**ABSTUDY**

**2003**

**Policy Manual**

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**1 Introduction to ABSTUDY**

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**1.1 About This Manual**

**Overview**

**Introduction** This chapter introduces the ABSTUDY Policy Manual.

**In this chapter** This chapter contains the following topic:

**Topic See Page**

1.1.1 Structure of the Manual 1-3

Centrelink publications can be found at:

http://www.centrelink.gov.au/internet/internet.nsf/publications/co029.htm

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**1.1.1 Structure of the Manual**

**The structure** The ABSTUDY Policy Manual has the following structure:

**Seven parts** 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

Part 6 - Income and Rates

Part 7 - Benefits and Allowances.

**Three**

**appendices**

In addition there are three appendices:

Appendix 1 - Standard Hostels Agreement

Appendix 2 - Determination of Education Institutions and Courses –

(Determination No. 2002/1)

Appendix 3 - National Centre for Vocational Education Research Course

Classifications

**Part 1:**

**Introduction**

**to ABSTUDY**

Part 1 - **Introduction to ABSTUDY** contains the following chapters:

1 About this Manual

2 Terms and Abbreviations

3 What is ABSTUDY?

4 Administration

5 Reviews and Appeals

**Part 2:**

**How to Apply**

**for**

**ABSTUDY**

Part 2 - **How to Apply for ABSTUDY** contains the following chapters:

1 How to Apply for ABSTUDY

2 Changed Circumstances

*Continued on next page*

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**1.1.1 Structure of the Manual,** Continued

**Part 3:**

**Eligibility and**

**Awards**

Part 3 - **Eligibility and Awards** contains the following chapters:

1 Eligibility

2 Awards

**Part 4:**

**Study**

**Requirements**

Part 4 - **Study Requirements** contains the following chapters:

1 Approved Courses of Study

2 Schooling Award Study

3 Tertiary Study

4 Workload Concessions

5 Overseas Study

6 Attendance, Absence and Living Allowance (Basic Payment)

Adjustment

**Part 5:**

**Student Status**

Part 5 – **Student Status** contains the following chapters:

1 Student Status

2 Dependent Status

3 Independent Status

4 Students in State Care

5 Homeless Students

6 Pensioner Students

7 Students in Lawful Custody

**Part 6:**

**Income and**

**Rates**

Part 6 - **Income and Rates** contains the following chapters:

1 Income Requirements

2 Means Tests

3 Current Income and Special Assessment

4 Assets Test

5 Family Actual Means Test

6 Taxation

7 ABSTUDY Rates

8 Income Bank

*Continued on next page*

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**1.1.1 Structure of the Manual,** Continued

**Part 7:**

**Benefits and**

**Allowances**

Part 7 - **Benefits and Allowances** contains the following chapters:

1 Benefits and Allowances

2 School Term Allowance

3 Living Allowance (Basic Payment)

4 Masters and Doctorate Allowances

5 Lawful Custody Allowance

6 Pensioner Education Supplement

7 Incidentals Allowance

8 School Fees Allowance

9 Fares Allowance

10 Away-from-base Activities

11 Under 16 Boarding Supplement

12 Rent Assistance

13 Pharmaceutical Allowance

14 Remote Area Allowance

15 Additional Assistance

16 ABSTUDY Student Financial Supplement Loan

**Appendix 1** Standard Hostels Agreement

**Appendix 2** Determination of Education Institutions and Courses

(Determination No. 2002/1)

**Appendix 3** National Centre for Vocational Education Research Course

Classifications

Page 1-6 ABSTUDY Issued December 2002

**1.2 Terms and Abbreviations**

**Overview**

**Introduction** This chapter defines the more commonly used terms and abbreviations in

the ABSTUDY Policy Manual.

**In this chapter** This chapter contains the following topic:

**Topic See Page**

1.2.1 Definitions of Terms and Abbreviations 1-7

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**1.2.1 Definitions of Terms and Abbreviations**

**1.2.1.1**

**Abatement**

An abatement rate is a system of gradual reduction in assistance as

individual (student), parental or partner income levels rise.

**1.2.1.2**

**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.

**1.2.1.3**

**ABSTUDY**

ABSTUDY is the Aboriginal and Torres Strait Islander Study Assistance

Scheme. It has three components of assistance:

! Schooling;

! Tertiary; and

! Masters and Doctorate.

**1.2.1.4**

**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.

**1.2.1.5**

**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.

**1.2.1.6**

**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.

*Continued on next page*

Page 1-8 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.7**

**AHL**

Aboriginal Hostels Limited (AHL) provides boarding facilities for

Aboriginal and Torres Strait Islander students.

**1.2.1.8**

**Assistance for**

**Isolated**

**Children**

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.

**1.2.1.9**

**Allowable**

**Adjustment**

Allowable adjustments are amounts by which gross income may be

reduced to obtain the income figure on which the income test is based.

**1.2.1.10**

**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.

**1.2.1.11**

**APA**

Australian Postgraduate Award (APA) scheme.

**1.2.1.12**

**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.

**1.2.1.13**

**Applicant**

An applicant is a person who has lodged an ABSTUDY claim form with

Centrelink. This is usually a parent/guardian or student.

**1.2.1.14**

**Approved**

**course**

An approved course is an academic programme for which ABSTUDY

assistance is awarded.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.15**

**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.

**1.2.1.16**

**APS**

Australian Public Service (APS).

**1.2.1.17 Asset**

**test**

An asset test is one of the measures used to establish eligibility for Living

Allowance - there are family and personal asset tests.

**1.2.1.18**

**ATO**

Australian Taxation Office (ATO).

**1.2.1.19**

**ATSIC**

Aboriginal and Torres Strait Islander Commission (ATSIC).

**1.2.1.20**

**Austudy**

Austudy is the student assistance scheme administered by Centrelink for

Australian students 25 years and over from 1 July 1988.

**1.2.1.21**

**Award**

An Award is an entitlement to specified benefits made under the

ABSTUDY provisions unless otherwise stated.

*Continued on next page*

Page 1-10 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.22**

**Away-frombase**

**activities**

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

**1. Travel, accommodation and meals for special activities** such as field

trips, practical placements or testing and assessment programmes that

are essential for a 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 in advance or reimbursed

by Centrelink and the student may also receive money to help meet

meals and accommodation costs. For this type of assistance students

continue to apply to Centrelink. (see 7.10.2)

**2. Travel and accommodation 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.

It is for students who are study off campus and need time on campus or

for lecturers to travel to an off campus location to conduct such

activities. Eligible students in receipt of one or more ABSTUDY

allowances have travel, accommodation and meal costs paid for by the

institution. (see 7.10.2.1) This component is administered by DEST.

**1.2.1.23**

**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.

**1.2.1.24**

**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.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.25**

**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.

**1.2.1.26**

**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.

**1.2.1.27**

**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 the course.

**1.2.1.28**

**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.

**1.2.1.29**

**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.

**1.2.1.30**

**DEST**

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

*Continued on next page*

Page 1-12 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.31**

**Dependent**

**child**

A dependent child is a child who is:

! under 16 years of age;

! not receiving ABSTUDY, Assistance for Isolated Children, Youth

Allowance or Veteran’s Children’s Education Scheme benefits; and

! wholly or substantially dependent on her/his parents/guardian.

**1.2.1.32**

**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 ).

**1.2.1.33**

**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 definition of

a partner at 1.2.1.65.

**1.2.1.34**

**Dependent**

**status**

A student is of dependent status if s/he:

! does not meet any of the criteria for independent status under

ABSTUDY; and

! is not in receipt of a pension; and

! is not in lawful custody.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.35**

**Dependent**

**student**

A dependent student is:

! aged 16 to 24 years, and

-in a full-time secondary or tertiary course approved for ABSTUDY,

Assistance for Isolated Children or Youth Allowance;

-not eligible for the independent rate of ABSTUDY or Youth

Allowance; and

-not receiving assistance from a Commonwealth education allowance

other than ABSTUDY, Assistance for Isolated Children,Youth

Allowance or Veteran’s Children’s Education Scheme; **or**

! under 16 years of age, and

-is receiving ABSTUDY, Assistance for Isolated Children, Youth

Allowance or Veteran’s Children’s Education Scheme; and

-is not eligible for the independent student adjustment.

**1.2.1.36**

**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).

**1.2.1.37**

**DVA**

Commonwealth Department of Veterans’ Affairs (DVA).

*Continued on next page*

Page 1-14 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.38**

**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.

**1.2.1.39**

**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: Determination of Educational Institutions and Courses (No.

2002/1) - 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.

**1.2.1.40 FaCS** The Department of Family and Community Services (FaCS).

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.41**

**Family**

! For the Family Actual Means Test the definition for family is at

1.2.1.42.

! For Compassionate Travel see 7.9.5.4.

! For Additional Assistance ‘family’ refers to a student’s parent or

partner. See definition of parent below at 1.2.1.65

**1.2.1.42**

**Family Actual**

**Means Test**

Family Actual Means Test (FAMT) is a test applied to a dependent student

whose parent is a designated parent (see 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.

**1.2.1.43**

**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.

**1.2.1.44 Fulltime**

**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).

**1.2.1.45**

**Guardian**

A guardian is a person who has assumed the financial and custodial

responsibilities of a parent for a student.

**1.2.1.46**

**HECS**

Higher Education Contribution Scheme (HECS) is the scheme under

which students pay part of the cost of their higher education. HECS

liability depends on study load.

*Continued on next page*

Page 1-16 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.47**

**Homeless**

**student**

A homeless student is a student of at least the required minimum school

leaving age for her/his State or Territory who is living away from the

parental home because of serious risk to their physical or emotional health.

**1.2.1.48**

**Income Bank**

An Income Bank allows a student to earn money during breaks from study

without affecting their Living Allowance.

**1.2.1.49**

**Income test**

An income test is the measure used to establish eligibility for Living

Allowance - there are student, parental and partner income tests.

**1.2.1.50**

**Independent**

**status**

A student is of independent status if s/he meets at least one of the criteria

for independence specified in 5.3.

**1.2.1.51**

**Indigenous**

**special course**

An Indigenous special course of study is a course (subject) which is

developed specifically for Australian Aboriginal and Torres Strait Islander

students.(

**1.2.1.52**

**Indigenous**

Indigenous means a member of the Indigenous race of Australia and includes

a descendant of the Indigenous inhabitants of the Torres Strait Islands.

**1.2.1.53**

**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).

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.54**

**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.

**1.2.1.55**

**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.

**1.2.1.56**

**Living**

**Allowance/**

**Basic**

**Payment**

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

**1.2.1.57**

**Mainstream**

**course**

A mainstream course is a course which is developed for members of all

sections of the Australian community. See Appendix 2: Determination of

Education Institutions and Courses (Determination No.2002/1) that also

applies to all mainstream course approvals for ABSTUDY.

*Continued on next page*

Page 1-18 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.58**

**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 16th birthday (effective 1 January 2003)

WA end of school year in which the student turns 15

TAS 16th birthday

NT 15th birthday

ACT 15th birthday

**1.2.1.59**

**Minister**

The Minister is the Commonwealth Minister for Education, Science and

Training.

**1.2.1.60**

**MVA**

Motor Vehicle Allowance. Where use of a private vehicle is necessary or

appropriate, the Department of Family and Community Services rates will

be used for ABSTUDY (See 7.9.4.8).

**1.2.1.61 NEIS** New Enterprise Incentive Scheme (NEIS).

**1.2.1.62 Nonapproved**

**course**

A non-approved course is a mainstream or Indigenous special course

which is not approved for ABSTUDY assistance.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.63**

**Orphan**

An orphan is a person whose natural or adoptive (legal or traditional)

parents are dead or legally missing and presumed dead.

**1.2.1.64**

**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 1.2.1.45 Guardian). Does not include foster parents.

**1.2.1.65**

**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.

**1.2.1.66**

**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.

**1.2.1.67**

**Payee**

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

*Continued on next page*

Page 1-20 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.68**

**Pensioner**

**Education**

**Supplement**

The Pensioner Education Supplement (PES) is a benefit paid to students

who continue to receive a pension under the *Social Security Law* or the

*Veterans’ Entitlement Act 1991* during the period of study.

**1.2.1.69**

**Pensioner**

**student**

A pensioner student is a student receiving a pension under the *Social*

*Security Law* or the *Veterans’ Entitlement Act 1991*.

**1.2.1.70**

**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.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.71**

**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.

**1.2.1.72**

**Pharmaceutic**

**al 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.

**1.2.1.73**

**Prescribed**

**Event**

A comprehensive list of prescribed events will be provided at 1.5.3.6 when

the upcoming regulations are passed.

**1.2.1.74**

**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).

**1.2.1.75**

**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.

*Continued on next page*

Page 1-22 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.75**

**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.

**1.2.1.76**

**Reviewable**

**independent**

**status**

Reviewable independent status is granted on the basis of a condition that

can change in a way that may substantially affect the independence of a

student for ABSTUDY purposes.

**1.2.1.77**

**Scheme**

The Scheme is the Aboriginal and Torres Strait Islander Study Assistance

Scheme (ABSTUDY).

**1.2.1.78**

**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).

**1.2.1.79**

**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).

**1.2.1.80**

**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.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.81**

**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.

**1.2.1.82**

**SHR**

Student Homeless Rate (SHR) is the rate of Living Allowance paid to

students approved under the ABSTUDY Homeless provisions (see 5.5).

**1.2.1.83**

**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).

**1.2.1.84**

**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.

**1.2.1.85**

**Student**

A student for the purposes of the ABSTUDY scheme is a person who is

enrolled, or is intending to enrol in study at school, TAFE, university or

other approved education/training provider.

**1.2.1.86**

***Student***

***Assistance Act***

The *Student Assistance Act 1973* is the legislation covering, among other

things, ABSTUDY overpayment and recovery matters.

*Continued on next page*

Page 1-24 ABSTUDY Issued December 2002

**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.87**

**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.

**1.2.1.88**

**TAN**

Tax Assessment Notice (TAN).

**1.2.1.89**

**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).

**1.2.1.90**

**Travel**

**Allowance**

Travel Allowance entitlement is to cover the cost of accommodation for

students who are at a transit location or attending an Away-from-base

activity. (see 7.10.3.2.7 – 7.10.3.2.10).

**1.2.1.91**

**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.

*Continued on next page*

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**1.2.1 Definitions of Terms and Abbreviations,** Continued

**1.2.1.92**

**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.

**1.2.1.93**

**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.

**1.2.1.94**

**YHA**

Young Homeless Allowance (YHA) is an allowance paid by Centrelink on

behalf of FaCS to homeless and unemployed youth.

**1.2.1.95 Youth**

**Allowance**

Youth Allowance is an income support payment for young people who 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?**

**Overview**

**Introduction** This chapter provides an overview of the objectives of ABSTUDY and the

types of assistance available.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

1.3.1 Background 1-27

1.3.2 Objectives of ABSTUDY 1-28

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**1.3.1 Background**

**1.3.1.1**

**Introduction**

**of ABSTUDY**

ABSTUDY is intended to target benefits to those students most in need of

assistance, and to address particular educational disadvantages faced by

these Indigenous students.

ABSTUDY Living Allowance payments are now in alignment with those

payable under the Youth Allowance for 16-20 year old students.

Indigenous students aged 21 years and over became eligible for the

Newstart rate that is a higher rate of payment than students in receipt of the

Youth Allowance or Austudy payment. Students over 21 years of age

became subject to a more generous partner income test than applied for

Newstart recipients. The Pensioner Education Supplement is aligned with

that payable under the *Social Security Act 1991.*

In addition, the alignment with Youth Allowance means that all eligible

Indigenous students have access to the additional benefits payable under

the Youth Allowance 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 Youth Allowance or the new Austudy

payment.

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**1.3.2 Objectives of ABSTUDY**

**1.3.2.1**

**Objectives**

The main objectives of the ABSTUDY scheme 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**

The **Aboriginal Tutorial Assistance Scheme (ATAS)** which is targeted

at students requiring supplementary tutorial assistance.

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 decisionmaking

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.

**Indigenous Education Strategic Initiatives Programme (IESIP)** is the

main source of supplementary assistance to government and nongovernment

education providers to ensure Indigenous students achieve

success in education.

Further information on the these programmes is available from the DEST

Indigenous Education Units (IEUs).

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**1.4 Administration**

**Overview**

**Introduction** This chapter provides information on the administration of ABSTUDY.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

1.4.1 Authority for Decisions 1-30

1.4.2 Who Administers ABSTUDY? 1-31

1.4.3 Customer Obligations 1-32

1.4.4 Freedom of Information and Privacy 1-35

Page 1-30 ABSTUDY Issued December 2002

**1.4.1 Authority for Decisions**

**1.4.1.1**

**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. The ABSTUDY manual is approved by the Programme

Manager.

**1.4.1.2**

**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; and

! clarifications of existing policy.

**1.4.1.3**

**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 Financial Management

and Accountability Regulations.

**1.4.1.4**

**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*.

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**1.4.2 Who Administers ABSTUDY?**

**1.4.2.1**

**Delivery of**

**ABSTUDY**

ABSTUDY is administered and delivered by Centrelink.

ABSTUDY policy remains the responsibility of the Minister for

Education, Science and Training. The Department provides advice on the

application of the ABSTUDY policy.

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**1.4.3 Customer Obligations**

**1.4.3.1**

**Correct**

**information**

Giving false or misleading information in connection with ABSTUDY is a

serious offence.

Applicants who provide false or misleading information may be

prosecuted under the criminal code.

Where a person’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.

**1.4.3.2**

**Notification of**

**changes**

Applicants and/or students must advise Centrelink within fourteen days of

the occurrence of any “prescribed events.”

An occurrence of one of these “prescribed events” is sometimes referred to

as a “change of circumstances.”

Persons who fail to advise Centrelink of the occurrence of a prescribed

event may be prosecuted under the *Criminal Code*. In addition, DEST is

currently preparing regulations under section 48 of the *Student Assistance*

*Act 1973* nominating various changes of circumstance as “prescribed

events”. When these regulations are introduced, failure to notify

Centrelink of the occurrence of a prescribed event (which will be listed at

1.5.3.6) will be an offence under section 49 of the *Student Assistance Act*

*1973,* punishable by a maximum penalty of twelve months imprisonment.

**1.4.3.3**

**Advice of**

**Changes**

The Declaration section of the ABSTUDY Claim Forms makes it clear that

the applicant must notify Centrelink within fourteen days of any changes

in circumstances/the occurrence of a prescribed event.

**1.4.3.4**

**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.

*Continued on next page*

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**1.4.3 Customer Obligations,** Continued

**1.4.3.5**

**The *SAA 1973***

**and Section 48**

The ABSTUDY Policy Manual’s reference to ‘Changed Circumstances’ is

referred to in Section 48 of the *Student Assistance Act 1973* as prescribed

events.

**1.4.3.6**

**Debt**

**Recovery and**

**Compliance**

In fairness to all, it is important that ABSTUDY eligibility is checked

carefully.

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.

**1.4.3.7**

**Suspension of**

**ABSTUDY**

**payments**

Where an applicant has not notified Centrelink of a prescribed event,

Centrelink may suspend an applicant’s ABSTUDY payment pending the

provision of additional information from the customer.

If an applicant refuses or is unable to provide the additional information

required by Centrelink to make a correct determination in relation to their

eligibility to ABSTUDY, their payment may be cancelled and an

overpayment raised against the applicant.

*Continued on next page*

Page 1-34 ABSTUDY Issued December 2002

**1.4.3 Customer Obligations,** Continued

**1.4.3.7**

**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 Ageing;

! 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.

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**1.4.4 Freedom of Information and Privacy**

**1.4.4.1**

**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 ABSTUDY Policy Manual. The Act contains several

provisions which exempt certain categories of documents from release.

**1.4.4.2**

**The *Privacy Act***

DEST and Centrelink are bound by the provisions of the *Privacy Act 1988*.

Section 14 of the *Privacy Act 1988* contains the Information Privacy Principles

(IPPs) which prescribe the rules for handling personal information. Persons,

bodies and organisations involved in the ABSTUDY programme must also

abide by the IPPs and the *Privacy Act 1988* when handling personal

information collected for the purposes of that programme.

In brief, persons, bodies and organisations must ensure that:

! personal information is collected in accordance with IPPs 1-3;

! suitable storage arrangements, including appropriate filing procedures

are in place;

! suitable security arrangements exist for all records containing personal

information;

! access to a person’s own personal information held by the organisation is

made available to the person at no charge;

! records are accurate, up-to-date, complete and not misleading;

! where a record is found to be inaccurate, the correction is made;

! where a person requests that a record be amended because it is inaccurate

but the record is found to be accurate, the details of the request for

amendment are noted on the record;

! the personal information is only to be used for the purposes for which it

was collected, or for other purposes where expressly allowed by IPP 10;

and

! personal information is only disclosed in accordance with IPP 11.

*Continued on next page*

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**1.4.4 Freedom of Information and Privacy,** Continued

**1.4.4.2**

**The *Privacy Act***

***(con’t)***

Personal information provided by ABSTUDY students or persons whose

circumstances affect ABSTUDY assessment must not be used or disclosed by

the Department or Centrelink other than in accordance with the *Privacy Act*

*1988*. The following are some examples of situations when personal

information may be able to be used or disclosed, although each case should be

considered according to its individual circumstances:

! where information is being used internally to verify ABSTUDY

eligibility and entitlement;

! where a legal requirement exists for the information to be used or

disclosed;

! where information is used or disclosed because it is reasonably

necessary for the enforcement of the criminal law; or

! where information is used or disclosed with the consent of the person

who provided the information.

**1.4.4.3**

***Privacy Act* -**

**Third Parties**

Information provided by third parties in connection with any ABSTUDY

claim should not be disclosed to another person, body or agency, including

the applicant, other than in accordance with the *Privacy Act 1988*. The

following are some examples of situations when personal information

about third parties may be able to be disclosed, although each case should

be considered according to its individual circumstances:

! where the third party who supplied the information is reasonably

likely to have been made aware or was made aware that the

information would be disclosed to that person, body or agency; or

! where disclosure of the information is authorised by the *Freedom*

*of Information Act 1982*; or

! where the third party has provided their informed consent to the

disclosure of the information.

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**1.5 Reviews and Appeals**

**Overview**

**In this chapter** This chapter contains the following topics:

**Topics See Page**

1.5.1 Reviews 1-38

1.5.2 Appeals 1-39

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**1.5.1 Reviews**

**1.5.1.1**

**Reviews**

An applicant or student on whose behalf a claim have been made is

dissatisfied with a decision Centrelink has made about their ABSTUDY

eligibility or entitlement, they may request in writing to Centrelink that the

decision be reviewed. The review will be undertaken by an officer who

was not involved in the original decision. This includes decisions in

relation to the ABSTUDY Student Financial Supplement Scheme (SFSS)

and Away-from-base submissions from individuals and educational

institutions.

**1.5.1.2**

**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 1.5.1.4

below, while debt recovery decisions are made under the provisions of the

*Student Assistance Act 1973* (see 1.5.2.2 to 1.5.2.5).

**1.5.1.3**

**Variance of**

**original**

**decision**

If the original decision is varied, the customer will be advised in writing

and any benefit withheld and now payable is to be paid retrospectively

from the applicable effective date which will be determined in accordance

with the applicable guideline.

**1.5.1.4**

**Confirmation**

**of the original**

**decision**

If the original decision is upheld, 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.

Appeals about assessment should be addressed to the relevant Minister

(see 1.5.2.1).

Appeals about debt recovery should be directed to the Social Security

Appeals Tribunal (SSAT) (see 1.5.2.2).

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**1.5.2 Appeals**

**1.5.2.1**

**Appeals to the**

**Minister**

If a person is not satisfied with a review decision, the person or an agent

acting on her/his behalf may appeal in writing to the Minister about any

Centrelink decision affecting his or her entitlements, (see 1.5.1.1 ) The

responsible 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.

*Continued on next page*

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**1.5.2 Appeals,** Continued

**1.5.2.2**

**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

(see previous page). 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).

Brochures for appeal to the SSAT are provided with the review of decision

by Centrelink where that review has been unfavourable to the client. The

SSAT can be contacted by writing to GPO Box 9943 in capital cities, or by

telephoning Freecall™ 1800 011 140.

Forms on which an AAT appeal may be lodged are available from the

AAT Registry in each State by writing to GPO Box 9955 in each capital

city, phoning **1300 366 700** or from their web site at www.aat.gov.au .

Appeals to the AAT are lodged directly with the Tribunal.

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, and

the quantum of the debt. The SSAT and the 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.

**1.5.2.3**

**Types of debt**

**recovery**

**decisions**

Decisions about recovering a debt, 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.

*Continued on next page*

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**1.5.2 Appeals,** Continued

**1.5.2.4**

**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.

**1.5.2.5**

**Legislation**

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

! **for debt recovery**

- s.39A regarding payment by installments

- 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.

**for review of decisions see**

Part 9 (sections 302 to 334 inclusive).

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**2 How to Apply for ABSTUDY**

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**2.1 How to Apply for ABSTUDY**

**Overview**

**Introduction** Applications for ABSTUDY are made by either the student, a

parent/guardian or an interim applicant. Interim applications may only be

accepted in limited circumstances (see 2.1.1.3). 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. Refer to Chapter 1.5.3 “Customer Obligations”.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

2.1.1 Who should be the Applicant 2-3

2.1.2 How to Lodge a Claim**Error! Reference source not**

**found.**

2-9

2.1.3 Supporting Documentation 2-12

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**2.1.1 Who should be the Applicant?**

**Introduction** There are four types of acceptable applicants for ABSTUDY. They are:

! students;

! parents or guardians;

! interim applicants; and

! institutions.

This topic covers each of these groups individually.

**In this topic** This topic is divided into the following sections:

**Section See Page**

2.1.1.1 Student and Parent/Guardian Applicant 2-4

2.1.1.2 Disputed Responsibility 2-5

2.1.1.3 Interim Applicant 2-6

2.1.1.4 Institutions as applicants 2-8

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**2.1.1.1 Student and Parent/Guardian Applicant**

**2.1.1.1.1**

**Eligibility to**

**apply -**

**student**

The student may apply for ABSTUDY assistance if they are:

! 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;

! enrolled in or intending to enrol for tertiary or postgraduate study; or

! receiving a Commonwealth Government pension, eg Sole Parent Pension

or Disability Support Pension.

**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.

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**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.

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**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 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 1:** 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.

**Note 2**:This information does not apply to Boarding Schools making

claims on behalf of applicants. Please refer to 2.1.1.3.2 in these

circumstances.

**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 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, remote locality;

! the claim is lodged in the student’s first term at the school;

! 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; and

! Centrelink 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.

Where the above circumstances are met, Fares Allowance for the student’s

first two terms at the school can be approved. Where a full claim from the

student’s parent/guardian has not been received by the student’s second

term, no further Fares Allowance is to be approved.

*Continued on next page*

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**2.1.1.3 Interim Applicant,** Continued

**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, including Fares Allowance;

and

! a complete claim must be lodged as soon as possible by the appropriate

person.

This provision applies to both individuals and boarding schools making

interim claims.

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**2.1.1.4 Institutions as applicants**

**2.1.1.4**

**Approval of**

**entitlements**

Institutions may be considered applicants for the purposes of:

! for Away-from-base submissions;

! interim claims for boarding school students; and

! hostels under a ‘Hostels Agreement’.

