

Senate Standing Community Affairs Legislation Committee

Public Hearing – 30 August 2019 ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Inquiry into the Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019

Question reference number: SQ19-000244

Senator: Rachel Siewert

Type of Question: Spoken. Hansard Page/s:

Date set by the Committee for the return of answer: 02 September 2019

Question:

Senator SIEWERT: I appreciate that. We have had evidence—and I know you would have heard it—that there's general support for this but the concern is that there are other failures in the system. When I used the word 'flawed' people agreed with that. One of the issues that was raised was means testing. I appreciate what you've just said—that it's about education—but I'm taking the example that we heard: 'I'm looking after my entire family. In remote communities, where the cost of living is so much higher, \$53,000 doesn't go as far as it does elsewhere.' The point that was being made to us is, without Abstudy, and because the means test is where it is, they can't afford to send their kids to education. It's not a case of, 'If we don't get Abstudy, we'll just pay it ourselves.' They just can't do it. So kids are going to other family members who may qualify. That's the evidence we heard.

Mr S Bennett: I unfortunately missed some of this because I was coming up here. I understand the point you're communicating to us. Obviously, with the measures this year and last year, we're very focused on supporting Indigenous education. I've heard what you've said. I've not heard that prior to today, but I'll go away and have further conversations.

Senator SIEWERT: Thank you. It would be appreciated if you could take that on notice.

Answer:

Once parental income exceeds \$53,728 per year, the maximum amount of ABSTUDY Living Allowance paid on behalf of a dependent secondary school student approved to live away from home to attend school begins to taper. The taper rate is 20 cents in the dollar.

The parental income test does not apply where a student's parent or guardian receives at least \$1 of an income support payment every fortnight. This excludes Family Tax Benefit.

The 2018-19 Budget '50 Years of ABSTUDY' measure combined the Boarding Supplement with the under 16s Living Allowance to align it with the higher Living Allowance rate for students aged 16 to 21 years.

There is now one maximum rate of Living Allowance (around \$11,800 per year) for all boarding students aged under 22.

- Under the new arrangements, parental income can be up to around \$110,000 per year before Living Allowance cuts out due to means testing (for a family with one boarding student).
- The parental income cut out is higher for families with more than one child. For example, where there is one child in the family who attends boarding school and another child is at home, parents can earn up to \$156,000 and the student will still receive some ABSTUDY assistance.
- Under the previous arrangements, both Living Allowance and the Boarding Supplement would cut out once parental income reached around \$80,000 per year (for a family with one boarding student). This is because the maximum rate of Living Allowance was lower and once Living Allowance cut out, the student became ineligible for the Boarding Supplement.

This change increased the maximum total annual amount of ABSTUDY boarding allowances to around \$26,500 regardless of a student's age (subject to meeting eligibility). This includes the maximum School Fees Allowance (boarding rate) of \$10,838, of which \$8,422 is not subject to means testing.

As at March 2019, 82% of ABSTUDY secondary school students were receiving the maximum rate of Living Allowance. This is based on Department of Human Services administrative data of ABSTUDY Living Allowance recipients who are both dependent and a secondary school student aged 19 years or younger.

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Question reference number: SQ19-000245

Senator: Malarndirri McCarthy

Type of Question: Spoken. Hansard Page/s:

Date set by the Committee for the return of answer: 02 September 2019

Question:

Senator McCARTHY: Where was the workshop in Adelaide, for example, held? Were all schools invited to come? You said that you held the workshops where there are a high number of Indigenous students. Where would the workshop have taken place in each of those locations?

Mr S Bennett: We worked with Indigenous Education and Boarding Australia. They held the workshops to talk about the changes, and we supported those workshops.

Senator McCARTHY: So did they identify the locations?

Mr S Bennett: Sorry, I don't have with me the physical location of them.

Senator McCARTHY: Feel free to get it. I'm trying to understand. You said that you had a high number of Indigenous students. I'm going down this track because, if you have families who have sent their students to boarding school in those locations—

Mr S Bennett: Sorry, can I clarify my statement? The workshops were with the schools. That's why I reflected at the end that, yes, I heard what was being discussed today, we have obviously undertaken this activity and we'll be looking at what else can occur as we go forward.

Senator McCARTHY: Thanks for clarifying that. In each of these 10 locations they were with schools not the families?

Mr S Bennett: Yes.

Answer:

Indigenous Education & Boarding Australia was contracted by the Department of Social Services to deliver 10 ABSTUDY workshops in May across Australia.

The locations of the 10 workshops are set out in the following table:

Date	Location	Venue
Thurs 9 May	Adelaide	Wiltja Secondary College, Northgate
Mon 13 May	Cairns	AFL House, Cairns
Tues 14 May	Townsville	NRL Cowboys House, Townsville
Thurs 16 May	Rockhampton	St Brendan's College, Yeppoon
Fri 17 May	Brisbane	Independent Schools QLD, Spring Hill
Tues 21 May	Darwin	Dept. of Education, Darwin
Thurs 23 May	Alice Springs	Transition Support Unit, Alice Springs
Mon 27 May	Perth	Clontarf Aboriginal Academy, Perth
Wed 29 May	Melbourne	MITS, Richmond
Thurs 30 May	Sydney	AIS-NSW, York St, Sydney