



Setting Fees and ABSTUDY – Stand-alone Boarding Providers

ABSTUDY entitlements paid to boarding providers

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

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

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

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

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

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

A boarding school is entitled to the lower of:

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

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

Fee setting examples

The following examples demonstrate how the fees set by a boarding provider impact the amount of ABSTUDY a provider receives for ABSTUDY boarding students. They also demonstrate what happens to any remaining School Fees Allowance entitlement, above the actual school fees charged.

Example 1 – boarding provider receives remaining school fees entitlement

In January 2019, a Year 7 student from Aurukun travels to Cairns to attend the local state school and boards at a nearby hostel.

The hostel charges boarding fees of \$17,500 per year. The state school does not charge any school fees.

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

The hostel receives the student's entire Living Allowance entitlement of \$16,102. However, this leaves \$1,398 in outstanding boarding fees per year. Entitlements are paid directly to the hostel in instalments each term.

Because the school does not charge any fees, the student has \$10,838 remaining in School Fees Allowance entitlement. Some of this entitlement can be transferred to pay the outstanding \$1,398 in boarding fees. The remaining School Fees Allowance entitlement of \$9,440 is not received by either the school or the student.

ABSTUDY payments	ABSTUDY away from home entitlement, per year	Fees charged, per year	Difference between fees and entitlement	Transferred school fees entitlement to pay board fees	Remaining entitlement, per year
Boarding fees: Living Allowance etc	\$16,102	\$17,500	-\$1,398	+\$1,398	\$0
School fees: School Fees Allowance	\$10,838	\$0	+\$10,838	-\$1,398	\$9,440
Total	\$26,940	\$17,500	+\$9,440		\$9,440

Example 2 – boarding provider does not receive any school fees entitlement

In January 2019, a Year 7 student from Wujal Wujal travels to Cairns to attend a private secondary day school and boards at a nearby hostel. The hostel charges boarding fees of \$17,500 per year. The school charges fees of \$15,000 per year.

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

The hostel receives the student's entire Living Allowance entitlement of \$16,102. However, this leaves \$1,398 in outstanding boarding fees per year. The school receives the student's entire School Fees Allowance entitlement of \$10,838. However, this leaves \$4,162 in outstanding school fees per year. Entitlements are paid directly to the hostel and school in instalments each term.

As the school fees are above the student's School Fees Allowance entitlement, there is no remaining entitlement to transfer to the hostel for the outstanding boarding fees. This means outstanding boarding and school fees would need to either be met by the student's family or waived by the hostel and/or school.

ABSTUDY payments	ABSTUDY away from home entitlement, per year	Fees charged, per year	Difference between fees and entitlement	Transferred school fees entitlement to pay board fees	Remaining entitlement, per year
Boarding fees: Living Allowance etc	\$16,102	\$17,500	-\$1,398	\$0	\$0
School fees: School Fees Allowance	\$10,838	\$15,000	-\$4,162	\$0	\$0
Total	\$26,940	\$32,500	-\$5,560		

Top tip: *remaining School Fees Allowance entitlement can be transferred to cover boarding fees above the student's Living Allowance entitlement.*