



Australian Government
Department of Social Services

Assistance for Isolated Children Scheme Guidelines

Participation and Family Payments

Department of Social Services

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General AIC Scheme information and AIC Scheme Claim forms can be obtained from the Services Australia:

- at any Service Centre
- by telephone on 13 23 18
- at www.servicesaustralia.gov.au.

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Abbreviations and acronyms

ART	Administrative Review Tribunal
AIC (Scheme)	Assistance for Isolated Children Scheme
APP	Australian Privacy Principle
CEO	Chief Executive Officer
CDEP	Community Development Employment Projects
DSS	Department of Social Services
ESL	English as a Second Language
FBT	Fringe Benefits Tax
JSP	JobSeeker Payment
MIFA	Maintenance Income Free Area
MIT	Maintenance Income Test
PES	Pensioner Education Supplement
PIFA	Parental Income Free Area
PIT	Parental Income Test
PPS	Parenting Payment (Single)
TAFE	Technical and Further Education
TFN	Tax File Number

Definitions for these Guidelines

In these guidelines, the following definitions apply.

Act, the	Unless otherwise specified, the <i>Student Assistance Act 1973</i> .
Allied health professional	<p>An allied health professional is a non-medical health professional such as a psychologist, speech pathologist, or physiotherapist. They are not a medical practitioner. They must be appropriately qualified and accredited at tertiary level, including registration as needed in order to provide public or private practice.</p> <p>An allied health professional may provide evidence under Part 4.3 of the Guidelines in certain circumstances.</p>
Appropriate state school	<p>A state school that offers tuition at the student's level (i.e. the year or grade for which the student is qualified to enrol).</p> <p>If a student has a disability or other health-related condition or a special education need that requires a special program, special facilities and/or a special environment, an appropriate state school will be one that has or can provide them with access to an education meeting their special needs</p> <p>Depending on a student's enrolment, a 'selective' or specialist school can be an appropriate state school.</p>
Approved applicant	<p>Either a person who:</p> <ul style="list-style-type: none">• meets the definition set out in 2.1;• meets the residency requirements set out in 2.2; and• is not receiving other Australian Government assistance detailed in 3.5.3; or• an organisation that meets the definition in 2.1.5.
Australia	Includes Australia's external territories, such as Norfolk Island, Christmas Island and Cocos (Keeling) Islands.
Base tax year	The tax year that ends in the previous year of study, i.e. if seeking benefits for 2018, the base tax year is the 2016-17 financial year.
Circumstances beyond the family's control	<p>Matters (detailed in 4.2) that prevent a student from accessing their local school for at least 20 school days a year, such as the death or illness of a member of the student's family, or impassable roads.</p> <p>Does not include a vacation taken by the student during term, with or without the family.</p> <p>'Circumstances beyond the family's control' are distinct from unforeseen circumstances.</p>
Claim	The process determined by Centrelink to assess eligibility for payments under the AIC Scheme.
Current tax year	The tax year ending in the same year that benefits are sought (i.e. if seeking benefits for 2018, the current tax year is 2017-18 financial year).
Custody	Unless otherwise specified, custody as defined in parenting orders (formal documents lodged with the court, setting out parenting arrangements and including such matters as contact and residence agreements).

Decision maker	A Services Australia officer who is authorised to make an initial decision of eligibility for an AIC allowance.
Dependent child (Student Assistance Regulations 2022)	<p>A person (the first person) is a dependent child of another person (the second person) in relation to the Assistance for Isolated Children Scheme if:</p> <ul style="list-style-type: none"> (a) the first person is wholly or substantially in the care of the second person; and (b) the first person is under 22; and (c) the first person is not independent for the purposes of youth allowance; and (d) the first person does not have independent status for the purposes of the ABSTUDY Scheme; and (e) one or more of the following apply in relation to the first person: <ul style="list-style-type: none"> (i) additional boarding allowance under the Assistance for Isolated Children Scheme is receivable in respect of the first person; (ii) living allowance under the ABSTUDY scheme is receivable in respect of the first person; (iii) the means-tested component of the Group 2 School Fees Allowance under the ABSTUDY scheme is receivable in respect of the first person; (iv) youth allowance is receivable in respect of the first person; (v) the first person is an FTB child (within the meaning given in Subdivision A of Division 1 of Part 3 of the A New Tax System (Family Assistance) Act 1999) of the second person; (vi) the first person is a regular care child (within the meaning of that Act) of the second person. <p style="text-align: center;">•</p>
Disability or other health-related condition	<p>Any of the following:</p> <ul style="list-style-type: none"> • a physical or intellectual disability; • a psychological, emotional or behavioural problem; • a medical condition; • pregnancy.
Distance education methods	Methods of tuition that do not use face-to-face interactions between students and teachers (e.g. tuition by correspondence, web-based delivery or 'schools of the air').
Education authority	An authority at state or territory level that is responsible for managing schools, teachers and curriculum within the state or non-government school system. The education authority for state schools is the relevant state or territory government education department. The education authority for non-government schools is dependent on the school, but is generally the state or territory Association of Independent Schools or Catholic Education Office.
Eligibility period	The period for which an approved applicant is eligible to receive assistance for the student .

Eligible student	<p>A person who:</p> <ul style="list-style-type: none"> • meets the general eligibility conditions set out in Part 3; meets (or is deemed to meet) one of the conditions for geographical isolation set out in Part 4; and • qualifies for an allowance (see Part 5) because they either board away from home, live in a second family home or study by distance education methods.
Family	<p>A family unit comprising a parent or parents and their dependent natural or adopted children. A person within the family is taken to mean a person who is related by blood or who stands in a bona fide domestic or household relationship.</p>
Full-time boarder	<p>A student who boards away from their principal family home at least four nights per school week.</p>
Itinerant lifestyle	<p>One or both parents' work requires a family to move locations to pursue paid or 'paid in kind' work (which counts as income by the Australian Tax Office). It also means that any school aged child would miss at least 20 consecutive school days during each move or a cumulative total of at least 100 school days in a year.</p>
Likely	<p>More than a remote possibility.</p>
Medical practitioner	<p>A person registered and licensed as a medical practitioner under a state or territory law that provides for the registration or licensing of medical practitioners. It includes only those with recognised medical qualifications, such as general practitioners and medical specialists, and excludes those with non-medical qualifications, such as physiotherapists or chiropractors (elsewhere defined as allied health professionals).</p> <p>A medical practitioner is typically used to provide evidence associated with a claim under Part 4.3 of the Guidelines.</p>
Minister	<p>The Australian Government Minister with responsibility for the AIC Scheme. Currently the Minister for Social Services.</p>
Non-Parent	<p>Any person who does not meet the definition of parent.</p>
Operating out of a base	<p>Where a family home is maintained and regularly occupied even though the family may move for work purposes. For example, if the family claims a tax deduction for a home office or returns to the home between work moves on more than 25 per cent of occasions then that would be seen as having a base.</p>

Parent As defined in the *Student Assistance Regulations 2021*, each of the following is a parent of a student in respect of whom an amount is receivable under the AIC Scheme:

- a natural, adoptive or relationship parent of the student with whom the [student](#) normally lives;
- a legal guardian of the student;
- any other adult:
 - on whom the student is wholly or substantially dependent; and
 - who does not reside at a boarding institution.

If 2 or more people would be parents of a student and those persons are not all partners of each other, the parent of the student is whichever of those persons has primary care responsibility for the student.

If a parent of the student has a partner, and the student normally lives with the partner, the partner is also a parent of the student.

.Partner As defined in the *Student Assistance Regulations 2021*, a person is the partner of another person if:

- The person:
 - is legally married to the other person; [and](#)
 - is not living separately and apart from the other person on a permanent or indefinite basis (unless they are an illness separated couple or a respite care couple); or
 - is the de facto partner (within the meaning of the *Acts Interpretation Act 1901*) of the other person.

Part-time boarder A [student](#) who boards away from their [principal family home](#) for fewer than four nights per school week on a regular basis.

Permanently settled Having a bona fide intention to remain permanently settled in [Australia](#). To determine whether a person is permanently settled, the AIC Scheme takes all of the following into account:

- the nature of the accommodation they use in Australia;
- the nature and extent of their [family](#) relationships here;
- the nature and extent of their employment, business or financial ties with Australia;
- the nature and extent of their assets here;
- the frequency and duration of their travel outside Australia;
- any other relevant matter.

Principal family home	<p>The usual place of residence of the family for the entire eligibility period, where:</p> <ul style="list-style-type: none"> • the student normally lives, or would normally live but for the need to live away to attend school; <li style="padding-left: 20px;">the student and the family normally live during school holidays; and • the applicant and/or the applicant's partner live for more than half the calendar year (or, if the eligibility period is less than a calendar year, for more than half of the claimed period). <p>The residence must be:</p> <ul style="list-style-type: none"> • in Australia; <li style="padding-left: 20px;">the principal residence of the applicant (including a home currently occupied by them in the course of their employment); and • able to adequately accommodate the student and the student's family (i.e. parents and dependent children).
Relocation	Where the majority of the family's belongings are moved with them to their new location or they are placed in storage (which would require supporting documentation).
Review officer	A Services Australia officer authorised to review decisions made by a decision maker . This officer must not have been involved in the original AIC Scheme eligibility decision. A review officer can include an 'authorised review officer'.
School year	<p>The period that starts on the first day of the year, in which a student is required by the school to attend the course, and ends on the last day in that year of compulsory attendance at the institution or the day in that year of the student's last exam, whichever is the later.</p> <p>For students studying by distance education methods, the school year starts on the first day of Term 1 and ends on the last day of the final term for the year. This may be varied with the agreement of the distance education institution, provided the student can still complete the course satisfactorily.</p>
Second family home	A home in Australia maintained by the AIC payee or the partner of the AIC payee for the purpose of providing daily access to appropriate education for the student, when the student would not normally have such access from the home where the AIC payee normally resides.
(Student Assistance Regulations 2022)	
Services Australia AIC Processing Services	The Services Australia organisational unit responsible for assessing and processing AIC claims and payments.
Special assessment	Waiver of the Parental Income Test (an assessment of income that would not normally be performed for a particular tax year). Also known as a Parental Income Test exemption.

Special institution	<p>An institution that:</p> <ul style="list-style-type: none"> • specifically and primarily caters for students with disabilities, health-related conditions and/or learning difficulties; <p style="padding-left: 40px;">is recognised by Australian Government or state or territory health or education authorities; and</p> <ul style="list-style-type: none"> • has residential facilities.
Special school	<p>An institution that:</p> <ul style="list-style-type: none"> • specifically cater for students with disabilities, health-related conditions and/or learning difficulties; and • is recognised as a school by Australian Government or state or territory education authorities.
State- authorised care	<p>The care arrangements for a student who has been placed in substitute care through a state or territory welfare authority or through a legal process.</p>
Student	<p>A person undertaking a course at the primary, secondary, tertiary or ungraded level.</p>
Tertiary student	<p>For the purposes of the AIC Scheme, ‘tertiary student’ refers to those undertaking vocational education and training or TAFE level courses as an alternative to school. This would allow the student to attain the minimum education and training participation or age requirements in state or territory law.</p> <p>In certain circumstances as assessed by Services Australia in accordance with the Scheme’s intent and these guidelines, a ‘tertiary’ student may be eligible for assistance under the Scheme.</p>
Total Net Investment Loss	<p>For the purpose of these Guidelines a Total Net Investment Loss has the same meaning as in Division 995 of the <i>Income Tax Assessment Act 1997</i>, i.e. the sum of:</p> <ul style="list-style-type: none"> (a) the amount (if any) by which the individual’s deductions for the income year that are attributable to financial investments exceed the individual’s gross income for that year from those investments; and (b) the amount (if any) by which the individual’s deductions for the income year that are attributable to rental property exceed the individual’s gross income for that year from rental property. <p>For the purpose of the definition of Total Net Investment Loss above, ‘financial investment’ has the meaning in Division 995-Definitions of the <i>Income Tax Assessment Act 1997</i>, and includes the following:</p> <ul style="list-style-type: none"> (a) a share in a company; (b) an interest in a managed investment scheme (within the meaning of the Corporations Act 2001); (c) a forestry interest in a forestry managed investment scheme; (d) a right or option in respect of an investment referred to in paragraph (a), (b) or (c); (e) an investment of a like nature to any of those referred to in paragraphs (a) to (d).

Unforeseen
circumstances

Matters that delay the commencement or resumption of studies, such as:

- participation in a sporting or cultural event (for which the [student](#) was selected as a school, state or territory, or national representative); and/or
- sudden onset of illness or an accident; or disruption to international travel.

If unforeseen circumstances occur, they may allow the backdating of allowances in recognition of the delayed start to education. They do not affect continuing eligibility. Unforeseen circumstances apply under Section [3.7.1.4](#).

See also [Circumstances beyond the family's control](#).

1 General information about the AIC Scheme

This section includes:

- [1.1](#) Description of the scheme
- [1.2](#) Objectives
- [1.3](#) Eligibility
- [1.4](#) Types of allowances
- [1.5](#) Legislative basis.

1.1 Description

The Assistance for Isolated Children (AIC) Scheme helps the [families](#) of primary, secondary, and certain tertiary [students](#) who cannot attend an [appropriate state school](#) on a daily basis because of geographical isolation. An appropriate state school is one that offers tuition at the year or grade for which the student is qualified to enrol.

If a student has a [disability or other health-related condition](#) or a special education need that requires a [special school](#) program, facilities or environment, an appropriate state school will be one that can provide access to those things.

The Australian Government Department of Social Services (DSS) is responsible for AIC Scheme policy. Services Australia conducts assessments, processes [claims](#) and makes payments under its Bilateral Management Arrangement with DSS.

1.2 Objectives

The aim of the AIC Scheme is to assist Australian children without reasonable daily access to an [appropriate state school](#). Families in isolated areas incur additional costs to educate their children. The AIC Scheme provides financial assistance in the form of allowances to alleviate such costs.

The scheme is not intended to help families where an appropriate state school is accessible. However, if a [student](#) does not have reasonable daily access to an appropriate state school, their [family](#) is free to send them to a school of their choosing.

1.3 Eligibility

Applicants who meet the requirements of the AIC Scheme are 'approved' applicants. [Approved applicants](#) (who are usually [parents](#) but can be parents' [partners](#), organisations or institutions) may receive AIC allowances for [eligible students](#).

An AIC allowance is payable if:

- the approved applicant meets the eligibility conditions in [Part 2](#);
- the [student](#) meets the eligibility conditions in [Part 3](#);
- the student meets isolation conditions or has special needs identified in [Part 4](#); and
- the student boards away from home, lives in a [second family home](#) or studies by [distance education methods](#) (see [Part 5](#)).

1.4 Types of allowances

Depending on the [student's](#) circumstances, the AIC Scheme provides:

- Basic Boarding Allowance (see [5.2.1](#))
- Additional Boarding Allowance (see [5.2.2](#))
- Second Home Allowance (see [5.3](#))
- Distance Education Allowance (see [5.4](#))
- Pensioner Education Supplement (see [5.5](#)).

With the exception of the Additional Boarding Allowance, all allowances are free of means testing.

1.5 Legislative basis

The AIC Scheme is a special educational assistance scheme, as defined by the *Student Assistance Act 1973* ([the Act](#)). Funding for the scheme is appropriated under section 55A of the Act. Parts 6 and 7 of the Act detail such matters as the recovery of overpayments, various obligations of applicants, and penalties for non-compliance.

Policy and procedures of the AIC Scheme that are not set out in the Act are set out in these guidelines.

2 Applicant eligibility

2.1 Requirements for applicants

This section explains who can apply for AIC allowances on behalf of a [student](#), and the eligibility criteria the applicant must meet for allowances to be payable.

While any person may apply, assistance is only payable to [approved applicants](#) (who may be people, institutions or organisations). In this section, unless otherwise stated, 'applicant' means 'approved applicant'.

- [2.1.1](#) Applicants who can be approved
- [2.1.2](#) Applicants who cannot be approved
- [2.1.3](#) [Parents](#) as applicants
- [2.1.4](#) [Non-parents](#) as applicants
- [2.1.5](#) Organisations or institutions as applicants
- [2.1.6](#) [Claims](#) received from a parent and from an organisation
- [2.1.7](#) Only one claim per student may be accepted
- [2.1.8](#) New claim required when applicant changes.

2.1.1 Applicants who can be approved

To be eligible for assistance, an applicant must:

- meet the eligibility criteria set out in 2.2; and
- not be receiving certain other Australian Government assistance (see [3.5](#)).

The applicant must have primary (or joint) responsibility for the [student's](#) care and support, and be either:

- a person having legal guardianship of the student;
- a natural, adoptive, de facto or step [parent](#) of the student;
- a person with whom the student normally lives (when not living away to attend school); or
- in certain circumstances, a third party, an organisation or an institution (see [2.1.5](#)).

2.1.2 Applicants who cannot be approved

The applicant cannot be either:

- the [student](#);
- the student's partner (married or de facto); or
- a person who is in a prison, correctional centre (including detention, remand and training centres) or psychiatric institution.

2.1.3 Parents as applicants

2.1.3.1 Student lives with both parents

If a [student](#) normally lives with both [parents](#), who are not separated or divorced, either parent may be the applicant.

2.1.3.2 Student lives with one parent

Where the student's parents are separated or divorced and the student normally lives with one of them, that parent is the applicant. In addition, where the student normally lives with the parent and the parent's [partner](#) (regardless of the duration of their relationship), the student is taken to be in the care of the partner. In such circumstances, either the parent or the partner can be the applicant.

2.1.3.3 Student lives with each parent separately

If the student's parents are separated or divorced and the student lives at different times with each parent, the following factors are taken into account to determine who the applicant can be:

- Where one parent is officially recognised as having primary care of the student (e.g. through the grant of [custody](#) to that parent, removal of custody from the other parent, or receives a majority allocation of Family Tax Benefit), that parent is the applicant; or
- Where there is no such recognition of the primary carer, other evidence (outlined below, under [2.1.3.5 Disputes over which parent should apply](#)) must be considered.

2.1.3.4 Equal custody situations

If parents share equal care of the student (i.e. the student spends an equal amount of time living with each parent and the turnaround of care of the student is frequent - weekly, fortnightly or monthly), the applicant can be either parent, or a parent's partner where the student lives with the parent and the partner.

2.1.3.5 Disputes over which parent should apply

Where there is no legal recognition of a primary carer or there is a dispute over which parent may apply for an AIC allowance, the following factors (not in order of priority) must be considered to determine which parent may be an approved applicant (and be eligible for AIC allowances):

- whether the student normally lives with the parent and has done so for the past 12 months;
- whether the student lives with the parent during vacations;
- who has principal financial responsibility for the care of the student (e.g. food, shelter etc.);
- who contributes regularly and significantly to the student's living and education costs (this should not be limited to boarding costs); and/or
- who holds a Medicare card or receives other allowances/benefits for the student.

