

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Budget Estimates 2011-2012**

**Outcome 2 - Schools**

**DEEWR Question No.EW0211\_12**

**Senator Nash provided in writing.**

**Question**

**AIC Payments**

1. How are the AIC payments quantified? Does the department consider the real costs of tuition and associated fees?
2. What happens to these payments after the 31st of December and June this year respectively?
3. Has the govt or will it consider increasing the AIC?
4. When was the last time the AIC was increased?
5. Can the department provide on notice the current amounts of payments for the various allowances administered under the AIC scheme?
6. Is the department aware of the gap between the maximum payment under the AIC and the increasing cost for boarding and tuition?
7. Can the department please outline the hostel system, as opposed to the boarding school alternative?

**Answer – Question 1**

The Assistance for Isolated Children Scheme (AIC) is not intended to cover all the costs associated with the education of eligible students. The AIC scheme is demand driven, with payments based on eligibility, access and distance. Payments are indexed annually in line with the Consumer Price Index.

**Answer – Question 2**

The standard five AIC allowances as detailed in the answer to Question 5, below, are ongoing. Two supplementary allowances (a \$1,000 increase to the Additional Boarding Allowance, and a \$1,094 Distance Education Allowance Supplement) are due to cease at the end this year as a result of a 2010-11 Budget decision. The Department is working with Centrelink to inform current recipients of the changes as soon as possible.

**Answer – Question 3**

This is a matter for the Government.

**Answer – Question 4**

Allowances under the AIC Scheme are increased annually in line with the Consumer Price Index. The last increase occurred in January 2011.

**Answer – Question 5**AIC Payment Rates for 2011

Financial assistance for AIC applicants is provided through five different allowances. The indicative rates are given per annum. These are:

- The Basic Boarding Allowance (\$7,141 in 2011), for students who board away from home.
- Distance Education Allowance (\$3,570, in 2011), for students who study using distance education methods.
- Second Home Allowance (\$5,424 per student to a maximum of \$16,272 per family in 2011) for families who must establish a second home for their children to access schooling.
- Pensioner Education Supplement of \$1,627 for isolated students below 21 who receive certain pensions and study below secondary level.

In addition, there is a supplementary allowance:

- For those families whose annual boarding costs are greater than \$6,891 in 2011, the Additional Boarding Allowance may be available. This offers a maximum additional allowance of \$2,366 a year. The Additional Boarding Allowance is means-tested.

Maximum AIC Support

- For students who board away from home and receive the maximum Additional Boarding Allowance in addition to the Basic Boarding Allowance, the maximum payment they receive for 2011 would be \$9,507.
- For families who receive the Second Home Allowance for their three eligible children, the maximum assistance they could receive in a year is \$16,272. This is the maximum level of support an applicant can receive under AIC.

**Answer – Question 6**

The Department notes that the AIC Scheme is intended to provide financial support to enable families to access a variety of education models, including boarding facilities. Allowances under the Scheme have always been intended to support additional costs associated with education, such as boarding costs, rather than tuition. The Scheme is not intended to cover all the costs associated with the education of eligible students.

**Answer – Question 7**

The provision of hostel services is a responsibility for state and territory education departments.

Generally hostels provide accommodation for students in association with a nearby school or educational facility. They may receive support from state and territory education departments in recognition of the service they provide to assist remote or regional students to access education.

In contrast, boarding schools provide dedicated accommodation co-located with a school or other educational facility. This may be a special school. Typically as part of a boarding school, some form of pastoral care is offered to those students who are housed on campus.