

PORTFOLIO REPORT - STATE COUNCIL

Allowances Report

Sally Brindal – Portfolio Holder, March 2020

There are a number of allowances available to students throughout their compulsory and post compulsory education.

The following are governed by the Federal Government:

- Assistance for Isolated Children (AIC) Basic Boarding Allowance
- Assistance for Isolated Children (AIC) Additional Boarding Allowance (parent income tested)
- Assistance for Isolated Children (AIC) Second Home Allowance
- Assistance for Isolated Children (AIC) Distance Education Allowance
- Youth Allowance Dependent and Independent
- Student Start Up Loan (subject to eligibility for Youth Allowance)
- Relocation Scholarship (subject to eligibility for Youth Allowance)
- Fares Allowance (subject to eligibility for Youth Allowance)
- Living Away from Home Allowance (Apprentices' Only)

The following are governed by the State Government:

- Boarding Away from Home Allowance (BAHA)
- Student Travel Subsidy Scheme (SSTS) – Department of Transport
 - Road Travel Subsidy
 - Fares Allowance
- Conveyance Allowance – Public Transport Authority (PTA)

Allowances motions raised at the 2019 State Conference sought to have ICPA (WA) continue to lobby the State Government for the reinstatement of the Royalties for Region (R4R) component of the Boarding Away from Home Allowance (BAHA) in addition to seeking a substantial increase.

BOARDING AWAY FROM HOME ALLOWANCE (BAHA):

In response to the motions raised, letters were sent to the Minister for Education and Training, Hon. Sue Ellery MLC outlining the important role the BAHA plays in providing additional assistance to families who have to send their children away to boarding school. In response, whilst Minister Ellery understands our concerns she stated "... the State and Commonwealth Governments provide financial support to rural and remote families through a variety of mechanisms, including the BAHA." Although acknowledging "boarding fees for the Department of Education's Residential Colleges have increased in recent years, the State Government continues to subsidise a significant portion of the operating costs of the colleges thus ensuring the boarding fees are maintained at a more affordable level for regional families. The boarding fees are also reviewed to ensure they remain comparable to the living costs of a student residing at home."

Unfortunately, it would seem the one factor that has been overlooked is that the Government Residential Colleges are all situated in regional areas and due to location and logistics that option is not available to many families. Where Perth is the only feasible option for some families, there are no Government Residential Colleges available. The only Government Residential College in Perth is located in City Beach and is offered to Gifted and Talented students only. Consequently, remote, rural and regional families have no other choice but to send their children to private boarding schools, at considerable expense, so every cut no matter how big or small is severely felt.

Minister Ellery was kind enough to meet with the State Council delegation in July, where the issue of the BAHA cuts was again raised and discussed. The Minister made it quite clear that the BAHA reduction would continue as planned until 2022 however is happy to examine the structure at that time. In January of this year the WA Nationals announced a new policy to more than double the BAHA if they form Government in 2021. This shows that the BAHA is still clearly on the political agenda.

Boarding fees in the Residential Colleges continue to rise, up just over 2% in 2020. The Federal Government increases the Assistance for Isolated Children (AIC) payment each year with CPI, but unfortunately this is soon eroded by the reduction in the BAHA. By 2022 the BAHA payment will be back to \$1320, back to where it was 12 years earlier!

The reduction of the R4R component over 5 years equates to an annual increasing reduction of \$157 per child per year. For the 2019 school year the reduction in the BAHA has saved the Government \$231,049.

Year of Schooling	Number of Applications
2019	1357*
2018	1348
2017	1453
2016	1503
2015	1397

BAHA is available to:

*applications still being accepted and paid

- students who qualify for AIC
- students in respite because of physical or intellectual disabilities, health related conditions or learning difficulties
- students attending and boarding at a Western Australian College of Agriculture
- students enrolled in a gifted and talented program at a public school and is boarding at City Beach Residential College

As we all know the cost of boarding *both public and private* is continually rising leaving remote, rural and regional families even more disadvantaged.

	(net cost)	AIC	BAHA	Parents (pay annually)
2013	\$11,550	\$7,487	\$2,105	\$1,958
2014	\$11,780	\$7,667	\$2,105	\$2,008
2015	\$12,660	\$7,897	\$2,105	\$2,658
2016	\$13,510	\$8,015	\$2,105	\$3,390
2017	\$13,660	\$8,095	\$2,105	\$3,460
2018	\$13,900	\$8,249	\$1,948	\$3,703
2019	\$14,143	\$8,422	\$1,791	\$3,930
2020	\$14,461	\$8,577	\$1,634	\$4,250
25% increase				

The announcement from Minister Ellery in August, that from 2020 non-government schools will no longer pay more for their students to board at the Residential Colleges in regional Western Australia was however a silver lining. ICPA (WA) would like to thank the Minister for conducting a very prompt review of the financial arrangements by which students attending non-government schools access the Department's regional Residential Colleges. ICPA (WA) thank the McGowan Government for listening to our members concerns and the value regional parents place on boarding their children in regional boarding facilities to keep families in regional areas.

ASSISTANCE FOR ISOLATED CHILDREN'S ALLOWANCE:

Recently the implications of receiving the First Home Owners' Grant (FHOG) on the eligibility for AIC was brought to State Council's attention. It is something that has been in the system for quite some time, but a lot of people are unaware. From 1 January 2011, those who have received a financial concession during the purchase of their family home (including, but not limited to, the First Home Owners Grant, state-based first home owners incentives, and stamp-duty concessions) will not be eligible for the AIC Second Home Allowance. The eligibility criteria for the FHOG is that it must be your principle place of residence, therefore it cannot also be the second home. The similar eligibility criteria apply for rent assistance. So, if families are choosing to purchase their first home in order to relocate to access appropriate education it is important they assess their eligibility for AIC before choosing to accept FHOG.

STUDENT TRAVEL SUBSIDY SCHEME – ROAD TRAVEL SUBSIDY:

Although the Road Travel Subsidy (RTS) comes within the travel portfolio there is an overlap with Allowances. Recently, members' who previously qualified for the RTS have had their claims for 2019 rejected. There seems to be some conjecture with the calculation of routes and distances, especially to transport hubs. Further details can be found in the Travel Portfolio Report.

FEDERAL UPATE:

Federal Conference:

Several allowance motions were presented at Federal Conference, concerning areas such as;

- an increase to the AIC,
- ensuring the AIC current minimum distance criteria not be increased,
- establishment of a Rural Hardship Education Fund
- the removal of the fringe benefit tax (FBT) for employers wishing to assist with education expenses of children of employees,
- affordable student concessional fares
- residents fare scheme continuation
- tertiary access allowance
- relocation scholarship criteria
- Youth Allowance criteria, parental thresholds,
- Centrelink Call centre staff training, call, waiting times and call back service.
- Rural and Regional Enterprise Scholarship eligibility criteria

Federal Council have lobbied the Department for Human Services for a long time to improve the Assistance for Isolated Children's application process. The Department are working towards online renewal and application coming mid 2021-2022.

Tertiary Access Allowance (TAA):

- TAA remains Federal Council's primary lobby. The TAA is aligned with the Relocation Scholarship amounts. Federal have received motions that ask that the Relocation Scholarship be available to applicants even when not eligible for Youth Allowance. The Department of Human Services has informed us that the Relocation Scholarship is not available as a stand-alone payment.