2.1.4 Non-parents as applicants

If a [claim](#) is lodged by a person other than a [parent](#) or parent's [partner](#), the case will be considered on its merits, and will need to be supported by evidence that:

- the [non-parent](#) has primary (or joint) responsibility for the [student's](#) care;
- the non-parent supports the student wholly or substantially; and
- the arrangement is bona fide.

A student is not wholly or substantially dependent on a non-parent if the student's parent (or parent's [partner](#)) is:

- supporting the student in the non-parent's home; or
- providing financial assistance, directly or indirectly, to the non-parent to support the student.

If a student has been placed in the care of a foster parent by welfare authorities, the foster parent is the applicant. In such cases, the student's [principal family home](#) is the foster parent's home.

2.1.5 Organisations or institutions as applicants

An organisation or institution (referred to here as an organisation) can be an applicant only where it is clear that the organisation cares for the [student](#) without any contribution from a [parent](#). Where a student and one or more parents live with an organisation, the parent is the applicant (and the organisation's premises are considered the student's home).

To be an applicant, an organisation must be a non-government body, must not be receiving a foster care or similar allowance for the student, and must have full responsibility for the upkeep of the student ('full responsibility' is defined below).

The [claim](#) must be signed by the organisation's chief officer or another officer with the power to act on behalf of the organisation (e.g. the principal, manager, executive officer or director). By signing the claim, the officer accepts the obligations set out in [7.2.1](#) on behalf of the organisation.

Where an organisation is the applicant, the income test for Additional Boarding Allowance is waived (see [Part 6](#)).

Organisations may also be nominated by applicants as agents to receive allowance payments on the applicant's behalf (see [5.1.6](#)).

2.1.5.1 Definition of 'full responsibility' for a student

If the [student](#) has been formally placed in the care of the organisation by a state or territory authority or a court, the organisation is considered to have full responsibility for the student.

In other cases, the organisation must clearly show that the student's parents are not involved in decisions about the care of the student, that they do not provide financial support for the student, and that either:

- unsuccessful attempts have been made to locate the [parents](#); or
- the [parents](#) have been asked to complete a claim for the student but have been unwilling to do so (i.e. they have refused to accept responsibility for supporting the student).

Note: Some parents need help to complete the claim. However, where a parent makes decisions about the student's care (such as enrolling them in a particular institution) or contributes to the student's upkeep (even if only to the extent of AIC allowance entitlement), the parent and not the organisation should be the applicant.

2.1.6 Claims received from a parent and from an organisation

If a [parent](#) and an organisation both apply for the same [student](#), evidence will need to show whether the parent or the organisation has primary responsibility for the student. The following factors may be used to decide the approved applicant:

- If the [parent](#) directs the AIC allowance payment to the organisation where the student normally lives, this indicates that the parent is contributing to the student's financial upkeep, and the parent is the applicant; or
- If the [parent](#) does not direct the AIC allowance payment to the organisation, the parent should be asked to comment on the [claim](#) that they do not support the student (particularly financially). If they cannot demonstrate such support, the organisation may be the applicant.

2.1.7 Only one claim per student may be accepted

While there may be more than one [approved applicant](#) for a [student](#), only one [claim](#) can be accepted for the student for a particular period.

2.1.8 New claim required when applicant changes

If the [approved applicant](#) changes, a new claim is required.

2.2 Residency requirements for applicants

This section details the residency requirements for applicants. These depend on an applicant's immigration or residency status.

- [2.2.1](#) Australian citizenship or permanent residency
- [2.2.2](#) New Zealand citizenship and permanent settlement in [Australia](#)
- [2.2.3](#) Applicant must normally live in Australia

2.2.1 Australian citizenship or permanent residency

An applicant must normally live in [Australia](#) (see [2.2.3](#)) and be either:

- an Australian citizen;
- an Australian permanent resident within the meaning of regulation 1.03 of the *Migration Regulations 1994*; or
- a New Zealand citizen who meets the permanent settlement rule set out in [2.2.2](#).

An applicant who is not an Australian citizen must provide evidence to support their [claim](#) of permanent residency or settlement.

2.2.2 New Zealand citizenship and permanent settlement in Australia

An applicant who is a New Zealand citizen can be eligible if they are [permanently settled](#) in [Australia](#) and have lived either:

- continuously in Australia for six months or more;
- if there is an absence within the six month period, only one absence is permissible and it must be for less than a two week period **and** the applicant must show that the student is still enrolled in schooling within Australia and can demonstrate continuity of residence in Australia in that period;
- in Australia for the past 12 months, with no more than two months absence in that period; or
- in Australia for the past 12 months, with more than two months absence, but can demonstrate continuity of residence in Australia in that period.

An applicant with a [partner](#) or dependent children living in New Zealand should not normally be considered permanently settled in Australia, unless:

- they can show that the [family](#) will be moving to Australia within six months; or
- they are permanently estranged from their former partner or children.

2.2.3 Applicant must normally live in Australia

The applicant must normally live in [Australia](#) during the [school year](#) for which benefits are sought. However, an applicant living overseas can receive benefits for an [eligible student](#) who is studying in Australia, provided:

- the applicant is an Australian citizen or permanent resident as defined in [2.2.1](#);
- the applicant normally lives full-time in Australia; and

- there is evidence their absence is temporary (e.g. for work or holiday purposes) and they will be returning to Australia within two years.

The [principal family home](#) must also be in Australia and must continue to meet an isolation condition, where applicable (see [Part 4](#)).

2.3 Death of applicant

This section outlines the process for dealing with the death of an [approved applicant](#).

- [2.3.1](#) Where there is more than one applicant
- [2.3.2](#) Where there is only one applicant
- [2.3.3](#) Payments around the date of death

2.3.1 Where there is more than one applicant

If the [student](#) lives with more than one possible applicant (e.g. with both [parents](#)) and the one who applied for benefits dies, the other is entitled to receive remaining entitlements for the year. However, they will need to lodge a new [claim](#).

2.3.2 Where there is only one applicant

If the [student](#) lives with only one applicant (e.g. a sole parent) and the applicant dies, the continuing eligibility of the student and the payment of benefits for the rest of the year will depend on who now has responsibility for the student and what now constitutes the [principal family home](#). The continuity of schooling concession (see [4.4.5](#)) may apply in such cases.

2.3.3 Payments around the date of death

In the circumstances described in [2.3.1](#) and [2.3.2](#):

- If the [approved applicant](#) dies after receiving a term instalment in advance, that instalment stands as the correct payment for the term. Any entitlement due to a person who then assumes responsibility for the [student](#) commences at the beginning of the following term.
- If the approved applicant dies after receiving a fortnightly in arrears payment, the payment made immediately (i.e. up to 14 days) after the applicant's death stands as the correct payment. Any entitlement due to a person who then assumes responsibility for the student commences at the beginning of the pay period immediately following the death.

3 Student eligibility

3.1 Overview of student eligibility

For AIC allowances to be payable for a [student](#), the student must:

- be an Australian citizen or permanent resident who lives in [Australia](#) during the [school year](#) (see [3.2](#));
- meet the age criteria (see [3.3](#));
- be undertaking approved studies (see [3.4](#));
not be receiving certain other Australian Government assistance (see [3.5](#)); and
- not be in a custodial institution or certain [state-authorised care](#) situations (see [3.6](#)).

The student must also meet one of the isolation conditions ([Part 4](#)) and qualify for an allowance ([Part 5](#)).

Rules for the student's period of eligibility are set down in [3.7](#).

3.2 Residency requirements for students

This section outlines the citizenship and residency requirements for [students](#).

3.2.1	Australian citizenship or permanent residency
3.2.2	New Zealand citizenship and permanent settlement
3.2.3	Student must live in Australia during the period of study
3.2.4	International student exchange

3.2.1 Australian citizenship or permanent residency

To be eligible for assistance a [student](#) must live in [Australia](#) during the period of study (see [3.2.3](#)) and be either:

- an Australian citizen;
- an Australian permanent resident within the meaning of regulation 1.03 of the *Migration Regulations 1994*; or
- a New Zealand citizen who meets the permanent settlement rule set out in [3.2.2](#).

Where the [student](#) is not an Australian citizen, evidence must be provided to support the claim of permanent residency or settlement.

3.2.2 New Zealand citizenship and permanent settlement in Australia

A [student](#) who is a New Zealand citizen can be eligible for AIC allowances if they are [permanently settled](#) in [Australia](#) and have lived either:

- continuously in Australia for six months or more, with one period of absence permissible that is less than a two week period out of the country in that six month period, **and** can show that they are still enrolled in schooling within Australia and can demonstrate continuity of residence in Australia in that period;
in Australia for the past 12 months, with no more than two months absence in that period; or
- in Australia for the past 12 months, with more than two months absence, but can demonstrate continuity of residence in Australia in that period.

3.2.3 Student must live in Australia during the period of study

To be eligible for assistance, the [student](#) must be living in [Australia](#) during the period of study, except where they are participating in a student exchange as described in [3.2.4](#) or if they continue their enrolment at a recognised Australian distance education institution and provide assurance they will continue to undertake the required school work on a full-time basis. Assistance for the continuation of distance education will only be granted to those students who are overseas for less than 12 months.

3.2.4 International student exchange

Applicants can continue receiving AIC allowances for a [student](#) who is participating in an international student exchange if:

- the [student](#) remains enrolled at an Australian education institution and the overseas study is credited to their Australian studies (however, if a student is paid AIC allowances while studying overseas but then needs to repeat all or part of that study in [Australia](#), allowances are not payable for the period of overseas study that does not count towards their Australian studies);
- the [student](#) is continuing to incur the costs in Australia for which the allowance is being paid (e.g. if the Australian boarding school is still charging full boarding fees while the student is on exchange); and
- the [student](#) continues to meet all other eligibility criteria.

3.3 Age limits

This section outlines the age limits for [student](#) eligibility.

[3.3.1](#) Age limits

[3.3.2](#) Extension to age limits in special circumstances

3.3.1 Age limits

AIC allowances can only be paid for [students](#) who either:

- have reached the minimum primary school entry age for their state or territory; and are either:
 - primary, secondary or ungraded level students (see [3.4.4](#)) under 19 years of age on 1 January of the year of study;
 - secondary students undertaking home education and under the minimum age at which the state or territory requires them to be registered for home education;or
- tertiary level students (see [3.4.4](#)) and under the minimum age at which the state or territory requires them to participate in education (this may apply, for example, to some TAFE or vocational education and training students); or
- receive a concession to the above age limits under Section [3.3.2](#).

The first year of primary schooling is known by various names in different states (see [Table 1](#)), but must always be a five day per week or full-time program (see [3.4.1](#)).

Table 1 The structure of Australian schooling (from 2022)

School year level	SA	NSW	ACT	VIC	TAS	QLD	NT	WA
12	Secondary							
11								
10								
9								
8								
7								
6	Primary							
5								
4								
3								
2								
1								
Pre-Year 1	Reception	Kindergarten	Kindergarten	Preparatory	Preparatory	Preparatory	Transition	Pre-primary

AIC allowances are normally not payable for children before they enter one of the programs listed in Table 1. That is, allowances are not payable for children attending institutions outside the mainstream primary system, such as pre-schools (a term commonly used in New South Wales, Queensland, South Australia, the Northern Territory and the Australian Capital Territory), kindergartens (a term used in Victoria, Queensland, Western Australia, South Australia and Tasmania), crèches and other child care centres.

If the child is not yet five years old, the [student](#) must either attend a primary school (rather than a child care centre) or be eligible for a concession under [3.3.2](#).

3.3.2 Extension to age limits in special circumstances

3.3.2.1 Extension to minimum age

A child may be eligible for an allowance from the age of three years and six months if they have a [disability or other health-related condition](#) that requires them to live away from the [principal family home](#) (see [4.3](#)).

3.3.2.2 Extension to maximum age

The maximum age limit for primary, secondary and ungraded level [students](#) may be extended by either:

- one year (i.e. the student must be under 20 years of age at 1 January in the year of study) if the student's progress through school has been delayed by special circumstances (such as illness, English language difficulties, transfer from a different education system or periods of employment or training); or

- until they turn 21 (see [5.5](#)) if a student who receives a Disability Support Pension or Parenting Payment (Single) and is studying full-time at primary or equivalent ungraded level (see [3.4.4](#)). They may receive the Pensioner Education Supplement under the AIC Scheme.

An extension of the maximum age can only be granted where it can be demonstrated that the student is continuing the same approved course of study they were undertaking immediately prior to reaching the maximum age and this can be verified by the relevant state or territory education authority. In situations where a student is home schooled and their enrolment and participation in their course of study is not verified by a state or territory education authority, AIC will not be payable.

3.4 Approved studies

This section outlines the level, load and type of approved studies. To be eligible, a [student](#) must be enrolled in and undertaking a full-time study load, offered by an approved institution, in an approved course, at an approved level of study.

3.4.1	Full-time study load
3.4.2	Approved institution
3.4.3	Approved course
3.4.4	Approved level of study
3.4.5	Effect of previous studies on AIC allowance eligibility

3.4.1 Full-time study load

A full-time study load is the amount of work the school, institution or (for home schooling) [education authority](#) regards as a full-time amount for the [student](#).

Where a school allows a student with a [disability or other health-related condition](#) to undertake a reduced study load (less than that required of other students at the same level), that reduced load is also considered to be full-time (see Example 2 under [4.3.5.3](#)).

If a student's right to attend a school has been temporarily withdrawn because of disciplinary problems, they will be deemed to be carrying the same study load as they would have if they were able to attend school. However, if a student's conduct results in cessation of enrolment at the school they were attending, they will be deemed to have ceased studies from the date that their enrolment ceased.

3.4.2 Approved institution

An approved institution is an institution in [Australia](#) of one of the following types:

- a state school, including a distance education centre;
- a non-state school that is not conducted for profit and is recognised by the state or territory Minister responsible for education (recognition may take the form of registration or certification, the payment of government capital or recurrent grants to the school, or the payment of state or territory government allowances or bursaries to its [students](#));
- a technical and further education (TAFE), vocational and technical education (VTE) institution or higher education institution (as defined in [the Act](#));
- a government or non-government residential institution or non-residential [special school](#) that caters for children with disabilities or psychological, emotional or behavioural problems;
- a non-government residential institution or non-residential special school that caters for children with disabilities or psychological, emotional or behavioural problems, provided that it is accredited for such purposes by Australian Government or state or territory health or education authorities;
- a non-government (private) tertiary institution that offers a course accredited by the relevant state or territory government authority, and meets the requirements for the [Student Assistance \(Educational Institutions and Courses\) Determination 2019](#) made by the relevant Minister under section 5D of [the Act](#).

Students undertaking a course described in [3.4.3\(e\)](#) may be deemed to be enrolled in an approved institution.

3.4.3 Approved course

An approved course is either:

- (a) a full-time primary or secondary level course (see [3.4.4](#)) involving daily attendance at an approved institution, that is recognised under the [Student Assistance \(Education Institutions and Courses\) Determination 2019](#) made under section 3(1) and 5D(1) of [the Act](#);
- (b) a full-time primary or secondary level [distance education](#) course offered by an approved institution of type [3.4.2\(a\)](#), [3.4.2\(b\)](#), [3.4.2\(d\)](#) or [3.4.2\(e\)](#), provided that the course is accepted by the state or territory [education authority](#) as a satisfactory alternative to full-time daily attendance at school;
- (c) a full-time primary or secondary level course of home education or schooling that has been approved formally by the state or territory education authority as being a satisfactory alternative to a state or territory provided government curriculum;
- (d) any other full-time secondary course at an approved institution, that is recognised under the [Student Assistance \(Education Institutions and Courses\) Determination 2019](#) made by the relevant Minister under section 3(1) and 5D(1) of [the Act](#);
- (e) a full-time tertiary course offered by an approved institution (see [3.4.2\(c\)](#) or [\(f\)](#)), that is recognised under [Student Assistance \(Education Institutions and Courses\) Determination 2019](#) made by the relevant Minister under section 3(1) and 5D(1) of [the Act](#); or
- (f) in the case of a [student](#) at an approved institution specified in [3.4.2\(d\)](#) or [\(e\)](#), any form of approved full-time study below tertiary level (including ungraded studies).

3.4.4 Approved level of study

An approved level of study is primary, secondary, tertiary or ungraded level:

- primary level study is study in an approved course at a level that is recognised by the state or territory [education authority](#) as primary level;
- secondary level study is study in an approved course of the type at [3.4.3\(d\)](#) or in an approved course that is recognised by the state or territory education authority as secondary level;
- tertiary level study is study in an approved course of the type at [3.4.3\(e\)](#) or in an approved course that is recognised by the authority responsible for accrediting higher education courses or the authority responsible for accrediting vocational education and training courses in the state or territory in which the course is conducted;
- ungraded level study is study in an approved course at an institution described in [3.4.2\(d\)](#) or [3.4.2\(e\)](#) that is recognised as ungraded (including 'living skills') by the state or territory education or health authority.

[Students](#) studying concurrently at a senior secondary institution and a TAFE are considered to be secondary students for the AIC Scheme.

3.4.5 Effect of previous studies on AIC allowance eligibility

A [student's](#) previous study at primary, secondary or tertiary (including TAFE/VTE) level does not affect their eligibility.

3.5 Effect of other Australian Government payments on eligibility

A [student's](#) receipt of other Australian Government assistance can affect their eligibility. This section outlines such effects.

- [3.5.1](#) Payments that do not exclude eligibility
- [3.5.2](#) Payments that affect the level of entitlement
- [3.5.3](#) Payments that exclude eligibility

3.5.1 Payments that do not exclude eligibility

A [family](#) receiving AIC allowances (except the Pensioner Education Supplement) for a [student](#) can also receive Family Tax Benefit, Carer Allowance or Double Orphan Pension.

Students who receive the Disability Support Pension or Parenting Payment (Single) can also receive the Pensioner Education Supplement (see [5.5](#)).

State or territory education and training assistance does not affect eligibility. Most state and territory governments also provide assistance to isolated students, and some tie that assistance to eligibility for the AIC Scheme. Eligibility for the Scheme is not affected by receipt of such assistance.

Australian Government scholarships or 'Commonwealth Scholarships', directly administered by an agency or department of the Australian Government do not affect eligibility. These are intended to support students typically on a one-off basis in achieving goals such as entry into an apprenticeship, vocational or tertiary education. As such, AIC Scheme assistance is seen as an adjunct to achieve access for these students.

3.5.2 Payments that affect the level of entitlement

Certain receipts of Australian Government payments (detailed in [6.10.2](#)) may automatically entitle an applicant to receive AIC Additional Boarding Allowance.

