.5.10 Courses of More Than Six Months Duration**

For students on Newstart or YA who are undertaking courses of longer than six months duration, Newstart or YA will continue for 21 days after the commencement of the course, then transfer to ABSTUDY. However, under amendments to the Department of Family and Community Services (FaCS) legislation (s.614(6) of the *Social Security Act*), eligible FaCS recipients may continue to receive Newstart or YA for the duration of study in courses of less than twelve month's duration. As a result, customers may choose to remain on their FaCS benefit rather than transfer to ABSTUDY if they are undertaking an 'approved activity' by studying in a shorter course. They may, however, transfer to ABSTUDY if financially beneficial to do so.

### **7.3.5.11 Students Transferring from Sickness Allowance or Special Benefit**

The arrangement for students who transfer to ABSTUDY from Sickness Allowance (SA) or Special Benefit (SpB) is that these payments will continue up until the day before the course commences, regardless of the duration of the course. In these cases, ABSTUDY should be paid from the course start date.

Under the *Social Security Act*, eligible FaCS recipients may continue to receive SA/SpB for study in courses of less than twelve months' duration. These customers may also choose to remain on their FaCS benefit rather than transfer to ABSTUDY if they are undertaking an 'approved activity' by studying in a shorter course.

### 7.3.5.12 FaCS Payments Stopped Prematurely

There will be occasions when a student has not been paid FaCS benefits up to the commencement of their course or for the first three weeks of the course, contrary to the understood arrangements. Any shortfall should be checked quickly and either the FaCS benefit or ABSTUDY paid for the period concerned **subject to the student being otherwise qualified.**

### 7.3.5.13 Backdating ABSTUDY

If a student is not actually getting a FaCS payment prior to study, ABSTUDY can be backdated to the later of:

- the day after the benefit or allowance ceased; or
- the earliest date that ABSTUDY could be paid (for example, 1 January or the date the student otherwise became eligible).

### 7.3.5.14 Department of Veterans' Affairs Pensions

The Department of Veterans' Affairs (DVA) provides different types of payments:

- DVA Service Pensions - full income support Living Allowances to returned service personnel and/or their dependents, for example on the grounds of age or permanent and total incapacity. **A person cannot get ABSTUDY Living Allowance while getting one of the different types of service pensions;**
- DVA Disability Pensions - compensation-type payments for partial disability or health impairment related to war service. **A DVA Disability Pension does not stop a student from getting an ABSTUDY Living Allowance.**
- The Veterans' Children Education Scheme (VCES) is a program that provides financial and other benefits to student children (up to the age of 25) of veterans or members of the Armed Forces who meet certain specific disability conditions such as qualifying for disability pensions at the special rate (T&PI). Students who choose to take up the VCES benefits become ineligible for assistance under ABSTUDY.

Particular care should be taken in assessing eligibility of students getting DVA payments. Often:

- the applicant may not differentiate clearly enough in her/his ABSTUDY claim between pension classifications; or
- the applicant may incorrectly describe a Disability Pension as a Service Pension.

**Note: If there is any doubt about which disability pension a student receives, clarify the matter with a regional office of the Department of Veterans' Affairs**

### 7.3.5.15 Carer Allowance

Students may still receive ABSTUDY if they attract the Carer Allowance (previously known as the Child Disability Allowance). The allowance is paid to parents of children who require special care and attention because of disabilities.

## 7.3.6 Discontinuation of Full-Time Study

### 7.3.6.1 Discontinued Study

A student will be considered to have discontinued if:

- s/he informs Centrelink that s/he has ceased full-time study;
- the education institution informs Centrelink that s/he has ceased full-time study;
- s/he cancels enrolment or enrolment is cancelled by the education institution; or
- the education institution advises that s/he has been absent from classes without reason for a period in excess of two weeks.

**Note: See Policy Manual 4.6.3.6 for action if a student subsequently resumes after an absence of this nature, and the education institution accepts the period of absence.**

### 7.3.6.2 Date of Discontinuation

The date of discontinuation is whichever is the earlier of:

- the date on which the student ceases to study full-time, or
- the date on which the student ceases to be enrolled.

### 7.3.6.3 Cessation of Payment

A student who ceases to study full-time:

- on or after the last day of the course, as specified by the approved education institution, is entitled to Living Allowance until the date indicated as the normal period of entitlement for that course; or
- on a day prior to the last day of the course, is entitled to Living Allowance until the last day of the course on which the student attended classes as a full-time student.

### 7.3.6.4 Early Formal Release

A student who is formally released from school prior to the official end of the school year, eg Year 12 students, may be entitled to Living Allowance until 31 December.

### 7.3.6.5 Student is Unable to Recommence Study After the Long Vacation

A continuing student who does not resume full-time study by the third Friday of the term/semester in a full-year course (ie would otherwise be eligible for payment from 1 January) which, in the opinion of the delegate was due to circumstances beyond her/his control, can be paid until the day when s/he became aware of the circumstances (see Policy Manual 4.6.4.2).

**Note: To receive assistance for this period, the student would be expected to advise Centrelink as soon as possible.**

### 7.3.6.6 Non Resumption After Term Break

A student who does not resume full-time study after a term or semester vacation is entitled to Living Allowance only until the last day of the course which includes the final day of the previous term or semester.

### 7.3.6.7 Student Unable to Recommence Study After a Vacation

A student who does not resume full-time study after a vacation due to circumstances which, in the opinion of the delegate was beyond the student's control, is entitled to Living Allowance until the last day of the course which includes the day the student became aware of the circumstances (see Policy Manual 4.6.4.2).

### 7.3.6.8 Non Resumption After Extended Absence

A student who does not resume full-time study following a period of extended absence from class which, in the opinion of the delegate, was **due to circumstances beyond the student's control** (see Policy Manual 4.6.4.2), is entitled to Living Allowance to the last day of the course which includes whichever is the earlier of:

- the day on which the circumstances preventing attendance at class ceased to apply;
- the day on which the student applies for or commences to receive another form of Commonwealth Government assistance, eg sickness benefit;
- the day which is eight weeks after the last day on which the student last attended classes; or
- the day on which the student ceased being enrolled in the course.

### 7.3.6.9 Resumption of Study in Same Course

A student who discontinues in the course and subsequently resumes the same course in the same year is entitled to Living Allowance from the date of commencement which includes the day on which s/he re-commenced classes if the period from the date of discontinuation to the date of resumption is more than four weeks.

**Note: See Policy Manual 4.6.3.6 where the break in study is less than four weeks.**

### **7.3.6.10 Discontinued to Commence New Course**

ABSTUDY can be paid for a period between a change in course if the student starts the new course within 28 days (and within the same year).

### **7.3.6.11 Not Accepted Into Course**

A student who lodges a claim form signalling an intention to enrol in an approved tertiary course and, subsequently **enrols and**, is not accepted into the course, is entitled to Living Allowance until the date of notification of non-acceptance.

### **7.3.6.12 Not Enrolled into Course**

A student who lodges a claim form signaling an intention to enrol in an approved tertiary course and, subsequently, does not enrol in the course, is not entitled to Living Allowance and any Living Allowance paid may be treated as an overpayment.

### **7.3.6.13 Not Accepted into Course and Returns to Secondary Study**

Where a student who lodges a claim form signaling an intention to enrol in an approved tertiary course is not accepted into the course and subsequently drops back to secondary study later than the third Friday of a term, entitlement will continue without a break if studies are taken up within two weeks of receiving notification of non-acceptance into the tertiary course.

### **7.3.6.14 Discontinued Boarding**

If Living Allowance has been paid in advance to a boarding school for a student who has commenced in the term and under the institution's conditions of enrolment it will not be refunded, there will be no overpayment of Living Allowance. (See Policy Manual [Appendix 1 Standard Hostels Agreement](#) for students in Hostels.)

**Note: There is no entitlement to the school for a student who does not commence.**

## **7.3.7 Change of Circumstance**

### **7.3.7.1 General Rules for Change of Circumstances**

Eligibility for a fortnightly allowance

Where a change of circumstance occurs which affects a student's eligibility for a fortnightly allowance, the student is entitled to the allowance from the date of notification.

Examples of these changes include:

- a student ceases full-time study;
- a student returns home to study; or
- a student commences study late.

## Rate of fortnightly allowance

Where a change of circumstance occurs which affects a student's rate of fortnightly allowance, the student is entitled to the new rate of fortnightly allowance from the date of the change.

Examples of these changes include where a student:

- turns 16 or 18 years old;
- is eligible for the living away rate;
- returns to live at home; or
- ceases to receive a pension.

### **7.3.7.2 Change of Status**

#### **DIFFERENT TO YA/AUSTUDY PAYMENT**

A student's eligibility for Living Allowance may cease/commence if s/he:

- commences or ceases to receive a pension; or
- enters or is released from lawful custody.

Where a student commences or ceases to receive a pension, Living Allowance entitlement will cease or commence with effect from the day of change in status (see Policy Manual [4.4.2.5](#) for the circumstances which apply to students eligible for the pensioner workload concession who cease to receive a pension).

When a person enters lawful custody, all ABSTUDY payments will cease from commencement of custodial sentence.

Once in lawful custody, a person wishing to continue or to commence a course of study may apply for assistance under the Lawful Custody Allowance in accordance with [7.5](#). The lodgement of the claim should be in accordance with paragraph [7.5.3.2](#).

When a person is released from lawful custody and resumes study immediately s/he cannot be eligible for any ABSTUDY entitlements until they notify Centrelink and provide the following:

- a) Proof of release from lawful custody;
- b) Proof of resumption of study in the form of enrolment documentation (same as paragraph [2.1.4.1.2](#)).

Any approval of payments by Centrelink are to be back-dated to the date of release from lawful custody and resumption of study.

### **7.3.7.3 Student Ceases to Live Away From Home**

The table below summarises Living Allowance entitlements where a student approved for away from home entitlements leaves a boarding arrangement during a term and returns home to study at a local school.

If Living Allowance has...	then...
been paid for the full term to a boarding education institution and, under the conditions of enrolment for the education institution, it will not be refunded	there is no further entitlement for either School Term Allowance for the remainder of the term.
either not been paid or is refunded by a boarding education institution	the student will be entitled to School Term Allowance or continuation of Living Allowance at the standard rate, for the period not charged by the boarding institution, provided s/he commences school at the home location in that term.
been paid at the away rate to an applicant or private board-provider	Entitlement to Living Allowance at the away rate is to be reassessed from the date of the change.

Also see [7.3.6.12](#) - Not accepted into course and returns to secondary study.

### 7.3.7.4 School Requires Students to Live Away From Home For a Part of the Year

Where the educational programme conducted by a secondary school requires students to live away from home for a part of a school term, special *pro rata* arrangements for entitlements will apply.

### 7.3.7.5 Death of a Student

If a student dies, Living Allowance entitlement will cease at the end of the pay period which includes the day on which the student died.

## 7.3.8 Payment of Living Allowance

### 7.3.8.1 Payable To

The payee may be:

- for Schooling students under 18 years eligible for the standard (at home) rate:
  - the parent/guardian; or
  - if requested by the parent/guardian on the form, the student;
- for Schooling students 18 years or older (except approved boarders):
  - the student; or

- for Schooling students eligible for the away from home rate (or the independent rate) and boarding at a school or hostel:
  - the boarding institution
- for Schooling students eligible for the away from home rate and boarding in a private arrangement:
  - the applicant who may be the parent/guardian or the student; or
  - if requested by the applicant on the form, the board provider;
- for Schooling students approved for independent status:
  - the student;
- for Tertiary and postgraduate students:
  - the student.

**Note: Tertiary students may elect to have costs for residential college or hostel accommodation, meals and associated costs paid directly by Centrelink (see 7.3.4.12).**

### 7.3.8.2 Payable When

Living Allowance is payable:

- fortnightly in arrears, including students in approved private or hostel boarding arrangements;
- by term in advance for students boarding at schools or, where an Agreement has been entered into, hostels; or
- lump sum in advance for overseas students as specified (see Policy Manual 4.5.2.6).
- a \$500 advance payment subject to YA Advanced Payment Rules.

**Note: A copy of the standard Agreement for term in advance payments to hostels is shown at Appendix 1 and also is available on-line.**

### 7.3.8.3 Payment Commences

Living Allowance may be paid, subject to eligibility provisions, on the basis of the student or applicant indicating that the student has enrolled or intends to enrol in an approved course.

Sufficient basis for payments to commence will be:

- for Schooling students, the lodgement of a claim form, and
- for Tertiary students, an indication of enrolment on the claim form.



**Note: Although payments may commence prior to enrolment, there is ultimately no entitlement where the student does not enrol or commence in an approved course.**

#### **7.3.8.4 Payable by Term In Advance**

Living Allowance for ABSTUDY Schooling students approved for the away rate (or, in some circumstances, the independent rate, see Policy Manual [5.3.4.7](#), [5.3.4.10](#), [5.5](#)) may be paid term in advance directly to a boarding school. Hostels may also be paid term in advance where an Agreement has been entered into. Where no Agreement is signed, payments will be made fortnightly.

This payment option is not available to persons providing private board arrangements.

#### **7.3.8.5 Responsibility for Overpayments**

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of this allowance has been made.

#### **7.3.8.6 Taxation**

ABSTUDY Living Allowance under 16 years of age is not assessable income for taxation purposes.

ABSTUDY Living Allowance 16 years of age or older is assessable income. The allowance is considered the student's income for taxation purposes, whether paid to the student, parent/guardian or an agent. This includes unused School Fees Allowance entitlement which has been transferred to pay excess boarding fees.

See Policy Manual [6.4.1](#).

### **7.3.9 Advance Payment**

#### **7.3.9.1 Advance Payment**

Students in receipt of a fortnightly ABSTUDY Living Allowance may be able to get an advance on their entitlement of between \$250 and \$500. This is available once a year, usually after students have been receiving ABSTUDY for at least three months.

The amount which can be advanced is the **lowest** of:

- the amount requested; or
- 7% of fortnightly entitlement x 26 weeks (the calculation is based on the Living Allowance, Rent Assistance and Pharmaceutical Allowance but excludes Remote Area Allowance); or
- \$500.

#### **7.3.9.2 Where No Advance Payment is Payable**

No advance is payable if the amount requested or the 7% of entitlement works out to be less than the minimum amount payment of \$250.

The advance is not available:

- to secondary school boarding students;
- where student entitlement is insufficient for the advance to be repaid over a 26 week (six month) period (that is, where it would cause financial hardship);
- where students have an outstanding Centrelink debt;
- if students are repaying a previous advance, including an advance payment under another social security allowance or benefit; or
- if students have had an advance within the previous 12 months, including an advance payment under another social security allowance or benefit.

Advance payments to dependent students under 18 years cannot be paid without the parent's permission.

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## 7.4 Masters and Doctorate Allowances

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- 7.4.4.10 Responsibility for Overpayments

## Introduction

This chapter outlines the details of the Masters and Doctorate Allowances.

### 7.4.1 Summary of Masters and Doctorate Allowances

#### Summary table

The table below summarises the Masters and Doctorate Allowances

Feature of Allowance	Details
Availability	For students meeting the general ABSTUDY criteria who are undertaking Masters and Doctorate (PhD) degrees on a full-time basis at an approved institution.
Purpose	To assist Aboriginal and Torres Strait Islander students undertaking Masters and Doctorate degrees on a full-time basis meet the cost of fees, living and a range of other expenses.
Eligibility conditions	<ul style="list-style-type: none"> <li>• Meets the eligibility criteria for the Masters and Doctorate Award,</li> <li>• is studying the course on a full-time basis, and</li> <li>• meets the relevant income tests.</li> </ul>
Maximum rates	<p>Living Allowance</p> <ul style="list-style-type: none"> <li>• \$675.40 a fortnight</li> </ul> <p>Relocation allowance:</p> <ul style="list-style-type: none"> <li>• up to \$480 each adult</li> <li>• up to \$240 each child</li> <li>• up to a maximum of \$1,385</li> </ul> <p>Thesis allowance:</p> <ul style="list-style-type: none"> <li>• up to \$420 for a Masters thesis</li> <li>• up to \$840 for a PhD thesis</li> </ul> <p>Rates are aligned to the Australian Postgraduate Award scheme</p>

	<p>standard stipend and allowance rates.</p> <p><b>An abatement rate applies which may reduce a student's entitlement to Living Allowance.</b></p>
Benefits	<p>May receive:</p> <ul style="list-style-type: none"> <li>• Living Allowance <b>or</b> Pensioner Education Supplement Relocation <b>or</b> Fares Allowance;</li> <li>• HECS <b>or</b> course fees paid (whichever is the lesser);</li> <li>• Thesis Allowance;</li> <li>• Incidentals Allowance;</li> <li>• Additional Incidentals Allowance up to \$2,080;</li> <li>• Away-from-base entitlements up to \$2,080;</li> <li>• ABSTUDY Supplement Loan.</li> </ul>
Other entitlement features	<ul style="list-style-type: none"> <li>• No entitlement to Rent Assistance.</li> <li>• No entitlement to relocation allowance, Thesis Allowance or compulsory course fees or HECS if the student does not qualify for Living Allowance (Basic Payment).</li> <li>• Loss of entitlement occurs when the student ceases full-time study.</li> <li>• Tertiary students may have the cost of residential college or hostel expenses met by ABSTUDY and receive a reduced rate of Living Allowance (up to \$41.60 a fortnight - a reduced rate may apply).</li> <li>• Tertiary students are eligible to apply for an ABSTUDY Supplement Loan.</li> </ul>
Comments	<ul style="list-style-type: none"> <li>• Part-time postgraduate students may apply for a Part-time Award.</li> <li>• Students undertaking other postgraduate degrees such as Masters Qualifying or graduate diploma degrees on a full-time basis may apply for a Tertiary Full-time Award.</li> </ul>

Taxation Status	Taxable
Indexation	As per Australian Postgraduate Award scheme.

## 7.4.2 Eligibility

### 7.4.2.1 Eligibility

Masters and Doctorate may be approved if the applicant is an Australian Aboriginal or Torres Strait Islander student (see Policy Manual [3.1.1.2](#)), and:

- is enrolled in an approved Masters degree or Doctorate (PhD) course on a full-time basis;
- is not receiving or will not receive any other form of government assistance (see Policy Manual [3.1.4](#));
- any employment undertaken by the student must not be to the detriment of her/his full-time studies; and
- meets the relevant income tests

### 7.4.2.2 Income, Assets and Family Actual Means Tests

A 1997 Budget measure introduced income testing and abatement to the Masters and Doctorate with effect from 1 January 1998. Students must qualify for Living Allowance to be eligible for relocation allowance, Thesis Allowance and payment of HECS or compulsory course fees.

Income, assets and family actual means tests are applied to student income during the period for which the student is eligible for ABSTUDY assistance.

Means tests also apply to:

- parental income, assets and family actual means for **dependent students**, and
- partner income and assets, if the student has a partner, for **independent students**.

The income of students and their parents/guardians or partners, where relevant, must be below the allowable income limits after income and family actual means tests (see Policy Manual [6.5.1.2](#)) to receive the maximum rate of Living Allowance

Students may be entitled to a reduced rate of Living Allowance where the relevant income and family actual means tests are higher than the allowable income limits but below the upper income limits according to their circumstances (see the table at Policy Manual [6.5.2.1](#)).

Entitlement to relocation allowance, Thesis Allowance and payment of HECS or compulsory course costs is dependent on a student qualifying for Living Allowance or PES. However, a student will be eligible for these allowances if receiving Living Allowance at either the

maximum rate or a reduced rate. A student receiving PES must be studying a full-time workload.

## 7.4.3 Entitlement

### 7.4.3.1 Entitlement

The entitlements for Masters and Doctorate are based on the standard stipend rates which apply to the Australian Postgraduate Award (APA) scheme.

Part-time postgraduate students cannot receive Masters and Doctorate but are entitled to apply for an ABSTUDY Part-time Award (see Policy Manual [3.2.1.4](#)).

For the purposes of the Masters and Doctorate Award, the following courses **cannot** be approved under this Award:

- Masters qualifying course;
- Postgraduate Diploma, eg Diploma of Education; and
- Postgraduate Bachelor Degree, eg Bachelor of Letters.

Students in such courses may apply for benefits under a Tertiary Award (see Policy Manual [3.2.1.3](#)).

Full-time Masters and Doctorate students who prefer to retain their pension and receive the Pensioner Education Supplement must be studying a full-time workload to be eligible for the Masters and Doctorate Award supplementary benefits. That means that if they are receiving the Pensioner Education Supplement because of a workload concession (see Policy Manual [4.4.2.4](#) Pensioner concession) they are not eligible for relocation allowance, Thesis Allowance or payment of compulsory course fees or HECS.

## 7.4.4 Benefits

### 7.4.4.1 Benefits

The following forms of assistance are available to approved Masters and Doctorate students:

- Living Allowance;
- Pensioner Education (if preferring to keep pension in lieu of Living Allowance);
- Relocation Allowance **or** Fares Allowance;
- payment of compulsory course fees or the Higher Education Contribution Scheme (HECS) commitment;
- Incidentals Allowance;
- Away-from-base entitlements;
- Thesis Allowance; and/or
- ABSTUDY Supplement

### 7.4.4.2 Living Allowance

The Living Allowance rate paid under the ABSTUDY Masters and Doctorate Award is based on the standard stipend rate paid under the Australian Postgraduate Award scheme.

The maximum rate of Living Allowance is \$675.40 a fortnight. The rate is applicable to both course work and research studies.

ABSTUDY Masters and Doctorate is income, asset and family actual means tested and taxable. Family actual means tests do not apply to independent students. An abatement rate may also be applied (see Policy Manual [6.5.1](#)).

### 7.4.4.3 Relocation Allowance

A student who has to move to another town or city to take up a Masters and Doctorate Award may be paid a relocation allowance.

Relocation allowance is to assist with:

- removal costs (up to \$480 per adult, up to \$240 per child, up to a **maximum** of \$1,385.00); and
- Fares Allowance for the student, the student's partner and dependent child(ren) to the study location (see Policy Manual [7.9.5.9](#)).

**Note: An eligible student must be receiving Living Allowance to be eligible for relocation allowance (see [7.4.2.2](#)).**

### 7.4.4.4 Removal Costs

The removal costs component of relocation allowance covers:

- removals through a removalist company, or
- a hire truck if the student chooses to undertake her/his own removal.

Removal costs can be paid either:

- direct to the removal/hire truck company on receipt of their invoice, or
- as a reimbursement to the student on submission of original receipts.

The student must obtain three quotes before removal costs can be approved (see Policy Manual [7.10.3.2.3](#) to [7.10.3.2.5](#)). The lowest quote will be paid. Where it is not possible to get three quotes, the delegated officer needs to be satisfied the costs are reasonable.

### 7.4.4.5 Relocation Allowance Excludes

Relocation allowance does not cover the costs of establishing the student's new home.

**Note: Students paid relocation allowance have moved their permanent home and cannot receive Fares Allowance other than for participation in an Away-from-base activity, attendance at a graduation ceremony and relocation travel (see Policy Manual 7.9.5.5, 7.9.5.7 and 7.9.5.9).**

#### 7.4.4.6 Proof of Enrolment

Relocation allowance cannot be paid without proof of full-time enrolment in an approved Masters/Doctorate course (see Policy Manual 2.1.4.1.2).

#### 7.4.4.7 Thesis Allowance

ABSTUDY Masters and Doctorate Award students may receive a Thesis Allowance to assist with costs associated with the presentation of a thesis or other similar course requirement.

Thesis allowance is payable up to:

- \$420 for a Masters thesis, or
- \$840 for a PhD thesis.

This payment must be claimed within two years of the expiry of the Award. The claim must be substantiated by original accounts or receipts for payment if reimbursement is sought.

**Note: An eligible student must be receiving Living Allowance to be eligible for Thesis Allowance (see 7.4.2.2).**

#### 7.4.4.8 Compulsory Course Fees or HECS

ABSTUDY Masters and Doctorate Award students may apply to Centrelink for assistance to pay compulsory course fees or HECS commitments incurred for the approved course.

Where either course fees **or** HECS are payable, ABSTUDY will pay the lesser of the two amounts. To receive this benefit, a student must make a written request attaching:

- the original compulsory course fee account, or receipts showing payment, or
- the HECS Assessment Notice.

**HECS requests should be lodged before the census date and in time for the advance payment discount to be received.**

**Note: A student must be receiving Living Allowance to be eligible for payment of compulsory course fees or HECS (see 7.4.4.2).**

#### 7.4.4.9 Payment of Course Fees or HECS

For both course fees and HECS, payment will be made direct to the institution.

Where a student has incorrectly nominated to defer their HECS payment instead of choosing the Up Front payment option, or has lodged their HECS payment option form late, and the institution is unable to accept payment, the student must then obtain a statement of their HECS liability from the education institution before payment can be made on their behalf to



the Australian Taxation Office. In such cases, the early repayment discount would need to be deducted from the notified amount.

Under no circumstances, is payment to be made direct to the student.

#### **7.4.4.10 Responsibility for Overpayments**

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of any of these allowances has been made.

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## **7.6 Pensioner Education Supplement**

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## Introduction

This chapter contains details about the Pensioner Education Supplement (PES). Students getting FaCS or DVA income support payments because they are disabled, sole parents or carers cannot get ABSTUDY Living Allowance while in receipt of these income support payments but can get the ABSTUDY PES while studying. **ABSTUDY PES recipients are not eligible for the FaCS Education Entry Payment**, however, they may be eligible for ABSTUDY Incidentals Allowance.

**Note: ABSTUDY PES students continuing study from 1999 will be maintained at the 1999 rate of PES until the completion of the course given the same personal, financial and academic circumstances apply. (See 7.3.4.3 for definition of 'current course of study') If a continuing student went onto the 2000 rate s/he cannot then go back to the 1999 rate should a change in her/his circumstances make the 1999 rate more attractive.**

### 7.6.1 Summary of Pensioner Education Supplement

#### Summary table

The table below summarises the Pensioner Education Supplement.

Feature of Allowance	Details
Availability	Schooling B Awards, Tertiary Awards, and Masters and Doctorate Awards.
Purpose	To supplement the pension and assist with ongoing expenses associated with study. Also an inducement for pensioners to take up full-time study.
Eligibility conditions	Eligibility requirements for relevant award, and is a pensioner student.
Entitlement	Qualifying payment of \$60 per fortnight for 50% plus workload, \$30 per fortnight for 25% to 49% workload.
PES Rates for new students from 2000 policy changes who are <b>not maintained at 1999 rates</b> for 2002.	<b>Ineligible for ABSTUDY PES from 1/1/2000 policy changes</b> <ul style="list-style-type: none"><li>• Age pension or age service pension;</li><li>• Bereavement allowance (previous widowed person Allowance);</li><li>• Defence widow(er) pension, war widow(er) pension or partner service pension where the pensioner does not have any dependent children;</li><li>• Wife pension where the husband receives the age pension;</li></ul>

	<ul style="list-style-type: none"> <li>• Partner service pension where the partner receives the age service pension;</li> <li>• Mature age allowance; or</li> <li>• Mature age partner allowance</li> </ul> <p><b>ABSTUDY PES from (1/1/2000 policy changes) at \$60 pfn for 2002</b></p> <ul style="list-style-type: none"> <li>• Disability support pension or invalidity service pension;</li> <li>• Widow allowance, Widow B pension;</li> <li>• Special benefit if a sole parent;</li> <li>• Defence widow(er) pension, war widow(er) pension or partner service pension if the pensioner has a dependent child;</li> <li>• Wife pension where the husband receives the disability support pension or a disability wage supplement;</li> <li>• Partner service pension where the partner receives the invalidity service pension;</li> <li>• Parenting payment (single); or</li> <li>• Carer service pension or carer payment.</li> </ul>
Payments period	As for Living Allowance.
Payment features	<ul style="list-style-type: none"> <li>• initiated from assessment of claim form;</li> <li>• paid fortnightly; and</li> <li>• paid to the student.</li> </ul>
Taxation status	Tax exempt.
Indexation status	Not indexed.

## 7.6.2 Introduction to Pensioner Education Supplement

### 7.6.2.1 Qualification

Students qualifying for the following awards may receive the Pensioner Education Supplement:

- Schooling B Award;
- Tertiary Award, or
- Masters and Doctorate Award.

### **7.6.2.2 Purpose**

The purpose of the Pensioner Education Supplement is to provide a supplement to the pension to assist with ongoing expenses associated with study and as an inducement for pensioners to take up study.

### **7.6.2.3 1/1/2000 Maintenance**

The policy intent is that students who had entered into arrangements to undertake a particular course of study in 1999 (or earlier) and who were continuing in this course of study in 2002 would be maintained on the 1999 rate of benefit for the duration of the course if this is beneficial to them. Continuing students (see 7.6.2.5) from 1999 aged 21 years or more in receipt of the ABSTUDY Living Allowance, who given their current personal and partner circumstances would not receive as high a level of overall benefit in 2002 as they would have received in 1999 given the same circumstances (see 6.7.3), will be maintained at the 1999 rate of Living Allowance until the completion of their current course.

### **7.6.2.4 Current Course of Study**

For ABSTUDY maintenance purposes a 'current course of study' includes:

- regular undergraduate courses;
- articulated courses, such as those under Competency Based Training where a series of courses can be linked to count towards a higher level of qualification;
- courses in the same field of study undertaken at different institutions or at a different campus;
- natural progression, such as:
  - a Bachelor of Laws and Letters followed by a Graduate Diploma of Legal Studies or
  - an access or bridging course undertaken as a prerequisite entry to a tertiary qualification or
  - a Bachelor degree that is a prerequisite for a Graduate degree or
  - an Honours year or Masters Qualifying year followed by a Masters.

### **7.6.2.5 Continuing Student**

A continuing student is one who has not had a break in study between 1999, 2000, 2001 and 2002, except where, in exceptional circumstances that are generally beyond a student's control, the break in study can be justified on:

- Medical grounds,
- Personal circumstances; or
- academic course requirements.

## 7.6.3 Eligibility and Entitlement for Pensioner Education Supplement

### 7.6.3.1 Eligibility

A student is eligible for the Pensioner Education Supplement if s/he:

- meets the criteria for a Schooling B, Tertiary or Masters and Doctorate Award; and
- is receiving a PES qualifying income support payment.
- The Pensioner Education Supplement:
  - is not subject to income testing (the student will usually have met the FaCS or DVA means test to get the qualifying pension or allowance);
  - is subject to other ABSTUDY requirements for general and specific eligibility (see Policy Manual [3.1.1](#) and [3.2.1](#)); and
  - is subject to academic requirements (see Policy Manual [4.1](#) to [4.4](#)).

### 7.6.3.2 Entitlement

Pensioner Education Supplement (PES) rate of entitlement is determined by the study load and the type of PES qualifying income support payment received. For the purposes of ABSTUDY PES entitlement (not Living Allowance) is available to customers receiving the following income support payments:

- Carer Payment or Carer Service Pension
- Disability Support Pension
- Invalidity Service Pension or Invalidity Income Support Supplement
- Parenting payment (single)
- Parenting Payment (partnered) saved cases only
- Special Benefit – and is a sole parent
- Widow B pension or Widow Allowance
- Wife Pension – if the partner gets Disability Support Pension
- Partner Service Pension – if the partner gets Invalidity Service Pension
- Defence Widow's Pension – if the widow has a dependent child
- War Widow's Pension – if the widow has a dependent child

- Rehabilitation Allowance

Some part-time students may be eligible for PES (ie, eligible for a workload concession) if studying at least 25 percent but less than a full-time workload and receiving one of the following income support payments.

- Carer Payment
- Disability Support Pension
- Parenting Payment (Single)
- Invalidation Service Pension **or have a dependent child under 16 and receiving:**
  - Special Benefit – and is a sole parent
  - Widow B Pension
  - Widow Allowance
- Defence Widow or War Widow Pension

**Note: ABSTUDY PES students continuing study from 1999 without a break into 2002, who would otherwise be financially disadvantaged by the changes to the ABSTUDY PES in 2000, will be maintained at 1999 levels of ABSTUDY PES until the completion of their current course of study, given the same personal, financial and academic circumstances apply. (See 7.6.2.4 for definition of 'current course of study') Once continuing students (See 7.6.2.5) go onto the 2000 rate they cannot then go back to the 1999 rate should a change in their circumstances make the 1999 rate more attractive.**

### 7.6.3.3 Wife's Pension Recipients

As the result of FaCS changes from 1 July 1995, there may be some cases where a former Wife Pension beneficiary, having been transferred to Parenting Allowance, will not be moved back to the Wife's Pension, regardless of the grandfathering provision. In these cases ABSTUDY PES should continue to be paid in 2002 where the person received PES from 1996 to 2001 onwards, on the basis of receiving the Wife's Pension and the student's circumstances have not changed other than for the transfer to PgA. (For full text and explanation see previous ABSTUDY PM 2001 7.6.3.3).

### 7.6.3.4 Is PES Taxable?

PES is a tax exempt payment. Students can, however, continue to elect to have tax deducted from their primary Centrelink payment.

### 7.6.3.5 Type of Pension

For the purposes of ABSTUDY Pensioner Education Supplement entitlement a person:

- is receiving a disability support pension, a carer payment or a pension PP (single) under Social Security Law ; or

- is receiving an invalidity service pension or a carer service pension under the Veterans' Entitlements Act; or

the person has a dependent child aged less than 16 years and:

- is receiving a Widow B pension under Social Security Law; or
- is a sole parent and is receiving a special benefit under Social Security Law; or
- is receiving a widow allowance under Social Security Law; or
- is receiving a war widow(er)s pension under part II of the Veterans' Entitlements Act; or
- is receiving a defence widow(er)s pension under part IV of the Veterans' Entitlements Act.

### 7.6.3.6 Rates of Entitlement

A pensioner student studying full-time may be entitled to receive a Pensioner Education Supplement, including the concession which permits part-time study to be treated as full-time study for ABSTUDY purposes.

**Note: The workload concession changed from 1 March 2000.**

- students who are eligible for PES undertaking a study load of between 25% to 49% will be eligible for a PES payment of \$30 per fortnight.
- students who are eligible for PES undertaking a study load of 50% or more will be eligible for a PES payment of \$60 per fortnight.

