



Setting Fees and ABSTUDY – Boarding Schools

ABSTUDY entitlements paid to boarding schools

Where a secondary student is entitled to ABSTUDY away from home entitlements, this entitlement may be paid directly to the student's school and/or boarding provider.

Living Allowance, along with the Energy Supplement, Rent Assistance and Remote Area Allowance can be paid up to a maximum of \$16,102 for secondary students who live away from home and are aged under 22 years (as at 20 March 2019, subject to income testing).

- These payments can be paid directly to the school to cover **boarding fees**.

School Fees Allowance, can be paid up to a maximum of \$10,838 (as at 20 March 2019, subject to income testing), which is made up of a non-means tested component of \$8,422 and a means tested component of \$2,416.

- These payments can be paid directly to the school to cover **school fees**.
- Any remaining School Fees Allowance entitlement may be used to cover outstanding boarding fees.

These payments are subject to indexation and are outlined in *The Guide to Australian Government Payments*, on the Department of Human Services (DHS) website. While most other ABSTUDY payments are indexed on 1 January each year, Rent Assistance is indexed on 20 March and 20 September each year. This can result in small additional payments of Rent Assistance being made to schools following indexation increases.

A boarding school is entitled to the lower of:

- the student's maximum annual ABSTUDY away from home entitlement, or
- the amount of ABSTUDY away from home entitlement required to meet the cost of fees charged by the boarding school.

Fees charged by boarding schools for ABSTUDY students must be the same as those charged for non-ABSTUDY students. ABSTUDY is a demand driven program and there is no cap on the number of students that can receive ABSTUDY support.

Fee setting examples

The following examples demonstrate how the fees set by a boarding school impact the amount of ABSTUDY support they can receive for ABSTUDY boarding students.

Example 1 – a boarding school with fees above the ABSTUDY maximum

In January 2019, a Year 7 student from Cooktown travels to Brisbane to attend boarding school. The boarding school charges boarding fees of \$24,000 per year and school fees of \$10,000 per year, totalling \$34,000 per year.

The student's ABSTUDY away from home entitlements are not impacted by means testing. This means that the student's maximum annual ABSTUDY away from home entitlement is \$26,940. This is made up of \$16,102 for boarding fees and \$10,838 for school fees.

The boarding school receives all of the student's Living Allowance entitlement of \$16,102 to cover the boarding fees. However, this leaves \$7,898 in outstanding boarding fees per year. The school also receives \$10,000 of the student's School Fees Allowance entitlement to cover the school fees. Entitlements are paid directly to the school in instalments each term.

Because the school fees are \$10,000 per year, the remaining School Fees Allowance entitlement of \$838 can be transferred to pay some of the outstanding boarding fees. This leaves \$7,060 in outstanding boarding fees per year, which would need to be met by the student's family or waived by the school.

Centrelink payments to pay the outstanding fees. However, the student or family would need to agree to this arrangement. A Centrelink arrangement can be set up through DHS.

ABSTUDY payments	ABSTUDY away from home entitlement, per year	Fees charged, per year	Difference between fees and entitlement	Transferred school fees entitlement to pay board fees	Remaining entitlement, per year
Boarding fees: Living Allowance etc	\$16,102	\$24,000	-\$7,898	+\$838	\$0
School fees: School Fees Allowance	\$10,838	\$10,000	+\$838	-\$838	\$0
Total	\$26,940	\$34,000	-\$7,060		

Example 2 – a boarding school with fees below the ABSTUDY maximum

In January 2019, a Year 7 student from Wadeye travels to Darwin to attend boarding school. The boarding school charges boarding fees of \$15,000 per year and school fees of \$9,000 per year, totalling \$24,000 per year.

The student's ABSTUDY away from home entitlements are not impacted by means testing. This means that the student's maximum annual ABSTUDY away from home entitlement is \$26,940. This is made up of \$16,102 for boarding fees and \$10,838 for school fees.

The boarding school receives \$15,000 of the student's Living Allowance entitlement to cover the boarding fees. The boarding school also receives \$9,000 of the student's School Fees Allowance entitlement to cover the school fees. Entitlements are paid directly to the school in instalments each term.

The student's remaining \$2,940 in away from home entitlements is not received by the school. The student's remaining Living Allowance entitlement of \$1,102 can be paid in fortnightly increments to the student.

ABSTUDY payments	ABSTUDY away from home entitlement, per year	Fees charged, per year	Difference between fees and entitlement	Remaining entitlement, per year
Boarding fees: Living Allowance etc	\$16,102	\$15,000	+\$1,102	\$1,102
School fees: School Fees Allowance	\$10,838	\$9,000	+\$1,838	\$1,838
Total	\$26,940	\$24,000	+\$2,940	\$2,940

Top tip: boarding schools with fees at or above ABSTUDY maximum away from home entitlement rates, can receive the student's entire ABSTUDY entitlement.