



**ICPA (Aust)**

Isolated Children's Parents' Association Inc

# ***Pre-budget Submission*** **2023-24**



***- Access to education for rural and remote students -***

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## *Introduction*

The Isolated Children's Parents' Association of Australia, ICPA (Aust) thanks the Federal Government for the opportunity to contribute to discussions regarding the 2023-2024 Federal Budget.

### *About ICPA Australia*

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. ICPA (Aust)'s 2023-24 Pre-Budget Submission sets out recommendations that will go some way towards 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 of a Distance Education Teaching Allowance (DETA) for geographically isolated distance education families.
  4. Assured funding for rural and remote Mobile Early Learning Services.
  5. An increase to the Commonwealth Living Away from Home Allowance (LAFHA) and alignment to the CPI.
  6. The establishment of a Rural Hardship Education Fund (RHEF).
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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.

While the AIC is indexed annually with the CPI, this incremental increase does not reflect the increasing costs of providing education for geographically isolated children. Indeed, in 2021, due to the financial situation arising from the COVID-19 pandemic, the CPI decreased, resulting in no increase in the AIC payment, except for a small rise to the AIC Second Home Allowance. We request that the 2023-2024 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.

### The 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.

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*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 Distance Education Allowance of \$750 per student/annum**

Approximately 5200 students receive Distance Education Allowance @ \$4698 per year p/student (2023)

- Increase of \$750 per child/annum = \$3.9m
- Total funding allocation over forward estimates (4 years) = \$15.6m

### AIC – DE Allowance Increase

Number of Students	Funding per Child per annum		Total Funding per annum
5268	Current Funding	\$4698	\$24,749,064
	Additional Funding	\$750	\$3,951,000
	Total per annum	\$5448	\$28,700,064

\*student numbers are based on the 2017 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 monetary 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) Scheme								
AIC – Basic Boarding Allowance 2015	AIC – Basic Boarding Allowance 2022	% Increase of AIC 2015-2022	State	Average Boarding Fee 2015	Average Boarding Fee 2022	% Increase of Boarding fees 2015-2022	% Boarding Fees covered by AIC 2015	% Boarding Fees covered by AIC 2022
\$7897	\$8856	12%	Vic	-	\$26,412	-	-	33%
			SA	\$19,991	\$23,304	16%	39%	38%
			ACT	-	\$28,885	-	-	33%
			Qld	\$17,288	\$21,235	22%	46%	41%
AIC – Basic Boarding Allowance 2014	AIC – Basic Boarding Allowance 2022	% Increase of AIC 2014-2022	State	Average Boarding Fee 2014	Average Boarding Fee 2022	% Increase of Boarding fees 2014 -2022	% Boarding Fees covered by AIC 2014	% Boarding Fees covered by AIC 2022
\$7667	\$8856	15%	NSW	\$20,331	\$24,345	19%	38%	36%
AIC – Basic Boarding Allowance 2016	AIC – Basic Boarding Allowance 2022	% Increase of AIC 2016-2022	State	Average Boarding Fee 2016	Average Boarding Fee 2022	% Increase of Boarding fees 2016 -2022	% Boarding Fees covered by AIC 2016	% Boarding Fees covered by AIC 2022
\$8015	\$8856	10%	WA	\$19,636	\$23,315	18%	40%	38%
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
\$7897	\$8557	8%	Tas	\$15,467	\$19,533	26%	51%	44%
			NT	\$14,233	\$24,830	74%	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 \$1000

5211 students (Dec 2017) receiving Basic Boarding Allowance @ \$9396 per annum (2023) (or cost of boarding, whichever is lower).

- \$1000 per annum = \$5.211m
- Total funding allocation over forward estimates (4 years) = \$20.844m

#### AIC – Boarding Allowance Increase

Number of Students		Funding per Child per annum		Total Funding per annum
Basic Boarding Allowance	5211	Current Funding	\$9396	\$48,962,556
		Additional Funding	\$1000	\$5,211,000
		Total per annum		\$54,173,556

\*student numbers are based on the 2017 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 school daily. 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.