**Students receiving a DVA Invalidity Support or Invalidity Service Pension or a FaCS Disability Support Pension (Wife's Pension) will be exempt from this legislation.**

### 7.6.3.7 Period of Entitlement

The period of entitlement for Pensioner Education Supplement is the same as for Living Allowance.

### 7.6.3.8 Change of Pension

If a pensioner student transfers from one type of pension/payment to a pension/payment in the other Group, the pensioner will become entitled, or cease to be entitled to PES, as the case may be, from the day the student is entitled to the new type of pension.

### 7.6.3.9 Workload Concession

From 1 January 2000 until March 2000, students who are undertaking at least 25% of the normal full-time workload (at all times) are to be regarded as full-time students and a

Pensioner Education Supplement can be paid if they are receiving one of the following Department of Veterans' Affairs (DVA) or Family and Community Services (FaCS) pensions or allowance;

- a disability support pension, a carer payment or a pension PP (single) under the Social Security Act; or
- an invalidity service pension or a carer service pension under the Veterans' entitlements Act; or

the person has a dependent child aged less than 16 years and:

- is receiving a Widow B pension under the Social Security Act; or
- is a sole parent and is receiving a special benefit under the Social Security Act; or
- is receiving a widow allowance under the Social Security Act; or
- is receiving a war widow(er)s pension under part II of the Veterans' entitlements Act; or
- is receiving a defence widow(er)s pension under part IV of the Veterans' Entitlements Act.

Rates of payment and eligibility criteria will be aligned with the Pensioner Education Supplement available under the *Social Security Act 1991*.

**Note: From March 2000 the workload concession changed to:**

- students undertaking a study load of between 25% to 49% will be eligible for a PES payment of \$30 per fortnight.
- Students undertaking a study load of over 50% will be eligible for a PES payment of \$60 per fortnight.

**Students receiving a DVA Invalidity Support or Invalidity Service Pension or a FaCS Disability Support Pension (Wife's Pension) will be exempt from this legislation.**

### 7.6.3.10 Payment

Pensioner Education Supplement is:

- paid fortnightly in arrears; and
- paid to the applicant.

### 7.6.3.11 Lodgement of PES Application



ABSTUDY PES is aligned with PES payable under Social Security law. An ABSTUDY PES Application must be lodged within 28 days from the commencement of a short course and 31 March for full year courses and 31 July for second semester courses (with a three month intent lodge provision see Policy Manual [2.1.3.1](#)) or payment will only be made from the date of lodgement of the PES claim.

### **7.6.3.12 Responsibility for Overpayments**

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of this allowance has been made.

### **7.6.3.13 Indexation**

The Pensioner Education Supplement is not indexed.

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## **7.7 Incidentals Allowance**

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## Introduction

This chapter contains details about Incidentals Allowance and Additional Incidentals Allowance

### 7.7.1 Summary of Incidentals and Additional Incidentals Allowance

#### Summary table

The table below summarises the Incidentals Allowance.

Feature of Allowance	Details
Availability	Tertiary, Part-time, Schooling B, Masters and Doctorate Awards.  <b>Note:</b> Schooling Award students must be 18 years or older at 1 January to be eligible.
Purpose	To assist in meeting expenses associated with study in the approved course, such as general purpose education institution fees, textbooks, equipment and stationery.
Eligibility conditions	<ul style="list-style-type: none"> <li>● meets relevant Award criteria,</li> <li>● allowance is not income-tested.</li> </ul>
Entitlement	Initial entitlement: <ul style="list-style-type: none"> <li>● Period of enrolment - &lt;12 weeks; 12 - 16 weeks; 17 - 23 weeks (1 semester); 24 weeks to 1 year.</li> </ul>
Additional Incidentals Allowance	<ul style="list-style-type: none"> <li>● essential course costs exceed the prescribed amount,</li> </ul>

	<ul style="list-style-type: none"> <li>• itemised claim verified in writing by the Head of School or Faculty, and</li> <li>• not available to students on the Part-time Award.</li> </ul>															
Rate of Incidentals Allowance (IA) for each year of study per Award	<table border="1"> <thead> <tr> <th>Period Of Enrolment</th> <th>Amount</th> <th>Prescribed Amount (for Additional IA)</th> </tr> </thead> <tbody> <tr> <td>&lt;12 weeks</td> <td>\$58.00</td> <td>\$102.20</td> </tr> <tr> <td>12 to 16 weeks</td> <td>\$101.50</td> <td>\$202.40</td> </tr> <tr> <td>17 to 23 weeks (one semester)</td> <td>\$202.00</td> <td>\$404.80</td> </tr> <tr> <td>24 weeks to one year</td> <td>\$410.70</td> <td>\$810.70</td> </tr> </tbody> </table>	Period Of Enrolment	Amount	Prescribed Amount (for Additional IA)	<12 weeks	\$58.00	\$102.20	12 to 16 weeks	\$101.50	\$202.40	17 to 23 weeks (one semester)	\$202.00	\$404.80	24 weeks to one year	\$410.70	\$810.70
Period Of Enrolment	Amount	Prescribed Amount (for Additional IA)														
<12 weeks	\$58.00	\$102.20														
12 to 16 weeks	\$101.50	\$202.40														
17 to 23 weeks (one semester)	\$202.00	\$404.80														
24 weeks to one year	\$410.70	\$810.70														
Other entitlement features	<ul style="list-style-type: none"> <li>• entitlement to initial IA established by commencement of study in the course;</li> <li>• <b>Additional IA</b> may be claimed by full-time students if essential course costs exceed the prescribed amount;</li> <li>• a maximum of \$2,080 <b>Additional IA</b> is payable in a year per student (not CPI'd).</li> </ul>															
Payment features	<ul style="list-style-type: none"> <li>• initial IA initiated from assessment of claim form;</li> <li>• paid in lump sum up to four weeks in advance of study;</li> <li>• paid to the student,</li> <li>• <b>Additional IA initiated by claim from student, verified in writing by Head of School or Faculty.</b></li> </ul>															
Taxation status	Non taxable.															
Indexation status	Initial IA and the Prescribed Amounts for Additional Incidentals Allowances are indexed to CPI and adjusted annually.															

## 7.7.2 Introduction to Incidentals Allowance

### 7.7.2.1 Qualification

Students on the following awards may qualify for Incidentals Allowance:

- Schooling B Award,
- Tertiary Award,

- Part-time Award,
- Masters and Doctorate Award.

**Note: Schooling Award students must be 18 years or older at 1 January to be eligible.**

### 7.7.2.2 Purpose

The purpose of Incidentals Allowance is to assist students to meet expenses associated with study in the approved course, such as general purpose education institution fees, textbooks, equipment and stationery.

## 7.7.3 Eligibility for Incidentals Allowance

### 7.7.3.1 Eligibility

A student is eligible for Incidentals Allowance if s/he meets the eligibility criteria for Tertiary, Part-time, Schooling B and Masters and Doctorate Awards.

Where a student holds more than one Award, Incidentals Allowance is payable for each Award (see Policy Manual [3.2.1.8](#) Concurrent Awards).

**Note: Schooling Award students must be 18 years or older at 1 January to be eligible.**

### 7.7.3.2 Eligible for Each Year of Study

A student is eligible for Incidentals Allowance each year that s/he studies in an approved course. The allowance may be paid in full where a student repeats a year/stage of a course.

Note: Students in Access Program courses are not eligible for Incidentals Allowance (see Policy Manual [4.1.3](#)).

The maximum amount of initial incidentals payable for an Award is:

- \$202.00 over a semester, or
- \$410.70 if studying for the full year.

If a student enrolled in one course changes to another course before its completion, her/his entitlement is the same as if the change of course had not occurred. **This means that the student is not entitled to more than the maximum semester or annual rates specified above.**

### 7.7.3.3 Example 1 - Short Course

*Gail was paid \$202.00 Incidentals Allowance for a 20 week course at TAFE in the first semester. On completion of the course, Gail enrolled into another 20 week course about six weeks later. Gail would also be entitled to receive the Incidentals Allowance of \$202.00 for the second course.*

### 7.7.3.4 Example 2 - Dropped Out Then Enrolled in New Course of Same Length

*Clive enrolled in and commenced a 16 week course and received Incidentals Allowance of \$101.50. He found the course unsuitable and after three weeks' study transferred to another course of the same length. Clive has already been paid Incidentals Allowance covering the period of the second course, therefore he is not entitled to receive a second payment of Incidentals Allowance.*

### 7.7.3.5 Example 3 - Dropped Out Then Enrolled in Longer New Course

*Janine commenced a 10 week course and received Incidentals Allowance of \$55.80. Half way through the course, she discontinued the course and enrolled into a semester length course. Janine is not entitled to receive the full incidentals rate payable for a semester length course, however, can receive the difference between the amount already paid and the amount payable for the second course, i.e \$194.20 less \$55.80 (already paid) = \$138.40.*

## 7.7.4 Entitlement to Incidentals Allowance

### 7.7.4.1 Entitlement Factors

Initial Incidentals Allowance rate of entitlement is determined by the period of enrolment in the course during the year of assistance.

This entitlement is paid to students on the initial approval of the award.

### 7.7.4.2 Entitlement Established

Entitlement to Incidentals Allowance is established by the student commencing the approved course.

Early discontinuation does not affect the rate of entitlement (if the student commenced study in the course, no overpayment is raised for Incidentals Allowance). However, if a student does not commence study in an approved course, any Incidentals Allowance paid is recoverable.

Also see [7.7.3.2](#).

### 7.7.4.3 Period of Enrolment

Different rates of initial Incidentals Allowance apply according to the period of enrolment.

Period of enrolment	Amount
less than 12 weeks	\$58.00
12 to 16 weeks	\$101.50
17 - 23 weeks (1 semester)	\$202.00

24 weeks to one year	\$410.70
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#### 7.7.4.4 Additional Entitlement

A student is entitled to Additional Incidentals Allowance if:

- s/he is approved for a Tertiary Award or a Masters and Doctorate Award;
- course costs which are essential for all students in the course, eg administration fees, textbooks and equipment, exceed the prescribed amount; and
- the student lodges an itemised claim of those essential course costs which has been verified in writing by the Head of School/Faculty as being an essential requirement for all students undertaking the course (see [7.7.4.11](#) for claim requirements).

**Note 1: Part-time students and secondary students are not eligible for Additional Incidentals Allowance.**

**Note 2: Tuition or course fees charged by an education institution are not included. This includes the flying time and associated fees charged by institutions offering pilot (aviation) courses.**

#### 7.7.4.5 Amount of Additional Entitlement

The amount of Additional Incidentals Allowance entitlement is the amount by which the verified essential course costs exceed the prescribed amount.

A maximum of \$2,080 is payable in a year.

#### 7.7.4.6 Example

*A student studying for the full year who has essential course costs of \$860 will receive \$410.70 Incidentals Allowance and \$49.30 Additional Incidentals Allowance. The student is responsible for paying the other \$400.00.*

Total Expenditure	\$860.00
<b>Less</b> Prescribed Amount	
ie, Initial IA	\$410.70
+ Student Contribution	<u>\$400.00</u> = <u>\$810.70</u>
Additional IA Entitlement	= <u>\$ 49.30</u>

See Policy Manual [7.7.4.9](#) for prescribed amounts.

#### 7.7.4.7 Essential Course Costs

Essential course costs are those costs which all students in a course are obliged to incur in order to undertake their course. Such costs may include:

- **education institution fees** - comprising union, sports, library, administration, amenities, laboratory fees or levies or the like charged by an approved education institution, **but do not include tuition or course fees charged by an education institution**, and/or
- **textbooks and equipment** - covers books, published articles, stationery and other equipment items, **but does not include items which would be expected to be provided by the education institution or items such as musical instruments, sewing machines, typewriters or computers.**

**Note: Flying time and associated fees charged by institutions offering pilot (aviation) courses are viewed as tuition or course fees.**

#### 7.7.4.8 Essential Course Costs Amount

For the purposes of this Chapter, the prescribed amount for additional incidentals is the amount of expenditure on essential course costs required before an Additional Incidentals Allowance entitlement is established. This amount includes the level of initial Incidentals Allowance plus a student contribution to costs.

#### 7.7.4.9 Prescribed Amounts

The prescribed amounts for determining additional entitlement are listed in the following table.

Period of enrolment	Amount
less than 12 weeks	\$102.20
12 to 16 weeks	\$202.40
17 - 23 weeks (1 semester)	\$404.80
24 weeks to one year	\$810.70
Maximum in a year	\$2080.00

#### 7.7.4.10 Claims for Essential Course Costs

To qualify for Additional Incidentals Allowance, a student must submit a claim detailing the cost of each item of essential course expenditure. The claim must account for the full level of the prescribed amount, including the initial Incidentals Allowance amount and student contribution, and may include necessary items which have not yet been purchased, although evidence of expenditure, such as receipts, is required to cover the bulk of the expenditure.

**Note : Receipts should clearly show: Business name, each item purchased, date and amount of each item purchased.**

### 7.7.4.11 Certification of Claim

The claim must contain certification by the Head of School/Faculty of the education institution that the items listed are essential for all students studying the course. All claims must be submitted using the *Additional Incidentals Allowance Claim* (Form 806).

**Note: Only one form at a time is to be issued to minimise the risk of blank forms being signed by institutions.**

### 7.7.4.12 Not Income Tested

Incidentals allowance and Additional Incidentals Allowance are not income-tested.

## 7.7.5 Payment of Incidentals Allowance

### 7.7.5.1 Payment

Incidentals allowance is paid in one instalment at the time the award is approved. The allowance can be paid up to four weeks before the student commences her/his course.

Additional Incidentals Allowance may be paid following approval of a completed claim from a student.

Incidentals allowance and Additional Incidentals Allowance are paid directly to the student. No arrangement to pay an account at the student's education institution or to a bookshop will be entered into.

### 7.7.5.2 Responsibility for Overpayments

Refer to Policy Manual 7.1.2 to identify the responsible payee where an overpayment of this allowance has been made.

### 7.7.5.3 Taxation

The Incidentals Allowance is non taxable.

### 7.7.5.4 Indexation

The Incidentals Allowance is indexed to CPI and adjusted annually.

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## 7.8 School Fees Allowance

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    - 7.8.2.4 Students Without Parents
    - 7.8.2.5 Students in State Care
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-

## Introduction

This chapter contains details about the School Fees Allowance.

### Purpose

The purpose of the School Fees Allowance is to assist students and their parent(s)/guardian(s) to meet the costs of school fees levied by the approved education institution.

## 7.8.1 Summary of School Fees Allowance

### DIFFERENT TO YA/AUSTUDY PAYMENT

#### Summary table

The table below summarises the School Fees Allowance.

Feature of Allowance	Details
Availability	Schooling A and Schooling B Awards.
Purpose	To assist in meeting the costs of school fees levied by the approved education institution for the student.
Eligibility conditions	<p>Meets the relevant award criteria and is either:</p> <p><b>Group 1</b></p> <ul style="list-style-type: none"><li>• under 16 years of age and living at home or does not meet the criteria for the away, independent or pensioner rates, and:<ul style="list-style-type: none"><li>○ the applicant or the applicant's partner qualifies for a prescribed form of Commonwealth Government assistance, or</li><li>○ the student would, but for age, qualify for independent status as an orphan, a student whose parent(s) cannot exercise parental responsibilities, or as a homeless student, or</li><li>○ the student is in State care and living with foster parents, or</li><li>○ the applicant or the applicant's partner is receiving a CDEP wage as a participant of the</li></ul></li></ul>

	<p>project, not as the administrator, or</p> <ul style="list-style-type: none"> <li>○ the applicant or the applicant’s partner has a current Health</li> <li>○ Care Card/Low Income Card; <b>or</b></li> </ul> <p><b>Group 2</b></p> <ul style="list-style-type: none"> <li>• meets the criteria for the away rate;</li> <li>• would meet a criterion for the away rate but for the presence of a local non-government school which the student attends; or</li> <li>• qualifies for independent status as a homeless student, an orphan or a student whose parent(s) cannot exercise parental responsibilities.</li> </ul>
Level of entitlement	<p><b>DIFFERENT TO YA/AUSTUDY PAYMENT</b></p> <p><b>Group 1</b></p> <ul style="list-style-type: none"> <li>• up to \$156 for students under 16 years of age on 30 June in the year of assistance;</li> <li>• up to \$78 for students turning 16 years of age in the period 1 January - 30 June in the year of assistance.</li> </ul> <p><b>Group 2</b></p> <ul style="list-style-type: none"> <li>• Up to \$5,199.00 per annum - the rate payable is set at \$5,199.00 or the amount of school claim, whichever is the less. \$4,211.00 income test free. The remaining \$988.00 will be subject to the parental income test.</li> </ul>
Other entitlement features	<p>Entitlement is through commencement of study in the school year.</p> <p>Institutional board students may qualify for excess boarding costs to be met from unused School Fees Allowance</p>
Payment features	<p><b>Group 1</b></p>

	<ul style="list-style-type: none"> <li>Annual entitlement paid direct to the school or reimbursed to the applicant on producing a school receipt of payment.</li> </ul> <p><b>Group 2</b></p> <ul style="list-style-type: none"> <li>Paid to school annually or by the term on lodgement of a claim or paid to person incurring expense on a claim for reimbursement.</li> </ul>
Taxation status	<p>Not taxable if used as School Fees Allowance.</p> <p>Taxable as income of students 16 years and older if used to pay excess boarding costs.</p>
Indexation status	<p><b>Group 1</b> - Not indexed.</p> <p><b>Group 2</b> - Indexed to CPI and adjusted annually.</p>

## 7.8.2 Eligibility for School Fees Allowance

### 7.8.2.1 Eligibility

A student is eligible for School Fees Allowance if s/he meets the Schooling Award criteria, and is either:

#### Group 1

- under 16 years of age and living at home or does not meet the criteria for the away rate, **and**
- the parent/guardian is eligible under 7.8.2.2 below; **or**

#### Group 2

- meets the criteria for the away rate; and
- satisfies the income test requirements; or
- would meet a criterion for the away rate but for the presence of a local non-government school which s/he attends; or
- qualifies for independent status as a homeless, an orphan or a student whose parent(s) cannot exercise parental responsibilities.

**Note: It is expected that for students 16 years of age or over and living at home, school fees will be met from Living Allowance entitlement.**

### 7.8.2.2 Approval for Group 1 School Fees Allowance

Group 1 School Fees Allowance may be approved if the student meets the award eligibility criteria, is of dependent status and satisfies one of the following criteria:

- the applicant or partner of the applicant qualifies for one of the prescribed forms of Commonwealth Government assistance listed below;
- the student would, except for reasons of age (being under the minimum school leaving age - see Policy Manual 5.5.1.3), qualify for independent status as an orphan, a student whose parent(s) cannot exercise parental responsibilities or as a homeless student;
- the student is in State care, under minimum school leaving age (see Policy Manual 5.4.1.3) and living with foster parents;
- the applicant or partner of the applicant is receiving a CDEP scheme wage (except where it is paid to administer a CDEP project) from ATSIC; or
- the applicant or partner of the applicant is holding a current Health Care Card/Low Income Card.

These criteria are described on the next page.

### 7.8.2.3 Commonwealth Government Assistance

Prescribed forms of Commonwealth Government assistance, referred to above are:

- a FaCS income support benefit, eg new start allowance, sickness or special benefit;
- a social security pension, eg sole parent pension, disability support pension, age pension, bereavement allowance, carer pension; or
- a Department of Veterans' Affairs pension; eg age service pension, pension, war widow(ers) pension.

**Note: An applicant, or applicant's partner, does not need to actually receive one of the forms of Commonwealth Government assistance listed above (but must hold a current Health Care Card/Low Income Health Care Card) - eligibility for Group 1 School Fees Allowance is on the basis of qualifying for the assistance.**

### 7.8.2.4 Students Without Parents

Students may be approved for this allowance if they are under the minimum school leaving age (see Policy Manual 5.5.1.3) but who, because of their circumstances, would be expected

to meet the other ABSTUDY criteria as a homeless student, an orphan or a student whose parents cannot exercise parental responsibilities (see Policy Manual [5.3.4.7](#), [5.3.4.10](#) and [5.5](#)).

### 7.8.2.5 Students in State Care

Students may be approved for Group 1 School Fees Allowance if they are under the minimum school leaving age (see Policy Manual [5.4.1.3](#)) but who have been placed in substitute care through a State or Territory welfare authority or through legal process. In such cases, the foster parent's circumstances are not taken into account.

### 7.8.2.6 CDEP Recipients

To be eligible, a parent/guardian must be receiving the CDEP wage as a participant of the CDEP project (or for training purposes), not as the administrator of the project.

### 7.8.2.7 Health Care Card/Low Income Card

When one or both of the student's parent(s)/guardian(s) has a current Health Care Card/Low Income Health Care Card, Group 1 School Fees Allowance may be approved. This does not apply where a parent/guardian has a Health Care Card/Low Income Health Care Card because the child disability allowance is received.

## 7.8.3 Entitlement to School Fees Allowance

### 7.8.3.1 Entitlement Factors

Entitlement to School Fees Allowance is determined by:

- the status of the student;
- the age of the student;
- whether or not the student commences study; and
- (for Group 1 School Fees Allowance) the income test described at [7.8.2.2](#) is met.

### 7.8.3.2 Rates

The table below lists the different rates of entitlement for eligible students.

Students who...	are entitled to...
<ul style="list-style-type: none"> <li>• live at home, or are not eligible for the away rate, and</li> <li>• the parent/guardian is eligible under <a href="#">7.8.2.2</a> below, and</li> <li>• turn 16 years of age from 1 January to 30 June in</li> </ul>	School Fees Allowance of up to \$78.00 for the year paid to the school or reimbursed to the applicant on evidence of payment by the applicant.

the year of assistance,	
<ul style="list-style-type: none"> <li>live at home, or are not eligible for the away rate, and</li> <li>the parent/guardian is eligible under <a href="#">7.8.2.2</a> below, and</li> <li>are under 16 years of age at 30 June in the year of assistance,</li> </ul>	School Fees Allowance of up to \$156.00 for the year, paid to the school or reimbursed to the applicant on evidence of payment by the applicant.
<ul style="list-style-type: none"> <li>is an approved Group 2 student as defined in <a href="#">7.8.2.1</a> of this chapter.</li> </ul>	School Fees Allowance paid to the approved education institution, up to a limit of \$5,199 for the full year. \$4,211 is income test free. The remaining \$988 will be subject to the parental income test

### 7.8.3.3 Indexation

The level of School Fees Allowance is:

- not indexed for Group 1 students, and
- is indexed annually to the CPI for Group 2 students.

### 7.8.3.4 Excess Fees Charged By School

Where a student attends a school which charges fees in excess of the maximum amounts prescribed in this chapter, the applicant is responsible for meeting the additional costs. In signing the ABSTUDY claim form the applicant accepts this responsibility.

### 7.8.3.5 School Fees Allowance Paid Directly to the School

From 2002 Schools Fees Allowance will be paid directly to the school wherever possible. The full amount will be paid and the school will be expected to expend any excess school fees on Indigenous education.

### 7.8.3.6 School Fees Allowance Not Paid Directly to the School

In cases where the school fees allowance is not paid directly to the school, applicants will only be reimbursed for the amount of school fees actually paid, up to the maximum amount payable. Both the applicant and the school will be advised of payments.

## **7.8.4 Definition of School Fees**

### **7.8.4.1 Definition of School Fees**

School fees are those charged by a school for all students enrolled in a particular program.

For the purposes of this section, school fees include:

- fees associated with school subjects, including charges for consumable materials and charges for sporting activities where sport is taken as a school subject and a subject fee is levied;
- general purpose fees for services and amenities;
- tuition fees; and
- fees for items such as school magazines, locker hire, book hire, and examinations.

### **7.8.4.2 School Costs Not Payable as Fees**

School fees do not include:

- charges for the issue of stationery, or the use or purchase of school clothing including sports clothing or special clothing, eg aprons for Home Economics or Manual Arts;
- charges to cover incidental expenses incurred by a student during term, eg purchases from school shop;
- charges for laundry;
- levies on behalf of a Parents' and Citizens' Association or similar organisation;
- contributions (whether or not compulsory and/or refundable) to school building funds; or
- charges for insurance cover for school-related activities.

## **7.8.5 Payment of School Fees Allowance**

### **7.8.5.1 Entitlement Commences**

Entitlement to School Fees Allowance is established when the student commences study during the school year.

### **7.8.5.2 Payment**

School fees allowance is payable as follows:



## **Group 1 Students**

School fees allowance is paid directly to the school by Centrelink or reimbursed by Centrelink to the applicant on presenting a receipt from the school which shows the fee amount paid.

## **Group 2 Students**

School fees allowance may be paid to:

- the school, on lodgement of a claim for school fees from the school; or
- the person incurring the expenses, on submission of a claim for reimbursement with a school receipt attached from the parent or other person incurring costs.

**Note: Group 2 students includes students eligible for the away rate of Living Allowance and, in some circumstances, those students who fall under the independent rate for Group 2 School Fees (see Policy Manual 7.8.2.1) who are attending government schools.**

### **7.8.5.3 School Fees Payable for Group 2 Students**

School fees allowances for Group 2 students are payable as follows:

- for students attending a non-government school the entitlement is payable for each term;
- for students attending a government school the entitlement is payable in a lump sum at the beginning of the year,
- the first \$4,211 is income test free, but
- the additional payment of \$988 falls under the parental test (See Policy Manual 6.2.2)
- up to a maximum of \$5,199 per year where a student changes schools during the year.

### **7.8.5.4 Responsibility for Overpayments**

Refer to Policy Manual 7.1.2 to identify the responsible payee where an overpayment of this allowance has been made.

## **7.8.6 Transfer of School Fees Allowance to pay Boarding Costs**

### **7.8.6.1 Transfer to Meet Outstanding Boarding Fees**

If a student is eligible to receive the away rate of Living Allowance and boards at a hostel or boarding school where the level of boarding fees charged by the boarding institution is more

than the Living Allowance entitlement for the full year, then the remaining School Fees Allowance may be used to meet outstanding board fees.

**Note 1: These provisions do not apply to those students who failed the relevant income, assets and family actual means test(s).**

**Note 2: These provisions do not apply to students in private boarding arrangements.**

### **7.8.6.2 Entitlement Not to be Exceeded**

Where a transfer as described above occurs, the combined School Fees Allowance and Living Allowance entitlement is not to be exceeded.

Any residual entitlement is not to be used for any other purpose, eg to pay prior overpayment deductions or be directed to the student.

### **7.8.6.3 Transfer Not Automatic**

Transfer of unused School Fees Allowance to meet excess board costs is not automatic.

### **7.8.6.4 Approval Requirements for Transfer**

The delegate must be satisfied that the fees are reasonable before approving the transfer of School Fees Allowance to pay excess board fees.

### **7.8.6.5 Disparity in Fees Levied**

Fees levied for ABSTUDY students should be at the same level as those set for non-ABSTUDY students at the school/hostel.

If Centrelink discovers a disparity in charges for ABSTUDY students, the matter should be referred to the Debt Services Team.

## **7.8.7 Change of School**

### **7.8.7.1 Change of School - No Further Payment**

Where School Fees Allowance has been paid for the term or the year and a student subsequently changes school, no further payment will be made for the period for which payment has already been made.

### **7.8.7.2 Change of School - Further Payment**

Where School Fees Allowance has been paid for the term or year and a student subsequently changes school, payments can be made to the new school:

- for the period that the previous school has refunded part or all of the allowance to Centrelink; or
- where the student boards and attends a government school.

### 7.8.7.3 Notification Before Leaving School

Where it is the policy of the boarding education institution that a specified period of notification of intention to withdraw must be given or fees of the specified period or part thereof must be paid, Centrelink should try to negotiate non-payment or a reduction in the amount payable where a student leaves without fulfilling the requirements.

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## 7.9 Fares Allowance

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## Introduction

This chapter contains details about Fares Allowance.9

### 7.9.1 Summary of Fares Allowance

#### Summary table

The table below summarises the Fares Allowance

Feature of Allowance	Details
Availability	Schooling B, Tertiary, Part-time, PES and Masters and Doctorate Awards, including for Away-from-base activities.
Purpose	To cover the cost of specified travel for students to fully participate in the approved course of study.
Eligibility conditions	<ul style="list-style-type: none"><li>• Meets the relevant award criteria; and</li><li>• meets one of the conditions of approval to live away from home or to participate in an approved Away-from-base activity.</li></ul>
Entitlement	Entitlement matched to the actual cost of most appropriate and cost-effective form of transport.
Standard rate	<ul style="list-style-type: none"><li>• The standard rate is an amount equivalent to the cost of an economy class rail or bus fare.</li><li>• Where travel by economy class rail or bus is impracticable or unreasonable, the rate may be pegged to:<ul style="list-style-type: none"><li>○ economy air fare or rail fare with sleeping berth,</li><li>○ Motor Vehicle Allowance rate,</li><li>○ cost of chartered transport, or</li><li>○ other appropriate means of transport.</li></ul></li></ul>
Provision of entitlement	<ul style="list-style-type: none"><li>• Travel ticket authorised by Centrelink,</li><li>• cost of travel reimbursed to person incurring expense, and</li></ul>

	<ul style="list-style-type: none"> <li>• transport chartered by Centrelink.</li> </ul>
Other conditions	<ul style="list-style-type: none"> <li>• Interstate travel is not available to secondary students except: <ul style="list-style-type: none"> <li>○ where students live near a State/Territory border and will attend a school at a nearby interstate location; or where interstate travel is more cost effective than intrastate.</li> <li>○ where there are no available boarding places at a boarding school in the State/Territory.</li> </ul> </li> </ul> <p>Independent and pensioner students who have travelled interstate to undertake a tertiary course will be considered residents of their study location for any further studies undertaken after completing the initial tertiary qualification, thus relinquishing fares entitlement.</p>
Other conditions (continued)	<ul style="list-style-type: none"> <li>• Interstate travel is not available for tertiary students undertaking certificate and enabling courses at interstate locations, except: <ul style="list-style-type: none"> <li>○ where it is more cost effective to travel interstate than to an intrastate location; or</li> <li>○ where a course in a particular field is not available in the student’s home State or Territory and the institution has applied to DEST and has been granted an exemption from this rule.</li> </ul> </li> </ul> <p>In such cases, the student may be approved to travel to the most cost-effective (ie closest) interstate location.</p>
Payment features	<ul style="list-style-type: none"> <li>• Payable on submission of claim from: <ul style="list-style-type: none"> <li>○ travel carrier or travel agent for Centrelink- authorised or</li> <li>○ Centrelink chartered travel; or</li> <li>○ student or person or education institution</li> </ul> </li> </ul>



	incurring cost.
Taxation status	Non taxable income for the student.
Indexation status	Not applicable.

**\*Note 1: Travel costs to school with available boarding places in the student's home state should be compared with travel costs to the interstate school for which ABSTUDY fares allowance has been requested.**

**\*Note 2: Students should not be forced to go interstate, unless this is requested by the applicant, regardless of cost.**

## 7.9.2 Introduction to Fares Allowance

### 7.9.2.1 Qualification

Students on the following awards may qualify for Fares Allowance:

- Schooling A Award;
- Schooling B Award;
- Tertiary Award;
- Part-time Award;
- Testing and Assessment Award; and
- Masters and Doctorate Award.

### 7.9.2.2 Purpose

The purpose of Fares Allowance is to cover the cost of specified travel to enable students to participate fully in the approved course of study while maintaining contact with the home community where appropriate.

Fares allowance will normally be for travel between the student's permanent home and the location of the approved education institution.

Fares allowance will also be available to the extent that there is a need for a student to travel to participate in Away-from-base activities.

### 7.9.2.3 Duty of Care for Young Students

Travel officers should ensure that Centrelink's travel provider is aware of the ages of young secondary boarding students so that appropriate travel arrangements are made. They should ensure, for example, that young students travel on the most direct route and that they are scheduled to arrive at their destination at a reasonable hour. This is particularly important where students are from remote communities.

Boarding institutions should be encouraged to provide the necessary information to Centrelink travel officers sufficiently early so that inappropriate bookings can be avoided.

## **7.9.3 Eligibility for Fares Allowance**

### **7.9.3.1 Eligibility**

A student is eligible for Fares Allowance if:

- s/he meets one of the eligibility conditions to live away from the permanent home (see Terms and Abbreviations for definition of [permanent home](#)) and s/he travels for the approved purpose; or
- s/he travels to participate in an approved Away-from-base activity.

The circumstances that travel can be approved for each purpose are described in 7.9.5 Types of Specified Travel. Specified travel does not include daily travel between the term address and the education institution.

Also see [7.9.6 Approved Travellers \(other than students\)](#).

### **7.9.3.2 Ineligibility for Further Travel: Students Who Have Completed Tertiary Course Interstate**

Independent and pensioner students who have travelled to, and resided, interstate to undertake a tertiary course through on-campus studies, will be considered residents of that study location for any further studies undertaken after completing the initial tertiary qualification, thereby relinquishing fares entitlement. This does not include students who travelled interstate solely to participate in Away-from-base activities.

### **7.9.3.3 Intrastate and Interstate Travel: Schooling Students**

Schooling students who are eligible for boarding entitlements may be approved for Fares Allowance to attend an education institution located in their home State or Territory.

Fares allowance for schooling students who choose to study interstate will not be approved, except where:

- students live near a State/Territory border and will attend a school at a nearby interstate location; or
- there are no available boarding places at a boarding school in the home State/Territory.

### **7.9.3.4 Intrastate and Interstate Travel: Tertiary Students**

There is no travel restriction to intrastate locations for Tertiary students.

Interstate travel generally will not be approved for:

- field trips and placements (see Policy Manual 7.10.4.4.6, 7.10.4.5.6); and
- students undertaking certificate or enabling courses, including to attend residential schools.

