

Isolated Children's Parents' Association of Australia Inc.

"Access to Education"



Submission

to the

Review

into the

Farm Household Allowance

from the

Federal Council

of the

**Isolated Children's Parents' Association of Australia Inc.
ICPA (Aust)**

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The Isolated Children's Parents' Association of Australia, ICPA (Aust), welcomes the opportunity to contribute to the *Review into the Farm Household Allowance*.

Since 1971, ICPA (Aust) has represented families living in rural and remote regions of Australia, who are passionate about the sustainability and prosperity of the industries they work in. Research indicates that the ability to access affordable and appropriate educational services plays a major factor in determining if a family will remain in rural and remote locations. The goal for our 2500 member families is to achieve equity of educational opportunity for all children living in rural and remote areas, ensuring they have access to a continuing and appropriate education determined by their aspirations and abilities rather than the location of their home. Remote and isolated locations in Australia provide the greatest challenges for improving provision of education options and pathways for children and families. In terms of educational and social development and to make sure their educational outcomes are not compromised, rural and remote students need the opportunity to an education that is commensurate to their needs allowing them to realise their educational potential and presenting a pathway which provides educational parity with their urban peers.

Since the early onset of the current severe drought affecting Australia, ICPA (Aust) has been requesting that assistance directed specifically towards ensuring education of rural students can continue unaffected by the impact of drought be added to the available Drought Packages. ICPA (Aust) continues to make this request on behalf of families living in drought ravaged areas, so that they can have some certainty that their children's education can continue during these tough times.

In August 2018, in reply to ICPA (Aust)'s call for educational assistance to be included in the Drought Assistance Package, then Minister for Education and Training, Senator the Hon Simon Birmingham commented that the Farm Household Allowance (FHA) did include educational assistance and this was the support available to families being impacted by the drought and more specifically that a family receiving the FHA could use the funding towards educational costs if they chose. In light of being told that the FHA was the educational support for rural families in this time of drought, ICPA (Aust) feels that we should raise in this review our concerns regarding the Farm Household Allowance and the ways in which it falls short of assisting rural students with their educational needs.

Drought Impacting on Education

Drought impacts all types of schooling for rural and remote students, children in the towns as well as out on properties.

Early Years Learning

Educating younger rural and remote children in drought-stricken areas can be financially draining. Children miss out because families cannot afford added costs associated with travelling many kilometres to access mobile playgroups and kindies for social interaction, finding funds for out-of-pocket costs to educate preschoolers can be problematic. Families have difficulty funding escalating increased In Home Care (IHC) fees for child care and, in some states like Qld for example, there are not enough IHC places to meet current demand.

Rural Schools

Students at schools in rural communities often have to forego normal 'add-on' educational activities like school camps, excursions or other events due to added expenses. Children are acutely aware of the difficult circumstances the drought brings and will make choices that they feel may help their families but may inhibit their education opportunities at the same time, such as choosing not to participate in the science competition or local sport representatives not attending competitions away from their community. Bringing outside specialist educators like artists or sports coaches into the

communities becomes more challenging as communities struggle to raise funds locally. The mental wellbeing of both parents and students is adversely impacted due to the bleak environment.

Distance Education

The role of distance education 'supervisor' or 'home tutor' often falls on the mother. In times of drought it can be difficult for the mother to be in the schoolroom for the required time when she is needed in the paddock. Families find it hard to pay a tutor, and finding a governess/tutor often proves difficult, as fewer people are interested in taking jobs in isolated drought affected areas.

Some families have relied on the In Home Care (IHC) scheme to subsidise tutor wages however, this scheme does not entirely meet the needs of rural and remote families as tutors are only allowed to supervise homework and not distance education, even when there is no face-to-face school nearby. One of the intents of the IHC scheme and the New Child Care Package is to get as many parents into work or study as possible, however, with educators not being able to supervise the home learning centre for Distance Education students other than for homework times, rural mothers are hindered in their ability to work and this small cohort of rural and remote families are excluded from the benefits of the program.

Further, with recent changes (2 July 2018) to the IHC system and increased costs, families have had to cut back educator hours. Many families are facing much larger out-of-pocket costs due to a combination of service providers increasing fees and child care subsidy payments decreasing due to being claimed per family/hour instead of per child/hour especially where there are several children in the family. The impact of high costs to access child care is felt even more so in times of drought, when assistance in child care is desperately sought.

