



ICPA Briefing Papers

Assistance for Isolated Children (AIC) Scheme

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Introduction

The Isolated Children's Parents' Association of Australia, ICPA (Aust), is a voluntary, apolitical, national parent organisation working on behalf of our members for equity of access to appropriate education for children living outside of metropolitan areas.

Providing geographically isolated families with the means to offer their children an education equivalent to their urban counterparts is vital to ensure equitable education outcomes and to foster a skilled and qualified labour force into the future. Geographically isolated students who must live away from home to access an appropriate education must be adequately supported and valued.

Assistance for Isolated Children (AIC) Scheme

OVERVIEW

The AIC Scheme was implemented in 1973 to assist rural and remote families with the extra costs of educating their children who are geographically isolated from an appropriate government school.

The AIC allowance consists of three main categories for geographically isolated students:

- **Boarding and Additional Boarding Allowance for students boarding away from home at a school, hostel or private arrangement**
- **Second Home Allowance for students living in the family's second home so they can attend school daily**
- **Distance Education Allowance for students living at home and undertaking distance education.**

ICPA (Aust) calls for timely increases and improvements to the Isolated Children (AIC) Allowance to ensure equity for all students, regardless of their geographical location.

AIC Key Issues:

1. **An increase to the AIC Allowance and alignment to the CPI Education Sub Index**
2. **An extension to the AIC Distance Education Allowance to include three to four- year-olds enrolled in approved pre-compulsory distance education programs**
3. **The inclusion of a Fares Allowance in the AIC Scheme similar to that of ABSTUDY and Youth Allowance**
4. **The AIC Second Home Allowance paid at the same rate as the AIC Boarding Allowance**
5. **The expansion of the AIC criteria to enable more rural and remote students to be eligible for assistance**
6. **A separate category for Geographically Isolated Students under AIC**
7. **Improvements to the AIC Application/Renewal Process**
8. **A Review of the AIC Scheme**

ISSUE 1

A increase to the AIC allowance and alignment to the CPI Education Sub-Index

The AIC allowance must adequately address the out-of-pocket costs incurred by rural and remote families. Whether their children need to study via distance education, board away from home or the family sets up a second home in order to access schooling. It is important to note there has been no significant increase to the AIC allowance for many years, even though essential costs of educating geographically isolated children have continued to rise steadily.

Boarding

Many rural and remote families must send their children away from home for their compulsory secondary education. In Queensland alone, there are eight shires with no high school. Boarding School is a necessity for these students.

Families find it extremely difficult to afford ever-increasing boarding school fees, and this financial strain is exacerbated when more than one child is enrolled in boarding. Unfortunately, some families are forced to divide the family unit and move to a town in the bid to access affordable schooling, or in some cases make the unenviable decision of choosing between sibling/s to attend boarding school as they cannot afford the cost of boarding for all of their children. This situation creates extreme distress, uncertainty and upheaval for students and their family and also negatively impacts the small communities and rural schools these families are associated with.

Information gathered from families in the ICPA (Aust) Boarding School Access Research for Geographically Isolated Students indicates that annual out-of-pocket boarding expenses range from \$17,000 to \$35,000 per child, which is unsustainable for most rural families. This research can be viewed [HERE](#).

The disparity between the AIC Boarding Allowance and actual Boarding School fees across Australia continues to grow. This gap is impacting the intent and effectiveness of the allowance. Rural and remote families must contribute significantly more towards the cost of their children's compulsory education each year as the cost of educational provision and services rise.

Currently, the AIC is indexed annually in line with the Consumer Price Index (CPI). However, Boarding School fees continue to rise at a far greater rate than the CPI. On average, boarding facilities increase their fees by 4-8% per annum. The continual upward trend of boarding fees is further exemplified by data obtained from the Queensland Isolated Children's Parents Association which showed that in 2018 across Queensland boarding schools, boarding fees rose at an average of 6%.



The table below shows a comparison between the average boarding fees in Australian states and territories and the assistance received through the AIC Boarding Allowance.