### 7.9.3.5 Interstate Travel: Restrictions on Tertiary Students Undertaking Certificate and Enabling Courses

Tertiary students undertaking certificate and enabling courses will not normally be approved for Fares Allowance to interstate locations. Interstate travel may be approved only where:

- it is more cost-effective to travel interstate than to an intrastate location; or
- a course in a particular field is not available in the student's home State or Territory.

In such cases, the student may be approved to travel to the nearest most cost-effective interstate location.

The decision whether or not a course is available in a particular State or Territory is made by DEST. It is the responsibility of institutions, not students, to apply for recognition that a course is not available in (some) other States/Territories. Institutions wishing to apply for such recognition should be advised to make a written request to the:

Group Manager  
 Indigenous Policy Development and Coordination Group  
 DEST  
 GPO Box 9880  
 CANBERRA ACT 2601

or by fax to 02 6240 7667, for consideration. Centrelink Customer Service Centres will be advised of the DEST decisions.

**Note: Fares Allowance does not refer to travel activities that are part of a course of study. Fares Allowance is for the beginning and end of the academic year to travel to and from the place of study.**

### 7.9.3.6 Establishment of Entitlement to Live Away From Home

Fares allowance entitlement for a student living away from the permanent home will normally be established by the applicant:

- nominating on the claim form a permanent home address which varies from the term address;
- having sought and obtained approval for Fares Allowance; and
- meeting the eligibility criteria at 7.9.3.1.

### 7.9.3.7 Evidence of Residence

Where there is doubt whether or not the student was residing at the nominated permanent home immediately prior to enrolment, independent evidence of residence should be sought, eg accounts, rental receipts, FaCS records.

Similarly, a student may be considered to have established permanent residency at the study location where s/he has applied for and/or obtained rental accommodation or purchased housing through the local State/Territory Housing Authority.

### **7.9.3.8 Forward Journey to Commence Course**

Approval for travel from the place nominated as the permanent home to the course location will be given where the student can establish s/he will travel or has travelled to the term location to take up or resume study. It is expected that students will not normally need to travel more than one month prior to commencement of the course.

Except where earlier travel can be justified, if a forward journey did not take place at the outset of the course, it is assumed that the student left the permanent home and/or travelled to the place of study for reasons other than to study the approved course. Under these circumstances there has been a change of permanent home prior to the commencement of study and the student is not eligible for ABSTUDY Fares Allowance. However, where earlier travel to take up or resume study can be justified, eg to find accommodation, this is permissible.

### **7.9.3.9 Return Journey at the End of Study for the Year**

Continuing students must travel prior to recommencement of following year studies. Students discontinuing or completing their course must travel within three months of ceasing studies.

The end-of-study journey may be taken at the time a school student returns to live at home from a board arrangement. Should such a student subsequently re-commence at the same or a different board establishment, Fares Allowance for the forward journey would normally be available only if the journey coincided with the commencement of a new term.

**Note: If the student does not return to the permanent home in line with the return journey requirements, it would normally be assumed that s/he remained at the study location for reasons other than for study and, in these circumstances, has established her/his permanent home at the study location and thereby forfeited remaining Fares Allowance entitlements.**

### **7.9.3.10 Example**

*Joanna was studying in Sydney until 10 December 2002. At the end of the course Joanna was offered a job at the local shopping centre up to 20 January 2003. No employment was available at her home town. On 20 January 2003 Joanna rang the ABSTUDY office to arrange her flight, to her home town. Her 2003 studies commence on 1 March. Is Joanna eligible for this return trip? Yes. Joanna is entitled to the return journey if it is taken prior to recommencement of studies.*

### **7.9.3.11 Special Circumstances**

If special circumstances apply such that, in the opinion of the delegate, the student should not be regarded as having changed her/his permanent home, Fares Allowance for the return

journey home may be approved. Examples of such circumstances would be rigid leasing or rental arrangements and illness or other circumstances beyond the student's control.

### **7.9.3.12 Travel To and From Another Location**

A student who is eligible for Fares Allowance may travel from, or return to, a location other than her/his permanent home. It would, however, be expected that such travel would only be required to join the family which had temporarily moved. Costs should not exceed the level of Fares Allowance entitlement for approved travel.

### **7.9.3.13 Change of Permanent Home**

A dependent student's permanent home may change if her/his family moves residence. In such a circumstance the student's entitlement to Fares Allowance will be re-assessed on the basis of the new permanent home location.

An independent student's permanent home may only change where the student has a partner who remains at the permanent home and has moved his/her permanent home while the student is away at the study location.

### **7.9.3.14 Changed Circumstances**

Should any of the following events occur during a student's course of study, Centrelink will need to be notified and amendments or updates to the original claim made. These changed circumstances are when:

- a student leaves a school or a course;
- a student reduces or increases the study workload in his/her approved course, including transferring between full-time and part-time study; or
- a student withdraws from the course nominated on the application form and enrolls in a second course.

Such changed circumstances (eg. transferring from a Diploma course at an interstate institution to a Certificate course in the same institution) may result in the student becoming ineligible for Fares Allowance. In line with the Declaration on the ABSTUDY Claim Form, students have fourteen days to notify Centrelink of any changes to their circumstances.

### **7.9.3.15 Travel Overseas**

A student is not eligible for Fares Allowance to a location outside Australia.

### **7.9.3.16 Unused Entitlements**

A student who does not use all her/his travel entitlements in one year may not accumulate unused entitlements.

## 7.9.4 Entitlement to Fares Allowance

### 7.9.4.1 Fares Allowance for Travel

Fares allowance entitlement will be assessed at the rate of the mode of travel which is:

- the most practicable and cost effective mode of transport for the journey, and
- reasonable in the circumstances.

The rate of Fares Allowance will be determined by the provisions of this section regardless of the actual mode of travel used by the student.

In determining Fares Allowance entitlements, travel is to be assessed to and from the location used as the normal travel terminal, eg a train station, bus stop or air field, servicing the permanent home community or the place of board.

Additional costs for taking an indirect route or for breaking the journey are not included in Fares Allowance

Where a student for travel by air is required to land at Sydney airport, an additional 'noise tax' will be added on to the cost of the ticket. This cost is payable as part of the student's Fares Allowance entitlement.

### 7.9.4.2 Standard Rate of Fares Allowance

The standard rate of Fares Allowance qualifies a student to travel at that fare.

**Note: Travel booked through institutions, such as for secondary boarding students and Away-from-base activities, must use the Qantas Group Booking facility for a discount where it can be applied (see 7.9.4.18).**

### 7.9.4.3 Alternative Travel Routes

In circumstances where it is not practicable or reasonable for the student to travel by economy class rail or bus fare, entitlements may be set at the value of:

- the cost of rail fare with a sleeping berth;
- the cost of economy air fare;
- the rate of Motor Vehicle Allowance for officers of the Australian Public Service where travel by private vehicle is necessary; or
- the actual cost of transport for any part of the journey which:
  - cannot be serviced by one of the forms of public transport indicated above; or
  - is of reasonable cost in view of the distance and terrain.

**Note: This may include travel by chartered transport such as taxi, hire car, ferry, helicopter.**

#### **7.9.4.4 Air/sleeping Berth Travel Rates**

Fares allowance entitlement may be assessed at the rate of economy air travel or rail fare with sleeping berth, whichever is most applicable, if:

- no rail or bus service exists for the journey; or
- the total travelling time by surface public transport from the permanent home to the approved education institution exceeds:
  - eight hours by bus, for a secondary school student travelling alone, or
  - 10 hours (including waiting time between connections), by bus for other secondary students; or
  - 18 hours (including waiting time between connections), by bus for tertiary students; or
  - 36 hours (including waiting time between connections), by train for tertiary students
- the student (or a dependent) is unable to make the journey by economy class rail or bus due to illness or incapacity and this circumstance is supported by a medical certificate; or
- due to travel schedules:
  - an overnight journey by surface transport is unavoidable, or
  - a school student would have to leave the departure point or arrive at the destination unreasonably late at night or early in the morning, eg between 9:00pm and 7:00am.

A student will not be entitled to Fares Allowance at the level covering economy air travel or rail fare with sleeping berth simply because s/he cannot secure a booking at the desired time.

#### **7.9.4.5 Motor Vehicle Allowance**

Fares allowance entitlement may be assessed at the rate of Motor Vehicle Allowance (MVA) for officers of the Australian Public Service in line with the Department of Employment, Workplace Relations and Small Business rates in the following circumstances:

- if no regular public transport services exists for all or part of the journey, ie neither surface nor air services;
- in the opinion of the delegate, it is unreasonable or impracticable, eg due to infrequent services or poor connections, to travel by public transport;

- the student is unable, due to injury, disability or other circumstances beyond her/his control, to travel by public transport; or
- travel by private vehicle is cost-effective.

Where suitable public transport is available for part of the journey, Fares Allowance entitlement will be the sum of:

- Motor Vehicle Allowance entitlement from the permanent home to the travel junction from where suitable public transport is available; plus
- the cost of public transport from the travel junction to the place of study.

#### **7.9.4.6 Motor Vehicle Allowance Assessment**

Where a Motor Vehicle Allowance entitlement has been assessed, the rate will be determined on the basis of:

- the distance in kilometres by the shortest practicable route between the locations for which MVA is approved, multiplied by
- the relevant Motor Vehicle Allowance rate for the engine capacity of the vehicle. (See [7.9.4.10](#))

#### **7.9.4.7 Not Necessary to Travel by Motor Vehicle**

Travel by motor vehicle for a journey or part of a journey for which it is not necessary to travel by motor vehicle will attract the standard rate of Fares Allowance entitlement, ie the cost of economy class rail or bus (including concessional rate, if applicable).

#### **7.9.4.8 Travel in Motor Vehicle with Companion**

Where a student travels by private vehicle but is not entitled to MVA, and transports as passengers other ABSTUDY students with fares assistance entitlements, ie resulting in cost savings, the rate of fares assistance may be:

- the rate of economy class rail or bus fare (including concessional rate, if applicable); plus
- an additional one-third of this rate for each passenger transported.

#### **7.9.4.9 Motor Vehicle Allowance Payable**

Where Australian Public Service (APS) Motor Vehicle Allowance (MVA) is payable for journeys involving ABSTUDY students, the relevant MVA rate is paid **plus** an additional 0.63 of one cent per kilometre.

For journeys without ABSTUDY students (eg a return journey after transporting ABSTUDY students) the relevant APS Motor Vehicle Allowance is payable.



#### 7.9.4.10 Motor Vehicle Allowance Rates

The following motor vehicle allowance rates currently apply:

Engine capacity (non-rotary)	Engine capacity (rotary engine)	Rate per kilometre
1,600 cc and under	800 cc and under	49.30 cents
1,601 cc - 2,600 cc	801 cc - 1,300 cc	59.00 cents
above 2,600 cc	above 1,300 cc	60.00 cents

#### 7.9.4.11 Travel by Chartered Transport

Chartered transport is to be arranged by Centrelink, a boarding establishment or an education institution and the cost of the charter met from student entitlements in the following circumstances:

- where there is no public transport available; or
- where the use of chartered transport for the students is cost-effective.

#### 7.9.4.12 Travel by Hire Car

Travel by hire car should be approved only in exceptional circumstances. Where it is approved, Fares Allowance entitlement is equivalent to the rate of:

- the contracted hiring fee for the minimum period necessary for the travel;
- any distance levy charged by the hire company for the shortest practicable route;
- and
- petrol costs.

Hire car contracts are to be entered into by the approved traveller and not by the Commonwealth.

#### 7.9.4.13 Transport Terminal Transfers

Fares allowance for transport between an air, coach or train terminal and board or accommodation location, is to be assessed at the rate of:

- the fee levied for all students, or a reasonable fee if levied for ABSTUDY students only, where a boarding establishment or accommodation provider provides transport facilities; or
- taxi fare where:
  - public transport is not available;

- it is unsafe to use public transport considering the age of the school student and/or the time of day at which the travel occurs;
- the student is travelling to the place of study for the first occasion and is unfamiliar with the public transport routes; or
- public transport bus and/or rail fare.

#### **7.9.4.14 Off Campus Residential School Travel**

Where an education institution conducting a residential school arranges accommodation at an off-campus location, Fares Allowance may cover the cost of transport between the place of accommodation and the education institution provided that:

- there is no suitable and convenient form of public transport;
- the education institution arranges the transport; and
- the costs are reasonable.

#### **7.9.4.15 Excess Baggage**

Where the student has baggage in excess of that carried free of charge by whatever means of public transport is being used, the cost of excess baggage will be regarded as part of the student's Fares Allowance for the journey up to the following limits:

- where the baggage allowance is given in linear measure, one additional piece of baggage within the linear limits; or
- where the allowance is based on weight, excess baggage up to 18 kilograms.

#### **7.9.4.16 Overnight Accommodation**

Costs associated with overnight accommodation may be met if the purpose of the approved travel requires an approved traveller to stay one night or longer:

- at an in-transit location, ie not the permanent home or the place of study, which is not the responsibility of the carrier; or
- at a location other than the normal place of residence.
- travellers eligible for assistance with expenses are entitled to the reasonable cost of meals and accommodation for the stopover, if accommodation is arranged by the education institution, Centrelink or community; or
- accommodation allowance where accommodation is arranged by the student.

Where the accommodation provider provides reception services as part of an all inclusive charge, this may also be met.

Approved travellers are students, parents/guardians, community representatives and chartered transport drivers/pilots who are approved to provide transport for part or all of a journey.

Note: This does not apply to graduation travel, as meals and Accommodation expenses are not payable. (refer to [7.9.5.7.6](#))

#### **7.9.4.17 Travel Service Provider**

Students, parents/guardians, board providers and education institutions should be advised that Qantas is currently the approved travel service provider for student travel and agreed Qantas procedures should be explained.

#### **7.9.4.18 Qantas Group Booking Discount**

A discounted rate is available on Qantas Economy fares (subject to seat availability). To be eligible for the discounted rate, a minimum of 10 people must be travelling to a common destination.

Qantas will provide:

- up to 45% discount off the full Economy Class fare;
- cancellation without penalty;
- changes of travellers at any time;
- travel itinerary changes;
- fully refundable fares; and
- a dedicated Qantas telephone number and staff to handle the bookings.

The travel officer will need to complete a *Qantas Group Travel Services Authority* form, provide a list of the students who will be travelling and take responsibility for advising the travellers of the Group Booking details.

#### **7.9.4.19 Travel Arrangements**

It is expected that, unless the student is travelling by transport chartered by Centrelink, the student, parent/guardian, board provider or education institution will be responsible for booking student travel.

Fares assistance may be provided in the form of:

- a travel ticket authorised by Centrelink through the authorised travel service provider or, where the authorised travel service provider cannot make the booking, directly with the public transport carrier;
- reimbursement of travel costs at the rate of entitlement assessed in accordance with those outlined in this topic; or
- chartered transport organised by Centrelink or the education institution.

Where fares assistance in the form of a travel ticket is required for the student, sufficient advance time is required for the authorisation to be prepared.

#### **7.9.4.20 Variations to Authorised Travel**

Arrangements for variations to booked travel should be authorised by Centrelink first, then arrangements can be made by the Centrelink Travel Officers, student, parent/guardian, board provider or education institution directly with the travel carrier provided there is no additional cost to Centrelink.

#### **7.9.4.21 No Show Penalty**

If travel is arranged, or a ticket authorised, for a student and the student subsequently does not travel:

- a Tertiary student or independent Schooling student or pensioner Schooling student will not have travel re-booked or paid for in advance for that journey:
  - travel will be reimbursed where the travel provider has not charged for the missed travel and the travel ticket is provided;
- a dependent Schooling student will be allowed one 'no show' for the duration of her/his course (usually the completion of secondary schooling) without valid reason before the conditions outlined in dot point one above apply.

If, in the opinion of the delegate, the 'no show' was due to circumstances beyond the control of the student, the penalty will not be applied.

**Note: Centrelink should ensure that the cheapest refundable fares are booked.**

#### **7.9.4.22 Penalty**

Any penalty charged by the travel providers as a result of the student missing booked travel is to be recovered directly from the applicant and not from an entitlement directed to a boarding establishment. This penalty should be applied for the first 'no show' occurrence and any subsequent occurrences. For dependent Schooling students the 'one no show' policy is still applicable.

### **7.9.5 Types of Specified Travel**

#### **Introduction**

This topic explains the different types of travel available for students

#### **7.9.5.1 Travel at Commencement and End of Study Period**

##### **7.9.5.1.1 Purpose**

To enable a student to travel to and from the study location.

#### 7.9.5.1.2 Eligibility

Available for all full-time students approved for Fares Allowance.

#### 7.9.5.1.3 Entitlement

One single journey at the commencement of study and one single journey at the end of study between the permanent home and the study location. The end-of-study journey may be taken at the time the student discontinues study in the course for the year.

### **7.9.5.2 School Vacation Travel**

#### 7.9.5.2.1 Purpose

To enable a school student to be reunited with her/his family during school vacations.

#### 7.9.5.2.2 Eligibility

Available for all school students approved for Fares Allowance.

#### 7.9.5.2.3 Entitlement

One return journey between the permanent home and the place of study to coincide with each of the short vacations of the school year.

Travel approved for school vacations will be in addition to a student's entitlement to travel at the beginning and the end of a study period.

#### 7.9.5.2.4 Special Provision

In Tasmania, which still adheres to the three term year, one return trip is also payable for the Easter break.

### **7.9.5.3 Tertiary Travel - Courses of More Than One Semester**

#### 7.9.5.3.1 Purpose

To enable a tertiary or TAFE secondary student to be reunited with her/his family.

#### 7.9.5.3.2 Eligibility

Available for full-time tertiary and secondary TAFE students who are:

- approved for Fares Allowance, and
- enrolled in a course of more than one semester.

However, this travel cannot be approved for students or their dependents where they have received Fares Allowance for dependent(s) to travel to the study location (see [7.9.6.1](#)).

### 7.9.5.3.3 Entitlement

One return journey between the permanent home and the place of study, which may be taken at any time after the date on which the student commences study and before the date on which the student ceases study.

## 7.9.5.4 Compassionate Travel

### 7.9.5.4.1 Purpose

To enable a student to return home for compassionate reasons.

### 7.9.5.4.2 Eligibility

Available for a full-time student who is approved for Fares Allowance and is in one of the circumstances described in [7.9.5.4.4](#) below as compassionate reasons.

Where a student has received Fares Allowance for a dependent to travel with them to the study location (see [7.9.6.1](#)) those dependents are also eligible for compassionate travel where it is necessary for them to return home with the student (see [7.9.6.1.3](#)).

### 7.9.5.4.3 Non Eligibility for Compassionate Travel

Students attending an Away-from-base activity are not eligible for compassionate travel but may use their return trip prior to the end date of the activity.

Similarly, secondary boarding students who are suspended from school are not eligible for compassionate travel, but may use their end of term entitlement to return home.

### 7.9.5.4.4 Entitlement

One return journey between the place of study and the permanent home for each approved compassionate travel claim.

Circumstances justifying travel for compassionate reasons include:

- the critical illness, injury, death or funeral of an immediate family member, ie parent/guardian, parent substitute, grandparent, sibling, partner, child, or partner's parent or child;
- an illness of the student which requires the student to return home; or
- a requirement for the student to participate in a community activity where the student comes from an Aboriginal or Torres Strait Islander community which observes Aboriginal or Torres Strait Islander law or kinship obligations.
- in assessing compassionate leave for the student to attend a funeral, cultural factors regarding extended family apply.

#### 7.9.5.4.5 Number of Approved Trips

### **DIFFERENT TO YA/AUSTUDY PAYMENT**

A maximum of two return trips per student, per year of course may be approved.

#### 7.9.5.4.6 Compassionate Travel

Where compassionate travel is approved because of illness of the student, and the student's illness is sufficiently serious that it would not be safe for her/him to travel alone (or at all), Fares Allowance may be approved for the return travel costs of a companion to accompany the student or for a parent, or partner or other close family member to visit the student.

Note: Where the student is suffering from a terminal illness, both parents may be approved to travel to visit the student.

#### 7.9.5.4.7 Approval

Approval for compassionate travel is to be made by the delegate who must be satisfied that the request is valid and that the student's absence from study will be kept to a minimum reasonable time (see [7.9.6.2.1](#) about travel for a companion or a family visitor for a student with a disability or illness).

#### 7.9.5.4.8 Evidence

Where necessary the delegate may approve travel on the condition that documentary evidence will subsequently be provided to support the request. If evidence has been requested but not supplied, an overpayment of the cost of Fares Allowance may be raised.

Documentation to support compassionate travel requests may take the form of statements from doctors, hospitals or community authorities which confirm the nature of the circumstances requiring the student's return home.

### **7.9.5.5 Away-From-Base Activities Travel**

#### 7.9.5.5.1 Purpose

To enable a student to participate in an approved Away-from-base activity, such as a selection test or interview program, residential school, field trip or placement.

#### 7.9.5.5.2 Eligibility

Available for a student who is approved to participate in an approved Away-from-base activity.

#### 7.9.5.5.3 Entitlement

One return journey between the place of study and the approved destination(s) (see Policy Manual [7.10.4](#)). For variations to authorised travel, see [7.9.4.20](#).

#### 7.9.5.5.4 Limit of Assistance - Masters and Doctorate Students

Masters and Doctorate Award students undertaking an Away-from-base activity have a limit of \$2,080 a calendar year for the total of fares and accommodation.

### **7.9.5.6 Examination Travel**

#### 7.9.5.6.1 Purpose

To enable a student to attend examinations for the approved course.

#### 7.9.5.6.2 Eligibility

Available for a student who is:

- a full-time student approved for Fares Allowance and is required to take a supplementary or deferred examination; or
- required to travel to a location other than the normal place of residence to sit examinations.

#### 7.9.5.6.3 Entitlement

One return journey between the permanent home and the examination centre for each approved examination or set of examinations.

Full-time tertiary students would be expected to remain at the place of study until the end of their participation in the normal examination period and would therefore only qualify for examination travel for unexpected supplementary or deferred examinations.

### **7.9.5.7 Graduation Travel**

#### 7.9.5.7.1 Purpose

To enable a student to attend her/his graduation ceremony.

#### 7.9.5.7.2 Eligibility

Available for students who:

- have completed a tertiary course equivalent to a course of at least two years' full-time duration or a postgraduate degree for which they received ABSTUDY assistance; AND
- were approved for Fares Allowance to undertake their course away from their permanent home (that is, travel at commencement and end of the study period which was approved will be paid for graduation travel - see [7.9.5.1](#)); or



- travel to attend a residential school under the Away-from-base element of IESIP  
Away-from-base.

#### 7.9.5.7.3 Entitlement

One return journey within Australia to the place of study equivalent to the approved travel rate paid at the commencement and end of the student's study period. That is travel paid to either on campus students or those students involved in a combination of distance education and face-to-face teaching (mixed-mode).

**Note: Graduation Travel is not paid under Away from base IESIP funding. This travel is paid by Centrelink.**

#### 7.9.5.7.4 Eligibility for IESIP Graduation Travel

For travel to attend a graduation, students need to meet all eligibility criteria. Those students who from 1 January 2000 received assistance with travel (fares allowance) under the away-from-base element of IESIP must also have been in receipt of one or more ABSTUDY allowances from Centrelink at the same time as they received assistance with travel under IESIP. Travel to attend a graduation must only be from the latest recorded permanent home address to their institution as recorded at the time the ABSTUDY assistance was paid. This entitlement is only for students who undertook a course of study through a combination of distance education and residential schools (mixed-mode). **It is not available** for students who received ABSTUDY away-from-base assistance only for residential schools, field trips or placements but did not receive fares allowance to travel between their place of residence and the institution to undertake the course of study.

#### 7.9.5.7.5 Examples

*Joan is attending Sydney University but her permanent home is in Dubbo. She is eligible for the away-from home rate of ABSTUDY and two return journeys to and from the University to her permanent home per year. Joan's travel is paid by Centrelink. After completing her Bachelor of Arts, Joan is eligible for Graduation Travel at the travel rate paid at the commencement and end of her study period. Joan will apply to Centrelink for this travel payment.*

*Bill lives in Darwin and is studying a Diploma by distance education. As part of his course he attends Curtin University in Perth for several periods during the year (mixed-mode). His travel is paid for by the University through block funding as part of the IESIP programme. After completing his Diploma, Bill is eligible for Graduation Travel at the travel rate paid from Darwin to Perth at the commencement and end of his study period. Bill will apply to Centrelink for this travel payment.*

#### 7.9.5.7.6 Accommodation and Meals Allowances

There are no meals and accommodation allowances payable for Graduation Travel.

### 7.9.5.8 Supervisor Travel

#### 7.9.5.8.1 Purpose

To enable the supervision of school students while in transit during an approved journey.

#### 7.9.5.8.2 Eligibility

Available in relation to students approved for Fares Allowance where:

- a group of students travel;
- the travel is lengthy and involves at least one change of flight or change of travel terminal;
- the supervisor's travel is approved by the delegate; and
- the supervisor is a parent/guardian or community representative.

#### 7.9.5.8.3 Number of Supervisors

The number of parents/guardians and/or community representatives to be assisted will depend on the circumstances of the travel. As a rule of thumb, a ratio of one parent/guardian or community representative to six students should be used. This allows one parent/guardian or community representative to supervise between one and six students, two to supervise seven to twelve students, and so on.

#### 7.9.5.8.4 Entitlement

One return journey between the supervisor's home and the student's place of study or other designated location for a parent or community representative for each approved occasion.

**Note: Entitlements for overnight accommodation, if applicable, are set down in 7.9.4.16.**

### 7.9.5.9 Masters/Doctorate Relocation Travel

#### 7.9.5.9.1 Purpose

To enable Masters/Doctorate students and their partner and dependents to travel to their new home at the place of study (see Policy Manual [7.4.4.3](#)).

#### 7.9.5.9.2 Eligibility

Available to students on Masters/Doctorate Award.

#### 7.9.5.9.3 Entitlement

An economy or student concession airfare to the study location for the student, partner and dependents. If travelling by surface transport, the airfare equivalent, or actual costs, whichever is the less.

### 7.9.5.10 Orientation or Special Purpose Visit Travel

#### 7.9.5.10.1 Purpose

Orientation or Special Purpose Visit Travel is for students who are approved to live away from home. One return fare is provided to assist with travel associated with the entry, orientation

or adjustment of a secondary or tertiary student to a boarding/term location, so that the boarding/away from home placement may be effective.

#### 7.9.5.10.2 Definition

Serious problems of adjustment are demonstrated by any or all of the following:

- prolonged homesickness;
- poor attendance at classes; or
- behavioural problems which affect the student's academic performance and/or are in serious breach of the school's or boarding education institution's standards of behaviour.

#### 7.9.5.10.3 Eligibility

Available in respect of a student approved for Fares Allowance where:

- a school requires prospective students to attend interviews or other selection procedures prior to acceptance;
- s/he is going away to board for the first time and is from a remote Aboriginal community;
- s/he is going away to board for the first time and other students from her/his home community have in the recent past suffered serious problems of adjustment;
- the student is intending to study in an approved tertiary course at the study location, has completed secondary studies in the previous year and will be undertaking tertiary studies of at least one year's duration; or
- a student in a boarding placement is under threat of expulsion because of serious problems of adjustment or similar circumstances and a visit is expected to stabilise the situation.

#### 7.9.5.10.4 Number of Supervisors

The number of parents/guardians and/or community representatives to be assisted will depend on the circumstances of the travel. As a rule of thumb, a ratio of one parent/guardian or community representative to six students should be used. This allows one parent/guardian or community representative to supervise between one and six students, two to supervise seven to twelve students, and so on.

#### 7.9.5.10.5 Entitlement

One return journey between the student's permanent home and the place of study for the student and/or her/his parent/guardian or home community representative. For overnight accommodation of an approved traveller, see [7.9.4.16](#).

## 7.9.6 Approved Travellers

### Introduction

This topic details when travel is available to people other than students

### 7.9.6.1 Dependants' Travel

#### 7.9.6.1.1 Approval

A student who is approved for Fares Allowance for her/his own travel is eligible for Fares Allowance for a dependent partner and/or any dependent children/students who travel to live at the place of study, where:

- the student is eligible for parenting payment partnered; and/or
- the student or student's partner hold a Health Care Card **and** have a dependent child.

**Note: Students are not eligible for mid year return to home location and back to school.**

However, see the next block for students who are not entitled.

#### 7.9.6.1.2 Students Not Entitled to Dependents Travel

Students undertaking courses of more than one semester who receive travel entitlements for dependant(s) to travel to the place of study, are not eligible for travel during the year under [7.9.5.3](#).

#### 7.9.6.1.3 Entitlement

Travel entitlements for dependants are the same as those indicated for students for the following types of specified travel:

- travel at the commencement and end of study; and
- compassionate travel.

The rate of entitlement for dependants' travel is set down in the Summary of Fares Allowance under [7.9.4](#) Entitlement to Fares Allowance.

Dependants would normally be expected to travel with the student but may use Fares Allowance to travel separately, eg to return home within one month before the student completes studies.

### 7.9.6.2 Travelling Companion/Visitor for an Ill Student or a Student with a Disability

#### 7.9.6.2.1 Approval

A companion may be approved to travel with a sick student who needs to travel home. Where the student is too ill to travel, a family member such as a parent/guardian or partner or other close relative may be approved for a return fare to visit the student. Where the student is suffering from a terminal illness, both parents may be approved to travel.

A companion may also be approved to accompany a student with a disability travelling between home and school where the disability is sufficiently serious that it is not desirable for the student to travel alone.

#### 7.9.6.2.2 Entitlement

Travel entitlements for the student and for a companion or visitor are indicated in [7.9.4 Entitlement to Fares Allowance](#)

### **7.9.6.3 Education Institution Representative Travel**

#### 7.9.6.3.1 Approval

Where an education institution can demonstrate that it is cost-effective for its representatives to travel to a community or communities rather than for students or parents to travel to the education institution, education institution representatives may be approved to travel to and from the nominated community or communities for the purposes set out in [7.9.6.3.2](#) and [7.9.6.3.3](#).

#### 7.9.6.3.2 Orientation Travel

Travel for the purpose of student orientation may be approved for representatives from a school or hostel only if:

- the proposed travellers have direct contact with ABSTUDY students at the boarding location; and
- there are at least six ABSTUDY students at the school or hostel who come from the community/communities to be visited and there is likely to be a continued boarding connection between the education institution and the community.

See [7.9.5.10 Orientation or Special Purpose Visit Travel](#).

#### 7.9.6.3.3 Away-From-Base Travel

Travel may also be approved for education institution representatives to conduct testing and assessment programs or residential schools in a community (see Policy Manual [7.10.4.3.5](#) and [7.10.4.6.4](#)).

#### 7.9.6.3.4 Entitlement

The rate of Fares Allowance entitlement for education institution representatives is as set down in the next section.

Entitlements for overnight accommodation, if applicable, are set down in the next section. The number of education institution representatives receiving assistance would, in normal circumstances, be limited to two.

## **7.9.7 Payment of Fares Allowance**

### **7.9.7.1 Fares Allowance is Payable**

Fares allowance is payable on submission of claims from:

- the travel carrier or travel agent for authorised or chartered student travel;
- the student or person or education institution incurring expense for the student travel; or
- an education institution or boarding establishment which arranged the travel.

### **7.9.7.2 Allowable Claim Period**

Claims for reimbursement of Fares Allowance must be lodged with Centrelink before 1 April in the year after the relevant year of study.

Graduation and examination travel claims must be submitted within three months of travelling.

Claims can only be considered after this time if circumstances beyond the control of the claimant prevented lodgement within the required period and the claim was lodged as soon as practicable.

### **7.9.7.3 Advance Payments**

Fares allowance may be advanced to:

- an education institution or boarding establishment for arrangement of travel; or
- a travel carrier providing chartered services where advance payment is a condition of the charter.

### **7.9.7.4 Recovery of Advance Payments**

Advance payments are to be recovered if not satisfactorily acquitted.

### **7.9.7.5 Responsibility for Overpayments**

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of this allowance has been made:

### **7.9.7.6 Non Taxable**

Fares allowance is not taxable income.

## 7.10 Away-from-base Assistance

- [7.10.1 Summary of Away-From-Base Activities](#)
- [7.10.2 Introduction to Away-From-Base Activities](#)
  - [7.10.2.1 Definitions](#)
  - [7.10.2.2 Coverage](#)
  - [7.10.2.3 Associated Fees](#)
  - [7.10.2.4 Costs to be Justified](#)
  - [7.10.2.5 Overseas Travel](#)
  - [7.10.2.6 Applications for Non Mixed-Mode Courses](#)
- [7.10.3 Away-From-Base Non Mixed-Mode Activities Entitlements](#)
  - [7.10.3.1 General Entitlements for Non Mixed-Mode Courses](#)
    - [7.10.3.1.1 Beneficiaries](#)
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    - [7.10.3.1.4 Period of Entitlement](#)
  - [7.10.3.2 Residential Expenses and Meal Allowance](#)
    - [7.10.3.2.1 Purpose](#)
    - [7.10.3.2.2 Residential Expenses](#)
    - [7.10.3.2.3 Expenditure Approval Requirements](#)
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    - [7.10.3.2.5 Three Quotes Not Required](#)
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- 7.10.4 Away-From-Base Course Approvals for Non Mixed-Mode Courses
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## Introduction

This chapter contains details about assistance which can be provided for students to participate in Away-from-base activities.

### 7.10.1 Summary of Away-from-base Activities

#### Summary table

The table below summarises the Away-from-base activities.

