

Isolated Children's Parents' Association of Australia Inc.

"Access to Education"



2025-2026

Key Recommendations

from the

Federal Council

of the

Isolated Children's Parents' Association of Australia Inc.

ICPA (Aust)

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Introduction

ICPA (Aust) is a voluntary parent body dedicated to ensuring all geographically isolated students have equity of access to an equitable, consistent and high-quality education. This encompasses the education of children from early childhood through to tertiary. The member families of the Association reside and work in rural and remote Australia and all share a common goal of achieving access to an equitable education for their children and the provision of services required to achieve this, despite their geographic location.

Improving the educational outcomes of rural and remote students requires a nationwide, collaborative approach to ensure national consistency, no matter where education is provided. The financial cost to families educating children in geographically isolated locations continues to rise, and the loss of many families from these areas can be attributed to the cost and difficulties of accessing equitable education. This document outlines ICPA (Aust)'s Key Recommendations which, if addressed, will make significant inroads to addressing these inequities.

Recommendations

ICPA (Aust) calls on the Federal Government to commit funds to:

- 1. An increase to the Assistance for Isolated Children (AIC) Allowance and alignment to the CPI Sub Education Index.**
 - 2. The extension of the AIC Distance Education allowance to 3-4 year old geographically isolated children accessing an approved distance education early learning program.**
 - 3. The implementation financial recognition for geographically isolated families educating their children via distance education.**
 - 4. Assured funding for rural and remote Mobile Early Childhood Services.**
 - 5. An increase to the Commonwealth Living Away from Home Allowance (LAFHA) and alignment to the CPI.**
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Recommendation 1

ICPA (Aust) calls on the Federal Government to provide an increase to the Assistance for Isolated Children (AIC) – Distance Education (DE) Allowance, Basic Boarding Allowance and Second Home Allowance

Overview

While an Assistance for Isolated Children (AIC) allowance exists and is gratefully received and appreciated, the Allowance is currently well below the actual costs incurred to access education for geographically isolated students. If the AIC were increased to better assist families with these unique educational expenses, other areas of difficulty might be alleviated.

Families undertaking distance education programs require funding to assist with meeting the costs of program delivery, setting up their schoolroom and accessing school functions. It is vital that young children have opportunities to socialise face-to-face with other children of their age. This often requires families to travel great distances to attend school functions which provide an opportunity for the children to participate in group activities, such as sport, practise conversation skills and socialise with their peers. These functions are also valuable in providing teachers and other professionals with both group and individual evaluation and diagnostic opportunities.

While the AIC is indexed annually with the CPI, this incremental increase does not adequately reflect the increasing costs of providing education for geographically isolated children. We request that the 2024/2025 Budget includes a significant increase to the AIC across all categories along with the alignment of the AIC with the Education Sub-index thereafter to truly reflect the costs of access to education for geographically isolated students.

Key issues

AIC Distance Education (DE) Allowance

Due to geographical isolation, families who educate their children via distance education are required to establish and maintain a schoolroom setting in the home, provide extra learning materials and resources and print necessary learning materials which are supplied freely to students at mainstream public schools.

In addition, rural and remote distance education families often travel significant distances to participate in school activities that offer interaction and socialisation for their children. The AIC DE Allowance assists geographically isolated families with some of these expenses, however a further increase to better reflect the actual costs associated with the provision of distance education is required.

If Distance Education costs continue to rise for geographically isolated students, families will continue to move away from rural and remote communities to access mainstream schooling.

Action required

An increase to the AIC DE allowance of \$750 per student/annum

Approximately 1800 students receive Distance Education Allowance @ \$5169 per year p/student (2025)

- Increase of \$750 per child/annum = \$ 1 350 000
- Total funding allocation over forward estimates (4 years) = \$42,616,800

AIC – DE Allowance Increase

Number of Students	Funding per child per annum		Total funding per annum
1800	Current funding	\$5169	\$9 304 200
	Additional fund- ing	\$750	\$1 350 000
	Total per annum	\$5919	\$10 654 200

*student numbers are based on the 2024 figures provided by the Department of Social Services.

Assistance for Isolated Children (AIC) Boarding Allowance

Many children living in remote regions of Australia do not have adequate daily access to a physical secondary school and therefore must board away from home to attend school. Accessing compulsory schooling through boarding institutions comes at a considerable cost to geographically isolated families. Annual out-of-pocket boarding expenses range from \$10,000 to \$35,000 per child, depending on where families live and which school best suits their children's needs. This expense is unsustainable for most.