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**2.1.2 How to Lodge a Claim**

**In this topic** This topic is divided into the following sections:

**Section See Page**

2.1.2.1 How to Lodge a Claim 2-9

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**2.1.2.1 How to Lodge a Claim**

**2.1.2.1.1**

**Lodgement**

An ABSTUDY claim form may either be lodged in person or by mail.

A completed ABSTUDY claim form (approved by DEST), signed by an

applicant, is the document by which ABSTUDY benefits may be approved

unless an interim claim is lodged.

**2.1.2.1.2**

**Date of**

**lodgement**

Students may advise Centrelink that they have an intent to lodge an

application.

Where the application is actually lodged within three months of advising

the intent, the application will be deemed to have been lodged on the date

of notification of intent. Intent of lodgement of the ABSTUDY claim form

must also meet the closing date specified in 2.1.2.1.3. 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 Assistance for Isolated Children.

**2.1.2.1.3**

**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 two weeks prior to the start of the

activity.

The table below lists the closing dates for lodgement of 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 two weeks prior to the start of the

activity.

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

*Continued on next page*

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**2.1.2.1 How to Lodge a Claim,** Continued

**2.1.2.1.4**

**Closing date for**

**additional**

**information**

There is no closing date for acceptance of additional information.

**2.1.2.1.5**

**Lodgement**

**within the**

**prescribed time**

Where a claim is lodged on or before the applicable closing date

(2.1.2.1.3), or where the delegate considers that the claim would, but for

circumstances beyond the applicant’s control, have been lodged by the

applicable closing date, students may receive full benefits in accordance

with their approved entitlements.

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.

**2.1.2.1.6**

**Before**

**processing can**

**occur**

Before processing can occur, an ABSTUDY claim form must:

! be signed by an eligible applicant (see 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 2.1.2.1.3).

**Note:** Applications from residents of remote communities require a

signature from only one parent or guardian.

**2.1.2.1.7**

**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 2.1.2.1.2); or

! before the claim form has been approved by a delegated officer.

**2.1.2.1.8**

**New form**

**required**

A new claim form must be lodged when there is a change of applicant for

an under 16 years schooling student.

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**2.1.3 Supporting Documentation**

**Introduction** 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 topic covers the types of acceptable documentation and when they

must be presented.

**In this topic** This topic is divided into the following sections:

**Section See Page**

2.1.3.1 Proof of Enrolment 2-13

2.1.3.2 Proof Age 2-15

2.1.3.3 Proof of Income 2-17

2.1.3.4 Health Care Card 2-19

2.1.4.5 Proof of Australian Citizenship 2-20

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**2.1.3.1 Proof of Enrolment**

**2.1.3.1.1**

**Who must**

**provide proof**

**of enrolment?**

Students must provide proof of enrolment if they are studying at an

institution other than a secondary school.

**2.1.3.1.2**

**Acceptable**

**documents**

**DIFFERENT TO Youth Allowance / 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 liability statement;

! a student identification card (where period of enrolment is specified on

the card); 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 4.1.1.7**

**and 4.1.1.8).**

**2.1.3.1.3**

**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.

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.

If proof of enrolment documents are not provided within the two week

period of grace, payments are to be stopped and an overpayment raised.

*Continued on next page*

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**2.1.3.1 Proof of Enrolment,** Continued

**2.1.3.1.4**

**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.

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**2.1.3.2 Proof of Age**

**2.1.3.2.1**

**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

2.1.3.2.3); and

! will be turning 16 years old during the year of study; or

! will be 16 years or older in the year of study.

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

proof of age.

**2.1.3.2.2**

**Acceptable**

**documents**

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

! birth certificate or extract;

! driver's licence;

! passport;

! 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.

Students turning 16 years of age during the year of study who are **unable**

to obtain and provide an official birth certificate may provide a written

statement from their primary school principal attesting to the student’s

date of birth.

**2.1.3.2.3**

**Exemptions**

Proof of age is not required for students who:

! are continuing students turning 17 years or older in the year of study

and have previously provided acceptable proof of age, or

! will be under 16 years throughout the year of study.

**2.1.3.2.4**

**Period of grace**

Students turning 16 years old during the year of study who do not provide

acceptable proof of age documents with their 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.

*Continued on next page*

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**2.1.3.2 Proof of Age, Continued**

**2.1.3.2.5**

**Payments**

Subject to the normal eligibility criteria being met, payments may commence

in the interim for up to four weeks (28 days) from the date of initial

assessment, or up to the student’s 16th birthday, whichever is later.

**2.1.3.2.6**

**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 considered necessary.

**2.1.3.2.7**

**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.

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**2.1.3.3 Proof of Income**

**2.1.3.3.1**

**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 2.1.3.3.2 for exemption to the proof of income requirements.

**2.1.3.3.2**

**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 6.3.3); or

! from the applicant for a student who:

. but for reasons of age (i.e, has not reached the minimum school

leaving age - see 5.5.1.3), would qualify as an orphan, a student

whose parents cannot exercise parental responsibilities or as a

homeless student (see 5.3.4.7, 5.3.3.10, 5.5), or

. is living under an officially approved substitute care arrangement

(see 5.4).

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**2.1.3.3 Proof of Income,** Continued

**2.1.3.3.3**

**Acceptable**

**proof of income**

**Acceptable proof of income**

! a Tax Assessment Notice from the Australian Taxation Office for the

financial year prior to the year of study;

! Group Certificate(s) accompanied by a statutory declaration or letter

from an accountant, stating the Group Certificates represent all income

received in the financial year prior to the year of study;

! 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.

**2.1.3.3.4**

**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

Centrelink.

Copies of the document(s) will be taken and the originals will be returned

to customer.

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**2.1.3.4 Health Care Card**

**2.1.3.4.1**

**Who should**

**provide a**

**Health Care**

**Card**

When making application for ABSTUDY, proof that the parent or partner

is a holder of a current Health Care Card is accepted for special assessment

(see 6.3.3.2).

**2.1.3.4.2**

**Provision of**

**proof of Health**

**Care Card**

Parents and partners may prove that they hold a current Health Care Card

by either:

! taking the Health Care Card with the claim to a Centrelink Customer

Service Centre, or

! sending a photocopy of the Health Care Card that clearly shows the dates

of entitlement.

**Note:** Original documents posted with claims will be photocopied and

returned to clients.

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**2.1.3.5 Proof of Australian Citizenship**

**2.1.3.5.1**

**Who must**

**provide proof of**

**citizenship?**

Students must provide proof of Australian citizenship if they are a new

student.

**2.1.3.5.2**

**Acceptable**

**documents**

Acceptable proof of Australian citizenship is:

! birth certificate or extract;

! passport; or

! other government documentation that contains details of the student.

**2.1.3.5.3**

**Provision of**

**documentation**

Documentation may be supplied as follows:

! original birth certificate or extract; or

! Australian citizenship certificate or official copy.

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**3 Eligibility**

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3.1 Eligibility ...................................................................................................................... 2

3.2 Awards ........................................................................................................................ 17

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**3.1 Eligibility**

**Overview**

**Introduction** This chapter covers the criteria required for a student to be eligible for

ABSTUDY assistance.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

3.1.1 General Eligibility Criteria 3-3

3.1.2 Aboriginality or Torres Strait Islander 3-5

3.1.3 Introduction to Approved Study 3-9

3.1.4 Other Financial Assistance 3-10

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**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 Youth Allowance:** 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.

**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, Student 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

4.4.2).

*Continued on next page*

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**3.1.1 General Eligibility Criteria, Continued**

**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 **nongovernment**

employer during the period of study, the financial support

received is treated as income for income testing purposes (see 6.1.1).

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**3.1.2 Aboriginality or Torres Strait Islander Eligibility**

**Introduction** 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.

**In this topic** This topic is divided into the following sections:

**Section See Page**

3.1.2.1 Establishing Aboriginality or Torres Strait Islander 3-6

3.1.2.2 Aboriginality or Torres Strait Islander Evidence

Requirements

3-7

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**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.

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**3.1.2.2 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 Definition of

Aboriginality or Torres Strait Islander).

**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.

*Continued on next page*

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**3.1.2.2 Aboriginality or Torres Strait Islander Evidence**

**Requirements, continued**

**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. 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.

Applicants may remain in receipt of ABTSUDY for the duration of the

investigation.

**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;

! application is made ineligible;

! 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…

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**3.1.3 Introduction to Approved Study**

**Introduction** 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.

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**3.1.4 Other Financial Assistance**

**Introduction** 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.

**In this topic** This topic is divided into the following sections:

**Section See Page**

3.1.4.1 Other Commonwealth Student Assistance Schemes 3-11

3.1.4.2 Other Government Assistance to Study 3-12

3.1.4.3 Other Income Support Schemes 3-16

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**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 Youth Allowance/Austudy Payment**

Students are generally ineligible for ABSTUDY assistance if they receive

another form of Commonwealth Government assistance to study, such as:

! Youth Allowance;

! Austudy payment;

! Assistance for Isolated Children (AIC);

! Veterans' Children Education Scheme (VCES); or

! Apprenticeships/Traineeships that are full time (excluding NAAP

participants see 3.1.4.2.3); and

! Community Development Employment Projects (CDEP) for study or

training.

One exception relates to students receiving Youth Allowance who may be

eligible for ABSTUDY part-time entitlements (see 3.1.4.2.6).

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**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 receipts of Aboriginal

School Based Traineeships (ASBTs). (see 4.2.2.1.4)

**3.1.4.2.3**

**New**

**Apprenticeship**

**s Access**

**Programme**

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 awardbased

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.

*Continued on next page*

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**3.1.4.2 Other Government Assistance to Study,** Continued

**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.

*Continued on next page*

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**3.1.4.2 Other Government Assistance to Study,,** Continued

**3.1.4.2.6**

**Date of**

**ineligibility for**

**ABSTUDY**

Students receiving study assistance from Commonwealth or State/Territory

governments are ineligible for ABSTUDY assistance, including Fares

Allowance, from the date that 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 students 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 Projects (CDEP) assistance for employment. Students may

receive ABSTUDY Living Allowance and supplementary benefits whilst

receiving CDEP if the CDEP payment is soley for employment and 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 Youth Allowance or Newstart Allowance.

*Continued on next page*

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**3.1.4.2 Other Government Assistance to Study,** Continued

**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 4.2.2.1.4.

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**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**

**Transferring**

**from FaCS**

**payment to**

**ABSTUDY**

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.

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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**3.2 Awards**

**Overview**

**Introduction** ABSTUDY awards relate to students’ level of study and the entitlements

and allowances for which students are eligible.

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.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

3.2.1 Specific Eligibility Criteria 3-18

3.2.2 Table of Available Benefits Per Award 3-28

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**3.2.1 Specific Eligibility Criteria**

**Eligibility** Students are eligible for an ABSTUDY award if they meet:

! the general ABSTUDY eligibility criteria (see 3.1.1.1); and

! the eligibility criteria for the type of award for which they are applying.

**In this topic** This topic is divided into the following sections:

**Section See Page**

3.2.1.1 Schooling A Award 3-19

3.2.1.2 Schooling B Award 3-20

3.2.1.3 Tertiary Award 3-21

3.2.1.4 Part-time Award 3-22

3.2.1.5 Testing and Assessment Award 3-23

3.2.1.6 Masters and Doctorate Award 3-24

3.2.1.7 Student in Lawful Custody Award 3-26

3.2.1.8 Concurrent Awards 3-27

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**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 lives in Australia while

studying or is eligible for assistance under the Overseas Study provisions

(see 4.5), 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 fulltime

secondary course;

**or**

! is a full-time primary school student aged 14 years of age or more at

1 January in the year of study and is living at home.

**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.

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**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 lives in Australia while

studying or is eligible for assistance under the Overseas Study provisions

(see 4.5), 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.

Also see Chapter 4 for attendance requirements.

**3.2.1.2.2**

**Benefits**

A student approved for a Schooling B Award may be entitled to one or

more of the following benefits:

! Living Allowance;

! 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;

! 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;

! Pharmaceutical Allowance; and

! 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.

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**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 a 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 one or more of

the following benefits:

! Living Allowance;

! Pensioner Education Supplement;

! Incidentals Allowance;

! Additional Incidentals Allowance;

! Fares Allowance;

! Rent Assistance;

! Remote Area Allowance;

! Pharmaceutical Allowance;

! Orientation and special purpose visits;

! Away-from-base assistance;

! Additional Assistance; and

! ABSTUDY Supplement.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

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**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 lives in Australia while

studying or is eligible for assistance under the Overseas Study provisions

(see 4.5) 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.

**3.21.4.2**

**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;

! 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).

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**3.2.1.5 Testing and Assessment Award**

**3.2.1.5.1**

**Eligibility**

A person is eligible for a Testing and Assessment Award if s/he meets the

ABSTUDY general 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.

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**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;

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.

*Continued on next page*

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**3.2.1.6 Masters and Doctorate Award,** Continued

**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;

! Thesis Allowance;

! Assistance to pay Higher Education Contribution Scheme (HECS)

commitment **or** compulsory course fees;

! Relocation Allowance **or** Fares Allowance;

! Away-from-base assistance;

! Additional Assistance; and

! ABSTUDY Supplement.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

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**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).

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**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 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 parttime*

*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.*

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**3.2.2 Table of Available Benefits Per Award**

**3.2.1.1**

**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.

**3.2.1.2**

**Abbreviations**

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.

**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**

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**

Relocation Allowance **YES**

Thesis Allowance **YES**

Assistance to pay HECS commitment

or compulsory course fees

**YES**

Student Financial Supplement Scheme **YES YES**

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**4 Study Requirements**

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**4.1 Approved Courses of Study**

**Overview**

**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.

**In this chapter** This chapter covers the following topic:

**Topic See Page**

4.1.1 Approved Courses 4-3

4.1.2 Non Approved Courses 4-9

4.1.3 New Apprenticeships Access Programme 4-11

4.1.4 Study through Open Learning Australia 4-13

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**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 2002/1 (see Appendix 2) are also approved

for ABSTUDY. The Determination does not specify full or part time

courses.

A mainstream course being undertaken part-time 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 can be approved for part-time entitlements.

**4.1.1.2**

**Approval of**

**Indigenous**

**special courses**

**of study**

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 of study are to be approved in the same way as the

mainstream course.

*Contibued on next page*

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**4.1.1 Approved Courses,** Continued

**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 full-time 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 NOT 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 as a part-time course if:

! it does not meet one of the above criteria; or

! a full-time workload cannot be defined (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.

*Continued on next page*

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**4.1.1 Approved Courses,** Continued

**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, some nongovernment

institutions, and in some circumstances, a higher education

institution.

These courses may be ‘schooling’ or ‘tertiary’ courses under ABSTUDY,

depending on their content.

All courses are defined in the ‘Determination of Education Institutions and

Courses’ No. 2002/1in Appendix 2.

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.

*Continued on next page*

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**4.1.1 Approved Courses,** Continued

**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 4.2.1.4 for Schooling study and 4.3.1.6 for Tertiary

study.

**4.1.1.6**

**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 4.1.1.7.

Students enrolled in and undertaking parts of a qualification should be

enrolled 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.

Students meeting these conditions 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.

*Continued on next page*

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**4.1.1 Approved Courses,** Continued

**4.1.1.7**

**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 are the greater of **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.

**Note:** This refers to mainstream courses only and cannot be applied when

assessing Indigenous special courses for approval.

**4.1.1.8**

**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).

*Continued on next page*

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**4.1.1 Approved Courses,** Continued

**4.1.1.9**

**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).

**4.1.1.10**

**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.

**4.1.1.11**

**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.

*Continued on next page*

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**4.1.2 Non Approved Courses,** Continued

**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 4.1.1.6);

! 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).

**4.1.2.2**

**Courses**

**comprised wholly**

**of Away-frombase**

**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.

*Continued on next page*

Page 4-10 ABSTUDY 2003 Issued December 2002

**4.1.2 Non Approved Courses,** Continued

**4.1.2.3**

**Courses**

**comprised**

**substantially of**

**Away-frombase**

**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-frombase

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.

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**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

! recognise 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.

*Continued on next page*

Page 4-12 ABSTUDY 2003 Issued December 2002

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

Continued

**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).

**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.

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**4.1.4 Study through Open Learning Australia**

**4.1.4.1**

**Open Learning:**

**Introduction**

"Open Learning" is available through Open Learning Australia (OLA)

which is a broker of distance education from a number of institutions

throughout Australia.

**4.1.4.2**

**Recognition of**

**Open Learning**

**study**

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

specific institution.

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.

*Continued on next page*

Page 4-14 ABSTUDY 2003 Issued December 2002

**4.1.4 Study through Open Learning Australia,** Continued

**4.1.4.3**

**Open Learning**

**Study Units**

Centrelink should contact the OLA direct if updates of available units are

not received or address details change.

**4.1.4.4**

**Open Learning**

**study periods**

**for 2003**

There are four Open Learning study periods in a year, each extending over

13 weeks. For 2003, these are:

**For Undergraduates:-**

**First study period** From 03 March 2003 to 30 May 2003

**Second Study Period** From 02 June 2003 to 29 August 2003

**Third Study Period** From 01 September 2003 to 28 November 2003

**Fourth Study Period** From 01 December 2003 to 27 February 2004

**For Postgraduates and Professional Studies:-**

**Session 1** From 03 March 2002 to 06 June 2003

**Session 2** From 21 July 2002 to 24 October 2003

**Session 3** From 01 December 2003 to 27 February 2004

*Continued on next page*

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**4.1.4 Study through Open Learning Australia,** Continued

**4.1.4.5**

**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.

**4.1.4.6**

**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.

*Continued on next page*

Page 4-16 ABSTUDY 2003 Issued December 2002

**4.1.4 Study through Open Learning Australia,** Continued

**4.1.4.7**

**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.

**4.1.4.8**

**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 to students who meet the

workload and other eligibility requirements including the requirements

concerning commencement date of assistance, see 7.3.5.1.

**4.1.4.9**

**Workload**

**confirmation**

The following table sets out payment periods for students undertaking two

units in a study period.

**If the student studies two units in a**

**study period:**

**then ABSTUDY can be paid for**

**the period\*:**

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 and 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 reassessed by Centrelink for the next period/year to be

paid after 31 December.

**Note 2:** Consideration must be given to whether there has been a break

in study, see 7.3.5.4.

*Continued on next page*

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**4.1.4 Study through Open Learning Australia,** Continued

**4.1.4.10**

**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.

**4.1.4.11**

**Students**

**undertaking**

**three**

The following table sets out payment periods for students undertaking

three or more university level units in a study period.

**or more units in**

**a study period**

**If the student studies**

**three units in a study**

**period:**

**then ABSTUDY can be paid for the period:**

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 and

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 in the fourth study period

must have their situation reassessed by Centrelink for the next

period/year.

**Note 2:** Consideration must be given to whether there has been a break

in study, see 7.3.5.4.

*Continued on next page*

Page 4-18 ABSTUDY 2003 Issued December 2002

**4.1.4 Study through Open Learning Australia,** Continued

**4.14.12**

**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.

**4.1.4.13**

**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 7.3.8.3.).

OLA does not require students to register for study in more than one study

period 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.

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 in the year of study. 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 in the year of study.

*Continued on next page*

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**4.1.4 Study through Open Learning Australia,** Continued

**4.1.4.14**

**Students**

**continuing**

**study into 2003**

**from the fourth**

**study period of**

**2002**

The fourth study period starts in December and extends through to the

following year. . Students studying in the fourth study period can only

receive ABSTUDY for that year up until 31 December of that year. To

receive assistance in the next year, students will have to complete the

applicable Centrelink form. 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 the new year for payments to continue after this time.

**4.1.4.15**

**Closing date for**

**applications**

To receive full benefit, the following application closing dates apply to

Open Learning students (unless extenuating circumstances apply):

**If student first applies for**

**ABSTUDY for study period:**

**then the closing date for the**

**application is:**

one 30 May 2003

two 29 August 2003

three 28 November 2003

four 27 February 2004

*Continued on next page*

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**4.1.4 Study through Open Learning Australia,** Continued

**4.1.4.16**

**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 4.1.4.6.**

**4.1.4.17**

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.

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**4.2 Schooling Award Study**

**Overview**

**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.**

**In this chapter This chapter contains the following topics:**

**Topic See Page**

4.2.1 Where Can Students Study? 4-22

4.2.2 Attendance and Workload 4-26

Page 4-22 ABSTUDY 2003 Issued December 2002

**4.2.1 Where Can Students Study?**

**4.2.1.1**

**Approved**

**education**

**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 profit and is

recognised as a secondary school:

- under State or Territory law,

- and for the payment of government capital or recurrent grants;

or

- for the payment of government grants or bursaries to the

students.

*Continued on next page*

Issued December 2002 ABSTUDY 2003 Page 4-23

**4.2.1 Where Can Students Study?,** Continued

**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

Assistance for Isolated Children.

**4.2.1.4**

**What is a**

**“secondary**

**course”**

A special school programme is accepted as a “secondary course” for

ABSTUDY purposes where an education authority determines the course

to be secondary.

The assessment of the level of study undertaken by individual students

attending special schools 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.

*Continued on next page*

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**4.2.1 Where Can Students Study?,** Continued

**4.2.1.6**

**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.

**4.2.1.7**

**Concurrent**

**secondary**

**school study**

**and TAFE**

**study**

Senior secondary schools and TAFEs 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.

*Continued on next page*

Issued December 2002 ABSTUDY 2003 Page 4-25

**4.2.1 Where Can Students Study?,** Continued

**4.2.1.8**

**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.

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**4.2.2 Attendance and Workload**

**Introduction This topic covers the workload and attendance requirements.**

**In this topic This topic contains the following section:**

**Section See Page**

4.2.2.1 Schooling Workload 4-27

4.2.2.2 Progress 4-29

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**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).

*Continued on next page*

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**4.2.2.1 Schooling Workload,** continued

**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 for

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

Aboriginal School Based Traineeships in Clontarf, Western Australia.

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**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

complete the approved course of study within a reasonable time.

**DIFFERENT TO Youth Allowance/Austudy PAYMENT**

**4.2.2.2.2**

**Reasonable**

**time**

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**.**

**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.

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**

**Centrelink 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 in this year.

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**4.3 Tertiary Study**

**Overview**

**Introduction**

This chapter covers the education institution, level and workload

requirements for tertiary study.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

4.3.1 Where Can Students Study? 4-31

4.3.2 Tertiary Workload 4-34

4.3.3 Progress and Duration of Assistance 4-41

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**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.

*Continued on next page*

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**4.3.1 Where Can Students Study?,** Continued

**4.3.1.3**

**TAFE**

**Institutions**

For ABSTUDY purposes, a TAFE institution is an institution:

! 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 2002/1 No (Appendix 2) TAFES are now included in the

definition of ‘a registered training organisation’ (RTO).

*Continued on next page*

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**4.3.1 Where Can Students Study?,** Continued

**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.

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**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 or 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 4.3.2.19 for further information about assessment of fulltime

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. They

may, however, be secondary cause refer to Determintion 2002/1.

*Continued on next page*

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**4.3.2 Tertiary Workload,** Continued

**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 4.4,

may be eligible for benefits under the ABSTUDY Part-time Award in

3.2.1.4

*Continued on next page*

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**4.3.2 Tertiary Workload,** Continued

**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 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 fulltime

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 fulltime

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.

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**4.3.2 Tertiary Workload,** Continued

**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.

*Continued on next page*

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**4.3.2 Tertiary Workload,** Continued

**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 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.

*Continued on next page*

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**4.3.2 Tertiary Workload,** Continued

**4.3.2.15**

**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.

**4.3.2.16 HECS**

**anomalies**

! 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.

**4.3.2.17**

**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.***

*Continued on next page*

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**4.3.2 Tertiary Workload,** Continued

**4.3.2.18**

**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 fulltime***

***(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.*

**4.3.2.19**

**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 fulltime***

***workload for the final year of the Bachelor of Electrical Studies as***

***described in the institution’s handbook or official course structure.***

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**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.

**Different to Youth Allowance/Austudy Payment**

**4.3.3.2**

**Reasonable**

**time**

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.

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.

**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.

*Continued on next page*

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**4.3.3 Progress and Duration of Assistance,** Continued

**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**

Centrelink 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.

*Continued on next page*

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**4.3.3 Progress and Duration of Assistance,** Continued

**4.3.3.5**

**Assistance for**

**degree courses**

**Different to Youth Allowance/Austudy Payment**

ABSTUDY assistance is normally limited to:

! one undergraduate Bachelor degree (including Honours, combined

degrees and/or prerequisite studies); and

! one degree at Master level; and

! one degree at Doctorate level

**OR**

! 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 (see 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.

*Continued on next page*

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**4.3.3 Progress and Duration of Assistance,** Continued

**4.3.3.7**

**Calculating**

**period of**

**ABSTUDY**

**assistance**

Periods of study for which Living Allowance was not paid (eg, for parttime

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.

*Continued on next page*

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**4.3.3 Progress and Duration of Assistance,** Continued

**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 can be 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**

**Overview**

**Introduction** This chapter explains the qualification requirements of the workload

concessions.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

4.4.1 Introduction to Workload Concessions 4-47

4.4.2 Types of Workload Concessions 4-48

4.4.3 Disability Workload Concession 4-52

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**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.

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**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 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 fulltime

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.

*Continued on next page*

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**4.4.2 Types of Workload Concessions,** Continued

**4.4.2.2**

**Two-thirds**

**workload**

**concession**

(continued)

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. In the case of a reduced workload

needed to complete a course, confirmation can be sought from the

institutions’ handbook or official course structure.

The minimum concessional HECS value under the two-thirds workload

concession is:

! 0.664 for a year; or

! 0.332 for a semester.

**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.

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.

*Continued on next page*

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**4.4.2 Types of Workload Concessions,** Continued

**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.

The workload is 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..

! students who are eligible for PES undertaking a study load of 50% or

more will be eligible for a PES payment.

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) are exempt from this change.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

*Continued on next page*

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**4.4.2 Types of Workload Concessions,** Continued

**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 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).

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**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.

**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; and

! any details of:

- receipt of a FaCS disability support pension or DVA invalidity

service pension; and

- whether the education institution has recommended or required the

student to enrol at less than normal full-time workload because of

disability; and

- whether s/he has already been assessed by CRS Australia (or the

former Commonwealth Rehabilitation Service 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

(see 4.4.3.3).

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**4.4.3 Disability Workload Concession,** Continued

**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

! Centrelink 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.

*Continued on next page*

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**4.4.3 Disability Workload Concession,** Continued

**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 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.

*Continued on next page*

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**4.4.3 Disability Workload Concession,** Continued

**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.

**4.4.3.7**

**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.

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**4.5 Overseas Study**

**Overview**

**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.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

4.5.1 Eligibility and Application 4-57

4.5.2 Entitlements and Payments 4-59

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**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.

**If the student is... then assistance approved for...**

participating in an **international**

**educational exchange programme**

recognised by the relevant State or

Territory education authority

the period of the study at an overseas

education institution.

**accompanying parent(s)/**

**guardian(s)** who are employed by

the Commonwealth of Australia (eg

members of the Australian Armed

Forces)

the period of the overseas posting.

studying overseas for **any other**

**reason**

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.