Features of Allowance	Details
Availability	Schooling B Award, Tertiary Award, Part-time Award, Testing and Assessment Award, Masters and Doctorate Award, Student in Lawful Custody Award.
Away-from-base activities	<ul style="list-style-type: none"> <li>• testing and assessment programs;</li> <li>• residential schools;</li> <li>• field trips; and</li> <li>• placements.</li> </ul>
Approvals	<ul style="list-style-type: none"> <li>• All course activities require an Away-from-base course activity submission form to be lodged by the education institution; and</li> <li>• separate approval requirements for mainstream and Indigenous special courses.</li> </ul>
Entitlements	<ul style="list-style-type: none"> <li>• Fares Allowance, residential expenses or travel</li> </ul>

	<p>allowance; and</p> <ul style="list-style-type: none"> <li>Living Allowance except for students in lawful custody.</li> </ul>												
Limits to entitlements	<p>The following limits will apply to Away-from-base assistance:</p> <ul style="list-style-type: none"> <li>up to six return trips; and</li> <li>up to 40 days residential costs <b>or</b> the number of days which applied to the approved course prior to 1998.</li> </ul>												
Residential expenses and travel allowance - purpose	To cover costs associated with accommodation and meals while away from the normal place of residence.												
Features of residential expenses	<p>Assistance with residential expenses:</p> <ul style="list-style-type: none"> <li>meets the actual cost of meals and accommodation if these costs are reasonable;</li> <li>is paid only where education institution or other organisation arrange accommodation; and</li> <li>is the preferred form of entitlement - applies unless impracticable or unreasonable in the circumstances.</li> </ul>												
ABSTUDY meal allowance rates	<p>If meals are not included in residential expenses, ABSTUDY meal allowance may be provided at the following rates:</p> <table border="1" data-bbox="598 1332 1439 1608"> <thead> <tr> <th>Meal</th> <th>Amount for capital cities and high cost country centres*</th> <th>Amount for centres other than capital cities and high cost country centres**</th> </tr> </thead> <tbody> <tr> <td>Breakfast</td> <td>\$16.05</td> <td>\$14.30</td> </tr> <tr> <td>Lunch</td> <td>\$17.90</td> <td>\$16.40</td> </tr> <tr> <td>Dinner</td> <td>\$30.80</td> <td>\$28.25</td> </tr> </tbody> </table> <p>*High cost country centres as listed in Policy Manual 7.10.3.2.10.  **Centres other than capital cities and high cost country centres as listed at Policy Manual 7.10.3.2.10.</p> <p>May also be paid to students attending a placement where travel allowance is approved.</p>	Meal	Amount for capital cities and high cost country centres*	Amount for centres other than capital cities and high cost country centres**	Breakfast	\$16.05	\$14.30	Lunch	\$17.90	\$16.40	Dinner	\$30.80	\$28.25
Meal	Amount for capital cities and high cost country centres*	Amount for centres other than capital cities and high cost country centres**											
Breakfast	\$16.05	\$14.30											
Lunch	\$17.90	\$16.40											
Dinner	\$30.80	\$28.25											
Features of travel allowance	<ul style="list-style-type: none"> <li>Provides a set allowance to cover cost of accommodation;</li> </ul>												

	<ul style="list-style-type: none"> <li>• paid in circumstances where residential arrangements are impracticable or unreasonable; and</li> <li>• rates aligned to APS Travel Allowance accommodation component (students attending placements may also be entitled to ABSTUDY meal allowance).</li> </ul>
Eligibility for Living Allowance	<ul style="list-style-type: none"> <li>• Paid if student suffers a loss of regular income;</li> <li>• Living Allowance paid for the duration of the activity is not subject to income-testing.</li> </ul>
Payment features - residential expenses and travel allowance	<ul style="list-style-type: none"> <li>• May be paid in advance, subject to acquittal;</li> <li>• residential expenses paid to education institution or organisation incurring expense; and</li> <li>• travel allowance (accommodation component) paid to student.</li> </ul>
Acquittal	Required from institutions within four weeks of completion of the activity where an advance payment has been made.
Taxation status	Residential expenses and travel allowance not taxable as income of the student
Indexation status	Travel allowance reviewed periodically.

## 7.10.2 Introduction to Away-from-base Activities

### 7.10.2.1 Definitions

There are two broad categories of ABSTUDY Away-from-Base:

1. **Travel, accommodation and meals for special activities** such as field trips or practical placements that are essential components of a student's course. In this category, the student attends the institution in the normal way usually on a daily basis to attend lectures and tutorials. Travel allowance may be paid either by reimbursement or in advance by Centrelink and the student may also receive meal and accommodation costs. This element of away-from-base has remained unchanged. For this type of assistance students will continue to apply to Centrelink.

This category also includes testing and assessment programmes and residential schools.

2. **Travel, accommodation and meals for 'mixed-mode' courses.** In this category, 'mixed-mode' is a term used to describe courses delivered through a combination of distance education and face-to-face teaching for students who are based in their home communities and need time on campus.

- It is the second category of ABSTUDY 'mixed-mode' Away-from-Base which has been transferred to the Indigenous Education Strategic Initiatives Programme (IESIP). Students qualifying for this assistance must be in receipt of one or more ABSTUDY allowances.
- To simplify procedure for both students and institutions the funding is paid direct to the institutions for students enrolled in 'mixed-mode' courses to attend residential schools, or for lecturers to travel to an off campus location to conduct such activities.
- This means that eligible ABSTUDY students will need to be enrolled in the 'mixed-mode' course to be eligible for this assistance from the institution. Students in 'mixed-mode' do not need to apply to Centrelink for travel, accommodation and meals. A student who is eligible for 'mixed-mode' IESIP travel is not eligible to receive ABSTUDY assistance from Centrelink for field trips or practical placements.
- The institution is only responsible for paying the accommodation, meals and travel providers.

**NOTE: Students will still need to apply to Centrelink for ABSTUDY living allowance and other supplementary benefits including Graduation Travel. (see 7.9.5.7)**

### 7.10.2.2 Coverage

As a general rule, ABSTUDY will cover reasonable costs incurred to participate in Away-from-base activities necessary to meet the minimum requirements for successful completion of the course.

There are limits to the extent of assistance which can be approved (see 7.10.4.1.1).

**Note 1: The assistance available to Masters or Doctorate students, including fares, is not to exceed \$2,080 in a calendar year.**

**Note 2: Old age pensioners who are part-time students are eligible for away-from-base assistance.**

### 7.10.2.3 Associated Fees

Fees associated with Away-from-base activities, eg entry fee to a show or exhibition, conference registration fees, are not payable under ABSTUDY. These are the responsibility of the student. ABSTUDY assistance is not available to attend conferences or for payment of conference registration fees and similar costs.

#### **7.10.2.4 Costs to be Justified**

If the delegated officer considers that a cost-incurring aspect of an Away-from-base activity is not justified, eg that the length of program, destination of field trip or placement, or costs of an activity are not reasonable, then s/he should approve only those costs s/he considers justified or reasonable. In this circumstance, the balance of the cost is to be met by the education institution or by the students.

#### **7.10.2.5 Overseas Travel**

Assistance to travel overseas is not available.

#### **7.10.2.6 Applications for Non Mixed-Mode Courses**

##### **DIFFERENT TO YA/AUSTUDY PAYMENT**

Applicants for Away-from-base funding for non mixed-mode courses should provide all the information required for the assessment of the away-from-base activity to Centrelink.

### **7.10.3 Away-From-Base Non Mixed-Mode Activities Entitlements**

#### **Introduction**

This topic describes persons entitled to assistance and the benefits payable for approved Away-from-base activities.

#### **7.10.3.1 General Entitlements for Non Mixed-Mode Courses**

##### 7.10.3.1.1 Beneficiaries

Persons entitled to assistance for Away-from-base activities entitlements are:

- students approved to participate in an Away-from-base course activity;
- education institution representatives where travel to students' home community or communities can be demonstrated to be cost-effective for assessment testing or residential schools; and
- drivers or pilots of chartered transport companies where chartered travel is cost-effective for the purposes of transporting students in the approved travel, eg coach hire for field trips.

**Note: ABSTUDY will not cover the costs of persons other than specified above.**

#### 7.10.3.1.2 Entitlements for Students

The entitlements which may be available for students approved to participate in Away-from-base activities are:

- Fares Allowance (see Policy Manual [7.9.5.5](#));
- residential, ie meals and accommodation, expenses, **or** travel allowance (see [7.10.3.2](#)); and/or
- if a regular source of income is lost, Living Allowance (see [7.10.3.3](#)).

**Note 1: The assistance available to Masters or Doctorate students is not to exceed \$2,080 in a calendar year for accommodation, meals and fares.**

**Note 2: Where a student in lawful custody has permission to attend Away-from-base course components, s/he may be eligible for standard Away-from-base entitlements of Fares Allowance and residential expenses.**

#### 7.10.3.1.3 Entitlements for Non-Students

The entitlements which may be available for education institution representatives approved to travel to communities to conduct assessment testing or residential schools are:

- Fares Allowance, and/or
- residential expenses, that is meals and accommodation.

See Policy Manual [7.9.4](#) and [7.10.3.2](#).

Drivers or pilots of chartered transport companies may have residential costs paid where these costs are not included in the costs of the charter.

#### 7.10.3.1.4 Period of Entitlement

The period of entitlement for Away-from-base activities entitlements will be:

- the length of the approved Away-from-base activity; and/or
- any period(s) of unavoidable overnight stopover(s) at an in-transit location or an Away-from-base location due to transport timetables.

### 7.10.3.2 Residential Expenses and Meal Allowance

#### 7.10.3.2.1 Purpose

The purpose of residential expenses and travel allowance is to cover costs associated with accommodation and meals while the student is away from the normal place of residence for a short period.

While residential expenses and travel allowance are fundamentally for the same purpose, they are alternative benefits:

- **residential expenses** will meet the actual cost of meals and accommodation incurred and is normally paid to the education institution or service provider (see Policy Manual 7.10.3.2.2); and
- **travel allowance** provides a set allowance to the student to cover the cost of accommodation and meals, irrespective of the actual cost.

#### 7.10.3.2.2 Residential Expenses

Where an Away-from-base activity is:

- a component of an Indigenous special course; and
- is arranged by the education institution for a group of students,

the education institution is to arrange a residential program, ie arrange meals and accommodation, for the student participants. The entitlement that will be available in this circumstance is 'residential expenses'. This arrangement will predominantly be used for interview and selection programs, residential schools and field trips.

#### 7.10.3.2.3 Expenditure Approval Requirements

Three written quotes must be obtained by the education institution for residential expenses which are more than \$2,080 for a single activity.

Officers who are authorised as delegate of the Chief Executive to approve expenditure, must observe the following thresholds in deciding the method of procurement:

- for purchases less than \$2,080 at least one verbal quote must be obtained and noted on the purchase request;
- where the cost of goods and services is between \$2,080 and \$50,000, a minimum of three written quotes must be obtained; or
- where purchases exceed \$50,000, a formal tender process must be used.

Approval of proposals to spend funds requires a formal delegation and rests with officers who are authorised as a delegate of the Chief Executive and in accordance with the FMM to approve proposals to spend public monies.

#### 7.10.3.2.4 Exceptions to the Expenditure Approval Requirements

An exception may be made to these arrangements if there is a justifiable basis to confine the purchase to one supplier. Where it is impractical or inexpedient to either obtain the required number of quotations or meet the formal tender process, the approval by the Area Manager or officer nominated by them must be obtained. Grounds for exemption from the minimum standard of procurement may arise in one or more of the following situations:

- requirements are available on common use contract;



- only one supplier exists (care must be taken when determining the specifications so as not to unduly limit the field of potential suppliers/providers);
- it can be demonstrated that one proposed supplier is clearly superior to all others in expertise, capacity and value for money basis to satisfy departmental requirements; or
- the goods or services are required urgently and normal quotation or tendering processes are impractical.

**Note: Insufficient time resulting from poor procurement planning is not a justifiable reason for exemption.**

#### 7.10.3.2.5 Three Quotes Not Required

The requirement for three quotes may be disregarded when:

- the total residential expenses are less than \$2,080; **or**
- it is not possible to obtain three quotes; **and**
- the delegated officer knows the costs are reasonable.

#### 7.10.3.2.6 Rates of Entitlement - Residential Expenses

Residential expenses will meet the reasonable cost of accommodation and meals necessarily incurred for the approved Away-from-base entitlement period.

Where it is not possible for suitable residential arrangements to include all or some meals, the ABSTUDY meal allowance may be provided for the meals not covered (see 7.10.3.2.7 on the next page).

A student who chooses not to avail her/himself of the residential arrangements provided by the education institution (or and education institution representative who chooses not to avail her/himself of the residential arrangements provided at the community) will **not** be entitled to travel allowance. S/he will, however, be entitled to the ABSTUDY meal allowance for those meals not included in the residential arrangements.

#### 7.10.3.2.7 Rates of Entitlement - ABSTUDY Meal Allowance

The rate of ABSTUDY meal allowance for meals which are not included in residential charges, or where travel allowance is paid and the Away-from-base activity is as follows for capital cities and high cost country centres:

Meal	Amount for capital cities and high cost country*	Amount for centres other than capital cities and
------	--	--

		high cost country centres**
Breakfast	\$16.05	\$14.30
Lunch	\$17.90	\$16.40
Dinner	\$30.80	28.25

\*High cost country centres as listed in Policy Manual 7.10.3.2.10.

\*\*Centres other than capital cities and high cost country centres as listed at Policy Manual 7.10.3.2.10.

**Note 1: The meal allowance is to be disbursed by the education institution except where travel allowance is paid to a student attending a placement or an education institution representative approved to travel to communities to conduct assessment testing or a residential school.**

#### 7.10.3.2.8 Travel Allowance

Where, in the opinion of the delegated officer, there are special reasons which make it impracticable or unreasonable for the education institution to arrange a residential program, travel allowance may be approved.

#### 7.10.3.2.9 Rate of Entitlement - Travel Allowance

The Department of Employment, Workplace Relations and Small Business has granted permission for the Department of Education, Science and Training to use these rates under the conditions of their subscription agreement for the purpose of ABSTUDY. The following travel allowance entitlement rates are payable to students visiting that away-from-base location. This rate will be paid up to a period of 21 days and thereafter 50% of this rate is payable.

#### Rates of Travelling Allowance

	Accommodation Expenses	Breakfast	Lunch
Adelaide	\$92.00	\$16.05	\$17.90
Brisbane	\$102.00	\$16.05	\$17.90
Canberra	\$82.00	\$16.05	\$17.90
Darwin	\$101.00	\$16.05	\$17.90
Hobart	\$74.00	\$16.05	\$17.90
Melbourne	\$130.00	\$16.05	\$17.90
Perth	\$98.00	\$16.05	\$17.90
Sydney	\$123.00	\$16.05	\$17.90
High Cost Country Centres*	See note below	\$16.05	\$17.90
Tier 2 Country Centres**	\$69.00	\$14.30	\$16.40
Other Country Centres	\$59.00	\$14.30	\$16.40

\*Note: High Cost Country Centres Accommodation Expenses as listed at 7.10.3.2.10.

\*\*Note: Tier 2 country Centres as listed at 7.10.3.2.10

The Department of Employment, Workplace Relations and Small Business has granted permission for the Department of Education, Training and Youth Affairs to use these rates under the conditions of their subscription agreement for the purpose of ABSTUDY. The rates are not to be used for any other purpose.

**Note 1: Travel allowance entitlement will not exceed a period of three months in a calendar year on a continuous or cumulative basis.**

**Note 2: ABSTUDY meal allowance (see 7.10.3.2.7 above) is not payable in conjunction with the accommodation component of travel allowance unless the Away-from-base activity is a placement.**

**Note 3: APS meal allowance rates are not payable to students in conjunction with any ABSTUDY allowance.**

#### 7.10.3.2.10 High Cost Location

Students approved for an Away-from-base travel allowance entitlement at a high-cost location not shown below, may be approved for a higher rate of travel allowance were the standard travel allowance rate is acquitted and excess expenses are proven by receipts, provided that Centrelink is convinced that the expense is representative of reasonable costs for the location.

### Rates of Travelling Allowance - High Cost and Tier 2 Centres

#### A. High Cost Country Centres

##### Accommodation Expenses

Alice Springs	\$73.00	Katherine (NT)	\$74.00
Ballarat (Vic)	\$80.00	Kununurra (WA)	\$100.00
Broken Hill (NSW)	\$80.00	Launceston (Tas)	\$86.00
Broome (WA)	\$141.50	Maria (SA)	\$74.00
Burnie (Tas)	\$81.00	Newcastle (NSW)	\$80.00
Cairns (Qld)	\$87.50	Newman (WA)	\$104.00
Christmas Island	\$90.00	Nhulunbuy (NT)	\$111.50
Cocos (Keeling)	\$112.50	Norfolk Island	\$112.50
Dampier (WA)	\$75.00	Paraburdoo (WA)	\$81.50
Derby (WA)	\$84.00	Pt Hedland (WA)	\$102.00
Devonport (Tas)	\$79.50	Roebourne (WA)	\$75.00
Exmouth (WA)	\$110.50	Thursday Island	\$125.50
Gold Coast (Qld)	\$101.50	Tom Price (WA)	\$81.50
Geelong (Vic)	\$75.00	Wagga Wagga (NSW)	\$74.50
Halls Creek (WA)	\$86.00	Weipa (Qld)	\$86.00
Horn Island	\$96.50	Wilpena (SA)	\$86.00

Jabiru (NT)	\$153.50	Wollongong (NSW)	\$99.50
Kalgoorlie (WA)	\$81.50	Wyndham (WA)	\$99.50
Karratha (WA)	\$125.00	Yulara (NT)	\$264.00

The Department of Employment, Workplace Relations and Small Business has granted permission for the Department of Education, Training and Youth Affairs to use these rates under the conditions of their subscription agreement for the purpose of ABSTUDY. The rates are not to be used for any other purpose.

## **Rates of Travelling Allowance - High Cost and Tier 2 Centres**

### **B. Tier 2 Country Centres**

#### **Accommodation Expenses**

Albany (WA)	\$69.00	Geraldton (WA)	\$69.00
Bathurst (NSW)	\$69.00	Gosford (NSW)	\$69.00
Bendigo (Vic)	\$69.00	Griffith (NSW)	\$69.00
Bright (Vic)	\$69.00	Leeton (NSW)	\$69.00
Bunbury (WA)	\$69.00	Northam (WA)	\$69.00
Carnarvon (WA)	\$69.00	Orange (NSW)	\$69.00
Castlemaine (Vic)	\$69.00	Port Lincoln (SA)	\$69.00

The Department of Employment, Workplace Relations and Small Business has granted permission for the Department of Education, Training and Youth Affairs to use these rates under the conditions of their subscription agreement for the purpose of ABSTUDY. The rates are not to be used for any other purpose.

## **7.10.3.3 Living Allowance**

### **7.10.3.3.1 Entitlement**

Students approved to participate in an Away-from-base course activity may be eligible to receive Living Allowance if they lose their regular source of income as a result of attending the course activity, providing the regular income is derived from:

- a form of Commonwealth Government assistance, eg FaCS benefits; or
- employment that:
  - is in an industry which is unrelated to the course of study, and
  - has no study leave provisions which the student may access.

### **7.10.3.3.2 Evidence Required**

A statement from the student's employer or relevant Commonwealth department is required to confirm the loss of income.

#### 7.10.3.3.3 Period of Entitlement

The Living Allowance, can be paid for the duration of the Away-from-base entitlement only and will be calculated according to:

- the student's age; and
- the status of the student.

#### 7.10.3.3.4 Income Tests

For the duration of Away-from-base activity:

- Living Allowance will not be income-tested.

### **7.10.4 Away-From-Base Course Approvals for Non Mixed-Mode Courses**

#### **Introduction**

This topic explains the extent of Away-from-base assistance which can be approved for an institution's activities and the different types of Away-from-base activities, the submission and approval requirements for each activity. The different submission and approval requirements for mainstream and Indigenous special courses are also explained.

#### **7.10.4.1 Approved Activities for Non Mixed-Mode Courses**

##### **7.10.4.1.1 Limits to Away-From-Base Activities**

Limits apply to the number of return trips and to the number of days of residential costs or travel allowance which can be approved in a year for a student to participate in Away-from-base activities associated with her/his course.

##### 7.10.4.1.2 Total for the Year of Study

The limits apply to any combination of residential schools, field trips and/or placements during the year of study.

##### 7.10.4.1.3 Limit to Number of Return Trips

Students can be approved for Fares Allowance to attend Away-from-base activities up to six return trips per year of the course..

##### 7.10.4.1.4 Limit to Number of Days of Residential Costs

Students can be approved for residential costs (ie accommodation and meals, see [7.10.3.2.6](#)) or travel allowance (where applicable, see [7.10.3.2.8](#)) up to 40 days per year of the course.

#### 7.10.4.1.5 Calculating Residential Costs or Travel Allowance

The number of days is to be calculated on the number of overnight stays, that is, the total length of the activity for the student group. This should be calculated from the first overnight stay up to and including the last overnight stay. Any weekend days for which accommodation costs were paid (or are payable) should be included in the calculation of the total number of overnight stays. Overnight stays due to unavoidable travel delays are to be considered travel costs and should not be included in the upper limit of overnight stays for the Away-from-base activity (see Policy Manual [7.9.4.16](#)).

#### 7.10.4.1.6 Example 1

*A student travels to participate in a two week residential school which commences at 9 am on Monday 6 April and ends at 4 pm on Friday 17 April. The student travels to the institution on the evening of Sunday 5 April and travels home at the end of the last day's activities.*

*The entitlement used by this student is:*

- *one return trip; and*
- *12 days, from Sunday night 5 April to Thursday night 16 April.*

#### 7.10.4.1.7 Example 2

*A group of students has a field trip from Monday 14 September to Sunday 20 September. They meet at the institution at 10 am and, travelling by bus, reach their destination at 2 pm on Monday afternoon. The students return by bus to the institution on Sunday afternoon.*

*The entitlement used by these students is:*

- *one return trip; and*
- *six days, from Monday night 14 September to Saturday night 19 September.*

#### 7.10.4.1.8 Consideration of Increase in Entitlement

Centrelink Customer Service Officers do not have the authorisation to approve higher levels of Away-from-base than those outlined in [7.10.4.1.3](#) and [7.10.4.1.4](#).

### 7.10.4.2 Mainstream Course Approvals

#### 7.10.4.2.1 Mainstream Course Activities

ABSTUDY students may receive assistance to attend testing and assessment programs, residential schools, placements and field trips as part of a mainstream course. See definition of [mainstream course](#).

#### 7.10.4.2.2 Approval Requirements

Approval requirement for student participation in an Away-from-base course activity of a mainstream course, **with the exception of placements**, (see [7.10.4.2.3](#)) may be met where the education institution confirms in writing that:

- participation in the course activity is an integral and mandatory part of the course;
- the course is also open for entry to non-Indigenous students who, if also participating in the course, would be expected to cover their own costs;
- all participants incur the same or comparable costs;
- any previous advances for Away-from-base activities have been acquitted; and
- the approved limit on Away-from-base activities for the course has not been reached.

In the case of Masters and Doctorate students, the trip must be essential to their approved studies and any previous advances must have been acquitted.

For Indigenous Special Course approval check [7.10.4.5.3](#).

The delegated officer may approve ABSTUDY funding for the cost of student participation on a field trip providing s/he is confident that:

- the field trip is an integral part of the course, ie activities completed during course work arising from the field trip will contribute to course assessment;
- the activities or learning experiences available at the field trip venue(s) are not available at the normal study location or a closer location;
- the length of the field trip is reasonable (ie. three to seven days);
- the costs are reasonable and cover only those expenses which are essential to meet the stated purpose of the field trip;
- any previous advances for the Away-from-base activities have been acquitted (see [7.10.6](#)); and
- the approved limit on Away-from-base activities for the course has not been reached.

Assistance to travel overseas is not available.

#### 7.10.4.2.3 Mainstream Placements

Placements which are a part of a mainstream course need to meet the approval requirements in [7.10.4.4](#).

#### 7.10.4.2.4 Submission for Advance Payment

An education institution proposing to conduct a testing and assessment program, field trip or residential school as part of a mainstream course is to lodge an Away-from-base submission **at least six weeks** prior to the proposed program for advance payment or for approval-in-principle where advance payment is not requested.

**Note: No submission is required where an individual student arranges her/his own testing and assessment for a mainstream course. However, the student is required to provide evidence from the institution to support her/his claim. The type of evidence required is:**

- a statement confirming that the testing and assessment activity is being conducted; and
- a statement confirming that the student participated in the testing and assessment activity.

#### 7.10.4.2.5 Submission Details

The submission is to provide the following:

- a course outline or extract from the institution's handbook and a subject outline;
- accommodation and travel costs;
- confirmation that participation in the course activity is an integral part of the course;
- confirmation that the course is also open for entry to non-Indigenous students who, if also participating, would be expected to cover their own costs;
- all participants incur the same costs; and
- the costs are reasonable.

### 7.10.4.3 Testing and Assessment Programs

#### 7.10.4.3.1 Description

These activities include programs conducted by a tertiary education institution to interview, test, assess or otherwise determine the suitability of an applicant for a course of study. Such a program would normally be of two to five days duration.

ABSTUDY assistance to attend testing and assessment programs is intended to assist only those applicants whose potential to undertake tertiary studies cannot be assessed from prior study. Therefore, approval would not be given, for example, where an applicant had completed:

- an undergraduate qualification and was applying for postgraduate studies; or
- the tertiary entrance requirement in Year 12 or a subsequent bridging course and was applying for undergraduate studies (unless it could be established that the student's marks were insufficient to gain entry into a tertiary course through normal channels).



**Note: Approval of assistance to attend a testing and assessment program does not automatically approve a student for fares entitlement if s/he is accepted into the course.**

#### 7.10.4.3.2 Limit of Assistance

Eligible applicants may be assisted to attend a maximum of two testing and assessment programs in a year.

#### 7.10.4.3.3 Approval Requirements

The requirements for approval for testing and assessment programs conducted for entry into a mainstream course are described in [7.10.4.2.2](#).

Approval for testing and assessment programs conducted for entry into Indigenous special courses is subject to the provisions outlined below.

**NOTE: If a proposed testing and assessment activity is longer than five days, the institution should seek approval in writing from DEST National Office at least eight weeks before the proposed commencement date. The address is:**

**Group Manager (Loc: 161)  
Indigenous Education Branch  
GPO Box 9880  
Canberra 2601**

#### 7.10.4.3.4 Approval

The delegated officer may approve the cost of an applicant's participation in a testing and assessment program providing s/he is confident that:

- the course of study to which the testing and assessment program relates is an accredited course conducted by a registered institution;
- there is a sound educational basis for the program;
- the length of the program is justified;
- the residential costs are reasonable;
- any previous advances for Away-from-base activities have been acquitted (see [7.10.6](#)); and
- the student has not previously been assisted to attend two testing and assessment programs this year.

**Note 1: Duplication of ABSTUDY funding will not be approved where an institution has been unsuccessful in obtaining sufficient student numbers from an ABSTUDY-funded testing and assessment program.**

**Note 2: When considering approval for a Testing and Assessment Program, course duration should balance travelling time. For example one and a half days travel for a 2 hour testing and assessment would not be considered a balanced result. In these instances air travel would be considered reasonable.**

#### 7.10.4.3.5 Approval Option

Alternatively, the delegated officer may approve an education institution representative to travel to the students' home community or communities where it can be demonstrated to be cost effective and the approval conditions above are met.

#### 7.10.4.3.6 Submission for Advance Payment

An education institution proposing to conduct a Testing and Assessment program for ABSTUDY students is to lodge an Away-from-base submission **at least six weeks** prior to the proposed program for advance payment or for approval-in-principle where advance payment is not requested.

#### 7.10.4.3.7 Submission Details

The submission is to provide the following:

- rationale for and objectives of the program;
- schedule of activities and timetable for the program;
- names and home locations of student participants (or estimated number of students if names not known);
- arrangements for accommodation and estimated residential cost, ie cost of accommodation and meals;
- transport arrangements and cost;
- arrangements for collection of claim forms; and
- account details and payment arrangement preferred, ie in advance and subject to acquittal, or on lodgement of claim with supporting receipts.

### 7.10.4.4 Placements

#### 7.10.4.4.1 Description

A placement is a tertiary course activity which involves an individual student completing practical training in a work environment as part of her/his course.

#### 7.10.4.4.2 Approval Requirements

Approval for a placement conducted as part of a mainstream or Indigenous special course is subject to the provisions outlined below.

It is expected that placements will be obtained within the local community where the student is studying and will therefore not require ABSTUDY assistance described in this Chapter.

In exceptional circumstances alternative arrangements may be approved.

#### 7.10.4.4.3 Approval

The delegated officer may approve ABSTUDY funding for the cost of student participation in a placement providing s/he is confident that:

- the placement is an integral part of the course and needs to be taken at the proposed location;
- the costs are reasonable;
- any previous advances for Away-from-base activities have been acquitted (see [7.10.6](#)); and
- the approved limit on Away-from-base activities for the course has not been reached.

#### 7.10.4.4.4 Submission for Advance Payment

A student proposing her/his placement at a location away from her/his normal place of study is to lodge an Away-from-base submission **at least six weeks** prior to the proposed placement for advance payment or for approval-in-principle where advance payment is not requested.

#### 7.10.4.4.5 Submission Details

The submission is to provide the following:

- a course outline or extract from the institution's handbook and a subject outline;
- reasons why the placement could not be obtained in the local community or, where relevant, a closer location. Where the reasons relate to the student's study program, a supporting statement must be provided from the education institution;
- evidence that the placement is an integral component of the course, ie must be taken to complete course requirements;
- proposed arrangements and costs for accommodation and travel; and
- account details and preferred payment arrangement, eg in advance and subject to acquittal, or on lodgement of claim with supporting receipts.

#### 7.10.4.4.6 Interstate and Overseas Trips

Students may only be approved to participate in a placement at an interstate location where it:

- involves travel between NSW and the ACT or by students attending an education institution near a State border; or

- provides experience or training essential for successful completion of the minimum requirements of the student's course which is not available within the State or Territory.

Assistance to travel overseas is not available.

### 7.10.4.5 Field Trips

#### 7.10.4.5.1 Description

A field trip is a tertiary course activity which involves a group of students or, in the case of a Masters/Doctorate student a single student, travelling from the normal place of study to one or more locations which provide practical activities or experiences.

#### 7.10.4.5.2 Approval Requirements

The requirements for approval of field trips conducted as part of a mainstream course are described in [7.10.4.2.2](#).

Approval for a field trip conducted as part of an Indigenous special course is subject to the provisions below.

#### 7.10.4.5.3 Approval

The delegated officer may approve ABSTUDY funding for the cost of student participation on a field trip providing s/he is confident that:

- the field trip is an integral part of the course, ie activities completed during course work arising from the field trip will contribute to course assessment;
- the activities or learning experiences available at the field trip venue(s) are not available at the normal study location or a closer location;
- the length of the field trip is reasonable (ie. three to seven days);
- the costs are reasonable and cover only those expenses which are essential to meet the stated purpose of the field trip;
- any previous advances for the Away-from-base activities have been acquitted (see [7.10.6](#)); and
- the approved limit on Away-from-base activities for the course has not been reached.

#### 7.10.4.5.4 Submission for Advance Payment

An education institution proposing to conduct a field trip as part of an Indigenous special course is to lodge an Away-from-base submission **at least six weeks** prior to the field trip for advance payment or for approval-in-principle where advance payment is not requested.

#### 7.10.4.5.5 Submission Details

The submission is to provide the following:

- a course outline or extract from the institution's handbook and a subject outline;
- a rationale for the field trip and a schedule of activities demonstrating the relevance to course curriculum;
- confirmation that activities completed during the field trip or course work arising from the field trip will contribute to course assessment;
- names of student participants (or estimated number if names not known);
- arrangements for accommodation and estimated residential cost (ie cost of accommodation and meals) for ABSTUDY students;
- transport arrangements and cost (where chartered transport is being used, the company must specify whether driver/pilot residential costs are included in the charter cost); and
- preferred account details and payment arrangement, ie in advance and subject to acquittal, on lodgement of claim with supporting receipts.

#### 7.10.4.5.6 Interstate and Overseas Trips

Students may only be approved to participate in a field trip at an interstate location where it:

- involves travel between NSW and the ACT or by students attending an education institution near a State border; or
- provides experience or training essential for successful completion of the student's course which is not available within the State or Territory.

**Note: Assistance to travel overseas is not available.**

### 7.10.4.6 Residential Schools

#### 7.10.4.6.1 Description

Residential schools are secondary and tertiary course activities which involve a group of students studying by distance education/ correspondence. They involve programs of intensive on-campus lectures and tutorials. A residential school would normally be of one or two weeks' duration.

#### 7.10.4.6.2 Approval Requirements

The requirements for approval for a residential school conducted as part of a mainstream course are described in [7.10.4.2.2](#). Approval for residential schools conducted as part of an Indigenous special course is subject to the provisions outlined below.

#### 7.10.4.6.3 Approval

The delegated officer may approve ABSTUDY funding for the cost of student participation at a residential school providing s/he is confident that:

- the residential school is a compulsory or highly desirable component of the student's approved course;
- the number and length of residential schools associated with the course are justified;
- the residential costs are reasonable; and
- any previous advances for the Away-from-base activities have been acquitted (see [7.10.6](#)); and
- the approved limit on Away-from-base activities for the course has not been reached.

**Note: Assistance is not available for secondary students if VEGAS funding is provided for the same purpose.**

#### 7.10.4.6.4 Approval Option

Alternatively, the delegated officer may approve an education institution representative to travel to the students' home community, or a nearby community, where it can be demonstrated to be cost effective and the approval conditions above are met.

#### 7.10.4.6.5 Submission for Advance Payment

An education institution proposing to conduct an Indigenous special course which contains compulsory or highly desirable residential schools is to lodge an Away-from-base submission **at least six weeks** prior to the first proposed residential school for advance payment or for approval-in-principle where advance payment is not requested.

Alternatively, an education institution may apply for bulk funding to cover residential schools to be conducted for the year, or for a semester or term as appropriate (see [7.10.4.7](#)).

#### 7.10.4.6.6 Submission Details

The submission is to provide the following:

- a course outline or extract from the institution's handbook and a subject outline;
- description of and rationale for the structure of the course, indicating the number, duration and dates of residential schools;

- an indicative timetable of classes for the residential school;
- names and home locations of student participants (or estimated number if names not known);
- arrangements for accommodation and estimated residential cost, ie cost of accommodation and meals, for ABSTUDY students;
- transport arrangements and cost; and
- account details and preferred payment arrangement, ie in advance and subject to acquittal or on lodgement of claim with supporting receipts.