Rural and remote families are expressing growing concern about the affordability of accessing and utilising boarding schools to educate their children. Boarding school costs have increased significantly, and the financial impact can be exorbitant.

The disparity between the AIC Boarding Allowance and the actual cost of boarding fees across Australia continues to grow, impacting on the allowance's intent and effectiveness. Rural and remote families are required to contribute increasingly more towards the cost of their children's compulsory education year after year with only incremental annual increases to the allowance. The table below illustrates this growing trend across all States/Territories.

Comparison of average boarding fees and Assistance for Isolated Children (AIC) Allowance								
AIC – Basic Boarding Allowance 2015	AIC – Basic Boarding Allowance 2025	% Increase of AIC 2015-2025	State	Average Boarding Fee 2015	Average Boarding Fee 2025	% Increase of Boarding fees 2015-2025	% Boarding Fees covered by AIC 2015	% Boarding Fees covered by AIC 2025
\$7 897	\$10,338	31%	Vic	-	\$30937	-	-	33.4%
			SA	\$19 991	\$27 688	38.5%	39.5%	37%
			ACT	-	\$33065	-	-	31%
			Qld	\$17 288	\$24 905	44%	46%	41.5%
AIC – Basic Boarding Allowance 2014	AIC – Basic Boarding Allowance 2025	% Increase of AIC 2014-2025	State	Average Boarding Fee 2014	Average Boarding Fee 2025	% Increase of Boarding fees 2014 -2025	% Boarding Fees covered by AIC 2014	% Boarding Fees covered by AIC 2025
\$7 667	\$10,338	35%	NSW	\$20 331	\$35 000	72%	38%	29%
AIC – Basic Boarding Allowance 2016	AIC – Basic Boarding Allowance 2025	% Increase of AIC 2016-2025	State	Average Boarding Fee 2016	Average Boarding Fee 2022	% Increase of Boarding fees 2016 -2025	% Boarding Fees covered by AIC 2016	% Boarding Fees covered by AIC 2025
\$8 015	\$10,338	29%	WA	\$19 636	\$26964	37%	41%	38%
AIC – Basic Boarding Allowance 2015	AIC – Basic Boarding Allowance 2025	% Increase of AIC 2015-2025	State	Average Boarding Fee 2015	Average Boarding Fee 2025	% Increase of Boarding fees 2015-2025	% Boarding Fees covered by AIC 2015	% Boarding Fees covered by AIC 2025
\$7 897	\$10,338	31%	Tas	\$15 467	\$23 500	52%	51%	44%
			NT	\$14 233	\$29 973	110%	55%	34%

Action required

An urgent increase to the AIC Boarding Allowance followed by indexation to the CPI Education Sub Index to truly reflect the costs of education.

Basic Boarding Allowance increase of \$4000

3200 students (Dec 2024) receiving Basic Boarding Allowance @ \$10,338 per annum (2025) (or cost of boarding, whichever is lower).

- \$4000 per annum = \$12,800,000
- Total funding allocation over forward estimates (4 years) = \$45,881,600

AIC – Boarding Allowance Increase

Number of Students		Funding per Child per annum		Total Funding per annum
Basic Boarding Allowance	3200	Current Funding	\$10,338	\$33,081,600
		Additional Funding	\$4000	\$12,800,000
		Total per annum		\$45,881,600

*student numbers are based on the 2024 figures provided by the Department of Social Services.

AIC Second Home Allowance

The AIC Second Home Allowance assists geographically isolated families with the cost of setting up a second home away from their principal place of residence so their child/ren can attend a school on a daily basis. The option of establishing a second home while children are of school age is vital to retaining families in rural and remote areas of Australia. In many cases, the mother and children live in the second home during school times and return to their rural area during school breaks and holidays. This allows the family to access equitable schooling while maintaining their connection and support with their rural community and work and live in a rural area. If the Second Home Allowance were not available, ICPA (Aust) foresees that many more families would move their entire family permanently to an urban area for schooling.

It is in the national interest to ensure that isolated children are not disadvantaged in educational and social development and ensure their educational outcomes are not compromised. These students need the opportunity to attend a school commensurate to their needs which allows them to achieve educational parity with their urban peers.