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*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 - \$2000 per annum

Less than 1000 students receive \$274.46 per fortnight (\$7136 p/annum).

- Increase of \$2000 per annum = \$2m
- Total funding allocation over forward estimates (4 years) = \$8m

#### AIC – Second Home Allowance Increase

Number of Students		Funding per Child per annum		Total Funding per annum
<1000		Current Funding	\$7136	\$7,136,000
		Additional Funding	\$2000	\$2 000 000
		Total per annum		\$9,136,000



## 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 AIC has unfortunately declined over the years as families steadily migrate to more urban centres.
- 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 as a matter of urgency.**

*Inclusion of these actions in the 2023-24 Budget 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.*

## 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 recent report into Education in Remote and Complex Environments<sup>1</sup> 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**. ICPA (Aust) implores the government to accept and implement this recommendation.

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

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<sup>1</sup> [https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Employment\\_Education\\_and\\_Training/RemoteEducation/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Employment_Education_and_Training/RemoteEducation/Report)

## 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 \*250 students –\$4698 per annum (2023 rate)

- 250 students @ \$4698 = \$1,174,500 per annum
- Total funding allocation over forward estimates (4 years) = \$4.698m

**Total Funding required ≈ \$ 1,174,500 per annum.**

### AIC – DE Allowance for 3–4-year-old

Number of Students	Funding required per Child	Total Funding per annum
250	\$4698	\$1,174,500

\*student numbers are based on the 2021/22 figures in each State and Territory.

## Recommendation 3

*ICPA (Aust) calls on the Federal Government to implement a Distance Education Teaching Allowance (DETA) for geographically isolated distance education families.*

## The issue

For less than 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. As outlined above, there are extensive extra costs associated with educating children through this mode of delivery. While the Assistance for Isolated Children (AIC) Distance Education (DE) Allowance (paid at a rate of \$4698/student/annum for the 2023 year) 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.<sup>2</sup>

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 affording 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.

The costs associated for those geographically isolated families who must fill the role of the distance education tutor is entirely borne by these families. Further, in the 85% of families where the mother is the home tutor, this impacts these women's employment opportunities and financial status. It can also significantly impact the viability of family businesses in remote locations when the mother is taken out of crucial roles in the office, paddock and much more to assume the responsibility of full-time tutor or a governess needs to be employed to fulfil the role. In situations where the family moves to a second home as a result of not being able to provide a tutor, the impacts are even further reaching on business, families and rural remote communities.

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

ICPA (Aust) envisages that:

- eligibility for a DETA would be linked to receipt of the federally funded AIC -Distance Education Allowance and therefore determined by the same geographical isolation criteria
- a DETA would be paid annually per family (approx. 1500 nationally) at a rate of \$6000.00 and indexed to the Consumer Price Index (CPI).

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

## Action required

**That in the 2023-24 Budget, funds be allocated for a Distance Education Teaching Allowance (DETA) as financial recognition of the essential work a Tutor performs at a rate of \$6000.00 per family/annum.**

**Distance Education Teaching Allowance (DETA)**

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

**Total Funding required ≈ \$9 million per annum**

## Recommendation 4

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

## The issue

For many years, various mobile children's services have provided social contact, professional advice 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 learning 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.
- Current funding models do not support the establishment of new mobile early learning services.
- Funding is currently inadequate and uncertain.



The recent Report into *Education in Remote and Complex Environments*<sup>2</sup> 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.