### **7.10.4.7 Residential Schools - Bulk Funding**

#### 7.10.4.7.1 Description

Residential schools for which bulk funding may be provided are tertiary course activities which involve a group of students studying by distance education/correspondence. They involve programs of intensive on-campus lectures and tutorials and are normally of one or two weeks' duration.

#### 7.10.4.7.2 Approving Institutions for Bulk Funding

The Centrelink ABSTUDY Manager may identify specific tertiary education institutions for approval of bulk funding of residential schools for ABSTUDY Away-from-base activities. This should only be made available to institutions which have the administrative and organisational infrastructure capable of undertaking the necessary arrangements.

#### 7.10.4.7.3 Application Requirements for Bulk Funding

The institution may lodge a single ABSTUDY *Submission for Away-from-base Residential School Bulk Funding* (Form 1065) to the local Centrelink Customer Service Centre at least six weeks before commencement of the first residential school for the year, outlining all proposed residential schools for the academic year.

The Submission should be tendered in two sections to cover activities scheduled during first semester and second semester.

Where institutions are unable to provide submission information covering an entire year, but meet the procedural requirements for bulk funding for a semester or a term, a submission for the lesser period may be accepted at the discretion of the Centrelink ABSTUDY Manager.

The Submission must be signed by the person who is authorised to make the claim on behalf of the education institution.

#### 7.10.4.7.4 Submission Details and Approval Requirements

The Submission must include the following details:

- a course outline or extract from the institution's handbook and a subject outline for each course;
- dates and location of each residential school;
- estimated student numbers for each residential school (both total number of participants and number of Aboriginal and Torres Strait Islander participants);
- estimated costs for each residential school and total per semester

**Note 1: Participating students must meet the ABSTUDY general eligibility and specific Award criteria.**

**Note 2: A claim may be made for annual audit costs incurred by the institution (see 7.10.4.7.6 Administrative costs); and**

- for mainstream courses (excluding placements), confirmation that:
  - participation in the course activity is an integral part of the course,
  - the course is also open for entry to non-Indigenous students who, if also participating, would be expected to cover their own costs, and
  - all participants will incur the same or comparable costs; or
- for Indigenous special courses and placements:
  - (in the first year of Away-from-base approval) rationale for the structure of the course,
  - confirmation that the residential schools are compulsory or highly desirable components of the student's approved course,
  - justification for the number and length of residential schools associated with the course, and
  - the approval limit on Away-from-base activities for the course has not been reached; and
- account details for the education institution; and
- a copy of the Terms and Conditions of Payment which has been signed by the relevant authorised officers of the education institution.

#### 7.10.4.7.5 Funding

Funding for residential schools must be reasonable.

An amount covering accommodation, meals and, where appropriate, travel costs is to be negotiated between Centrelink and the education institution.



#### 7.10.4.7.6 Administrative Costs

The education institution may claim up to \$3,353 a year for administration and audit costs. This amount is indexed annually.

#### 7.10.4.7.7 Variations

The institution will be responsible for informing Centrelink in writing of variations to any activity on the original submission after the delegate has approved funding. The variations should be kept on file for reference when the acquittal is presented.

In particular, the education institution must advise the names of students participating in each residential school, when known, so that ABSTUDY eligibility can be checked.

#### 7.10.4.7.8 Travel Provider

Education institutions must be advised that Qantas is the approved travel service provider for student travel and agreed Qantas procedures should be explained. Institutions should be encouraged to open accounts with Qantas. Where necessary, Centrelink may make local agreements with institutions regarding travel which cannot effectively be arranged by Qantas.

Also see Policy Manual [7.9.4.18](#) concerning the Qantas Group Booking Discount.

#### 7.10.4.7.9 Role of Centrelink

Once a bulk funding submission has been approved by the ABSTUDY delegate (ie DL3 level or above), the Centrelink Customer Service Centre should advise the institution of the approval and ensure continued liaison with the education institution in a monitoring and advisory role.

#### 7.10.4.7.10 Reporting

Education institutions are required to lodge an acquittal report with the Centrelink Customer Service Centre at the end of each semester. No further payments may be made while any report is outstanding or incomplete. The report must include:

- dates and location of each residential school;
- names of students participating in each residential school;
- a statement of academic outcomes achieved at each residential school;
- the amount expended for each residential school; and
- the overall amount expended for all residential schools during the semester/term.

#### 7.10.4.7.11 Funding Adjustment

Unexpended funds remaining at the end of the year may be rolled over into the next year and deducted from the new allocation.

## 7.10.5 Payment of Away-From-Base Activities for Non Mixed-Mode Courses

### 7.10.5.1 Payment of Residential Expenses

Residential expenses are payable:

- in advance on submission of estimated costs and subject to acquittal once the course activity has been completed; or
- on submission of a claim from the education institution or organisation incurring expense.

**Note 1: Requests for advance payment should not be approved where the submission is not received six weeks before the start of the first activity.**

**Note 2: Payment is to be made to the education institution or organisation incurring the expense.**

### 7.10.5.2 Payment of Travel Allowance

Travel allowance is payable either in advance of, during or after the course activity. Requests for advance payment should be made at least **three weeks prior** to departure. Details of the activity should be provided in accordance with the mainstream or Indigenous special course requirements for the particular activity as described in this Chapter.

Travel allowance is payable to the approved traveller.

### 7.10.5.3 Bulk Funding Payments

Once the ABSTUDY delegate (ie ASO 6 level or above) has approved all activities listed in the Submission for bulk funding, payment can be processed and paid in advance, the first payment to cover the costs of planned activities that will take place during the first semester. The second payment for second semester activities will be made when the first semester report and expenditure statement have been provided.

### 7.10.5.4 Claims for Residential Expenses

Claims should include original receipts or accounts to substantiate expenditure for the approved purpose.

### 7.10.5.5 Closing Date for Claims for Reimbursement

Claims for reimbursement of Away-from-base activity costs must be received by 1 April in the year after the relevant activity.

Claims received after this date will only be processed if circumstances beyond the reasonable control of the claimant prevented lodgement within the required period, and the claim is lodged as soon as practical.

### **7.10.5.6 Not Taxable Income**

Residential expenses and/or travel allowance paid on behalf of a student are not assessable as taxable income of the student.

### **7.10.5.7 Effect of Previous Non-Acquittal on Payment**

Payment of residential expenses in advance to an institution or other organisation should not be made if acquittal of previous Away-from-base activities are outstanding.

### **7.10.5.8 Responsibility for Overpayments**

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of this allowance has been made.

## **7.10.6 Acquittal of Away-From-Base Activities**

### **7.10.6.1 Acquittal Required**

An acquittal for an Away-from-base activity is required, when a payment has been made in advance on the basis of estimated costs provided in an Away-from-base submission.

### **7.10.6.2 Acquittal of Residential Expenses**

Acquittal of residential expenses should be made on the acquittal form provided with the initial submission, or in sufficient detail to reflect the original submission.

Original receipts or audited financial statements should be attached to substantiate the acquittal.

### **7.10.6.3 Acquittal of Travel Allowance**

Travel allowance is acquitted by confirmation that the student participated in the approved course activity for the full period covered by the funding.

### **7.10.6.4 Acquittal Time**

Acquittal of an advance payment should be sent to the relevant Centrelink Customer Service Centre within one calendar month of the completion of the approved course activity, or at the end of semester or term for bulk funded activities.

### **7.10.6.5 Acquittal of Bulk Funding**

The end of year acquittal report, endorsed as correct by the Principal or Head of Department of the education institution, must be accompanied by an audited financial statement, including a detailed statement of all outstanding commitments to be met from remaining funds, or a statement that no payments to providers are outstanding. The end of year audited financial statement must be undertaken by an independent auditor and include a declaration certifying that the funds have been expended in accordance with the agreement.

This information should be provided by 31 January in the following year so that the level of funding for the new year's Submission can be assessed.

Future Submissions will not be funded until the audited financial statement is received by Centrelink and expenditure has been assessed as duly correct according to the activities outlined in the Submission.

### **7.10.6.6 Acquittal Not Received**

Where an acquittal is not received within the required time, no further payments should be made to the institution until acquittal is made.

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## **7.11 Under 16 Boarding Supplement**

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## **Introduction**

This chapter contains details about the Under 16 Boarding Supplement.

### **7.11.1 Summary of the Under 16 Boarding Supplement**

#### **Summary table**

The table below summarises the Under 16 Boarding Supplement

Features of Allowance	Details
Availability	To boarding schools that cater for a significant proportion of Indigenous students. To qualify for the Supplement, the school must have at least 10% Indigenous students within its overall student population or has a minimum of 20 Indigenous students enrolled. <b>For schools to be eligible to receive a payment on behalf of Indigenous students under 16 years of age, the school must be included on the list of eligible boarding schools sent annually to the Centrelink Manager by DEST.</b>
Purpose	To assist boarding schools that cater for a significant proportion of Indigenous students to overcome the shortfall between boarding costs and the amount of ABSTUDY Living Allowance payable to students aged under 16 years.
Eligibility conditions	<p>The School:</p> <ul style="list-style-type: none"> <li>• is a boarding school defined at <a href="#">7.11.3.3</a>, and</li> <li>• at least 10% of students must be Indigenous students or has a minimum of 20 Indigenous students enrolled.</li> </ul> <p>The Student:</p> <ul style="list-style-type: none"> <li>• meets the schooling B Award criteria, and</li> <li>• is younger than 16 years old on the relevant census date, ie 15 February for the first semester and 15 August for second semester, and</li> <li>• is boarding at a school that is eligible for the payment, and</li> <li>• is <b>receiving</b> the away rate of Living Allowance</li> </ul>
Entitlement	<i>Per capita</i> rate paid to school for each eligible student
Rates	<b>DIFFERENT TO YA/AUSTUDY PAYMENT</b> - \$1,779.40 each semester
Payment features	<ul style="list-style-type: none"> <li>• Processed and paid on receipt of a claim lodged by school;</li> <li>• payment made for each semester;</li> <li>• paid to the school.</li> </ul>

Taxation status	Non-taxable.
Indexation status	Indexed each year calculated from Living Allowance rates.

## 7.11.2 Introduction to the Under 16 Boarding Supplement

### DIFFERENT TO YA/AUSTUDY PAYMENT

#### 7.11.2.1 Purpose

The purpose of the Under 16 Boarding supplement is to provide financial assistance to boarding schools which cater for a significant proportion of Indigenous students.

#### 7.11.2.2 Qualification

Boarding schools may qualify for the Under 16 Boarding Supplement where at least 10% of the total numbers of students at the school are Indigenous or has a minimum of 20 Indigenous students enrolled.

#### School eligibility

Assessment of whether a school qualifies is carried out against three criteria:

- the school must demonstrate that the boarding school facilities are integrated with the school's infrastructure;
- the school must be included on the annual list of eligible boarding schools. This list is determined by the data provided for the non-government schools census conducted by DEST in August each year and provided to Centrelink.
- the school must be a boarding school where at least 10% of the total school enrolment from the previous year's DEST census are Indigenous students or census data indicated that the school had a minimum of 20 Indigenous students enrolled to be eligible for the current year of study per capita payment.

The school must submit a list of students for whom they are seeking the allowance in the year of study in Centrelink (see Policy Manual 7.11.3.1 for student eligibility). On approval by Centrelink the school may receive a *per capita* payment for each student who meets the criteria. For some students whose ABSTUDY applications have not been finalised at the ABSTUDY census dates of February and August in the year of study, but who are subsequently assessed as eligible for the away rate of living allowance at these dates, payment may also be made (see Policy Manual 7.11.4.4).

**Note: Hostels are not eligible for payment of the Under 16 Boarding Supplement.**

## **7.11.3 Eligibility for the Under 16 Boarding Supplement**

### **7.11.3.1 Eligibility**

A student meets the criteria for the Boarding Supplement if s/he:

- meets the Schooling B Award criteria; and
- is under 16 years old and enrolled and attending school on the relevant census dates (ie. 15 February for Semester 1 and 15 August for Semester 2); and
- is boarding at a school where the proportion of Indigenous students is at least 10% of the overall student population or has a minimum of 20 Indigenous students enrolled; and
- is receiving the away rate of Living Allowance (ie. the student must qualify for the away rate and must meet the parental income, assets and family actual means tests).

### **7.11.3.2 Entitlement**

The school may receive a *per capita* payment for each student who meets the criteria.

### **7.11.3.3 Definition of Boarding School for Approval of the Boarding Supplement**

The ABSTUDY Under 16 Boarding Supplement is available to schools which can demonstrate that the boarding school facilities are integrated with the school's infrastructure, that is:

- the facilities must be owned or leased by the school for the sole purpose of providing boarding facilities, including homework supervision and recreational programs;
- the facilities must meet the standards for occupancy set by the local Council or other relevant approval authorities;
- the staff and house parents must be employees of the school; and
- there must be a full-time staff presence within the facilities to look after, for example, children unable to attend school because of illness.

For a boarding school or college to be approved, it must be able to demonstrate that it meets the eligibility criteria for the boarding supplement. This could be evidenced through documentation about the leasing arrangements for the school property, employment conditions for the staff and contractual agreements for house parents.

## 7.11.4 Payment of Under 16 Boarding Supplement

### 7.11.4.1 Number of Payments Per Term

The Under 16 Boarding Supplement can be made on behalf of a student only once for a semester. There are no *pro rata* payments of Boarding Supplement.

### 7.11.4.2 Student Changes School During Term/Semester

If a student changes school during a semester, the payment of Boarding Supplement is made to the school where the student was boarding on the census date.

### 7.11.4.3 Student Discontinued During Term/Semester

If a student leaves the school during that semester, no overpayment is raised.

### 7.11.4.4 Delayed Assessment

Where a student who is enrolled and attending a boarding school on the census date has not been assessed as eligible for ABSTUDY entitlements at the time of payment of the Boarding Supplement assessment and payment may be made following confirmation of the student's eligibility. This will generally be included in the following semester's payment rather than payment being made on an *ad hoc* basis.

### 7.11.4.5 Overpayment of Under 16 Boarding Supplement

Overpayments will occur only where payment for a student is made and the student is subsequently found ineligible for Living Allowance.

### 7.11.4.6 Responsibility for Overpayment

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of this allowance has been made.

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## 7.12 Rent Assistance

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## Introduction

This chapter contains details about Rent Assistance.

### 7.12.1 Summary of Rent Assistance

#### Summary table

The table below summarises Rent Assistance

Feature of Allowance	Details
Availability	Tertiary and Schooling B Awards.
Purpose	To assist in meeting the board and lodging expenses of eligible students.

Eligibility conditions	<p>For students living in private rental accommodation who are paying rent of more than \$78.00 a fortnight and who are:</p> <ul style="list-style-type: none"> <li>• students aged between 16 and 20 years (including under 16 year olds who meet the criteria for independent status);</li> <li>• dependent students aged under 16 years who have to live away from home; or</li> <li>• students aged 21 years or over and</li> <li>• Only paid when the student is actually residing at the place of board or lodging.</li> </ul>
Rates	<ul style="list-style-type: none"> <li>• up to \$89.60 a fortnight if in single accommodation; or</li> <li>• up to \$59.73 a fortnight if single and in shared accommodation.</li> </ul>
Other entitlement features	<p>Dependent on:</p> <ul style="list-style-type: none"> <li>• the student's living circumstances;</li> <li>• the actual rent paid by the student; and</li> <li>• a partner income test, if relevant;</li> <li>• Masters and Doctorate students are not entitled to Rent Assistance.</li> </ul>
Review	Rent assistance is reviewed.
Taxation status	Non taxable.

## 7.12.2 Introduction to Rent Assistance

### 7.12.2.1 Eligible Students

Students may apply for Rent Assistance if they are living in private rental accommodation and are receiving the ABSTUDY Living Allowance. The following students are eligible:

- students aged between 16 and 20 years (including under 16 year olds who meet the criteria for independent status);

- dependent students aged under 16 years who have to live away from home; or
- dependent students aged between 16 and 20 years who have been approved to live away from home; or
- students aged 21 years or over; or
- students who are a couple.

**Note: Masters and Doctorate students are not eligible for Rent Assistance.**

**Example:** Two independent students in a de facto relationship of less than six months (with no children) are on YA and ABSTUDY. The YA customer is getting rent assistance of \$82.80 per fortnight (rate for a member of a couple). The student on ABSTUDY is also eligible for rent assistance of \$82.80 per fortnight. If the student was single \$88.00 per fortnight would have been payable and if the student was a single sharer \$58.70 per fortnight would have been payable.

### 7.12.2.2 Factors that Affect Payment of Rent Assistance

Payment of Rent Assistance is subject to :

- the student's living circumstances;
- the actual rent paid by the student

### 7.12.2.3 Definition of 'Rent'

Rent is a payment made by a student for accommodation. Therefore, rent is payment made for costs such as:

- lodging (but not costs associated with boarding expenses);
- site fees for a caravan, tent or mobile home; and
- mooring fees for a boat or vessel on which the student lives.

Lodging rental payments can be made to the owner of the accommodation, or to the owner's agent (such as a real estate agent or other landlord). Payments made by students in lieu of rent are included.

Where a student's rent payment includes an amount for the provision of utilities (electricity, water, telephone rental, etc) that cannot be separately identified, the amount is included as 'rent'. (Separate payments made towards such services, eg following receipt of accounts, are not regarded as 'rent' payments.)

To be considered as 'rent', payments must be made by the student to the provider on a regular basis, at the least on a quarterly basis.

## 7.12.3 Eligibility for Rent Assistance

### 7.12.3.1 Payments for Board and Lodging

Payments made by the student for board associated services such as the provision of meals, laundry and other services are not considered rent: Consideration is given only to payments for lodging (ie the cost of the accommodation).

Where a student pays for board and lodging but the amount for the lodging (rent) component cannot be separately identified by the student, the amount of 'rent' paid is considered to be two-thirds of the total board and lodging payment made.

A student who pays board and lodging is not affected by the new maximum rate of Rent Assistance for single students in shared accommodation. However, a student who pays for lodging only may be considered to be in shared accommodation (see 7.12.4.3).

### 7.12.3.2 Example

*Adrian pays a total of \$120 a week for board and lodging in a private home. The owner of the home is unable to give a separate figure for the cost of accommodation only.*

*Under the 'two-thirds' rule, the rent paid by Adrian is \$80 a week.*

### 7.12.3.3 Free Board and Lodging

A student who is offered free board and/or lodging by an accommodation provider is not eligible for Rent Assistance.

However, the student can receive Rent Assistance if:

- there is an agreement that the student will pay for lodging if Rent Assistance is granted; or
- the student makes payments towards household expenses, rates, repairs, etc, and such payments are accepted as being in lieu of rent.

### 7.12.3.4 Student's Living Circumstances

Rent Assistance is available only for eligible students who are:

- in appropriate **private** rental accommodation (either alone or in shared circumstances); and
- are required to make a payment for their accommodation.

**Note: A student who pays rent to the tenant of public government accommodation is not eligible to receive Rent Assistance (see 7.12.3.6).**

### 7.12.3.5 Appropriate Private Rental Accommodation

Appropriate private rental accommodation means:

- housing formally leased or rented by the student through a real estate agent or similar (but not public (government) housing - see [7.12.3.6](#));
- hostel/refuge accommodation;
- residential accommodation provided by the student's education institution, including that provided in halls of residences and the like (the location of such accommodation can be either on or off-campus);
- board and or lodging accommodation within a private residence (whether or not the owner of such accommodation is in residence) where the student is required to pay rent; and
- accommodation of the above type where the student is in a share situation (where a formal rental agreement is in place, for example, the student need not be a party to the rental agreement).

**Note: Accommodation may be a house, unit, flat, apartment, caravan, mobile home, a vessel, or similar.**

### **7.12.3.6 Public Housing**

A student who is the tenant of housing provided by a government authority (ie the student is the lessee of public accommodation and pays rent to a government authority) is not eligible for Rent Assistance. Normally, such accommodation already attracts a government subsidy.

As a result of a change announced in the 1997 Budget, from 1 January 1998, a student who lives in public housing and pays rent to the tenant (the lessee) of the accommodation, is also not eligible to receive Rent Assistance.

This arrangement only applies to the public dwellings let directly by the State or Territory housing authority. Rent Assistance may still be payable to eligible students if the primary tenant is paying the market rate of rent to the housing authority.

Residents of community housing, paying rent to a community organisation, are also not affected by this arrangement.

### **7.12.3.7 Students Residing in Accommodation Owned by Them**

Students living in accommodation for which they have an interest are not eligible for Rent Assistance. This includes students who are living in accommodation owned or being purchased by them.

### **7.12.3.8 Students Residing in Accommodation Owned by Parents**

In general, single students under 25 years living in the principal home of a parent are not eligible to receive Rent Assistance. However, there are exceptions. See SS Act section 1064-D1 Qualification for Rent Assistance. Assessed the same as YA.

## 7.12.4 Entitlement to Rent Assistance

### 7.12.4.1 Maximum Rent Assistance

Eligible students in rental accommodation can receive up to a maximum of \$44.80 a week (\$89.60 a fortnight) in Rent Assistance.

A lower maximum rate of Rent Assistance applies for single students in shared accommodation. Single students in shared accommodation can receive up to a maximum of two thirds of the existing rate, \$29.86 a week (\$59.73 a fortnight).

See the following three blocks which define 'single', 'shared' accommodation and what is considered 'not shared' accommodation

### 7.12.4.2 Definition: Single

For the purpose of the new maximum rate of Rent Assistance applying to single people in shared accommodation, a student will be treated as single if s/he does not have a partner. A partner is someone who is:

- married to the student but not separated from her or him, or
- living with the student in a de facto relationship.

### 7.12.4.3 Definition: Shared Accommodation

For the purpose of Rent Assistance a student will be treated as living in shared accommodation if s/he shares the right to use with other occupants of the accommodation, at least one major area of accommodation. A major area of accommodation is a bathroom, kitchen **or** bedroom (whether identifiable as separate from other major areas of accommodation or not).

*For example: A student living in residential accommodation provided by her/his education institution who shares a kitchen with other residents is considered to be in shared accommodation.*

### 7.12.4.4 Definition: Not Shared Accommodation

For the purposes of determining whether the lower maximum rate of Rent Assistance is payable, the following living arrangements are **not** considered to be 'shared' living arrangements.

A student living alone in self-contained accommodation with exclusive use of a bathroom, a bedroom and kitchen facilities (eg a granny flat) is not considered to be in 'shared accommodation' even if the student also uses an area in common with other occupants of the accommodation, eg a common-room or patio.

A student who lives alone in a caravan or mobile home, or on board a vessel, is not considered to be sharing accommodation solely because s/he shares the use of some communal facilities in a caravan park or marina (such as kitchen or bathroom facilities).

A student who pays board (ie pays for meals and other services such as laundry) is not considered to be in shared accommodation. Boarding accommodation may include, for

example, hostel/refuge accommodation and residential accommodation provided by the student's education institution, or boarding and lodging in a private home.

A student who lives in a nursing home.

*For example: A student living in residential accommodation provided by her/his education institution who pays board and lodgings, ie s/he pays for accommodation and meals (and possibly other services such as laundry), is not considered to be in shared accommodation.*

#### **7.12.4.5 Minimum Rent Assistance Payment**

There is no minimum entitlement of Rent Assistance below which no Rent Assistance is payable. However, students must qualify for a Living Allowance to be eligible for Rent Assistance.

#### **7.12.4.6 Effect on Actual Rent Payments on the Amount of Rent Assistance Payable**

Rent assistance is payable only where an eligible student pays rent of more than \$39.70 a week (\$79.40 a fortnight).

An eligible student whose rent payments are greater than this amount can receive Rent Assistance of \$0.75 each week for every \$1 that actual rent payments exceed \$39.70 a week, up to the maximum entitlement of:

- \$44.80 a week for eligible students not qualifying for the single shared accommodation rate; or
- \$29.86 a week for eligible single students in shared accommodation.

The procedures for assessing a student's entitlement to Rent Assistance will only change if the student indicates that they are sharing accommodation. There is no change to procedures if a student is not a sharer. Once a student is determined to be a sharer, CSOs need to check that the student does not reside in exempt accommodation.

The following formula can be used to determine the maximum weekly Rent Assistance entitlement based on actual rent payments made:

$$(A - \$39.70) \times 0.75$$

where 'A' is the actual amount of rent paid.

An eligible student qualifies for the maximum Rent Assistance of \$44.80 a week where actual rent payments are at least \$99.44 a week (\$198.87 a fortnight).

A single student in shared accommodation qualifies for the maximum Rent Assistance of \$29.86 a week where actual rent payments are a maximum of \$79.50 a week (\$159.00 a fortnight).

#### **7.12.4.7 Example: Student Not in Shared Accommodation**



Mary is accepted as a homeless student and qualifies for the Student Homeless Rate of ABSTUDY. She rents privately, is not in shared accommodation and is eligible for Rent Assistance.

Mary pays the owner of the accommodation \$78.50 a week, of which \$20 is for meals.

Mary's Rent Assistance entitlement is based on her actual weekly rental payment of \$58.50; the meals component of \$20 a week is not taken into account.

Using the formula, Mary's entitlement is calculated as follows:

$$(\$58.50 - \$39.70) \times 0.75 = \$14.10$$

Subject to the income test, Mary can receive Rent Assistance of \$14.10 a week.

#### **7.12.4.8 Example: Student in Shared Accommodation**

Joseph is tertiary student. He shares a house with several other people and is eligible for Rent Assistance.

Joseph's share of the rent is \$80.00 a week. From 1 January 2002 Joseph's Rent Assistance has been calculated at the rate for single students in shared rental accommodation, as follows:

$$(\$80.00 - \$39.70) \times 0.75 = \$30.22^*$$

\*As Joseph is in shared accommodation he can only receive up to the maximum of \$29.86 a week in Rent Assistance.

#### **7.12.4.9 Example: Student Paying Board and Lodging**

Phillip is secondary student. He boards and lodges in a private home with a family.

Phillip pays board and lodging of \$68.00 a week.

Phillip is not considered to be in shared accommodation as he pays board as part of his rent.

The two thirds rule for boarders and lodgers applies and his rent is calculated at \$45.33 a week.

As Phillip pays more than \$39.70 a week in rent, he is eligible for some Rent Assistance and receives \$4.22 a week based on his weekly rent of \$45.33 a week.

#### **7.12.4.10 The Effect of Student's Income on the Amount of Rent Assistance Payable**

A student's personal income has no effect on Rent Assistance payable by Centrelink.

#### **7.12.4.11 State Government Accommodation**

Students getting rent relief payments but living in State Government provided accommodation (public housing) are not eligible for Rent Assistance.

#### 7.12.4.12 Effect of State Housing Trust Rent Relief Payments

Some students can receive rent relief payments while living in private (non-Housing Trust) accommodation. In calculating such a students' Rent Assistance entitlement the amount of any State Housing Trust rent relief payments should be deducted from the total amount of rent paid by the student. If the resulting amount is more than \$39.70 a week (\$79.40 a fortnight) Rent Assistance may be payable.

Students getting rent relief payments but living in State Government provided accommodation (public housing) are not eligible for Rent Assistance.

#### 7.12.4.13 Example: Effect of State Housing Trust Rent Relief Payments

*Raymond pays \$150.00 a week to his landlord for private rental accommodation. He gets \$25.00 a week rent relief assistance from the South Australian Housing Trust. The amount of "rent" Raymond pays when calculating his Rent Assistance entitlement is \$125.00 a week.*

#### 7.12.4.14 Students Not Entitled to Rent Assistance for the Full Year

Where a student is eligible for Living Allowance for less than a full year, rent assistance is available corresponding to the period of Living Allowance eligibility.

#### 7.12.4.15 Example

*Annie is an orphan and qualifies for the SHR Living Allowance from 1 January to 30 June 2002.*

*At the beginning of the year, Annie lived in a hostel, paying rent of only \$25 a week. Therefore, she was not eligible for Rent Assistance because her rent was below the minimum required. On 15 April 2002, Annie moved into a group house and started to pay rent of \$60 a week. From 15 April, Annie becomes eligible to receive Rent Assistance because she is in private accommodation and her actual rent is above the minimum required (\$39.70 a week).*

*This table shows the procedure to calculate Annie's Rent Assistance entitlement:*

<b>Step</b>	<b>Calculation</b>
1	Calculate maximum weekly Rent Assistance based on actual rent paid $(\$60.00 - \$39.70) \times 0.75 = \$15.22$

*Annie is entitled to Rent Assistance of \$15.22 a week for the period 15 April to 30 June 2002.*

#### 7.12.4.16 Is Rent Assistance Taxable

Rent assistance payments are not taxable.

## **7.12.5 Review of Rent Assistance**

### **7.12.5.1 Review of Rent Assistance Entitlement**

Rent assistance is reviewed in order to confirm students' continuing entitlement. For this review, the students will be required to advise any change in circumstances that may affect their Rent Assistance entitlement.

The review of Rent Assistance entitlement will be incorporated within the entitlement check review process undertaken by the Compliance Section, National Support Office.

### **7.12.5.2 Review: Changed Accommodation Arrangements**

Where a single student advises s/he has changed to or from shared accommodation, her/his Rent Assistance entitlement is reassessed from the date of change.

### **7.12.5.3 Example**

*Ashlan has qualified for SHR in 2002. He has been living alone and paying rent of \$76 a week. Ashlan has been receiving Rent Assistance of \$27.22 a week. Ashlan advises that on 16 April he moved into a group house. As he is single and now in shared accommodation, Ashlan's Rent Assistance will need to be reassessed from 16 April.*

*From 16 April, Ashlan is only eligible for the new maximum rate of Rent Assistance for students in shared accommodation - \$29.35 a week.*

### **7.12.5.4 Review: Change in Rent Payment**

Where students advise that their rent payments have changed, their Rent Assistance entitlement is reassessed from the date of change.

### **7.12.5.5 Example 1**

*Thomas was getting Rent Assistance based on him paying rent of \$55.00 a week. From 14 April, his rent is increased to \$65.00 a week. He is eligible for increased Rent Assistance from 14 April.*

### **7.12.5.6 Example 2**

*Mary is getting Rent Assistance based on rent of \$40.00 a week. On 27 May her rent dropped to \$28.00 a week. As her new rent payment is below the minimum rate payable to attract Rent Assistance, Mary is ineligible for Rent Assistance from 27 May. Any overpayment will need to be recovered.*

### **7.12.5.7 Review**

In the same way that Living Allowance is re-assessed where a change in income occurs, Rent Assistance entitlement is reassessed if a student advises that her/his place of residence or circumstances have changed.

### **7.12.5.8 Example 3**

*Robert was assessed as eligible for Rent Assistance of \$21.90 a week for the period 1 January to 31 December. He advises that he has moved from his abode to a new rental property paying \$55.00 per week from 3 April 2001. His new rental allowance from Centrelink will be reassessed from the date that he took up residence in his new abode.*

### **7.12.5.9 Review: Student Turns 25 Years Old**

Students eligible for Rent Assistance while getting the SHR rate remain eligible for Rent Assistance after they turn 25 years old, subject to the usual requirements for Rent Assistance (eligibility for living allowance, living circumstances and rent paid).

### **7.12.5.10 Review of Rent Assistance - Student Marries or Enters a De Facto Relationship**

An SHR student can continue to receive Rent Assistance when s/he marries or enters a de facto relationship, if s/he continues to qualify for the Living Allowance.

The amount of Rent Assistance payable to the student remains subject to the usual eligibility criteria as per normal independent students.

Where the partner of a former SHR student (or eligible former SHR student) is not her/himself receiving ABSTUDY or Austudy, Rent Assistance is available to the student based on:

- the student qualifying for the Living Allowance based on the fortnightly partner income test and the student's actual share of rental payment.

Where both partners are students, both may qualify for Rent Assistance and is assessed on each student's:

- share of rental payments (for example, where the couple are charged rent of \$80 a week, Rent Assistance is assessed on the basis of each paying \$40 a week unless the students pay disproportionate amounts). Where the student's partner is getting the full FaCS Rent Assistance, the student would not be eligible for ABSTUDY Rent Assistance. This is also the case where the student's partner is not receiving a FaCS or similar payment and is paying full rent for the couple.

## **7.12.6 Verification Required for Rent Assistance**

### **7.12.6.1 Summary of Verification Required**

The verification rules apply to people living in informal renting arrangements and apply to new customers applying for Rent Assistance and those who change their accommodation circumstances.

The amount of rent being paid can be verified using:

- a current "lease" or tenancy agreement; or
- a rent certificate.

### **7.12.6.2 Formal Renting Arrangements – "Lease" or Tenancy Agreement**

A person is considered to be in a formal renting arrangement if they are able to verify their rent details by means of a current formal written "lease" or tenancy agreement. This agreement must be in accordance with State requirements and may be known by different names across States and Territories.

*Example: Where persons are renting residential premises, the tenancy agreement may be known as a General Tenancy Agreement in Queensland or a Residential Tenancy Agreement in Victoria, Moveable Dwelling Tenancy Agreement (both short or long term) for caravan park residents in Queensland.*

### **7.12.6.3 Formal Renting Arrangements – Rent Increases**

If the rent were to be increased either in line with changes in a tenancy agreement (either during the term or when the agreement has become periodic), then acceptable evidence of rent details would be a written notice to the tenant of the rent increase. The notice would need to be signed and dated by the landlord/agent and include their address and be accompanied by the original "lease" or tenancy agreement.

### **7.12.6.4 Formal Renting Arrangements – Other Formal Arrangements**

Persons residing in non-Commonwealth funded residential care facilities (that is, nursing homes and other aged care facilities), would be expected to have a formal written agreement. Similarly, persons in retirement villages will have a formal agreement with the village administrator(s). Note, however, that these persons are exempt from having to verify their rent details (see Policy Manual [7.12.6.9](#)).