If an applicant is a foster carer applying on behalf of a [student](#) in an official foster care arrangement and receiving a state or territory foster care or similar allowance, they may qualify for the Basic Boarding Allowance. They may also qualify for the Additional Boarding Allowance only if they are not receiving a foster care or similar allowance from a state or territory government authority (see [5.2.2](#)).

3.5.3 Payments that exclude eligibility

AIC allowances are not payable for a [student](#) if they are receiving other Australian Government education or training assistance, income support, other similar payments, or if another person (such as a [parent](#)) is receiving it on their behalf. Such assistance includes, but is not limited to:

- Youth Allowance;
- ABSTUDY;
- New Apprenticeships;
- Rehabilitation Training Scheme Awards;
- Veterans' Children Education Scheme;
- Military Rehabilitation and Compensation Act Education and Training Scheme;
- Department of Defence Special Education Assistance (for staff at Woomera and Exmouth);
- Interim Income Support.

Eligibility for specific AIC allowances may also be affected where an applicant or [partner](#) receives other Australian Government assistance to enable them to purchase the same service or item. For example, the AIC Second Home Allowance is not payable for a home for which rent assistance is provided by the Australian Government (see [5.3.3](#)).

3.5.3.1 Choice between the AIC Scheme, Youth Allowance or ABSTUDY

Certain students may be in a position where they meet eligibility requirements for Youth Allowance, ABSTUDY or the AIC Scheme concurrently. In these instances, students and their families cannot receive more than one of these payments for the same period for the same student.

If a student is eligible for Youth Allowance, ABSTUDY or AIC allowances (with or without Family Tax Benefit) at the same time, the applicant and student should choose the payment or program that best meets their needs.

3.6 Students in lawful custody or state-authorised care

AIC allowances are not payable for a [student](#) who is in a custodial institution (such as a prison, remand centre or training school) for the period of their custody.

Allowances are not payable for a student who is in [state-authorised care](#) and whose permanent accommodation is financed wholly or substantially by a state or territory government. However, allowances may be payable for a student in the state-authorised care of a foster parent (see [2.1.4](#)).

For [claims](#) by organisations responsible for the foster care of students, see [2.1.5](#). For details of the applicable level of Boarding Allowance in such cases, see [5.2.1](#) and [5.2.2](#).

3.7 Eligibility period

This section outlines the [eligibility period](#) for a [student](#) under the AIC Scheme.

3.7.1	Eligibility commencement dates
3.7.2	Eligibility for vacations
3.7.3	Cessation of eligibility

3.7.1 Eligibility commencement dates

Eligibility commencement dates vary according to whether the [student](#) is a [short-term boarder](#) or not and the date they begin studies.

3.7.1.1 Short-term boarders

Provided all other eligibility criteria are met, short-term boarders are eligible from the day they begin boarding until the day they cease to board. Short-term boarders are considered those who need to access a boarding facility for less than a term. This is typically due to a temporary condition, whether it be a medical need or a lack of suitable transport due to flooding.

3.7.1.2 Students commencing on 1 January

Except in the case of short-term boarders, student eligibility will normally begin on 1 January, provided that:

- the student begins the approved course no later than the 14th day from the start of the [school year](#);
for students living away from home, the student begins living at the boarding accommodation or the second home no later than 14 days after the start of the school year; and
- all other necessary AIC Scheme eligibility conditions are met on that date.

If the above conditions have been met, AIC is payable from 1 January regardless of whether the payment is by term instalment or fortnightly instalments.

3.7.1.3 Students commencing after 1 January term instalment periods

Except in the case of short-term boarders, eligibility for students who are not eligible from 1 January normally begins on either:

- the term instalment period start date of the relevant term or semester, if the student is otherwise eligible on that date and begins the approved course by no later than the 14th day after the start of the term or semester, (where this is the case AIC is payable from the term instalment period start date (see 5.1.4), regardless of whether the payment is made by term or fortnightly instalments); or
- where this is not the case and no extenuating circumstances exist, the latest of either:
 - the first day the student begins living away from home (if the student is boarding or living in a second home);
 - the first day the student begins studying full-time; or
 - the first day the student otherwise becomes eligible for an AIC allowance.

3.7.1.4 Concession for late start

Eligibility for a student who starts studying and/or living away late (as defined above), may be backdated to 1 January or the beginning of the relevant term (as applicable), if the student:

- was prevented from beginning or resuming study and/or living away from home on time because of [unforeseen circumstances](#); and
- started studying and/or living away from home as soon as possible after those circumstances ceased.

3.7.1.5 Circumstances when term instalment periods and term dates are not aligned

There may be circumstances when term instalment periods and term dates are not aligned, and where this can create confusion around commencement of AIC payment eligibility. In such circumstances, when a student commences boarding, distance education or living in a second home late in a term, their commencement date may actually fall in the next term instalment period.

For instance, a student may commence distance education late in term 1, on 4 April. However this commencement date falls within the instalment period for term 2 (which is 1 April – 30 June).

- Where a [student](#) does not continue eligibility for AIC in term 2 they will only be eligible for payment on the actual dates when they were undertaking boarding, distance education or living in a second home (with a start date of 4 April); or
- Where a [student](#) continues eligibility for AIC in term 2 they will be eligible for payment from 1 April if they also begin their study for term 2 by no later than the 14th day after the start of that term.

Rule:

Where a student's commencement date is so late in a given term, as to fall within the AIC term instalment period for the subsequent term, then:

- For students who do not continue eligibility for AIC in the subsequent term, they will only be eligible for payment on the actual dates when they were undertaking boarding, distance education or living in a second home; or
- For students with continuing AIC eligibility in the subsequent term, they will be eligible for payment from the first day of the AIC term instalment period for the subsequent term, if they

also begin their study for the subsequent term by no later than the 14th day after the start of that term.

Example 1: Commenced home schooling late in the term

Berenice is studying by home schooling in South Australia. In South Australia, the term 1 school term dates are from 28 January to 11 April and the term 2 school term dates are from 28 April to 4 July. The AIC Term Instalment Periods are 1 January to 31 March and 1 April to 30 June. Berenice has started home schooling on 8 April (towards the end of her school term 1) and will be continuing to the end of the year. As she has started late in term 1, and has started term 2 on time, her AIC is payable from 1 April.

Example 2: Commenced boarding school late in the term

Julian was studying at his local school, but his parents decided he should board at a Tasmanian school that has facilities to address his psychological needs. They decide to start him in boarding near the end of term 2. School term 2 in Tasmania runs from 28 April to 4 July. Julian starts boarding on 2 July and continues to board until the end of the year. AIC is payable from 2 July.

Example 3: Commenced boarding school late in the term, but does not have continuous boarding

Charlie is a student in South Australia. The South Australian school term 2 period is 28 April to 5 July and school term 3 runs from 21 July to 26 September. Charlie starts boarding at school on 3 July and finishes term 2, but does not start back at boarding school on time for term 3 (within 14 days of the start of term). Charlie starts back on 20 August and continues to the end of the year. As Charlie did not start term 3 on time his AIC entitlement is from 3 July to 5 July for term 2 and then from 20 August to 31 December (for terms 3 and 4).

3.7.2 Eligibility for vacations

Except for [short-term boarders](#) (see [3.7.1](#)), once a [student's](#) eligibility has begun, their eligibility for vacations during the year is determined as follows:

- The student may receive benefits for the vacation period if they resume study no later than the 14th day of the following term, or if they were prevented from doing so because of [unforeseen circumstances](#).
- The student will not be eligible for the vacation period if they resume study after the 14th day of the following term, due to circumstances within the [family's](#) control.

Where the [student](#) resumes study on time but the allowance type for which the student qualifies has changed, the allowance type payable on resumption of studies is payable for the vacation period.

3.7.3 Usual date for cessation of eligibility

Except for [short-term boarders](#) (see [3.7.1](#)), the date on which eligibility ceases is determined as follows:

- If the [student](#) continues to the end of the [school year](#), they are entitled to payment until 31 December of that year.
- If the student ceases to meet an isolation condition because of a change of circumstance (e.g. change of principal family home, travel conditions, health conditions, parent's occupation) and are not covered by a '[Continuity of schooling concession](#)' (see [4.4.5.1](#)), their eligibility ceases on the day of the change of circumstances. If the student discontinues before the end of the school year, their eligibility ceases on the day they discontinue full-time study.
- If a student for whom payment is made in advance by term instalments (see [5.1.4](#)), discontinues on the last day of a term other than the final term, and that day precedes the end of the corresponding instalment period, the student's entitlement continues until the end of the instalment period (see [5.1.4](#)).
- If a student for whom payment is made in advance by term instalments (see [5.1.4](#)), discontinues on the last day of a term other than the final term, and that day is after the end of the term instalment period, then the end date is the day they discontinue full-time study.

Example 1: Discontinuation on last day of school term

Harold discontinues at his boarding school in Victoria on the last day of third term on 19 September. He is entitled to benefits until 30 September (the last day of the third term instalment period).

- If a [student](#) for whom payment is made by fortnightly instalments (see [5.1.3.2](#)), discontinues on the last day of a term other than the final term, and that day precedes the end of the corresponding term instalment period, the student's entitlement continues until the end of the term instalment period (see [5.1.4](#)).
- If a [student](#) for whom payment is made by fortnightly instalments (see [5.1.3.2](#)), discontinues on the last day of a term other than the final term, and that day is after the end of the term instalment period (see [5.1.4](#)), then the end date is the day they discontinue full-time study.

Example 2: Discontinuation on last day of school term – fortnightly instalments

Maude is a student for whom payment is made by fortnightly instalments. She discontinues boarding privately on the last day of third term on 19 September. She is entitled to benefits until 30 September (the last day of the third term instalment period).

Example 3: Discontinuation on last day of school term – which occurs after the end of the corresponding term instalment period

Ernest is a distance education student in the ACT who finishes studying via distance education on the last day of first term, on 11 April. As that day is after the end of the first term instalment period (of 31 March) Ernest is eligible for payment until 11 April.

These eligibility periods also apply to distance education students.

3.7.4 Home schooling term dates

The term dates for home schooling students are taken to be the standard state school term dates for the state or territory in which the [student](#) is registered for home schooling (see [5.4.4](#)).

3.8 Death of student

If an [eligible student](#) dies before a payment has been made, their entitlement should be calculated in accordance with the provisions of [3.7](#) to the date of that [student's](#) death.

If an [approved applicant](#) receives an advance payment for a period (e.g. a term instalment) for a student who subsequently dies, that instalment stands as the correct payment for the period. No attempt should be made to recover any part of the payment from the applicant.

If an applicant receives a fortnight in arrears payment for a student who subsequently dies, the payment made within 14 days after the student's death stands as the correct payment due to the applicant.

4 Isolation conditions and special needs

AIC allowances are intended for the [families](#) of [students](#) who do not have reasonable daily access to an [appropriate state school](#). This may be because of geographical isolation or because of the student's special needs.

AIC allowances are not intended for the [families](#) of [students](#) who cannot attend their nearest appropriate state school because it has been temporarily closed or restricted, or it has encouraged students not to attend school, or the student is in quarantine or isolation, because of reasons related to COVID-19 (Coronavirus).

Section [4.1](#) gives basic definitions. Section [4.2](#) describes the rules for determining geographical isolation. Section [4.3](#) covers special needs, while Section [4.4](#) describes lack of access for reasons other than geographical isolation.

4.1 Summary and definitions

This section summarises and defines basic factors used to assess the [student's](#) access to education.

- [4.1.1](#) Reasonable daily access
- [4.1.2](#) Nearest [appropriate state school](#)
- [4.1.3](#) Limited program or 'bypass' schools
- [4.1.4](#) Schools that are impacted by COVID-19 (Coronavirus)

4.1.1 Reasonable daily access

Reasonable daily access is determined by the [student's](#) proximity and their ability to attend their nearest [appropriate state school](#) on a daily basis.

4.1.2 Nearest appropriate state school

4.1.2.1 Usual definition

The nearest [appropriate state school](#) is normally the state school that is nearest the [principal family home](#) by accepted travel routes and is appropriate for the [student's](#) level of education.

Example 1: Bus service available

Bruce's principal family home is a property on the plains below a mountain range. The nearest school is in a town in the mountains (School A), 30 kilometres from Bruce's home. The nearest transport service to School A is 20 kilometres away. Students in the plains area normally go to the school in a town on the plains (School B), 40 kilometres away. The nearest bus service to School B is three kilometres from Bruce's home. Although Bruce lives closer to School A, his nearest appropriate state school is School B. Therefore, Bruce is not geographically isolated from School B.

Where the nearest state school is identified by the state or territory government education authority as a 'selective' or 'specialist' school, it is not considered to be the nearest appropriate state school unless it is the school the student is attending. A 'selective' or 'specialist' school is a school that caters only for students undertaking a special program, such as a school for gifted and talented students or an agricultural high school or secondary level agricultural college. A state school that caters for mainstream students but has a special program is not a selective or specialist school.

If the student has special needs, as defined in [4.3](#), the nearest appropriate state school will be the nearest state school that can meet those needs.

4.1.2.2 Several schools within 56 kilometres

Where there is more than one appropriate state school within 56 kilometres of the principal family home, the nearest school is the one with the nearest available transport service (see [4.2.2](#)).

4.1.2.3 Tertiary student

The nearest appropriate state school for a tertiary student is the nearest state school that offers the year or grade of secondary schooling that would be appropriate for the student, if they had continued to study at a secondary school.

4.1.2.4 Principal family home near state or territory border

If the student attends a school in the home state or territory, the nearest appropriate state school is the school meeting the usual definition (see above) in the same state or territory as the principal family home (even if there is a closer school in the adjacent state or territory).

However, if the student attends a school in another state or territory, the nearest appropriate state school is the school meeting the usual definition (see above) in either the home state or territory or the adjacent state or territory.

4.1.3 Limited program or 'bypass' schools

Limited program or 'bypass' schools are not [appropriate state schools](#) when determining a [student's](#) geographic isolation for AIC Scheme eligibility.

These schools are identified by the state or territory government education authority responsible for that jurisdiction. It is not a matter for Services Australia or the Australian Government generally to determine the appropriateness of a given school as the state or territory government education authority responsible is best placed to recognise local educational needs.

These schools are typically:

- primary schools where the syllabus and teaching arrangements are specifically geared to meet particular requirements and may be considered limited compared to the general curriculum of the state or territory;
- secondary schools that either:
 - do not offer a full range of years or grades;
 - do not provide adequate facilities or programs to enable a student to gain a Year 12 certificate or tertiary entrance score; or
 - have a syllabus and teaching arrangements that are specifically geared to meet the needs of particular students and may be considered limited compared to the general curriculum of the state or territory.

4.1.4 Schools that are impacted by COVID-19 (Coronavirus)

AIC allowances are not payable where the student's only reason for not being able to attend the nearest appropriate state school is because it has been temporarily closed, or it has encouraged students to study from home, or the student is in quarantine or isolation for reasons related to COVID-19 (Coronavirus).

An appropriate state school does not cease to be an appropriate state school if it is temporarily closed to students due to reasons related to COVID-19.

Example 1: Local school closed due to Coronavirus

Rikisha's local high school has temporarily closed due to Coronavirus and has made arrangements for students to undertake study online. Rikisha is not eligible for AIC as the only reason for not being able to attend school is because her local school has been temporarily closed in order to manage an outbreak of Coronavirus.

Example 2: Unable to attend the local school for reasons other than Coronavirus

Hong lives in a geographically isolated town and is about to commence year 11 by distance education. The local high school does not offer year 11 or year 12 and there is no other appropriate state high school within 56 kilometres. Hong is therefore eligible for AIC Distance Education Allowance due to geographic isolation.

The local high school has also temporarily closed due to COVID-19. Hong remains eligible for AIC Distance Education Allowance because the temporary closure of the high school is not the reason that he is undertaking distance education.

4.2 Geographical isolation rules

This section outlines the geographical isolation conditions that must be met by the [Student](#) to be eligible for the AIC Scheme.

- [4.2.1](#) Summary of rules
- [4.2.2](#) Applying Rules 1 and 2 (distance to school)
- [4.2.3](#) Applying Rule 3 (reasonable access)

4.2.1 Summary of rules

A [student](#) is regarded as geographically isolated from appropriate schooling if one of the following rules is met:

- Rule 1: The distance between the [principal family home](#) and the nearest [appropriate state school](#) is at least 56 kilometres by the shortest practicable route.
- Rule 2: The distance between the principal family home and the nearest appropriate state school by the shortest practicable route is at least 16 kilometres **and** the distance between the principal family home and the nearest available transport service to that school is at least 4.5 kilometres by the shortest practicable route.
- Rule 3: The student does not have reasonable access to an appropriate state school for at least 20 school days in a year because of adverse travel conditions (e.g. impassable roads) or other [circumstances beyond the family's control](#).

4.2.2 Applying Rules 1 and 2 (distance to school)

Rules 1 and 2 are based on the distance between the [principal family home](#) and the nearest [appropriate state school](#).

4.2.2.1 Evidence requirements

A [claim](#) on the basis of Rule 1 or Rule 2 does not have to be supported by evidence to confirm geographical isolation. However, additional information may be requested to independently verify the claim at any time.

4.2.2.2 Measuring distance to school

Where there is no transport service and one cannot be made available, the distance from the principal family home to the school is measured from the front door of the home to the school by the shortest practicable route.

Where a transport service is available or could be made available if requested, the shortest practicable route is:

- the distance from the home to the nearest available transport service by the shortest practicable route; plus
- the distance from the transport service to the school by the route used by the service (or connecting services).

Where morning and afternoon transport services differ in length, the average of the two is taken.

4.2.2.3 Nearest available transport service

The nearest available transport service is the nearest pick-up point for any regularly scheduled public transport, private carrier or school service going to the school or connecting with other transport going to the school. This includes a pick-up point that the carrier would make available if the [family](#) were to request transport to a local school.

4.2.3 Applying Rule 3 (reasonable access)

Rule 3 applies where the [student](#):

- does not have reasonable access to an [appropriate state school](#) for at least 20 school days in a year because of adverse travel conditions or other [circumstances beyond the family's control](#); or
- would not have such access if they did not board away from home, live in a second home or study by [distance education methods](#).

Adverse travel conditions or circumstances may include impassable roads due to special weather conditions, lack of access to a vehicle or inability to drive for medical reasons, and other unusual circumstances of isolation (e.g. the student lives on an island that is not serviced by regular public transport).

Other circumstances beyond the family's control may be approved, provided they are supported by independent evidence that clearly establishes the circumstance and impact on the student's daily access to schooling.

4.2.3.1 Student without reasonable access

A student does not have reasonable access to an appropriate state school if, for at least 20 school days in a year they either:

- cannot get to school;
- the travel time for the return journey to school is at least three hours; or
- the route the student must travel equals or exceeds the distances set down in Rule 1 or Rule 2.

