

ISOLATED CHILDREN'S PARENTS' ASSOCIATION OF AUSTRALIA



2022 BOARDING SCHOOLS/HOSTELS/SECOND HOME PORTFOLIO CONFERENCE REPORT

Lisa Slade

The Boarding/Hostels/Second Home Portfolio has been kept busy again this past year keeping abreast of the issues surrounding the COVID-19 pandemic. The Assistance for Isolated Children (AIC) continues to be a priority, along with monitoring the change in the school funding model and how it will impact on boarding school fees.

COVID-19

The four motions presented and carried at the 2021 Federal Conference regarding cross border travel and the National Code for Boarding School Students were actioned immediately. In November, ICPA (Aust), along with other key stakeholders, were invited by the then Minister for Regional Education, Senator the Hon Bridget McKenzie to attend a follow-up virtual roundtable regarding the Implementation of the National Code for Boarding School Students. Following on from this, a joint ICPA Council media release titled 'Border Chaos Continues – Enough is Enough' called upon State Governments to adopt the National Code for Boarding School Students endorsed by National Cabinet in September 2021 to ensure the 2022 year was met with informed and clear determinations around cross border travel for students travelling between their home and place of school as outlined in the National Code. ICPA (Aust) thank Senator McKenzie, Senator Perin Davey and Senator Susan McDonald, along with the Australian Boarding Schools Association (ABSA) and other stakeholders for their unwavering support and willingness to pursue this issue with the States and Territories through avenues such as National Cabinet meetings. We would also like to acknowledge the tireless work behind the scenes by both ABSA and Senator McKenzie's office to supporting individual members, helping families overcome the perplexing layers of red tape and mind-boggling inconsistencies across jurisdictions to ensure their children could travel across borders between their school and their home in time for Christmas, when all other avenues had been exhausted. While the foot has come off the pedal so to speak with regards to the boarder/border situation, we are still seeing motions at State Conferences seeking assurances from their State/Territory Governments that should a similar situation arise in the future, these Governments will abide by the National Code.

With the commencement of the new school year across the country, the COVID-19 guidelines (within a boarding environment) varied across each State and Territory and the subsequent implementation of these guidelines by each boarding school was subject to interpretation. This evolved into inconsistent, unjustifiable, and stifling requirements, processes and rules that brought further adversity to an already disadvantaged cohort of vulnerable students. Accounts of extended isolation, families not being able to settle children into boarding at the start of the year, boarding students being segregated from day students and many more stories of heartbreak made these conditions unbearable for both the children and their families. State Councils worked tirelessly within their own States and Territories to address these issues and be the voice for these families and Federal Council worked as a conduit between Councils to share information to help bring a resolution to a fundamentally confused and unworkable situation. In March a further joint ICPA Councils media

statement was released - 'ICPA Calls for a Balanced Approach to Risk Management Within Boarding' – outlining the need to urgently address unfolding issues surrounding COVID-19 within the boarding environment. I commend all for their ongoing tenacity in this diabolical situation.

Once again, ABSA along with Senator McKenzie and her office provided much needed support and help during the first term of school in particular, and we thank them greatly on behalf of ICPA members across Australia. In most cases there was a breakdown in communication between the relevant health department and the boarding schools leaving the scope and interpretation of the guidelines quite broad. While each and every boarding school were acting in the best interests of their students while keeping within the guidelines, it was often a case of misinterpretation of the guidelines, due to lack of specific direction within them, that formed the crux of the issue. Some state government departments communicated far better than others, but importantly ICPA were able to be a part of the conversation and raise concerns to help find a balanced approach to risk management within boarding situations, where the COVID-19 risks could be mitigated without disproportionate constraints on our vulnerable young children.

Assistance for Isolated Children (AIC)

Federal Council continues to seek blanket increases to the Assistance for Isolated Children (AIC) Boarding and Second Home Allowances. In late December, we were invited by then Minister for Families and Social Services, Senator the Hon Anne Ruston, to attend a virtual meeting with her office to discuss the issues raised in the 2021 Federal Conference motion letters. The opportunity to provide extra information added a human element, gave the issues context in a rural and remote setting and fostered a broader understanding of why our members request increases and changes to the AIC. It was a positive meeting, and we were thankful to be given the opportunity to speak on behalf of members and to build a rapport with the Minister's office.

Senator the Hon Matthew Canavan, who chaired the Senate Standing Committee on Education and Employment wrote to notify Federal Council that he would take our request for an increase to the AIC Basic Boarding Allowance to the Senate Standing Committee meeting in late February. We are yet to hear if this eventuated.