### **7.12.6.5 Informal Renting Arrangements**

Where a person does not have a formal written "lease" or tenancy agreement OR the person is not named as a leaseholder or tenant on a formal "lease" or tenancy agreement, the person is considered to be in an informal renting arrangement. Such persons are required to establish their rent liability by means of a rent certificate at the time of lodging a new claim or change of accommodation circumstances (ie, rent amount varied and/or change of address). The rent certificate needs to be signed by the landlord or the person who receives rent payments, eg, an agent, a caravan park manager, a head tenant, a parent or the head of the household. A head tenant would be either the leaseholder or the person in a shared arrangement to whom the customer pays rent.

### **7.12.6.6 Rent Variations**

As outlined above for new customers or those who change their accommodation circumstances, if rent increases or decreases, customers are required to establish or re-establish their rent liability by means of a rent certificate.

### **7.12.6.7 Community and Disability Housing**

Persons in community and disability housing should have a formal agreement setting out what they will pay to the organisation and what assistance will be provided. For the purposes of rent verification, persons in community and disability housing are considered to be in informal renting arrangements and are required to establish their rent liability by means of a rent certificate. This is because the actual amount of rent paid by the person may fluctuate, as it is dependent upon the person’s income and may be assessed as frequently as fortnightly.

**7.12.6.8 Examples of Formal and Informal Renting Arrangements**

The majority of people will fall into either formal or informal renting arrangements. Some groups fit into either category. Certain people will be exempt from having to verify the amount of rent paid.

<b>Formal</b>	<b>Informal</b>	<b>Formal or Informal</b>	<b>Exempt</b>
<p>Persons holding a written tenancy agreement with a real estate agent or independent private landlord.</p>	<p>Persons renting from a private landlord without a formal written tenancy agreement;</p> <p>Person with no written tenancy agreement living with friend/ relative as their landlord;</p> <p>Customer sharing accommodation with other people (eg. head tenants) who hold a written tenancy agreement;</p> <p>Boarders and lodgers in private homes;</p> <p>State Housing Authority sub-tenant; and</p> <p>Community and disability housing residents.</p>	<p>Person in temporary accommodation may or may not have a written tenancy agreement;</p> <p>Persons in caravan parks – will vary across States – short-term residents more likely to be in informal situation; and</p> <p>Persons paying mooring fees for a vessel.</p>	<p>Persons in exempt accommodation, ie boarding style accommodation;</p> <p>Persons in refuges;</p> <p>Persons living full-time in non-Commonwealth funded residential care facilities; and</p> <p>Persons in retirement villages.</p>

**7.12.6.9 Rent Declarations**

In some extreme circumstances when all other avenues have failed, a rent declaration may be submitted instead of a rent certificate as acceptable evidence to verify rent paid. A rent declaration will need to be accompanied by:

- three or more recent rent receipts in the person's name that are NOT more than 6 weeks old; or
- a consecutive sequence of 3 or more bank deposit slips; or
- a bank statement in the person's name over the most recent month, showing rent deductions made to landlord; or
- Centrepay may be used as another form of rent verification. Care should be taken as the deduction amount may not equal the amount of the person's liability to pay rent eg. arrears may be included in the deduction.

In the first instance, persons are required to approach their landlord to have them sign the rent certificate.

Before Rent Assistance is paid on the basis of a rent declaration, the Customer Service Officer (CSO) should contact the landlord or agent. This is to confirm firstly that the landlord or their agent is unwilling to sign the Rent Certificate and secondly, if they are unwilling, to verify the details on the rent declaration. If the CSO determines that the landlord/agent should not be contacted because of real concerns for loss of tenure, the rent declaration may be accepted. Care should be taken to ensure this is only done in extreme cases. As a last resort and when all other avenues have been pursued, a rent declaration may be accepted without supporting documentation.

### 7.12.6.10 Exemptions

The following are exempt from having to verify the amount of rent paid:

- people living in exempt accommodation (ie. boarding style accommodation);
- those in refuges ie. crisis or supported accommodation of generally not more than 3 months (short-term).
- full-time residents in non-Commonwealth funded residential care facilities; and
- residents of retirement villages.

**Note: If persons subsequently change their accommodation circumstances and do not fit into one of the above categories, they will no longer be exempt and will be required to provide rent verification by means of either a tenancy agreement or a rent certification.**

### 7.12.6.11 Board and Lodgings

The rent certificate and rent declaration require the person to indicate whether the amount of rent paid is for:

- full board or lodgings; or
- lodging only (ie. accommodation only, no meals).

### **7.12.6.12 Shared Accommodation**

The rent certificate and rent declaration require that people who share accommodation include details of:

- who they share accommodation with;
- who the rent is paid to; and
- their share of rent/lodging.

### **7.12.6.13 Financial Hardship**

In certain circumstances Rent Assistance may be paid without documentary evidence as long as acceptable evidence is produced within 4 weeks of the claim. Provided an amount of rent is payable by the person, the person is NOT required to actually make payment before Rent Assistance can start.

### **7.12.6.14 Change of Address**

A person's circumstances should be reviewed whenever evidence suggests that circumstances may have changed. A change of address and/or change in amount of rent paid should bring about a review of the person's entitlement to Rent Assistance.

### **7.12.6.15 Change to Rent Payable**

Regardless of whether the rate of Rent Assistance will be affected, the correct rent details should always be recorded and verified to ensure that the most accurate and up-to-date information is stored.

If rent is reduced as a result of changing address, the usual verification procedures apply. If there has been a reduction in the rent paid, without a corresponding change of address, documentation is required.

### **7.12.6.16 Reclaiming / Transferring Between Payments**

If a person is reclaiming within a set period, or transferring between payments, and there has been a change in accommodation circumstances (ie. they may now be assessed as sharing their accommodation or the amount of rent paid may have changed), the person will be required to reverify their ongoing liability to pay rent.

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## **7.13 Pharmaceutical Allowance**

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- 

## Introduction

This chapter contains details about Pharmaceutical Allowance.

### 7.13.1 Introduction to Pharmaceutical Allowance

#### 7.13.1.1 Introduction

The Pharmaceutical Allowance (PhA) is a payment for eligible students who are incapacitated for study, to assist with the cost of pharmaceutical prescriptions under the Pharmaceutical Benefits Scheme. It is available to ABSTUDY students who have a temporary incapacity exemption.

**For more information on eligibility for PhA, consult the Social Security Act 1991. ABSTUDY students over 21 years should be aligned with Newstart eligibility rules and ABSTUDY students under 21 years should be aligned with YA eligibility rules.**

Advance PhA payments are available to a restricted group of pensioners (see 7.13.3.1).

#### 7.13.1.2 How is PhA Paid

PhA cannot be claimed on its own. It may be paid if a student is temporarily incapacitated and as a component of:-

- YA, Newstart Allowance or ABSTUDY

- Parenting Payment (single);
- Disability Support Pension or Invalidity Service Pension;
- Carer Payment;
- Special Benefit – if you are a sole parent;
- Widow B Pension or Widow Allowance;
- Wife Pension – if the partner gets a Disability Support Pension;
- Partner Service Pension – if the partner gets an Invalidity Service Pension; and
- War Widow Pension – if you have a dependent child- or over 60 years of age AND in receipt of income support/ABSTUDY continuously for nine months

PhA is paid fortnightly with the student's main payment.

### **7.13.1.3 Entitlement Year**

An entitlement year for advance payments of PhA runs from 1 January to 31 December in the same calendar year.

### **7.13.1.4 Application for PhA**

To qualify for Pharmaceutical Allowance a student must have a medical certificate that has the diagnosis, prognosis and the length of time she/he would be incapacitated for study. This should be submitted to the Centrelink Office for assessment. The time allowed for a temporary incapacity exemption could be from four to thirteen weeks.

## **7.13.2 Pharmaceutical Allowance – Current Rates**

### **7.13.2.1 PhA Current Rates**

The following are the current maximum rates of PhA per fortnight.

- Single or partnered (combined) a maximum of \$5.80
- Partnered, only one partner qualifying a maximum of \$2.90

If the PhA payment is being made for periods of less than one week, the allowance is one-fifth of the weekly rate for each week day in the payment period.

### **7.13.2.2 Precluding Payments**

PhA cannot be paid to a student if they, or their partner receive any of the following DVA payments:

- Carer Service Pension; or
- Disability Service Pension; or

- Partner Service Pension; or
- Service Pension.

**Exception:** The PhA is paid at half the combined rate for couples if:

- a customer is receiving a social security pension; and
- their partner is receiving a DVA Service Pension, either full or partial;
- single or double orphan's pension; or
- War Widow(er) Pension.

### **7.13.2.3 Department of Veteran's Affairs Repatriation Pharmaceutical Benefit Scheme (DVA RPBS) Card Holders**

A student cannot receive PhA if:

- they have a DVA RPBS entitlement card; or
- their partner has a DVA RPBS entitlement card.

## **7.13.3 Pharmaceutical Allowance – Advance Payment**

### **7.13.3.1 PhA Advance Payment**

Pensioner students may claim up to 7 times the fortnightly rate of PhA as an advance payment if they meet all of the following criteria:

- they qualify for PhA, and
- their ordinary income from employment does not exceed \$10.00 for a single person, or \$20,00 combined for a couple, and
- their expenditure on prescription items must not be less than the PhA received in that entitlement year. For a couple, their combined prescription expenditure including that for dependent children applies.

### **7.13.3.2 Advance Payment Exemptions**

A student who applies for an advance before the first payment delivery day in an entitlement year, will not have received any PhA payments in that entitlement year. The student is eligible for an advance and does not need to have purchased any prescription items in that entitlement year.

A student who makes a claim for pension or allowance may apply for an advance payment of PhA at the same time. If a pension or allowance is granted, the student is eligible for an advance from the date of grant. The student does not need to have purchased any prescription items in that entitlement year.

### **7.13.3.3 Multiple Advances**

Students can be paid further advances as soon as they have spent all the PhA they have received for the calendar year on prescription items, provided they still qualify for PhA.

### **7.13.3.4 Documentation Required (Advance Payment)**

Students must apply in writing for an advance because of the need to verify their circumstances. Students may also need to provide their prescription record form to verify that they have purchased sufficient prescription items.

Prescription record forms are available from most pharmacists and are completed by the pharmacist when prescriptions are provided.

### **7.13.3.5 Payment to Members of a Couple (Advance Payment)**

Although combined income is used to determine qualification for advances involving couples, the advance can be paid independently. This means that one pensioner may receive an advance while their partner receives PhA on a fortnightly basis. Once a student receives an advance of PhA, the non-payment period remains the same regardless of whether the customer becomes single or partnered.

## **7.13.4 Income and Assets Testing for Pharmaceutical Allowance**

### **7.13.4.1 PhA Income and Assets Testing**

PhA is indirectly income tested on the basis of being in receipt of a DVA or social security pension, allowance, benefit or Centrelink payment.

If a student's partner is receiving PhA from DVA, that amount is exempt from the student's income for income test purposes.

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## **7.14 Remote Area Allowance**

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## **7.14.1 Introduction to Remote Area Allowance**

### **7.14.1.1 Introduction**

The Remote Area Allowance (RAA) helps to meet additional costs associated with residence in remote areas. RAA makes a contribution towards some of the higher costs associated with living in particularly remote areas.

### **7.14.1.2 Eligibility**

To qualify for RAA a student must:

- be receiving a social security pension, allowance or benefit; or
- be receiving ABSTUDY living allowance; and
- have their usual place of resident situated in a remote area. (The allowance may be paid for up to eight weeks of a person’s temporary absence from the area.)

## **7.14.2 Definition of a Remote Area**

### **7.14.2.1 Definition of a Remote Area**

For the purposes of RAA, a remote area is:

- Taxation Zone A, including Special Taxation Zone A, and
- Special Taxation Zone B.

For RAA purposes, the following Taxation Zone A areas are NOT remote areas:

- Norfolk Island,
- Macquarie Island,
- the Heard Islands,
- the McDonalds Island, and
- the Australian Antarctic Territory

A student must be more than 250 kilometres by the shortest practicable surface route from the centre point of the nearest urban centre with a census population of 2,500 or more.

### 7.14.3 Usual Place of Residence for Remote Area Allowance

#### 7.14.3.1 Usual Place of Residence for RAA

A student can only have one usual place of residence. A student's usual place of residence is the area where they normally live, sleep and eat.

To change their usual place of residence, a student has to completely abandon the former place of residence.

#### 7.14.3.2 Determining Usual Place of Residence

The following table lists indicators and examples of a student changing or having changed their usual place of residence.

Property arrangements	The student owns or rents the home in which they are living.
Family arrangements	The students' partner and children live in the area. The customer's children area enrolled at the local school.
Mailing arrangements	The student rents a post office box at the local post office.
Financial arrangements	The student has a bank account with the local bank.

The following table lists indicators and examples of a student changing or changed their usual place of residence.

Reason for travelling to the area	The student cites improved employment prospects, a desire to be close to family, medical or educational facilities as reasons for travelling to the area.
Expected length of stay	The student expects to stay in a place for 1 year.
Changes in property arrangements	The student sells their previous home and leases a home in a new area.

Change in family arrangements	<p>The student's partner and children have moved, or will move, to the new area.</p> <p>The student's children are enrolled at the local school in the new area.</p>
Changes in mail delivery	<p>The student rents a post office box in the new area.</p> <p>The student arranges for mail to be redirected to the new area.</p>
Changes in financial arrangements	<p>The student opens a bank account or accounts with a bank branch in the new area.</p>

### **7.14.3.3 Itinerant Students**

It may be difficult for a student who travels frequently to establish a usual place of residence. However, the onus is on the student to provide evidence to support their qualification for RAA.

A student who travels from a residence in one RAA remote area to a residence in a different RAA remote area remains eligible for the RAA.

### **7.14.3.4 Temporary Absence in Australia**

RAA is paid for the first 8 weeks of a student's temporary absence from their usual place of residence provided they remain in Australia. To be temporarily absent a student must intend to return to their usual place of residence.

## **7.14.4 Remote Area Allowance Income and Assets Testing**

### **7.14.4.1 Remote Area Allowance Income and Assets Testing**

RAA is indirectly income tested on the basis of being in receipt of a DVA or social security pension, allowance or benefit.

## **7.14.5 Notification and Recipient Obligations**

### **7.14.5.1 Notification and Recipient Obligations for Students Receiving RAA**

In addition to the common notifiable events, students receiving RAA must notify Centrelink within the 14 day notification period, if any of the of the following events occur, or are likely to occur:

- a student will be, or is likely to be, absent from their usual place of residence for more than 8 weeks but will remain in Australia, or
- a student is, or intends to be overseas, or
- a student's dependent child is, or intends to be overseas, or

- a student permanently leaves their usual place of residence, or
- a student's dependent child dies, or
- a student's partner dies, or
- a student permanently separates from their partner.

## 7.14.6 Reviews for Remote Area Allowance

### 7.14.6.1 Reviews

RAA is reviewed when a change in the student's circumstances may affect their:

- qualification for RAA; or
- payability of RAA; or
- rate of RAA.

RAA is also reviewed if a student's qualification for RAA could not be determined at the time of lodging a claim.

### 7.14.6.2 Continuation, Variation or Termination of RAA

The following table lists the circumstances in which payment of RAA may change.

Payment of RAA is...	If...
<b>terminated</b>	the student permanently leaves the Remote Area Allowance remote area
<b>suspended</b>	<ul style="list-style-type: none"> <li>• the student is absent from their usual place of residence for more than 8 weeks but still in Australia; or</li> <li>• the student is overseas.</li> </ul>
<b>varied</b>	<ul style="list-style-type: none"> <li>• the student's dependent child is overseas;</li> <li>• the student's dependent child or partner dies;</li> <li>• the student permanently separates from their partner.</li> </ul>

## 7.14.7 Remote Area Allowance – Current Rates

### 7.14.7.1 RAA Current Rates

Students who meet the eligibility criteria for RAA may receive up to \$18.20 per fortnight.

The following are the current maximum rates of RAA per fortnight.



- Single - a maximum of \$18.20 per fortnight
- Couple - a maximum of \$15.60 per person per fortnight

Plus \$7.30 per fortnight for each dependent

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## 7.15 Additional Assistance

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## **Introduction**

This chapter contains details about Additional Assistance.

### **7.15.1 Introduction to Additional Assistance**

#### **7.15.1.1 Qualification**

A student on any ABSTUDY award may have access to Additional Assistance if s/he meets the guidelines outlined below.

#### **7.15.1.2 Purpose**

The purpose of Additional Assistance is to provide a means by which, in exceptional circumstances, financial benefit over and above ABSTUDY entitlements is available for students who experience severe financial difficulties associated with education costs.

#### **7.15.1.3 Intention of Additional Assistance**

ABSTUDY entitlements are intended to assist with costs associated with the student's education; they are not intended to relieve the applicant or the student of all expenses associated with study and day-to-day living expenses.

The fact that a particular allowance does not cover all the costs incurred by or on behalf of the student is not by itself a sufficient basis for the granting of Additional Assistance. Additional assistance is not to be granted to subsidise the general living costs of a family. It is expected that the Additional Assistance provision will be used sparingly.

### **7.15.2 Eligibility for Additional Assistance**

#### **7.15.2.1 Eligibility**

A student may be eligible for Additional Assistance if:

- the student eligible for the ABSTUDY living allowance and the application of an ABSTUDY eligibility or entitlement provision is harsh or inequitable in the student's circumstances;
- the student's circumstances are unique, ie the grant of Additional Assistance is not likely to result in the inconsistent delivery of benefits nor establish a precedent for a potentially significant number of students;
- the basis of the Additional Assistance claim is directly related to a factor associated with the student's study program which has resulted in the student or family experiencing significant hardship and which may be overcome by the grant of Additional Assistance;

- the circumstances have not been caused or contributed to by action taken by the student or applicant which may be regarded as negligent or imprudent; and
- there is no other Commonwealth or State Government agency or private organisation which is a more appropriate source of assistance.

### 7.15.2.2 Establishment of Eligibility

Significant hardship will be established if fortnightly expenditure on essential items is equal to or exceeds the fortnightly income of the student or student's family, and there are no financial reserves for the student or student's family to draw upon.

## 7.15.3 Approval and Claims for Additional Assistance

### 7.15.3.1 Approvals Process

The process for approval is:

- the student or applicant must lodge a claim for Additional Assistance;
- the claim is reviewed by the Centrelink/ABSTUDY Manager and assessed with reference to the eligibility conditions shown on the previous page;
- the Centrelink/ABSTUDY Manager prepares a report and recommendation for the Area Manager;
- the Area Manager approves or rejects the Additional Assistance claim and advises the student or applicant accordingly;
- where the claim is approved the amount of Additional Assistance is to be determined; and
- where the claim is rejected, the student or applicant is to be informed of the reconsideration and appeal provisions.

**Note 1: A copy of all Additional Assistance claims and reports are to be forwarded to Centrelink National Support Office within 7 days of approving the claim.**

**Note 2: Centrelink National Support Office provides a quarterly report to Indigenous Education Branch, DEST, to ensure that Additional Assistance approvals conform with these policy guidelines.**

### 7.15.3.2 Claims

A student or applicant applies for Additional Assistance on the basis of a claim. The claim is to contain:

- a description of the circumstances relating to the student's study program which are causing financial difficulty;
- a statement of student or family (as appropriate) fortnightly income and expenditure;
- corroborative evidence of the situation as appropriate, eg from education institutions, boarding establishments, welfare agencies; and
- an indication of the amount of assistance that is sought.

### **7.15.3.3 Fortnightly Income and Expenditure Statement**

The fortnightly income and expenditure statement is to be provided for:

- the student, if a single independent student;
- the student, partner and dependent children, if an independent student with partner; and/or
- the parents/guardians and dependent children, if a dependent student.

### **7.15.3.4 Statement to Include**

The fortnightly income and expenditure statement is to include details of income and expenditure as detailed below.

### **7.15.3.5 Income**

Income includes:

- wage and salary payments after tax and Medicare payments are deducted;
- maintenance received; and
- Commonwealth Government benefits including:
  - social security pension or benefit payments,
  - Family Payments,
  - YA/Austudy payment , and
  - any other form of regular income.

Maintenance paid for the support of a previous partner or children should be deducted.

### **7.15.3.6 Expenditure**

In general, only expenditure on the following essential items is to be considered in assessing Additional Assistance claims:

- accommodation, eg rent, house repayment instalment and essential costs such as insurance, rates;
- food;
- utility services, eg gas, electricity;
- clothing;
- medical/dental costs in excess of refunds from health insurance (non-essential medical/dental costs to be excluded);
- pharmaceutical costs;
- school costs and child care costs of dependents if incurred to meet course requirements;
- daily travel costs of student and family (public transport equivalent costs should be used if student has a car);
- hire purchase instalments for purchase of essential household furniture;
- maintenance paid; and
- miscellaneous expenses such as essential course costs.

### **7.15.3.7 Not Included as Expenditure**

The following items would not normally be considered as essential items, unless it can be demonstrated that the items are necessary for a person's employment or similar compelling reason:

- car expenses (ie repayments, registration, petrol, insurance and maintenance, above public transport costs);
- telephone costs, ie installation, rent and call costs;
- expenses not associated with studies, eg club fees for interests not catered for by the education institution; and
- debt repayment, including hire purchase of items other than household furniture.

### **7.15.3.8 Evidence**

Where appropriate the Centrelink may request evidence to support income and expenditure item claims.

## **7.15.4 Entitlement to Additional Assistance**

### **7.15.4.1 Amount of Entitlement**

The amount of entitlement will be set at whichever is the lesser of that amount required to:

- meet the cost of the particular factor associated with the student's study program which has contributed to the financial difficulties; or
- overcome the hardship, ie address the imbalance between income and essential expenditure.

#### **7.15.4.2 Provision of Additional Assistance**

Where approved, Additional Assistance may be provided in the form of:

- a regular supplement to an allowance the student is entitled to receive, or
- a once only payment where this will overcome the hardship.

### **7.15.5 Payment of Additional Assistance**

#### **7.15.5.1 Payment**

Additional assistance is paid subject to approval by the Area Manager.

The payee for Additional Assistance will be:

- the applicant for Schooling awards; or
- the student for Tertiary awards.

#### **7.15.5.2 Responsibility for Overpayments**

Refer to Policy Manual [7.1.2](#) to identify the responsible payee where an overpayment of this allowance has been made.

#### **7.15.5.3 Taxable**

Additional assistance is taxable if paid as a regular supplement.

#### **7.15.5.4 Not Taxable as a Once Only Payment**

Additional assistance is not taxable if paid as a once only payment.

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## **7.16 ABSTUDY Student Financial Supplement Loan**

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  - 7.16.8.5 Procedure after Buying Back Supplement
    - 7.16.8.5.1 At End of the Contract Period
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- 7.16.8.6 Repayment Through Taxation System
    - 7.16.8.6.1 Introduction
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    - 7.16.8.6.5 Example
- 

## Introduction

This chapter provides information about the ABSTUDY Student Financial Supplement Loan.

### 7.16.1 Definitions

#### 7.16.1.1 Application and Agreement Form

The 'Student Financial Supplement Scheme, A guide for applicants' contains the Application and the Agreement form on which the student applies to the CBA for a Supplement loan, and which becomes the contract between the student and the CBA.

#### 7.16.1.2 Contract Period

The period beginning on the day the contract is made and ending on 31 May in the fifth year after the year for which the loan is paid.

#### 7.16.1.3 Category 1 Student

Category 1 students are tertiary students who are eligible for ABSTUDY Pensioner Education Supplement Living Allowance under ABSTUDY Tertiary Award or Masters and Doctorate Award.

#### 7.16.1.4 Category 2 Student

Category 2 students are dependent tertiary students who are ineligible for Living Allowance under ABSTUDY Tertiary Award or Masters and Doctorate Award, but who:

- would have been eligible if not for the parental income or assets test or Family Actual Means Test; **and**
- their adjusted parental income/family actual means is less than the Category 2 income threshold (\$61,200 for 2002) and family assets are below the normal assets test threshold. (See Policy Manual [6.4](#) – Assets Test).

#### 7.16.1.5 CBA

The Commonwealth Bank of Australia (CBA), which is the financial institution contracted by the Commonwealth Government to provide loan facilities to eligible students.

#### **7.16.1.6 CPI**

The Consumer Price Index is an index published quarterly by the Australian Bureau of Statistics which measures changes in the price of goods and services that account for a high proportion of expenditure by metropolitan wage and salary earner households.

Supplement loan debts are adjusted for movements in the CPI so that they maintain their real value.

#### **7.16.1.7 Eligible Student**

A student is eligible for a Financial Supplement loan under the *Student Assistance Act 1973*.

#### **7.16.1.8 Financial Supplement Debt**

The amount of Supplement loan, including any CPI adjustment, owed by the student which has not been repaid.

#### **7.16.1.9 Supplement Loan**

An optional loan available to some tertiary students under the Supplement loan.

#### **7.16.1.10 Supplement Loan Eligibility Period**

The period or periods in a calendar year for which an offer to apply for a Supplement loan is made to an eligible student.

#### **7.16.1.11 Supplement Loan Payability Period**

The period or periods in a calendar year for which Supplement loan is payable to an eligible student.

#### **7.16.1.12 HECS**

The Higher Education Contribution Scheme, under which students have to pay part of the cost of their higher education.

#### **7.16.1.13 ISS**

The Centrelink Small Benefits computer system. ISS processes claims for ABSTUDY and ABSTUDY Supplement loans and produces payment advice and letters to customers.

#### **7.16.1.14 PES**

The ABSTUDY Pensioner Education Supplement.

#### **7.16.1.15 Principal**

The amount of loan actually paid to the student by the Commonwealth Bank for the Supplement loan payability period.

#### **7.16.1.16 Real Rate of Interest**

The interest rate charged by the Commonwealth Bank of Australia on the outstanding Financial Supplement debt, which is not added to the student's debt, and paid to the bank by Centrelink.

#### **7.16.1.17 Supplement Early Buy Back**

If an early buy back of the student supplement loan occurs because of fraud or a failure to notify by the student, the interest that has been paid on the loan by the Commonwealth to the CBA is transferred to the student's supplement loan debt, that is, the interest paid to the CBA is calculated and added to the student's supplement loan debt.

#### **7.16.1.18 Supplement Loan**

Refers to the ABSTUDY Supplement loan.

#### **7.16.1.19 Trade Back**

Amount of ABSTUDY PES or Living Allowance already paid to the student which should have been traded in for the loan.

Trade back forms part of the student's Financial Supplement debt.

#### **7.16.1.20 Trade In**

The amount of ABSTUDY PES or Living Allowance that a Category 1 student chooses to give up in return for a Supplement loan. The amount of trade in will be half the amount they wish to receive as a Supplement loan. If the loan payments are backdated the trade in amount will be backdated accordingly. This is known as **trade back**.

The trade in amount forms part of the student's Financial Supplement debt.

Category 2 students do not trade in as they do not receive any Living Allowance.

### **7.16.2 Introduction to the ABSTUDY Student Financial Supplement Loan**

#### **7.16.2.1 Description of 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. The interest charged on a Supplement loan by the Commonwealth Bank is paid by the Commonwealth Government. However, Financial Supplement debts are adjusted annually for changes in the cost of living based on the Consumer Price Index. A Supplement loan gives tertiary students more choice and flexibility in organising their finances while studying.

#### **7.16.2.2 Student Assistance Act 1973**

Legislation for the Student Financial Supplement Scheme forms part of the *Student Assistance Act 1973* with some amendments to other relevant legislation. There is a separate set of ABSTUDY Supplement Regulations.

## 7.16.3 Summary of the ABSTUDY Student Financial Supplement Loan Application Process

### 7.16.3.1 Process

This table summarises the main steps in the Financial Supplement loan Application process.

Stage	Description
1	<ul style="list-style-type: none"> <li>• Tertiary student lodges a claim for ABSTUDY which undergoes normal processing. There are no questions regarding the Supplement loan on the ABSTUDY claim form.</li> <li>• The ABSTUDY claim is indexed on the Centrelink Small Benefits System (ISS), and assessed according to normal Centrelink procedures.</li> <li>• The student's entitlement to PES or Living Allowance is calculated.</li> <li>• The student's eligibility for the Supplement loan is determined.</li> <li>• If the student qualifies for a Supplement loan the maximum possible trade in (if applicable) and Supplement loan offer amounts are calculated.</li> </ul>
2	<ul style="list-style-type: none"> <li>• A Supplement Entitlement Notice (SEN) is sent to students eligible for a Supplement loan.</li> </ul> <p>The SEN states the possible trade in (if applicable) and Supplement loan offer amounts, and gives information about the Supplement loan application process.</p> <ul style="list-style-type: none"> <li>• If the student is entitled to any PES or Living Allowance payments they will commence. (Category 1 students).</li> </ul>
3	<ul style="list-style-type: none"> <li>• After receiving the SEN and a copy of the booklet 'Student Financial Supplement 2001 – A Guide for Applicants', the student can then decide at any time during their Supplement loan eligibility period whether they wish to apply, and if so, how much they will take up.</li> <li>• The booklet 'Student Financial Supplement 2001 – A Guide for Applicants', details the terms and conditions of the loan. The booklet also contains the</li> </ul>

'Student Financial Supplement Application and Agreement' form.

- To take out a loan, the student completes the application form and lodges it with any branch of the CBA. The CBA opens a loan account in the student's name and passes the details electronically to Centrelink.
- The student's eligibility for the loan is reconfirmed.
- The student's future PES or Living Allowance payments are reduced by the required trade in amount.
- Supplement loan payments are commenced by the CBA, on instruction from Centrelink.

## **7.16.4 Rationale for the ABSTUDY Student Financial Supplement Loan**

### **7.16.4.1 Why the ABSTUDY Student Financial Supplement Scheme was Introduced**

The ABSTUDY Student Financial Supplement Scheme was introduced to make student income support programs more flexible and to provide students with greater choice.

### **7.16.4.2 Why it is Called a Supplement**

The Supplement loan is so named because it is a way of increasing the money available to eligible students, above the amount they would receive through ABSTUDY PES or Living Allowance, and making money available to some students ineligible for ABSTUDY Living Allowance.

The Supplement loan is not like a commercial loan because:

- interest charges on Supplement loans are paid to the Commonwealth Bank of Australia (CBA) by the Commonwealth Government and not by the student;
- the amount of Supplement loan repayable by the student only increases by an annual Consumer Price Index (CPI) adjustment;
- repayment of a Supplement loan does not have to commence until at least July in the fifth year after the year for which the loan is paid. Compulsory repayments commence only when the person's taxable income reaches average earnings.



## **7.16.5 Students who are Eligible for an ABSTUDY Student Financial Supplement Loan**

### **Introduction**

This topic explains which students are eligible for an ABSTUDY Financial Supplement loan.

### **7.16.5.1 Eligible Students**

#### 7.16.5.1.1 Definition

Eligible students are tertiary students who are undertaking a study workload which enables them to qualify for ABSTUDY Tertiary Award or Master and Doctorate Award, or the ABSTUDY Pensioner Education Supplement.

#### 7.16.5.1.2 Categories of Students

There are two categories of students eligible for a Supplement loan. The categories are described in Policy Manual sections [7.16.5.2](#) and [7.16.5.3](#).

### **7.16.5.2 Category 1 Students**

#### 7.16.5.2.1 Definition

Category 1 students are tertiary students who are eligible for ABSTUDY PES, or Living Allowance under ABSTUDY Tertiary Award or Masters and Doctorate Award.

#### 7.16.5.2.2 Trade In

A Category 1 student must trade in (or give up) \$1 of PES or Living Allowance for every \$2 of repayable Financial Supplement loan. For example, a student receiving \$5,000 Living Allowance could trade in \$3,000 of Living Allowance for a Supplement loan of \$6,000. The total amount they would receive is \$8,000. The Supplement loan of \$6,000 is repayable.

Trading in means that the PES or Living Allowance is reduced by one half of the amount of Supplement loan paid.

Category 1 students cannot trade in allowances other than Living Allowance or PES.

#### 7.16.5.2.3 Minimum and Maximum Payable

The minimum amount of Category 1 Supplement loan payable in a calendar year is \$500, which requires a trade in of \$250. The maximum payable is \$7,000, which requires a trade in of \$3,500.

#### 7.16.5.2.4 Entitlement to Other Allowances is Unaffected

The reduction in PES or Living Allowance which results from trading in does not affect a student's entitlement to other allowances such as Fares Allowance or Incidentals Allowance.

### **7.16.5.3 Category 2 Students**

#### 7.16.5.3.1 Definition

Category 2 students are dependent tertiary students who are ineligible for Living Allowance **but who:**

- would have been eligible if not for the parental income test, assets test or Family Actual Means Test, and
- are below the normal assets test threshold (See Assets Test - Policy Manual 6.4) or their adjusted parental income/family actual means is less than the Category 2 income threshold (\$61,200 for 2002). The threshold is increased for each dependent sibling within the family.

#### 7.16.5.3.2 Category 2 Assets Test

Continuing on from the change of 1 January 2000, dependent tertiary students who are not eligible for ABSTUDY Living Allowance because of the level of their family assets may be eligible for a Category 2 loan. A loan is available if the family assets, after disregarding 75% of any business and/or farm assets, are below the normal family assets test threshold. The Category 2 income test must also be satisfied.

#### 7.16.5.3.3 Minimum and Maximum Payable

The minimum amount of Category 2 Supplement loan payable in a calendar year is \$500, and the maximum payable is \$2,000.

There is no trade in for a Category 2 Supplement loan.

#### 7.16.5.3.4 Category 2 Students Must Claim ABSTUDY

A potential Category 2 student needs to lodge an initial claim for ABSTUDY, and have the claim fully assessed to determine whether there are reasons, other than the parental means tests, which would make the student ineligible for ABSTUDY.

#### 7.16.5.3.5 Independent Students Not Eligible for ABSTUDY Living Allowance

An ABSTUDY student **cannot** be assessed under the parental means tests as a fall back position.

#### 7.16.5.3.6 Adjusted Parental Income

The adjusted parental income is the same as that defined for ABSTUDY Living Allowance purposes.

#### 7.16.5.3.7 Current Income Concession

If the current income concession is applied when calculating a student's entitlement to ABSTUDY, the current income is also used to determine that student's Supplement loan entitlement.

This means that, when determining whether the adjusted parental income is less than the Category 2 income threshold, current year income figures apply from the date the concession applies.