4.2.3.2 Principles to determine circumstances beyond the family's control

To satisfy Rule 3, the circumstances that prevent the student's reasonable access to school must be beyond the [family's](#) control. A student should not be considered geographically isolated if the family's lifestyle choices (such as holidays and working hours), commitments or domestic behaviours make it inconvenient or difficult (rather than not feasible) to transport the student to school, or if the family chooses not to use the local school for reasons beyond the intent of the AIC Scheme. This includes a family's choice to not use a motor vehicle that would be available to them for transporting the student.

A concession under Rule 3 is not available where the student has been excluded or banned from the available transport service by the transport company in consultation with education authorities.

Example 1: Lifestyle choices

Stephen's parents have moved to a hobby farm 14 kilometres from the nearest high school. There is no public transport available. His father drives 38 kilometres to work in the nearby city, leaving at 7:30 a.m. daily and arriving at his office at 8:15 a.m. Stephen's mother works in town near the high school and leaves his baby sister at a child care centre at 7:45 a.m., which she says is too early for Stephen to arrive at

school. This case would not be approved, as it cannot be claimed that Stephen does not have 'reasonable daily access' to a school. His parents have made lifestyle choices that make it inconvenient, rather than unreasonable, for them to get Stephen to school.

Circumstances normally considered within the family's control include:

- an impassable road on the family's property (unless it can be proven that the situation is temporary and was unforeseeable);
- a student's exclusion from the available transport service by the transport company in consultation with education authorities as a result of disciplinary matters;
- inability to use a private vehicle because the applicant or their [partner](#)'s licence has been legally removed as a punitive measure by a court or legal authority.

4.2.3.3 Evidence requirements

A claim on the basis of Rule 3 must be supported by evidence that substantiates the existence of adverse travel conditions or other circumstances beyond the family's control and the effect they have on the student's ability to get to school. Additional supporting evidence may be required to independently verify the claim at any time.

The applicant needs to show that the student's attendance at school, travel time or travel distance is affected on at least 20 school days in a year, or would be if they did not board away from home, live in a second home or study by [distance education methods](#).

Where possible, evidence of the impact on the student's attendance should be provided for the previous year. If this is not available for the student, records for a sibling or another student in similar circumstances may be accepted. Where the adverse conditions have occurred in (or just before) the year of assistance these may be taken into account (see [4.4.5.3](#)).

Where such information is not available, evidence of adverse travel conditions or other circumstances must be detailed enough to demonstrate their impact on daily attendance at the school.

Claims on the basis of travel time or distance should explain how these are or were affected by the adverse conditions or other circumstance.

4.2.3.4 Measuring distance

For Rule 3, distance is measured in the same way as for Rules 1 and 2.

If the school transport service route or pick-up point varies on a daily, weekly or monthly basis, so that the distance criteria are met on at least 20 school days in a year, the student is considered to meet Rule 3.

Where the routes of the morning and afternoon transport services differ in length, the two will be averaged.

4.2.3.5 Measuring travel time

Where a claim is made on the basis of excessive travel time, the travel time must be based on:

- public or school transport routes and timetables, where travel is by such transport; and/or
- the shortest practicable route, where travel is by private transport and
- if a motor vehicle is available to the family, the shortest practical route will be deemed as being travelled by motor vehicle, whether or not the family makes that motor vehicle available for use to transport the student.

In measuring travel time, the following speeds and/or times apply:

- where travel is by private transport, the estimated time to travel the given distance will be as specified by commonly available mapping technology. ;
- where travel must be by private water transport, the lesser of the legal speed limit and 4 knots; where no speed limit applies, 4 knots;
- where travel to school is by public or school transport, timetabled travel times;
- where the student is required to walk to the pick-up point, a walking speed of 2.5 kilometres per hour;
- where the student is required to wait at a pick-up point before commencing each leg of the journey, an additional 10 minutes waiting time per leg.

Travel time ceases when the student reaches their final destination (the school or the home, whichever is applicable).

If the school transport service route or pick-up point varies on a daily, weekly or monthly basis, so that the travel time criteria are met on at least 20 school days in a year, the student is considered to meet Rule 3.

Where the routes of the morning and afternoon transport services differ in length and therefore the time taken, the two times will be averaged.

4.2.3.6 Special weather conditions

Weather conditions leading to a student's absence from school in the previous year can be considered as circumstances beyond a family's control. Such conditions do not have to be extraordinary or abnormal, but evidence must demonstrate that the conditions prevent the student from getting to school for at least 20 school days a year. For example, the conditions of Rule 3 would be met if rainfall could be expected to make roads impassable on at least 20 school days in a year.

Evidence that can be considered to validate an applicant's claim on this basis is either:

- confirmation by the school that there is a [likely](#) possibility of 20 days of absence;
- historical weather reports; and/or
- the student's record of attendance for the previous one or more years, or their sibling's record (if circumstances were similar).

Where the adverse conditions have occurred in (or just before) the year of assistance these may be taken into account (see [4.4.5.3](#)).

4.2.3.7 Impassable roads

If there is no evidence that the student's (or their sibling's) school attendance has been previously affected by impassable roads, one of the following must be provided:

- a report from the operator of the school bus service, indicating how the bus route (or the student's access to it) was affected and the number of days over the relevant period on which it was affected;
- a report from the shire/council engineer or other similar officer:
 - stating that the road in question was impassable to any vehicles on particular dates and giving the reasons (e.g. rainfall, road construction); or
 - describing in detail the weather or other circumstances in which the road becomes impassable to any vehicles, how long it remains impassable, and evidence (e.g. rainfall records) showing the dates on which those circumstances occurred in previous years (where the officer gives a professional opinion about the impact of the described circumstances, this should be taken into account);
- a report from a local, state or national authority having primary responsibility for roads, water or land management:
 - stating that the road in question was impassable to any vehicles on particular dates and giving the reasons (e.g. rainfall, road construction); or
 - describing in detail the weather or other circumstances in which the road becomes impassable to any vehicles, how long it remains impassable, and evidence (e.g. rainfall records) showing the dates on which those circumstances occurred in previous years (where the officer gives a professional opinion about the impact of the described circumstances, this should be taken into account).

Rainfall levels, other weather conditions or the material used in road construction are only relevant to the extent that they contribute to a road being impassable.

4.2.3.8 Non-access to private transport

Claims on the basis that the applicant and (where applicable) their [partner](#) do not have access to a vehicle or are medically unable to drive a vehicle must be accompanied by appropriate documentation (e.g. medical reports, police statements, or confirmation that there is no record of a registered vehicle). The evidence provided should state the duration of the situation.

Where an applicant and/or their partner's access to a vehicle, has been removed by a court (i.e. due to conviction) or other legal authority (i.e. police officer), the intention of this policy is not met and a student's geographic isolation needs to be established using other criteria.

4.3 Students with special needs

This section outlines the criteria that allow [students](#) with special needs to be eligible for the AIC Scheme.

4.3.1	Summary
4.3.2	Definition of a disability or health-related condition
4.3.3	Evidence requirements
4.3.4	Duration of special need assessment
4.3.5	Types of special needs

4.3.1 Summary

Where a [student](#) has a [disability or other health-related condition](#) or a special education need that requires a [special school](#) program, special facilities and/or a special environment, the nearest [appropriate state school](#) (for the purposes of the geographical isolation rules outlined in [4.2](#)) is the nearest state school that can provide, or is close to, the required services.

Types of special needs are set out in [4.3.5](#).

4.3.2 Definition of a disability or other health-related condition

A [disability or other health-related condition](#) is defined as either:

- a physical or intellectual disability;
- a psychological, emotional or behavioural problem;
- a medical condition; or
- pregnancy.

In this part of the guidelines, 'condition' includes disabilities and other health-related conditions.

4.3.3 Evidence requirements

Except for [students](#) who attend a [special school](#), [claims](#) on the basis that the student has a special need will normally need to be supported by evidence.

Evidence regarding special needs (including evidence provided by a [medical practitioner](#), [allied health professional](#), state or territory government [education authority](#), or local school) is required to be provided on an annual basis unless the condition has a long term duration or is permanent. When a [claim](#) is made on the basis of a special need the evidence provided must be less than twelve months old.

Evidence must relate to the period of AIC Scheme eligibility. This requirement ensures that the payment of AIC is reviewed where a change in circumstances (e.g. availability of special facilities close to home, or an end to the need for treatment) has not affected eligibility.

Typically evidence of a special need should first be provided by a [medical practitioner](#).

If evidence is being provided by an allied health professional, the [allied health professional](#) providing evidence must satisfy the following criteria:

- The allied health professional's position has a demonstrated capacity to provide evidence related to the special need claim (for example, a psychologist providing evidence of a special need relating to trauma);
- The allied health professional has a tertiary qualification (at a minimum) and is accredited and registered as needed in the state or territory in order to provide consultation on a public or private basis.

If the allied health professional providing evidence satisfies the following criteria, then their evidence should be considered to have greater weight in establishing a special need:

- The allied health professional has a specialisation, demonstrated experience or additional qualification related to the area of the special need claim (for example, a psychologist who specialises in trauma cases or who has a master's level qualification in clinical psychology).

If the allied health professional does not have a specialisation, demonstrated experience or an additional qualification related to the special need (for example, a psychologist providing evidence related to a trauma claim with no additional qualifications or acknowledged related specialisation or experience) would not be considered able to provide suitable evidence.

The sections in [4.3.5](#) dealing with types of special needs give details of the evidence required in each case. Reference should be made to [4.3.5](#) when considering claims made based on special needs in conjunction with the evidence requirements set out in this section.

Evidence is not required if the applicant confirms that the circumstances of an earlier approved claim have not changed and:

- it is clear from that the student's condition is permanent and requires ongoing access to facilities or an environment that is not available locally;
- the student's course or treatment will carry on for the current year; or
- the student had a demonstrated special need in Year 11, is entering Year 12 at the same school, and is eligible for the Year 12 continuity of schooling concession (see 4.4.5).

Evidence must relate to the period of AIC Scheme eligibility. This requirement ensures that a change in circumstances (e.g. availability of special facilities close to home, or an end to the need for treatment) has not affected eligibility.

4.3.4 Duration of special need assessment

Some circumstances giving rise to a special need are temporary. The evidence in support of [claims](#) of this type must include an estimate of the duration of the condition or circumstance, or, if an estimate is not possible, be dated no earlier than 1 July of the year before the one to which the claim relates.

A special need assessment may carry over to allow continuity of schooling (at the same school) until the end of the [school year](#) or until an allowance ceases to be payable (e.g. because the [student](#) ceases to board away). See also [4.4.5](#) for the continuity of schooling concession.

4.3.5 Types of special needs

4.3.5.1 Student attends a special school

A [student](#) can be regarded as having a special need if they attend a [special school](#) that addresses the student's specific educational requirement and meets the AIC Scheme's geographic isolation criteria (see [4.2](#)).

A mainstream school that has special facilities for students with disabilities, health-related conditions and/or learning difficulties is not regarded as a special school. Students attending such a school must be assessed according to the criteria set out in section [4.3.5.2 Student needs access to special facilities or a special environment](#).

A [claim](#) for a student who attends a special school does not normally need to be supported by evidence. The fact that the student attends the school will normally establish that the student has special needs. However, if a student who normally attends a special school near the [principal family home](#) and requires access to additional specialist assistance, evidence must be provided to demonstrate that the special school is not an appropriate school for that assistance.

4.3.5.2 Student needs access to special facilities or a special environment

A student can be regarded as having a special need if they need access to special facilities or a special environment to help manage or overcome a condition that precludes access, or is [likely](#) to preclude access, to their local state school for more than 20 school days in a year. 'Special facilities or a special environment' includes:

- a special centre which caters for the student's condition and which they must attend part-time while spending the remaining time at school;
- special educational or physical facilities within a normal school (e.g. a visiting specialist teacher for blind students, or ramps for easy wheelchair access);
- in the case of a psychological, emotional or behavioural problem, the controlled environment and close supervision that are normal features of boarding institutions;
- an environment with a climate that gives relief from a condition associated with the climate in the vicinity of the [principal family home](#);
- an environment in which the student can avoid the ill effects of lengthy daily travel; or
- an environment in which the student can obtain essential and extensive medical treatment.

Example 1: Taunts and ridicule

Dylan's father is in prison and Dylan has faced taunts and ridicule in the small town where he lives. He starts skipping school and his behaviour and emotional health deteriorate to the extent that doctors and school guidance counsellors strongly recommend he board for the rest of the year in the supervised environment of a boarding school. A claim may be approved because the evidence makes it clear that he needs to board to achieve and maintain his emotional health.

Example 2: Sibling's problems

Kelly's younger sister has multiple intellectual and behavioural problems that require significant attention from her parents. They seek assistance for Kelly to go to boarding school, as they are worried that her senior secondary education will suffer because of the disruptive atmosphere at home. To date, Kelly has done well at her local school, and there is no evidence that she has any psychological or behavioural problems. This claim should not be approved.

Example 3: Daily travel and health

Donna, 14, has rheumatoid arthritis. Although her condition can be alleviated to some extent by medication, it is made worse by frequent and lengthy travel. Her condition requires regular supervision by a medical specialist. Donna's family provides evidence that her health will be adversely affected by her continuing to travel the long distance to and from her local school. The claim may be approved.

A [claim](#) of this type must be supported by medical evidence and (where applicable) a statement from the school or service offering the facility or treatment, outlining how it will aid the management of the condition. Evidence from a specialist is necessary for conditions that require specialist treatment (e.g. psychiatric or severe allergic conditions). The evidence must establish the nature of the condition and clearly demonstrate that:

- the special facilities or environment are not accessible at a local school or in the vicinity of the [principal family home](#);
- the student's condition is better managed or overcome by access to the facilities or environment at the boarding (or second home) location;
- where applicable, the special facilities or environment are necessary to such an extent that the [student](#) must live away from home rather than access them periodically.

For medical conditions that are not clearly serious (e.g. allergy, conditions affecting travel), the evidence must also demonstrate that:

- there is no suitable medication or treatment that is both reasonably available and able to alleviate the effects of the condition;
- the condition is likely to result in the student being absent from local schooling on at least 20 school days in a year.

Example 4: Motion sickness

During the week, Andrea attends boarding school in a city 1½ hours drive from her home. Her route to the city passes the local secondary school, which is 25 kilometres from her home and connected by a school bus service. Her mother applies for the AIC Scheme on the grounds that Andrea suffers from motion sickness and cannot travel to school daily (but can travel the longer distance to and from the boarding school each week). A GP's certificate states only that Andrea suffers from motion sickness. The claim should not be approved because the medical evidence does not clearly show that her motion sickness is so severe that her health is adversely affected by the daily travel to school, or that there is no suitable medication to alleviate the problem.

Example 5: Specialist medical needs

David lives in a rural town. He is in remission from leukaemia but needs frequent medical checks from a city-based specialist. His parents apply for the AIC Scheme so that he can attend school and board in the city, close to the specialist who is supervising his case. AIC Scheme claim may be approved because David is in need of essential and frequent medical services that are not available in his home town.

Example 6: Proximity of specialist medical services

Penelope attends a boarding school in a regional city. Her mother applies for the AIC Scheme on the grounds that her daughter suffers from asthma and must visit her specialist regularly. The specialist lives in the capital city, which is closer to the principal family home than to the boarding school. The AIC Scheme claim should not be approved because, if access to the medical specialist were the reason for Penelope's attendance at boarding school, the chosen school would be near the specialist for easy access, which is not the case.

Example 7: Non-essential medical need

Dominic, Carly and Brendan have been registered to attend boarding school as each reaches Year 7. The dentist in their home town suggests that the two eldest children would benefit from specialist orthodontic treatment once they are living in the city. Soon after starting boarding school, Dominic begins a course of orthodontic treatment. His father applies for the AIC Scheme. This claim should not be approved, because it has not been clearly demonstrated that the orthodontic treatment is 'essential and extensive' medical treatment, or that the condition is likely to result in at least 20 school days absence a year. From the information given, it seems that the specialist orthodontic treatment is a consequence of its accessibility from the boarding school.

Example 8: Medical hazard in local environment

Elliot, 10, has lived all his life in a mining town. Medical tests show that heavy metal levels in his blood are abnormally and dangerously high, and that his intellectual development is at risk. Medical authorities advise his parents to board him away from home as soon as possible, and the parents apply for the AIC Scheme. The claim may be approved, because it is clear from the medical evidence provided that Elliot's health would be adversely affected should he continue to study in his home town, which has an environment that is directly causing his health condition.

Example 9: Medical condition not connected with local environment

Elissa has suffered from asthma all her life. It is kept under control by medication. There is no evidence that her condition is worsened or improved by living in different environments. She is due to go away to boarding school in Year 8, and her mother applies for the AIC Scheme on the grounds that Elissa suffers from chronic asthma. Approval should not be granted, as no evidence has been provided to show that Elissa's health will be adversely affected if she continues to study in her home town.

4.3.5.3 Student needs to study from home

A student can be regarded as having a special need if they study by distance education because of a condition that:

- needs facilities and/or environmental conditions (e.g. care) available from the family home; or
- requires the student to avoid travel of the sort that would be necessary to attend school each day.

Example 1: Student pregnancy

Brenda, 15, is 6 months pregnant and does not want to continue going to the local high school. Her teachers arrange for her to study at home and help her to enrol at a distance education centre. Distance Education Allowance may be approved.

Example 2: Reduced capacity

Shelley, 12, has been diagnosed with a brain tumour. She is trying to keep up with her schoolwork by studying at home by distance education methods, while undergoing extensive medical treatment. She can concentrate only for short periods, and the distance education centre expects her to submit assignments only as and when she feels able to do so. Distance Education Allowance may be paid as long as the school considers Shelley to be enrolled and studying full-time, even though she has a workload smaller than other students.

A claim of this type must be supported by evidence that establishes the nature of the condition. Evidence associated with this claim is typically provided by a [medical practitioner](#) (specialist or general practitioner). Evidence from a specialist is necessary for conditions that require specialist treatment (e.g. psychiatric or severe allergic conditions).

In exceptional circumstances, evidence may be sought from an [allied health professional](#). This includes the following circumstances:

- due to distance or isolation, it would be an additional and unfair burden on the family to source evidence from a medical practitioner;
- if a medical practitioner refers the child to an allied health professional (for example, a family doctor referring a child with a mental health need to a psychologist rather than a psychiatrist);
- if a medical practitioner is considered by the family unsuited to provide advice (for example, a male family doctor may be the only medical practitioner near to the family home, and yet as the student is female, they may wish to seek a female allied health professional in cases of sexual trauma, rape or mental health).

For conditions other than pregnancy, it must be clear that it would be harmful to the student's health (not merely a discomfort) if they were to attend school daily. For medical conditions that are not clearly serious (e.g. allergy), the evidence must demonstrate that:

- there is no suitable medication or treatment that is both reasonably available and able to alleviate the effects of the condition;
- the condition is likely to result in the student being absent from local schooling on at least 20 school days in a year.

