

Isolated Children's Parents' Association Qld Inc.

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Lobbying for opportunity, equality & support for all rural and remote students

SUBMISSION

To the Review of Queensland Government drought assistance measures

The Isolated Children's Parents' Association Inc. (ICPA Qld Inc.) advocates for equitable access to quality educational opportunities for children in rural and remote areas. ICPA Qld Inc. represents forty-six branches, comprising over 1200 families throughout rural Queensland.

ICPA Qld Inc. is a voluntary parent organisation and is the only community based parent group with interests in all sectors and levels of education – state schools, independent, church or boarding schools, early childhood and care through to tertiary education and all methods used to facilitate access to that education.

The Queensland State Council of the ICPA Qld Inc. welcomes the opportunity to make a submission to this inquiry. Council believes the financial disadvantages faced by rural and remote families attempting to educate their children in times of drought, needs to be addressed urgently.

Due to our lobby group being of an educational nature, ICPA QLD Inc. will add no commentary to the existing subsidies up for discussion. Instead, ICPA QLD Inc. is lobbying for the inclusion of an 'education subsidy package' for families in drought declared areas. We would envisage this as a 'drought time only' package to inject funding to boarding school families to aid educational access in this unprecedented drought. We would suggest an annual per student payment over the course of the drought with a twelve month recovery period to enable families to get back on their feet.

For families in rural and remote locations who, due to geographical isolation, have no daily access to a high school, there is no alternative other than to send children to board away from home to access secondary education. Distance education may be an option for some, however, due to social limitations in these teenage years, it is not considered ideal for many. In Queensland there are 8 shires that have no schooling beyond year 6 and a further 3 shires that have no schooling beyond year 10.

An excerpt from a 2015 Agforce Survey shows that educational assistance is an increasing priority for families in drought stricken areas:-

"Survey participants were also asked to identify and prioritise what further assistance would be helpful to them, with the 2015 survey limiting the responses to what had not already been provided by governments, acknowledging that some of these existing packages could be further improved. Table 2 contains this information. It is important to acknowledge that assistance received by primary producers has flow-on benefits to the wider rural community."

Table 2. Most frequently identified further assistance required (excluding a return to interest rate subsidies) that would help producers and their enterprise deal with drought in the short term (top 5 options requested in 2013 and top 3 not already being provided in 2015)

<i>Assistance type</i>	<i>Percentage of respondents</i>	
	<i>October 2013</i>	<i>April 2015</i>
	<i>(n = 114)</i>	<i>(n = 78)</i>
<i>Decreased input costs (rents, rates, transport, energy)</i>	67	-
<i>Supplementary feed or water subsidies</i>	67	-
<i>Increased long term market access</i>	49	-
<i>Business drought grants</i>	45	51
<i>Long term low interest loans</i>	45	-
<i>Facilitated macropod control</i>	42	53
<i>Income support payments</i>	36	-
<i>Emergency water infrastructure assistance</i>	33	-
<i>Farm labour wage assistance</i>	27	46
<i>Assistance for school expenses</i>	26	31
<i>Grants or loans for local non-farm businesses</i>	-	28
<i>Access to health services, including emotional health</i>	9	14
<i>Exit packages (mentoring, retraining, etc.)</i>	3	13
<i>No further assistance needed</i>	-	4
<i>No further assistance should be given</i>	-	0

Drought places undue pressure on all sectors of rural and remote Queensland. Whilst current drought subsidies ease the burden for graziers by way of assistance with livestock and primary production related subsidies, there is currently nothing available for all families living in these areas who are facing financially debilitating boarding school fees. This does not just include grazing families, but also small business owners and wage earners serviced by the agricultural industry. Education, as stated earlier, is highly valued in rural and remote locations and an education subsidy would benefit these families significantly. This subsidy could be utilised to support children at boarding schools in order to retain families in our rural communities who would otherwise leave to be closer to daily access to a high school.

Boarding School expenses result in large sums of money leaving the district in which it was generated, with obvious flow-on effects. This capital is then not available for investing back into the business, and can place the viability of the business in jeopardy in years of poor income, especially in times of drought. A drought subsidy payment assisting with educational costs would help alleviate this issue and allow moneys to remain in the district to continue to support local communities.