*Continued on next page*

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**4.5.1 Eligibility and Application,** Continued

**4.5.1.4**

**Documentation**

Schooling students studying overseas must provide documentation from

the relevant organisation verifying points in 4.5.1.1.

**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.

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.

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**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.

*Continued on next page*

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**4.5.2 Entitlements and Payments,** Continued

**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.

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**4.6 Attendance, Absence and Living Allowance Adjustments**

**Overview**

**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 attendance

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.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

4.6.1 Activity Test 4-62

4.6.2 Activity Agreement 4-65

4.6.3 Attendance Requirements 4-66

4.6.4 Approved Absences 4-68

4.6.5 Unapproved Absences 4-71

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**4.6.1 Activity Test**

**4.6.1.1**

**Activity Test**

For the purposes of ABSTUDY, secondary school students must satisfy

ABSTUDY requirements 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. 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

*Continued on next page*

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**4.6.1 Activity Test,** Continued

**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).** More than five in a term. A

secondary school student will be required to enter into an ABSTUDY

Activity Agreement, (see 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**

**Non-payment**

**period**

**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.**

**Subject to any pre-existing non-payment period or if a secondary**

**school student commences a course, the length of an activity test nonpayment**

**period is 8 weeks. The non-payment period starts on the day**

**on which notice is given to the secondary school student.**

*Continued on next page*

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**4.6.1 Activity Test,** Continued

**4.6.1.6**

**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.

**4.6.1.7**

**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.

**4.6.1.8 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.

**4.6.1.9**

**Activity test for**

**minimum**

**school leaving**

**age**

For the purposes of ABSTUDY there is no Activity Test for students of

compulsory school age. Responsibility lies with the individual State or

Territory to ensure attendance requirements are complied with.

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**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 educational 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 five 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 Centrelink.

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**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 more than five full days (see

4.6.5.2 and 4.6.4.1).

**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 7.3.5.3).

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**4.6.3 Attendance Requirements, Continued**

**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.

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**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 affect 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, 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, initiation in

the case of secondary school students adhering to traditional

Aboriginal cultural practices.

**Note**: The above list is not exhaustive and it is expected discretion

would be used in deciding whether other exceptional

circumstances may be considered to constitute ‘beyond the

secondary school student’s control’.

*Continued on next page*

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**4.6.4 Approved Absences,** Continued

**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).

**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.

*Continued on next page*

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**4.6.4 Approved Absences,** Continued

**4.6.4.7**

**Extended**

**period –**

**tertiary and**

**TAFE**

**secondary**

**school students**

Full-time tertiary and TAFE secondary 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:** Students 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.

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**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.

*Continued on next page*

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**4.6.5 Unapproved Absences,** Continued

**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 fulltime

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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**5 Student Status**

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**5.1 Student Status**

**Overview**

**In this chapter** This chapter comprises the following topic.

**Topic See Page**

5.1.1 Introduction to Student Status 5-3

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**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 where this is

necessary to support a claim.

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**5.2 Dependent Status**

**Overview**

**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.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

5.2.1 Introduction to Dependent Status 5-6

5.2.2 Living at Home**Error! Reference source not found.** 5-8

5.2.3 Living Away from Home 5-10

5.2.4 Change of Status 5-40

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**5.2.1 Introduction to Dependent Status**

**Introduction** This topic covers the more general information about dependent status,

requirements for support evidence and the benefits available to dependent

students.

**In this topic** This topic is divided into the following sections.

**Section See Page**

5.2.1.1 Definition of Dependent Status 5-6

5.2.1.2 Benefits 5-7

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**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 under the *Social Security Law* or the *Veterans’*

*Entitlement Act 1991*; 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.

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**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.

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**5.2.2. Living at Home**

**5.2.2.1.1**

**Living at home**

The standard rate of living allowance is available to students who do not

meet the provisions of the independent or away from home rates. These

students are subject to the student and parental means tests.

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 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:** 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 1.2.1.84 for the definition of permanent home for dependent and

independent students.

*Continued on next page*

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**5.2.2. Living at Home,** Continued

Students in

State Care

Students in State Care arrangements, whose foster parents receive a foster

care allowance are not subject to the student and parental income tests.

They receive the maximum applicable standard rate.

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**5.2.3 Living Away from Home**

**Introduction** This topic covers the provisions for the approval of Living Allowance at

the living away from home 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.

**In this topic** This topic is divided into the following sections.

**Section See Page**

5.2.3.1 Introduction to Living Away From Home 5-11

5.2.3.2 Travel Time and Access 5-14

5.2.3.3 Special Courses 5-16

5.2.3.4 Limited Local School 5-21

5.2.3.5 Disability 5-23

5.2.3.6 Itinerant Family 5-25

5.2.3.7 Exclusion from Local Schooling 5-30

5.2.3.8 Home Conditions 5-31

5.2.3.9 Racial Discrimination 5-34

5.2.3.10 Compulsory Residence 5-35

5.2.3.11 Continuity of Study 5-36

5.2.3.12 Independent School Scholarship 5-38

5.2.3.13 Students in State Care 5-39

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**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

! where interstate travel is more cost effective that intrastate; 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).

*Continued on next page*

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**5.2.3.1 Introduction to Living Away From Home,** Continued

**5.2.3.1.1**

**Provisions for**

**approval**

(continued)

**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 programme

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.

*Continued on next page*

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**5.2.3.1 Introduction to Living Away From Home,** Continued

**5.2.3.1.5**

**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 dot point 2).

Mission Schools located in the Northern Territory are considered to be

government schools.

**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.

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**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.

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:

! travelling 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.

*Continued on next page*

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**5.2.3.2 Travel Time and Access,** Continued

**5.2.3.2.4**

**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 (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).

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**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).

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 postsecondary

course;

! a secondary course containing agricultural subjects;

! specialist secondary studies in drama, music, art, ballet, sport or

technology; or

! a secondary course containing Indigenous Australian studies.

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 must recognise:

! the course as a specialisation not generally available at secondary

schools; and

! the completion certificate as a formal qualification.

*Continued on next page*

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**5.2.3.3 Special Courses,** Continued

**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

! is studying a course resulting in a completion certificate which is

recognised as a formal qualification by the State/Territory education

authority.

**5.2.3.3.5**

**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.

**5.2.3.3.6**

**Agricultural**

**subjects**

A special course can be a secondary course which contains two

agricultural subjects (see 5.2.3.3.8) or, under special conditions, one

agricultural subject (see 5.2.3.3.9).

*Continued on next page*

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**5.2.3.3 Special Courses,** Continued

**5.2.3.3.7**

**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.

**5.2.3.3.8**

**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.

**5.2.3.3.9**

**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.

**5.2.3.3.10**

**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.

*Continued on next page*

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**5.2.3.3 Special Courses,** Continued

**5.2.3.3.11**

**Indigenous**

**studies**

A special course containing Indigenous Australian studies must have at

least one secondary school subject in Indigenous Australian 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.

*Continued on next page*

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**5.2.3.3 Special Courses,** Continued

**5.2.3.3.12**

**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 5.2.3.3.11, approval for a special course

of study (subject) containing Indigenous Australian Studies as a

subject 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; and

! all curriculum documents for the Indigenous Australian

studies subject, including assessment and endorsement

documents from the Ministerial Council for Aboriginal and

Torres Strait Islander Education, must be forwarded to:

Group Manager

Indigenous Group

DEST

Location 161

GPO Box 9880

CANBERRA ACT 2601

! A copy of the timetable must be included showing that the

equivalent of a minimum of four hours has been allocated

per week for the Indigenous Australian 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.

**5.2.3.3.13**

**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 Indigenous Australian

Studies approved under 5.2.3.3.13.

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**5.2.3.4 Limited Local School Programme**

**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 programmes. Reasonable

travelling time is defined at 5.2.3.2.2.

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**

**Limited**

**programme**

**schools**

Each year Centrelink seeks from each State/Territory education authority

lists of those secondary schools which:

! do not offer a full range of years or grades; or

! do not provide adequate facilities or programmes to enable

a student to gain a Year 12 certificate or tertiary entrance

score.

A secondary school which is listed as a limited programme school by the

State/Territory education authority is not an appropriate school for a

student who is able to enrol at a level which is not available at that school.

A secondary school which is not listed as a limited programme school by

the State/Territory education authority will, subject to the provisions of

5.2.3.5, be regarded as an appropriate government school irrespective of

any claims about the adequacy of that school.

**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 Rural School or an

Aboriginal/Anangu School in order to attend a larger secondary school.

*Continued on next page*

Page 5-22 ABSTUDY 2003 Issued December 2002

**5.2.3.4 Limited Local School Programme,** Continued

**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.

Students cannot bypass a Catholic school in their remote area to attend a

Catholic school in a metropolitan area.

**5.2.3.4.5**

**Retaining**

**eligibility**

Students who are eligible for Living Allowance at the away from home

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.

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**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;

! a psychological, emotional or behavioural problem; or

! a 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;

! to have access to special facilities;

! to avoid lengthy daily travel;

! to have access to regular medical treatment; or

! to 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.

*Continued on next page*

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**5.2.3.5 Disability,** Continued

**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

! statement from 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.

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**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.

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.

*Continued on next page*

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**5.2.3.6 Itinerant Family,** Continued

**5.2.3.6.5**

**Demonstration**

**of itinerancy**

If an applicant can demonstrate having met and provided 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.

**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 adapted to consider circumstances

that have arisen between the beginning of the school year and the date of

claim.

When a claim is received at the beginning of the school year, no payment

will be made immediately. The applicant will be advised that:

! the claim 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;

! they will need to notify Centrelink 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

! they are not to assume that their claim will be accepted 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.

*Continued on next page*

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**5.2.3.6 Itinerant Family,** Continued

**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; or

! 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.

*Continued on next page*

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**5.2.3.6 Itinerant Family,** Continued

**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.

*Continued on next page*

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**5.2.3.6 Itinerant Family,** Continued

**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;

or

! 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.

Parents must advise the Centrelink 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).

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**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.

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**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 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.

*Continued on next page*

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**5.2.3.8 Home Conditions,** Continued

**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 community 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.

*Continued on next page*

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**5.2.3.8 Home Conditions,** Continued

**5.2.3.8.9**

**Documentation**

**and verification**

A claim for the away from home rate on the grounds of home conditions

must include:

! a written statement from the applicant outlining the home

circumstances;

! where necessary, describing the dwelling and providing details on

the number and ages of occupants who normally live there; and

! one or more supporting statement(s) from an independent authority

as listed at 5.2.3.8.10.

**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

Indigenous Education Assistant;

! an Indigenous community official;

! a medical practitioner or specialist; and/or

! an officer of a private welfare agency, clinic, shelter or refuge.

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**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).

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 IECB 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 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 in 5.2.3.9.4 is provided.

A student’s eligibility on the basis of racial discrimination cannot be

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:

! IECBs;

! ASSPA Committee;

! school authority; or

! an incorporated Aboriginal and/or Torres Strait Islander organisation.

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**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.

Additional supporting documentation may be requested where required.

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**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.

*Continued on next page*

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**5.2.3.11 Continuity of Study,** Continued

**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.

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**5.2.3.12 Independent School Scholarship**

**5.2.3.12.1**

**Eligibility**

**Different to Youth Allowance/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 boarding

school (see 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 Act 2000*); and

! the scholarship being offered by the school contributes a minimum of

15 per cent of the total tuition and boarding fees while ABSTUDY

pays for the remainder up to the maximum level of entitlement; and

! the local IECB is involved in determining the scholarship selection

criteria, selecting the students and monitoring their progress.

**5.2.3.12.2**

**Income testing**

Scholarship awardees will automatically qualify for non-income tested

living away from home benefits (fares allowance and non-income tested

component of Group 2 school fees) but they will still need to pass the

income, assets and family actual means tests to be eligible for the meanstested

Living Allowance and income tested component of Group 2 school

fees.

**5.2.3.12.3**

**Documentation**

The following documentation is required **in the first year** a student

receives a scholarship.

The school must provide written evidence as listed at 5.2.3.12.1 and that

the scholarship has been granted to the student.

The following documents are required **in the second and following years**

a student receives a scholarship:

! the student is continuing in the scholarship; and

! the local IECB is involved in determining and monitoring the progress.

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**5.2.3.13 Students in State Care**

**5.2.3.13.1**

**Criteria for**

**students in**

**State care**

See 5.4 for the approval criteria for students in State care.

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**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 permanently 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**

**Overview**

**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

6.2.1). If they have an assessable partner, the partner income, assets and

family actual means tests are also applied (see 6.2.3).

**In this chapter** This chapter contains the following topics.

**Topic See Page**

5.3.1 Types of Independent Status 5-42

5.3.2 Benefits 5-44

5.3.3 Approval of Independent Status 5-45

5.3.4 Change of Status 5-63

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**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 (see 5.3.3.4);

! 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 has undergone and completed a

traditional initiation ceremony. The student must be living in the

traditional community independently of family (see 5.3.3.5).

**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 5.3.3.1.).

*Continued on next page*

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**5.3.1 Types of Independent Status,** Continued

**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.

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**5.3.2 Benefits**

**5.3.2.1**

**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;

! Pharmaceuticals Allowance;

! Away-from-base assistance; and

! ABSTUDY Student Financial Supplement loan.

**5.3.2.2**

**Income and**

**assets tests**

Living Allowance for independent students is subject to income tests on

student income and, if applicable, partner income and assets.

**5.3.2.3**

**Permanent**

**Home**

See 1.2.1.70 for definition of permanent home for independent students.

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**5.3.3 Approval of Independent Status**

**Introduction** This topic covers the provisions for approval of Living Allowance at the

independent rate.

**In this topic** This topic is divided into the following sections.

**Section See Page**

5.3.3.1 Age 5-46

5.3.3.2 Current or Previous Marriage 5-47

5.3.3.3 Parenthood 5-48

5.3.3.4 Workforce Participation 5-50

5.3.3.5 Special Adult Status 5-55

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5.3.3.10 Parents Cannot Exercise Parental Responsibilities 5-60

5.3.3.11 Returning Home 5-61

5.3.3.12 Homeless Students 5-62

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**5.3.3.1 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.

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**5.3.3.2 Current or Previous Marriage**

**5.3.3.2.1**

**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.

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**5.3.3.3 Parenthood**

**5.3.3.3.1**

**Eligibility**

Students qualify as independent if they have or previously had a dependent

child or dependent student of their own. (See 5.3.3.9).

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.

**5.3.3.3.2**

**Dependent**

**child**

A dependent child for the purposes of ABSTUDY is:

! under 16 years of age; and

! not receiving benefits under ABSTUDY/Youth Allowance/Assistance

for Isolated Children.

**5.3.3.3.3**

**Dependent**

**student**

A dependent student for ABSTUDY purposes is:

! 16 years of age or older and:

**-** in full-time studies approved for ABSTUDY/ Youth

Allowance/Assistance for Isolated Children;

**-** not eligible for the independent rate of ABSTUDY/Youth

Allowance; and

**-** not receiving assistance from a Commonwealth education

allowance other than ABSTUDY/ Youth Allowance/Assistance for

Isolated Children; or

! under 16 years of age, and:

**-** receiving ABSTUDY/ Youth Allowance/Assistance for Isolated

Children; and

**-** not eligible for the independent rate of ABSTUDY/Youth

Allowance.

*Continued on next page*

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**5.3.3.3 Parenthood,** Continued

**5.3.3.3.4**

**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.

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**5.3.3.4 Workforce Participation**

**5.3.3.4.1**

**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 5.3.3.4.4 for definition of full-time.

Calculations to be done in actual weeks in borderline cases.

**5.3.3.4.2**

**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.

**5.3.3.4.3**

**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 under the *Social Security Law*;

! unemployed and getting Youth Allowance, Newstart, youth training or

formal training allowance, special benefit or support under 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 pension or benefit

under Social Security Law;

! 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 CDEP scheme wage.

*Continued on next page*

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**5.3.3.4 Workforce Participation,** Continued

**5.3.3.4.4**

**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 fulltime

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.

**5.3.3.4.5**

**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.

*Continued on next page*

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**5.3.3.4 Workforce Participation,** Continued

**5.3.3.4.6**

**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.

**5.3.3.4.7**

**Waiting period**

**for FaCS**

**benefit by**

**school leavers**

The waiting period for Youth Allowance 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

Youth Allowance/Austudy Payment for that time.

**5.3.3.4.8**

**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).

**5.3.3.4.9**

**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.*

*Continued on next page*

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**5.3.3.4 Workforce Participation,** Continued

**5.3.3.4.10**

**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 Youth Allowance 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.

**5.3.3.4.11**

**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).

*Continued on next page*

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**5.3.3.4 Workforce Participation,** Continued

**5.3.3.4.12**

**Sporting**

**activities**

Periods spent training for and playing sport are not counted, 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.

**5.3.3.4.13**

**Periods of**

**unemployment**

**while overseas**

Periods while a student was overseas but not in full-time employment are

not counted.

**5.3.3.4.14**

**Periods in selfdevelopment**

**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.

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**5.3.3.5 Special Adult Status**

**5.3.3.5.1**

**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 1.2.170) 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.

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**5.3.3.6 Previous Lawful Custody**

**5.3.3.6.1**

**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.

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**5.3.3.7 Orphanhood**

**5.3.3.7.1**

**Eligibility**

Students are independent if they are 15 years of age or older and are

orphans.

**5.3.3.7.2**

**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.

**5.3.3.7.3**

**Living with**

**other than**

**natural parents**

Students who meet the conditions for orphanhood qualify as independent

even though they may be living with someone other than their natural or

adoptive parents.

**5.3.3.7.4**

**Parent missing**

**and presumed**

**dead**

If a student’s parent has been missing (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.

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**5.3.3.8 De facto Relationship**

**5.3.3.8.1**

**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.

**5.3.3.8.2**

**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.

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**5.3.3.9 Child in Student’s Care**

**5.3.3.9.1**

**Eligibility**

Students are independent if they currently have the care or custody of

another person’s dependent child(ren) or dependent student(s).

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**5.3.3.10 Parents Cannot Exercise Parental Responsibilities**

**5.3.3.10.1**

**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).

Appropriate written evidence must be provided to support the claim.

**5.3.3.10.2**

**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 5.5).

**5.3.3.10.3**

**Parents)**

**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 5.3.3.7).

**5.3.3.10.4**

**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.

*Continued on next page*

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**5.3.3.11 Returning Home**

**5.3.3.11.1**

**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.

**5.3.3.11.2**

**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.

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**5.3.3.12 Homeless Students**

**5.3.3.12.1**

**Criteria for**

**homeless**

**students**

See 5.5 for the approval criteria for homeless students.

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**5.3.4 Change of Status**

**5.3.4.1**

**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 when they apply;

! 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.

**5.3.4.2**

**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**

**Overview**

**Introduction** This chapter covers details of the criteria required for a student in State

care.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

5.4.1 Introduction to State Care 5-65

5.4.2 Parental Income Concession 5-66

5.4.3 Evidence Required 5-69

5.4.4 Benefits 5-70

5.4.5 Payments 5-72

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**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.

**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.

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**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 Fees 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; **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).

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.

*Continued on next page*

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**5.4.2 Parental Income Concession,** Continued

**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).

*Continued on next page*

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**5.4.2 Parental Income Concession,** Continued

**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 (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.

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**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.

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.

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**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.

**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).

*Continued on next page*

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**5.4.4 Benefits,** Continued

**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, 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 for either the standard or

away from home rates..

**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 Pharmaceuticals

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).

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**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**

**Overview**

**Introduction** This chapter covers details of the criteria required for a homeless student.

**In this chapter** This chapter contains the following topics.

**Topic See page**

5.5.1 Introduction to Homeless Criteria 5-74

5.5.2 Transfer from Family and Community Services

Homeless Rate

5-76

5.5.3 Approval Factors 5-77

5.5.4 Application Process 5-79

5.5.5 Contacting Parents 5-81

5.5.6 Criteria and Verification Procedures 5-83

5.5.7 Receiving Support 5-95

5.5.8 Release of Information 5-103

5.5.9 Mandatory Reporting 5-104

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**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 5.3.1.1, 5.3.4 and 5.3.1.5 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 or 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 or her physical or mental wellbeing

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**

**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.

**5.5.1.4**

**Status assessed**

**against natural**

**or adoptive**

**parents**

Eligibility is determined in relation to the student's natural (ie, birth)

parent(s) or legally/traditionally adoptive parents. Where the student's

natural or legally/traditionally adoptive parent(s) live in separate

households, the student must satisfy the SHR criteria in relation to each

household.

*Continued on next page*

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**5.5.1 Introduction to Homeless Criteria,** Continued

**5.5.1.5**

**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.

**5.5.1.6**

**Student**

**Homeless Rate**

**Centrelink**

**additional**

**information**

**form**

All students applying for SHR must complete the appropriate Centrelink

Form and provide documentation to support their claim. 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 Form.

**5.5.1.7**

**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.

**5.5.1.8**

**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.

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**5.5.2 Transfer from Family and Community Services**

**Homeless Rate**

**5.5.2.1**

**Transferring to**

**ABSTUDY**

**from**

**FaCS/UNLAH**

**benefit as a**

**homeless young**

**person under**

**18 years of age**

Direct transfer to SHR can occur if the student has been receiving the

FaCS benefit, ‘Unreasonable to live at home’ payment of Youth

Allowance or Special Benefit.

Jobseekers aged up to 21 years of age or students up to 25 wanting to

transfer to 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 Youth Allowance or Special Benefit.

**5.5.2.2**

**Centrelink**

**payment**

**recipients**

**transferring to**

**SHR**

If receiving Youth Allowance 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

SHR in the usual way.

**5.5.2.3**

**Parental**

**contact**

In some cases, where attempts to contact parents have failed, a student can

be paid 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.

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**5.5.3 Approval Factors**

**5.5.3.1**

**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.

**5.5.3.2**

**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.

*Continued on next page*

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**5.5.3 Approval Factors,** Continued

**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.

**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).

**5.5.3.6**

**Possible change**

**in**

**circumstances**

Students who qualify for SHR must have their circumstances reviewed in

the context of their claim for continuing benefits.

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**5.5.4 Application Process**

**5.5.4.1**

**Documentation**

All SHR claims (except claims from orphans) **must** be accompanied by:

! a completed and signed appropriate Centrelink 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.

*Continued on next page*

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**5.5.4 Application Process,** Continued

**5.5.4.1**

**Documentation**

(continued)

**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).**

**5.5.4.3**

**Inadequate**

**supporting**

**documentation**

The following statements are not adequate for assessment purposesand

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 SHR criteria.

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**5.5.5 Contacting Parents**

**5.5.5.1**

**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.

**5.5.5.2**

**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.

*Continued on next page*

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**5.5.5 Contacting Parents,** Continued

**5.5.5.3**

**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

! to explore the possibility and appropriateness of mediation, counselling

or family therapy.

**Note:** Parents are not contacted to seek or give permission for SHR.

**5.5.5.4**

**Permission to**

**contact parents**

Under Privacy requirements, the student **must** give permission before

parents can be contacted.

Unless students withhold permission, parents **must** be given the

opportunity to comment (either written or orally), except in the cases listed

in 5.5.5.

**5.5.5.5**

**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.

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**5.5.6 Criteria and Verification Procedures**

**In this topic** This topic is divided into the following sections.

**Section See page**

5.5.6.1 Violence 5-84

5.5.6.2 Sexual Abuse 5-86

5.5.6.3 Other Similar Unreasonable Circumstances 5-88

5.5.6.4 Extreme Family Breakdown 5-91

5.5.6.5 Circumstances Beyond the Family’s Control 5-93

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**5.5.6.1 Violence**

**5.5.6.1.1**

**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’.

**5.5.6.1.2**

**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.

**5.5.6.1.3**

**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.

**5.5.6.1.4**

**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.

**5.5.6.1.5**

**Lack of**

**supporting**

**evidence**

If the student is unable to provide evidence of violence, the applicant

should be referred to the Centrelink social worker for interview and if

under the age of 18 years, possible referral to the appropriate

State/Territory welfare authority.

*Continued on next page*

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**5.5.6.1 Violence,** Continued

**5.5.6.1.6**

**Unacceptable**

**grounds**

SHR cannot be granted on the grounds of violence where there is no

satisfactory evidence 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 a

distant location.

**5.5.6.1.7**

**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.

**5.5.6.1.8**

**Homeless**

**Youth Protocol**

**requirement**

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.

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**5.5.6.2 Sexual Abuse**

**5.5.6.2.1**

**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.

**5.5.6.2.2**

**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.

**5.5.6.2.3**

**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.

**5.5.6.2.4**

**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’.

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**5.5.6.2 Sexual Abuse,** Continued

**5.5.6.2.5**

**Sexual abuse by**

**a frequent**

**visitor**

If the student is sexually abused by a visitor, SHR will normally only be

approved where all reasonable action has been taken to remove or avoid

the abuse or harassment (eg, banning the visitor). SHR may be granted

where 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.

**5.5.6.2.6**

**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.

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**5.5.6.3 Other Similar Unreasonable Circumstances**

**5.5.6.3.1**

**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.

**5.5.6.3.2**

**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.

**5.5.6.3.3**

**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.

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**5.5.6.3 Other Similar Unreasonable Circumstances,** Continued

**5.5.6.3.4**

**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.

**5.5.6.3.5**

**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.

**5.5.6.3.6**

**Psychological**

**abuse**

SHR may be granted of the student's physical 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.

**5.5.6.3.7**

**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.

**5.5.6.3.8**

**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.

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**5.5.6.3 Other Similar Unreasonable Circumstances,** Continued

**5.5.6.3.9**

**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 stepchildren,

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 5.5.6.3.10).

**5.5.6.3.10**

**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 5.5.6.4.1 and 5.5.6.4.2).

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**5.5.6.4 Extreme Family Breakdown**

**5.5.6.4.1**

**Eligibility on**

**grounds of**

**extreme family**

**breakdown**

Students may be eligible for SHR if they cannot live at home because of

extreme family breakdown. Both conditions ofcannot and extreme must

be met.

**5.5.6.4.2**

**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.

*Continued on next page*

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**5.5.6.4 Extreme Family Breakdown,** Continued

**5.5.6.4.3**

**Cannot live at**

**home**

It will be accepted that the student cannot live at home because of extreme

family breakdown if the conditions in 5.5.6.4.2 above and 5.5.6.1.2 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.

**5.5.6.4.4**

**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 5.5.6.4.2 and 5.5.6.4.3 on the previous page

and 5.5.6.2.2 and 5.5.6.2.3 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.

**5.5.6.4.5**

**Social worker**

**to advise on**

**nature of**

**breakdown**

Given the difficulty in determining whether the conditions described in

5.5.6.4.2 and 5.5.6.4.3 on the previous page and 5.5.6.2.2 and 5.5.6.2.3 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.

**5.5.6.4.6**

**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 5.5.6.3.9 or in 5.5.6.1.6.

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**5.5.6.5 Circumstances Beyond the Family’s Control**

**5.5.6.5.1**

**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 5.3.3.10).

**5.5.6.5.2**

**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 5.3.3.10).

**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.

*Continued on next page*

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**5.5.6.5 Circumstances Beyond the Family’s Control,** Continued

**5.5.6.5.3**

**Support**

**provisions**

Approvals under this criterion are subject to normal 'continuous support

from a parent' conditions (see 5.5.7.2).