Federal Council has been in regular contact with Services Australia and the Department of Social Services since Federal Conference. Following a major reshuffle throughout both of these departments over the past few years, we had been left floundering, losing what were once strong staff connections and dealing with revolving staff, unfamiliar with ICPA. It is pleasing to report that we now have a strong and fluid relationship with both Departments again and that regular meetings have been established.

At the end of November 2021, the Department of Social Services supplied ICPA (Aust) with data showing the breakdown between geographically isolated students (distance education, boarding and second home) and other recipients of AIC by State/Territory. This was a major breakthrough as this data has been requested by Federal Council as far back as 2016 after the Department had stopped providing it. This information is valuable to assist in our advocacy to the Federal Government and relevant departments.

In December 2021 Services Australia provided the 2022 payment rates and payment dates for AIC, which were distributed to members via the Branch Bulletin and uploaded onto the ICPA website. It was a major milestone to not receive messages from members regarding erroneous 'AIC Cancellation' letters over the Christmas period. Federal Council passed on its appreciation to the Department for putting this issue to bed after four or more years.

In January 2022 ICPA (Aust) was contacted by Services Australia investigating families' concerns surrounding the current COVID-19 situation and the return to boarding. We were pleased to report recently that arising from this feedback we were given assurance that the AIC will continue to be paid to families throughout Term 1 and 2 of 2022, regardless of whether a child is at boarding school or learning remotely due to the pandemic. The continuation of AIC basic and additional boarding payments will be reassessed each term according to the COVID-19 situation.

Federal Council was subsequently invited to attend quarterly meetings with the Department of Social Services (DSS) and Services Australia to discuss the AIC, Youth Allowance, ABSTUDY and the Tertiary Access Payment. The first meeting for the year was held virtually in early February. The need for an online AIC renewal form was discussed and feedback indicated that while its rollout was likely delayed due to COVID-19, this is a priority and the departmental team were confident they were gaining traction. Unfortunately, due to the election and subsequent caretaker mode, Federal Council was unable to meet with the department in Canberra at our face-to-face delegations in May but were able to connect virtually again in mid-June. We were pleased to see the same faces following the change in Government and thank DSS and Services Australia for continuing this important communication network with us.

Direct Measure of Income (DMI) School Funding Model

While much of Federal Council's focus has been on the issues around COVID-19 in boarding, we have begun working with ABSA to monitor the affect the application of this model on boarding schools could potentially have on rural and remote boarding students. ABSA has access to boarding schools across Australia and has been working with the Coalition of Regional Independent Schools Australia (CRISA) around statistical data across regional schools as well as boarding schools.

Federal Council has previously raised concerns regarding this school funding model and in 2020 presented a submission to the Review of the Regional Schooling and Resource Standard Loadings, the findings of which are yet to be released. We also wrote to then Minister for Regionalisation, Regional Communications and Regional Education, Senator the Hon Bridget McKenzie to raise our grave and immediate concern over the impact the Direct Measure of Income (DMI) funding model will have on rural and remote families Federal Council have cited concerns on the impacts increases in either or both tuition and boarding fees or lack of school services as a result of the imminent decreases in funding to Independent Regional Boarding Schools will have on our members.

ICPA (Aust) supports extra loading recommendations which recognise the disadvantages in Regional, Rural and Remote (RRR) educational contexts and acknowledge the establishment of the Choice and Affordability Fund to address funding shortfalls. However, we believe the potential inadvertent negative impacts for rural and remote families due to the consequences of the Capacity to Contribute (CTC) arrangements on Independent RRR Schools need to be thoroughly investigated and provisions made to mitigate these effects on geographically isolated students who access these schools due to lack of access to an appropriate school where they live. ICPA (Aust) has raised the following issues:

- There are simply not enough State Government-run hostels and boarding facilities to accommodate the thousands of rural and remote children who must board away from home for their secondary education
- The lack of inclusion of 'boarding' within the DMI funding model and the need for boarding fees to be taken into consideration in conjunction with in-school costs within the model. When calculating boarding families' capacity to contribute, it is imperative the boarding fees they incur on top of tuition fees are taken into consideration.
- The lack of inclusion of boarding operations expenses of Independent Regional Boarding Schools in providing essential boarding facilities for rural and remote children within the DMI

funding model also indicates a lack of acknowledgement by Government of the importance of educational equity for geographically isolated students