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*ICPA (Aust) imploreS the Federal Government to implement this recommendation in the 2023-2024 Budget to ensure rural and remote children can access otherwise unattainable early learning services.*

## Action required

**That the upcoming Budget includes adequate and ongoing funding for mobile early learning services and early childhood education programs for rural and remote children and that funds be available for the creation of new services in geographically isolated areas where early learning 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 ever-increasing 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*<sup>3</sup> 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.**’

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*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 to the CPI to reflect their actual living expenses.**

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<sup>3</sup> <https://www.pmc.gov.au/resource-centre/domestic-policy/vet-review/strengthening-skills-expert-review-australias-vocational-education-and-training-system>

## 2021/22 Figures – (527 recipients from Inner/Outer regional/Remote/Very Remote):

### Current Rates

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

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

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

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

### Proposed Increase

75% increase for each 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Year Rate

### Proposed new rates

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

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

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

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

## Recommendation 6

*ICPA (Aust) calls on the Federal Government to establish a Rural Hardship Education Fund (RHEF).*

### The issue

ICPA (Aust) is calling on the Federal Government to introduce a Rural Hardship Education Fund addressing the grave concerns of the many families in rural and remote areas who struggle to afford to educate their children during times of rural hardship and ensure their students' education continues unchanged in times of rural hardship, including a personal crisis, whether students are boarding away from home, attending a local rural school/kindergarten or studying via distance education.

ICPA (Aust) advocates for a permanent Rural Hardship Education Fund (RHEF) to assist rural and remote students, schools and early learning centres with the cost of education during times of:

- natural disaster (i.e., drought, fire, flood)
- non-environmental economic factors (e.g., the Live Export Ban, Dairy Crisis)
- personal hardship such as an accident, injury or illness including prolonged terminal illness of a family member.

Due to the distinct educational contexts associated with educating children in rural and remote Australia, these situations significantly impact on the ability of children to continue to access education due not only to financial strain, but the situational repercussions which accompany residing in isolated rural and remote areas of Australia

Furthermore, when Distance Education is the only education option for families living remotely and a personal crisis directly affects the parent (in 85% of families the mother is the tutor), the dependent school aged children stand to be disadvantaged due to the parent's incapacity to fulfil their normal duties within the home schoolroom, resulting in the student/s falling behind in all areas of curriculum. ICPA (Aust) understands that the lack of an employment classification for a parent in the role of distance education tutor also impacts on the ability of a family to use insurance to cover the parent who performs this role in lieu of acknowledged farm/off farm work.

*Financial assistance to lessen the burden of educational costs must be established urgently for rural families battling to keep children at school in times of hardship.*

## Action required

**The establishment of a permanent Rural Hardship Education Fund (RHEF) to assist rural and remote students and their families with the cost of education during times of rural hardship to ensure schooling can continue unchanged.**

Geographically isolated recipients of the Assistance for Isolated Children Allowance should be the focus of any drought/RHEF supplementary payment of the AIC. Assistance for Isolated Children supplementary assistance amount should at minimum be reflective of previous AIC drought assistance payment rates with consideration of the rise in education costs.

The RHEF should be:

- At least \$2000 per student, per year.
- Should be for Geographically Isolated/Rural and Remote students who are recipients of the AIC.

In December 2020, there were less than 10,000 geographically isolated students receiving the AIC across Australia. Obviously not every student eligible for geographically isolated AIC in any given occurrence of rural hardship would need assistance at the same time. For example, additional AIC assistance of \$1000 per child was provided to approximately 500 geographically isolated AIC recipients in the area affected by the North-West Queensland floods in early 2019.

A Rural Hardship Education Fund could be linked to the Assistance for Isolated Children (AIC) Scheme which identifies and assists rural and remote families to address the extra cost of providing compulsory education for their children because of where they live.

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## Further Advocacy Information

ICPA (Aust) thanks the Federal Government for the opportunity to contribute to the 2023-24 Budget discussions.

This submission forms part of our work in advocating for allowances to further assist families and students in rural and remote areas of Australia to gain equity in accessing education. Funding these allowances would help alleviate and overcome the challenges families face when educating their children in isolated regions of Australia. The ICPA (Aust) Briefing Papers are available at the following links:

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

Please do not hesitate to contact ICPA (Aust) Federal President, Alana Moller for further information as required. Contact details are available on the cover sheet.

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