Boarding Schools

Rural and remote students often have limited secondary schooling options available to them as they have no reasonable daily access to age appropriate schooling where they live. While living in a remote location where no school exists other than a form of 'School of Distance Education', there are also many cases in rural areas where the closest school does not offer schooling above Middle School, or does not offer High School at all. For example, in Queensland there are eight Shires with no high school and another two Shires where high school only goes to year 10. It is not just "property/station" children who go away to boarding school. Many rural towns only have P-6 primary schools so the town children also often go away to a school that offers boarding. These children live too far away to travel back and forth from home and school regularly and there are no schools near them. There is sometimes a misunderstanding that these students are going past the local school to try to have an "elite" education, however for many of these rural children, no local school exists. While Distance Education for Secondary students is available, it can be very difficult to commit to and be successful at, especially if a student has attended a local school for their primary years and does not have a previous distance education background. High School age students undertaking distance education require a dedicated supervisor and families often do not have the resources or financial support to provide one.

Across all states there are relatively few state boarding school options available to families, which leaves most having to pay the ever increasing high costs of private boarding schools to educate their children. State run hostels in many states have dwindled to very low numbers and many only offer Monday-Friday boarding which is problematic for majority of boarders who must travel long distances. In 2015, ICPA (Aust) surveyed its members with relation to boarding fees, the link to the paper can be found here: <https://www.icpa.com.au/page/attachment/94/final-boarding-school-survey-icpa-aust-with-comments-2016>. It was found that average out-of-pocket costs for families (AFTER commonwealth and any state allowances available were deducted) were between \$17,000- \$35,000

per student per year. To put this into perspective, in times of drought, this equates to a 12T load of lick or 24T load of hay. Families are seriously looking at these considerations when trying to decide whether to buy fodder or pay school fees. Rural families are going into overdraft and borrowing money to pay for compulsory education. ICPA (Aust) is aware of families who have reached the limits of their overdrafts and are now wondering where their children can go to school, to receive a basic service so easily accessible by those in larger centres, if they cannot borrow or find any more funds to pay for educational costs.

Often rural families have more than one student away at boarding school at one time (usually between two and four children studying at once). This places a huge cost pressure on the family and is unsustainable during times of drought. ICPA is hearing of heartbreaking cases where families cannot pay fees and the students are no longer able to continue at their school. In some instances, families are delaying their children going away to school or bringing them home early and in some cases choosing which of their children they can educate. Some are not going away to school at all while others are being brought home which can mean that education then stops for the most part, especially for boys as they may be needed to work on the property. One NSW family, for example, is rotating bringing their boys home from school during term to help keep their stock alive while Dad goes out and earns off farm income to help pay the mounting bills.

Some families can no longer afford to pay staff, or have reduced staff numbers, so the increasing workload falls directly on family members. Schools for the most part are being extremely supportive to rural boarding students, with some offering discounts, bursaries, time payments and help where they can. Ultimately, these schools are businesses and cannot give all rural students a free education if they are to remain viable. ICPA (Aust) is very concerned about the future of these young children, as their education cannot be put 'on hold' for a couple of years while the drought is on, in the hope that the children can go back to schooling at a later date when a family's finances have improved.

The mental health of rural children and their families during this drought is of a major concern to ICPA (Aust) and our members. Parents feel they have let their family down by not being able to provide a basic right of education for their children. Students also feel the pressure as they know the high cost incurred by their families for them to be at school. These students know their families struggle to find the funds to keep them in school and they can feel an extra need to do well because of this. Rural children also feel guilty for being at school rather than at home helping when they know their family needs them. Many families do not talk about the real situation openly as they do not want the children worrying, which builds up pressure. In a less than ideal situation, some rural families due to the cost of accessing education are splitting, with mum and the children going to live in town to access school, leaving dad to deal with the drought at home alone.

Tertiary and Training

Rural families have difficulties meeting the relocation and accommodation costs associated with higher education and training. Fewer apprentice and training opportunities are available in drought affected areas which means that these young people need to go further away to try to find traineeships and placements, which comes at a cost of relocation as well as living away from home. These extra costs can be even more difficult to cover in times of drought.

Extra Costs

Rural and remote students are challenged by distance, they must travel to get an appropriate education and take up opportunities. Exorbitant regional airfares and travel costs add further pressure to an already challenging situation which is being compounded by drought.

Farm Household Allowance (FHA)

ICPA (Aust) is grateful that FHA exists for those who are eligible. We are aware that, if families choose, they can use it to contribute towards education expenses, however, there are a number of concerns regarding FHA.