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

parent(s) must not be 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.

**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).

**5.5.6.5.4**

**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.

**5.5.6.5.5**

**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 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.

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**5.5.7 Receiving Support**

**5.5.7.1**

**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.

**5.5.7.2**

**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.

**5.5.7.3**

**Examples of**

**continuous**

**support**

These include:

! regular payments (eg, weekly, fortnightly, monthly, annually), regardless

of the amount, however also see 5.5.7.8 and 5.5.7.9;

! 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.

**5.5.7.4**

**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.

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.5**

**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.

**5.5.7.6**

**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 Scheme or ABSTUDY on grounds of emotional/

behavioural problems requiring boarding school supervision should

be looked at.

**5.5.7.7**

**Parents offer to**

**provide support**

Subject to 5.5.7.8, 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.

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.8**

**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.

**5.5.7.9**

**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, evidence should be provided 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.

**5.5.7.10**

**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.

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.11**

**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 5.5.7.13), 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 5.5.7.12 example (a)).**

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.12**

**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 Tax Benefit directions.

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.13**

**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 5.5.7.12).

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 5.3.3.8).

**5.5.7.14**

**Ineligible on**

**grounds of**

**long-term**

**support**

Where students are considered ineligible for SHR on the grounds of longterm

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 5.3.3.8).

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.15**

**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.

This is not withstanding that Family Tax Benefit, additional pension or

benefit or Parenting Allowance may have been claimed or received for the

student prior to her/his claim for SHR.

**5.5.7.16**

**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.

**5.5.7.17**

**Ineligible**

**Commonwealth**

**support**

Commonwealth payments which will preclude eligibility for SHR include:

! Youth Allowance, Newstart allowance, sickness allowance, partner

allowance or special benefit;

! payments made by the Department of Veterans’ Affairs 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.

*Continued on next page*

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**5.5.7 Receiving Support,** Continued

**5.5.7.18**

**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.)

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**5.5.8 Release of Information**

**5.5.8**

**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)).

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**5.5.9 Mandatory Reporting**

**5.5.9.1**

**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.

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**5.6 Pensioner Students**

**Overview**

**Introduction** This chapter covers details of the criteria required for a student to qualify

for the Pensioner Education Supplement

**In this chapter** This chapter contains the following topics.

**Topic See Page**

5.6.1 Definition of Pensioner Students 5-106

5.6.2 Types of Pension 5-107

5.6.3 Benefits 5-108

5.6.4 Change of Status 5-109

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**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 5.3.3.7).

**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 5.6.2).

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**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.

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**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;

and

! 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**

Parenting payment (single) recipients on CDEP (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 3.2.1.4) if s/he is not

eligible for the pensioner workload concession (see 4.4.2.4).

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**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**

**Overview**

**Introduction** This chapter covers details of the criteria required for a student to qualify

for benefits as a student in lawful custody.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

5.7.1 Definition of Lawful Custody 5-111

5.7.2 Change of Status 5-112

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**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 programme 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 3.1.1 are met; **or**

! for non-accredited courses:

- the student is Aboriginal or Torres Strait Islander (see 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 7.5.2.3.

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**5.7.2 Change of Status**

**5.7.2.1**

**Study ceases on**

**commencement**

**of period of**

**lawful custody**

(**See 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, he/she will need to notify Centrelink.

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 gaol, and then continues the same course when released from

prison. In this circumstance, the student needs to notify Centrelink 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 Income and Rates**

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**6.1 Income Requirements**

**Overview**

**Introduction** This chapter explains the general income requirements for ABSTUDY

eligibility.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.1.1 Introduction to Income 6-3

6.1.2 Income Testing Periods 6-8

6.1.3 Types of Income Tests 6-9

6.1.4 Proof of Income 6-12

6.1.5 Overseas Income 6-13

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**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

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 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 6.7.1.22).

**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.

*Continued on next page*

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**6.1.1 Introduction to Income,** Continued

**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 people 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).

*Continued on next page*

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**6.1.1 Introduction to Income,** Continued

**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).

*Continued on next page*

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**6.1.1 Introduction to Income,** Continued

**6.1.1.13**

**Effect of**

**compensation on**

**ABSTUDY**

**Living**

**Allowance**

(continued)

(b) the studentthe

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.*

*Continued on next page*

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**6.1.1 Introduction to Income,** Continued

**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 Youth Allowance/AUSTUDY PAYMENT**

In some circumstances, people can be eligible for both 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 person 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 current 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,

including CDEP.

CDEP for study or training is included as part of ‘other government

financial assistance to study’.

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**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.

**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 6.7.1.22) 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 i.e, before 1 January in the year of

study. 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 ie, 1 January to 31

December in the year of study. 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 in the year of study. 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 6.3.1.1; or

! a 25% or more increase in the parents’ income since the previous

financial year as outlined in 6.3.2.

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**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 6.2.1.2 and 6.2.2.4).

**Note 2:** Special assessment may apply where a parent/guardian/partner is

receiving certain government income support payments (see 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 the non-income tested

threshold; 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 7.2.3 and 7.8.2) on the

basis of qualifying or receiving other government income support

assistance.

*Continued on next page*

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**6.1.3 Types of Income Tests,** Continued

**6.1.3.3**

**Non income**

**tested**

**allowances**

Allowances not subject to income testing are:

! Group 2 School Fees Allowance less than the non-income tested

threshold;

! Pensioner Education Supplement;

! Incidentals Allowance;

! Additional Incidentals Allowance;

! Fares Allowance;

! Lawful Custody Allowance;

! Away-from-base entitlements;

! Remote Area Allowance; and

! Pharmaceutical Allowance.

**Note:** Rent Assistance is indirectly income tested on the basis of

qualifying or receiving other government income support

assistance.

**6.1.3.4**

**Effect for**

**different**

**students**

The status and age of the student determines 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.

*Continued on next page*

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**6.1.3 Types of Income Tests,** Continued

**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 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 6.2.3.7.

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**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 2.1.3.3.3 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.

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**6.1.5 Overseas Income**

**Introduction** This topic describes how to calculate taxable income earned overseas in

Australian currency.

**In this topic** This topic is divided into the following sections:

**Section See Page**

6.1.5.1 Calculating Overseas Income 6-14

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**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 (see 6.1.5.1.2) 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

6.5.2.5).

**6.1.5.1.2**

**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 by the appropriate exchange rate

from the CBA.

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**6.2 Income Tests**

**Overview**

**Introduction** This chapter describes the income tests which are applied for ABSTUDY

assistance.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

6.2.1 Student Income 6-16

6.2.2 Parental Income 6-21

6.2.3 Partner Income 6-32

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**6.2.1 Student Income**

**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 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 6.1.5);

! 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.

*Continued on next page*

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**6.2.1 Student Income,** Continued

**6.2.1.4**

**What income is**

**included?**

(continued)

! 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);

! 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 6.1.1.7)

*Continued on next page*

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**6.2.1 Student Income,** Continued

**6.2.1.5**

**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 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.

**Note: This does not apply to independent boarding school**

**scholarships at 5.2.3.12.1 and 4.2.1.1.**

**6.2.1.6**

**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 ABSTUDYapproved

(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).

*Continued on next page*

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**6.2.1 Student Income,** Continued

**6.2.1.7**

**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.

**6.2.1.8**

**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 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 HECS are also excluded

from the income test.

*Continued on next page*

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**6.2.1 Student Income,** Continued

**6.2.1.9**

**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.

**6.2.1.10**

**How does**

**student income**

**affect**

**ABSTUDY?**

The student income test is based on how much a student may earn each

fortnight. 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 6.8).

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

**6.2.1.11**

**Relevant period**

The student income test period applies to taxable income that the receives

during the period that are eligible for ABSTUDY. 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.

**6.2.1.12**

**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.

**6.2.1.13**

**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.

**6.2.1.14**

**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 of

age. The relevant period also applies from this date regardless of whether

income tested allowances were payable before the student turned 16 years

of age or gained independent status.

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**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?**

Where an adjusted family income of parents exceed the threshold the

ABSTUDY Living Allowance will be reduced.

See the Centrelink publication “A guide to Commonwealth Government

payments’ for current rates.

threshold, and rate reduction applied, when the threshold is exceed is

detailed in the Centrelink publication ‘A guide to Commwealth

Governments payments..

**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.

**Note:** Dependent students 16 years of age or over are also subject to

the student income test.

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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 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).

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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 previous financial

year incomes of both parents. In some cases current income may be

applicable (see 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.

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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

6.2.2.67).

**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.

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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.

**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).

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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.

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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.

The student’s claim under the homeless provisions should be reviewed

(see 5.5.6.4). 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 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 (discretion may be applied 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 5.5.6 do not apply.

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**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 (i.e, turnaround period) and maintenance payment arrangements

(e.g, legal documentation from the Family Court or solicitors, or

statements from each parent).

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**6.2.2.17**

**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).

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**6.2.2 Parental Income,** Continued

**6.2.2.18**

**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. 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 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 previous to current financial year, the student's

entitlement is reassessed with effect from 1 October in the year

of study (see 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 (see 6.3.1).

*Continued on next page*

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**6.2.2 Parental Income,** Continued

**6.2.2.19**

**Why is the test**

**based on**

**historical**

**(previous**

**financial year)**

**income?**

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 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

6.3.3); or

! parental income increases by 25% or more after the normal (previous

financial year) income test period (see 6.3.2).

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**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

Youth Allowance rates, students 21 years and over are aligned with

Newstart rates. However, also see 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 Youth Allowance 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.

**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.**

*Continued on next page*

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**6.2.3 Partner Income** Continued

**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.

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**6.3 Current Income and Special Assessment**

**Overview**

**Introduction** This chapter explains income concessions.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.3.1 Current Income Assessment 6-35

6.3.2 Increase in Current Year Income 6-41

6.3.3 Special Assessment 6-43

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**6.3.1 Current Income Assessment**

**Introduction** 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 financial year accounting period ending 30 June in the

year of study for a current income assessment.

**In this topic** This topic is divided into the following sections.

**Section See Page**

6.3.1.1 Reasons for a Current Income Assessment 6-36

6.3.1.2 Size and Date of Drop in Income 6-37

6.3.1.3 Calculating Adjusted Income 6-40

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**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.

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**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 a 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.

*Continued on next page*

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**6.3.1.2 Size and Date of Drop in Income,** Continued

**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 that 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.*

*Continued on next page*

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**6.3.1.2 Size and Date of Drop in Income,** Continued

**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 also 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.

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**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 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.

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**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 financial year accounting period ending 30 June in the

year of study

**6.3.2.3**

**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.

**6.3.2.4**

**When does**

**reverse current**

**income apply?**

Reverse current income applies where there has been a substantial increase

in parental taxable, overseas or other income.

Reverse current income applies from 1 October in the year of study when

income earned in the financial year ending 30 June in the year of study has

increased by 25% or more since the previous financial year.

*Continued on next page*

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**6.3.2 Increase in Current Year Income,** Continued

**6.3.2.5**

**Financial**

**accounting**

**period other**

**than I July -**

**30 June**

The parental income test under Section 18 of the *Income Tax Assessment*

*Act*, adopts 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. 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 -

31 December. 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 . This applies whether or not the student is eligible or

qualifies for ABSTUDY until the end of the year.

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**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/parents/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 Youth

Allowance/Austudy payment, the parental income test is waived where:

! the parent’s partner (married or de facto) also gets ABSTUDY or Youth

Allowance/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.

*Continued on next page*

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**6.3.3 Special Assessment,** Continued

**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 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 Senior

Health Card (CSHC).

*Continued on next page*

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**6.3.3 Special Assessment,** Continued

**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 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 (see below).

**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.

*Continued on next page*

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**6.3.3 Special Assessment,** Continued

**6.3.3.4**

**Basis for**

**special**

**assessment -**

**Exceptional**

**Circumstances**

**Relief Payment**

**(ECRP)**

Students from families receiving 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.

*Continued on next page*

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**6.3.3 Special Assessment,** Continued

**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**

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.

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**6.4 Assets Tests**

**Overview**

**Introduction** This chapter describes the assets tests and limits which are applied for

ABSTUDY.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

6.4.1 What is included / not included in an Assets Test 6-49

6.4.2 Family Assets Tests 6-50

6.4.3 Personal Assets Tests 6-51

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**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; and

! overseas assets.

**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.

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**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. 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.

.

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for the current Family Assets threshold.

**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.

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**6.4.3 Personal Assets Tests**

**6.4.3.1**

**Personal and**

**Spouse Assets**

**Test**

**DIFFERENT TO Youth Allowance/AUSTUDY PAYMENT**

Asset limits are indexed each year and take effect from 1 July each year.

ABSTUDY is not payable if the value of total assets exceeds these limits.

See the Centrelink publication “A guide to Commonwealth Government

payments’ for current Asset limits.

**Note: 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**

**Overview**

**Introduction** This chapter explains the Family Actual Means Test which is applied to

ABSTUDY.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.5.1 Introduction to Family Actual Means Test 6-53

6.5.2 Designated Parents 6-54

6.5.3 Actual Means 6-58

6.5.4 Exempt Funds 6-61

6.5.5 Current Year Means Assessments 6-64

6.5.6 Definition of Base Tax Year 6-67

6.5.7 Definition of Family Members 6-68

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**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 6.5.2) for the FAMT. The spending and savings

of all assessable family members (see definition of 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.

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**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 seven 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.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

*Continued on next page*

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**6.5.2 Designated Parents,** Continued

**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**

**Selfemployment**

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.

*Continued on next page*

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**6.5.2 Designated Parents,** Continued

**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.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

**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.

*Continued on next page*

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**6.5.2 Designated Parents,** Continued

**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.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

**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 being applied for, 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.

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**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 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 ! purchase and running costs,

! mortgage repayments, rent and insurance,

! rates, gas, electricity and water,

! repairs and extensions,

! furniture and appliances.

Transport ! purchase costs, including lease payments;

! maintenance, repairs and running costs;

! insurances and registration; and

! public transport.

Education ! school, tuition and boarding fees;

! books, uniforms and amenities fees; and

! evening and leisure classes.

*Continued on next page*

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**6.5.3 Actual Means,** Continued

**6.5.3.2 Areas of Family Spending (cont)**

General Living ! food and clothing;

! entertainment;

! holiday costs;

! insurances, medical and pharmaceutical expenses

not covered by Medicare or private health

insurance;

! books, newspapers, magazines;

! non-refundable child care expenses; and

! telecommunication costs (phone and fax).

Other ! other loan costs;

! expenditure on investments, such as real estate,

shares, art and coin collection;

! tax deductible business expenditure not necessary

for carrying on the business, such as donations to

charities; and

! the taxable value of any fringe benefits, covering

what would have been an expense to the family.

**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:

! any undistributed profits from, and retained

earnings in, a private or unlisted public

company;

! any increase in their partnership capital

accounts and/or current accounts; and

! undistributed trust profits if the family

member is a beneficiary or trustee.

*Continued on next page*

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**6.5.3 Actual Means,** Continued

**6.5.3.3**

**Family Saving**

(Continued)

**Area of Saving Examples**

Superannuation Contributions above:

! the minimum amount required under the

*Superannuation Guarantee (Administration) Act*

*1992* for an employee; or

! $3,000 per family member.

Other Loans by a family member to a related entity.

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**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; and/or

! 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; and/or

! dependent children’s employment (maximum of $6,000 each).

However, the spending from such sources must be included i.e, the amount

of the deduction must correspond with the amount of spending.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

*Continued on next page*

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**6.5.4 Exempt Funds,** Continued

**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 Youth Allowance 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 Assistance for Isolated Children scheme;

! an Austudy payment;

! 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.

*Continued on next page*

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**6.5.4 Exempt Funds,** Continued

**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 ATO.

**6.5.4.7**

**Boarding**

**Concession**

**under FAMT**

The cost of boarding for Assistance for Isolated Children 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 Assistance for

Isolated Children scheme; or

! is receiving an away from home rate as a secondary student.

Only the maximum concession rate will be allowed.

See the Centrelink publication “A guide to Commonwealth Government

payments’ for current maximum rate.

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**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 i.e, 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 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.

*Continued on next page*

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**6.5.5 Current Year Means Assessments,** Continued

**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

! for the full calendar year from

1 January; or

! from the start of the period of

ABSTUDY qualification to the end

of the calendar year, if less than a

full calendar year.

the event occurred after

1 January of the current year

from the date of the event until the earlier

of:

! the end of the calendar year; or

! the period of ABSTUDY

qualification.

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:

! the calendar year; or

! the period of ABSTUDY

qualification.

**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.

*Continued on next page*

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**6.5.5 Current Year Means Assessments,** Continued

**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.

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**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.

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**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

! 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 persons covered by this definition are to be provided for the

purposes of this FAMT. For example, if any grandparents or nondependent

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**

**Overview**

**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.

**In this chapter** This chapter contains the following topics.

**Topics See Page**

6.6.1 Taxable ABSTUDY Allowances 6-70

6.6.2 Tax File Number (TFN) 6-72

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**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 it is 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 is assessable as taxable income of the student.

See Centrelink publication ‘A guide to Commonwealth Government

payments’ for the current living allowance.

**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.

*Continued on next page*

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**6.6.1 Taxable ABSTUDY Allowances,** Continued

**6.6.1.5**

**Lodgement of a**

**taxation return**

Once tax instalments are deducted, tax payments are forwarded to the

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.

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**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 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 parttime

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.

*Continued on next page*

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**6.6.2 Tax File Number (TFN),** Continued

**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 (see previous page) 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 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 TFN.

*Continued on next page*

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**6.6.2 Tax File Number (TFN),** Continued

**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**

**Overview**

**Introduction** This chapter explains how the rates are calculated and lists the rates of

Living Allowance.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.7.1 Calculation of ABSTUDY Rates 6-76

6.7.2 ABSTUDY Living Allowance Rates 6-86

6.7.3 Rates for Continuing Students aged 21 years or more 6-87

Page 6-76 ABSTUDY 2003 Issued December 2002

**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**

**Student Partner Parental Child/Studen**

**t**

Allowable Income

Limit (AIL)

$236.00

p/f

$6,000 pa

$608.00 p/f

over 21

$15,850 pa

$27,400 See table

Abatement Interval

(AI)

$2.00 $2.00 $4.00 at 6.7.1.19

Abatement Rate (AR) $1.00 $1.00 $1.00

Note amounts are example only - See the Centrelink booklet ‘A guide to Commonwealth

Government payments’ for current rates.

**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 Calculate the Actual Annual Payment (AAP).

The formula for the AAP is:

(**Fortnightly rate** # **14) x days in the year.**

When you get the answer ignore the cents.

2 To calculate the UIL, use the following formula:

**AAP x AI + (AIL + AI - AR).**

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.

The UILs relevant to each particular rate are shown in the table at

6.7.2.1.

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**6.7.1.4**

**Definition of**

**Upper Income**

**Limit**

The UIL is the last amount of income a 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 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**

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 6.7.1.25.

*Continued on next page*

Page 6-78 ABSTUDY 2003 Issued December 2002

**6.7.1 Calculation of ABSTUDY Rates,** Continued

**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/

Assistance for Isolated Children;

**-** not eligible for the independent rate of ABSTUDY/Youth Allowance;,

and

**-** not receiving assistance from a Commonwealth education allowance

other than ABSTUDY/Youth Allowance/Assistance for Isolated

Children; **or**

! under 16 years of age **and:**

**-** is receiving ABSTUDY/Assistance for Isolated Children, 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/

Assistance for Isolated Children.

**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.

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**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.

**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/Youth Allowance.

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.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**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/Assistance for Isolated Children;

! 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.

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**6.7.1.16**

**Example 1**

*Alf applies for ABSTUDY. At the start of the year, he has three brothers*

*and sisters:*

! *Beth (aged 19 years, in full-time education),*

! *Ches (aged 15 years, in secondary education), and*

! *Delia (aged 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 (e.g, 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).*

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**6.7.1.18**

**Automatic**

**calculation**

The impact of student and parental or partner income on ABSTUDY

entitlement is calculated automatically.

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**

**How is parental**

This table shows the procedure for calculating parental income.

**Income**

**calculated?**

**Step Action**

1 Calculate the total parental income by adding together:

! 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);

! overseas income taxed in a foreign country (see 6.1.5); and

! 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.

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 fulltime

study (see 6.7.1.8 and 6.7.1.9).

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**6.7.1.20**

**How is partner**

This table shows the procedure for calculating partner income for students

21 years and over.

**Income**

**calculated?**

**Step Action**

1 Calculate the total partner income by adding together:

! the taxable income of the partner for the fortnight, (except

principal income derived from Norfolk Island)

! overseas income taxed in a foreign country (see 6.1.5); and

! 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.

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 6.7.1.8 and 6.7.1.9).

**6.7.1.21 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 Youth

Allowance.

If the Excess is between $236 and $316:

Then (Excess-236) x 0.5 = Affecting Income

If the Excess is greater than $316 then:

[9Excess - $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.

See the Centrelink booklet ‘A guide to Commonwealth Government

payments’ for current rates.

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**6.7.1.22**

**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.

**6.7.1.23**

**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

**6.7.1.24**

**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 is used unless current income or special

assessment applies.

**6.7.1.25**

**Calculating**

**Adjusted**

**Family Income**

Add the following to the parent income threshold (AFI).

! a dependent child adjustment for the first child and an adjustment 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 for each dependent student (other

than the applicant) who is not an eligible dependent child as defined

in 6.7.1.10; and

a dependent student adjustment 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 Centrelink publication ‘A guide to

Commonwealth Government payments’ for each of the current child and

student adjustment rates.

*Continued on next page*

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**6.7.1 Calculation of ABSTUDY Rates,** Continued

**6.7.1.26**

**Adjusted**

**Income figure**

The final figure is the AFI and is compared to the Family (parental) Limit.

**6.7.1.27**

**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.

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**6.7.2 ABSTUDY Living Allowance Rates**

**6.7.2.1**

**Maximum rates**

Living Allowance rates are subject to 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.

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**6.7.3 Rates for Continuing Students aged 21 years or more**

**6.7.3.1**

**Maintenance**

**of rates due to**

**policy changes**

**in 2000**

**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 PESrecipients.

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, 2002 and 2003, would be maintained on at least the 1999

rate of benefit for the duration of the course.

**6.7.3.2**

**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.

**6.7.3.3**

**Break in study**

**exemptions**

A continuing student is one who has not had a break in study between

1999, 2000, 2001, 2002 and 2003. 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.

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**6.8 Student Income Bank**

**Overview**

**Introduction** This chapter explains access to the student income bank and higher income

free area.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.8.1 Student Income Bank 6-89

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**6.8.1 Student Income Bank**

**6.8.1.1**

**Student**

**Income Bank**

The Student Income Bank allows a student to accumulate any unused part of

their allowable income limit per fortnight up to the maximum accumulated

limit 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 as

credits. The saved credits are then available to offset the personal

income/earnings in future fortnights.

See Centrelink publication ‘A guide to Commonwealth Government

payments’ for the current allowable income limit per fortnight and the

maximum accumulated limit.

**6.8.1.2**

**Rules of the**

**Student Income**

**Bank**

The following rules apply to the student income bank:

! the maximum credit that can be saved is the maximum accumulated

limit;

! the balance is not set to zero annually;

! all credits are annulled when a student stops full-time study; and

! continuing students retain their credits over vacation periods.

**6.8.1.3**

**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.

**A student who is Has access from the…**

A new student ! date their course starts.

An existing student ! date of the first fortnight of study or training; or

! date of eligibility for Living Allowance

*Continued on next page*

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**6.8.1 Student Income Bank,** Continued

**6.8.1.3**

**Access to the**

**Student**

**Income Bank**

**and Higher**

**Income Free**

**Area (con’t)**

**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.

**6.8.1.4**

**Operation of**

**the Student**

**Income Bank**

The following table shows how the student income bank operates when a

student has ordinary income in a fortnight.

**If the income is Then… And…**

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.

**6.8.1.5**

**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.*

*Continued on next page*

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**6.8.1 Student Income Bank,** Continued

**6.8.1.6 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.

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**6.9 Negative Gearing/Net Passive Business Losses**

**Overview**

**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”.

The net amount of negative gearing deductions claimed against other

taxable income are to be self-declared on the ABSTUDY claim form 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.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.9.1 Description of Negative Gearing Losses 6-93

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**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; and/or

! 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.*

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**6.10 Fringe Benefits**

**Overview**

Employers are required to report Fringe Benefits amounts on group

certificates.

As ABSTUDY is aligned to Youth Allowance 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.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

6.10.1 Description of Fringe Benefits 6-95

6.10.2 Valuing Fringe Benefits 6-97

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**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, but are not

limited to:

! leasing of vehicles;

! extra superannuation contributions;

! investments;

! expense benefits;

! child care;

! 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.

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**6.10.1 Description of Fringe Benefits,** Continued

**6.10.1.3**

**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.

**6.10.1.4**

**Ministers of**

**religion**

Ministers of religion are treated the same as way any other employee for

the purposes of assessing adjusted fringe benefits. However, 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.

The assessment of adjusted fringe benefits for ministers of religion is also

based on the grossed fringe benefit recorded on their group certificate.

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**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 (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 or partner 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**

**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 ATO.

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**7.1 Benefits and Allowances**

**Overview**

**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 3.1.1, the specific

eligibility criteria set out under the relevant Award in 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 7.1.1 and 7.6).**

**Quick reference** A table in 3.2.2 provides a quick reference to the benefits that are available

to eligible ABSTUDY applicants.

**In this chapter** This chapter contains the following topic:

**Topic See Page**

7.1.1 Introduction to Benefits and Allowances 7-6

7.1.2 Overpayments 7-7

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**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 4.6.1.

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**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 year old student.

*Continued on next page*

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**7.1.2 Overpayments,** Continued

**7.1.2.5**

**Student as the**

**responsible**

**payee**

**responsible**

**payees: student**

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 Youth Allowance/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.

*Continued on next page*

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**7.1.2 Overpayments,** Continued

**7.1.2.8**

**Tertiary**

**education**

**institution as**

**the responsible**

**payee**

**Different to Youth Allowance/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 lodgings if the student is not eligible for the

Residential Costs Option; and

! HECS or course fees where paid to the tertiary education institution.

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**7.2 Schooling A Award School Term Allowance**

**Overview**

**Introduction** This chapter contains details about School Term Allowance.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

7.2.1 Summary of Schooling A Award - School Term

Allowance

7-11

7.2.2 Introduction to School Term Allowance 7-12

7.2.3 Eligibility for School Term Allowance 7-13

7.2.4 Entitlement and Payments of School Term Allowance 7-15

7.2.5 Change of Circumstance 7-17

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**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 ! Meets eligibility criteria for Schooling A Award; and

! the student is of dependent status, and:

- the applicant or the applicant's partner qualifies for a

prescribed form of Commonwealth Government

assistance, **or**

- 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**

- the student is in State care and living with foster parents,

**or**

- the applicant or the applicant’s partner is receiving a

CDEP wage as a participant of the project, not as the

administrator, **or**

- the applicant or the applicant’s partner has a current Health

Care Card.