- Concerns regarding the use of taxable income to determine the capacity to contribute for rural and remote families who are involved in primary production industries such as agriculture as this can be a grossly inaccurate measure of income for the following reasons:
 - Income and operating expenses within the agricultural industry are highly variable and fluctuate from year to year depending on factors such as the season and commodity prices.
 - Many agricultural operations are private enterprises, often asset rich and cash poor and disposable income is low.
 - The income of families involved in primary production is almost completely dependent on the weather, commodity prices, bushfires, drought, floods and other rural hardships which are entirely uncontrollable and unpredictable in nature.
 - Often with family-owned agricultural businesses and other rural businesses in small towns, the “income” is actually the business earnings, and any profit is reinvested back into the business rather than personal income to be used by a family for other needs.
 - Rural and remote families are in an unusual position in that their children need to source an education, which comes at a considerable cost but they have very little disposable income even in productive years.
- Without due consideration of fluctuating incomes and possible inflated and inaccurate income data that the CTC arrangements may generate in relation to families involved in primary production, funding shortfalls for RRR schools may not be identified and therefore not adequately addressed in the Regional Schooling Resource Standard Loadings
- Students from geographically isolated areas often form a very small percentage of an Independent Regional Boarding School’s student base which can result in a dilution of their own Capacity to Contribute and yet they are the ones that face the greatest challenge to educate their children.

ICPA (Aust) believes these concerns need to be addressed as a matter of urgency and pose the following recommendations to mitigate any impacts the DMI model may have on our already disadvantaged rural and remote students.

Recommendations:

1. That recurrent funding for schools be extended to include the provision of boarding to ensure the continued viability of Independent Regional Boarding Schools and the accessibility and affordability of these schools for geographically isolated students
2. That the Capacity to Contribute methodology recognises the financial circumstances of geographically isolated families when applied to Independent RRR Schools and Independent Regional Boarding Schools which cater for geographically isolated students
3. Choice and affordability fund – assurance that the quarantined funds for Independent Regional Schools in each State and Territory is distributed appropriately to adequately mitigate the impacts of the DMI model for independent schools with boarding facilities
4. Incremental annual increases to the AIC Basic Boarding Allowance of at least \$500 per geographically isolated recipient, along with incremental annual increases to the AIC Additional Boarding Allowance of \$500 per recipient to recognise the expected increase in boarding school fees incurred by their families to ensure affordable access to a compulsory education for their children.

Fringe Benefit Tax (FBT)

A motion regarding the removal of FBT for businesses who assist employees with boarding fees was actioned in correspondence to the Minister for Finance. Federal Council received a reply from the Individuals and Indirect Tax Division department within The Treasury, on behalf of the Treasurer, who maintained the important role FBT plays. It is believed those who receive other forms of remuneration above their salary and wages are at an advantage to those who are only able to generate an income entirely from their salary. By taxing those additional payments (fringe benefits) it levels the playing field in helping to provide an equitable taxation system within Australia. They believe providing a tax exemption for private boarding fee payment by an employer, as we have requested, would deliver significant disadvantage to those employees and self-employed persons who also pay private boarding fees from their own salary and wages, as opposed to those in receipt of the fringe benefit from their employer.

Unfortunately, the election and ensuing caretaker mode halted much of the movement in the groundwork laid earlier in the year, but like any challenge we look forward to working with the new Government in paving the road ahead.

Useful Links

For the most up to date information please follow these links to the Briefing Papers related to this Portfolio:

Federal Boarding/Hostels/Second Home Briefing Paper

<https://icpa.com.au/au/federal-boardinghostelssecond-home-briefing-paper>

Federal Assistance for Isolated Children (AIC) Briefing Paper

<https://icpa.com.au/au/federal-assistance-isolated-children-aic-briefing-paper>.

Link to Media Release 'ICPA calls for a balanced approach to risk management within Boarding'

<https://icpa.com.au/au/icpa-calls-balanced-approach-risk-management-within-boarding>

Link to 2022 AIC Payment Rates and Dates

<https://icpa.com.au/au/important-portfolio-update-march-2022>

I would like to thank my fellow Boarding/Hostels/Second Home Portfolio members, Alana Moller, Ali Allison, Julia Broad, Naomi Obst and Wendy Henning for their invaluable support this past year. I would also like to wish the new Council for 2023 all the very best for what will be a busy year getting to know the new Government and making sure they in turn know all about rural and remote children's education!