



Briefing Paper

Rural Hardship Education Fund

2025-2026

The Isolated Children's Parents' Association of Australia, ICPA (Aust), is a voluntary, apolitical, national organisation that represents families living in rural and remote areas who seek equitable access to education for their children.

ICPA (Aust) urges the Australian Government to establish a Rural Hardship Education Fund (RHEF) — a permanent financial assistance mechanism to ensure that rural and remote students can continue their education uninterrupted during times of hardship.

Rural and remote families face unique vulnerabilities. When drought, natural disasters, industry downturns, or family crises occur their already high education costs often become unmanageable. Without targeted support, children's education can be disrupted, forcing families into debt, relocation, or withdrawal from schooling.

The proposed RHEF would directly assist families facing hardship to maintain educational continuity across boarding, rural schools, distance education, early learning and tertiary study.

1. The Need for a Rural Hardship Education Fund

Australia's vast geography means that many children grow up far from a school. For some, boarding is the only viable option; for others, distance education is delivered through a home classroom supervised by a parent. While governments recognise geographic isolation through the Assistance for Isolated Children (AIC) Scheme, that program does not account for the additional financial and logistical pressures families face during hardship.

When rural families experience severe drought, flood, bushfire, or economic disruption, their capacity to pay school fees, fund travel or employ a tutor can collapse. For children who have no local secondary education options in their local area, boarding is their only option and boarding fees (not including tuition) exceed \$25,000 per year.

Families operating on minimal or no income may be forced to withdraw students, delay enrolment, or divide the household to access local schooling.



2. The Educational Impact of Rural Hardship

Boarding students, rural schools, distance education learners, and tertiary students all experience hardship differently. Boarding families accrue debt, withdraw children or face mental health strain. Small rural schools lose fundraising capacity and cancel enrichment programs. Distance education families lose supervision capacity when parents are needed elsewhere or fall ill. Preschool and early learning services often close when local fundraising fails. Tertiary students defer study because families cannot afford relocation costs.

3. Current Support Mechanisms and Their Limitations

- The Assistance for Isolated Children (AIC) Scheme is critical but limited. Payments lag behind actual costs and do not scale up during hardship.
- The Farm Household Allowance (FHA) excludes non-farming families and offers no loading for school-age children.
- New programs like the Commonwealth Regional Scholarship Program (CRSP) and the Future Drought Fund help in part but do not guarantee education continuity during crisis. While the CRSP is beneficial to the few families who receive it, the program has not yet progressed beyond its 2024 pilot.

4. The Case for a Permanent Rural Hardship Education Fund

ICPA(Aust) proposes that the Government establish a standing RHEF to ensure educational continuity, protect families' capacity to fund schooling, and complement existing schemes.

Key features include:

- **Trigger events:** natural disasters, economic shocks, or family crises.
- **Eligibility:** rural and remote families receiving AIC, children in local rural schools, and tertiary students from hardship-affected areas.
- **Assistance types:** supplementary RHEF payments (min. \$2,000/student/year), school grants, tutoring support for distance education, extended childcare subsidies, and tertiary access allowances, Additional funding for the Isolated Classroom (e.g: loss of educational material during a flood event)
- **Administration:** delivered through the Department of Social Services, using existing AIC infrastructure, that is automatically triggered when an AIC family is identified in a 'trigger event'. This will ensure a rapid and meaningful response.
- **Capacity for direct family application:** irrespective of disaster declarations (this would encompass family crisis).



5. Broader Context in 2025

Rising education and living costs, recurrent drought cycles, and escalating climate disasters continue to pressure rural families. Maintaining access to education amid these challenges is central to community resilience and national equity goals.

6. Benefits and Long-Term Outcomes

The RHEF would protect learning continuity, support family wellbeing, prevent population drift from rural areas and uphold equal opportunity for all Australian children. It offers strong social and economic returns by sustaining education, employment pathways, and community cohesion.

The establishment of the RHEF would also underpin the Federal Government commitment (in April 2025) from the Prime Minister and Cabinet stating that:

"The Government is committed to ensuring that every child regardless of socioeconomic background or geographical location has access to high quality education".

With modest annual investment (estimated under \$4 million nationally), the fund would deliver long-term returns through education retention, workforce participation and community resilience.

Recommendations

1. Establish a permanent Rural Hardship Education Fund (RHEF).
2. Link the fund to the AIC framework for efficient, automated administration.
3. Provide a minimum \$2,000 (indexed with CPI) per-student supplement during hardship periods that is triggered automatically when a natural disaster / family crisis is identified.
4. Extend funding to rural schools and early learning centres.
5. Include distance education students (as identified via AIC) and childcare hardship provisions.
6. Offer tertiary access support for affected students.
7. Allow direct family applications irrespective of natural disaster declarations.
8. Maintain and evaluate the REHF giving agency to the family's identified via AIC to ensure long-term impact is meaningful.
9. Flexible eligibility not tied solely to state drought declarations.

Conclusion

Rural and remote families face extraordinary challenges providing education for their children. When hardship strikes, their ability to meet schooling costs is jeopardised. The Rural Hardship Education Fund offers a practical, equitable, and enduring solution. It ensures that very child, regardless of geography or circumstance, can continue learning even in the toughest times. **Rural hardship due to unforeseen disasters, should never mean educational hardship.**