Figures show a very worrying population decline in regional, rural and remote areas. In the eight shires where there is no high school, enrolments have decreased by an estimated 60% in the last decade. This can be attributed to families moving out of the area once their eldest child has to access secondary schooling. The family often leaves the community and takes the other primary enrolled siblings out of the system also. In the last 25 years recipients of the state based tuition allowance (Living Away From Home Allowance Scheme) has reduced from approx. 8100 recipients to just over 1340. This subsidy is paid per student to assist with tuition fees at boarding school. This is a clear yardstick when measuring how many families are vacating the

bush to access more affordable educational options. ICPA Qld Inc. is deeply concerned at population declines and the impact this is having on our rural and remote communities and the agricultural industry as a whole. An equally worrying alternative for many of our members is that the mother and children will move to a larger centre to access schooling and the husband will be left on the property, essentially splitting the family unit up for extended periods of time. This obviously puts untenable strain on all members of the family.

Mental health issues are an increasing concern in rural and remote locations. Financial burdens can be debilitating and all consuming, especially in times of severe and long term drought. 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. Financial assistance during these times of extreme difficulty would take a huge burden from the shoulders of struggling families.

ICPA Qld Inc. appreciates the opportunity to make a submission to this Review to highlight the difficulties rural and remote families are facing in accessing affordable education during this time of unprecedented drought.

Please see the following case studies as further evidence.

Case Study 1. Family Grazing Company.

Two of my children are at boarding school in Townsville. In 2016 my youngest child will enter year 7 and we will therefore have three children boarding at the one time. As mentioned, we are part of a family business with my husband's brother and uncle. We are paid a wage out of the company funds. Between my husband and myself our net wage is approx. \$65000.00 per year. A breakdown of estimated boarding/tuition fees as well as state and federal subsidies is as follows:-

2016 Boarding/tuition (approximate)

1 Yr 12 student	27383
1 X Yr 9 student	28500
1 X Yr 7 student	28500
Total fees	84383
Less Allowances	
Living Away From Home Allowance Scheme (LAFHAS) – Qld based tuition fees subsidy	16170.30
Assistance for Isolated Children (AIC) – Commonwealth based boarding subsidy	23691
Deficit	44521.20

These boarding/tuition fees do not include other expenses such as uniforms, text books, sports fees, and extra-curricular fees, travel to and from home (1140km round trip by road) or accommodation. With three children these expenses are obviously tripled. With a \$65000.00 p/annum personal income, there is not a lot left over.

Because our family business has been in drought for three years, we have had to significantly de-stock properties in NW Qld and the Gulf. Therefore over the next one to two financial years the business will be faced with a massive tax bill to accompany its significant bank debt. If the drought breaks, the tax bill will come at the same time as the need to purchase more cattle to re-stock the properties. This places huge financial strain on everyone involved and stretches resources to the limits. . We have approx. 3000 head of cattle on agistment also at \$1.80p/head per week and stock fodder is now being fed full time (approx. \$40,000.00 to \$50,000.00 p/month)

A drought relief package would give a much needed cash injection to get our family through until the seasons return to some sort of normalcy and will allow us to keep our children at school for the duration. The alternative is to break the family up and have me move to Townsville to put my children in day school and for my husband to remain on the property. We do not wish to do this. Too many families are leaving our community due to the drought hindering access to boarding school and we do not want to become another statistic. We will do everything we can to give our children a decent education, and some cash assistance during these difficult times would be greatly appreciated.

Case Study 2. Family Grazing Business

A drought education subsidy would assist my family by helping to keep our kids at the schools they have been at since grade 7 and 8 respectively. (Now grade 10 and 12) With the drought taking so much of our money away, we are struggling to keep the kids at school and I am away working to supplement the farm income.

This is emotionally taxing on both my husband, who is coping with the drought by himself and me, who is living away. A drought subsidy would mean I can be assured of the kids staying in the schools and I could come home to help on the property, where I should be. Even though I have often worked away every now and then, I am working away for weeks on end at the moment when I should be home. I do this to help with extra expenses that the drought has caused. There is a physical and emotional toll to this. A drought subsidy would mean I could stay home in the knowledge that by staying home and helping on the property, I am not jeopardising the ability to keep our kids at boarding school.

Case Study 3. Family Grazing Business

We live on a property that has been drought declared for 3 years. We have three girls, one is in year 9 at Townsville Grammar School and two are at home and I educate them through Longreach Distance Education. One child is in year 7 this year and we decided due to her age and our current financial situation that we would keep her home this year instead of sending her to boarding school. It's not just the boarding fees that are expensive but uniforms, text books and other extra-curricular activities. We originally thought we would try and get to Townsville once a term to visit our child but this year we have only been down once due to the cost of fuel and accommodation.