Only farmers and their partners are eligible despite many others being financially impacted by drought; for example, service providers, shop owners, truck drivers and contractors. These families also have children to educate and are eligible to receive Assistance for Isolated Children (AIC) Boarding Allowance due to geographical isolation yet they cannot get FHA. There is no high school in their area; in Queensland for example, there are eight shires with no high school and a further two with only courses to grade 10.

- FHA does not provide any loading for number of children in the family. While it has now been clarified that families can use the FHA funds to pay for educational costs if they choose, a family with children does not really get an extra loading to account for this.

Our information indicates that even with recent eligibility criteria expansions few families are qualifying due to the income and assets test. On 1 September, a \$5 million farm/equipment/water asset limit was introduced, up from \$2.63 million. In cases of forced sales, income can exceed the annual limit even though this is the only income a family may have for several years. Some families are relying on off-farm income to make ends meet.

- Income equal to NewStart Allowance - may have had income earlier in year

Finally, FHA will only be paid for a maximum of four years, but some areas have been drought declared for seven already. Families need assurance of educational assistance for the full drought period, including recovery time.

ICPA (Aust) points out that the FHA is not designed to meet the educational needs of drought affected families. The entire FHA payment would only cover the average out-of-pocket cost for one boarding student leaving nothing to help with bills or food. Families should not have to choose between putting food on the table and educating their children. Families who qualify for FHA also qualify for the AIC Additional Boarding Allowance but if they are on a low income, they are likely to be already in receipt of this assistance, so it is of no added benefit.

Rural Hardship Education Fund

Rural hardship is undeniably one of the underlying causes of the high level of mental health issues in rural and remote Australia: the straw that breaks the camel's back.

Mental health is a large concern in rural communities and struggling to pay educational fees exacerbates the pressure. When one's children's education is at stake and a cause for constant worry and angst, the pressure can be likened to a ticking time bomb. There is parental anguish at not being able to fund a basic requirement for their children and the children themselves are well aware of the cost and financial sacrifice that their families are making in order for them to be educated, creating feelings of guilt and helplessness; a burden a child should not have to bear when it comes to education. Financial assistance for education during these times of extreme difficulty would take a huge burden from the shoulders of struggling families.

The Isolated Children's Parents' Association of Australia, ICPA (Aust), is calling on the Federal Government to introduce a Rural Hardship Education Fund to address the grave concerns of the many families in drought-stricken areas and in other times of rural hardship, who simply cannot afford to educate their children. **See APPENDIX 1 below.**

A permanent Rural Hardship Education Fund that remains in place needs to be created so that each time a rural communities are impacted by droughts and other disasters, critical time is not lost in trying to create assistance programs.

Assistance in Previous Droughts

In the last significant drought, a number of measures directly assisting with educational costs for rural students were implemented.

- Exceptional Circumstances (EC) - families residing in areas declared to have EC automatically received the Assistance for Isolated Children (AIC) Additional Boarding Allowance (ABA). While families receiving the FHA qualify for ABA, it is not automatically based on solely if a family lives in a drought-affected area as it was previously under the EC program. ICPA (Aust) does not request the re-establishment of Exceptional Circumstances, however ICPA (Aust) does wish to note that from an education perspective, the Farm Household Allowance is not designed to automatically assist families living in a drought area with education access costs, where the previous EC program did have this provision.
- Drought Assistance for School Funding- Budget Measure 2008: Small schools in rural and remote EC declared areas received up to \$10,000 per year while EC declared (\$1000 base + \$100 per student). This program was to assist with ongoing education expenses, cost of educational activities such as student excursions, text books, uniforms, subject levies, student attendance at extra-curricular activities and other educational activities which directly benefited students.
- 2008 through 2011 saw an Assistance for Isolated Children (AIC) additional payment of \$1000, received by all AIC recipients for each year of the drought and one year afterwards. Students did not need to live in a drought affected area, it was given “across the board” and for all categories of AIC - Boarding, Distance Education and Second Home Allowances.