Services Australia must be satisfied that there are no facilities available at a local school to enable a [student](#) to attend that school.

4.3.5.4 Student needs to be removed from local school environment

A [student](#) can be regarded as having a special need if they need to be removed from the local school because of either:

- interpersonal problems affecting psychological, emotional or physical health (e.g. bullying, harassment); or
- expulsion from school.

A claim of this type must be supported by a statement from the chief executive of the state or territory government education authority or their delegate, indicating:

- the reason for the removal of the student (in broad terms only, e.g. interpersonal problems affecting health, expulsion);
- that the [family](#) and the school have attempted, without success, to resolve the problem; and
- that there is no suitable local school that the student can attend daily.

If the claim is on the basis of a [disability or other health-related condition](#), it must also be supported by medical evidence that establishes that there is a health-related problem and recommends that the [student](#) be removed from the school.

4.3.5.5 Student needs testing or support for a learning disability

A [student](#) can be regarded as having a special need if they need to be away from home for at least five days to undertake diagnostic testing and/or receive support for a learning disability at an institution or centre providing specialist services of that type.

The placement must be with the approval of the relevant [education authority](#) and/or the institution concerned.

A claim on this basis must be supported by a statement from the education authority, or their delegate (e.g. an educational psychologist). The statement must also give the period for which testing/support is required.

Note: A statement from a teacher or counsellor at the school is not sufficient evidence on its own.

4.3.5.6 Student needs learning support

A [student](#) can be regarded as having a special need if they require access to a program delivered by a specialist teacher or facility for learning support.

The program must be of at least one and a half hours per week in an area of specific learning difficulty, disability or English as a second language (ESL) need. It is not sufficient that the program merely involves increased individual attention or a modified course of the type generally available to students with learning difficulties in mainstream schools.

The [student](#) may receive the learning support at either the school or institution that they attend full-time, or at a centre that they attend part-time while spending the rest of the school week at a mainstream school.

A claim on this basis must be supported by evidence to verify the need for specialist learning support, in the form of a recent written recommendation (see [4.3.3](#) and [4.3.4](#)) from either:

- the relevant [education authority](#) at the appropriate regional district office level; or
- a specialist assessment service used by such authorities (e.g. an educational psychologist, child psychologist or health professional).

Note: A statement from a teacher or school is not sufficient evidence.

Example 1: Need for ESL classes

Julio's family has arrived from Chile and is living in a medium sized country town. While the local school offers a broad range of subjects, there are no teachers with ESL skills. Julio, in Year 8, is finding it very hard to cope and his work is getting worse. The education authority maintains that he needs to attend a school that provides specialist ESL classes. The boarding school Julio is to attend provides evidence that it can meet this need. Boarding Allowance may be approved.

Evidence is also required from the principal of the school or director of the facility that provides the support, giving details of the program.

Together, the evidence must clearly demonstrate that:

- the student requires specialist learning support to assist with a particular learning disability or ESL needs;
- the [student](#) is receiving assistance of at least one and a half hours a week in a class from a specialist teacher;
- the assistance required is of a type that is not available locally.

If a report recommends that a student receive specialist assistance for a period of at least two years, a second such report will not be needed until the beginning of the third year.

The maximum period of benefits that can be based on a single report is two years. Evidence from the local school or facility confirming that the assistance cannot be provided locally, however, must be provided each year.

4.3.5.7 Student would suffer serious educational disadvantage at local school

A [student](#) can be considered to have a special need if it can be demonstrated that they would suffer a serious educational disadvantage if they had to attend the local state school. A claim must be supported by written confirmation from the state or territory government education authority and within the scope of the AIC Scheme (detailed below).

A [student](#) cannot be considered as suffering from serious educational disadvantage solely on the basis of either:

- a desire for the student to attend a school of choice, including a school that is classified as 'specialist' or 'selective' or a school that will 'enhance the student's academic prospects';
- the standard of teaching facilities;
- the socio-economic, racial or ethnic mix of a school;
- non-core subjects (e.g. subjects other than maths, science and English) being studied by [distance education methods](#);
- inability to continue study in the same subjects or the same system after the student's [parents](#) have moved from one non-geographically isolated area to another;
- family connections with another school;
- difficulties with out-of-school care arrangements; or
- a desire for a family to send a child to a boarding school.

A claim that a [student](#) would suffer serious educational disadvantage must be supported by a statement from the chief executive officer of the state or territory government education authority (e.g. the Director-General) or their delegate. The statement must:

- give the reason that the local school is inappropriate for the student's needs;
- confirm that the student would be seriously educationally disadvantaged if unable to study elsewhere;
- state that the state or territory authority has no objection to AIC allowances being paid.

If the state or territory government education authority is supporting a claim on the basis that the [student](#) cannot appropriately access a specific 'core' subject, or a range of subjects to achieve a 'core competency' (e.g. where teaching is conducted without a qualified teacher in physical attendance i.e. through video conferencing), then the supporting statement must also specify that:

- the particular 'core' subject is an essential part of study for all students in the jurisdiction, at that particular year level; or, in educational jurisdictions that define core competencies, the core competency cannot be met by any of the subjects offered at the school;
- delivery of the subject by correspondence is not appropriate for this individual student.

Example 1: Core subject not available face to face

Allison is in Year 11 and must study English, a 'core' subject, through distance education modules. She is seeking to bypass the local school to access an AIC allowance. Her claim is submitted with a supporting statement from the education authority, confirming that Allison is suffering serious educational disadvantage because she cannot get face-to-face tuition in English. The claim may be approved, because English is a core subject in Year 11.

Example 2: Elective subject not available

Jeremy, who is in Year 9, wants to study Japanese at the private boarding school his father attended in the city. The school he currently attends offers a standard range of subjects to Year 12, including French but not Japanese. An AIC Scheme claim on these grounds should not be approved, because a desire to attend a school to enhance a student's academic prospects is outside the scope of the scheme.

Example 3: Elective subject not available face to face

Carrie, 16, attends a girls' boarding school in the city, where she is studying Spanish. Her local school in the country does not teach Spanish on a face-to-face basis, but can allow Carrie to study the subject by distance education methods. An AIC Scheme claim on this basis should not be approved, because it is not expected that all students at Carrie's year level learn Spanish (i.e. Spanish is not a 'core' subject).

Example 4: Specialist or selective school

An education authority has reclassified a number of state high schools as 'specialist' schools. Mary has gained a place in one such school for gifted and talented students but she lives too far away to attend on a daily basis. Her father enquires about the AIC Scheme to help with her boarding costs. A claim should not be approved unless there is no appropriate state school within the distances specified in Rules 1 and 2.

Example 5: Boarding for non-educational reasons

Craig and Stuart's mother died two years ago. Their father has enrolled them at a boarding school in the city, as he finds it difficult to care for them on his own. An AIC Scheme claim should not be approved, as the boys are not boarding to fulfil an educational or medical need.

Example 6: Education authority refuses recommendation

Phoebe's elder sister Phillipa received AIC allowances in Years 11 and 12 because the local school catered to Year 10 only. The school now provides up to Year 12, but there are only two students in Year 11 and all subjects except English are delivered by distance education methods. Phoebe's parents believe she would be disadvantaged at the local school, and want her to board. A teacher supports the family's case, but the education authority makes no recommendation. An AIC Scheme claim cannot be approved as the education authority has not provided a supporting statement.

4.4 Students deemed to be isolated

In certain circumstances, a [student](#) can be regarded as not having reasonable daily access to an [appropriate state school](#) without meeting a geographical isolation rule (see [4.2](#)). This section outlines the circumstances in which a student may be deemed to be isolated.

- [4.4.1](#) Student lives in a [special institution](#)
- [4.4.2](#) Parental work requires frequent moves
- [4.4.3](#) Student and sibling live in a [second family home](#)
- [4.4.4](#) [Removed section]
- [4.4.5](#) Continuation and concessions

4.4.1 Student lives in a special institution

A [student](#) may be deemed to be isolated if, because of the nature and extent of a [disability or other health-related condition](#), it is necessary or preferable for him or her to live at a [special institution](#).

A [claim](#) for a [student](#) who lives in a special institution does not need to be supported by evidence. The fact that the student lives in the institution will normally establish their need to reside at the special institution.

For assessment purposes in cases of 4.4.1, 'to live' is considered to be a period of at least 20 continuous school days.

Note: The student must still undertake an approved course (see [3.4.3](#)) at an approved institution (see [3.4.2](#)). The special institution does not necessarily have to be a school (or approved institution). That is, the student may live at a special institution and attend school at another institution, such as a [special school](#).

4.4.2 Parental work requires frequent moves

A [student](#) may be deemed to be isolated if all the following conditions are met:

- either [parent](#)'s work requires an [itinerant lifestyle](#) that is necessary for their livelihood;
- the occupation requires that parent to work on site (as opposed to a parent who is able to undertake their business or work at a fixed location);
- the work necessitates the [Relocation](#) of the [family](#);
- that [parent](#) relocates at least five times a year for work purposes.

A student should not be deemed isolated under this section where:

- the parent [operates out of a base](#), as they are not relocating the family;
- the [parent](#) works solely in a geographically limited area where they could reasonably be expected to maintain a fixed address (e.g. solely within a metropolitan area or within 56 kilometres of a town or city);
- the [parent](#) is subject to transfer every 2 or 3 years (e.g. police officers, defence service personnel, teachers) and could normally be expected to spend at least one full [school year](#) in the one location (even if they have moved more than once in a particular school year);
- the primary reason for travelling and seeking work is for a 'working holiday' or to do unpaid voluntary work; or
- the work of the [parent](#) could reasonably be maintained within a limited geographical area.

The ownership of a family home in a particular locality does not necessarily affect eligibility under this provision, unless:

- one [parent](#) lives in that locality while the other moves about for work purposes; or
- the [student](#) lives in that locality while both parents are absent.

Example 1: Itinerancy for smaller part of the year

Mr and Mrs Smith run a business that excavates and prepares land for commercial property development. Most sites are in the metropolitan area, and the couple work together at an average of six sites a year. They often spend up to three days and nights camping on site while blasting and clearing the area. Their sons attend a private boarding school in a regional city, and Mr Smith applies for the AIC Scheme under the itinerancy provision. The claim should not be approved, as the principal family home is lived in by one or both parents for most of the year and at no time are the parents more than 56 kilometres from home.

Example 2: Itinerancy for non-essential reasons

Mr and Mrs Singh resign from their jobs and begin the round-Australia working holiday they have been planning for some years. They enrol their two daughters in boarding school and apply for the AIC Scheme under the itinerancy provisions. The claim should not be approved, as the Singh family is moving for holiday purposes, seeking work in the areas they travel to, and their work is not the main reason for the moves.

Example 3: Short overall duration of moves and family operating out of a base

Mr and Mrs Jones run a tractor business based in Morawa WA. The family attends various agricultural shows or farm field days to promote and sell their tractors. The Jones's have two children, Hayley 7 and Ashley 9 who are enrolled in distance education.

They expect to be travelling to six agricultural shows or farm field days in the next year. Each show lasts for five days however with travelling time, setting up and dismantling their exhibition and follow up with customers the Jones's expect to be away from their home for a total of 126 days (21 days each trip).

An AIC claim would be rejected on the basis that the children will only be away for short periods of time and only miss three weeks (15 consecutive days) of school as a result from any one trip (or a total of only 75 school days in the year) and the family is operating out of a base.

A [claim](#) will be determined according to the applicant's circumstances. A claim by a person whose work (or their partner's work) requires frequent moves to other locations must be supported by:

- a statement of the family's projected itinerary for the school year for which the AIC allowance is sought
- where relevant, a statement of the family's itinerary (including locations and dates worked at those locations) over the previous 12 months
- verification of the family's past and proposed movements, in the form of employers' statements or similar evidence.

A claim must be supported by evidence that this travel is a necessary part of earning the livelihood of the claimant or their partner, and not merely a lifestyle preference. A claimant will need to submit evidence that their or their partner's particular trade or skills directly cause their itinerancy.

If a family can demonstrate a detailed history of itinerancy in the previous 12 months, this will help substantiate their claim.

Example 4: Itinerancy for the length of the calendar year

Mr and Mrs Kumar are farmers from the Central West of NSW. The family maintains employment by engaging as harvesting contractors across the east coast of Australia at numerous farms. The Kumar family have a son, John, 14 who travels with them to undertake this work.

Mr and Mrs Kumar are required to move frequently throughout the year to attend farms where they harvest crops for other farmers. The family expects to travel at least 8 times throughout the year where they will stay for at least a fortnight on site at each farm. The student is expected to miss more than 20 consecutive schools days.

The family is claiming AIC in respect of John and submits a statement of the family's projected itinerary for the school year and verifies that this is their main form of employment by providing historical evidence of this work. In this circumstance, the Kumar's claim for AIC may be approved.

Note: All claims will be determined according to the applicant's circumstances.

Example 5: Itinerancy for the length of the calendar year

Mr and Mrs Baker are Agricultural workers from South Australia. The family maintains employment by providing their agricultural expertise to farms around Australia. The Bakers have a daughter, Amy, 13 who is enrolled to attend boarding school in New South Wales. Amy is required to go to boarding school as she would otherwise miss more than 20 days' worth of school due to her parent's itinerant lifestyle.

Mr and Mrs Baker are required to move frequently throughout the year to work. Mr and Mrs Baker expect to move more than 10 times throughout the year, where they will be accommodated at or near the farm they are working on. Mr and Mrs Baker stay an average of 3 weeks at each farm.

The family is claiming AIC and submits a statement of the family's projected itinerary for the school year and verifies that this is their main form of employment by providing historical evidence of this work. In this circumstance, the Bakers' claim for AIC may be approved.

Note: All claims will be determined according to the applicant's circumstances.

4.4.3 Student and sibling live in a second family home

A [student](#) may be deemed to be isolated if they live in an approved second family home (see [5.3.3](#)) with a sibling who:

- meets an isolation condition or has a special need identified in [Part 4](#) (except under this provision); and
- qualifies for the Second Home Allowance.

This provision is also extended to a student with a sibling who:

- is a secondary student aged 16 years or over or is a tertiary student under the minimum age at which the state or territory requires them to participate in education;
- is studying at tertiary level rather than remaining at secondary school;
- meets an isolation condition (except under this provision);

- is receiving Youth Allowance or ABSTUDY at the 'standard rate' (or the 'away rate' if a [parent](#) is not living in the second family home); and
- was eligible for an AIC allowance (in the current or a previous year) immediately before transferring to Youth Allowance or ABSTUDY; or
- has a special need identified in Part 4.

Since the student may be deemed isolated only on the basis of a sibling, this assessment will not be made until the sibling's [claim](#) (for the AIC Scheme, Youth Allowance or ABSTUDY) is approved in the year of assistance.

Example 1: Second Home Allowance

Dad lived in the Principal Family Home from 1 January 2025 until 2 July 2025. Mum still lives with the children in the second family home. Dad moved to a new house which is a non-geographically isolated address. Dad comes to the second family home with Mum and the kids on the weekend. One of the students, who is in year 11, is receiving the second home allowance. Under the continuity of schooling, they will continue to receive this allowance until they finish year 11 or year 12 (if they decide to complete year 12). This is on the condition the student continues to attend the same school for the remainder of 2024 and 2025.

Normally, additional evidence will not be necessary to support a claim on this basis, as the relevant information will be available from the sibling's (or the student's) claim.

Where a student has been deemed isolated under this provision and the sibling ceases to receive student assistance (e.g. because they discontinue study), the student may remain eligible under the continuity of schooling concession (see [4.4.5](#)).

4.4.4 [\[Removed Section\]](#)

4.4.5 Continuation and concessions

4.4.5.1 Continuity of schooling concession

A [student](#) may be deemed to be isolated in order to limit disruption to the schooling of students whose circumstances change during receipt of an AIC allowance. The concession allows a student to be deemed isolated if:

- they cease to meet an isolation condition because of a change of circumstance (e.g. change of [principal family home](#), travel conditions, health conditions, [parent's](#) occupation); and
- they continue to attend the same school (or continue to be enrolled through the same distance education school).

This concession cannot be applied for students who:

- did not meet an isolation condition at any stage in the year for which assistance is sought (an exception to this guideline exists for Year 12 students who met an isolation condition in the year before the year for which assistance is sought); or
- lived away from home in order to undertake a short-term program (e.g. for diagnostic testing or learning support).

Under this provision, a student may be deemed to be isolated:

- from the date of the change of circumstance until the end of the year in which the change of circumstance occurred; or
- for a student in Year 11, from the date of the change of circumstance until the end of the following year, provided they continue to Year 12.

4.4.5.2 Retrospective continuity of schooling concession

The continuity of schooling concession may also be applied in reverse. A student who does not meet a geographical isolation rule at the start of the [school year](#) may retrospectively be deemed to be isolated for the earlier part of the year if:

- they begin to meet an isolation condition because of a change of circumstance (e.g. change of principal family home, parent's occupation or health condition, discontinuation of school bus service);
- the student was placed in an approved boarding arrangement (see [5.2.1.3](#)), enrolled in distance education studies or began living in a second home in anticipation of the change of circumstance that would make the student eligible later in the year; and
- the change has occurred and the student now meets an isolation condition.

To qualify for retrospective continuity, an applicant must demonstrate that they were aware of the proposed change in circumstances at the time the student began to board, study by [distance education methods](#) or live in the second home.

If the [claim](#) was lodged at that time, no further proof would be needed. In other cases, however, suitable evidence would be required (e.g. a statement from an employer that reveals when the parent was advised of a proposed transfer, a copy of a letter from a bus company advising of a proposed change in services, etc).

4.4.5.3 Conditions in year of assistance for students unable to access a local state school

The application of [Rule 3](#) is normally based on access to the local state school in the year or years before the year in which assistance is sought. However, a concession is available where:

- circumstances arise in (or just before) the year of assistance that affect or threaten to affect the student's access;
- the conditions are [circumstances beyond the family's control](#); and
- on the strength of those circumstances, the [family](#) arranges for the student to board away from home, live at a [second family home](#) or study by distance education methods.

In such circumstances, the student's geographical isolation can be established by evidence showing that the circumstances would have affected their access at least 20 school days in a year.

This concession is not available where the student was boarding, living in a second home or studying by distance education methods in the previous year, which would indicate that the recent conditions did not lead to the family's decision.

5 AIC allowances

5.1 General entitlement and payment features

This section outlines the general entitlement and payment features of AIC allowances. The AIC allowances (apart from the Pensioner Education Supplement) are indexed annually in line with the Consumer Price Index. This increase takes effect from 1 January each year.