Applicant Applicant is the dependent student’s parent(s)/guardian(s).

Rate $540.80 a year

Payments period Four instalments as follows:

! Term 1 $187.20 1 January - 31 March

! Term 2 $83.20 1 April - 30 June

! Term 3 $187.20 1 July - 30 September

! Term 4 $83.20 1 October - 31 December

Other entitlement features Entitlement established by commencement of study in the

term.

Payment features ! Initiated from assessment of claim form,

! paid term in advance,

! paid to the applicant.

Taxation status Non taxable.

Indexation status Not indexed.

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**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.

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**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 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

5.4.1.2) 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.

*Continued on next page*

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**7.2.3 Eligibility for School Term Allowance,** Continued

**7.2.3.3**

**Students**

**without parents**

Students may be approved for this allowance if they are under the minimum

school leaving age (see 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 5.3.3.7, 5.3.3.10 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 5.4.1) 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:CDE**

**P and School**

**Term**

**Allowance**

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.

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**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 at 7.2.1.

*Continued on next page*

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**7.2.4 Entitlement and Payments of School Term**

**Allowance,** Continued

**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 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 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.

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**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 boardprovider

entitlement to Living Allowance is to

be assessed on a *pro rata* 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**

**Overview**

**Introduction** This chapter contains details about Living Allowance.

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.3.1 Summary of Living Allowance 7-19

7.3.2 Introduction to Living Allowance 7-21

7.3.3 Eligibility for Living Allowance 7-22

7.3.4 Entitlement to Living Allowance 7-23

7.3.5 Period of Entitlement 7-30

7.3.6 Discontinuation of Full-Time Study 7-35

7.3.7 Change of Circumstance 7-39

7.3.8 Payment of Living Allowance 7-42

7.3.9 Advanced Payment 7-43

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**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 ! Meets eligibility criteria for relevant award;

! is not in lawful custody or in receipt of a pension; and

! qualifies under income tests on:

- student income;

- parental income, assets and family actual means if a

dependent student;

- partner income, assets and family actual means if married

or in de facto relationship.

Entitlement ! **Age** - Under 16; 16-17; 18-20; 21+,

! **Student status** - at home, away from home, independent,

and

! **Family status** – single, married, single has/had a

dependent child, married has/had a dependent child.

Maximum rates See table at 6.5.2.1 (an abatement rate applies which may

reduce a student’s entitlement to Living Allowance.

Period of entitlement ! 1 January – 31 December if studying for full academic

year;

! 1 January – 30 June if studying semester one only of a full

year course;

! 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

! from commencement to end of classes if other study

period, however, also see Articulated Short Courses

(4.1.1.7, 4.1.1.8), Competency Based Training (4.1.4) and

Study through Open Learning Australia (4.1.5).

**Exceptions:**

! of study;

! transfer from FaCS benefit;

! returning to study after a break;

! transfer from CDEP;

! change of student status; or

! discontinuation of full-time study.

*Continued on next page*

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**7.3.1 Summary of Living Allowance,** Continued

**Table,**

**continued**

This table is continued from the previous page.

**Feature of Allowance Details**

Other entitlement features ! loss of entitlement occurs when the student ceases fulltime

study; may also occur for excessive periods of

absence from school or classes;

! tertiary students may have the cost of residential college or

hostel expenses met by ABSTUDY and receive a reduced

rate of Living Allowance ( See Centrelink publication ‘A

guide to Commonwealth Government payments’ for the

current living allowance.);

! tertiary students are eligible to apply for an ABSTUDY

Supplement Loan; or

! students with dependent partners and a dependent child or

children may be eligible for an increase in their Living

Allowance.

Payment features ! rates are aligned, with FaCS payment rates;

! the rate of allowance payable is affected by the level of

student and parental or partner income;

! initiated from assessment of claim form;

! paid fortnightly in arrears;

! paid to:

- the student for Tertiary and Masters and Doctorate Awards;

or

- the parent/guardian, board provider or student for Schooling

Awards;

! payments to board institutions may be made fortnightly in

arrears or by term in advance.

Taxation status ! for students under 16 years of age - not taxable; or

! for students over 16 years of age- taxable as income of the

student.

Indexation status Indexed to CPI and adjusted annually.

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**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.

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**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 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 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 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 5.4.1).

Students in State care who remain within their family will have their

parents’ income taken into account (see 5.4.2.6).

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**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 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 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;

! 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.

*Continued on next page*

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**7.3.4 Entitlement to Living Allowance,** Continued

**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, 2002 and 2003, 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 of age;

! 16 - 17 years of age;

! 18 - 20 years of age; and

! 21 years of age 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 and for

new students who are 16 years or older (see 2.1.3.2.2).

**7.3.4.6**

**Student Status**

Different rates of Living Allowance apply (see 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.

*Continued on next page*

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**7.3.4 Entitlement to Living Allowance,** Continued

**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; or

! 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 5.4.1) 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.

*Continued on next page*

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**7.3.4 Entitlement to Living Allowance,** Continued

**7.3.4.10**

**Masters and**

**Doctorate**

**Award**

Entitlements for the Masters and Doctorate Award are based on the

standard stipend and allowance rates that apply for the Australian

Postgraduate Award (APA) scheme.

Masters and Doctorate is covered in detail in 7.4.4.2 and rates at 6.7.2.

**7.3.4.11**

**Table of rates**

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, or a student undertaking approved studies of at least one

year’s duration at a university, 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 (where the institution is within Australia); and

! if entitled to Living Allowance, receive a reduced rate of Living

Allowance (See Centrelink publication ‘A guide to Commonwealth

Government payments’ for the current living allowance) 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

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.

*Continued on next page*

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**7.3.4 Entitlement to Living Allowance** Continued

**7.3.4.13**

**Residential**

**costs option**

**(continued)**

**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 the fortnightly rate. However, residential

costs may be paid where the student is entitled to Living Allowance of

any amount.

**Note 3:**Students undertaking an enabling, bridging or preparatory course at a

university, that is at least one year’s duration, may elect to have the

actual costs of the residential fees paid directly to the residential

college or equivalent attached to the university.

**See the Centrelink publication ‘A guide to Commonwealth Government**

**payments’.**

**7.3.4.14**

**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 booklet, 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.**

**7.3.4.15**

**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,

residential charges must be reasonable, particularly where a large

proportion of the students are on ABSTUDY support.

**7.3.4.16**

**Residential fees**

**include**

Residential fees include:

! accommodation fees;

! meals provided;

! compulsory insurance;

! laundry charge; and

! other compulsory charges.

**7.3.4.17**

**Residential fees**

**do not include**

Residential fees do not include bonds or other refundable fees.

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**7.3.4 Entitlement to Living Allowance,** Continued

**7.3.4.18**

**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 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 5.3.3.10).

Transfer of unused School Fees Allowance to meet excess board costs is

not automatic. Approval requirements are provided in 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.

**7.3.4.19**

**Reasonable**

**boarding**

**chargesboarder**

**s:reasonable**

**charges**

A schedule of boarding charges should be obtained from boarding

institutions before paying the away from home Living Allowance.

If the charges claimed appear unreasonable, the institution must

demonstrate that the charges are reasonable.

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**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;

! 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 fulltime

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 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 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 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.

*Continued on next page*

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**7.3.5 Period of Entitlement,** Continued

**7.3.5.3**

**Late**

**commencement**

A student will not be regarded as commencing late if s/he commences fulltime

study in the approved course within the first three weeks of classes, ie

by the Friday of the third week of term of 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 4.6.4.2), Living

Allowance entitlement may be made retrospectively 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 4.4).

*Continued on next page*

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**7.3.5 Period of Entitlement,** Continued

**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;

! Youth Allowance; 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 Youth Allowance; 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 Youth Allowance. 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 Youth Allowance 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.

*Continued on next page*

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**7.3.5 Period of Entitlement,** Continued

**7.3.5.10**

**Courses of**

**more than six**

**months**

**duration**

For students on Newstart or Youth Allowance who are undertaking courses of

longer than six months duration, Newstart or Youth Allowance 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 Youth Allowance 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).

*Continued on next page*

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**7.3.5 Period of Entitlement,** Continued

**7.3.5.14**

**Department of**

**Veterans’**

**Affairs (DVA)**

**pensions**

The 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 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.

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

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**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 fulltime

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 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.

*Continued on next page*

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**7.3.6 Discontinuation of Full-Time Study,** Continued

**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 4.6.4.2).

**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 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 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.

*Continued on next page*

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**7.3.6 Discontinuation of Full-Time Study,** Continued

**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 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 signalling 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 signalling 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.

*Continued on next page*

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**7.3.6 Discontinuation of Full-Time Study,** Continued

**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 Appendix 1 Standard Hostels

Agreement for students in Hostels.)

**Note:** There is **no entitlement** to the school for a student who does not

commence.

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**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.

*Continued on the next page*

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**7.3.7 Change of Circumstance, Continued**

**7.3.7.2**

**Change of**

**status**

**Different to Youth Allowance/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 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 2.1.3.1.2).

Any approval of payments are to be back-dated to the date of release from

lawful custody and resumption of study.

*Continued on next page*

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**7.3.7 Change of Circumstance,** Continued

**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.

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**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 to the

agent (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 4.5.2.6); and

! a $500 advance payment subject to Youth Allowance Advanced Payment

Rules.

**Note:** A copy of the standard Agreement for term in advance payments to

hostels is shown at Appendix 1.

*Continued on next page*

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**7.3.8 Payment of Living Allowance,** Continued

**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 5.3.3.7,

5.3.3.10, 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 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 6.4.1.

*Continued on the next page*

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**7.3.9 Advanced 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 between $250 and $500. This is

available once a year, usually after the 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 times 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**

**advanced**

**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**

**Overview**

**Introduction** This chapter outlines the details of the Masters and Doctorate Allowances.

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.4.1 Summary of Masters and Doctorate Allowances 7-46

7.4.2 Eligibility 7-48

7.4.3 Entitlement 7-49

7.4.4 Benefits 7-50

Issued January 2003 ABSTUDY 2003 Page 7-46

**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 ! meets the eligibility criteria for the Masters and Doctorate

Award;

! is studying the course on a full-time basis; and

! meets the relevant income tests.

Maximum rates apply Living Allowance Relocation allowance

Thesis allowance

See the Centrelink publication ‘A guide to Commonwealth

Government payments’.

Rates are aligned to the Australian Postgraduate Award scheme

standard stipend and allowance rates.

**An abatement rate applies which may reduce a student’s**

**entitlement to Living Allowance.**

Benefits May receive:

! Living Allowance **or** Pensioner Education Supplement

Relocation **or** Fares Allowance;

! HECS **or** course fees paid (whichever is the lesser);

! Thesis Allowance;

! Incidentals Allowance;

! Additional Incidentals Allowance;

! Away-from-base entitlements; and

! ABSTUDY Supplement Loan.

**See the Centrelink publication ‘A guide to Commonwealth**

**Government payments’ for current rates.**

*Continued on next page*

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**7.4.1 Summary of Masters and Doctorate Allowances,**

**Continued**

Other entitlement

features

! no entitlement to Rent Assistance;

! no entitlement to relocation allowance, Thesis Allowance or

compulsory course fees or HECS if the student does not qualify

for Living Allowance (Basic Payment);

! loss of entitlement occurs when the student ceases full-time

study;

! tertiary students may have the cost of residential college or

hostel expenses met by ABSTUDY and receive a reduced rate of

Living Allowance ; and

! tertiary students are eligible to apply for an ABSTUDY

Supplement Loan.

Comments ! part-time postgraduate students may apply for a Part-time

Award; and

! 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.

Taxation Status Taxable

Indexation As per Australian Postgraduate Award scheme.

Current rates **See the Centrelink publication ‘A guide to Commonwealth**

**Government payments’ for current rates.**

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**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 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 3.1.4); 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 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 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.

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**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 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 3.2.1.3).

Full-time Masters and Doctorate students who prefer to retain their

pension and receive PES 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 PES because of a workload

concession (see 4.4.2.4) they are not eligible for relocation allowance,

Thesis Allowance or payment of compulsory course fees or HECS.

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**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 Supplement (if preferring to keep pension in lieu

of Living Allowance);

! Relocation Allowance **or** Fares Allowance;

! payment of compulsory course fees or HECS liability;

! 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.

Refer to the Centrelink publication ‘A guide to Commonwealth

Government payments’ for the current rate of Living Allowance. 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 6.5.1).

*Continued on next page*

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**7.4.4 Benefits,** Continued

**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 (**See the Centrelink publication ‘A guide to**

**Commonwealth Government payments’ for current rates.)** and

! Fares Allowance for the student, the student’s partner and dependent

child(ren) to the study location (see 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 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 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 2.1.4.1.2).

*Continued on next page*

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**7.4.4 Benefits,** Continued

**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.

! See the Centrelink publication ‘A Guide to Commonwealth

Government Payments’ for current rates.

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:** A 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 for

assistance to pay compulsory course fees or HECS liability 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).

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-53

**7.4.4 Benefits,** Continued

**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 ATO. 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 7.1.2 to identify the responsible payee where an overpayment of

any of these allowances has been made.

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**7.5 Lawful Custody Allowance**

**Overview**

**Introduction** This chapter outlines the details of the Lawful Custody Allowance for

ABSTUDY students who are incarcerated in correctional institutions.

**Released prisoners** are subject to normal ABSTUDY rules and must fill

in an ABSTUDY claim to receive ABSTUDY Living Allowance, the

Supplementary Benefits and the ABSTUDY Financial Supplement Loan.

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.5.1 Summary of Lawful Custody Allowance 7-55

7.5.2 Eligibility and Entitlement to Lawful Custody Allowance 7-56

7.5.3 Payment of Lawful Custody Allowance 7-57

Issued January 2003 ABSTUDY 2003 Page 7-55

**7.5.1 Summary of Lawful Custody Allowance**

**Summary table** The table below summarises the Lawful Custody Allowance

**Feature of Allowance Details**

Availability To students who are eligible for the Students in Lawful

Custody Award.

Purpose To assist in meeting expenses associated with study in the

approved course, such as general purpose education institution

fees, textbooks, equipment, stationery and daily travel costs.

Eligibility conditions ! Meets relevant Award criteria;

! allowance is not income tested.

Entitlement Reimbursement of actual cost of essential course expenses.

Other entitlement features Entitlement is established by commencement of study in the

approved course.

Payment features Payment is to be made following lodgement of a claim

supported by evidence of expenditure.

Taxation status Non taxable.

Indexation status Not applicable.

Issued January 2003 ABSTUDY 2003 Page 7-56

**7.5.2 Eligibility and Entitlement to Lawful Custody**

**Allowance**

**7.5.2.1**

**Eligibility**

A student is eligible for the Lawful Custody Allowance if s/he meets the

criteria for the Students in Lawful Custody Award.

**Note:** Where a student in lawful custody has permission to attend an

Away-from-base course component, s/he may be eligible for

Away-from-base entitlements of Fares Allowance and residential

expenses (see 7.9.5.5 and 7.10.3).

**7.5.2.2**

**Purpose**

The purpose of the Lawful Custody Allowance is to assist in meeting

essential course costs associated with study, such as general purpose

education institution fees, textbooks, equipment and stationery. It may

also be used to meet the daily travel costs of the individual student.

**7.5.2.3**

**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 (see 7.7.4.7 for

examples of costs considered to be essential course costs).

There is no upper limit to this allowance however, **claims must include**

**only costs which are essential to undertake the course**. Benefits for

students in lawful custody are not income tested.

**Note 1:** Prior approval must be sought from Centrelink for art and

photographic materials and other items where the annual cost per

student will exceed $422.20 per year of course, or if the student

is undertaking two part-time courses which exceed $844.40.

**Note 2:** For the purposes of this allowance only, daily travel expenses

(where the student has permission to travel between the

correctional institution and the education institution) may be

included as essential course costs.

**Note 3:** Extra education costs incurred because of the student's legal

status may also be met, eg the cost of additional photocopying

incurred because the student cannot borrow library books on

restricted access where reading chapters of these books is

essential.

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**7.5.3 Payment of Lawful Custody Allowance**

**7.5.3.1**

**Payment**

Payment of Lawful Custody Allowance is not to be made direct to the

student unless such an arrangement has been approved by the correctional

institution.

Payments may be made:

! to the correctional institution for reimbursement to the student;

! to the correctional institution as reimbursement for purchases made on

behalf of the student; or

! to the education institution or supplier of textbooks or materials for

services provided to the student.

Benefits for students in lawful custody are not income tested

**7.5.3.2**

**Lodgement of a**

**claim**

Payment is to be made following lodgement of a claim supported by

evidence of expenditure. An itemised claim of essential course costs must

be verified in writing by the Head of School/Faculty or equivalent

representative of the course provider as being an essential requirement for

all students undertaking the course. Evidence of expenditure such as

receipts must be provided.

Claims for reimbursement of daily travel costs must be verified by the

correctional institution.

Claims must be submitted before 1 April in the year following the year of

study.

**7.5.3.3**

**Continuing**

**students in**

**lawful custody**

**(See 7.3.7.2)**

For Lawful Custody Allowance, a continuing student is one who was

studying an approved course before imprisonment, continues the same

study in gaol, 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 criterion is met. Deductions, however,

should be made for any benefit, besides course costs, already paid for

while in custody that semester.

*Continued on next page*

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**7.5.3 Payment of Lawful Custody Allowance,** Continued

**7.5.3.4**

**Responsibility**

**for**

**overpayments**

Refer to 7.1.2 to identify the responsible payee where an overpayment of

this allowance has been made.

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**7.6 Pensioner Education Supplement**

**Overview**

**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.**

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.6.1 Summary of Pensioner Education Supplement 7-60

7.6.2 Introduction to Pensioner Education Supplement 7-62

7.6.3 Eligibility and Entitlement for Pensioner Education Supplement 7-63

Issued January 2003 ABSTUDY 2003 Page 7-60

**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 as an inducement for pensioners to take up

full-time study.

Eligibility conditions Eligibility requirements for relevant award, and is a pensioner

student.

Entitlement For qualifying payment see Centrelink publication ‘A guide to

Commonwealth Government payments’ for current rates.

PES Rates for new students

from 2000 policy changes

who are **not maintained at**

**1999 rates.**

**Ineligible for ABSTUDY PES from 1/1/2000 policy changes**

! Age pension or age service pension;

! Bereavement allowance (previous widowed person

Allowance);

! Defence widow(er) pension, war widow(er) pension or partner

service pension where the pensioner does not have any

dependent children;

! Wife pension where the husband receives the age pension;

! Partner service pension where the partner receives the age

service pension;

! Mature age allowance; or

! Mature age partner allowance.

**Eligible for ABSTUDY PES (1/1/2000 policy changes – see**

**Centrelink publication ‘A guide to Commonwealth**

**Government payments’ for current rate.)**

! Widow allowance, Widow B pension;

! Disability support pension or invalidity service pension;

! Special benefit if a sole parent;

! Defence widow(er) pension, war widow(er) pension or partner

service pension if the pensioner has a dependent child;

! Wife pension where the husband receives the disability

support pension or a disability wage supplement;

! Partner service pension where the partner receives the

invalidity service pension;

! Parenting payment (single); or

! Carer service pension or carer payment.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-61

**7.6.1 Summary of Pensioner Education Supplement,**

Continued

Payments period As for Living Allowance.

Payment features ! Initiated from assessment of claim form;

! paid fortnightly; and

! paid to the student.

Taxation status Tax exempt.

Indexation status Not indexed.

Issued January 2003 ABSTUDY 2003 Page 7-62

**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 7.3.4.4) from 1999 in receipt of the

ABSTUDY Pensioner Education Supplement, who given their current

personal and partner circumstances would not receive as high a level of

overall benefit this year as they would have received in 1999 given the

same circumstances (see 6.7.3), will be maintained at the 1999 rate of

Pensioner Education Supplement 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.

*Continued on next page*

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**7.6.3 Eligibility and Entitlement for Pensioner Education**

**Supplement**

**7.6.3.1**

**Eligibility**

A student is eligible for PES 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.

PES:

! 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 3.1.1 and 3.2.1); and

! is subject to academic requirements (see 4.1 to 4.4).

**7.6.3.2**

**Entitlement**

PES rate of entitlement is determined by the study load and the type of PES

qualifying income support payment received. For the purposes of 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; or

! Rehabilitation Allowance

*Continued on next page*

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**7.6.3 Eligibility and Entitlement for Pensioner**

**Education Supplement,** Continued

**7.6.3.2**

**Entitlement**

(con’t)

Some part-time students may be eligible for PES (i.e., 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);

! Invalidity Service Pension **or have a dependent child under 16 and**

**receiving:**

$ Special Benefit – and is a sole parent;

$ Widow B Pension; or

$ Widow Allowance; or

! Defence Widow or War Widow Pension.

**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/Partner Allowance, will not be moved back to the Wife’s

Pension, regardless of the grandfathering provision. In these cases PES

should continue to be paid where the person received PES from 1996 to

2002 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 refer ABSTUDY Policy Manual 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.

Continued on next page

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**7.6.3 Eligibility and Entitlement for Pensioner**

**Education Supplement,** Continued

**7.6.3.5**

**Type of pension**

For the purposes of PES a person must be:

(i) receiving a disability support pension, a carer payment or a pension

PP (single) under Social Security Law; or

(ii) receiving an invalidity service pension or a carer service pension

under the Veterans’ Entitlements Act; or

the person has a dependent child aged less that 16 years and:

(i) is receiving a Widow B pension under Social Security Law; or

(ii) is a sole parent and is receiving a special benefit under Social

Security Law ; or

(iii) is receiving a widow allowance under Social Security Law; or

(iv) is receiving a war widow(er)s pension under part II of the

Veterans’ Entitlements Act; or

(v) is receiving a defence widow(er)s pension under part IV of the

Veterans’ Entitlements Act.

*Continued on next page*

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**7.6.3 Eligibility and Entitlement for Pensioner**

**Education Supplement,** Continued

**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;

See Centrelink publication ‘A guide to Commonwealth Government

payments’ for current rates.

**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.

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**7.6.3 Eligibility and Entitlement for Pensioner**

**Education Supplement,** Continued

**7.6.3.9**

**Workload**

**Concession**

From 1 January 2000 until March 2000, students undertaking at least 25%

of the normal full-time workload (at all times) were regarded as full-time

students and a Pensioner Education Supplement paid if they were

receiving one of the following Department of Veterans’ Affairs (DVA) or

Family and Community Services (FaCS) pensions or allowance:

(i) a disability support pension, a carer payment or a pension PP

(single) under the Social Security Act; or

(ii) an invalidity service pension or a carer service pension under the

Veterans’ entitlements Act; or

the person has a dependent child aged less that 16 years and:

(i) is receiving a Widow B pension under the Social Security Act; or

(ii) is a sole parent and is receiving a special benefit under the Social

Security Act; or

(iii) is receiving a widow allowance under the Social Security Act; or

(iv) is receiving a war widow(er)s pension under part II of the Veterans’

entitlements Act; or

(v) is receiving a defence widow(er)s pension under part IV of the

Veterans’ Entitlements Act.

Rates of payment and eligibility criteria were aligned with the Pensioner

Education Supplement available under the *Social Security Act 1991.*

**NOTE: From March 2000 the workload concession changed:**

! See the Centrelink publication ‘ A guide to Commonwealth

Government payments’ for current rates.

**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**.

*Continued on next page*

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**7.6.3 Eligibility and Entitlement for Pensioner**

**Education Supplement,** Continued

**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 by 31 March for full year courses

and 31 July for second semester courses or payment will only be made

from the date of lodgement of the PES claim.

**7.6.3.12**

**Responsibility**

**for**

**overpayments**

Refer to 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**

**Overview**

**Introduction** This chapter contains details about Incidentals Allowance and Additional

Incidentals Allowance

**In this chapter** This chapter contains the following topic

**Topics See Page**

7.7.1 Summary of Incidentals and Additional Incidentals Allowance 7-70

7.7.2 Introduction to Incidentals Allowance 7-72

7.7.3 Eligibility for Incidentals Allowance 7-73

7.7.4 Entitlement to Incidentals Allowance 7-74

7.7.5 Payment of Incidentals Allowance 7-78

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**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.

**Note:** Schooling Award students must be 18 years or older at

1 January in the year of study 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 ! Meets relevant Award criteria, and

! allowance is not income-tested.

Entitlement Initial entitlement:

! Period of enrolment - <12 weeks; 12 - 16 weeks; 17 - 23 weeks

(1 semester); 24 weeks to 1 year.

Additional Incidentals

Allowance

! Essential course costs exceed the prescribed amount,

! itemised claim verified in writing by the Head of School or

Faculty; and

! not available to students on the Part-time Award.

Rate of IA for each year of

study per Award

! See the Centrelink publication ‘A guide to Commonwealth

Government payments’ for current rates.

Other entitlement features ! entitlement to initial IA established by commencement of study

in the course;

! Additional IA may be claimed by full-time students if essential

course costs exceed the prescribed amount;

! There is a maximum to the amount of Additional IA which

can be claimed in a year. Refer to the Centrelink

publication ‘A guide to Commonwealth Government

payments’ for current limit (not CPI’d).

Payment features ! initial IA initiated from assessment of claim form;

! paid in lump sum up to four weeks in advance of study;

! paid to the student, and

! Additional IA initiated by claim from student verified in writing

by Head of School or Faculty.

*Continued on next page*

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**7.7.1 Summary of Incidentals and Additional**

**Incidentals Allowance,** Continued

Taxation status Non taxable.

Indexation status Initial IA and the Prescribed Amounts for Additional Incidental

Allowances are indexed to CPI and adjusted annually.

Issued January 2003 ABSTUDY 2003 Page 7-72

**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; and

! Masters and Doctorate Award.

**Note:** Schooling Award students must be 18 years or older at 1 January in

the year of study 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.

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**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 3.2.1.8.1).

**Note:** Schooling Award students must be 18 years or older at 1 January in

the year of study 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 the New Apprenticeship Access Programme courses**

**are not eligible for Incidentals Allowance (see 4.1.3).**

See the Centrelink publication ‘ A guide to Commonwealth Government

payments’ for current rates.

!

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.*

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**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 on the previous page.

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**7.7.4 Entitlement to Incidentals Allowance,** Continued

**7.7.4.3**

**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.

**7.7.4.4**

**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.

See the Centrelink publication ‘ A guide to Commonwealth Government

payments’ for current rates.

.

**7.7.4.5**

**Example only :**

*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

**Less** Prescribed Amount

ie, Initial IA $410.70

+ Student Contribution $400.00 = $810.70

Additional IA Entitlement = $ 49.30

! Note: example only see the Centrelink publication ‘ A guide to

Commonwealth Government payments’ for current rates.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-76

**7.7.4 Entitlement to Incidentals Allowance,** Continued

**7.7.4.6**

**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.

**7.7.4.7**

**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.

**7.7.4.8**

**Prescribed**

**amounts**

! The prescribed amounts for determining additional entitlement are

listed in the Centrelink publication ‘A guide to Commonwealth

Government payments’ for current rates.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-77

**7.7.4 Entitlement to Incidentals Allowance,** Continued

**7.7.4.9**

**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.

**7.7.4.10**

**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.

**7.7.4.11**

**Not income**

**tested**

Incidentals Allowance and Additional Incidentals Allowance are not

income-tested.