ICPA (Aust) Recommendations

- ICPA (Aust) feels strongly that some form of drought assistance which directly encompasses assistance for education should be available.
- If the Farm Household Allowance is to be the educational support for rural families, it needs to be expanded to assist ALL rural families with education access issues whether they are directly involved in farming or not and the assistance needs to be designed to help with educational costs.
- A Rural Hardship Education Fund to be established to assist families in need to maintain their children’s education through boarding during periods of rural hardship and to reduce one source of anguish and stress during difficult times. This fund needs to be permanently in place so that at a time of drought or impact on rural communities, education can continue without the need to recreate assistance programs.
- A Drought Funding Program for Rural Schools be established similar to that of 2008.
- That a supplementary payment made to the Assistance for Isolated Children allowance (AIC), all components (Distance Education, Boarding and Second Home) for families identified as living in drought affected areas/states

This would include:

- rural families from other states, who feel they are in a drought situation but live in a state void of official drought declarations, are able to apply individually for consideration of an AIC drought supplementary payment and some provision be made to take these individual cases into consideration (for example the family providing records showing they have been in a “rain deficiency” or drought area for two years or more).

- Geographically Isolated recipients of the AIC should be the focus of any drought supplementary payment to the AIC. These figures should be able to be obtained from either the Department of Human Services or the Department of Social Services.
- The assistance amount should at minimum be reflective of previous AIC drought assistance payment rates:

Applying approximately 3.54% inflation over the past 12 years to the 2008 AIC additional drought payment of \$1000 provides an amount of approximately \$1518. Many rural families have been in drought for numerous years in the current drought and a figure of \$2000 supplementary payment per student receiving the AIC is more reflective of the type of assistance these families require to make a difference.

ICPA (Aust)'s recommendation is that only students eligible for the Geographically Isolated category of AIC receive a supplementary drought payment (which should see a lower number of students requiring the supplementary payment).

In order for an AIC supplement payment to be a true assistance to rural families with education costs, ICPA recommends a payment of \$2,000 be provided per geographically isolated student receiving the AIC allowance for the duration of the drought and a period of recovery.

Financial assistance to lessen the burden of educational costs must be established urgently as rural families whose children must live away from home in order to access schooling are struggling to keep their children at school. Approximately 5,200 students are currently receiving the Assistance for Isolated Children's (AIC) Boarding Allowance right across Australia, so the numbers of geographically isolated students living in drought affected areas at any one time are estimated to be significantly less than the total number of AIC Boarding Allowance recipients.

The implications of educating children from drought-stricken areas are causing serious side effects, including but not limited to:

- Unsustainable out-of-pocket costs of boarding school for rural families, particularly in times of drought.
- Families removing children from boarding school, splitting the family and moving to town in order to access schooling or in some cases choosing between siblings as they cannot afford to keep their children in boarding school.
- Mental health of both parents and students already affected by the continuing drought compounded due to the worry over finding the funds for schooling.

ICPA (Aust) appreciates that the Farm Household Allowance (FHA) has been created to assist eligible families with household expenses and financial circumstances. Some rural families do not qualify for the Farm Household Allowance, despite the new eligibility criteria announced in August 2018. A person must be a farmer or the partner of a farmer to apply for the Farm Household Allowance. There are numerous families living in rural and remote areas who are not farmers but whose children go away to boarding school as there is no secondary school available to them in their area. These families include truck drivers, contractors, and local business owners in and around the towns who also have their ability to earn an income severely impacted during drought. The Farm Household Allowance, even if it is received, for the most part is not designed specifically to assist with children's education. Families in receipt of the Farm Household Allowance do not become automatically eligible for the Assistance for Isolated Children Additional Boarding Allowance, however many of these families may already be receiving this allowance anyway. While ICPA recognises that the Farm Household Allowance may be used towards off-setting educational costs if a family is eligible and chooses to use it for these expenses, there is no additional loading per child in the FHA, or in particular a loading for those children attending school. A family that is paid the "Family Rate" of Farm Household Allowance receives no more funding if they have 4 or 5 school-age children than a family that may have one or two non-school-age children.

Conclusion

ICPA (Aust) welcomes the opportunity to contribute to the discussion on the review of the Farm Household Allowance and income support for farmers facing hardship. The Farm Household Allowance is appreciated and assists the families who are eligible to receive it, however if the FHA is determined to be the only source of educational assistance for drought affected families, the allowance needs to urgently be expanded and become more encompassing to better meet the educational needs of rural families struggling to provide education for their children in severe drought.

APPENDIX 1

Rural Hardship Education Fund

The Isolated Children's Parent's Association of Australia, ICPA (Aust), is calling on the Federal Government to introduce a Rural Hardship Education Fund to address the grave concerns of the many families in drought-stricken areas and in other times of rural hardship who simply cannot afford to educate their children.

Despite the introduction of many drought reform packages including subsidising the freight on fodder and water for stock, and assisting families to put food on the table, the huge cost of educating children who must live away from home in order to access a compulsory education is largely ignored.