5.1.1	Which allowances apply
5.1.2	Calculation of amount of entitlement
5.1.3	Payment frequency
5.1.4	Term instalment periods
5.1.5	Taxation of allowances
5.1.6	Payee for allowances

5.1.1 Which allowances apply

The applicable allowance for a [student](#) will normally reflect the student's living arrangements while they undertake the approved course:

- for a student who boards away from home in order to have daily access to appropriate schooling, it will normally be Boarding Allowance
- for a student who lives in a [second family home](#) in order for them or their sibling (see [5.3.2](#)) to have daily access to appropriate schooling, it will normally be Second Home Allowance
- for a student who lives at the principal family home while studying by distance education methods (or undertaking residential schools for the distance education course), it will normally be Distance Education Allowance
- for a student who lives in a second family home while studying by distance education methods and the home is maintained for reasons other than access to appropriate schooling for the student or their sibling, it will normally be Distance Education Allowance
- where a student is receiving a Disability Support Pension or Parenting Payment (Single), the applicable allowance is the Pensioner Education Supplement.
- Where a student needs to stay in town for short periods during the year (e.g. while access from the principal family home to the school is cut off due to special weather conditions), Boarding Allowance is available on a short-term basis (see 5.2.6).

5.1.2 Calculation of amount of entitlement

Provided the eligibility requirements are met, AIC allowances are available for the full calendar year, 1 January to 31 December. Where eligibility exists for part of the calendar year, allowances are calculated on a pro-rata basis.

Where payments are calculated for instalments (fortnight, term or pro-rata), they are done using the following calculation:

$$\frac{\text{number of days in } \a href="#">\text{eligibility period}$$

5.1.3 Payment frequency

5.1.3.1 Term instalments

The following allowances are payable by term instalments:

- Boarding Allowance for [eligible students](#) living in schools, hostels or other residential institutions, or participating in the homestay program of the Queensland Department of Education, Training and Employment;
- Distance Education Allowance;
- the Pensioner Education Supplement for eligible students living in schools, hostels or other institutions.

These payments are made in advance in four instalments in line with the number of school terms. Each instalment covers a quarter of the calendar year rather than the exact period between the relevant term dates.

5.1.3.2 Fortnightly instalments

The following allowances are payable fortnightly in arrears:

- Boarding Allowance for eligible students boarding privately;
- Second Home Allowance;
- Pensioner Education Supplement for eligible students boarding privately.

5.1.3.3 Short-term boarders

Payment for [short-term boarders](#) may be made by one of two methods. If the eligible student is boarding at an institution and the exact period is known in advance, payment may be made in advance. Otherwise, the allowance is paid in a lump sum after the period of boarding has ended.

Entitlement for short-term boarders is normally calculated on the basis of the number of days the eligible student boards away from home (see [5.2.6](#)).

5.1.4 Term instalment periods

The term instalment periods are:

1. 1 January – 31 March (90 days; 91 days in a leap year)
2. 1 April – 30 June (91 days)
3. 1 July – 30 September (92 days)
4. 1 October – 31 December (92 days)

5.1.5 Taxation of allowances

The Australian Taxation Office classifies AIC allowances as 'supplementary amounts' for the purposes of section 24ABZF of the *Income Tax Assessment Act 1936*, making them exempt from income tax.

Therefore, it is not necessary to deduct tax from AIC allowances, or to provide a Payment Summary (previously known as a Group Certificate) to an applicant where the only payments received in respect of a [student](#) are AIC allowances.

5.1.6 Payee for allowances

Allowances may be paid direct to the applicant or to an agent nominated by the applicant (e.g. the school, a private board provider or the [student](#)).

5.2 Boarding allowances

This section outlines the purpose, rates and eligibility requirements for AIC Scheme boarding allowances.

There are two boarding allowances:

- the Basic Boarding Allowance ([5.2.1](#)), which is payable to all [eligible students](#) who board away from home;
- the Additional Boarding Allowance ([5.2.2](#)), which is subject to the [Parental Income Test](#) and the [Maintenance Income Test](#) (see [Part 6](#)) and boarding costs.

5.2.1	Basic Boarding Allowance
5.2.2	Additional Boarding Allowance
5.2.3	Actual boarding charges
5.2.4	Full-time boarders
5.2.5	Part-time boarders
5.2.6	Short-term boarders

5.2.1 Basic Boarding Allowance

See [5.6.1](#) for current Basic Boarding Allowance rates.

5.2.1.1 Purpose

Basic Boarding Allowance is intended to contribute towards the costs incurred by [families](#) in boarding a [student](#) away from home to have daily access to appropriate schooling and who meets an isolation condition or special need.

5.2.1.2 Eligibility

To qualify for the Basic Boarding Allowance, a [student](#) must:

meet the eligibility conditions in Parts 2, 3 and 4 of these Guidelines;

- live away from home in an approved boarding arrangement during school term;
- not be receiving a pension (the Pensioner Education Supplement is available for students receiving certain pensions; see [5.5](#)); and
- not have been formally placed in full-time residential care at a [special institution](#) by a state or territory authority that provides a foster care allowance (or a similar allowance intended for the upkeep of the student) to the organisation that operates that institution.

5.2.1.3 Approved boarding arrangements

A boarding arrangement at a boarding school, hostel or special institution is an approved boarding arrangement.

A private boarding arrangement is an approved boarding arrangement (other than those mentioned above), except where provided by:

a [parent](#) of the [student](#); or

an older dependent sibling, where the sibling and the student live in what is, in effect, the family's second home (see [5.3](#)).

A boarding arrangement may be approved where the student does not board for the whole school week (see [5.2.5](#)).

5.2.2 Additional Boarding Allowance

See [5.6.2](#) for current Additional Boarding Allowance rates.

5.2.2.1 Purpose

Additional Boarding Allowance is a means-tested supplementary payment to provide additional support for lower-income [families](#) whose geographically isolated [student](#) boards away from their principal family home.

5.2.2.2 Eligibility

To qualify for the Additional Boarding Allowance:

- the [student](#) must qualify for Basic Boarding Allowance (see [5.2.1](#));
- the income level of the applicant and (if applicable) their [partner](#) must be at or below the applicable upper limit for the [Parental Income Test](#) (see [6.9.2](#)); or
- the Parental Income Test is waived due to '[special assessment](#)' (see [6.10.2](#)); and
- the student's boarding costs must exceed the level of Basic Boarding Allowance.

5.2.2.3 Boarding costs

Additional Boarding Allowance is payable only if the actual boarding charges (as defined in [5.2.3](#)) are greater than the minimum threshold of the rate of Basic Boarding Allowance less \$250 for incidentals.

A [family](#) may qualify for the maximum rate of Additional Boarding Allowance only if the actual boarding charges are at least the amount shown in [5.6.2](#).

5.2.2.4 Entitlement

Additional Boarding Allowance entitlement is subject to the Parental Income Test and the Maintenance Income Test (see [Part 6](#) which explains the Reduction for Parental Income) and the level of the student's boarding costs (see *Boarding costs*, above).

The maximum rate of the Additional Boarding Allowance is payable if:

- the [Reduction for Parental Income](#) is nil; and
- the actual boarding charges plus \$250 is greater than or equal to the applicable maximum rates of Basic Boarding Allowance plus Additional Boarding Allowance (see [5.6.2](#)).

A partial rate of the Additional Boarding Allowance is payable if:

- Reduction for Parental Income is less than the applicable maximum rate of Additional Boarding Allowance, and / or
- the actual boarding charges plus \$250 is greater than the rate of Basic Boarding Allowance (see [5.6.1](#)) but less than the applicable maximum rate of Additional Boarding Allowance and Basic Boarding Allowance combined (see [5.6.2](#)).

The partial rate will be the lesser of:

- the maximum fortnightly rate of entitlement less the deduction resulting from the Reduction for Parental Income (see Part 6); or
- the annual amount of actual boarding charges (5.2.3) plus \$250, expressed as a fortnightly amount (multiplying by 14/365 or 14/366 in a leap year).

5.2.2.5 Students in foster care

A [student](#) in an official substitute or foster care arrangement may qualify for Additional Boarding Allowance only if the foster carer is not receiving a foster care allowance (or other similar allowance intended for the upkeep or personal use of the student) from a government authority (see also [6.10.2](#)).

Note: Such a student is eligible only if isolated or deemed isolated on the basis of the foster parent's [principal family home](#) (see [Part 4](#)) and, if boarding away from home, would be expected to spend vacations with the foster parent rather than a natural or adoptive parent, or other guardian.

To substantiate eligibility on this basis, the applicant (the foster parent) must provide a statement from the relevant government agency which:

- confirms that a direction or authorisation by a court, Minister or government authority is currently in effect in relation to the student's care;
- confirms the details of the care arrangement, including the names and addresses of those authorised to care for the student; and
- indicates whether the authorised carers receive a foster care allowance or similar allowance intended for the student's upkeep or personal use.

5.2.3 Actual boarding charges

In these guidelines, 'actual boarding charges' are the fees charged by the boarding provider for the [eligible student](#) during the relevant [school year](#) (inclusive of Goods and Services Tax). This is the amount of boarding fees claimed by the institution after any reduction, subsidy, scholarship or refund is taken into account.

For example, if an institution grants a [student](#) a scholarship or bursary for boarding costs, the applicant does not incur the boarding fees. This means, for the purposes of the AIC Scheme, the actual boarding charges for the student are nil and Additional Boarding Allowance is not payable.

Other arrangements to pay boarding fees (i.e. contribution by private sources such as friends or relatives) do not affect the level of actual boarding charges and are considered the equivalent of the paying the boarding fees.

The charges must be for boarding only, and may include accommodation-related costs, such as laundry. Actual boarding charges do not include tuition fees or other associated education costs (e.g. books, uniforms or pens).

[Students](#) with disabilities who board in [special institutions](#) might remain there for periods beyond normal school terms. Boarding costs for those periods may be included as part of the student's boarding costs for the year.

If a student moves to a different boarding facility (with different costs), the entitlement must be recalculated. The actual boarding charges should be based on the total boarding costs incurred for the school year, so any reassessment because of reduced boarding costs will be retrospective to the initial entitlement to Additional Boarding Allowance.

If a student begins, or ceases to board during the year, or is a [part-time boarder](#) (see [5.2.5](#)), or [short-term boarder](#) (see [5.2.6](#)), the actual boarding charges should be converted to an annual amount (calculated on a calendar year) to allow a fair comparison of boarding costs and the rate of Boarding Allowance.

5.2.4 Full-time boarders

To qualify for the full boarding allowance entitlements, an [eligible student](#) must board away from their [principal family home full-time](#) (defined as at least four nights per school week).

5.2.5 Part-time boarders

A [part-time boarder](#) is an [eligible student](#) (full-time) who boards away from their [principal family home](#) for fewer than four nights a week on a regular basis. Entitlement to Basic Boarding Allowance and Additional Boarding Allowance for a part-time boarder is calculated pro rata as a proportion of one week (seven days).

A boarder can be considered part-time if they board in an approved boarding arrangement on a one-week-on, one-week-off basis (i.e. a full week—five days—of school attendance every second week) continuously over a full term or [school year](#).

However, where the entitlement cannot be expressed as a whole number in proportion to one week (seven days), it is rounded up to the nearest whole number; for example, five days a fortnight (5/14) is rounded up to three days a week (3/7) for the calculation of entitlement. Thus, an eligible student boarding away for one, two or three nights each week is entitled to 1/7, 2/7 or 3/7 (as appropriate) of their normal entitlement. An eligible student regularly boarding away for two nights in one week and three nights the next week is entitled to 3/7 of a full week's allowance.

A part-time boarder is entitled over the same period as a [full-time boarder](#), including to the end of the academic year, provided they board part-time for the usual number of days in the final week of school term.

5.2.6 Short-term boarders

A short-term boarder is entitled only for the number of days they board away from their [principal family home](#) (see [3.7.1](#)). Basic Boarding Allowance and Additional Boarding Allowance for a short-term boarder is to be calculated on a pro-rata basis ([5.1.2](#)).

5.3 Second Home Allowance

This section outlines the purpose and eligibility requirements of the Second Home Allowance.

See [5.6.3](#) for current Second Home Allowance rates.

5.3.1	Purpose
5.3.2	Eligibility
5.3.3	Approved second family home
5.3.4	Parent temporarily employed in isolated area
5.3.5	Loss of a parent
5.3.6	Eligibility where no parent normally lives at the principal family home
5.3.7	Pro-rata entitlement
5.3.8	Maximum annual entitlement per family

5.3.1 Purpose

Second Home Allowance contributes towards the costs incurred by geographically isolated families in maintaining a [second family home](#) for a [student](#) to have daily access to appropriate schooling.

5.3.2 Eligibility

To be eligible for Second Home Allowance:

- the eligibility conditions outlined in Parts [2](#), [3](#) and [4](#) must be met;
- the [student](#) must live at an approved [second family home](#) during the school week (see [5.3.3](#));
- the costs of maintaining the [second family home](#) must be incurred by the [family](#);
- the nominated [principal family home](#) must remain approved as the principal family home; and
- the student must not be receiving a pension (the Pensioner Education Supplement is available for students receiving certain pensions; see [5.5](#)).

Second Home Allowance may be paid for a student who is deemed to be isolated because they live in a second family home with a sibling who meets a geographical isolation rule (see [4.4.3](#)). If, during a year, the sibling ceases to meet one of the conditions outlined in [4.4.3](#), the continuity of schooling concession may be applied (see [4.4.5](#)).

5.3.3 Approved second family home

To access an allowance a [second family home](#) must make access to appropriate schooling easier.

It is not necessary for the applicant or the applicant's [partner](#) to live at the second home.

The [student](#) may be in the care of another person, such as an older sibling or grandparent, as long as the costs of maintaining the home are borne by the [family](#), and the student is regarded as living in a second home rather than boarding.

The second family home cannot be approved where either:

- the [parents](#) are separated or divorced, and the second home is the normal residence of one of the parents;
- the family receives rent assistance provided by the Australian Government for the home (i.e. the home is considered to be the principal home for the purposes of rent assistance); the second home is not closer nor more accessible to the school the student attends when compared to the [principal family home](#); or the parent or parents have received the First Home Owners Grant for that property (even if the grant monies are later repaid).

From 1 January 2011, those who have received a financial concession during the purchase of their second family home (including, but not limited to, the First Home Owners Grant, state-based first home owners incentives, and stamp-duty concessions) will not be eligible for the Second Home Allowance.

See [5.3.5](#) for details of how approval is affected by death or separation.

5.3.4 Parent temporarily employed in isolated area

Where a [parent](#) accepts temporary (including fixed-term contract) employment in an isolated area, the dwelling in which that parent then lives is not the [principal family home](#) if:

- the other parent and children remain at the [family's](#) permanent home and the children continue to attend school daily; or
- the family chooses to lease or rent out their permanent home (which normally allows access to school on a daily basis) for the duration of the posting and the non-absent parent rents another house (claimed as the second home), from which the children attend school daily.

In many instances, employer-provided accommodation will not meet the requirements for a principal family home because they do not cater for family members (e.g. accommodation on a mine site).

Example 1: Change in principal family home

Mr Martyn has accepted a two-year government posting as a wildlife officer on Cocos Island. His wife and primary school age children go with him, and they live in government-subsidised accommodation. The eldest child boards with relatives in her home city, as there is no senior high school on the island. Her father applies successfully for the Basic Boarding Allowance. Some months later, Mrs Martyn decides to return to their previous home (which is near an appropriate school) with the other children and the family claims the Second Home Allowance for all three students. The allowance cannot be approved, as Mrs Martyn and the children are living in their (permanent) principal family home.

Example 2: Principal family home is where the family is

Mrs Redway, who has lived with her husband and two secondary school age children in Wagga Wagga, accepts a posting as a teacher in a small country primary school. She is provided with subsidised accommodation (sufficient to house her entire family) near the school. However, the Redways decide to maintain a home in Wagga so that their children can continue at the local high school. Mrs Redway usually stays at her subsidised premises during the school week and travels to be with her family in Wagga on weekends and holidays. Shortly after Mrs Redway takes up her posting, her husband and children move to a new house in Wagga. She applies for Second Home Allowance on behalf of her children, claiming that the subsidised home is the principal family home. The claim cannot be approved, as her permanent home is the house in Wagga.

5.3.5 Loss of a parent

Where death or separation results in the sole [parent](#) continuing to live with the [eligible student](#) at a previously established second home while neither parent lives in the [principal family home](#), Second Home Allowance may continue, provided the reasons for approval of the original principal family home and the second home continue to be met, but for the requirement that the applicant resides for over half the [eligibility period](#) in the original principal family home.

However, if separation results in one parent living at the principal family home and the other living with the student in the second home, then the second home cannot continue to be approved as a [second family home](#). In such circumstances, the provisions of [2.1](#) will be followed to determine the [approved applicant](#) and, consequently, the student's principal family home. Geographical isolation will be determined with reference to the principal family home of the approved applicant.

For the [family](#) to remain eligible on the basis of the continuity of schooling concession (see [4.4.5](#)), the principal family home (which may previously have been an approved second home) must meet a geographical isolation criterion.

Example 1: Mobile home accommodation

Mrs Kent and her husband divorce, leaving her with the family farm. Before the divorce, Mrs Kent had spent school terms living in accommodation in a mobile home park so that her two daughters could attend high school daily. She continues this arrangement and, with the help of her parents and brother-in-law, spends weekends and school holidays keeping the farm productive. Second Home Allowance for the mobile home park accommodation may be approved.

Example 2: Parent's move eliminates eligibility

Alison's parents own an isolated property. Her parents set up an approved second home just five kilometres from the high school Alison attends. Alison and her younger brother have spent school terms living in the second home with their mother for three years. Alison's parents separate during the school year, agreeing that the children will continue to live with their mother in what was the second home. As the children normally live with her, Alison's mother becomes the approved applicant and the home in which she lives becomes the principal family home. As a result, Second Home Allowance is no longer payable from the date of the separation.

Example 3: Principal family home must be occupied

Stuart's mother and her de facto partner move to an isolated community and set up an art studio in an old building. The partner then leaves. As Stuart has reached secondary school age and has no access to a high school, his mother moves to a larger town and rents a house. Although she continues to own the isolated property, it is unused. She receives a pension, and applies for the Second Home Allowance in respect of the rented house. The claim should not be approved, as there is no parent living in the principal family home.

5.3.6 Eligibility where no parent normally lives at the principal family home

Before 2006, a [student](#) could be eligible for a Second Home Allowance in situations where neither [parent](#) lived at the [principal family home](#) for most of the year. This option was removed from 1 January 2006.

Any [student](#) who attracted an AIC allowance on this basis in 2005 will continue to be deemed geographically isolated until they complete or discontinue their course of study, or arrangements for their principal family home change (in which case their eligibility will be reassessed according to the policy applicable in the year of the reassessment).

5.3.7 Pro-rata entitlement

Entitlement is calculated on a pro-rata basis, using the formula in [5.1.2](#), when a [student](#) is eligible for only part of the year.

