



ICPA Briefing Papers Training

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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.

ICPA (Aust) is committed to ensuring all rural and remote students and young people have the opportunity to pursue courses and careers that best suit their interests and capabilities, regardless of their geographical location. Vocational Education and Training (VET) pathways, apprenticeships and traineeships play a vital role in many students' career aspirations and it is vital that these opportunities are affordable and accessible for all rural and remote young Australians.

Summary

1. Relocation Scholarship

ICPA (Aust) seeks inclusion of students and young people who must relocate from their home to access Vocational Education and Training courses and apprenticeships in the Relocation Scholarship eligibility criteria of Youth Allowance and ABSTUDY.

2. Living Away From Home Allowance (LAFHA)

- ICPA (Aust) seeks an immediate increase in the Commonwealth Living Away from Home Allowance (LAFHA) and indexation to the CPI to better assist Australian Apprentices with the rising cost of living.
- Eligibility criteria for LAFHA is 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.
- The current rate of LAFHA payments is inadequate to support an apprentice with the cost of living, including rental bond and rent, food, household goods, fuel, utilities, clothing and the myriad of expenses required to set up and maintain a household.

3. Inclusion of LAFHA Recipients in Support Payments During Specific Economic Crisis

- ICPA (Aust) seeks the inclusion of rural and remote LAFHA recipients in support payments like the Coronavirus Supplement during times of economic hardship.
- At present LAFHA recipients are not on the list of eligible payment recipients for income support payments such as the Coronavirus Supplement.
- Many rural and remote apprentices experienced immense financial hardship during the height of COVID 19 the pandemic in 2020 due to the absence of adequate financial support.

Recommendations

ISSUE 1

Relocation Scholarship

For many rural and remote students and young people who, due to geographical isolation, must relocate from home to undertake an apprenticeship, traineeship and/or Certificates and Diploma level courses, the cost of relocation is beyond their financial means.

The high up-front costs of relocating from the family home, which could extend for periods of up to four years depending on the chosen pathway, is exorbitant and includes:

- accommodation costs (rental bond and ongoing rent)
- connection of utilities e.g. power and water
- equipping the home with basic living commodities necessary to maintain a reasonable standard of living

These inordinate and unsubsidised costs are compounded by the fact that these young people are often leaving home for the first time to relocate to centres which can be hundreds, if not thousands of kilometres away from family.

Improved financial assistance to support rural and remote students and young people moving away from home to embark on a VET pathway can only strengthen the VET sector and increase the number of young people returning to their communities armed with skills and qualifications that can meet the needs of business.

*“The Liberal National Government is committed to ensuring that a Vocational education is seen as equal to a University education in terms of meeting the needs of our future workforce,”
Senator the Hon. Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education.*

Recommendation

Broadening of the Relocation Scholarship eligibility criteria to include students and young people who must relocate from their home to access vocational education, training courses and apprenticeships.

ISSUE 2

Living Away From Home Allowance (LAFHA)

Eligibility criteria for LAFHA is 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. It is not annually indexed to the CPI.

LAFHA is available to eligible full and part-time Australian Apprentices and Australian School-based Apprentices during the first three years of training at a rate of:

- **\$77.17 per week for the first 12 months**
- **\$36.59 per week for the second 12 months**
- **\$25.00 per week for the third 12 months**

For a full-time apprentice who has moved away from home to access a full-time apprenticeship, costs include food, rent, fuel, utilities, clothing and much more. While ICPA (Aust) is extremely appreciative of this allowance, it is does not adequately provide meaningful support for the cost of living in the current economic climate.

The *Strengthening Skills Expert Review of Australian Vocational Education and Training (VET) Systems* reported that low wages for up to four years was cited by respondents as one reason why young people are less attracted to the traditional apprenticeship model.

The weekly minimum rate of pay for a junior first year apprentice under the Vehicle, Manufacturing, Repair, Services and Retail Award 2010 is \$474.38 and even less if the young person has not completed Year 12. Without additional support to subsidise their costs of living, apprentices face extreme financial pressure when pursuing this pathway. This financial hardship creates a lack of incentive for rural and remote young people to pursue these pathways and many simply do not complete their qualifications as a result.

While ICPA (Aust) recognise and appreciates that Trade Support Loans are available to eligible apprentices to assist with everyday costs while completing an apprenticeship, it is often not ideal for a young person to enter into a loan arrangement to help cover the costs of living.

Recommendations

- **An immediate increase to the Commonwealth Living Away from Home Allowance (LAFHA) to better reflect and adequately assist with living costs for Australian Apprentices.**
- **The indexation of the LAFHA to the CPI to ensure the allowance keeps pace with the rising cost of living**

ISSUE 3

Inclusion of LAFHA Recipients in Support Payments During Specific Economic Crisis

LAFHA recipients are not on the list of eligible payment recipients for income support payments such as the Coronavirus Supplement. The list includes financial assistance for those receiving JobSeeker Payment, Youth Allowance, Austudy and ABSTUDY.

As with Youth Allowance criteria, eligibility for LAFHA is based on the fact that an Australian Apprentice has moved away from home to access a full-time apprenticeship and yet, unlike their Youth Allowance counterparts, these young people have not been eligible for extra financial support during the pandemic. Whilst ICPA (Aust) wholeheartedly appreciates the assistance provided to rural and remote Youth Allowance recipients during the height of the COVID pandemic, we believe it is crucial this assistance is also available for rural and remote LAFHA recipients into the future.

ICPA (Aust) believes the Australian Government needs to ensure that all rural and remote apprentices who must live away from home to access their vocation are supported when an economic crisis impacts their income and working environment.

At the height of the pandemic in 2020, many young apprentices experienced reduced working hours and significant wage cuts with no financial support. For rural and remote LAFHA recipients, this situation was compounded by the need to live away from home to continue their employment. For some, their employers were not eligible for Job Keeper due to criteria such as business size and percentage of reduced income, which meant there was no top up to ensure apprentices even received their weekly rate.

ICPA (Aust) is aware of the Australian Government's Supporting Apprentices and Trainees Wage Subsidy and applauds these measures. However, like JobKeeper, this subsidy is paid directly to the small or medium business rather than the apprentice and can be hindered by eligibility requirements and waiting times. For example, applications for the subsidy for medium size businesses were not open until October 2020. The Coronavirus Supplement was available as early as April 2020 and provided immediate financial assistance for apprentices when they needed it most.

It is crucial that outside circumstances beyond their control do not derail these valuable career opportunities for young rural and remote apprentices and that they are given every opportunity to complete their qualification and become skilled and productive members of society.

Recommendation

That LAFHA recipients be eligible for the Coronavirus Supplement and other financial support Youth Allowance recipients receive during times of economic hardship.



ICPA (Aust) applauds the work which has been undertaken by the Australian Government in recent years to reform the VET sector and provide more apprenticeship and traineeship opportunities for young Australians, particularly in regional areas. Providing incentives for business to take on apprentices and trainees, thereby creating more opportunities for young Australians and increasing the pool of highly skilled and qualified workers is crucial.

However, we believe these reforms must be balanced with meaningful incentives to reduce the financial hardships faced by geographically isolated students and young people when they embark on these career pathways. If the young people cannot afford the cost of living when they move away from home to embark on these valuable career opportunities, meaningful improvement to the number of highly skilled and qualified workers in regional, rural and remote areas will simply be unachievable.