Financial assistance to lessen the burden of educational costs must be established urgently as rural families are struggling to keep their children at school. Approximately 5,200 students are currently receiving the Assistance for Isolated Children's (AIC) Boarding Allowance right across Australia, so the numbers of geographically isolated students living in drought affected areas at any one time are estimated to be significantly less than the total number of AIC Boarding Allowance recipients.

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Drought continues to severely affect many rural families in several states, in particular Qld, SA and NSW. Strawberry farmers in Qld, dairy farmers in Victoria and other states are also facing a financial crisis. A Rural Hardship Education Fund would ensure that assistance could be made available for these children who are not able to access mainstream schooling while living at home. As the previously referred to Exceptional Circumstances Program, which did offer a supplementary payment to the Assistance to Isolated Children scheme (AIC) during the years 2008-2011, no longer exists, the need for assisting rural families with educational costs in times of drought and rural hardship remains as relevant now as it was previously.

Safeguards must be put in place as a matter of urgency to ensure educational continuity when the huge out-of-pocket costs associated with boarding children away from home cannot be met during times of long-term drought, drought recovery periods or other rural hardship, when families experience years of little to no income.

Droughts can carry on for numerous years with long-term effects. The drought itself and the recovery process once the drought has broken, are times of limited income and meagre means for rural communities and families who sustain their livelihoods from the land. Other unforeseen industry impacts (live export bans, dairy and strawberry crises) also adversely affect rural families at times. The cost of boarding school continues to rise and the federal and state allowances which assist families with the cost of accessing education, are not keeping up with the actual cost of boarding and tuition. Our members have indicated that the out-of-pocket costs range anywhere from \$17,000 to \$35,000 per child, per year depending on where students live or allowance/scholarship that may be available. Boarding schools have been supportive of rural students during the current drought, but at the end of the day, they must run as a business and many are finding it difficult to continue to carry multiple students whose families cannot pay the required fees over such a long period.

Members of ICPA Federal Council are hearing heartbreaking stories of families who cannot meet the costs of boarding and removing children from school or trying to decide which child will be educated and which child will not. No Australian parent should have to choose between their children when it comes to accessing compulsory schooling. Other families have made the decision to move to town in order to access state school education, effectively splitting the family home and often leaving the father at home to cope on his own in these tough times. When a child is removed from boarding school, this can mean the end of the education for this child, particularly if they have completed Year 10.

Mental health is a large concern in rural communities and struggling to pay educational fees exacerbates the pressure. Parents are agonising over not being able to fund this basic requirement for their children. The children themselves are well aware of the cost and financial sacrifice that their families are making in order for them to be educated. This places a huge amount of self-burden on these children, as they feel they should be at home helping when employee numbers have been reduced and their parents are trying to hold on to core breeding stock to generate income once the drought has broken, and at the same time knowing that educational expenses are driving the family further into debt. These feelings of guilt and helplessness are very difficult for children to handle and a burden a child should not have to bear when it comes to education.

When natural and non-natural catastrophic events occur in urban areas, as terrible as they are, they do not affect children's schooling for the most part - once the danger has passed, students still have access to their schooling and their families do not have to worry about whether or not they will be able to afford to keep their children in school.

There is precedence for government assistance in previous droughts and times of rural hardship through the Assistance for Isolated Children (AIC) scheme. In 2005, during a period of drought, there was a major increase in the AIC Basic Boarding Allowance. Again, in the next drought, between 2008 and 2011 a small supplementary payment was added to the AIC Additional Boarding Allowance, before reverting back in 2012.

ICPA (Aust) calls for the immediate creation of a Rural Hardship Education Fund to assist rural families with the cost of their children's education in times of long-term drought, periods of recovery and other rural hardship. There may be provision for inclusion of such a fund under the current Federal Drought Package or a special circumstances criterion within the AIC Scheme. Drought declarations are not

made in every state despite properties experiencing extremely dry conditions. This assistance, however it is distributed, must be available to all of those being affected by extreme rain deficiency events over a period of time.

Geographically isolated children should not be disadvantaged or unable to attend their studies at boarding school due to ongoing long-term droughts or times of rural hardship. Educational expenses are an investment for the future prosperity of all our rural and remote communities and ICPA (Aust) urges the Federal Government to assist rural families in educating their children in these tough times. While 5,211 students received the AIC Boarding Allowance in 2017, the number impacted by long-term drought and needing Rural Hardship Educational Assistance at any one time would be considerably less.