Comparison of average Boarding fees and Assistance For Isolated Children (AIC) Scheme								
AIC – Basic Boarding Allowance 2015	AIC – Basic Boarding Allowance 2021	% Increase of AIC 2015-2021	State	Average Boarding Fee 2015	Average Boarding Fee 2021	% Increase of Boarding fees 2015-2021	% Boarding Fees covered by AIC 2015	% Boarding Fees covered by AIC 2021
\$7 897	\$8 557	8%	Vic	-	\$26 631	-	-	32%
			SA	\$19 991	\$22 789	14%	39%	37%
			ACT	-	\$26 042	-	-	33%
			Tas	\$15 467	\$19 533	26%	51%	44%
			NT	\$14 233	\$24 830	74%	55%	34%
			Qld	\$17 288	\$20 430	18%	46%	42%mm
AIC – Basic Boarding Allowance 2014	AIC – Basic Boarding Allowance 2021	% Increase of AIC 2014-2021	State	Average Boarding Fee 2014	Average Boarding Fee 2021	% Increase of Boarding fees 2014 -2021	% Boarding Fees covered by AIC 2014	% Boarding Fees covered by AIC 2021
\$7 667	\$8 557	12%	NSW	\$20 331	\$25 206	24%	38%	34%
AIC – Basic Boarding Allowance 2016	AIC – Basic Boarding Allowance 2021	% Increase of AIC 2016-2021	State	Average Boarding Fee 2016	Average Boarding Fee 2021	% Increase of Boarding fees 2016 -2021	% Boarding Fees covered by AIC 2016	% Boarding Fees covered by AIC 2021
\$8 015	\$8 557	7%	WA	\$19 636	\$22 730	15%	40%	38%

Second Home

The AIC Second Home Allowance assists families with the cost of setting up a second home away from their principal place of residence where a family member lives with the children so that they can attend a school on a day-to-day basis. The option of establishing a second home while children are of school age is paramount in retaining families in rural and remote areas of Australia. Boarding School is not a suitable environment for every student. In many cases, the mother and children live in a second home during school times, returning to their rural area during school breaks and holidays. This allows the family to access schooling, maintain their connection and support with their rural community and work and live in a rural area. If the Second Home Allowance were not available, more families would move their entire family permanently to an area where appropriate schooling was available, further impacting the sustainability of these communities.

ICPA is seeking that the Second Home Allowance be paid at the same rate as the Basic Boarding Allowance to alleviate the rising costs of living. (See Issue 3)

Distance Education

Families who educate their children via distance education are required to establish and maintain a schoolroom setting, provide extra learning materials and resources, print necessary learning materials, all of which are supplied to students at mainstream schools. In addition, distance education families often travel significant distances to participate in school activities that offer interaction and socialisation for their children, incurring considerable travel and accommodation expenses. The AIC Distance Education Allowance assists distance education families with some of these necessary expenses to educate their children when living in geographic isolation. Increasing the existing allowance would assist families with the rising costs of educating children in isolated areas.

Recommendation

- A significant increase in the AIC allowance across all categories
- Indexation of the AIC allowance to the CPI Education Sub-Index

ISSUE 2

The extension of the AIC Distance Education allowance to include three to four-year-olds

Three to four-year-old students enrolled in an approved pre-compulsory distance education program must be supported while participating in their essential transition to formal schooling programs. The Assistance for Isolated Children (AIC) Distance Education allowance should be extended to include these children as no other financial assistance is available for this cohort.

The delivery and accessibility of early learning programs for children in the year before starting formal schooling has never been better. This can be attributed to the Federal Government's commitment to the Universal Access to Early Childhood Education Program. Despite this, ICPA (Aust) remains concerned about the affordability of accessing early learning programs for those living in rural and remote regions.

ICPA (Aust) believes the impact of not accessing affordable early learning for children living beyond the metropolitan boundaries is evident in the gap between educational outcomes for rural and remote students compared to those living in large centres. Much of this is due to learning difficulties which are undiagnosed in the early years and having very limited opportunities to socialise and interact with other children.

All States and Territories offer early learning programs delivered by distance education in the home and this is the only avenue available for many geographically isolated children. Around 200 children across Australia access these programs which include a mixture of hands-on play-based learning and teacher-led structured online lessons. As with every other early childhood program for three to four-year-olds, these distance education lessons are designed to help children transition from home to school.

Families bear the entire cost of setting up a home schoolroom, which includes providing resources, equipment and the appropriate technology. It is also 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 that allow 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 group and individual evaluation and diagnostic opportunities. Costs for families involve travel and accommodation for up to a week at a time.

Families undertaking pre-compulsory distance education programs are effectively blocked from any funding to assist with meeting the costs of program delivery, setting up their schoolroom and accessing school functions. These 3 to 4 year-olds undertaking a pre-compulsory early learning distance education program are deemed ineligible for the Assistance for Isolated Children, (AIC), Distance Education allowance as they are not recognised by the Australian Government and no payment is available through the Child Care Subsidy (CCS) either as these children are still in their parents' care while participating in distance education.