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**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 7.1.2 to identify the responsible payee where an overpayment of

this allowance has been made.

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**7.8 School Fees Allowance**

**Overview**

**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.

**In this chapter** This chapter contains the following topics.

**Topic See Page**

7.8.1 Summary of School Fees Allowance 7-80

7.8.2 Eligibility for School Fees Allowance 7-82

7.8.3 Entitlement to School Fees Allowance 7-85

7.8.4 Definition of School Fees 7-87

7.8.5 Payment of School Fees Allowance 7-88

7.8.6 Transfer of School Fees Allowance to pay Boarding Costs 7-90

7.8.7 Change of School 7-91

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**7.8.1 Summary of School Fees Allowance**

**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 Meets the relevant 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, independent or pensioner rates;

and:

- the applicant or the applicant's partner qualifies for a

prescribed form of Commonwealth Government assistance;

or

- 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

- the student is in State care and living with foster parents, or

- the applicant or the applicant’s partner is receiving a CDEP

wage as a participant of the project, not as the

administrator; or

- the applicant or the applicant’s partner has a current Health

Care Card/Low Income Card; **or**

**Group 2**

! meets the criteria for the away rate;

! would meet a criterion for the away rate but for the presence

of a local non-government school which the student attends;

or

! qualifies for independent status as a homeless student, an

orphan or a student whose parent(s) cannot exercise parental

responsibilities.

*Continued on next page*

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**7.8.1 Summary of School Fees Allowance,** Continued

Level of entitlement **DIFFERENT TO YOUTH ALLOWANCE/AUSTUDY**

**PAYMENT**

**Group 1**

! for students under 16 years of age on 30 June in the year of

assistance;

! for students turning 16 years of age in the period 1 January -

30 June in the year of assistance.

! **Group 2**

See the Centrelink publication ‘ A guide to Commonwealth

Government payments’ for current rates for both Groups.

Other entitlement features Entitlement is through commencement of study in the school

year.

Institutional board students may qualify for excess boarding

costs to be met from unused School Fees Allowance

Payment features **Group 1**

! Annual entitlement paid direct to the school or reimbursed to

the applicant on producing a school receipt of payment.

**Group 2**

! Paid to school annually or by the term on lodgement of a

claim or paid to person incurring expense on a claim for

reimbursement.

Taxation status Not taxable if used as School Fees Allowance.

Taxable as income of students 16 years and older if used to pay

excess boarding costs.

Indexation status **Group 1** - Not indexed.

**Group 2** - Indexed to CPI and adjusted annually.

Issued January 2003 ABSTUDY 2003 Page 7-82

**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, see 7.8.5.3; 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. (Also 5.4.1,

7.9.3.1).

**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 5.5.1.2), 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

5.4.1.) 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.

*Continued on next page*

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**7.8.2 Eligibility for School Fees Allowance,** Continued

**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 pension under *Social Security Law*, eg, sole parent pension,

disability support pension, age pension, bereavement allowance, carer

pension; or

! a pension under the *Veterans Entitlement Act;* 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 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 5.3.3.7, 5.3.3.10 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 5.4.1.) 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.

*Continued on next page*

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**7.8.2 Eligibility for School Fees Allowance,** Continued

**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 Carer

Allowance is received.

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**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 where different rates of entitlement apply for eligible

students.

**Different to Youth Allowance/Austudy payment**

**Students who... are entitled to...**

! live at home, or are not eligible for the away

rate; and

! the parent/guardian is eligible under 7.8.2.2

below; and

! turn 16 years of age from 1 January to

30 June in the year of assistance;

See the Centrelink

publication ‘A guide to

Commonwealth

Government payments’

for current rates.

! live at home, or are not eligible for the away

rate; and

! the parent/guardian is eligible under 7.8.2.2

below; and

! are under 16 years of age at 30 June in the

year of assistance;

See the Centrelink

publication ‘ A guide to

Commonwealth

Government payments’

for current rates.

! is an approved Group 2 student as defined

in 7.8.2.1 of this chapter.

See the Centrelink

publication ‘A guide to

Commonwealth

Government payments’

for current rates.

Issued January 2003 ABSTUDY 2003 Page 7-86

**7.8.3 Entitlement to School Fees Allowance, Continued**

**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**

School 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.

Issued January 2003 ABSTUDY 2003 Page 7-87

**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 programme.

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/purchase of linen;

! 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.

Issued January 2003 ABSTUDY 2003 Page 7-88

**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 or reimbursed 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

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; and

! for students attending a government school the entitlement is payable

in a lump sum at the beginning of the year;

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for current rates.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-89

**7.8.5 Payment of School Fees Allowance,** Continued

**7.8.5.4**

**Responsibility**

**for**

**overpayments**

Refer to 7.1.2 to identify the responsible payee where an overpayment of

this allowance has been made.

Issued January 2003 ABSTUDY 2003 Page 7-90

**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.

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**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.

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**7.9 Fares Allowance**

**Overview**

**Introduction** This chapter contains details about Fares Allowance.

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.9.1 Summary of Fares Allowance 7-93

7.9.2 Introduction to Fares Allowance 7-95

7.9.3 Eligibility for Fares Allowance 7-96

7.9.4 Entitlement to Fares Allowance 7-101

7.9.5 Types of Specified Travel 7-109

7.9.6 Approved Travellers 7-123

7.9.7 Payment of Fares Allowance 7-127

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**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 ! Meets the relevant award criteria; and

! meets one of the conditions of approval to live away from

home or to participate in an approved Away-from-base

activity.

Entitlement Entitlement matched to the actual cost of most appropriate and

cost-effective form of transport.

Standard rate ! The standard rate is an amount equivalent to the cost of an

economy class rail or bus fare;

! where travel by economy class rail or bus is impracticable

or unreasonable, the rate may be pegged to:

- economy air fare or rail fare with sleeping berth;

- Motor Vehicle Allowance rate;

- cost of chartered transport; or

- other appropriate means of transport.

Provision of entitlement ! Travel ticket authorised by Centrelink;

! cost of travel reimbursed to person incurring expense; and

! transport chartered by Centrelink.

Other conditions ! Interstate travel is not available to secondary students

(including those undertaking enabling courses at a

university) except where the conditions of 7.9.3.3 are met.

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.

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**7.9.1 Summary of Fares Allowance (continued)**

! Interstate travel is not available for students undertaking

certificate and enabling courses (including those offered by

universities) at interstate locations, except where the

conditions of 7.9.3.4 are met.

In such cases, the student may be approved to travel to the

most cost-effective interstate location.

Payment features ! Payable on submission of claim from:

- travel carrier or travel agent for Centrelink-authorised or

Centrelink chartered travel; or

- student or person or education institution incurring cost.

Taxation status Non taxable income for the student.

Indexation status Not applicable.

**\*Note 1:** Travel costs to a school with available boarding places in

the student’s home state should be compared with commercial 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.

Issued January 2003 ABSTUDY 2003 Page 7-95

**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.

Issued January 2003 ABSTUDY 2003 Page 7-96

**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 1.2.1.70 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. 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

! interstate travel is more cost effective than intrastate; 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**

Interstate travel generally will not be approved for:

! field trips and placements (see 7.10.4.4.6, 7.10.4.5.6); and

! students undertaking certificate or enabling courses, including

attending residential schools (see next block).

*Continued on next page*

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**7.9.3 Eligibility for Fares Allowance,** Continued

**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; and

! the institution has applied to DEST and has been granted an exemption

from this rule.

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

must make a written request to the:

Group Manager

Indigenous Policy Development and Coordination Group

Loc: 161

DEST GPO Box 9880

CANBERRA ACT 2601

or by fax to 02 6240 7667, for consideration.

**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.

*Continued on next page*

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**7.9.3 Eligibility for Fares Allowance,** Continued

**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.

*Continued on next page*

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**7.9.3 Eligibility for Fares Allowance,** Continued

**7.9.3.10**

**Example**

*Joanna was studying in Sydney until 10 December last year. At the end of*

*the course Joanna was offered a job at the local shopping centre up to*

*20 January. No employment was available in her home town. On*

*20 January Joanna rang Centrelink to arrange her flight, to her home*

*town. Her next year studies commence on 1 March 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 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.

*Continued on next page*

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**7.9.3 Eligibility for Fares Allowance,** Continued

**7.9.3.14**

**Changed**

**circumstances**

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.

**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.

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**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.

*Continued on next page*

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**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.2**

**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 as determined by FaCS 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, and helicopter.

**7.9.4.3**

**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.

*Continued on next page*

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**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.4**

**Motor Vehicle**

**Allowance**

Fares allowance entitlement may be assessed at the rate of MVA in line

with the rates determined by FaCS in the following circumstances:

! if no regular public transport services exists for all or part of the

journey, i.e., 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:

! MVA 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.

**7.9.4.5**

**Motor vehicle**

**allowance**

**assessment**

Where a MVA 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 MVA rate for the engine capacity of the vehicle. Current

MVA rates can be viewed at www.facs.gov.au/ssleg/ssact/ssas1298.htm .

**7.9.4.6**

**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, the cost of economy class rail or bus

(including concessional rate, if applicable).

*Continued on next page*

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**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.7**

**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, i.e. 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.

**7.9.4.8**

**Motor vehicle**

**allowance**

**payable**

Where 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 FaCS Motor Vehicle

Allowance is payable.

**7.9.4.9**

**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.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-105

**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.10**

**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.

**7.9.4.11**

**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.

**7.9.4.12**

**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; and

! the education institution arranges the transport; and

! the costs are reasonable.

*Continued on next page*

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**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.13**

**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.

**7.9.4.14**

**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, i.e. 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. (see 7.9.5.7.6)

**7.9.4.15**

**Travel service**

**provider**

Qantas is currently the approved travel service provider for student travel

*Continued on next page*

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**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.16**

**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.

**7.9.4.17**

**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; or

! 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.

**7.9.4.18**

**Variations to**

**authorised**

**travel**

Variations to booked travel are to be authorised by Centrelink first.

Arrangements can then be made by Centrelink, the student,

parent/guardian, board provider or education institution directly with the

travel carrier provided there is no additional cost to Centrelink.

*Continued on next page*

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**7.9.4 Entitlement to Fares Allowance,** Continued

**7.9.4.19**

**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 the ‘no show’ was due to circumstances beyond the control of the

student, the penalty will not be applied.

**Note**: The most cost-effective fare should be purchased in all

circumstances. Factors in deciding the fare could be the

availability of concessional rates or refundable fares and the

likelihood of no show travel.

**7.9.4.20**

**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.

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**7.9.5 Types of Specified Travel**

**Introduction** This topic explains the different types of travel available for students

**In this topic** This topic is divided into the following sections

**Section See Page**

7.9.5.1 Travel at Commencement and End of Study Period 7-110

7.9.5.2 School Vacation Travel 7-111

7.9.5.3 Tertiary Travel - courses of more than one semester 7-112

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7.9.5.9 Masters/Doctorate Relocation Travel 7-120

7.9.5.10 Orientation or Special Purpose Visit Travel 7-121

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**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.

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**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.

This provision is not available to independent students who have elected to

have their dependent(s) join them at the student location and ABSTUDY

has funded the dependent(s) travel.

**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.

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**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 elected to receive Fares Allowance for dependent(s) to

travel to the study location.

**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.

Issued January 2003 ABSTUDY 2003 Page 7-113

**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 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, i.e. 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.

When assessing compassionate leave for the student to attend a funeral,

cultural factors regarding extended family and kinship obligations apply.

*Continued on next page*

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**7.9.5.4 Compassionate Travel,** Continued

**7.9.5.4.5**

**Number of**

**approved trips**

**Different to Youth Allowance/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.

**7.9.5.4.8**

**Evidence**

Where necessary, travel may be approved 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.

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**7.9.5.5 Away-from-base Activities Travel**

**7.9.5.5.1**

**Purpose**

To enable an applicant to participate in an approved Away-from-base

activity, such as a selection test or interview programme, residential

school, field trip or placement.

**7.9.5.5.2**

**Eligibility**

Available for an applicant 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 7.10.4). For variations to authorised travel, see

7.9.4.18.

**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 for the total of fares and accommodation each

calendar year.

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for current limit.

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**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.

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**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

! were approved for travel to attend a residential school under the Awayfrom-

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 paid by Centrelink.

**7.9.5.7.4**

**Eligibility for**

**IESIP**

**Graduation**

**Travel through**

**Centrelink**

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.

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.

*Continued on next page*

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**7.9.5.7 Graduation Travel,** Continued

**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.

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**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 applicants 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, community representative or

representative of the receiving school or hostel, in accordance with the

definition at 7.9.6.3.2.

**7.9.5.8.3**

**Number of**

**supervisors**

The number of supervisors will depend on the circumstances of the travel.

As a rule of thumb, a ratio of supervisor to six students should be used.

**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 7.9.4.14.

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**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 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.

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**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 live away

from home and have been approved for ABSTUDY fares allowance from

their home to the education institution. 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 -**

**Students**

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**

see 7.9.5.8.3

*Continued on next page*

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**7.9.5.10 Orientation or Special Purpose Visit Travel,**

Continued

**7.9.5.10.5**

**Entitlement -**

**student**

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

7.9.4.14.

**7.9.5.10.6**

**Entitlementschool**

**staff**

**member**

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. Also see 7.9.6.3.2 and 7.9.6.3.3.

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**7.9.6 Approved Travellers**

**Introduction** This topic details when travel is available to people other than students

**In this topic** This topic is divided into the following sections.

**Section See Page**

7.9.6.1 Dependants’ Travel 7-124

7.9.6.2 Travelling Companion/Visitor for an ill Student or a

Student with a Disability

7-125

7.9.6.3 Education Institution Representative Travel 7-126

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**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.

Independent students electing this option are not eligible for mid year

return trip to their home location and back to school as they already

have received assistance to have their dependent(s) relocated to be

with them.

**7.9.6.1.2**

**Not approved**

**for mid-year**

**trip**

Students undertaking courses of more than one semester, who receive

travel entitlements for dependant to travel to the place of study, are not

eligible for a mid-year reunion trip as they already have their dependent(s)

with them.

**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.

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**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.

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**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-frombase**

**travel**

Travel may also be approved for education institution representatives to

conduct testing and assessment programmes or residential schools in a

community (see 7.10.4.3.5 and 7.10.4.6.4).

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**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 7.1.2 to identify the responsible payee where an overpayment of

this allowance has been made.

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**7.10 Away-from-base Assistance**

**Overview**

**Introduction** This chapter contains details about assistance which can be provided for

students to participate in Away-from-base activities.

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.10.1 Summary of Away-from-base Activities 7-129

7.10.2 Introduction to Away-from-base Activities 7-131

7.10.3 Away-from-base non mixed-mode Activities

Entitlements

7-133

7.10.4 Away-from-base Course Approvals for non mixedmode

courses

7-144

7.10.5 Payment of Away-from-base Activities for non

mixed-mode courses

7-164

7.10.6 Acquittal of Away-from-base Activities 7-166

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**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 ! Testing and assessment programmes;

! residential schools;

! field trips for tertiary courses; and

! placements.

Approvals ! All course activities require an Away-from-base course

activity submission form to be lodged by the education

institution; and

! separate approval requirements for mainstream and

Indigenous special courses.

Entitlements ! Fares Allowance, residential expenses or travel allowance;

and

! Living Allowance except for students in lawful custody.

Limits to entitlements The following limits will apply to Away-from-base assistance:

! up to six return trips; and

! up to 40 days residential costs **or** the number of days

which applied to the approved course prior to 1998.

Secondary courses, including those offered by higher

education and VET institutions are not eligible to attract

Away-from-base funding for field trips. When in doubt refer

Determination 2002/1, Appendix 2.

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

Assistance with residential expenses:

! meets the actual cost of meals and accommodation if these

costs are reasonable;

! is paid only where education institution or other

organisation arrange accommodation; and

! is the preferred form of entitlement - applies unless

impracticable or unreasonable in the circumstances.

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**7.10.1 Summary of Away-from-base Activities,**

**continued**

**Features of Allowance Details**

ABSTUDY meal allowance

rates

If meals are not included in residential expenses, ABSTUDY

meal allowance may be provided at the rates listed at

7.10.3.2.7.May also be paid to students attending a placement

where travel allowance is approved.

Features of travel allowance ! Provides a set allowance to cover cost of accommodation;

! paid in circumstances where residential arrangements are

impracticable or unreasonable; and

! rates aligned to FaCS Travel Allowance accommodation

component (students attending placements may also be

entitled to ABSTUDY meal allowance).

Eligibility for Living

Allowance

! Paid if student suffers a loss of regular income; and

! Living Allowance paid for the duration of the activity is

not subject to income-testing.

Payment features -

residential expenses and

travel allowance

! May be paid in advance, subject to acquittal;

! residential expenses paid to education institution or

organisation incurring expense; and

! travel allowance (accommodation component) paid to

student.

Acquittal Required from institutions within four weeks of completion of

the activity.

Taxation status Residential expenses and travel allowance not taxable.

Indexation status Travel allowance reviewed periodically.

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**7.10.2 Introduction to Away-from-base Activities**

**7.10.2.1**

**Two Categories**

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. For this type of

assistance students 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. This

category is administered by DEST.

Programme

**7.10.2.2**

**Coverage**

**DIFFERENT TO YOUTH ALLOWANCE/AUSTUDY PAYMENT**

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:** Aged pensioners who are part-time students are eligible for Awayfrom-

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.

*Continued on next page*

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**7.10.2 Introduction to Away-from-base Activities,**

**continued**

**7.10.2.4**

**Costs to be**

**justified**

If a cost-incurring aspect of an Away-from-base activity is not justified,

eg, that the length of programme, destination of field trip or placement, or

costs of an activity are not reasonable, then the Delegate can only approve

only those costs s/he considers justified or reasonable. 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**

**Advanced**

**payment**

Advanced funding for Away-from-base activities, including testing and

assessment programmes, will only be paid where Centrelink is satisfied

that the individuals listed to participate in the activity are eligible for that

funding. For this reason, applicants for advance funding must submit their

application forms to Centrelink at least six weeks prior to the

commencement of the activity.

ABSTUDY may still be approved for persons who lodge their application

up to two weeks before the commencement of the activity but advance

funding will not be payable. The funding will be paid directly to the

individual who will then be responsible for arranging and paying for their

own meals and accommodation.

**7.10.2.7**

**Terms and**

**Conditions**

The terms and conditions outlined on the Centrelink Away-from-base

submission, form part of the funding guidelines.

**7.10.2.8**

**Applications**

**for non-mixed**

**mode courses**

Applicants for away-from-base funding for non ‘mixed-mode’ courses

should provide all the information required for the assessment of the awayfrom-

base activity.

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**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.

**In this topic** This topic is divided into the following sections.

**Section See Page**

7.10.3.1 General Entitlements for non-mixed mode courses 7-134

7.10.3.2 Residential Expenses and Meal Allowance 7-136

7.10.3.3 Living Allowance 7-143

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**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 7.9.5.5);

! residential, i.e., 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

limited in a calendar year for accommodation, meals and fares. (See the

Centrelink publication ‘ A guide to Commonwealth Government

payments’ for current limit.)

**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.

*Continued on next page*

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**7.10.3.1 General Entitlements for non-mixed mode**

**courses,** Continued

**7.10.3.1.3**

**Entitlements**

**for nonstudents**

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 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.

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**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 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 programme, 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

programmes, residential schools and field trips.

*Continued on next page*

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**7.10.3.2 Residential Expenses and Meal Allowance,**

Continued

**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.

The following thresholds in deciding the method of procurement must be

observed:

! 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**

Where it is impractical or inexpedient to either obtain the required number

of quotations or meet the formal tender process, the approval by the

appropriate officer 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.

**Insufficient time resulting from poor planning is not a justifiable**

**reason for exemption.**

*Continued on next page*

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**7.10.3.2 Residential Expenses and Meal Allowance,**

Continued

**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 than the maximum limit; **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).

A student who chooses not to avail her/himself of the residential

arrangements provided by the education institution (or an 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.

*Continued on next page*

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**7.10.3.2 Residential Expenses and Meal Allowance,**

Continued

**7.10.3.2.7**

**Rates of**

**entitlement -**

**ABSTUDY**

**meal allowance**

The rates of ABSTUDY meal allowance for meals which are not included

in residential charges, or where travel allowance is paid and the awayfrom-

base activity is as follows for capital cities and high cost country

centres:

Meal Amount for capital cities Amount for centres other

and high cost country centres\* than capital cities and

high cost country

centres\*\*

Breakfast $17.20 $15.30

Lunch $19.20 $17.55

Dinner $33.05 $30.25

\*High cost country centres listed in 7.10.3.2.10.

\*\*Centres other than capital cities and high cost country centres listed at

7.10.3.2.10.

**Note: 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 there are special reasons which make it impracticable or

unreasonable for the education institution to arrange a residential

programme, travel allowance may be approved.

*Continued on next page*

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**7.10.3.2 Residential Expenses and Meal Allowance,**

Continued

**7.10.3.2.9**

**Rate of**

**entitlement -**

**travel**

**allowance**

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 $100.00 $17.20 $19.20

Brisbane $105.00 $17.20 $19.20

Canberra $88.00 $17.20 $19.20

Darwin $105.00 $17.20 $19.20

Hobart $82.00 $17.20 $19.20

Melbourne $131.00 $17.20 $19.20

Perth $98.00 $17.20 $19.20

Sydney $126.00 $17.20 $19.20

High Cost Country Centres\* $17.20 $19.20

Tier 2 Country Centres\*\* $15.30 $17.55

Other Country Centres $64.00 $15.30 $17.55

\*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

**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: Meal allowance rates are not payable to students in conjunction**

**with any ABSTUDY allowance.**

*Continued on next page*

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**7.10.3.2 Residential Expenses and Meal Allowance,**

Continued

**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 where 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 $77.00 Katherine (NT) $81.50

Ballarat (Vic) $80.00 Kununurra (WA) $108.00

Broken Hill (NSW) $83.50 Launceston (Tas) $89.00

Broome (WA) $143.50 Maria (SA) $80.00

Burnie (Tas) $81.00 Newcastle (NSW) $90.00

Cairns (Qld) $87.50 Newman (WA) $109.50

Christmas Island $100.00 Nhulunbuy (NT) $121.50

Cocos (Keeling) $112.50 Norfolk Island $120.00

Dampier (WA) $91.00 Paraburdoo (WA) $81.50

Derby (WA) $84.50 Pt Hedland (WA) $117.00

Devonport (Tas) $79.50 Roebourne (WA) $75.00

Exmouth (WA) $110.50 Thursday Island $130.00

Gold Coast (Qld) $101.50 Tom Price (WA) $84.00

Geelong (Vic) $75.00 Wagga Wagga (NSW) $77.00

Halls Creek (WA) $106.00 Weipa (Qld) $86.00

Horn Island $108.00 Wilpena (SA) $92.00

Jabiru (NT) $170.0 Wollongong (NSW) $105.50

Kalgoorlie (WA) $85.00 Wyndham (WA) $99.50

Karratha (WA) $139.00 Yulara (NT) $343.00

*Continued on next page*

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**7.10.3.2 Residential Expenses and Meal Allowance,**

Continued

**7.10.3.2.10**

**High cost**

**location**

**(continued)**

**Rates of Travelling Allowance - High Cost and Tier 2 Centres**

**B. Tier 2 Country Centres**

**Accommodation Expenses**

Albany (WA) $73.00 Gosford (NSW) $73.00

Bathurst (NSW) $71.00 Griffith (NSW) $77.00

Bendigo (Vic) $73.00 Leeton (NSW) $73.00

Bright (Vic) $71.00 Maitland (NSW) $77.00

Bunbury (WA) $71.00 Mt Magnet (WA) $73.00

Carnarvon (WA) $77.00 Northam $77.00

Castlemaine (Vic) $69.00 Orange (NSW) $77.00

Emerald (Qld) $71.00 Port Lincoln $73.00

Geraldton (WA) $69.00 Port Pirie $73.00

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**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 an ABSTUDY 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-frombase

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.

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**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 Awayfrom-

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.

**In this topic** This topic is divided into the following sections:

**Section See Page**

7.10.4.1 Approved Activities for non mixed-mode courses 7-145

7.10.4.2 Mainstream Course Approvals 7-147

7.10.4.3 Testing And Assessment Programmes 7-150

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7.10.4.7 Residential Schools - Bulk Funding 7-160

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**7.10.4.1 Approved Activities for non mixed-mode**

**courses**

**7.10.4.1.1**

**Limits to**

**Away-frombase**

**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

7.9.4.14).

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**7.10.4.1 Approved Activities for non mixed-mode**

**courses,** Continued

**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 does 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.

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**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 programmes, residential schools, placements and field trips as

part of a mainstream course. See definition of mainstream course at

1.2.1.57.

*Continued on next page*

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**7.10.4.2 Mainstream Course Approvals,** Continued

**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 see7.10.4.5.3.

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, a maximum of 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.

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**7.10.4.2 Mainstream Course Approvals,** Continued

**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**

**approval**

An education institution proposing to conduct a testing and assessment

programme, 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 programme for approval-in-principle.

Where payment in advance is requested, funds can only be advanced for

approved applicants.

**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.

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**7.10.4.3 Testing And Assessment Programmes**

**7.10.4.3.1**

**Description**

These activities include programmes 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 programme would normally be of

two to five days duration.

ABSTUDY assistance to attend testing and assessment programmes 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 1:** Approval of assistance to attend a testing and assessment

programme does not automatically approve a student for fares

entitlement if s/he is accepted into the course.

**Note 2:** Where it is essential that a student undertake a preliminary

assessment before being admitted into an enabling course at a

university that is an alternative entry to a mainstream higher

education course, they may also be eligible for assistance to attend a

Testing and Assessment programme.

**7.10.4.3.2**

**Limit of**

**assistance**

Eligible applicants may be assisted to attend a maximum of two testing and

assessment programmes in a year.

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**7.10.4.3 Testing And Assessment Programmes (continued)**

**7.10.4.3.3**

**Approval**

**requirements**

The requirements for approval for testing and assessment programmes

conducted for entry into a mainstream course are described in 7.10.4.2.2.

Approval for testing and assessment programmes 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 must seek approval in writing from DEST National Office at

least eight weeks before the proposed commencement date. The address is:

Group Manager

Indigenous Education Group

DEST

GPO Box 9880

Canberra 2601

Loc: 161

*Continued on next page*

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**7.10.4.3 Testing And Assessment Programmes**

**(continued),** Continued

**7.10.4.3.4**

**Approval**

The delegated officer may approve the cost of an applicant’s participation

in a testing and assessment programme providing s/he is confident that:

! the course of study to which the testing and assessment programme

relates is an accredited course conducted by a registered institution;

! there is a sound educational basis for the programme;

! the length of the programme 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 programmes 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 programme.

**Note 2:** When considering approval for a Testing and Assessment

Programme, 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

programme for ABSTUDY students is to lodge an Away-from-base

submission **at least six weeks** prior to the proposed programme for

approval-in-principle and advanced payment where requested. See

7.10.2.6 for conditions of advance payments.