Longreach Distance Education has been wonderful in helping parents with costs. The school has received funds from various organizations and has used them to help parents by reducing costs of minischools and camps. As our children only see their class mates and teachers about once a term we have really made an effort to go to these events BUT this has meant that we have had to forgo going to some other local events in our area so that we have the funds to attend school events.

If we had some extra funding for school activities it would just ease the pressure on families. Our major out of pocket costs for Distance Education are fuel and accommodation when in Longreach. We are a 600km round trip from Longreach and this would be the average for most families.

Case Study 4. Small Business Based in Rural Town

My Husband is a sub-contractor in the earthmoving industry, meaning he drives other people's loaders and machinery to do earthworks on grazing properties around the district. I work at the local child care centre. A drought education subsidy would greatly assist our family, as we have 5 children, the last of which is at boarding school in Charters Towers, in year 10. We are also supporting one of our other daughters at the Longreach Pastoral College. We receive no government assistance, of any sort, to help pay the fees, of both these institutions. Being in town, in Winton, we do not receive AIC or LAFH allowances for years 8 to 10 and it has been a huge struggle to educate all five of our children, on several occasions paying full fees for two children, away at once. So an education subsidy would be greatly appreciated by us. It would relieve some of the financial burden and pressure my husband endures every day. We live very frugally, our house is a wreck, our cars are not new, my husband has some health issues, that he just keeps putting on the back burner, suffers greatly by doing this, all in order to make ends meet and keep up with the bills eg. power, rates, regos, insurance, phone, fuel, food etc. etc. A little break, in the form of a holiday, would be nice too. Our city counterparts, honestly have no idea of the hardships endured, by many people living and working out in this country. The drought not only affects the graziers and people on the land, but has a huge flow on effect for local businesses and contractors, in these small towns, many of whom, have families to support.

With regard to the impact of this relentless drought on our family. Well, my husband's income is 50% less in the 2014-2015 financial year, compared to the previous year. There is just no spare money around. He has recently had to travel along way from home, to gain work in this industry. At least 700 kms away from home and his family. This drought puts pressure, not only on the financial side of things, but also on relationships and family. Just to have a few luxuries, would be nice. Time to spend together as a family. Time to do things around the house, yard and garden, that all cost money. Money spare to be able to go out to dinner or go on a trip for a few days, to see our children in Townsville. Get a new air conditioner put in my kitchen. 40 degrees plus, some days in that kitchen. We are not complaining, but in all fairness the amount of money we spend on educating our children and giving them an equal opportunity, to get a good education, compared to people who have good schools on their doorstep, in the cities, an education subsidy is the least our government could do, to give us all a fair go. We all pay taxes and we all pay registration, so why can't we get our fair share of the tax payer dollar, spent in our area.

Without this much needed financial help, life will become increasingly difficult and stressful. Up to and when this drought eventually breaks, it will be years before many people and businesses and grazing properties will become financially viable again (up to 5 years, to recover from a bad drought, like this one). We, I know for one, will be playing the catch up game, for a while to come yet. So any financial assistance would very much appreciated.

Case Study 5. Wage Earning Employee on Family Grazing Property

When money is tight and your family has children at a boarding school facility, as this is necessary due to geographic isolation, then the cost of the fees consumes your thoughts. In our case I think of the dollars I will owe the school on a daily basis and have scribbles everywhere of the amounts and where the money is going to come from. A subsidy would not eliminate these daily thoughts or scribbles however it would help to lessen the stress on the large dollars it takes and the large dollars that families have to find, just to education our children. Our family works on a cattle station for wages, we are not owners and are the managers of this property.

I have two points about how a drought subsidy would assist;

In our situation, even though wages continue to come whatever the season we are limited to just that earning capacity, in two ways. When things are dry/droughted in our industry (formerly sheep, now cattle) there is very limited scope to boost that earning with any agistment deals a family could arrange with their own cattle. Agistment for employees is possible when more grass is available which it is clearly not at the moment. This situation also applies to owners – grass is just not available for use in a drought. So no additional income streams.

Also with wages earning in a long period of drought, thoughts on if your employer can continue to meet these payments are inevitable. As the business struggles with no or little income and surviving on overdrafts then the possibility of wages not being viable are a huge concern which in our situation we are constantly talking with our employers about. A subsidy could assist to keep employee families secure in the bush where they are needed to continue to produce food for the country. If during a drought period families leave the remote and rural locations, due to un-affordability, it is hard to get that experience back to the bush when it's required after rain. If families have to move it not only will disrupt the family but the students at school too will have a major change as they would more than likely no longer be boarding. Work should go into keeping families in the remote and rural locations – especially the ones who want to be there – as it's a unique and

challenging situation to be in and having to put children through boarding school should not be a punishment due to location and should be made to be as affordable as possible.