Recommendation

The extension of the AIC Distance Education allowance to include 3-4 year-olds enrolled in an approved pre-compulsory distance education program



ISSUE 3

The need for a Fares Allowance in the Assistance for Isolated Children (AIC) Scheme similar to that of ABSTUDY and Youth Allowance

Geographically isolated students who receive the AIC Boarding Allowance and Second Home Allowance who must live away from home to attend school often have to travel vast distances to access their place of study. There are inequities in Commonwealth Student Travel Allowances. While the Federal Government has in place Fares Allowances to assist with student travel under the ABSTUDY and Youth Allowance schemes, there is no provision for travel in the AIC Scheme which is the assistance a large number of geographically isolated students fall under. Having a Fares Allowance available under the AIC Scheme would ensure that all eligible students would have assistance available to them to help offset the cost of travelling to compulsory schooling.

Recommendation

That a Fares Allowance be added to the Assistance for Isolated Children (AIC) Scheme

ISSUE 4

AIC Second Home Allowance should be paid at the same rate as the AIC Boarding Allowance

Boarding school is not a suitable environment for every student, resulting in some families establishing a second home to access compulsory schooling for their children. Living costs continue to rise, and incomes for geographically isolated families are comparatively low, with some farming families facing years of negative income as a result of drought.

Currently, the AIC Second Home Allowance is paid at a substantially lesser rate than the AIC Boarding Allowances. For the 2020 year, the difference between the AIC Basic Boarding Allowance and the AIC Second Home Allowance is \$2058.00.

Recommendation

That the AIC Second Home allowance be paid at the same rate as the AIC Boarding Allowance

ISSUE 5

That the AIC Scheme criteria be expanded to allow more rural and remote students to be eligible for assistance

ICPA (Aust) have concerns about the scope of assistance for families educating rural and remote children. We would certainly not like to see any of the current eligibility criteria for the AIC removed or diminished; however we would like to see the allowance criteria expanded to allow more rural and remote students to be eligible for assistance.

Due to the nature of the educational facilities in remote towns, students face limited subject choices and reduced educational opportunities. Rural and remote students who are accepted into specialised programs not offered at their local school who need to board away from home to access these programs should be eligible to receive AIC. A remoteness index applied to facilitate AIC eligibility would address the educational disadvantage these students face. An expansion of the criteria would:

- Address the inequities faced by families who live in or near rural and remote communities, where secondary schools are unable to meet the educational needs of individual students, by allowing them to access the AIC Boarding Allowance or the Second Home Allowance
- Consider socio-economic and Index of Community Socio-Educational Advantage (ICSEA) of a school.

ISSUE 6

A separate category for Geographically Isolated Students under the AIC Scheme

While ICPA (Aust) does not begrudge any student receiving the AIC if they fulfil the existing criteria, geographically isolated students educational needs and costs are very different to other categories of students who are not geographically isolated, however, it is imperative that geographically isolated students are able to be identified as a separate category to ensure their unique needs can be recognised and treated with autonomy.



ISSUE 7

Improvements to the AIC Application/Renewal Process

A prompt, efficient, streamlined process of application and renewal through the migration to an online application and renewal platform and an improved customer service/helpline are essential to ensure the AIC application and renewal process are efficient, flexible and unproblematic for eligible families.

AIC Applications

Currently, when applying for the AIC Allowance, forms need to be downloaded from the Human Services website or collected from the nearest service centre. Applications must be submitted by post, fax or delivered in person which the processing of the application considerably. Major errors with the distribution of AIC correspondence have occurred in recent years resulting in ICPA (Aust) needing to speak directly with personnel in the Department of Human Services to resolve these issues on behalf of its members. ICPA (Aust) requests the Department of Human Services implement an online and phone option for applications and renewals for the AIC allowance as an adjunct to the current paper-based system.

ISSUE 8

Review of the AIC Scheme

The gap between the AIC allowance and the actual cost of educating geographically isolated children continues to widen. It is critical to note the AIC Scheme has not had a formal review since its inception in 1973. While ICPA (Aust) would certainly not like to see any of the current eligibility criteria for the AIC removed or diminished, ICPA (Aust) strongly believes a Review of the AIC Scheme is urgently needed and timely to ensure the scheme is adequately meeting the needs of those it is designed to assist, namely geographically isolated students.

Recommendation

That a Review of the AIC Scheme be conducted to ensure the allowance is meeting the needs of the geographically isolated students it was established to help.