5.3.8 Maximum entitlement per family

Second Home Allowance is paid at a rate per student, up to a maximum of three students in a family.

Where a home is an approved [second family home](#) on the basis of one [student](#) and that student is receiving Youth Allowance or ABSTUDY, Second Home Allowance can be paid for a maximum of three other students at any one time (but only including a maximum of two other students deemed isolated under [4.4.3](#)).

See [5.6.3](#) for the current maximum amount of Second Home Allowance payable to any one [family](#).

5.4 Distance Education Allowance

This section outlines the purpose and eligibility requirements of the Distance Education Allowance.

See [5.6.4](#) for the current Distance Education Allowance rate.

5.4.1	Purpose
5.4.2	Eligibility
5.4.3	Acceptable study locations
5.4.4	Home tuition

5.4.1 Purpose

The Distance Education Allowance contributes towards incidental costs incurred by geographically isolated families whose [student](#) children are undertaking their education by [distance education methods](#). This payment is not intended to meet the ongoing cost of provision of education (e.g. costs associated with teaching, tuition and supervision).

Distance Education Allowance is not intended for the [families](#) of [students](#) who typically attend school face to face, but are undergoing remote learning for a period while the school is closed or

the student is otherwise not attending due to COVID-19 (Coronavirus).

5.4.2 Eligibility

To be eligible for Distance Education Allowance, a [student](#) must:

meet the eligibility conditions in Parts [2](#), [3](#) and [4](#);

- be studying at home or an acceptable alternative to home (see [5.4.3](#));
be undertaking an approved course (see [3.4.3](#)); and
- not be receiving a pension (the Pensioner Education Supplement is available for students receiving certain pensions; see [5.5](#)).

5.4.3 Acceptable study locations

[Students](#) for whom these allowances are paid normally study from home. However, the following study arrangements are also acceptable:

- The student studies at and uses facilities of a school that does not offer tuition at the student's level (e.g. a secondary student who has access to a local primary school).
- The student studies at premises that are not classified as a mainstream school and do not provide formal tuition by qualified teachers.
- The student studies at a 'Homeland Learning Centre'.

Note: Applicants whose students study at Homeland Learning Centres and do not direct payment of their Distance Education Allowance to the school may have their allowance quarantined under the *Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007*.

5.4.4 Home schooling

A [student](#) may be eligible for Distance Education Allowance if undertaking a course of home schooling or education that has been formally approved by the state or territory government education authority as a satisfactory alternative to the state or territory government curriculum.

Where a student's renewal application for home schooling or education is submitted prior to the expiration date, and the relevant state or territory authority has not made a determination on the application, students maintain eligibility for Distance Education Allowance during this period, subject to formal approval by the relevant state or territory authority.

Where such approval lapses solely because the student has reached the age that the state or territory government education authority is no longer responsible for home schooling education, AIC will only be paid to when the registration ceases. Students whose home schooling registration has ceased due to age and who need to study from home would have to be enrolled in approved distance education to continue being eligible for AIC

5.5 Pensioner Education Supplement

This section outlines the purpose and eligibility requirements of the Pensioner Education Supplement (PES).

See [5.6.5](#) for the current Pensioner Education Supplement rate.

- [5.5.1](#) Purpose
- [5.5.2](#) Eligibility

5.5.1 Purpose

The PES is intended to contribute towards educational costs incurred by [parents](#) of geographically isolated [students](#) undertaking primary or ungraded levels of study.

5.5.2 Eligibility

The PES is paid for [students](#) receiving certain social security pensions. To be eligible, a student must:

- meet the eligibility conditions in Parts 2, 3 and 4;
- be studying at primary or equivalent ungraded level (see [3.4.4](#));
be receiving, or qualify for, a Disability Support Pension or a Parenting Payment (Single); and
- qualify for either Boarding Allowance, Second Home Allowance or Distance Education allowances (as applicable), except for the requirement not to be receiving a pension.

Special age rules for pensioner students are given at [3.3.2](#).

Secondary, tertiary or equivalent students who receive a pension are ineligible for AIC allowances. Such students on a Disability Support Pension may be eligible for the PES under the *Social Security Act 1991* when they turn 16. Secondary (or equivalent) students on a Parenting Payment (Single) may be eligible for the PES under the Social Security Act from the minimum school leaving age in their state or territory.

5.6 AIC allowance rates

For current allowances and maximum rates refer to the publication [A guide to Australian Government payments](#).

5.6.1	Boarding allowances
5.6.2	Additional Boarding Allowance
5.6.3	Second Home Allowance
5.6.4	Distance Education Allowance
5.6.5	Pensioner Education Supplement

5.6.1 Boarding allowances

Where a [student](#) is eligible for only part of the year, entitlement is calculated pro-rata (see [5.1.2](#)).

5.6.2 Additional Boarding Allowance

5.6.2.1 Threshold

For Additional Boarding Allowance* to be payable, actual boarding charges (see [5.2.3](#)) must be greater than the minimum threshold which is the maximum Basic Boarding Allowance* amount less \$250 for incidentals.

For Additional Boarding Allowance to be payable, requirements under the [Reduction for Parental Income](#) must be met.

5.6.2.2 Maximum rate*

The maximum rate applies only if there is no reduction for Parental Income and the actual boarding charges (see [5.2.3](#)) plus \$250 are greater than or equal to the applicable maximum rates of Basic Boarding Allowance* plus Additional Boarding Allowance*.

***Note:** For current allowances and maximum rates refer to the publication [A guide to Australian Government payments](#).

5.6.3 Second Home Allowance

Second Home Allowance is paid at a rate per student, up to a maximum of three students in a family. For current rates refer to the publication [A guide to Australian Government payments](#).

Entitlement is calculated pro-rata when a [student](#) is eligible for only part of a year (see [5.1.2](#)).

5.6.4 Distance Education Allowance

For current rates refer to the publication [A guide to Australian Government payments](#). Entitlement is calculated pro-rata when a student is eligible for only part of a year.

5.6.5 Pensioner Education Supplement

The fortnightly supplement rate is aligned to the higher rate of the Pensioner Education Supplement payable under Social Security law. For current rates refer to the publication [A guide to Australian Government payments](#).

6 The Parental Income Test

6.1 Overview of the Parental Income Test

This section outlines the requirements of the Parental Income Test, which is applied to the Additional Boarding Allowance.

- [6.1.1](#) Purpose and application
- [6.1.2](#) Tax year used for assessment
- [6.1.3](#) Proof of income

6.1.1 Purpose and application

The Parental Income Test is used to determine eligibility for Additional Boarding Allowance. However, the Parental Income Test may be waived in the circumstances outlined in [6.10](#).

6.1.2 Tax year used for assessment

6.1.2.1 Normal assessment using previous tax year

Assessment is normally determined by parental income for the [base tax year](#).

However, this is not the case if either:

- the income of the applicant and/or their [partner](#) is assessed on a tax year other than July to June (see *Assessment using a different tax year*, below);
- the applicant and/or their partner is in receipt of an employer-provided fringe benefit (see [6.6](#)); or
- the current income assessment (see [6.8](#)) applies.

6.1.2.2 Assessment using a different tax year

In the following circumstances, the end of the relevant tax year might not fall on 30 June:

- The applicant and/or their partner has, under section 18 of the *Income Tax Assessment Act 1936*, adopted a 12-month accounting period that ends on a different date (in which case, evidence of the different accounting period approved by the Australian Taxation Office is required); or
- The income of the applicant and/or their partner comes mainly from a foreign country that uses a different taxation accounting period (e.g. New Zealand has a taxation period of 1 April to 31 March).

In such cases, unless current income assessment applies (see [6.8](#)), the tax year ending before 1 January of the year for which assistance is sought is used for the test.

6.1.3 Proof of income

Where the test applies, the applicant and (if applicable) their [partner](#) must provide proof of income to support the [claim](#). The evidence should normally be in the form of a Taxation Notice of Assessment.

If a Taxation Notice of Assessment is not available, the following are acceptable forms of interim evidence:

- a copy of the person's tax return;
- a letter from a qualified practising accountant or tax agent stating that the person's 'income for the 20xx–xx tax year is expected to be \$xxx' or '... is not expected to exceed \$xxx';

- where the person received a taxable pension, benefit or allowance from the Australian Government for the full tax year, a statement of benefit from the paying department or agency;
- payment summaries and/or statements of benefit supported by a statutory declaration (or accountant certification) confirming that these show the full amount of taxable income received by the person during the tax year.

Payment of Additional Boarding Allowance based on evidence other than a Taxation Notice of Assessment must be followed up for verification at a later date. (The applicant should be asked to submit the Taxation Notice of Assessment as soon as it becomes available.)

Unless the Parental Income Test is waived, Additional Boarding Allowance will not be paid where:

- the person being income tested refuses to disclose income details;
income details are not known or not supplied; or
- acceptable proof of income is not provided.

If acceptable evidence is not presented to verify the income of the applicant or their partner, only the non-means tested Basic Boarding Allowance may be paid.

6.2 Whose income is taken into account?

This section shows whose income is taken into account in the Parental Income Test.

- [6.2.1](#) Applicant and [partner](#)
- [6.2.2](#) Separated or divorced [parents](#)
- [6.2.3](#) Applicant's new partner
- [6.2.4](#) Loss or change of applicant or partner during the year of study

6.2.1 Applicant and partner

In general, the Parental Income Test will apply to the incomes of the [approved applicant](#) (see [2.1.1](#)) and, where applicable, their [partner](#).

6.2.2 Separated or divorced parents

Where the [student's parents](#) are separated or divorced, they share joint [custody](#) of the student, and neither has a new [partner](#), only the income of the parent who is the approved applicant will be taken into account for the test.

If parents are separated but living under the same roof, only the income of the parent who is the approved applicant is taken into account whether or not the parents share joint custody.

6.2.3 Applicant's new partner

Where the [student's parents](#) are separated or divorced, they share joint [custody](#) of the student, and one or both have a new [partner](#), only the applicant and the applicant's new partner are income tested.

6.2.4 Loss or change of applicant or partner during the year of study

Generally, the Parental Income Test will apply to the [approved applicant](#) and their [partner](#) at 1 January of the year of study. However, Additional Boarding Allowance eligibility will be reassessed if the applicant or their partner changes during the [eligibility period](#) (i.e. if the approved applicant changes, gains or loses a partner).

As a result:

- if the applicant loses a [partner](#) by death or separation, eligibility is reassessed from the date of the change in circumstance, with the income test taking only the applicant's income into account
- if the applicant gains a [partner](#) (e.g. by remarrying or beginning a de facto relationship), eligibility is reassessed from the date of change of circumstance, with the income test taking the combined income of the applicant and the new partner into account.

Reassessment is based on income for the [base tax year](#) (see [6.1.2](#)) unless [special assessment](#) (see [6.10.2](#)) or [current tax year](#) assessment (see [6.8](#)) applies.

If the approved applicant changes, the income test will apply to the new applicant (and their partner, if any) from the date of the change.

The following examples show the effect of a change in the applicant or the loss or gain of the applicant's [partner](#).

Example 1: Change in principal carer requires new claim

Until 14 August, Sonia's parents live together in an isolated area and Sonia's mother is an eligible applicant under the AIC Scheme. On that date, Sonia's parents separate, her father begins a de facto relationship, and it is decided that her father and his de facto wife will be responsible for Sonia's care from that date. Before 14 August, Sonia's mother was entitled to an AIC allowance on the basis of her income and that of Sonia's father. From 14 August, Sonia's mother is no longer eligible, and her father becomes the approved applicant. He will need to submit a new claim, and entitlement will be calculated on the basis of the base tax year income of him and his new partner (unless the applicant meets the requirements for a current tax year assessment).

Example 2: Reconciliation requires income test adjustment

Jordan's parents separate on 14 February. His mother, who is the approved applicant, retains custody. She pays his boarding fees, and he stays with her in the school holidays. Jordan's parents reunite on 15 October. The base tax year's Parental Income Test is applied to both parents' incomes to determine Jordan's entitlement for the periods from 1 January to 13 February and 15 October to 31 December. The test is applied only to the mother's income for the intervening period (14 February to 14 October).

Example 3 : Parents reunite

Adam's parents separated when he was 3 years old. Since that time, he has been in the care of his mother, who is the approved applicant. As Adam's mother was the approved applicant the Parental Income Test applied to her income.

On 16 August of the year of study, the parents reunite. The Parental Income Test, using the base tax year, is applied to Adam's mother to determine entitlement for the period from 1 January to 15 August.

From 16 August, the Parental Income Test is applied to the incomes of both parents using the base tax year (unless the applicant meets the requirements for a current tax year assessment).

6.3 Calculating parental income

This section outlines the calculation of Parental Income and the effects of various factors on the Additional Boarding Allowance (See [6.4](#)).

6.3.1	Basic calculation
6.3.2	Parental Income Free Area
6.3.3	Maintenance payments
6.3.4	Treatment of negative income
6.3.5	Income averaging not permitted
6.3.6	Income earned or received from overseas
6.3.7	Tax free pensions and benefits

6.3.1 Basic calculation

To calculate Parental Income:

- Add:
 - the taxable income of the person or couple being income tested;
 - any income derived by them from overseas, whether or not it was taxed overseas (see [6.3.6](#));
 - tax free pensions and benefits (see [6.3.7](#));
 - the value of any claimed net investment losses (see [6.5](#));
 - the value of certain fringe benefits (see [6.6](#)) provided to or for them by employers; and
 - reportable superannuation contributions.
- Deduct:
 - maintenance paid (see [6.3.4](#)) by them to, or for, a former partner, the former partner's dependants, or dependent children or [students](#) no longer in their care.

6.3.2 Parental Income Free Area

For the Parental Income Test the Parental Income Free Area (PIFA) does not increase with the number of other dependent children or students in the family, but involves a different calculation taking into account families with more than one dependent child who qualifies for certain payments. This calculation (known as the family pool) is given in Section [6.4](#).

For the current PIFA refer to the publication [A guide to Australian Government payments](#).

6.3.3 Maintenance payments

Maintenance payments are deducted from parental income where paid by the applicant or their partner for the upkeep of dependants or former partners. This includes maintenance payments for household expenses, rent, mortgage, rates, boarding costs, tuition fees and general education expenses or any other purpose, even when made to a third party or to the student.

6.3.4 Treatment of negative income

Negative parental income is treated as zero income in the income test. The negative income of the applicant or their [partner](#) cannot be deducted from the other's income.

6.3.5 Income averaging not permitted

Parental income cannot be averaged over several years (e.g. as allowed by the Australian Taxation Office for primary producers). This is not the same as carrying forward a previous year loss that is an allowable deduction for both income tax and AIC Scheme income-testing purposes.

6.3.6 Income earned or received from overseas

Gross income earned or received overseas (less any deductions allowed in the foreign country) and the value of employer-provided fringe benefits (see [6.6.1](#)) provided overseas are included in the income test. This includes any overseas country where no taxation arrangements are in place.

Income earned and the value of fringe benefits given in foreign currencies will be converted to Australian dollars for the Parental Income Test at the average exchange rate for the year. If the amount is shown on an Australian Taxation Office assessment notice or similar document, this amount must be used (as it has already been converted).

The appropriate currency exchange rates are available on the Australian Taxation Office website at www.ato.gov.au.

6.3.7 Tax free pensions and benefits

The following payments are tax free pensions or benefits that are included for the parental income test:

- Disability Support Pension where the individual is under age pension age,
- Wife Pension where both the individual and partner are below age pension age (Note: Wife Pension is closed to new applicants),
- Carer Payment where both the carer and the person being cared for are under age pension age,
- Department of Veterans' Affairs invalidity service pension where the individual is below age pension age,
- Department of Veterans' Affairs war widow's and war widower's pension,
- Department of Veterans' Affairs service pension and partner service pension where both partners are under age pension age and the veteran receives an invalidity service pension at the time of death,
- Department of Veterans' Affairs income support supplement paid on the grounds of invalidity if the person is under age pension age, and
- compensation for eligible widowed partner paid by the Military Rehabilitation and Compensation Commission.

Note: The payments made by the Military Rehabilitation and Compensation Commission can be fortnightly instalments or a lump sum. Lump sums are deemed to be income only in the tax year they are received.

Tax-free pensions or benefits do not include bereavement payment, Pharmaceutical Allowance, Rent Assistance, Language, Literacy and Numeracy Supplement or Remote Area Allowance.

Payments not included in this section are not tax free pensions or benefits for the purposes of calculating ATI.

6.4 Parental Income Test

The calculation of the **Parental Income Test reduction amount** is given below.

The Parental Income Free Area (PIFA) referred to in [6.3.2](#) affects the entitlement to the Additional Boarding Allowance, with the entitlement being reduced by \$1 for every whole \$5 over the PIFA.

[6.4.1](#) Parental Income Calculation

[6.4.2](#) Calculating the Parental Income Test reduction amount (using the family pool)

6.4.1 Parental Income Calculation

For the purposes of this calculation, all terms listed still have the same meaning as they do across Part 6 of the Guidelines unless otherwise indicated.

Step	Action
1	Determine the student's maximum fortnightly payment rate for the Additional Boarding Allowance.
2	Calculate the parental income test reduction amount (See 6.4.2 below).
3	Reduce the maximum fortnightly payment rate (from Step 1) by parental income test reduction amount (Step 2).
4	Is the parental income test reduction amount equal to or greater than the maximum fortnightly payment rate for the Additional Boarding Allowance? If YES, no Additional Boarding Allowance is payable. If NO, the amount from Step 3 is the fortnightly Additional Boarding Allowance payable for the student, subject to the amount of their boarding costs (see 5.2.2).

6.4.2 Calculating the Parental Income Test reduction amount (using the family pool)

If the applicant is entitled to a Waiver of the Parental Income Test (under section [6.10](#)) then the **Parental Income Test reduction amount** is Nil.

If combined parental income exceeds the [Parental Income Test Free Area](#) and the applicant is not entitled to a Waiver of the Parental Income Test (under section [6.10](#)) then the Parental Income Test reduction amount must be calculated.

The taper rate used to calculate the Parental Income Test reduction amount is \$0.20 for every \$1.00 over the [Parental Income Test Free Area](#).

However, this overall \$0.20 taper rate may be reduced where student:

- is themselves an FTB child;
- has parental income in common with another dependent young person aged under 22

The mechanism for reducing the overall \$0.20 taper rate, and sharing the taper rate proportionally between payments is known as the family pool.

The aim of the family pool is to take account of all the income support and family assistance payments that are supporting children in a family (and are subject to parental income testing) and to ensure that any reduction to these payments due to parental income testing is shared proportionally between the payments. The principle underlying the family pool is so that the AIC parental income test takes into account if the same parental income is being used to support several young people. For example if a brother and a sister both receive AIC Additional Boarding

Allowance, rather than reducing both the brother's payment by 20 cents in the dollar, and the sister's payment by 20 cents in the dollar, the 20 cent reduction is shared between the brother and the sister. This means the brother's payment is reduced by 10 cents in the dollar and the sister's payment is reduced by 10 cents in the dollar.