It is imperative for rural and remote families to be able to provide an education for their children while continuing to reside and work in rural and remote regions.

Action required

That the Second Home Allowance component of the AIC be paid at the same rate as the Basic Boarding AIC.

Second Home Allowance - in line with Basic Boarding Allowance - \$6260 per annum

Less than 1000 students receive \$301.13 per fortnight (\$7829.38 p/annum per student).

- Increase of \$6260 per annum = \$6,260,000
- Total funding allocation over forward estimates (4 years) = \$14,089,280

AIC – Second Home Allowance Increase

Number of Students		Funding per Child per annum		Total Funding per annum
<1000		Current Funding	7829.38	\$7,829,380
		Additional Funding	6260	\$6,260,000
		Total per annum	\$14,089.38	\$14,089,280

Administration of the Assistance for Isolated (AIC) Scheme

- The AIC is not 'capped' funding and is paid to all eligible students in geographically isolated areas. The number of students receiving geographically isolated AIC has been declining over the years, possibly resulting from smaller families and rural-urban drift.
- The Assistance for Isolated Children (AIC) Scheme was initially governed by the Department of Education and administered by Centrelink. The AIC is NOT a welfare payment but is an ACCESS payment to address equity of access to education for rural and remote students. The AIC does not provide assistance to address multiple or long term social and welfare issues and has no correlation to providing a pathway to long-term dependence; rather, the AIC is provided to assist with accessing education during the compulsory years of schooling.

Action required

ICPA (Aust) firmly believes the AIC Scheme should be returned to the Department of Education, Skills and Employment as a matter of urgency.

Inclusion of these actions would:

- *provide the most effective means of distributing funding to geographically isolated families to assist with access to schooling*
 - *use existing funding mechanisms*
 - *maximise the number of rural and remote students accessing education*
 - *attract and retain families in rural and remote communities*
 - *enhance equity of education for some of Australia's most disadvantaged children.*
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Recommendation 2

ICPA (Aust) calls on the Federal Government to provide an extension to the Assistance for Isolated Children (AIC) – Distance Education (DE) Allowance to 3-4 year-old geographically isolated children accessing an approved distance education early learning program in the year prior to their compulsory schooling

The issue

The only means of accessing early childhood preschool education programs for approximately 200 children across remote Australia is through approved distance education programs. While States and Territories have provided such programs, families living in remote areas wishing to access these programs bear the entire costs associated with taking part.

The Report into Education in Remote and Complex Environments¹ endorsed this request with a key recommendation from the report **that the Commonwealth support early learning programs through the Assistance for Isolated Children Scheme Distance Education Allowance in the 2021 Budget.**

The Productivity Commission inquiry report - **A path to universal early childhood education and care inquiry report**, released in 2024 included.

Recommendation 6.6

Trial expanding the Assistance for Isolated Children Distance Education Allowance to include preschool education programs The Australian Government should trial an expansion of the Assistance for Isolated Children Distance Education Allowance to include preschool programs delivered via distance education. An evaluation of the trial should determine the public benefits and costs of an expansion and whether there is sufficient evidence to justify permanent expansion.

ICPA (Aust) implores the Federal Government to accept and implement this recommendation.

The AIC Distance Education Allowance must be extended to geographically isolated 3-4 year-olds to make approved early childhood programs more affordable and accessible for these students.

Action required

The extension of the Assistance for Isolated Children’s (AIC) Distance Education (DE) allowance to geographically isolated children participating in approved early childhood programs by Distance Education in their transition to school.

No more than *200 students – \$5169 per annum (2022 rate)

- 200 students @ \$5169
- Total funding allocation over forward estimates (4 years) = \$4,135,200

Total Funding required ≈ \$1,033,800 per annum.

AIC – DE Allowance for 3-4 year-old

Number of Students	Funding required per Child	Total Funding per annum
200	\$5169	\$1,033,800

*student numbers are based on the 2024/25 figures in each State and Territory.

¹ https://www.aph.gov.au/Parliamentary_Business/Committees/House/Employment_Education_and_Training/RemoteEducation/Report

Recommendation 3

ICPA (Aust) calls on the Federal Government to implement financial support for geographically isolated families educating their children via distance education.