*Continued on next page*

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**7.10.4.3 Testing And Assessment Programmes**

**(continued),** Continued

**7.10.4.3.7**

**Submission**

**details**

The submission is to provide the following:

! rationale for and objectives of the programme;

! schedule of activities and timetable for the programme;

! names and home locations of student participants (or estimated number

of students if names not known);

! arrangements for accommodation and estimated residential cost, i.e,

cost of accommodation and meals;

! transport arrangements and cost;

! arrangements for collection of claim forms; and

! account details and payment arrangement preferred i.e, in advance and

subject to acquittal, or on lodgement of claim with supporting receipts.

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**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.

*Continued on next page*

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**7.10.4.4 Placements,** Continued

**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 programme, a supporting statement must

be provided from the education institution;

! evidence that the placement is an integral component of the course, i.e,

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/territory 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. (See 7.10.2.4)

Assistance to travel overseas is not available.

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**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.

**Note:** Courses listed as secondary courses in Determination 2002/1 are

not eligible to receive Away-from-base assistance for field trips. This

includes preparatory, orientation, enabling and bridging courses offered by

higher education institutions.

**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 (i.e, a maximum of 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 approvalin-

principle where advance payment is not requested.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-157

**7.10.4.5 Field Trips,** Continued

**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.

(See 7.10.2.4)

Assistance to travel overseas is not available.

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**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 programmes 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.

*Continued on next page*

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**7.10.4.6 Residential Schools,** Continued

**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-inprinciple

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.

**7.10.4.6.7**

**Bulk funding**

**requirements**

See the next Section, 7.10.4.7, for specific bulk funding requirements.

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**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 programmes of intensive oncampus

lectures and tutorials and are normally of one or two weeks’

duration.

**7.10.4.7.2**

**Approving**

**institutions for**

**bulk funding**

Centrelink 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 submission with Centrelink 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 must be signed by the person who is authorised to make

the claim on behalf of the education institution.

*Continued on next page*

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**7.10.4.7 Residential Schools - Bulk Funding,** Continued

**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.

*Continued on next page*

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**7.10.4.7 Residential Schools - Bulk Funding,** Continued

**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. See 7.9.4.17.

*Continued on next page*

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**7.10.4.7 Residential Schools - Bulk Funding,** Continued

**7.10.4.7.10**

**Reporting**

Education institutions are required to lodge an acquittal report with

Centrelink 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.

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**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

based on the actual number of participants once the course activity has

been completed; or

! on submission of a claim from the education institution or organisation

incurring expense.

**Note: Requests for advance payment should not be approved where**

**the submission is not received six weeks before the start of the**

**first activity, see 7.10.2.6**

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 delegate 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.

*Continued on next page*

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**7.10.5 Payment of Away-from-base Activities for non**

**mixed-mode courses,** Continued

**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 nonacquittal**

**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 is outstanding.

**7.10.5.8**

**Responsibility**

**for**

**overpayments**

Refer to 7.1.2 to identify the responsible payee where an overpayment of

this allowance has been made.

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**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.

Funds are only payable for the actual number of participating applicants.

**7.10.6.4**

**Acquittal time**

Acquittal of an advance payment should be sent to the relevant Centrelink

office 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.

*Continued on next page*

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**7.10.6 Acquittal of Away-from-base Activities,** Continued

**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.

**7.10.6.7**

**Unexpended**

**funds**

At the discretion of the Delegate, unexpended funds may be rolled over

and deducted from the next approved activity.

**7.10.6.8**

**Unacquitted**

**funds**

Funds which can not be acquitted i.e, the institution is unable to

substantiate expenditure, must be repaid before further ABSTUDY

funding can be paid.

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**7.11 Under 16 Boarding Supplement**

**Overview**

**Introduction** This chapter contains details about the Under 16 Boarding Supplement.

**In this chapter** This chapter contains the following topics

**Topic See Page**

7.11.1 Summary of the Under 16 Boarding Supplement 7-169

7.11.2 Introduction to the Under 16 Boarding Supplement 7-170

7.11.3 Eligibility for the Under 16 Boarding Supplement 7-171

7.11.4 Payment of Under 16 Boarding Supplement 7-172

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**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 an enrolment of 10% Indigenous students

within its overall student population or have a minimum of 20

Indigenous students enrolled. 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 Centrelink by DEST.

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 The School:

! is a boarding school defined at 7.11.3.3; and

! at least 10% of students must be Indigenous students, or a

minimum of 20 Indigenous students must be enrolled.

The Student:

! meets the schooling B Award criteria; and

! is younger than 16 years old on the relevant census date ie,

the 3rd Friday of first semester and the 3rd Friday of for

second semester; and

! is boarding at a school that is eligible for the payment, and

! is **receiving** the away rate of Living Allowance.

Entitlement *Per capita* rate paid to school for each eligible student.

Rates See the Centrelink publication ‘A guide to Commonwealth

Government payments’ for current rates.

Payment features ! Processed and paid on receipt of a claim lodged by school;

! payment made for each semester;

! paid to the school.

Taxation status Non-taxable.

Indexation status Indexed each year calculated from Living Allowance rates.

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**7.11.2 Introduction to the Under 16 Boarding**

**Supplement**

**7.11.2.1**

**Purpose**

**Different to Youth Allowance/Austudy payment**

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 enrolled at the school

are Indigenous or a minimum of 20 Indigenous students are enrolled.

**School Eligibility**

Assessment of whether a school qualifies is carried out against these

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 nongovernment

schools census conducted by DEST in August each year

and provided to Centrelink;

! to be eligible for the current year of study per capital payment 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 a minimum of 20 Indigenous students were enrolled at this

date.

The school must submit a list of students for whom they are seeking the

allowance in the year of study to Centrelink (see 7.11.3.1). 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 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

7.11.4.4).

**Note: Hostels are not eligible for payment of Under 16 Boarding**

**Supplement.**

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**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

ABSTUDY census dates (ie. 3rd Friday of Semester 1 and the 3rd

Friday in 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 that has a minimum of

20 Indigenous students enrolled; and

! is receiving the away rate of Living Allowance (i.e; 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 programmes;

! 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.

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**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 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**

**Overview**

**Introduction** This chapter contains details about Rent Assistance.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

7.12.1 Summary of Rent Assistance 7-174

7.12.2 Introduction to Rent Assistance 7-175

7.12.3 Eligibility for Rent Assistance 7-177

7.12.4 Entitlement to Rent Assistance 7-180

7.12.5 Review of Rent Assistance 7-184

7.12.6 Verification Required for Rent Assistance 7-185

Issued January 2003 ABSTUDY 2003 Page 7-174

**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 For students living in private rental accommodation who are

paying rent of more than $79.40 a fortnight and who are:

! 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

! students aged 21 years or over; and

! only paid when the student is actually residing at the place

of board or lodging.

Rates ! Indexed to CPI and changed March and September. Check

Centrelink Rates Guide for latest rates.

Other entitlement features Dependent on:

! the student’s living circumstances;

! the actual rent paid by the student; and

! a partner income test, if relevant.

! Masters and Doctorate students are not entitled to Rent

Assistance.

Review Rent assistance is reviewed.

Taxation status Non taxable.

Issued January 2003 ABSTUDY 2003 Page 7-175

**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 Youth Allowance and ABSTUDY.

The Youth Allowance customer is getting rent assistance of $84.40 per

fortnight (rate for a member of a couple). The student on ABSTUDY is

also eligible for rent assistance of $84.40 per fortnight. If the student was

single $89.60 per fortnight would have been payable and if the student was

a single sharer $59.73 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; and

! the actual rent paid by the student

*Continued on next page*

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**7.12.2 Introduction to Rent Assistance,** Continued

**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.

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**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 (i.e, 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.

*Continued on next page*

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**7.12.3 Eligibility for Rent Assistance,** Continued

**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

below);

! 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 offcampus);

! 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.

*Continued on next page*

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**7.12.3 Eligibility for Rent Assistance,** Continued

**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.

A student who lives in public housing and pays rent to the tenant (the

lessee) of the accommodation is 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 *Social Security Act,* section 1064-D1 Qualification for

Rent Assistance.

**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 *Social Security Act,* section 1064-D1 Qualification for

Rent Assistance.

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**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

limit) 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 see the

Centrelink publication ‘A guide to Commonwealth Government payments’

for current rates.

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.*

*Continued on next page*

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**7.12.4 Entitlement to Rent Assistance,** Continued

**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 (i.e, 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. However, students

must qualify for a Living Allowance to be eligible for Rent Assistance.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-182

**7.12.4 Entitlement to Rent Assistance,** Continued

**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 the rate determined by FaCS in March and September of each year.

! An eligible student whose rent payments are greater than the amount

determined can receive Rent Assistance of $0.75 each week for every

$1 that actual rent payments exceed the amount determined a week, up

to the maximum entitlement .

The following formula can be used to determine the maximum weekly

Rent Assistance entitlement based on actual rent payments made:

(A $ amount determined) % 0.75

where ‘A’ is the actual amount of rent paid.

! See the Centrelink publication ‘A guide to Commonwealth

Government payments’ for current rates.

**7.12.4.7**

**The effect of**

**student's**

**income on the**

**amount of Rent**

**Assistance**

**payable**

A student’s personal income has no affect on Rent Assistance.

**7.12.4.8**

**State**

**Government**

**Accommodation**

Students getting rent relief payments but living in State Government

provided accommodation (public housing) are not eligible for Rent

Assistance.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-183

**7.12.4 Entitlement to Rent Assistance,** Continued

**7.12.4.9**

**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 the determined amount 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.

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for current rates.

**7.12.4.10**

**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.

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**7.12.5 Review of Rent Assistance**

**7.12.5.1**

**Review:**

**changed**

**accommodation**

**arrangements**

Rent Assistance entitlement is reassessed where a student changes his/her

place of residence or other circumstances have changed.

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.

**7.12.5.2**

**Review:**

**change in rent**

**payment**

Where a students rent payments have changed, their Rent Assistance

entitlement is reassessed from the date of change.

**7.12.5.3**

**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

it 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.

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**7.12.6 Verification Required for Rent Assistance**

**7.12.6.1**

**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.

**7.12.6.2**

**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.

**7.12.6.3**

**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 7.12.6.9).

*Continued on next page*

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**7.12.6 Verification Required for Rent Assistance,**

Continued

**7.12.6.4**

**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.

**7.12.6.5**

**Rent variations**

New customers, those who change their accommodation circumstances or

those whose rent increases or decreases, are required to establish or reestablish

their rent liability by means of a rent certificate.

**7.12.6.6**

**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.

*Continued on next page*

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**7.12.6 Verification Required for Rent Assistance,**

Continued

**7.12.6.7**

**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.

**Formal Informal Formal or**

**Informal**

**Exempt**

Persons holding

a written

tenancy

agreement with

a real estate

agent or

independent

private landlord.

Persons renting

from a private

landlord without a

formal written

tenancy

agreement;

Person with no

written tenancy

agreement living

with friend/

relative as their

landlord;

Customer sharing

accommodation

with other people

(eg. head tenants)

who hold a

written tenancy

agreement;

Boarders and

lodgers in private

homes;

State Housing

Authority subtenant;

and

Community and

disability housing

residents.

Person in

temporary

accommodation

may or may not

have a written

tenancy

agreement;

Persons in

caravan parks –

will vary across

States – shortterm

residents

more likely to be

in informal

situation; and

Persons paying

mooring fees for a

vessel.

Persons in exempt

accommodation, ie

boarding style

accommodation;

Persons in refuges;

Persons living fulltime

in non-

Commonwealth

funded residential

care facilities; and

Persons in

retirement villages.

*Continued on next page*

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**7.12.6 Verification Required for Rent Assistance,**

Continued

**7.12.6.8**

**Rent**

**Declarations**

In the first instance, persons are required to approach their landlord to have

them sign the rent certificate. However, in 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.

*Continued on next page*

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**7.12.6 Verification Required for Rent Assistance,**

Continued

**7.12.6.9**

**Exemptions**

The following are exempt from having to verify the amount of rent paid:

! people living in exempt accommodation (i.e, boarding style

accommodation);

! those in refuges i.e, 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.

**7.12.6.10**

**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).

**7.12.6.11**

**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.

**7.12.6.12**

**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.

*Continued on next page*

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**7.12.6 Verification Required for Rent Assistance,**

Continued

**7.12.6.13**

**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

the person will be required to reverify their ongoing liability to pay rent.

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**7.13 Pharmaceutical Allowance**

**Overview**

**Introduction** This chapter contains details about Pharmaceutical Allowance.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

7.13.1 Introduction to Pharmaceutical Allowance 7-192

7.13.2 Pharmaceutical Allowance – Current Rates 7-193

7.13.3 Pharmaceutical Allowance – Advance Payment 7-194

7.13.4 Income and Assets Testing for Pharmaceutical

Allowance

7-196

Issued January 2003 ABSTUDY 2003 Page 7-192

**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 Youth Allowance 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:

! Youth Allowance, Newstart Allowance or ABSTUDY;

! Parenting Payment (single);

! Disability Support Pension or Invalidity Service Pension;

! Carer Payment;

! Special Benefit – if 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 there is a dependent child- or the student is

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. The time allowed for a temporary

incapacity exemption could be from four to thirteen weeks.

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**7.13.2 Pharmaceutical Allowance – Current Rates**

**7.13.2.1**

**PhA Current**

**Rates**

See the Centrelink publication ‘ A guide to Commonwealth Government

payments’ for current rates.

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.

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**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.

*Continued on next page*

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**7.13.3 Pharmaceutical Allowance – Advance Payment,**

Continued

**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.

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**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**

**Overview**

**Introduction** This chapter contains details about Remote Area Allowance

**In this chapter** This chapter contains the following topics:

**Topic See Page**

7.14.1 Introduction to Remote Area Allowance 7-198

7.14.2 Definition of a Remote Area 7-199

7.14.3 Usual Place of Residence for Remote Area Allowance 7-200

7.14.4 Remote Area Allowance Income and Assets Testing 7-201

7.14.5 Reviews for Remote Area Allowance 7-111

7.14.6 Remote Area Allowance – Current Rates 7-2032

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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 residence situated in a remote area. (The

allowance may be paid for up to eight weeks of a person’s temporary

absence from the area.)

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**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

population of 2,500 or more according to the most recent Census of

Population and Housing

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**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**

**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.

**7.14.3.3**

**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.

Issued January 2003 ABSTUDY 2003 Page 7-201

**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

pension, allowance or benefit under *Social Security Law* or the Veterans’

Entitlements Act.

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**7.14.5 Reviews for Remote Area Allowance**

**7.14.5.1**

**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.

**7.14.5.2**

**Continuation,**

**variation or**

**termination of**

**RAA**

The following table lists the circumstances in which payment of RAA may

change.

**Payment of RAA is… If…**

terminated the student permanently leaves the Remote

Area Allowance remote area;

suspended ! the student is absent from their usual

place of residence for more than 8 weeks

but still in Australia; or

! the student is overseas.

varied ! the student’s dependent child is

overseas;

! the student’s dependent child or partner

dies; or

! the student permanently separates from

their partner.

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**7.14.6 Remote Area Allowance – Current Rates**

**7.14.6.1**

**RAA Current**

**Rates**

Students who meet the eligibility criteria for RAA may receive up to the

maximum current rate per fortnight.

See the Centrelink publication ‘ A guide to Commonwealth Government

payments’ for current maximum rates for:

! Single;

! Couple; and

! each dependent.

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**7.15 Additional Assistance**

**Overview**

**Introduction** This chapter contains details about Additional Assistance

**In this chapter** This chapter contains the following topic

**Topic See Page**

7.15.1 Introduction to Additional Assistance 7-205

7.15.2 Eligibility for Additional Assistance 7-205

7.15.3 Approval and Claims for Additional Assistance 7-206

7.15.4 Entitlement to Additional Assistance 7-209

7.15.5 Payment of Additional Assistance 7-210

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**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.

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**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 i.e, 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 programme 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.

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**7.15.3 Approval and Claims for Additional Assistance**

**7.15.3.2**

**Claims**

A student or applicant must lodge a claim for Additional Assistance. The

claim is to contain:

! a description of the circumstances relating to the student's study

programme 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; or

! the student, partner and dependent children, if an independent student

with partner; and/or

! the parents/guardians and dependent children, if a dependent student.

*Continued on next page*

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**7.15.3 Approval and Claims for Additional Assistance,**

Continued

**7.15.3.4**

**Statement to**

**include**

The fortnightly income and expenditure statement is to include details of

income and expenditure.

**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,

**-** Youth Allowance/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 (nonessential

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.

*Continued on next page*

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**7.15.3 Approval and Claims for Additional Assistance,**

Continued

**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 (i.e, repayments, registration, petrol, insurance and

maintenance, above public transport costs);

! telephone costs, i.e, 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 evidence may be requested to support income and

expenditure item claims.

Issued January 2003 ABSTUDY 2003 Page 7-210

**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

programme which has contributed to the financial difficulties; or

! overcome the hardship, i.e, 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

(taxable); or

! a once only payment where this will overcome the hardship (nontaxable).

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**7.15.5 Payment of Additional Assistance**

**7.15.5.1**

**Payment**

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 7.1.2 to identify the responsible payee where an overpayment of

this allowance has been made.

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**7.16 ABSTUDY Student Financial Supplement Scheme**

**Overview**

**Introduction** This chapter provides information about the ABSTUDY Student Financial

Supplement Scheme (SFSS).

This is an optional loan scheme available to some tertiary students.

**In this chapter** This chapter contains the following topics:

**Topic See Page**

7.16.1 Definitions 7-213

7.16.2 Introduction to the ABSTUDY SFSS 7-214

7.16.3 Rationale for the ABSTUDY SFSS 7-215

7.16.4 Students who are eligible for an ABSTUDY SFSS 7-216

7.16.5 How the ABSTUDY SFSS Works 7-221

7.16.6 Appeal Provisions 7-244

7.16.7 ABSTUDY Student Financial Supplement Debt 7-245

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**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 Commonwealth Bank of Australia (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

PES 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 and family assets are below the normal

assets test threshold. (See 6.4).

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for income threshold.

**7.16.1.5**

**Eligible Student**

In this chapter, eligible student refers to a student eligible for a Financial

Supplement loan under the *Student Assistance Act 1973*.

**7.16.1.6**

**Financial**

**Supplement**

**debt**

The amount of Supplement loan, including any CPI adjustment, owed by

the student which has not been repaid.

**7.16.1.7**

**SFSS 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.

*Continued on next page*

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**7.16.1 Definitions (continued)**

**7.16.1.8**

**Supplement**

**Scheme**

**Payability**

**Period**

The period or periods in a calendar year for which Supplement loan is

payable to an eligible student.

**7.16.1.9**

**Principal**

The amount of loan actually paid to the student by the CBA for the

Supplement loan payability period.

**7.16.1.10**

**Real rate of**

**interest**

The interest rate charged by the CBA on the outstanding Financial

Supplement debt, which is not added to the student’s debt, and paid to the

bank by Centrelink.

**7.16.1.11**

**Supplement**

**Early Buy Back**

If an early buy back of the student supplement 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 debt.

**7.16.1.12**

**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.

**7.16.1.13**

**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 Scheme.

If the 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.

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**7.16.2 Introduction to the ABSTUDY Student Financial**

**Supplement Scheme**

**7.16.2.1**

**Description of**

**the Student**

**Financial**

**Supplement**

**Scheme**

The Student Financial Supplement Scheme is a voluntary scheme which

gives some tertiary students the option of borrowing money to help cover

their expenses while they study. The interest charged on the Supplement

by the CBA 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. The Supplement 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.

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**7.16.3 Rationale for the ABSTUDY Student Financial**

**Supplement Scheme**

**7.16.3.1**

**Why the**

**ABSTUDY**

**Student**

**Financial**

**Supplement**

**Scheme was**

**introduced**

The ABSTUDY Student Financial Supplement Scheme was introduced to

make student income support programmes more flexible and to provide

students with greater choice.

**7.16.3.2**

**Why it is**

**called a**

**Supplement**

The Supplement Scheme is so named because it is a way of increasing the

money available to eligible students, above the amount they would receive

through PES or Living Allowance, and making money available to some

students ineligible for ABSTUDY Living Allowance.

The Supplement Scheme is not like a commercial loan because:

! interest charges on the Supplement are paid to the CBA by the

Commonwealth Government and not by the student;

! the amount of Supplement repayable by the student only increases by

an annual CPI adjustment;

! repayment of a Supplement does not have to commence until at least

July in the fifth year after the year for which the Scheme is paid.

Compulsory repayments commence only when the person’s taxable

income reaches average earnings.

Issued January 2003 ABSTUDY 2003 Page 7-217

**7.16.4 Students who are Eligible for an ABSTUDY**

**Student Financial Supplement Scheme**

**Introduction** This topic explains which students are eligible for an ABSTUDY Financial

Supplement loan.

**In this topic** This topic contains the following sections:

**Section See Page**

7.16.4.1 Eligible Students 7-218

7.16.4.2 Category 1 Students 7-219

7.16.4.3 Category 2 Students 7-220

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**7.16.4.1 Eligible Students**

**7.16.4.1.1**

**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 PES.

**7.16.4.1.2**

**Categories of**

**students**

There are two categories of students eligible for a Supplement loan. The

categories are described in 7.16.5.2 and 7.16.5.3.

Issued January 2003 ABSTUDY 2003 Page 7-219

**7.16.4.2 Category 1 Students**

**7.16.4.2.1**

**Definition**

Category 1 students are tertiary students who are eligible for PES, or

Living Allowance under ABSTUDY Tertiary Award or Masters and

Doctorate Award.

**7.16.4.2.2**

**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.

**7.16.4.2.3**

**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.

**7.16.4.2.4**

**Entitlement to**

**other**

**allowances is**

**unaffected**

The reduction in PES or Living Allowance that results from trading in

does not affect a student’s entitlement to other allowances such as Fares

Allowance or Incidentals Allowance.

Issued January 2003 ABSTUDY 2003 Page 7-220

**7.16.4.3 Category 2 Students**

**7.16.4.3.1**

**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 6.4) or their adjusted

parental income/family actual means is less than the Category 2

income threshold. The threshold is increased for each dependent

sibling within the family.

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for current rates.

**7.16.4.3.2**

**Category 2**

**Assets Test**

Dependent tertiary students who are not eligible for Living Allowance

because of the level of their family assets may be eligible under Category

2. The Scheme 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.

**7.16.4.3.3**

**Minimum and**

**maximum**

**payable**

The minimum amount of Category 2 Supplement Scheme payable in a

calendar year is $500, and the maximum payable is $2,000.

There is no trade in for a Category 2 Supplement Scheme.

See the Centrelink publication ‘A guide to Commonwealth Government

payments’ for current rates.

**7.16.4.3.4**

**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.

**7.16.4.3.5**

**Independent**

**students not**

**eligible for**

**ABSTUDY**

**Living**

**Allowance**

An ABSTUDY student **cannot** be assessed under the parental means tests

as a fall back position.

*Continued on next page*

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**7.16.4.3 Category 2 Students,** Continued

**7.16.4.3.6**

**Adjusted**

**parental**

**income**

The adjusted parental income is the same as that defined for ABSTUDY

Living Allowance purposes.

**7.16.4.3.7**

**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 Scheme 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.

**7.16.4.3.8**

**Reverse current**

**income**

**assessment**

Reverse current income assessment may also affect Supplement Scheme

entitlement (see 6.3.2.).

*Continued on next page*

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**7.16.5 How the ABSTUDY Student Financial Supplement**

**Scheme Works**

**Introduction** This topic explains how the ABSTUDY Student Financial Supplement

Scheme works.

**In this topic** This topic contains the following sections:

**Section See**

**Page**

7.16.5.1 Supplement is Affected by Debt Withholdings and Advance

Payments

7-223

7.16.5.2 Amount of Financial Supplement offered 7-224

7.16.5.3 Determining Supplement Eligibility Period and the Effect

of Cut-off Dates

7-228

7.16.5.4 ABSTUDY Student Financial Supplement Scheme Does

Not Affect Other (Non Trade in) Allowances

7-232

7.16.5.5 How the Student is Advised of the ABSTUDY Student

Financial Supplement Scheme Eligibility or Change in Eligibility

7-233

7.16.5.6 How the Student Applies for the ABSTUDY Student

Financial Supplement Scheme

7-233

7.16.5.7 Extenuating Circumstances 7-237

7.16.5.8 How the ABSTUDY Financial Supplement Scheme

Payments Are Made

7-238

7.16.5.9 ABSTUDY Student Financial Supplement Scheme

Payments not Taxable

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7.16.5.10 Variations in ABSTUDY and Supplement Scheme

Entitlements

7-241

7.16.5.11 Overpayment of the ABSTUDY Student Financial

Supplement Loan

7-244

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**7.16.5.1 Supplement is Affected by Debt Withholdings**

**and Advance Payments**

**7.16.5.1.1**

**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 a Supplement loan.

**7.16.5.1.2**

**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 Scheme

eligibility period is anticipated, is not available to trade.

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**7.16.5.2 Amount of Financial Supplement offered**

**7.16.5.2.1**

**Amount of**

**Supplement**

**Scheme**

The amount of Supplement Scheme to be offered to a student is

determined by:

! whether the student is a Category 1 student or a Category 2 student;

! the student Supplement Scheme 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.

**7.16.5.2.2**

**Whole dollars**

**only**

Supplement Scheme 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.

**7.16.5.2.3**

**Determining**

**the Supplement**

**Scheme**

**Eligibility**

**Period**

The Supplement Scheme Eligibility Period within a calendar year is

determined as follows:

The entitlement start date is the latter of :

! 1 January of the calendar year; or

! the date of commencement of ABSTUDY eligibility; or

! the date the student first qualifies for the Scheme.

The entitlement end date is the earlier of :

! 31 December of the calendar year; or

! the date of cancellation of ABSTUDY; or

! the date the customer last qualifies for Supplement Scheme.

The entitlement end date for a particular calendar year cannot be earlier

than the Scheme entitlement start date.

*Continued on next page*

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**7.16.5.2 Amount of Financial Supplement offered,**

Continued

**7.16.5.2.4**

**Category 1**

**offers**

Category 1 offers are dependent on the amount of tradeable benefit, and

the number of days in the student Supplement Scheme 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**

**-------------------------------------------- x Number of eligible Cat 1 days**

**Number of days in the calendar year**

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 Scheme

offers are calculated :

! January offer (takes effect from the student’s Supplement Scheme

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

Scheme eligibility period start date and 1 October).

*Continued on next page*

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**7.16.5.2 Amount of Financial Supplement offered,**

Continued

**7.16.5.2.5**

**Category 2**

**offers**

Category 2 offers are dependent on the number of days in the student’s

Supplement Scheme eligibility period.

Category 2 offers are calculated using the following formula:

**$2,000**

**-------------------------------------------- x Number of eligible Cat 2 days**

**Number of days in the year**

For Category 2 customers who are not undertaking study in short courses

(30 weeks or less), the following Supplement Scheme offers are calculated

:

! January offer (takes effect from the student’s Supplement Scheme

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

Scheme eligibility period start date and 1 October).

**7.16.5.2.6**

**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.

**7.16.5.2.7**

**Mixed**

**Category**

**students**

If a student has periods of both Category 1 and Category 2 eligibility

within the same calendar year, the maximum Supplement Scheme offer is

calculated for each of the eligibility periods individually. The student’s

total maximum Supplement Scheme offer for the year is the sum of the

offers for each Category.