In our personal situation we are on wages. We get paid a full-time wage for my husband to manage the property and a part time wage for me to run the accounts and assist where required in the paddock. My part time wage is \$20 000 gross per year. My out of pocket boarding expenses are \$15 000 per year for one child (plus \$7000 which was covered by cattle sales as mentioned below). This is base fee out of pocket and does not include any additional changes like music or medical or sports. So with these figures in mind there isn't much room for error. We have been directly impacted by the drought in terms of agistment, which we use to boost our income and had started this to assist us with our boarding school fees. So we had initially sheep on agistment with our employer, paying a per head/per week rate, as conditions worsened we and our employer had to destock. Unfortunately at the time of our destocking the prices were very low and sheep were getting less than \$20 per head. Since the property had to do a complete de-stock due to no water (dams dry) and no grass this included all of the breeding stock. This was not profitable and then removed our secondary income stream. If a drought subsidy was in place at that time we could have managed a little easier with our fees until we could get the second income back. We have since restocked with a very small number of cattle (only 20 head) to try and get the secondary income stream going again. We can only have a small number as unfortunately the season has not been good enough to carry large numbers on our Agistment paddock. Since these are very small cattle it will be at least a year until any sales can occur and without rain we are never sure if the agistment will end and if we will be able to get good weight on to get a good price at selling time. Our son also, who is at boarding school, was running a few poddies for himself, which he has raised up to cattle at the start of this year. He has sold those cattle for around \$7000 which he put towards his boarding school fees to assist us in meeting the costs. A subsidy could have assisted us here as well and perhaps let our son keep some of his money for himself.

Case Study 6. Wage Earning Employee on Family Grazing Property

As a wage earner on a property, my husband earns approximately \$34 000 a year and as a part time worker (the property can't afford to give me more hours and are being generous with the hours I do work), I earn approximately \$13 000 a year, as well as receiving government tax benefit A & B allowances of about \$13 000 a year. So our income totals about \$60 000.

We currently have 2 children at boarding school that costs about \$22 000 a year each (and we are fortunate to live near to some of the lower priced boarding schools in Qld) plus all the 'other' costs such as uniforms, text books, phone plans, internet, technology needs like phones and laptops, pocket money, excursions etc. We receive the AIC Allowance (\$9407) and the LAFHA allowance (\$4898) which leaves a shortfall of at least \$8000 per child for their education costs that we need to cover. This is along with our own home running costs and next year our eldest child (who is currently on a gap year overseas) is hoping to attend university. Having of a drought subsidy payment in these hard economic times due to the ongoing drought would give us some security in knowing our children may be able to remain at their present school if the property we work on could no longer afford to employ us and we had to leave and find alternative employment somewhere else. Without that security, we may find that we that have to leave the property sooner rather than later to secure work to avoid the stress of knowing whether we can pay the next lot of school fees or not.

Case Study 7. Family Grazing Business

Our income has been reduced by over ½. We have had to force sale cattle as we have had little if any rain in some paddocks for up to 3 years. Even though cattle prices are good at the moment, and some producers are taking advantage of this many of us can't because there is no weight in our cattle and most were sold prior to the cattle price increase.

Our running expenses have increased because we are feeding the remaining drought stock with hay and dry lick. We are also pushing scrub. We are trying to hang on to the breeding stock as we feel that we won't be able to buy back into the market with current high prices (double edged sword).

We gauge that this current drought has put us back by at least 10 years. And this of course is if we get a run of average to good seasons in that time.

BOARDING SCHOOL EXPENSES

Year 11 student

boarding		\$17,450.00
tuition		\$10,080
TOTAL		\$27,530
less	AIC	-\$9,406.96
	LAFHAS	-\$5,492.16
<u>TOTAL</u>		\$12,630.88

Year 9 student (no 1)

boarding		\$17,450.00
tuition		\$9,520.00
Total		\$26,970.00
less	2nd sib 20% tuition allow	-\$1,904
less	AIC	-\$9,406.96
	LAFHAS	-\$5,492.16
<u>TOTAL</u>		\$10,166.88

Year 9 student (No 2)

boarding		\$17,450.00
tuition		\$9,520.00
Total		\$26,970.00
less	3rd sib 25% tuition allow	-\$2,380.00
less	AIC	-\$9,406.96
	LAFHAS	-\$5,492.16
<u>TOTAL</u>		\$9,690.88

TOTAL OUT OF POCKET

\$32,488.64