

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

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

Outcome 2 - Schools and Youth

DEEWR Question No. EW0829_12

Senator Back asked on 20 October 2011, Hansard page 65

Question

AIC Scheme

Senator BACK: For a typical family, what does that \$2,061 represent as a percentage loss to what they would be enjoying currently? If you cannot tell me that now, can you take it on notice for families with one, two and three dependent children.

Mr Baker: I will take it on notice, but it would probably depend on the mix of allowances that the individuals receive.

Answer

Two temporary, additional measures furthering the assistance available under the Assistance for Isolated Childrens scheme (AIC) were introduced by the Government in 2007. The Additional Boarding Allowance was increased by \$1 000 and the Distance Education Allowance was also increased by \$1 000. This was in recognition of the hardship caused by the then drought.

With the alleviation of the drought across most of Australia, the temporary increases are due to cease at the end of 2011.

The AIC Scheme provides 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. Allowances under the AIC Scheme are indexed annually in line with increases in CPI.

Provided below are tables detailing the difference between 2011 and 2012 allowances, noting that recipients will still receive the standard allowances for distance education and boarding. This does not assume the family receives any other allowances under the Scheme, and that they receive the maximum rate of the Additional Boarding Allowance.

| Distance Education | 2007 Scenario (Distance Education Allowance) | 2011 Scenario (Distance Education Allowance + Distance Education Allowance Drought Supplement)* | 2012 Scenario (Distance Education Allowance without Distance Education Allowance Drought Supplement) | Difference between 2012 and 2011 allowance rates, in % |
|---------------------|--|---|--|--|
| With one child | \$3,197 | \$4,664 | \$3,699 | -20% |
| With two children | \$6,394 | \$9,328 | \$7,398 | -20% |
| With three children | \$9,591 | \$13,992 | \$11,097 | -20% |

| Boarding | 2007 Scenario (Basic Boarding Allowance + Additional Boarding Allowance) | 2011 Scenario (Basic Boarding Allowance + Additional Boarding Allowance)* | 2012 Scenario (Basic Boarding Allowance + Additional Boarding Allowance) | Difference between 2012 and 2011 allowance rates, in % |
|---------------------|--|---|--|--|
| With one child | \$7,535 | \$9,507 | \$8,813 | -7% |
| With two children | \$15,070 | \$19,014 | \$17,626 | -7% |
| With three children | \$22,605 | \$28,521 | \$26,439 | -7% |

*NOTE: As specified above, temporary additional assistance was available through a \$1000 bonus to the Additional Boarding Allowance Component, and a newly created Distance Education Allowance Supplement in recognition of drought conditions. This temporary additional assistance was provided until the end of 2011.