#### 7.16.5.3.8 Reverse Current Income Assessment

Reverse current income assessment may also affect Supplement loan entitlement (see Policy Manual 6.3.2).

#### 7.16.5.3.9 Adjusted Parental Income

The table below shows the effect on the Category 2 income threshold of up to five dependent children and dependent students.

		<b>Number of Dependent Children (Dependent Adjustment)<sup>1</sup></b>					
		<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Number of Dependent Students (Higher Dependent Deduction)<sup>2</sup></b>	<b>0</b>	\$55,950	\$57,150	\$59,650	\$62,150	\$64,650	\$67,150
	<b>1</b>	\$59,650	\$60,850	\$63,350	\$65,850	\$68,350	\$70,850
	<b>2</b>	\$63,350	\$64,550	\$67,050	\$69,950	\$72,050	\$74,550
	<b>3</b>	\$67,050	\$68,250	\$70,750	\$73,250	\$75,750	\$78,250
	<b>4</b>	\$70,750	\$71,950	\$74,450	\$76,950	\$79,450	\$81,950
	<b>5</b>	\$74,450	\$75,650	\$78,150	\$80,650	\$83,150	\$85,650

Dependent child adjustments do not include the applicant student.

**1** Adjustment for first dependent child who is under 16 and not receiving ABSTUDY or AIC = \$1,200

Deduction for each other dependent child who is under 16 and not receiving ABSTUDY or AIC = \$2,500

**2** Adjustment for each other dependent full-time student aged 16 to 24 (or who is under 16 and receiving ABSTUDY or AIC) = \$3,700

Do not include the student or children who are independent or in State care under ABSTUDY or YA/Austudy, or who are receiving a FaCS benefit in their own right; eg Newstart Allowance.

## 7.16.6 How the ABSTUDY Student Financial Supplement Loan Works

### Introduction

This topic explains how the ABSTUDY Student Financial Supplement loan works.

### 7.16.6.1 Supplement is Affected by Debt Withholdings and Advance Payments

#### 7.16.6.1.1 Deductions from PES or Living Allowance to Recover a Debt

Students who have deductions made from their PES or Living Allowance for recovery of a debt can trade in only the amount that they receive after the adjustment for the debt has been made.

Amounts withheld, or to be withheld within the Supplement loan eligibility period, cannot be traded in for Supplement loan.

#### 7.16.6.1.2 Effect of Advance Payments

A student may be granted a lump sum Advance Payment of their future ABSTUDY entitlement. Any amount of Advance Payment which has not yet been recovered, but where recovery during the Supplement loan eligibility period is anticipated, is not available to trade.

### **7.16.6.2 Amount of Financial Supplement Offered**

#### 7.16.6.2.1 Amount of Supplement Loan

The amount of Supplement loan to be offered to a student is determined by:

- whether the student is a Category 1 student or a Category 2 student;
- the student loan eligibility period within the calendar year; and
- for a Category 1 student the amount of ABSTUDY PES or Living Allowance s/he is able to trade in.

#### 7.16.6.2.2 Whole Dollars Only

Supplement loan offer amounts are made in whole dollars. An offer calculated as an amount comprised of dollars and cents is rounded up to the nearest dollar.

#### 7.16.6.2.3 Determining the Supplement Loan Eligibility Period

The Supplement loan Eligibility Period within a calendar year is determined as follows:

The loan entitlement start date is the latter of :

- 1 January of the calendar year; and
- the date of commencement of ABSTUDY eligibility; and
- the date the student loan.

The loan entitlement end date is the earlier of :

- 31 December of the calendar year; and
- the date of cancellation of ABSTUDY; and
- the date the customer last qualifies for Supplement loan.

The loan entitlement end date for a particular calendar year cannot be earlier than the loan entitlement start date.

7.16.6.2.4 Category 1 Offers

Category 1 offers are dependent on the amount of tradeable benefit, and the number of days in the student loan eligibility period.

Category 1 offers are calculated using the following formulae :

**[Total PES/Living Allowance-Advance Payment recoveries – Debt withholdings\*] x 2**

\* All within the FSL eligibility period

OR

**\$7,000**  

---

**Number of days in the calendar year**      **X**      **Number of eligible Cat 1 days**

The maximum Supplement offer is the **lesser** of the two amounts.

For all Category 1 customers, including those who are undertaking study in short courses (30 weeks or less), the following Supplement loan offers are calculated :

- January offer (takes effect from the student’s Supplement loan eligibility period start date);
- June offer (takes effect from the latter of the student’s Financial Supplement eligibility period start date and 1 July);
- October offer (takes effect from the latter of the student’s Supplement loan eligibility period start date and 1 October).

7.16.6.2.5 Category 2 Offers

Category 2 offers are dependent on the number of days in the student’s Supplement loan eligibility period.

Category 2 offers are calculated using the following formula :

**\$2,000**  

---

**Number of days in the year**      **X**      **Number of eligible Cat 2 days**

For Category 2 customers who are not undertaking study in short courses (30 weeks or less), the following Supplement loan offers are calculated :

- January offer (takes effect from the student’s Supplement loan eligibility period start date);

- June offer (takes effect from the latter of the student's Financial Supplement eligibility period start date and 1 July);
- October offer (takes effect from the latter of the student's Supplement loan eligibility period start date and 1 October).

#### 7.16.6.2.6 Category 2 Students Undertaking Short Courses

Category 2 students who are undertaking a short course have 30 days from the later of the date of the assessment which produced the initial offer, and the short course start date to accept their maximum offer. This date is the Short Course Cut Off Date.

#### 7.16.6.2.7 Mixed Category Students

If a student has periods of both Category 1 and Category 2 eligibility within the same calendar year, the maximum Supplement loan offer is calculated for each of the eligibility periods individually. The student's total maximum Supplement loan offer for the year is the sum of the offers for each Category.

The minimum Supplement loan offer that is available to mixed category customers is a **total** of \$500.

#### 7.16.6.2.8 Example

*From 1 January to 9 March 2002 Paul is ineligible for ABSTUDY because of his parent's income. However he qualifies as a Category 2 student for this period (69 days).*

*As his parental income drops below the ABSTUDY parental income free area on 10 March, Paul becomes eligible from 10 March to 31 December 2002 for ABSTUDY Living Allowance of \$2771.10. Therefore he is a Category 1 student for 297 calendar days.*

*His year 2002 Supplement loan offer is worked out as follows:*

$$\text{Category 2} = \frac{\$2,000}{365} \times 69 = \$378$$

PLUS THE LESSER OF

$$\text{Category 1} = \frac{\$7,000}{365} \times 297 = \$5,695$$

OR

$$\text{Category 1} = 2 \times \$2,771.10 = \$5,543$$

$$\text{Therefore: } \$5,543 + \$378 = \$5,921$$

Paul's Supplement loan offer for 2002 is \$5,921

This is referred to as a mixed offer.

### 7.16.6.2.9 Ranges of Assistance for Category 1 Students

This table shows the total amount of assistance a Category 1 student can receive for a range of levels of ABSTUDY Grant and Supplement

Annual ABSTUDY Entitlement Before Trade in (\$)	Fortnightly ABSTUDY payment before trade in (\$)	Fortnightly Payments with Supplement Total fortnightly payment with Supplement after ABSTUDY trade in (\$)							
		\$500	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000
1,000	38	48	58	77	-	-	-	-	-
2,000	77	86	96	115	134	153	-	-	-
3,000	115	125	134	153	173	192	211	230	-
4,000	153	163	173	192	211	230	249	268	288
5,000	192	201	211	230	249	268	288	307	326
6,000	230	240	249	268	288	307	326	345	364
7,000	268	278	288	307	326	345	364	384	403

### 7.16.6.3 Determining Supplement Eligibility Period and the Effect of Cutoff Dates

#### 7.16.6.3.1 Supplement Loan Payability Period

The Supplement loan payability period is the actual period or periods in a year for which the loan is payable to a student.

The payability period is determined by the date the student lodges the 'Student Financial Supplement Application and Agreement' form with the CBA.

The Supplement payability period can be the same as or less than the Supplement eligibility period depending on the date of lodgement by the student.

#### 7.16.6.3.2 Applications Lodged No Later Than 31 May

This section applies to all Category 1 students and Category 2 students not undertaking a short course.

For students who lodge their Supplement loan applications with the CBA no later than 31 May, the Supplement loan payability period is the same as the Supplement loan eligibility period.

#### 7.16.6.3.3 Applications Lodged After 31 May and No Later Than 30 September

This section applies to all Category 1 students and Category 2 students not undertaking a short course.

For students who lodge their Supplement loan applications with the CBA after 31 May but no later than 30 September, the Supplement loan payability period is from the later of 1 July and the start of the Supplement loan eligibility period, to the end of the Supplement loan eligibility period.

#### 7.16.6.3.4 Example

*Marcia is undertaking tertiary studies for the whole year. She becomes eligible for ABSTUDY Living Allowance on 1 May. Her Supplement loan eligibility period is therefore 1 May to 31 December, which is 245 days.*

*She will be receiving Living Allowance payments of \$45.80 per fortnight. She would normally be able to trade in Living Allowance of:*

$$\frac{\$45.80}{14} \times 245 = \$801.50$$

*for a maximum Supplement of:  $\$801.50 \times 2 = \$1,603$*

*However, Marcia does not lodge her Supplement loan application until 20 June. Her Supplement loan payability period is therefore 1 July to 31 December.*

*The maximum Living Allowance she can trade in for that period is:*

$$\frac{\$45.80}{14} \times 184 = \$601.94$$

*for a maximum Supplement of:  $\$601.94 \times 2 = \$1,204$*

#### 7.16.6.3.5 Supplement Loan Applications Lodged After 30 September

This section applies to all Category 1 students and Category 2 students not undertaking a short course.

For students who lodge their Supplement loan applications with the CBA after 30 September, the Supplement loan payability period is from the later of the date the Supplement application is lodged and the Supplement loan eligibility period start date, to the end of the Supplement loan eligibility period.

#### 7.16.6.3.6 Example

*Adam is studying for the whole year (not a leap year). He is a Category 1 student whose Supplement loan eligibility period is 1 January to 31 December. He does not lodge his Supplement loan application with the CBA until 10 October. His Supplement loan payability period is therefore 10 October to 31 December, which is 83 days.*

*The maximum Supplement loan he can receive is:*

$$\frac{\$7,000}{14} \times 83 = \$1,592$$



#### 7.16.6.3.7 Category 2 Short Course Applications Lodged On or Before Short Course Cut Off Date

This section only applies to Category 2 students undertaking short courses.

For Category 2 students undertaking short courses (30 weeks or less) who lodge their Supplement loan applications with the CBA on or before the Short Course Cut Off Date, the Supplement loan payability period is the same as the Supplement loan eligibility period (generally the duration of the course).

#### 7.16.6.3.8 Category 2 Short Course Applications Lodged After the Short Course Cut Off Date

This section only applies to Category 2 students undertaking short courses.

For Category 2 students undertaking short courses (30 weeks or less) who lodge their Supplement Applications with the CBA after the Short Course Cut Off Date, the Supplement loan payability period is from the date the Supplement loan application is lodged with the CBA to the end of the Supplement loan eligibility period.

#### 7.16.6.3.9 Example

*Ellen is a Category 2 student undertaking study in a short course from 5 April to 14 August (in a leap year). Her Supplement loan eligibility period is therefore 5 April to 14 August, which is 132 days.*

*The maximum Supplement loan she can apply for is:*

$$\frac{\$2,000}{366} \times 132 = \$722$$

*The Supplement Entitlement Notice Ellen receives advises her that she can apply for that amount of Supplement loan if she lodges her application with the CBA on or before 4 May.*

*She does not lodge her Supplement loan application until 10 May. Her Supplement loan payability period is therefore 10 May to 14 August.*

*The maximum Supplement loan she can receive is:*

$$\frac{\$2,000}{366} \times 97 = \$531$$

#### 7.16.6.3.10 Applications After 31 December

Students who lodge their Supplement loan applications for a particular calendar year after 31 December of that year will not be accepted for a Supplement loan for that year. This provision **cannot** be waived because of extenuating circumstances claimed by a student.

### **7.16.6.4 ABSTUDY Student Financial Supplement Loan Does Not Affect Other (Non Trade in) Allowances**

#### 7.16.6.4.1 Category 1 Students Who Trade in Some of Their PES or Living Allowance

Apart from PES and Living Allowance, which can be traded in for a Supplement loan, a student may be entitled to receive other allowances which cannot be traded in. If a student's PES or Living Allowance is reduced as a result of trading in, he or she continues to be eligible for the other allowances, such as Fares Allowance and Incidentals Allowances.

#### 7.16.6.4.2 Category 1 Students Who Trade in All Their PES or Living Allowance

If a Category 1 student trades in all of his or her PES or Living Allowance for a Supplement loan so that he or she is actually receiving no Living Allowance or PES, the student still retains eligibility for other non-tradeable allowances, provided the other requirements for receiving these allowances are met.

### **7.16.6.5 How the Student is Advised of the ABSTUDY Student Financial Supplement Loan Eligibility or Change in Eligibility**

#### 7.16.6.5.1 Supplement Entitlement Notice

A Supplement Entitlement Notice (SEN) is produced when a student's Supplement loan offer amount for a calendar year is first calculated.

A new SEN is produced if reassessment of the student's ABSTUDY causes a change in the Supplement loan offer of \$100 or more since the last SEN was produced.

The SEN details the minimum and maximum loan amounts for which a student can apply, and indicates relevant cut-off dates for the lodgement of a Supplement loan application.

### **7.16.6.6 How a Student Applies for an ABSTUDY Student Financial Supplement Loan**

#### 7.16.6.6.1 Student Requires a Supplement Loan Booklet

A booklet is sent to the student with a SEN at the time of the original ABSTUDY claim, however, if the booklet is lost, a student may contact Centrelink to request a copy of the booklet 'Student Financial Supplement Scheme 2002 – A Guide for Applicants', which sets out the terms and conditions of the loan. The booklet also contains a copy of the 'Student Financial Supplement Application and Agreement' form.

#### 7.16.6.6.2 Applying for a Supplement loan

To apply for a Supplement loan, the student lodges a 'Student Financial Supplement Application and Agreement' form with the CBA. This can be done in person or by mail. When applying for a loan the student also needs to provide their Supplement Entitlement Notice (SEN) and proof of identification.

#### 7.16.6.6.3 Cooling Off Period

All Supplement loan contracts are subject to a 14 day cooling off period. The cooling off period allows students the opportunity to reconsider the decision to take out a 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.

#### 7.16.6.6.4 Cooling Off – Cancelled

Where a student wishes to cancel the contract during the fourteen day period, s/he needs to write to the CBA branch where the claim was lodged advising them of the decision to withdraw the application for a Supplement loan.

#### 7.16.6.6.5 Cooling Off - Waived

The cooling off period can be waived. When the student lodges the completed Application and Agreement form with the Commonwealth Bank s/he will be asked if they wish to waive the right to cancel the contract within the cooling off period. If the student decides to waive the cooling off period s/he will be asked to sign the waiver portion of the Application and Agreement form.

#### 7.16.6.6.6 Cooling Off – If Applied

If the student wishes the cooling off period to be applied, the application will be processed after the expiry date of the cooling off period. The first payment of Supplement loan will usually be within one to three weeks of the expiry date of the cooling off period.

#### 7.16.6.6.7 Cooling Off – If Waived

If the student waives the cooling off period, the application will be processed from the date of acceptance. The first payment of Supplement loan will usually be within one to three weeks of the date the application form is lodged with the CBA.

#### 7.16.6.6.8 Student May Cancel the Supplement Loan Contract

A student may cancel their Supplement loan contract at any time before the date of the first Supplement loan payment. To do this the student should complete a 'Student Financial Supplement Request to Cease Payments' form, which is available at Commonwealth Bank branches, or write to the CBA branch where they lodged their application.

If the request is not processed in time to prevent the first loan payment being made, the student must repay the amount to the CBA as a reversal. When the cancellation is processed by Centrelink the student's PES or Living Allowance payments will be restored.

#### 7.16.6.6.9 Claims Lodged after 31 December

Supplement loan applications for a particular year lodged after 31 December of that year will not be accepted. This provision **cannot** be waived because of extenuating circumstances claimed by the student. Where 31 December falls on a weekend the last date for the lodgement of applications is the next business day.

#### 7.16.6.6.10 Loan Account with the CBA

The CBA opens a **loan account** for the student when the application form is accepted. This is a special account required by the CBA to record Supplement loan transactions. It is not the **credit account** nominated by the student into which Supplement loan payments are credited. The student's credit account can be with any bank, building society or credit union.

**Note: Students should quote their loan account number when dealing with the CBA.**

#### 7.16.6.6.11 Proof of Identification

If the student does not already have an account with the CBA, he or she is required to provide proof of identification, along with the Application and Agreement form, for the loan account to be opened. This is known as the '100 point check' and consists of identity documents, given point ratings, which need to total 100 points.

#### 7.16.6.6.12 100 Point Check

This table shows the documents which satisfy the requirements for the 100 point check and their respective point values.

<b>Identification</b>	<b>Point value</b>
Supplement Entitlement Notice (SEN)	25
<ul style="list-style-type: none"> <li>• Passport</li> <li>• Citizenship Certificate, or</li> <li>• Birth Certificate.</li> </ul>	70
Existing customer of CBA who has previously achieved 100 points with the bank.	100
<ul style="list-style-type: none"> <li>• Licence issued under a law (eg. driver's licence),</li> <li>• Public Service ID,</li> <li>• Social Security Card, or</li> <li>• Tertiary Education ID.</li> </ul>	40
<b>Note: The above ID must contain either a signature or a photo of the customer.</b>	
Letter from Employer (within last two years) confirming name and address.	35
Credit/Debit Cards, Passbooks - other than CBA (one allowed per institution).	25
Medicare Card.	25
Isolated Area Aboriginal student: written reference signed by two acceptable referees.	100
<ul style="list-style-type: none"> <li>• Certificate of Identity</li> <li>• a written reference from an acceptable referee who has sighted customer's passport or birth certificate,</li> </ul>	100

<b>or</b>	
<ul style="list-style-type: none"> <li>a written reference from an acceptable referee who has not sighted customer's passport or birth certificate.</li> </ul>	40

#### 7.16.6.6.13 Photocopies

Photocopies of documents are not acceptable. A certified copy or extract of a birth certificate or certified copy of a citizenship certificate is acceptable provided the copy is certified by the original issuing authority.

If documents are mailed to the bank, originals must be sent.

#### 7.16.6.6.14 Options to Satisfy 100 Point Check

The options for students to satisfy the '100 point check' are **either:**

- student goes in person to a branch of the CBA with their identity documents to be endorsed as sighted by the CBA; or
- student mails in their identification documents to the CBA when applying for the Supplement. Once sighted by the bank, these documents are returned to the student.

#### 7.16.6.6.15 Further Details

If the customer requires further details about documents and requirements for the 100 point check they should be referred to a branch of the Commonwealth Bank.

### 7.16.6.7 Extenuating Circumstances

#### 7.16.6.7.1 Circumstances Beyond Student's Control

Where a student lodges his or her Supplement loan application after a cut-off date, a concession can be applied which allows the payment of Supplement loan to be back dated if the late lodgement was due to circumstances beyond the student's control.

As a guide, similar circumstances which currently allow a concession to be applied to ABSTUDY payments would also be applicable to the late lodgement of Supplement loan claims.

A concession cannot be applied if the claim is lodged after 31 December.

#### 7.16.6.7.2 Date of Receipt of Claim

The date of receipt of each Supplement loan application is provided to Centrelink by the CBA. This is the actual date the claim is received at the bank. The CBA has been requested

to retain the envelopes for posted claim in case students wish to apply for a late lodgement concession. In such situations, authorised officers should determine the date of receipt in the same way this date is currently determined for ABSTUDY claims, eg. in some cases, authorised officers accept the post mark date as the date of lodgement.

#### 7.16.6.7.3 Authority to Apply Concession

The authority within Centrelink to apply the concession for late lodgement of Supplement loan applications lies with the same officers who are authorised to apply the concession for late lodgement of ABSTUDY claims.

### **7.16.6.8 How the ABSTUDY Financial Supplement Loan Payments are Made**

#### 7.16.6.8.1 Acceptance Transmitted to Centrelink

The amount of Supplement loan accepted by the student is advised to Centrelink by the CBA.

The student's loan offer is recalculated to ensure that the student is still entitled to the amount they accepted.

If the loan amount accepted by the student is higher than their current offer, ISS will limit the acceptance amount to the maximum offer amount. The amount of loan actually payable to the student is known as the system acceptance amount.

#### 7.16.6.8.2 Fortnightly Supplement Loan Payments Calculated

The student's fortnightly Supplement loan payments are determined, based on the system acceptance amount.

#### 7.16.6.8.3 Trade In of PES or Living Allowance

The amount of PES or Living Allowance to be traded in by Category 1 customers is determined.

#### 7.16.6.8.4 Trade Back of PES or Living Allowance

Any amount of PES or Living Allowance already paid to the student which should form part of the trade in amount is determined. This amount, the trade back, becomes part of the student's Financial Supplement debt.

#### 7.16.6.8.5 Supplement Loan Payments

Each fortnight details of the Supplement loan payments to be paid to students, as calculated by ISIS, are provided to the CBA by Centrelink.

The CBA makes Supplement loan payments to the students' credit accounts as advised by Centrelink.

#### 7.16.6.8.6 Which Account are Supplement Loan Payments Paid To?

The student can nominate the credit account to which they wish instalments of Supplement loan paid. The account does not have to be the same one that the student's PES or Living Allowance payments are directed to.

#### 7.16.6.8.7 PES or Living Allowance Paid By Cheque

Supplement loan payments cannot be made by cheque.

If the student is normally a cheque payee, he or she is required to nominate an account into which Supplement loan payments are to be made. The account does not have to be with the CBA.

### **7.16.6.9 ABSTUDY Student Financial Supplement Loan Payments not Taxable**

#### 7.16.6.9.1 Introduction

The Supplement loan is not taxable.

#### 7.16.6.9.2 Group Certificates

Group Certificates are produced at the end of each financial year for all recipients of ABSTUDY payments during that financial year. The Group Certificate contains only the payment and taxation totals for taxable allowances. It does not contain details of any Supplement loan amount paid to the student.

#### 7.16.6.9.3 Trade Back and Group Certificates

Any Living Allowance amounts which were paid to the student but later traded in (trade back amounts) for a Supplement loan are not included on the Group Certificate. Trade back amounts are treated as Supplement loan and are therefore not taxable.

### **7.16.6.10 Variations in ABSTUDY and Supplement Loan Entitlements**

#### 7.16.6.10.1 Amount of Supplement Loan is Subject to Reassessment

The amount of Supplement loan which a student is entitled to receive is recalculated whenever the student's ABSTUDY is reassessed. A change in the level of a student's PES or Living Allowance can result in a change to the Supplement loan entitlement.

#### 7.16.6.10.2 Maximum Supplement Loan Amount Changes

If the maximum possible Supplement loan amount changes, the resultant action (described below) will depend upon whether or not the student has already accepted a Supplement loan.

#### 7.16.6.10.3 Reduction in Supplement Loan Offer After Reassessment

If Supplement loan payments have not commenced and reassessment reduces the student's maximum Supplement loan offer by \$100 or more since the last SEN was issued, the

student is sent a new SEN advising them that the maximum Supplement loan amount for which he or she can apply has decreased.

#### 7.16.6.10.4 Reduction in Supplement Loan Offer After Payments Have Commenced

If Supplement loan payments have commenced and reassessment reduces the student's maximum Supplement loan amount, then:

- if the amount of loan accepted by the customer is less than or equal to the new offer the Supplement loan continues as before;
- if the amount of loan accepted by the customer is greater than the new offer, the system acceptance amount is lowered to the maximum recalculated offer;
- if Supplement loan payments are to continue but at a lesser rate than before, a new schedule of fortnightly Supplement loan payments is calculated : the student is provided with details of the changes in Financial Supplement loan payments,
- if an overpayment of Supplement loan occurs because the amount of Supplement loan already paid exceeds the maximum Supplement loan payable to the student for the year, refer to the section on overpayment of Supplement.

#### 7.16.6.10.5 Increase in Supplement Loan Offer After Reassessment

If reassessment increases the student's maximum Supplement loan offer by \$100 or more since the last SEN was issued, then:

- the student is informed on a new SEN of the maximum Supplement loan amount for which he or she can now apply;
- to apply for a different Supplement loan amount, the student must complete a 'Student Financial Supplement Variation to Application and Agreement' form and lodge this and their new SEN with the CBA.

#### 7.16.6.10.6 No Supplement Loan Entitlement After Reassessment

If Supplement loan payments have not commenced and reassessment makes the student ineligible for a Supplement loan, then the student is informed that he or she is no longer entitled to apply for a Supplement loan.

#### 7.16.6.10.7 Student's PES or Living Allowance Ceases or the Student Ceases to be a Category 2 Student

If Supplement loan payments have commenced and reassessment makes the student ineligible for the Supplement loan because the student's PES or Living Allowance ceases, or the student ceases to qualify as a Category 2 student:



- the student is informed that he or she is no longer entitled to the Supplement loan;
- if an overpayment of Supplement loan arises because the student was not entitled to any Supplement loan for the year or because Supplement loan payments continued past the date that the student's circumstances changed, the amount of the overpayment (the Supplement Exceeded Amount) becomes part of the student's Supplement debt.

#### 7.16.6.10.8 Voluntary Ceasing of Supplement

A student who is receiving Supplement loan payments may at any time request the CBA to stop further payments. The student must advise the CBA **in writing**. The CBA advises Centrelink that Supplement loan payments are to stop and the date from which the change was requested.

Centrelink must stop the student's Supplement loan payments within 4 weeks of the date of the written request and the PES or Living Allowance, if any, is restored. Any Supplement loan payments made after that time are the responsibility of the CBA and may be recovered from the student by the Bank. Any PES or Living Allowance traded in for those payments will be reimbursed to the student.

#### 7.16.6.10.9 Traded in PES or Living Allowance Already Paid Out

Any traded in PES or Living Allowance already paid out as Supplement loan cannot be reimbursed to the student. The Supplement loan amount which the student has received for the year must still be repaid under the normal repayment conditions (see [Chapter 5](#)).

The only exceptions are where:

- a student has cancelled their contract; or
- the CBA continues to make payments more than 4 weeks after a student requests termination of their Supplement.

#### 7.16.6.10.10 Voluntary Increase of Supplement Loan

A student who is not receiving the maximum Supplement loan amount to which he or she is entitled may at any time request the CBA to increase the accepted Supplement loan amount.

The CBA advises Centrelink of the new Supplement loan amount and the date of the change. The student's loan offer is recalculated by ISS to ensure that the student is still entitled to the new acceptance amount. New fortnightly Supplement loan payment amounts and, if applicable trade in amounts, are calculated.

#### 7.16.6.10.11 Voluntary Decrease of Supplement

A student who is receiving Supplement loan payments may at any time request the CBA to decrease the Supplement loan amount. However, the student cannot decrease their Financial Supplement loan amount to less than they have already received.

The CBA advises Centrelink of the new Supplement loan amount and the date from which the change was requested.

New fortnightly Supplement loan payment amounts and, if applicable trade in amounts, are calculated.

If the student has already been paid more than the requested amount, then the Supplement loan payments will cease.

### **7.16.6.11 Overpayment of the ABSTUDY Student Financial Supplement Loan**

#### 7.16.6.11.1 Introduction

An overpayment of Supplement loan can occur for the same reasons as a PES or Living Allowance overpayment. Examples include:

- the student was not entitled to any Supplement loan for the year;
- the current income concession should not have been allowed;
- special assessment ceases to apply;
- the adjusted parental income alters to an amount of greater than the Category 2 income threshold; or
- an administrative error has been made.

#### 7.16.6.11.2 Nature of Supplement Loan Overpayment

Except for cases requiring recovery action, overpaid amounts of Supplement loan are repaid in accordance with the arrangements and conditions for repaying the Supplement loan (see [7.15.7](#)).

This includes cases where administrative error is established as the cause of the overpayment.

#### 7.16.6.11.3 Debt Recovery

Overpayments of Supplement loan should be looked at to determine whether:

- false or misleading information relating to the student was provided; or
- information such as a change of circumstances was deliberately withheld or omitted.

These are the same criteria which should be used in cases where PES or Living Allowance has been overpaid.

In these cases, Centrelink may 'buy back' from the CBA the amount of Supplement loan overpaid. The debt becomes a debt to the Commonwealth. The recovery of Supplement loan overpayments is a Centrelink procedure.

#### 7.16.6.11.4 Death of a Student

If an overpayment of Supplement loan occurs because a student dies, Centrelink may buy back the amount of any outstanding Financial Supplement debt owed by the student to the CBA. The debt will only be bought back where a death certificate or other acceptable form of proof of death has been sighted\*. Once the debt has been bought back by Centrelink, or if the debt is already with Centrelink, it is discharged. The debt will not be passed on to the deceased person's estate or next of kin. The only exception is where the debt has been passed to the ATO and a Tax Assessment Notice has been issued which includes an amount owing in respect of the Financial Supplement debt.

Acceptable forms of proof are:

- Death Certificate;
- Notice of Decease of Customer from a financial institution;
- Letter from a solicitor (on solicitor's letterhead) informing Centrelink that they are acting for the deceased person's estate;
- Letter or invoice from the Funeral director showing the funeral costs of the debtor, and the debtor's full name, date of birth and date of death; and
- advice that the debtor is deceased (eg Centrelink Inactive Reason Code 423 recorded on JobSystem).

#### 7.16.6.11.5 Further Details

Further details concerning the administration of Supplement loan overpayments can be obtained from the Centrelink Supplement team.

### **7.16.7 Appeal Provisions**

#### 7.16.7.1 ABSTUDY Students

ABSTUDY students can appeal against decisions made by an officer under the *Student Assistance Act 1973* (the Act) concerning Supplement eligibility and amounts.

In relation to the Supplement loan, the word "officer" has the same meaning as it does in relation to ABSTUDY.

The consideration and appeal process for ABSTUDY should also be followed in relation to ABSTUDY Supplement loan decisions.

#### 7.16.7.2 Decisions Against Which the Student Can Appeal

Although most decisions regarding Supplement loan entitlement are automatically calculated by ISS, these decisions are considered to have been made by an officer under the Act, just as calculations of ABSTUDY made by ISS are considered to be decisions made by an officer under the Act. Students can appeal against the following types of decisions in relation to the Supplement loan :

- whether the student is eligible for a Supplement loan;
- that the student has ceased to be eligible for a Supplement loan;
- reversal of a previous decision that the student was eligible to receive a Supplement loan, ie. that the student was never eligible;
- that the student did not notify Centrelink within 14 days of a change in circumstances which affected the Supplement loan eligibility; and
- that the student provided false or misleading information which caused an incorrect assessment of Supplement loan eligibility.

## **7.16.8 ABSTUDY Student Financial Supplement Debt**

### **Introduction**

This topic explains Financial Supplement debt.

### **7.16.8.1 Repaying the Financial Supplement Debt**

#### 7.16.8.1.1 Contract Period

The student may take out a new Supplement loan contract with the CBA each year. If the student receives Supplement loan for, say, three years, he or she has three separate Supplement contracts.

The contract period is the period beginning on the date on which the Supplement application is accepted by the CBA and ending on 31 May in the fifth year after the year for which the Supplement is paid.

For example, if a student's Supplement application is accepted on 10 March 2002, the contract period for the 2002 Supplement loan begins on 10 March 2002 and ends on 31 May 2007.

#### 7.16.8.1.2 Commencement of Financial Supplement Debt Repayments

The student can voluntarily repay his or her Financial Supplement debt at any time after he or she begins receiving Supplement loan payments. However, the student does not have to commence repaying the Financial Supplement debt until after the end of the contract period.

Voluntary repayments made before the end of the contract period are made by the student to any branch of the CBA and receive a discount.

#### 7.16.8.1.3 Financial Supplement Debt Repayments After End of Contract Period

Supplement repayments made after the end of the contract period:

- are made through the taxation system, only when the student's income reaches average earnings (Example: the threshold for repayment of 1995 Financial

Supplement debts for the 2001-2002 financial year is \$32,918). This figure is indexed each year in line with movements in the Consumer Price Index;

- can also be made voluntarily by the student to the Australian Taxation Office.

#### 7.16.8.1.4 Example

The diagram below shows the contract period for a Supplement loan paid in 2002 and the repayment arrangements that apply.

<b>Supplement Agreement with CBA from 1 January 2002 to 31 May 2007</b>					
<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Student's SUPPLEMENT payments commence – start of Agreement Period					End of Agreement period 31 May. Student owes debt to Commonwealth and is required to repay through the tax system.

**NOTE: Students can make repayments to CBA any time from the start of the Agreement Period in 2002 up to 31 May 2007 and receive the voluntary repayment discount.**

#### 7.16.8.1.5 CPI adjustment of Financial Supplement Debt

On 1 June of each year (commencing in the calendar year following the year for which the Supplement is paid), the amount of Financial Supplement debt outstanding increases according to the following calculation:

$$\begin{array}{r}
 \text{Total Financial Supplement amount paid} \\
 \text{LESS} \\
 \text{Repayments and discount on repayments} \\
 \text{credited to student}
 \end{array}
 \times
 \begin{array}{r}
 \\
 \\
 \text{Indexation Factor*}
 \end{array}$$

\* The indexation factor is based on movements in the Consumer Price Index (CPI).

**Note: During the contract period, the Supplement loan principal amount is owed to the CBA. The outstanding principal amount is indexed at 1 June every year commencing in the year following the year for which the Supplement is paid. The indexation amounts are added to the principal amount outstanding and are owed to the Commonwealth by the student.**

#### 7.16.8.1.6 Supplement Statements

In June each year Centrelink will provide the student with a statement showing details of each Supplement contract in previous years. The statement will include:

- the amount of Supplement loan paid to the student;
- repayments made by the student;
- the discount accorded to the repayments;
- the CPI adjustments;
- the outstanding debt as at 1 June of the year of the statement; and
- the amount the student would have to repay if they wished to repay the outstanding Financial Supplement debt before 31 May of the following year.