The issue

For around 1500 families living in geographically isolated regions of Australia, the only means of accessing education for their children is via distance education programs in the home. There are extensive extra costs associated with educating children through this mode of delivery. While the AIC Distance Education allowance assists with various costs associated with participating in distance education, it is not permissible to use the allowance to assist with costs related to teaching, tuition and supervision as noted in section 5.4.1 of the Assistance for Isolated Children Scheme Guidelines.²

The very nature of geographically isolated distance education means that a distance education tutor is required to be in every Distance Education home classroom. Families must provide and fund the entire costs associated with providing this tutor, which necessitates a family member (often the mother) sacrificing an income to assume this role, or the employment of additional staff to fill the role (or the mother's role outside of the schoolroom), often for the duration of compulsory primary (and sometimes secondary) schooling. However geographically isolated families undertaking distance education programs are effectively blocked from any funding to assist with meeting the costs of providing a supervisor, or distance education tutor, for their children.

The cost for the provision of the essential distance education tutor is borne entirely by the family.

The calculations below highlight the average financial loss and implications of a mother undertaking the distance education tutor role.

Family member as geographically isolated distance education tutor	
Average hours per day	6-8 hours per day, approx. 40 weeks per year
Average years spent as DE tutor for one child	8 years (kindy/preschool plus primary school)
Average total hours spent tutoring one child	9600 –12,800 hours
Minimum Wage ³	\$24.10 per hour
Unpaid Work/Wages forgone (number of hours x Minimum wage)	\$231,360 - \$308,480
Superannuation @ 12% foregone	\$27,763.20 - \$37,017.60

Action required

The introduction of financial recognition of the essential work a Home Tutor performs in the geographically isolated home schoolroom.

ICPA (Aust) request that in the 2024/25 Budget, funds be allocated for financial recognition for all families eligible for and in addition to the geographically isolated category of the AIC – Distance Education Allowance, with the following points to note:

- The AIC-DE Allowance for 2025 is \$5169 per child; however, as per the AIC guidelines, this cannot be used to assist with any costs associated with the provision of the distance education tutor in the home classroom.

² <http://guides.dss.gov.au/assistance-isolated-children-scheme-guidelines>

³ <https://business.gov.au/people/employees/employees-pay-leave-and-entitlements#:~:text=The%20national%20minimum%20wage%20is,are%20covered%20by%20an%20award.>

- b. Where families are unable to provide a tutor for geographically isolated distance education, they may instead move to a second home or send children to boarding schools, for which the Federal Government provides:
- i. For families eligible for boarding allowance for their children
 - 2025 figures – Basic Boarding Allowance \$10 338 per child/year and up to an extra \$2965 which includes Additional Boarding Allowance.
 - ii. For families eligible for the Second Home Allowance
 - 2025 figures - \$7 829.28 per child/year for up to 3 children, equating to a maximum of approximately \$23 488.14 per 3 child family

While these Allowances do not necessarily provide sufficient funding to assist with the costs associated with boarding school or setting up a second home, they do equate to significantly more financial assistance from the Federal Government than is currently provided to assist with the provision of a tutor for those geographically isolated families who educate their children via distance education.

This is further exemplified below.

AIC Allowances Comparison – Boarding, Second Home, Distance Education

Second Home		Boarding		Distance Education		
Up to three children	Up to \$23 488 per family/year (2025)	One child	Up to \$13 303 per family/year (2025)	One child	Current	With addition of \$6000
					\$5169 per family per year (2025)	\$11 169 per family/year
		Two children	Up to \$26 606 per family/year (2025)	Two Children	\$10 338 family/year (2025)	\$16 338 per family/year
		Three children	Up to \$39 909 per family/year (2025)	Three children	\$15 507 per family/year (2025)	\$21 507per family/year

The financial recognition should be:

- for families who qualify for the Assistance for Isolated Children scheme – Distance Education Allowance
- paid per family (approx. 1500 nationally) as an annual payment indexed to the CPI.

Proposed financial recognition example set at \$6000 per family per annum.

Number of Families	Funding required per Family	Total Funding per annum
Approx. 1500	\$6000	\$9,000,000

Recommendation 4

ICPA (Aust) calls on the Federal Government to provide assured funding for rural and remote Mobile Early Childhood Services

The issue

For many years, various mobile children's services have provided social contact, professional advice, playgroups and early childhood programs for young children in geographically isolated areas. They play a vital role in offering developmental opportunities for children and interactions with parents in small rural communities and outlying, often very isolated areas. In many cases, these services provide the only face-to-face interaction for children of similar ages.