The minimum Supplement Scheme offer that is available to mixed

category customers is a **total** of $500.

*Continued on next page*

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**7.16.5.2 Amount of Financial Supplement offered,**

Continued

**7.16.5.2.8**

**Example**

*From 1 January to 9 March 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 for ABSTUDY Living Allowance of $2771.10. Therefore he*

*is a Category 1 student for 297 calendar days.*

*His Supplement Scheme offer this year is worked out as follows:*

**$2,000**

**Category 2 = ---------- x 69 = $378**

**365**

PLUS THE LESSER OF

**$7,000**

**Category 1 = ---------- x 297 = $5,695**

**365**

OR

**Category 1 = 2 x $2771.10 = $5,543**

**Therefore : $5,543 + $378 = $5,921**

Paul’s Supplement Scheme offer this year is $5,921

This is referred to as a mixed offer.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-228

**7.16.5.3 Determining Supplement Eligibility Period and**

**the Effect of Cut-off Dates**

**7.16.5.3.1**

**Supplement**

**Scheme**

**payability**

**period**

The Supplement Scheme payability period is the actual period or periods

in a year for which the Scheme 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.

**7.16.5.3.2**

**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 Scheme applications with the

CBA no later than 31 May, the Supplement Scheme payability period is

the same as the Supplement Scheme eligibility period.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-229

**7.16.5.3 Determining Supplement Eligibility Period and**

**the Effect of Cut-off Dates,** Continued

**7.16.5.3.3**

**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 Scheme applications with the

CBA after 31 May but no later than 30 September, the Supplement

Scheme payability period is from the later of 1 July and the start of the

Supplement Scheme eligibility period, to the end of the Supplement

Scheme eligibility period.

**7.16.5.3.4**

**Example**

*Marcia is undertaking tertiary studies for the whole year. She becomes*

*eligible for ABSTUDY Living Allowance on 1 May. Her Supplement*

*Scheme 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:*

*$45.80*

*--------- x 245 = $801.50*

*14*

*for a maximum Supplement of: $801.50 x 2 = $1,603*

*However, Marcia does not lodge her Supplement Scheme application until*

*20 June. Her Supplement Scheme payability period is therefore 1 July to*

*31 December.*

*The maximum Living Allowance she can trade in for that period is:*

*$45.80*

*--------- x 184 = $601.94*

*14*

*for a maximum Supplement of: $601.94 x 2 = $1,204*

*Continued on next page*

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**7.16.5.3 Determining Supplement Eligibility Period and**

**the Effect of Cut-off Dates,** Continued

**7.16.5.3.5**

**Supplement**

**Scheme**

**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 Scheme applications with the

CBA after 30 September, the Supplement Scheme payability period is

from the later of the date the Supplement application is lodged and the

Supplement Scheme eligibility period start date, to the end of the

Supplement Scheme eligibility period.

**7.16.5.3.6**

**Example**

*Adam is studying for the whole year (not a leap year). He is a Category 1*

*student whose Supplement Scheme eligibility period is 1 January to 31*

*December. He does not lodge his Supplement Scheme application with the*

*CBA until 10 October. His Supplement Scheme payability period is*

*therefore 10 October to 31 December, which is 83 days.*

*The maximum Supplement Scheme he can receive is:*

*$7,000*

*--------- x 83 = $1,592*

*365*

**7.16.5.3.7**

**Category 2**

**short course**

**applications**

**lodged on or**

**before Short**

**Course Cut Of**

**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 Scheme applications with the CBA on or before

the Short Course Cut Off Date, the Supplement Scheme payability period

is the same as the Supplement Scheme eligibility period (generally the

duration of the course).

**7.16.5.3.8**

**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 Scheme payability period is from the date

the Supplement Scheme application is lodged with the CBA to the end of

the Supplement Scheme eligibility period.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-231

**7.16.5.3 Determining Supplement Eligibility Period and**

**the Effect of Cut-off Dates,** Continued

**7.16.5.3.9**

**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 Scheme eligibility*

*period is therefore 5 April to 14 August, which is 132 days.*

*The maximum Supplement Scheme she can apply for is:*

*$2,000*

*--------- x 132 = $722*

*366*

*The Supplement Entitlement Notice Ellen receives advises her that she can*

*apply for that amount of Supplement Scheme if she lodges her application*

*with the CBA on or before 4 May.*

*She does not lodge her Supplement Scheme application until 10 May. Her*

*Supplement Scheme payability period is therefore 10 May to 14 August.*

*The maximum Supplement Scheme she can receive is:*

*$2,000*

*--------- x 97 = $531*

*366*

**7.16.5.3.10**

**Applications**

**after 31**

**December**

Students who lodge their Supplement Scheme applications for a particular

calendar year after 31 December of that year will not be accepted for a

Supplement Scheme for that year. This provision **cannot** be waived under

any circumstances.

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**7.16.5.4 ABSTUDY Student Financial Supplement**

**Scheme Does Not Affect Other (Non Trade in)**

**Allowances**

**7.16.5.4.1**

**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 Scheme, 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.

**7.16.5.4.2**

**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 Scheme so that he or she is actually receiving no Living

Allowance or PES, the student still retains eligibility for other nontradeable

allowances, provided the other requirements for receiving these

allowances are met.

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**7.16.5.5 How the Student is Advised of the ABSTUDY**

**Student Financial Supplement Scheme Eligibility**

**or Change in Eligibility**

**7.16.5.5.1**

**Supplement**

**Entitlement**

**Notice**

A Supplement Entitlement Notice (SEN) is produced when a student’s

Supplement Scheme 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 Scheme offer of $100 or more since the

last SEN was produced.

The SEN details the minimum and maximum Supplement amounts for

which a student can apply, and indicates relevant cut-off dates for the

lodgement of a Supplement application.

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**7.16.5.6 How a Student Applies for the ABSTUDY**

**Student Financial Supplement Scheme**

**7.16.5.6.1**

**Applying**

**for a**

**Supplement**

**Scheme**

To apply for a Supplement Scheme, 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 the Supplement

Scheme the student also needs to provide their Supplement Entitlement

Notice (SEN) and proof of identification.

**7.16.5.6.2**

**Cooling off**

**period**

All Supplement Scheme 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 Scheme. The cooling off

period starts on the first day of the contract period, which is the day the

CBA accepts the application.

**7.16.5.6.3**

**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

Scheme.

**7.16.5.6.4**

**Cooling off –**

**waived**

The cooling off period can be waived. When the student lodges the

completed Application and Agreement form with the CBA 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.

*Continued on next page*

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**7.16.5.6 How a Student Applies for the ABSTUDY**

**Student Financial Supplement Scheme,** Continued

**7.16.5.6.5**

**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 Scheme will usually be within one to three weeks

of the expiry date of the cooling off period.

**7.16.5.6.6**

**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

Scheme will usually be within one to three weeks of the date the

application form is lodged with the CBA.

**7.16.5.6.7**

**Student may**

**cancel the**

**Supplement**

**Scheme**

**contract**

A student may cancel their Supplement Scheme contract at any time before

the date of the first Supplement Scheme payment. To do this the student

should complete a ‘Student Financial Supplement Request to Cease

Payments’ form, which is available at CBA branches, or write to the CBA

branch where they lodged their application.

If the request is not processed in time to prevent the first Supplement

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.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-236

**7.16.5.6 How a Student Applies for the ABSTUDY**

**Student Financial Supplement Scheme,** Continued

**7.16.5.6.8**

**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 transactions. It is not the **credit account** nominated by the

student into which Supplement payments are credited. The student’s credit

account can be with any bank, building society or credit union.

**Important Note:** Students should quote their account number when

dealing with the CBA.

**7.16.5.6.9**

**Options to**

**satisfy 100**

**point check**

Photocopies of documents are not acceptable. 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

! the student mails in their original identification documents to the CBA

when applying for the Supplement. Once sighted by the bank, these

documents are returned to the student.

**7.16.5.6.10**

**Further details**

Customers requiring further details should be referred to a branch of the

CBA.

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**7.16.5.7 Extenuating Circumstances**

**7.16.5.7.1**

**Circumstances**

**beyond**

**student's**

**control**

Where a student lodges his or her Supplement Scheme application after a

cut-off date, a concession can be applied which allows the payment of

Supplement Scheme to be backdated 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 Scheme claims.

A concession cannot be applied if the claim is lodged after 31 December.

**7.16.5.7.2**

**Date of receipt**

**of claim**

The date of receipt of each Supplement Scheme 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.

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**7.16.5.8 How the ABSTUDY Financial Supplement**

**Scheme Payments Are Made**

**7.16.5.8.1**

**Acceptance**

**transmitted to**

**Centrelink**

The amount of Supplement Scheme accepted by the student is advised to

Centrelink by the CBA.

The student’s Scheme offer is recalculated to ensure that the student is still

entitled to the amount they accepted.

If the amount accepted by the student is higher than their current offer,

Centrelink will limit the acceptance amount to the maximum offer amount.

The amount of Supplement Scheme actually payable to the student is

known as the system acceptance amount.

**7.16.5.8.2**

**Fortnightly**

**Supplement**

**Scheme**

**payments**

**calculated**

The student’s fortnightly Supplement Scheme payments are determined,

based on the system acceptance amount.

**7.16.5.8.3**

**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.

**7.16.5.8.5**

**Supplement**

**Scheme**

**payments**

The CBA makes Supplement Scheme payments to the students’ credit

accounts as advised by Centrelink.

*Continued on next page*

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**7.16.5.8 How the ABSTUDY Financial Supplement**

**Scheme Payments are Made,** Continued

**7.16.5.8.6**

**Which account**

**are Supplement**

**Scheme**

**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.

**7.16.5.8.7**

**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.

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**7.16.5.9 ABSTUDY Student Financial Supplement**

**Scheme Payments not Taxable**

**7.16.5.9.1**

**Introduction**

The Supplement Scheme is not taxable. As such, the student’s Group

Certificate will not contain any supplement amounts paid to the student.

**7.16.5.9.2**

**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 Scheme are not included

on the Group Certificate. Trade back amounts are treated as Supplement

Scheme and are therefore not taxable.

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**7.16.5.10 Variations in ABSTUDY and Supplement**

**Scheme Entitlements**

**7.16.5.10.1**

**Amount of**

**Supplement**

**Scheme is**

**subject to**

**reassessment**

The amount of Supplement Scheme 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 Scheme entitlement.

**7.16.5.10.2**

**Maximum**

**Supplement**

**Scheme amount**

**changes**

If the maximum possible Supplement Scheme amount changes, the

resultant action (described below) will depend upon whether or not the

student has already accepted a Supplement Scheme.

**7.16.5.10.3**

**Reduction in**

**Supplement**

**Scheme offer**

**after**

**reassessment**

If Supplement Scheme payments have not commenced and reassessment

reduces the student’s maximum Supplement Scheme offer by $100 or

more since the last SEN was issued, the student is sent a new SEN

advising them that the maximum Supplement Scheme amount for which

he or she can apply has decreased.

**7.16.5.10.4**

**Reduction in**

**Supplement**

**Scheme offer**

**after payments**

**have**

**commenced**

If Supplement Scheme payments have commenced and reassessment

reduces the student’s maximum Supplement Scheme amount, then:

! if the amount of Supplement Scheme accepted by the customer is less

than or equal to the new offer, the Supplement Scheme continues as

before;

! if the amount of Supplement Scheme accepted by the customer is

greater than the new offer, the system acceptance amount is lowered to

the maximum recalculated offer;

! if Supplement Scheme payments are to continue but at a lesser rate

than before, a new schedule of fortnightly Supplement Scheme

payments is calculated :

$ the student is provided with details of the changes in SFSS payments,

$ if an overpayment of Supplement Scheme occurs because the amount

of Supplement Scheme already paid exceeds the maximum SFSS

payable to the student for the year, refer to the 7.16.6.11.

*Continued on next page*

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**7.16.5.10 Variations in ABSTUDY and Supplement**

**Scheme Entitlements,** Continued

**7.16.5.10.5**

**Increase in**

**Supplement**

**Scheme offer**

**after**

**reassessment**

If reassessment increases the student’s maximum Supplement Scheme

offer by $100 or more since the last SEN was issued, then:

! the student is informed of the maximum Supplement Scheme amount

for which he or she can now apply;

! to apply for a different Supplement Scheme 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.

**7.16.5.10.6**

**No Supplement**

**Scheme**

**entitlement**

**after**

**reassessment**

If Supplement Scheme payments have not commenced and reassessment

makes the student ineligible for a Supplement Scheme, then the student is

informed that he or she is no longer entitled to apply for a Supplement

Scheme.

**7.16.5.10.7**

**Student’s PES**

**or Living**

**Allowance**

**ceases or the**

**student ceases**

**to be a**

**Category 2**

**student**

If Supplement Scheme payments have commenced and reassessment

makes the student ineligible for the Supplement Scheme 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 Scheme;

! if an overpayment of Supplement Scheme arises because the student

was not entitled to any Supplement Scheme for the year or because

Supplement Scheme 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.

*Continued on next page*

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**7.16.5.10 Variations in ABSTUDY and Supplement**

**Scheme Entitlements,** Continued

**7.16.5.10.8**

**Voluntary**

**ceasing of**

**Supplement**

A student who is receiving Supplement Scheme 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 Scheme

payments are to stop and the date from which the change was requested.

Centrelink must stop the student’s Supplement Scheme payments within

four weeks of the date of the written request. Any PES or Living

Allowance the student is eligible for will be restored. Any Supplement

Scheme 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.

**7.16.5.10.9**

**Traded in PES**

**or Living**

**Allowance**

**already paid**

**out**

Any traded in PES or Living Allowance already paid out as Supplement

Scheme cannot be reimbursed to the student. The Supplement Scheme

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.

**7.16.5.10.10**

**Voluntary**

**increase of**

**Supplement**

**Scheme**

A student who is not receiving the maximum Supplement Scheme amount

to which he or she is entitled may at any time request the CBA to increase

the accepted Supplement Scheme amount.

**7.16.5.10.11**

**Voluntary**

**decrease of**

**Supplement**

A student who is receiving Supplement Scheme payments may at any time

request the CBA to decrease the Supplement Scheme amount. However,

the student cannot decrease their Financial Supplement Scheme amount to

less than they have already received.

If the student has already been paid more than the requested amount, then

the Supplement Scheme payments will cease.

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**7.16.5.11 Overpayment of the ABSTUDY Student**

**Financial Supplement Loan**

**7.16.5.11.1**

**Introduction**

An overpayment of Supplement Scheme can occur for the same reasons as

a PES or Living Allowance overpayment. Examples include:

! the student was not entitled to any Supplement Scheme 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.

**7.16.5.11.2**

**Nature of**

**Supplement**

**Scheme**

**overpayment**

Except for cases requiring recovery action, overpaid amounts of

Supplement Scheme are repaid in accordance with the arrangements and

conditions for repaying the Supplement Scheme (see 7.16.8).

This includes cases where administrative error is established as the cause

of the overpayment.

**7.16.5.11.3**

**Death of a**

**student**

If an overpayment of Supplement Scheme 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.

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**7.16.6 Appeal Provisions**

**7.16.6.1**

**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 Scheme, 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 Scheme decisions.

**7.16.6.2**

**Decisions**

**against which**

**the student can**

**appeal**

Although most decisions regarding Supplement Scheme entitlement are

automatically calculated, these decisions are considered to have been made

by an officer under the Act. Students can appeal against the following

types of decisions in relation to the Supplement Scheme :

! whether the student is eligible for a Supplement Scheme;

! that the student has ceased to be eligible for a Supplement Scheme;

! reversal of a previous decision that the student was eligible to receive a

Supplement Scheme, 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 Scheme eligibility; and

! that the student provided false or misleading information which caused

an incorrect assessment of Supplement Scheme eligibility.

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**7.16.7 ABSTUDY Student Financial Supplement Debt**

**Introduction** This topic explains Financial Supplement debt.

**In this topic** This topic contains the following sections:

**Topic See Page**

7.16.7.1 Repaying the Financial Supplement debt 7-247

7.16.7.2 Early Repayments 7-250

7.16.7.3 Interest Payments 7-251

7.16.7.4 After the End of the Contract Period 7-252

7.16.7.5 Repayment through Taxation System 7-254

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**7.16.7.1 Repaying the Financial Supplement debt**

**7.16.7.1.1**

**Contract period**

The student may take out a new Supplement Scheme contract with the

CBA each year. If the student receives Supplement Scheme 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.

**7.16.7.1.2**

**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 Scheme 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.

**7.16.7.1.3**

**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. This figure is indexed each year in line with

movements in the CPI; and

! can also be made voluntarily by the student to the ATO.

Continued on next page

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**7.16.7.1 Repaying the Financial Supplement debt,**

Continued

**7.16.7.1.4**

**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:

Total Financial Supplement

amount paid

LESS

Repayments and discount on

repayments credited to student

X Indexation Factor\*

& The indexation factor is based on movements in the CPI.

During the contract period, the Supplement Scheme 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.

*Continued on next page*

Issued January 2003 ABSTUDY 2003 Page 7-249

**7.16.7.1 Repaying the Financial Supplement debt,**

Continued

**7.16.7.1.**

**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 Scheme 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 Scheme

debt.

The CBA also provides the student with a statement in January each year.

This statement shows all transactions relating to the student’s CBA

Scheme 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.

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**7.16.7.2 Early Repayments**

**7.16.7.2.1**

**Voluntary**

**repayment**

**before end of**

**contract period**

A student can make repayments of Supplement Scheme 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.

**7.16.7.2.2**

**Discount for**

**early**

**repayments**

Any voluntary repayments of Supplement Scheme made within the

contract period are given a discount. The formulae for determining the

amount of the discount are:

For repayments less than the amount outstanding :

Discount = [ amount repaid x 100 ] - amount repaid

85

For repayments equal to the amount outstanding :

Discount = [ amount repaid x 115 ] - amount repaid

100

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.

**7.16.7.2.3**

**Example**

*Colin wants to repay his debt of $1,000. He only has to pay $850. The*

*other $150 is the discount.*

**7.16.7.2.4**

**Choice of year**

If the student had a Supplement Scheme 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 Scheme account number to the CBA.

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**7.16.7.3 Interest Payments**

**7.16.7.3.1**

**Interest**

**payments**

Centrelink pays the CBA the interest on the Supplement Scheme on behalf

of the student. Interest is charged by the bank on the outstanding principal

only, not on any increases due to CPI.

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**7.16.7.4 After the End of the Contract Period**

**7.16.7.4.1**

**Loan bought**

**back from the**

**CBA**

Financial Supplement Loan contracts expire on 31 May of the fifth year

after the year for which the Supplement Scheme was paid. After this date

Centrelink, on behalf of the Commonwealth, ‘buys back’ the balance of

the Supplement Scheme from the CBA.

**7.16.7.4.2**

**Transfer of**

**Supplement**

**Scheme to the**

**ATO**

Following the end of contract buy back management of Financial

Supplement Scheme transfers to the ATO. Centrelink provides ATO with

the Supplement Scheme balance at the end of the contract period, which

takes account of:

! (any) voluntary repayments and discounts applied to those repayments;

and

! CPI adjustments that are applied each year, including the adjustment

applied on 1 June of the year the contract expired.

Financial Supplement Scheme balances are taken into account in

subsequent tax assessments for the Scheme recipient. The ATO

commences recovery of Financial Supplement Scheme once taxable

income reaches the level of average earnings (see 7.16.8.6.1). 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 after the

Supplement Scheme details have been transferred to the ATO. Unlike

voluntary repayments made during the Supplement Scheme contract

period, these repayments do not attract the repayment discount.

Financial Supplements are managed by the ATO until the Scheme is fully

recovered or the death of the 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 (see 7.16.5.11). 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.

Issued January 2003 ABSTUDY 2003 Page 7-253

**7.16.7.4 After the End of the Contract Period (continued)**

**7.16.7.5.1**

**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 ATO is advised of the Financial

Supplement debt amount, in order that recovery of the debt can be pursued

through the taxation system. Centrelink will advise the student in writing.

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**7.16.7.5 Repayment through Taxation System**

**7.16.7.5.1**

**Level of**

**Taxable Income**

Commencing with the tax return for the financial year in which the

Supplement Scheme 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. Compulsory

repayment thresholds can be found at www.ato.gov.au.

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**Appendix 1**

**Standard Hostels Agreement**

**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.

**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.

*(Continued next page)*

Issue January 2000 ABSTUDY 2000 Page A1-2

**Appendix 1**

**Standard Hostels Agreement (*Continued*)**

**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’.*

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**AGREEMENT NUMBER:**

**AGREEMENT FOR INDIGENOUS STUDENT HOSTEL**

**ACCOMMODATION**

**THIS AGREEMENT IS BETWEEN**

**THE COMMONWEALTH OF AUSTRALIA** acting through (**“us”**)

having a postal address of:

**AND**

(**“you”)**

having a postal address of:

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***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;

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**2. GENERAL:**

**Guidelines** 2.1 The ABSTUDY guidelines, as revised from to time form part of this agreement

between **you** and **us.**

**Hostels in New**

**South Wales**

2.2 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.

**Hostels in**

**Queensland**

**Entitled**

**Students**

2.3 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 **We** will make payments to **you** under this agreement only in relation to Entitled

Students.

**Transfer of**

**Living**

**Allowances**

2.5 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.

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**3. YOUR OBLIGATIONS:**

**Provision of**

**services**

3.1 **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.

**Notification of**

**Residential**

**Charge**

3.2 **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.

**Notification of**

**Entitled Students**

**details**

3.3 **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.

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**4. PAYMENT ARRANGEMENTS:**

**Payments to you** 4.1 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 Living Allowance 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.

**Payment for**

**Entitled Students**

**not on notice**

**under subclause**

**3.3**

4.3 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.

**Notification**

**Arrangements**

4.4 **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.

**Repayment and**

**Retention of**

**Funds where an**

**Entitled Student**

**leaves the Hostel**

4.5 **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 Living Allowance 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 Living Allowance payable to the end of the fortnightly

payment period when the Entitled Student both attended the school and also resided

at the Hostel.

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**Compensation**

**for Late Payment**

4.6 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:**

**Period of**

**agreement**

5.1 This agreement is effective from the date the agreement is signed by both **us** and

**you**, up to 30 June 2002.

**Termination of**

**agreement**

5.2 **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**.

**Notice** 5.3 **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:

**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.

**Entire agreement** 5.4 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.

**Applicable Law** 5.5 The agreement shall be governed by and construed in accordance with the law of

the State or Territory in which the Hostel is located.

Issue January 2000 ABSTUDY 2000 Page A1-9

**6. MONITORING AND REPORTING REQUIREMENTS:**

**Service Records**

**to be maintained**

6.1 **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.

**Financial records** 6.2 **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.

**Our Audit and**

**monitoring**

**requirements**

6.3 **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 Living Allowance or any School Fees

Allowance to **you** and allowing **us** to copy it;

b. allowing **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.

Issue January 2000 ABSTUDY 2000 Page A1-10

**SIGNATURES**

SIGNED by **Us**

Signature: .....................................................................

On behalf of **Centrelink**

Name:

Position:

Date:

SIGNED by **You**

**Your** Common Seal

was affixed in accordance

with **your** Articles of

Association or Rules of

Incorporation, whichever is

applicable, in the presence of

Signature: ................................................................................

On behalf of

Name:

Position:

Date:

Witnessed by:

Signature: .....................................................................

Name:

Position:

Witnessed by:

Signature: ................................................................................

Name:

Position:

**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. 2002/1**

I, BRENDAN NELSON, Minister for Education, Science and Training make the following

Determination under subsections 3(1) and 5D(1) of the *Student Assistance Act 1973.*

**Dated 17 October 2002**

(Signed)

**BRENDAN NELSON**

Minister for Education, Science and Training

**Citation**

1. This Determination may be cited as Determination No. 2002/1 - 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 January 1 2003.

**Repeal**

3. The *Student Assistance Act 1973* Determination No 1999/2, entitled “Determination of

Education Institutions and Courses under subsections 3(1) and 5D(1) of the *Student Assistance*

*Act 1973*” and made on 26 November 1999, is repealed.

2.

**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

State or Territory 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;

**“AQTF”** means the Australian Quality Training 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;

3.

**“NBCOTP”** means the National Office of Overseas Skills Recognition Bridging Course for the

Overseas Trained Programme;

**“New Apprenticeships Access programme”** means a vocational education and training

programme funded by the Department of Education, Science and Training 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) a preparatory course for higher education that is a programme offered by a higher

education institution that is 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 Apprenticeships 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 one or more subjects or modules where each

subject or module is 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.

4.

**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

under the law of a State or Territory in which the school is located.

(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 Quality Training Framework to provide one or more vocational education

and training programmes;

(b) a **“special school”,** being an institution located in Australia that is conducted

primarily for students with a disability and is:

(i) a government school; or

(ii) a non-government school that is recognised as a school under the law of

a State or Territory in which the school is located.

**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.

5.

**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

6.

**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 which is at the level

of:

! associate degree;

! associate diploma;

! diploma;

! advanced diploma;

! Bachelor degree;

! graduate degree;

! graduate certificate;

! graduate diploma;

! NBCOTP funded course;

! 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 not: a secondary course

specified in Schedule 1; or

! a course at the level of a Masters or

Doctoral degree unless otherwise

specified in Schedule 2.

Higher education institution

Registered training organisation

7.

**SCHEDULE 2** - **TERTIARY COURSES (continued)**

**Column 1 - Course Column 2 - Education institution**

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

courses that are not at the Masters level.

(That is, excluding the year or years relating

to study at the Masters level).

Higher education institution

**EXPLANATORY STATEMENT**

Subsections 3(1) and 5D(1) of the *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. 2002/1**

Issued by the authority of the Minister for Education, Science and Training

**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*.

Since 1 July 2000, the *A New Tax System (Goods and Services Tax) Act 1999* has provided

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 does not change the coverage of education institutions or courses provided by

Determination 1999/2. Some wording has been amended to clarify this coverage and to address

changes in terminology in the education sectors since the last review in 1999 (Determination 1999/2).

It has been necessary to clarify the definition of “vocational education and training programme”. The

definition in the 1999/2 Determination was open to an interpretation which was not intended by the

underlying legislative policy. As a result payments had been made to persons undertaking “vocational

education and training programmes” that included subjects or modules that were not from an

accredited vocational education and training course.

In light of that it is necessary to amend the definition to ensure that payments are made to persons

undertaking vocational education and training programmes that included all subjects and modules

from an accredited vocational education and training course. Any students who were receiving Youth

Allowance or Austudy based on an unintended interpretation of the 1999/2 Determination will no

longer be eligible.

However, as unaccredited vocational education and training courses are typically of short duration, it

is expected that these students will have completed their courses by 1 January 2003 when the new

Determination takes effect.

**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 2002/1 will revoke Determination 1999/2 made on 26 November 1999, will commence

on 1 January 2003 and shall remain in force until revoked.

Determination 2002/1 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 1*99*1* 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.

NOTE: This Determination was gazetted on Wednesday, 6 November 2002 in Government

Notices No. GN 44, pages 2966 to 2974.

**Appendix 3: National Centre for Vocational Education**

**Research Course Classifications**

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.