The student receives a separate statement for each Supplement loan debt.

The CBA will also provide the student with a statement in January each year. This statement shows all transactions relating to the student's CBA loan account, but does not show the discount accorded to early repayments or CPI adjustments. Students can request a statement from the CBA at any time.

The Centrelink statement shows the total balance of the student's Financial Supplement debt as it includes CPI adjustments and discount amounts, where appropriate.

## 7.16.8.2 Early Repayments

### 7.16.8.2.1 Voluntary Repayment Before End of Contract Period

A student can make repayments of Supplement loan before the end of the contract period. These repayments are voluntary and are made directly to any branch of the CBA. Repayments cannot be accepted by Centrelink.

### 7.16.8.2.2 Discount for Early Repayments

Any voluntary repayments of Supplement loan made within the contract period are given an increased value (a discount). The formulae for determining the amount of the discount are:

For repayments less than the amount outstanding :

$$\text{Discount} = \left[ \frac{\text{amount repaid} \times 100}{85} \right] - \text{amount repaid}$$

For repayments equal to the amount outstanding :

$$\text{Discount} = \left[ \frac{\text{amount repaid} \times 115}{100} \right] - \text{amount repaid}$$

The discount amount is always rounded to the nearest dollar (eg \$233.40 becomes \$233.00, and \$233.50 becomes \$234.00).

If a student wishes to clear their Financial Supplement debt within the contract period they only need repay 85% of the total amount outstanding.

### 7.16.8.2.3 Example

*Colin wants to repay his debt of \$1,000. He only has to pay \$850. The other \$150 is the discount.*

### 7.16.8.2.4 Choice of year

If the student had a Supplement loan in more than one year, the student can choose which year's Supplement debt a repayment is to be credited against by quoting the relevant loan account number to the CBA.

## **7.16.8.3 Interest Payments**

### 7.16.8.3.1 Introduction

Centrelink (National Support Office) pays the CBA the interest on the Supplement loan on behalf of the student. Interest is charged by the bank on the outstanding principal only, not on any increases due to CPI.

## **7.16.8.4 After the End of the Contract Period**

### 7.16.8.4.1 Loan Bought Back from the CBA

Financial Supplement Loan contracts expire on 31 May of the fifth year after the year for which the loan was paid. After this date Centrelink, on behalf of the Commonwealth, 'buys back' the balance of the loan from the CBA.

### 7.16.8.4.2 Transfer of Loan to the ATO

Following the end of the contract buy back management of Financial Supplement loans transfers to the Australian Taxation Office (ATO). Centrelink provides ATO with the loan balance at the end of the contract period, which takes account of:

- (any) voluntary repayments and discounts applied to those repayments; and
- Consumer Price Index adjustments that are applied each year, including the adjustment applied on 1 June of the year the contract expired.

Financial Supplement loan balances are taken into account in subsequent tax assessments for the loan recipients. The ATO commences recovery of Financial Supplement loans once taxable income reaches the level of average earnings. Compulsory repayments are calculated by taking into account the level of taxable income and the repayment rate for that level. The calculated repayment amount is shown as the Financial Supplement assessment debt on the income tax Notice of Assessment.

Voluntary repayments may be made to the ATO at any time following after the loan details have been transferred to the ATO. Unlike voluntary repayments made during the loan contract period, these repayments do not attract the repayment discount.

Financial Supplement loans are managed by the ATO until the loan is fully recovered or the death of the loan recipient.

**Note: Some Financial Supplement Loans are subject to early buy back because of the death of the recipient, fraud or the failure to notify a change of circumstances (refer 7.16.6.11). These loans are bought back at the time the early buy back decision is made and details of the loans are NOT transferred to the ATO. Where the loan is to be recovered eg. where there is fraud or failure to notify a change of circumstances, a debt is raised by Centrelink and recovery action is taken through Centrelink debt recovery practices.**

## **7.16.8.5 Procedure after Buying Back Supplement**

### 7.16.8.5.1 At End of the Contract Period

At the end of the contract period the amount to be paid by the Commonwealth to the CBA is calculated and arrangements are made for payment to be made to the bank. The Australian Taxation Office is advised of the Financial Supplement debt amount, in order that recovery of the debt can be pursued through the taxation system.

Centrelink advises the student in writing:

- that the contract period has ceased, that what remains of the Financial Supplement debt to be repaid is now owed by the student to the Commonwealth and that the student has no further obligation to the CBA;
- the amount of the Financial Supplement debt still owing;
- that the student can make voluntary repayments at any time but that no further bonuses will be accorded;
- that, depending on the student's financial year income, any debt not voluntarily repaid may be recovered through the taxation system, commencing with the tax return for the financial year in which the contract period ends; and
- that the Financial Supplement debt will continue to be indexed based on movements in the CPI.

### 7.16.8.5.2 Voluntary Repayment After the End of the Contract Period

A student can make voluntary repayments towards their Financial Supplement debt after the end of the contract period. These payments are made directly to the ATO.

## **7.16.8.6 Repayment through Taxation System**

### 7.16.8.6.1 Introduction

Commencing with the tax return for the financial year in which the Supplement loan contract period ends, the person begins repaying the Financial Supplement debt through the taxation system if his or her taxable income is above a specified level.

If the person is required to make repayment for a financial year, the assessment of the amount repayable is included in the ATO's tax notice of assessment issued to the person for that financial year.



#### 7.16.8.6.2 Level of Taxable Income

The amount which a person is required to repay for a financial year depends upon the level of his or her taxable income. The repayment rates for the 2001-2002 financial year are set out in the following table

<b>Taxable Income Range for the financial year (\$)</b>	<b>Percentage of income to be repaid</b>
Below \$32,918	Nil
\$32,918 to \$37,407	2%
\$37,408 to \$52,372	3%
\$52,372 and above	4%

#### 7.16.8.6.3 Increases in Cost of Living

The taxable income levels in the table above will be indexed each year on the basis of movements in average earnings.

#### 7.16.8.6.4 Supplement Repayment Rates Table

This table shows the annual repayment amount based on the repayment rates set out in the table at [7.16.8.6.2](#).

<b>Taxable Earnings (\$)</b>	<b>Annual Repayment (\$)</b>
26,000	NIL
28,000	NIL
30,000	NIL
32,000	NIL
34,000	680
36,000	720
38,000	1,140
40,000	1,200
42,000	1,260
44,000	1,320
46,000	1,380
48,000	1,440
50,000	1,500
52,000	1,560
54,000	2,160
56,000	2,240

7.16.8.6.5 Example

Calculations example:

**Column 1:**      **\$56,000** x      =      **\$2,240**  
                                 **4%**

## Appendix 1: Standard Hostels Agreement

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### A1.1 Introduction

The standard Agreement was developed to allow hostels with ABSTUDY secondary boarders to access term in advance living allowance payments.

Hostels which do not have a contractual agreement with Centrelink are to be paid fortnightly for eligible students.

Agreements are valid for financial year periods and new Agreements must be renegotiated each year.

A copy of the current Agreement is attached below.

### A1.2 When to Use the Standard Agreement

The standard Agreement is to be used when a hostel wishes to receive term in advance payments for approved ABSTUDY boarders.

**Note: The following hostels are covered by a national Agreement with Aboriginal Hostels Limited and do not need to sign individual Agreements:**

- Fordimail Residence, Katherine NT
- Wangkana-Kari Hostel, Tennant Creek NT
- Joe McGinness Hostel, Cairns Qld
- Kirinari Hostel, Sydney NSW
- Biala Hostel, Allambie Heights, Sydney NSW
- Kirinari Hostel, Garden Suburbs, Newcastle NSW
- Warrina Hostel, Dubbo NSW.

### A1.3 Completing the Agreement

The delegate must ensure that all relevant information has been included in the Agreement, the terms have not been altered, each page is initialled and both parties have signed in the appropriate places. Agreements are to be renegotiated each financial year.

### A1.4 Hostels in New South Wales

Hostels in New South Wales must comply with the New South Wales Child Protection Legislation, "*Working with Children*" and the "*Commission for Children and Young People Act (NSW) 1998*".

### A1.5 Hostels in Queensland

Hostels in Queensland must comply with the "Commission for Children and Young People Act (QLD) 2000".

AGREEMENT NUMBER:

## AGREEMENT FOR INDIGENOUS STUDENT HOSTEL ACCOMMODATION

### THIS AGREEMENT IS BETWEEN

**THE COMMONWEALTH OF AUSTRALIA** acting through  Centrelink ("**us**")

having a postal address of:

**AND**

("you")

having a postal address of:

#### *Overview*

*To provide for direct payments by **us** to **you** where residential accommodation at a Hostel is provided by **you** to students entitled to payment of benefits under the ABSTUDY scheme.*

### 1. DEFINITIONS:

"**ABSTUDY guidelines**" means the guidelines for the ABSTUDY scheme approved by the Minister from time to time;

"**ABSTUDY scheme**" means a scheme administered by **us** which provides for financial assistance for Australian Aboriginal and Torres Strait Islander students;

"**agreement**" means this agreement;

"**Centrelink**" means **us**;

**"Educational Services"** means educational training provided to Entitled Students at a school;

**"Entitled Student"** means a person who is eligible for benefits payable under the ABSTUDY scheme;

**"Hostel"** means the facility providing board and residential accommodation operated by you and known as ;

**"Living Allowance"** means an allowance payable under the ABSTUDY scheme;

**"resident"** means an Entitled Student residing at a Hostel managed by **you**;

**"Residential Fee"** means the amount payable by **us** to **you** in respect of an Entitled Student calculated in accordance with either subclauses 4.2 or 4.3;

**"Residential Charge"** means the amount notified by **you** to **us** in accordance with subclause 3.2;

**"School Fees Allowance"** means an amount payable to an Entitled Student, under the ABSTUDY scheme, for education costs such as the provision of text books and other materials, the unused portion of which may be approved to pay excess boarding costs if deemed reasonable;

**"school"** means the educational facility that Entitled Students are required to attend;

**"Student Services office"** means the body responsible for processing an Entitled Student's application for assistance under the ABSTUDY scheme, and in this context means the Student Services office which has had the responsibility for administering your agreement;

## **2. GENERAL:**

### **2.1 Guidelines**

The ABSTUDY guidelines, as revised from time to time form part of this agreement between **you** and **us**.

### **2.2 Hostels in New South Wales**

Hostels in New South Wales must comply with the New South Wales Child Protection legislation:

- The *Child Protection (Prohibited Employment) Act 1998*;
- The *Commission for Children and Young People Act 1998*; and
- The *Ombudsman Amendment (Child Protection and Community Services) Act 1998*.

Under the legislation Hostels are required to obtain a 'prohibited person' declaration from all people registered to provide services in New South Wales.

### **2.3 Hostels in Queensland**

Hostels in Queensland must comply with the Queensland Child Protection legislation:

- The *Commission for Children and Young People Act (QLD) 2000*. Under the legislation Hostels are required to obtain a 'prohibited person' declaration from all people registered to provide services in Queensland.

## **2.4 Entitled Students**

**We** will make payments to **you** under this agreement only in relation to Entitled Students.

## **2.5 Transfer of Living Allowances**

Living Allowances may be transferred where an Entitled Student is either:

- a. under the age of 18 years and their parent or guardian has authorised us in writing to pay **you** all or part of the Living Allowance otherwise payable to the Entitled Student's parent or guardian; or
- b. over the age of 18 years and the Entitled Student has authorised **us** in writing to pay to **you** all or part of the Living Allowance otherwise payable to them.

# **3. YOUR OBLIGATIONS**

## **3.1 Provision of Services**

**You** will arrange and provide for those Entitled Students living at the Hostel, adequate nutritional and physical needs and a safe environment. You will ensure that the Hostel buildings meet the relevant building codes and health regulations for your State or Territory. You will allow Centrelink officers or their agents to inspect the Hostel premises at periodic intervals following a written request giving 7 days notice.

## **3.2 Notification of Residential Charge**

**You** will advise **us** in writing, prior to each of the terms of the school year, of the amount **you** will charge for each of these terms.

The charges which **we** will pay **you** are limited to the maximum allowable rates set under the ABSTUDY guidelines.

## **3.3 Notification of Entitled Students Details**

**You** will provide **us** with a written notice, prior to each of the terms of the school year, of the full name and home address of each Entitled Student who is to be a resident at the Hostel during each of these terms.

# **4. PAYMENT ARRANGEMENTS:**

## **4.1 Payments to you**

Provided **you** are performing the agreement to our satisfaction, **we** will pay **you** a Residential Fee at the beginning of each term in respect of each Entitled Student residing at the Hostel.

#### **4.2**

The Residential Fee will be the sum of the Basic Payment, Rent Assistance and any School Fees Allowance which would have been payable in respect of that Entitled Student under the ABSTUDY guidelines or the Residential Charge, whichever is the lesser.

#### **4.3 Payment for Entitled Students not on notice under subclause 3.3**

If an Entitled Student whose name and address does not appear on a notice given under subclause 3.3 comes to live at the Hostel after the commencement of the term of a school year **we** will pay **you** that proportion of the Residential Fee representing the number of days the Entitled Student is resident in the Hostel during that term over the total days in the term.

#### **4.4 Notification Arrangements**

**You** agree that within 14 days after an Entitled Student leaves the Hostel **you** will notify **us** at the Student Services office of the full name and address of each Entitled Student who has left the Hostel and the date on which they left.

#### **4.5 Repayment and Retention of Funds where an Entitled Student leaves the Hostel**

**You** agree that:

- a. if an Entitled Student leaves the Hostel:
  - i. within the first six weeks of **taking up residence**; or
  - ii. after the first six weeks residence but ceased to attend classes at the school during the first six weeks;

**you** will repay all the moneys paid by **us** to **you** for that Entitled Student, less the amount which is equal to the Basic Payment for the first six weeks of that residence;

- b. if an Entitled Student leaves the Hostel and ceased to attend classes at the school:
  - i. after the first six weeks of taking residence,

**you** will repay all the moneys paid by **us** to **you** for that Entitled Student, less the amount which is equal to the Basic Payment payable to the actual date when the Entitled Student both attended the school and also resided at the Hostel.

#### **4.6 Compensation for Late Payment**

If money owing to **us** is not paid or refunded by the due date for payment, **you** will be liable to pay **us** interest on the outstanding amount as set by the Commonwealth

Department of Finance from time to time based on the weighted average yield of 13 Week Treasury Notes plus a margin of 4 per cent per annum.

#### **4.7**

The interest charge describe in subclause 4.6 will begin to run 21 days after the Entitled Student leaves the Hostel.

### **5. MISCELLANEOUS:**

#### **5.1 Period of Agreement**

This agreement is effective from the date the agreement is signed by both us and you, up to 30 June 2002.

#### **5.2 Termination of Agreement**

**We** may terminate this agreement at any time. If **we** decide to do so, we shall cease all payments to **you**. **You** must then repay to **us** all unspent moneys that **we** have paid to **you**.

#### **5.3 Notice**

**You** shall give any notice, request or other communication in writing and deliver this by hand or send it by pre-paid post, facsimile or telex, to **us** at the address below for the attention of:

National Manager  
Youth and Student Services  
Centrelink  
GPO Box 7788  
CANBERRA MAIL CENTRE ACT 2610

**We** shall give **you** any notice, request or other communication in writing at the address indicated by **you** at the beginning of this agreement unless you notify **us** otherwise.

#### **5.4 Entire Agreement**

This is the entire agreement between **you** and **us**. No agreement varying or extending this agreement shall be legally binding upon either party unless in writing and signed by both parties.

#### **5.5 Applicable Law**

The agreement shall be governed by and construed in accordance with the law of the State or Territory in which the Hostel is located.

### **6. MONITORING AND REPORTING REQUIREMENTS:**

#### **6.1 Service Records to be maintained**

**You** must maintain details of the following:



- a. a record of the services provided to Entitled Students, including food, and accommodation;
- b. a list outlining the items of clothing and equipment provided to Entitled Students including books, materials and other supplies.

**You** must retain these records for two years after the agreement has ended.

If **we** make a written request and give **you** reasonable notice, **you** must provide us with any information required by **us** for monitoring and evaluation purposes.

### **6.2 Financial Records**

**You** must keep proper accounts and records of **your** transactions and affairs in relation to any money **you** receive from **us** under the agreement in accordance with Australian Accounting Standards. In particular, all moneys provided by **us** must be clearly and separately identified in **your** accounts. **You** must keep **your** financial accounts and records in such a way as to enable an auditor or other person to examine them at any time and to ascertain **your** financial position.

### **6.3 Our Audit and Monitoring Requirements**

**You** must help **us** to monitor and evaluate the services provided by **you** by:

- a. allowing **us**, at all reasonable times, unhindered access to all accounts, records, documents and papers which relate directly or indirectly to the receipt, expenditure or payment of the Basic Payment, Rent Assistance or any School Fees Allowance to **you** and allowing **us** to copy it;
- b. **us**, at all reasonable times, unhindered access to **your** financial accounts and records as described in subclause 6.2 and allowing **us** to copy them;
- c. providing reasonable assistance to **us** to locate and copy any material relating to the provision of the services under this agreement and **your** financial accounts and records;
- d. allowing **us**, at all reasonable times, unhindered access to inspect the Hostel; and
- e. advising **us** of any changes in arrangements for the provision of the services.

### **SIGNATURES**

<p>SIGNED by <b>Us</b></p>	<p>SIGNED by <b>You</b></p> <p><b>Your</b> Common Seal was affixed in accordance with <b>your</b> Articles of Association or Rules of Incorporation, whichever is applicable, in the presence of</p>
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Signature:

.....  
.....

On behalf of **Centrelink**

Name:

Position:

Date:

Witnessed by:

Signature:

.....  
.....

Name:

Position:

Signature:

.....  
.....

On behalf of

Name:

Position:

Date:

Witnessed by:

Signature:

.....  
.....

Name:

Position:

## **Appendix 2: Determination of Education Institutions and Courses under subsections 3(1) and 5D(1) of the *Student Assistance Act 1973***

### **Determination No. 1999/2**

Issued by the authority of the Minister for Education, Training and Youth Affairs

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#### **Reason for the Determination**

Subsections 3(1) and 5D(1) of the *Student Assistance Act 1973* have the effect of providing that the Minister may determine what is an approved education institution and an approved course for the purposes of the Act.

Since 1 July 1998 the *Social Security Act 1991* has required that, to qualify for Youth Allowance payments to students, Austudy payments or the Pensioner Education Supplement, a person must be enrolled in and undertaking study at an education institution and in a course determined by the Minister under the *Student Assistance Act 1973*.

From 1 July 2000, the A New Tax System (Goods and Services Tax) Act 1999 will provide that a supply of secondary and tertiary courses, as determined by the Minister under the *Student Assistance Act 1973*, will be GST-free.

This Determination has been made to address changes in terminology in the education sector since the last major review in 1998 (Determination 1998/2) and to simplify the Determination to facilitate its application in the administration of student assistance and the GST.

#### **Reason for Tabling the Determination of Education Institutions and Courses**

Subsections 3(2A) and 5D(3) of the *Student Assistance Act 1973* provide that Ministerial Determinations are disallowable instruments for the purposes of section 46A of the Acts Interpretation Act 1901 and therefore must be gazetted and tabled in the Parliament.

#### **The Determination of Education Institutions and Courses**

Determination 1999/2 will revoke Determination 1999/1 made on 22 June 1999, will commence on 1 January 2000 and shall remain in force until revoked.

Determination 1999/2 describes the types of education institutions, and secondary and tertiary courses provided by these institutions, that are approved for the purposes of the *Student Assistance Act 1973*. Through reference to the Determination, the *Social Security Act 1991* identifies these courses as secondary and tertiary courses approved for the purposes of payments to students. Also through reference to the Determination, the *A New Tax System (Goods and Services Tax) Act 1999* identifies these courses as secondary and tertiary courses, the provision of which is GST-free.

**Commonwealth of Australia**

***Student Assistance Act 1973***

**DETERMINATION OF EDUCATION INSTITUTIONS AND COURSES UNDER  
SUBSECTIONS 3(1) AND 5D(1) OF THE *Student Assistance Act 1973***

**Determination No. 1999/2**

I, DAVID KEMP, Minister for Education, Training and Youth Affairs make the following Determination under subsections 3(1) and 5D(1) of the *Student Assistance Act 1973*.

**Dated 26 November 1999**

(Signed)

**DAVID KEMP**

Minister for Education, Training and Youth Affairs

**Citation**

1. This Determination may be cited as Determination No. 1999/2 - Determination of Education Institutions and Courses under subsections 3(1) and 5D(1) of the *Student Assistance Act 1973*.

**Commencement**

2. This Determination shall commence on 1 January 2000.

**Repeal**

3. The *Student Assistance Act 1973* Determination No 1999/1, entitled "Determination of Education Institutions and Courses under subsections 3(1) and 5D(1) of the *Student Assistance Act 1973*" and made on 22 June 1999, is repealed.

**Interpretation**

4. In this Determination, unless the contrary intention appears:

**"accredited higher education course"** means a course that is:

- a. accredited as a higher education course by the authority responsible for the accreditation of higher education courses in the State or Territory in which the course is conducted; or
- b. if a higher education institution is authorised by a law of the Commonwealth or a law of the State or Territory in which the institution is located to accredit its own higher education courses – a course conducted and accredited as a higher education course by that institution;

**“accredited secondary course”** means a course accredited as a secondary course by the authority responsible for the accreditation of secondary courses in the State or Territory in which the course is conducted;

**“accredited vocational education and training course”** means a course accredited as a vocational education and training course by:

- a. the authority responsible for the accreditation of vocational education and training courses in the State or Territory in which the course is conducted; or
- b. if the State or Territory in which the course is conducted recognises the accreditation of vocational education and training courses in another State or Territory – the authority responsible for the accreditation of vocational education and training courses in that other State or Territory;

**“Act”** means the *Student Assistance Act 1973*;

**“AQF”** means the Australian Qualifications Framework guidelines;

**“ARF”** means the Australian Recognition Framework;

**“education institution”** has the same meaning as in paragraph 5 of this Determination;

**“endorsed training package”** means a training package listed on the National Training Information Service of the Australian National Training Authority;

**“ESL course”** means a course of instruction in English as a second language;

**“higher education institution”** has the same meaning as in paragraph 5 of this Determination;

**“Masters qualifying course”** means a bridging course which gives participants the qualifications necessary for entry into a Masters degree course, but does not include any course which forms part of a Masters degree course;

**“NBCOTP”** means the National Office of Overseas Skills Recognition Bridging Course for the Overseas Trained Programme;

**“New Apprenticeship Access programme”** means a vocational education and training programme funded by the Department of Education, Training and Youth Affairs under the New Apprenticeships Access Programme;

**“preparatory course”** means

- a. an accredited vocational education and training course that provides remedial education or involves preparatory activities to enable participation in subsequent education or social settings, and is of a type that aims to achieve basic skills and standards or to prepare students for further education (including courses previously known as Stream 2000 courses); or
- b. an accredited preparatory course for higher education that is a programme designed to assist people to gain entry to higher education level courses (including enabling and bridging courses);

**“pre-vocational course”** means a programme designed to assist people to gain entry to a specific related accredited vocational education and training programme or a New Apprenticeship, and includes a New Apprenticeship Access programme;

**“registered training organisation”** has the same meaning as in paragraph 5 of this Determination;

**“secondary school”** has the same meaning as in paragraph 5 of this Determination;

**“special school”** has the same meaning as in paragraph 5 of this Determination;

**“vocational education and training programme”** means:

- a. an accredited vocational education and training course; or
- b. a sequence of training consisting of at least one subject or module from an accredited vocational education and training course; or
- c. a structured approach to the development and attainment of competencies for a particular AQF qualification specified in an endorsed training package.

## **Education institutions**

5. (1) For the purposes of the Act, the following are regarded as education institutions:
  - a. a **“higher education institution”**, being an institution that is established under Commonwealth or State or Territory government legislation as a higher education institution or is registered by the relevant State or Territory higher education recognition authority;

- b. a **“secondary school”**, being an institution located in Australia that is:
  - i. a government secondary school; or
  - ii. a non-government secondary school that is recognised as a secondary school:
    - A. under the law of a State or Territory; or
    - B. for the payment of government capital or recurrent grants; or
    - C. for the payment of government bursaries or allowances to its students;
- 2. For the purposes of the Act, the following institutions, authorities or bodies are to be regarded as education institutions:
  - a. a **“registered training organisation”**, being an organisation that is registered by the relevant State or Territory training recognition authority in accordance with the Australian Recognition Framework to provide one or more vocational education and training programmes;
  - b. a **“special school”**, being a school located in Australia that is conducted primarily for students with a disability and is:
    - i. a government school; or
    - ii. a non-government school and is recognised as a secondary school:
      - A. under the law of a State or Territory; or
      - B. for the payment of government capital or recurrent grants; or
      - C. for the payment of government bursaries or allowances to its students.

## **Secondary Courses**

- 6. (1) For the purposes of the Act, a course specified in Column 1 of Schedule 1 and conducted by an education institution specified for that course in Column 2 of Schedule 1 is a secondary course.

## **Tertiary Courses**

7. (1) For the purposes of the Act, a course specified in Column 1 of Schedule 2 and conducted by an education institution specified for that course in Column 2 of Schedule 2 is a tertiary course.

(2) For the purposes of the Act, no course accredited at Masters or Doctoral level offered by a higher education institution is a tertiary course unless expressly specified in Schedule 2.

## SCHEDULE 1

### SECONDARY COURSES

Column 1 – Course	Column 2 - Education institution
Accredited secondary course	Secondary school Registered training organisation Higher education institution Special school
ESL course	Secondary school Special school
Preparatory course	Secondary school Registered training organisation Higher education institution Special school
A course leading to an accredited secondary course qualification involving accredited secondary and accredited vocational education and training course subjects	Secondary school Registered training organisation Higher education institution
School-based apprenticeship or traineeship	Secondary school

## SCHEDULE 2

### TERTIARY COURSES

Column 1 - Course	Column 2 - Education institution
Pre -vocational course	Registered training organisation
ESL course	Registered training organisation Higher education institution Any other body



	approved by the relevant State or Territory authority to conduct the course
A vocational education and training programme that is not a secondary course specified in Schedule 1.	Higher education institution Registered training organisation
Combined course – Vocational education and training, consisting of two or more separate vocational education and training programmes undertaken concurrently and each of which leads to the award of a qualification or statement of attainment	Higher education institution Registered training organisation
Undergraduate or postgraduate accredited higher education course that is an associate degree, associate diploma, diploma, advanced diploma, Bachelor degree, graduate degree, graduate certificate, graduate diploma, a NBCOTP funded course, a Master’s qualifying course or a combined course which leads to two of these awards and is classified as such in the institution’s handbook and is <u>not</u> : <ul style="list-style-type: none"> <li>• a secondary course specified in Schedule 1; or</li> <li>• a Masters or Doctoral degree unless otherwise specified in Schedule 2.</li> </ul>	Higher education institution Registered training organisation
Open Learning - a programme of assessment based study provided through the Open Learning Agency, Melbourne	Higher education institution participating in the Open Learning programme Registered training organisation participating in the Open Learning programme
Combined course – Higher education and vocational education and training, consisting of concurrent study in an accredited higher education course and a vocational education and training programme leading to the award of a separate qualification at each institution and that is classified in each institution’s handbook as a combined course	Higher education institution Registered training organisation
Integrated undergraduate/postgraduate course leading to a Masters degree, excluding that year or years of the integrated course in excess of the normal full-time duration of the related undergraduate accredited higher education course or related undergraduate and postgraduate accredited higher education	Higher education institution

<p>courses that are not at the Masters level. (That is, excluding the year or years relating to study at the Masters level).</p>	
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## Appendix 3: National Centre for Vocational Education Research Course Classifications

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### Stream of Study Descriptions

This section describes the types of courses which would be coded to each Stream category. The content is based on material contained in the document published on behalf of the Australian Conference of TAFE Directors, entitled **Classification Procedures Manual for TAFE Courses**. For a more detailed description of the classification, refer to that document.

#### Stream 1000 - Recreation, Leisure, and Personal Enrichment

Courses classified to Stream 1000 are directed towards the encouragement and development of creativity, social and personal pursuits, and skills which enable people to make more effective use of leisure time.

#### Stream 2100 - Entry to Employment or Further Education: Basic Education and Basic Employment Skills

Courses classified to Stream 2100 provide remedial education or involve other preparatory activities to enable participation in subsequent education or social settings, and are of a type which aim to achieve basic skills and standards. Included in courses classified to Stream 2100 are those provided for the acquisition of literacy and numeracy, EPUY courses, career exploration courses and link courses.

#### Stream 2200 - Entry to Employment or Further Education: Educational Preparation

Courses classified to Stream 2200 provide remedial education or involve other preparatory activities to enable participation in subsequent education or social settings, and are of a type which prepare students for further education. Included in Stream 2200 for example would be certificate of entrance courses, pre-certificate courses, tutorial mathematics courses for certificate students, Tertiary Orientation program courses, and diploma entrance courses.

#### Stream 3100 - Initial Vocational Courses: Operatives

Stream 3100 courses provide initial education and training for entry to vocations requiring a level and range of skills less than is normally required for a tradesperson. Stream 3100 courses would generally require minimal educational qualifications for entry, would be of short duration, and would emphasise a single activity which can be performed upon completion of the course. Included, for example, would be courses for plant and machine operators, and cleaners. Operatives are personnel who, after training, are able to perform a limited range of skilled operations.

#### Stream 3211 - Initial Vocational Courses: Skilled Courses for Recognised Trades - Partial Exemption to Recognised Trade Courses

Courses classified to Stream 3211 are those which provide partial exemption to recognised trade courses.

### Stream 3212 - Initial Vocational Courses: Skilled Courses for Recognised Trades - Complete Trade Courses

Courses classified to Stream 3212 are complete trade courses which provide initial education and training for entry to a specific trade. Such vocations require a high degree of skill, usually in a wide range of related activities, performed with minimal direction and supervision. In contrast to operatives, persons in such vocations are competent to carry out a broad range of related tasks. The skill level for such vocations is less than that required of a paraprofessional within the same industry.

### Stream 3221 - Initial Vocational Courses: Skilled Other Skills Courses - Partial Exemption to Other Skills Courses

Courses classified to Stream 3221 are those which provide partial exemption to courses for vocations which are not recognised as trades but which require a range of skills at a similar level.

### Stream 3222 - Initial Vocational Courses: Skilled Other Skills Courses - Complete Other Skills Courses

Courses classified to Stream 3222 are complete skills courses which provide initial education and training for entry to vocations which are not recognised trades but which require a range of skills at a similar level. Such vocations require a high degree of skill, usually in a wide range of related activities, performed with minimal direction and supervision. In contrast to operatives, persons in such vocations are competent to carry out a broad range of related tasks. The skill level for such vocations is less than that required of a paraprofessional within the same industry.

### Stream 3300 - Initial Vocational Course: Trade Technician/Trade Supervisory, or equivalent

Courses classified to Stream 3300 provide initial education and training in skills at a level higher than trade or trades-equivalent skills. Stream 3300 courses may include skills needed for supervision, but do not provide the level of breadth of specialisation which is provided through courses for paraprofessionals.

### Stream 3400 - Initial Vocational Courses: Paraprofessional - Technician

Courses classified to Stream 3400 are designed to provide initial education and training to develop the breadth of specialised skills required for employment in paraprofessional vocations. Work in such vocations requires the exercise of judgement and may involve specialist functions, and is carried out primarily in support of professionals or other paraprofessionals, or independently.

### Stream 3500 - Initial Vocational Courses - Paraprofessional - Higher Technician

Courses classified to Stream 3500 provide initial education and training to develop specialised skills beyond those developed in Stream 3400 courses, in terms of depth of scope of skills. Stream 3500 courses prepare students for employment in paraprofessional vocations which may involve a **variety** of specialist functions and require the exercises of judgement. Graduates of Stream 3500 courses usually work in support of professionals, or independently, and are usually employed at higher occupational levels than graduates of Stream 3400 courses.

#### Stream 3600 - Initial Vocational Courses - Professional

Courses classified to Stream 3600 provide initial education and training at a higher level than paraprofessional courses, and include courses which lead to employment in vocations comparable to those entered by graduates of Diploma (UG2) courses accredited by the Australian Council on Tertiary Awards.

#### Stream 4100 - Courses Subsequent to Initial Vocational Courses: Operative level

Courses classified to Stream 4100 are operative level courses designed to be undertaken subsequent to the completion of a Stream 3100 course (Initial Vocational Course: Operative level) or subsequent to an on-the-job training equivalent.

#### Stream 4200 - Courses Subsequent to Initial Vocational Courses: Skilled level

Courses classified to Stream 4200 are skilled level courses designed to be undertaken subsequent to the completion of a Stream 3212 course (Initial Vocational Course - Complete Other Skills Course), or subsequent to an on-the-job training equivalent.

#### Stream 4300 - Courses Subsequent to Initial Vocational Courses: Trade Technician: Trade Supervisory, or Equivalent

Courses classified to Stream 4300 are designed to be undertaken subsequent to the completion of a Stream 3300 course (Initial Vocational Course - Trade Technician/Trade Supervisory, or equivalent) or subsequent to the acquisition of an equivalent level of skills through on-the-job training.

#### Stream 4400 - Courses Subsequent to Initial Vocational Courses: Paraprofessional - Technician

Courses classified to Stream 4400 are designed to be undertaken subsequent to the completion of a Stream 3400 course (Initial Vocational Course - Paraprofessional: Technician) or subsequent to the acquisition of an equivalent level of skills through on-the-job training.

#### Stream 4500 - Courses Subsequent to Initial Vocational Courses: Paraprofessional - Higher Technical or Higher

Courses classified to Stream 4500 are designed to be undertaken subsequent to the completion of a Stream 3500 course (Initial Vocational Courses: Paraprofessional: Higher Technician) or a higher level course, or subsequent to the acquisition of an equivalent level of skills through on-the-job training.