Flexibility and certainty of funding for these services are vital to the provision of the critical early childhood programs for these children and communities. The following issues need to be addressed:

- Mobile early learning services no longer funded under Budget Based Funding (BBF) were transitioned to Indigenous Advancement Strategy funding or to new Child Care system funding. Neither model sufficiently caters for the unique services provided by mobile early learning services to rural and remote families, especially those services that do not include child-care.
- No provision appears to be available for the establishment of new mobile early learning.
- current funding models do not support the establishment of new mobile early learning services.
- Funding is currently inadequate and uncertain.

The Report into *Education in Remote and Complex Environments*² recommended that the **Commonwealth modify funding arrangements for mobile early childhood education to provide flexibility and surety of funding for these services in the 2021 Budget**. Unfortunately, this did not occur.

ICPA (Aust) implore the Federal Government to implement this recommendation in the 2024/2025 budget to ensure rural and remote children can access otherwise unattainable early childhood services.

Action required

That the upcoming budget includes adequate and ongoing funding for mobile early learning services and early education programs for rural and remote children and that funds and systems be available for the creation of new services in geographically isolated areas where early childhood services do not exist.

Recommendation 5

ICPA (Aust) calls on the Federal Government to immediately increase the Commonwealth Living Away from Home Allowance (LAFHA) for Australian Apprentices and trainees from rural and remote areas and the alignment of the allowance with the CPI

The issue

Eligibility criteria for LAFHA are based on the recognition that an apprentice has moved away from their parental or legal guardian's home for the first time to access an Australian Apprenticeship and is only available for those who are ineligible for Youth Allowance, Austudy or ABSTUDY payments. The current payment rate does not provide meaningful support to an apprentice with the cost of living, including rental bond and rent. It is also not aligned with the CPI. For a relatively small investment by the Federal Government, the retention rates for rural and remote Australian Apprentices and trainees could significantly improve, in turn providing much needed trade skills in rural and remote Australia and beyond.

The *Strengthening Skills Expert Review of Australia's Vocational Education and Training Systems*⁴ reported that **'low training wages for up to four years was cited by respondents to the Review as one reason why young people are less attracted to the traditional apprenticeship model.'**

Without additional support to subsidise the living costs, apprentices face extreme financial pressure when pursuing this pathway and many do not complete their qualifications as a result.

Action required

An immediate increase in the Commonwealth Living Away from Home Allowance (LAFHA) for Australian Apprentices and trainees from rural and remote areas and the alignment of the allowance with the CPI to reflect their actual living expenses.

2020/21 Figures – (527 recipients from Inner/Outer regional/Remote/Very Remote)

Current Rates

1st Year - \$77.17 p/week (126 recipients) = \$505 617.84 p/year

2nd Year - \$36.59 p/week (126 recipients) = \$239 737.68 p/year

3rd Year - \$25.00 p/week (126 recipients) = \$163 800 p/year

Please note: ICPA (Aust) does not have a break-down of 1st, 2nd and 3rd year recipient numbers. Therefore, calculations have been made by dividing 527 recipients (126 each) across the 3 groups evenly to obtain an approximate spend.

Proposed Increase

75% increase for each 1st, 2nd and 3rd Year Rate

Proposed new rates

1st Year - \$135.04 p/week (126 recipients) = \$884 782.08 p/year

2nd Year - \$64.03 p/week (126 recipients) = \$419 524.56 p/year

3rd Year - \$43.75 p/week (126 recipients) = \$286 650 /year

Total additional funding required ≈ \$681 801.12 per annum.

⁴ <https://www.pmc.gov.au/resource-centre/domestic-policy/vet-review/strengthening-skills-expert-review-australias-vocational-education-and-training-system>

Further Advocacy Information

The ICPA (Aust) Briefing Papers are available at the following links:

Portfolio	Briefing Paper
Assistance for Isolated Children (AIC)	HERE
Boarding/Hostels/Second Home	HERE
Communications	HERE
Curriculum	HERE
Distance Education	HERE
Early Childhood Education and Care	HERE
Rural Hardship Education Fund (RHEF)	HERE
Rural Schools	HERE
School Travel	HERE
Specific Education Needs	HERE
Tertiary Education	HERE
Training	HERE

Please do not hesitate to contact ICPA (Aust) for further information as required.

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