The family pool also works to take into account if a student could also have their FTB payment reduced by parental income testing. For example, if AIC Additional Boarding Allowance is paid for a student and FTB is also paid for the student, then, the student's FTB is already being reduced by parental income testing. The family pool process identifies the reduction in FTB due to parental income testing, and therefore applies a smaller proportion of 20 cents in the dollar reduction to Additional Boarding Allowance. For instance where a student is an FTB Child and Additional Boarding Allowance is paid for the student then their Additional Boarding Allowance will be subject to a taper rate of around 5.1 cents in the dollar.

A student does not have to be actually receiving FTB at the time when the family pool calculation is made. Where a student is deemed to be an FTB child it is assumed (for the purpose of the calculation) that the child is receiving the maximum rate of FTB-A.

The family pool will be applied whenever parental income is subject to several 'parental income tests' on income support and family assistance payments that support:

- the same child, such as when the same child is an 'FTB child', and AIC Additional Boarding Allowance is also being received for that child and/or
- other children/dependent young people in the family who are aged under 22.

A student has parental income in common with another person where a parent of the student is also a parent of the other person/s and the YA, ABSTUDY or Assistance for Isolated Children Scheme (AIC) Parental Income Test applies to the other person/s. A student can have parental income in common with a person who:

- Is a claimant/recipient of dependent YA, or
- Is a claimant/recipient of dependent ABSTUDY living allowance, or
- Is a claimant/recipient of dependent ABSTUDY Group 2 school fees allowance (means-tested component), or
- Is a claimant/recipient of Additional Boarding Allowance under AIC.

A student also has parental income in common with a relevant sibling, i.e. an FTB child or regular care child as defined in Section 3 of the [A New Tax System \(Family Assistance\) Act 1999](#), where a parent of the child is also a parent of the student.

Note: The definition of an FTB child and regular care child relate to the qualifying circumstances of the child, and do not require a parent to actually have received or be receiving FTB for the child to meet either definition.

The following table shows the steps involved in calculating the Parental Income Test Result for each AIC student attracting Additional Boarding Allowance (using the family pool).

This is done for each child individually because the rate calculators for other payments affected by the same parental income will use the same value for the 'denominator' calculated at Step 8 in the following table. The value for the 'numerator' worked out at Step 9 in the following table is relevant to each payment individually. A reduction for some change in parental income worked out at Step 4 in the following table will be 'pooled' or 'shared' between all of the payments with that parental income in common.

Note: The Parental Income Test reduction amount is rounded to the nearest 10 cents.

Step	Action
1	Determine whether the base tax year or current tax year should apply.
2	Determine the combined parental income for that year.
3	<p>Does the combined parental income exceed the Parental Income Free Area (6.3.2)?</p> <ul style="list-style-type: none"> If NO, the Parental Income Test reduction amount is Nil. If YES, subtract the Parental Income Free Area from the combined parental income (from Step 2) and go to Step 4.
4	<p>Divide the result from step 3 by 130 (20% of the step 3 amount, converted to a fortnightly amount).</p> <p>This is the total fortnightly parental income test reduction amount.</p>
5	<p>Does the AIC student have parental income in common with another dependent young person / child?</p> <p>OR</p> <p>Is the AIC student also an FTB child?</p> <ul style="list-style-type: none"> If NO to all of the above, then the amount at step 4 is the parental income test reduction amount to be used in step 3 in the previous table (6.4.1 Parental Income Calculation). If YES to any of the above, then go to step 6.
6	<p>Identify dependent youth in the family with parental income in common with the AIC student where they are:</p> <ul style="list-style-type: none"> a dependent YA claimant or recipient, a claimant/recipient of dependent ABSTUDY Living Allowance, a claimant/recipient of dependent ABSTUDY Group 2 School Fees Allowance (means-tested component), or a claimant/recipient of Additional Boarding Allowance under AIC (this includes the student this test is being applied to). <p>Work out the maximum fortnightly payment rate of each claimant/recipient of dependent YA and each claimant/recipient of dependent ABSTUDY living allowance. The maximum fortnightly payment rate is the sum of the following components (where applicable to the person):</p> <ul style="list-style-type: none"> maximum basic rate, Energy Supplement, Pharmaceutical Allowance, Youth Disability Supplement, Rent Assistance. <p>Work out the maximum fortnightly payment rate of each claimant/recipient of dependent ABSTUDY Group 2 School Fees Allowance (means-tested component) or Additional Boarding Allowance under AIC. The maximum fortnightly payment rate is the rate payable prior to the operation of the income test expressed as a fortnightly amount.</p> <p>Add together the maximum fortnightly payment rates for claimants/recipients of the specified payments identified as having parental income in common with the AIC student</p>

Step	Action
7	<p>Identify FTB children in the family with parental income in common with the AIC student (including the AIC student if they are themselves an FTB child).</p> <p>Work out the maximum rate of FTB Part A available to a parent in respect of relevant siblings of the AIC student (including the AIC student if they are themselves an FTB child).</p> <p>Note: This only needs to be calculated for one parent in a couple as the same total rate is produced for both parents.</p> <p>For most families the maximum rate of FTB Part A is the sum of the following components of FTB Part A available to the family, taking into account the shared care rate provisions, and before the operation of the maximum rate family income test:</p> <ul style="list-style-type: none"> • the standard rate of FTB Part A for each child, • FTB Part A supplement for each child (if parental income is under \$80,000), • the annual amount of Energy Supplement for each child, • the newborn supplement for each eligible child, • Multiple Birth Allowance, • Rent Assistance. <p>Where the only relevant sibling is a regular care child the only component of FTB Part A included in the maximum rate of FTB Part A is the rate of Rent Assistance available to the family prior to the operation of the income test.</p> <p>Multiply the maximum rate of FTB Part A by 14/365. This is the maximum fortnightly payment rate of FTB Part A.</p> <p>Note: It is calculated once, regardless of how many relevant siblings there are, and then applied when working out the parental income test reduction for each AIC student with parental income in common with those siblings.</p>
8	<p>Add together AIC student's maximum fortnightly payment rate of Additional Boarding Allowance and the amounts at step 6 and step 7.</p> <p>This is the pooled maximum fortnightly payment rate for all people who have parental income in common (the family pool).</p>
9	<p>Divide the AIC student's maximum fortnightly payment rate of Additional Boarding Allowance by the pooled maximum fortnightly payment rate (from Step 8).</p>
10	<p>Multiply the total fortnightly parental reduction amount (from Step 4) by the fraction calculated in Step 9.</p> <p>This is the Parental Income Test reduction amount to be used in step 3 in the previous table (6.4.1 Parental Income Calculation).</p>

6.5 Total Net Investment Losses

This section outlines the use of an applicant's Total Net Investment Loss (negative gearing) information in the Parental Income Test.

- [6.5.1](#) Effect of total net investment losses
- [6.5.2](#) Definitions
- [6.5.3](#) Valuing losses from rental properties and/or shares/investments
- [6.5.4](#) Self-declaration and compliance checks

6.5.1 Effect of total net investment losses

An applicant or their [partner](#) who reduces their taxable income by claiming an investment loss (i.e. a [total net investment loss](#)) against rental property or a financial investment as part of their annual tax assessment will have to add back the value of the deduction (commonly known as 'negative gearing') for AIC Scheme purposes.

These deductions are to be self-declared at the time of application by the applicant and their partner (if applicable).

Investment and rental property losses flowing through to the individuals from property owned in a trust or company are not taken into account for AIC Scheme income testing.

Any substantial changes in taxable income deductions resulting from negative gearing may warrant reassessment because of the effect on [current tax year](#) or reverse current income.

6.5.2 Definitions

Rental property

Rental property owned by an individual person includes:

- a house, home unit or flat;
- a room in a house, home unit or flat;
- an on-site caravan;
- a houseboat;
- overseas rental property;
- any other similar rental property.

6.5.3 Valuing losses from rental properties and/or shares/investments

Only the amount allowed as a taxable income deduction for the applicant or their [partner](#) will be added to their income for the income test. For example, if a person's taxable income is reduced by \$4,000 because of share investment losses (negative gearing), that amount will be added to their income for the test.

6.5.4 Self-declaration and compliance checks

When claiming an AIC allowance, the applicant and their [partner](#) are required to self-declare the net amount of negative gearing claimed against other taxable income in their individual or partnership income tax return.

Services Australia may conduct compliance checks with the Australian Taxation Office.

6.6 Fringe benefits

This section outlines the use of fringe benefits information in the Parental Income Test.

- [6.6.1](#) Definitions
- [6.6.2](#) Types of benefits to be included
- [6.6.3](#) Valuing fringe benefits from 'exempt' and 'non-exempt' employers
- [6.6.4](#) First \$2,000 of reportable fringe benefits exempt
- [6.6.5](#) Overseas fringe benefits
- [6.6.6](#) Ministers of religion

6.6.1 Definitions

Fringe benefits include the value of any employer-provided benefit received during the tax year. An employer-provided benefit is any right, privilege, service, in-kind payment or facility that an employee receives (or assigns to someone else) through their employment.

Employees may 'sacrifice' some of their cash salary and receive the value of that amount as a fringe benefit. In other cases, a fringe benefit may be a fixed part of the employee's salary package.

6.6.2 Types of benefits to be included

Fringe benefits are specified by the Australian Tax Office. These items include, but are not limited to:

- leasing of vehicles;
- extra superannuation contributions;
- investments;
- housing assistance, low-interest loans and debt waivers;
- expense payment fringe benefits;
- living-away-from-home allowance benefits;
- board fringe benefits (certain meals);
- car, housing, airline transport, car-parking, property and residual fringe benefits.

Further details can be found at www.ato.gov.au.

6.6.3 Valuing fringe benefits from 'exempt' and 'non-exempt' employers

As the value of the benefit is not recorded as salary for the employee, they do not pay income tax on the amount. Instead, the employer pays Fringe Benefits Tax (FBT) on the value of the benefit. Reporting fringe benefits is the responsibility of the employer.

The FBT year runs from 1 April to 31 March. Where applicants give an employer statement of the value of their fringe benefits, the relevant FBT year is the one completed in the [base tax year](#). For example, for a 2025 AIC Scheme assessment, the relevant year of income will ordinarily be 2023-24. The relevant FBT year will be the one that ended on 31 March 2024. Assessments based on [current tax year](#) income can be used where the criteria (in [6.8](#)) are met.

For the purposes of the Parental Income Test, an employer provided benefit is treated in the same manner that it would be under the Youth Allowance Parental Income Test, this includes different treatment of benefits provided by Fringe Benefits Tax (FBT) 'exempt' employers (such as certain charities and other organisations) and FBT non-exempt employers (such as for profit businesses). For details refer to the Guide to Social Security Law, page [4.2.8.10 Dependent YA - Parental Income Test](#) under the heading "*Treatment of employer provided benefits under the parental income test*".

6.6.4 Only fringe benefit amounts over \$2,000 are counted

Fringe benefits of \$2,000 or less in the tax year are not Reportable Fringe Benefits. Fringe Benefits of more than \$2,000 in the tax year are Reportable Fringe Benefits and will appear on an employee's Payment Summary as a grossed-up amount.

6.6.5 Overseas fringe benefits

Where an applicant or their [partner](#) works overseas and receives fringe benefits, the value of the benefits in Australian dollars is included (see [6.3.7](#) for the appropriate exchange method).

6.6.6 Ministers of religion

Certain benefits received by ministers of religion are exempt under section 57 of the *Fringe Benefits Tax Assessment Act*. Those benefits will not appear on their group certificates, and so will not be assessed. Otherwise, ministers of religion are treated the same as any other employee for the purposes of assessing fringe benefits.

6.7 Reportable Superannuation Contributions

This section outlines the reportable superannuation contributions as they affect the parental income test.

6.7.1	Definitions
6.7.2	Reportable employer superannuation contributions
6.7.3	Self-employed superannuation contributions

6.7.1 Definitions

Reportable superannuation contributions are those within the meaning of the *Income Tax Assessment Act 1997* and includes discretionary contributions made by employers (also known as concessional or before-tax contributions). These can be split into two components:

- reportable employer superannuation contributions paid at the discretion of the employee; and
- superannuation contributions made by self-employed people (personal deductible superannuation contributions).

6.7.2 Reportable employer superannuation contributions

Reportable employer superannuation contributions are employer superannuation contributions paid at the discretion of the employee that could have been received as income. A common example is a contribution made on the employee's behalf by an employer under a salary sacrifice arrangement. The contribution would have to be on top of legally required contributions such as those that have to be made under the superannuation guarantee laws or an industrial award.

6.7.3 Self-employed superannuation contributions

Superannuation contributions made by self-employed people are personal contributions made to a superannuation fund for which an income tax deduction is claimed on an individual's tax return.

6.8 Current income assessment

This section outlines the current income assessment process for the Parental Income Test.

6.8.1	Assessment based on current tax year
6.8.2	Parental current tax year assessment concession (fall in income)
6.8.3	Estimated income
6.8.4	Approval of estimated income
6.8.5	Reverse current income (increase in income)

6.8.1 Assessment based on current tax year

Assessment may be based on income for the [current tax year](#) (i.e. the tax year ending in the year for which benefits are sought) where either:

- the applicant and their [partner](#) (if applicable) being income tested suffer a substantial and lasting fall in income, and the current tax year assessment is approved (see [6.8.2](#)); or
- the parental income for the current tax year is more than 25 per cent of the parental income for the [base tax year](#), and the reverse current income rule is applied (see [6.8.5](#)).

There is no provision for the Parental Income Test to be applied to any period later than the current tax year.

6.8.2 Current tax year assessment (fall in income)

[Current tax year](#) assessment applies where it would be unreasonable to assess eligibility for Additional Boarding Allowance on the basis of parental income for the [base tax year](#) because:

- the drop in parental income is substantial (see Definition of substantial fall in income, below); and
- the drop is likely to last for at least two years from the date of the circumstance causing hardship or 1 January of the year of study, whichever is the later (see *Duration of fall in income*, below).

6.8.2.1 Circumstances in which a current tax year assessment can be approved

Circumstances in which current tax year assessment may be approved are:

- permanent invalidity, retirement or any similar circumstance that removes or reduces earning capacity;
- drought, bushfire or other circumstance (e.g. flood, cyclone) beyond the person's control;
- any other circumstances causing hardship.

Loss of an applicant or their [partner](#) through death or separation does not warrant current tax year assessment, unless the remaining applicant also suffers a significant and sustained fall in income.

6.8.2.2 Definition of substantial fall in income

A substantial drop in parental income for the period should generally be at least 25 per cent of the base tax year income.

Assessors should use discretion when the drop is less than 25 per cent. Clearly, a smaller drop could have a substantial effect on the standard of living of people on lower incomes. Also, where the drop occurs late in the tax year or where the difference in tax year totals is influenced by once-off income (such as redundancy or termination payments), it may be more substantial than is immediately apparent when comparing tax year totals and Current Tax Year assessment can be approved.

Example 1: Retirement causes large fall in income

Mr and Mrs Presley had an income of \$65,000 in the normal assessment year (approximately \$1,250 a week). On 24 December in the following tax year, Mr Presley retires. Their income for that year is \$31,000 for the period from 1 July to 24 December and then \$700 a week from superannuation for the period from 25 December to 30 June. Although this does not represent a fall of 25 per cent between the tax years, there has clearly been a drastic fall in parental income. Current income assessment may be granted.

6.8.2.3 Duration of fall in income

The circumstance causing the fall in income must be one that could reasonably be expected to last for at least two years. Any [claim](#) on this basis should be accepted unless there is evidence to the contrary. However, claims based on seasonal falls in a market that is subject to short-term fluctuations (e.g. in the case of primary producers) cannot not be approved unless special circumstances (e.g. expert forecasts of a prolonged slump) can be demonstrated by the applicant.

Where current tax year assessment has been granted on the expectation that the drop in income will last at least two years, any subsequent change in circumstances (e.g. an unemployed [parent](#) finding a new job in a shorter time) will not affect the current tax year assessment unless evidence suggests that the original request was made in bad faith.

In some cases, changing circumstances might mean an increase in the income on which the assessment is based. In such cases, a re-estimate of income for the current tax year may be necessary (see [6.8.3](#)).

6.8.2.4 Date of effect

If the date of the fall in income is *earlier* than 1 January of the year in which assistance is sought, the date of effect for current tax year assessment is 1 January. In this case, entitlement for the whole [eligibility period](#) is assessed on the parental income (see [6.3](#)) for the current tax year.

If the date of the fall in income is on or after 1 January, the date of effect is the date of the fall in income. In such a case:

- entitlement for the period of eligibility *before* the date of the fall is assessed on the parental income for the base tax year;
- entitlement for the period of eligibility *from* the date of the fall is assessed on the parental income for the current tax year.

In most cases, the date from which income dropped will be easily established. However, where income is affected by circumstances such as drought, it will be necessary to establish an approximate date based on such considerations as the normal arrangements for marketing products and the period of production to which the income related when the adverse effect became apparent. If no precise date is available, the date chosen will be the first day of the most appropriate month.

Example 1: Drop in income before the allowance year

Marina's mother is seeking AIC allowances for the year of study. She gave up full-time employment in November of the previous year. Marina's entitlement to Additional Boarding Allowance for the whole of the year of study is normally assessed on the incomes of both parents for the base tax year but may be assessed on their current tax year income. If Marina's mother resumes full-time employment during the year of study, assessment may still be made on current tax year income (with a new estimate). However, the original request for current tax year income assessment must have been made in good faith (in the expectation that the drop in income would last at least two years), and current tax year income assessment is more advantageous to Marina than the base tax year assessment.

Example 1: Drop in income between 1 January and 30 June of the allowance year

Reid's father is seeking AIC allowances for the year of study. He retires on 13 February and subsequently receives superannuation. Entitlement to Additional Boarding Allowance up to 12 February is assessed in the normal way on Reid's parents' income during the base tax year. Entitlement from 13 February to 31 December is assessed on his parents' income for the current tax year (the tax year that ends during the year of study). Should Reid's father re-enter the workforce, the principles outlined in Example 1 (above) apply.

6.8.3 Estimated income

An estimate of income may be used to determine provisional entitlement and begin payments. However, actual entitlement remains subject to actual income, so the applicant's entitlement will be reassessed as soon as the confirmed income details are available.

Applicants for this concession should be warned at the outset of the possibility of overpayments resulting from underestimates of income or from unexpected changes in circumstances.

Where an applicant has been assessed on an estimate of income in the [current tax year](#), they should provide acceptable proof of income (see [6.1.3](#)) as soon as possible after the end of the current tax year.

Where a reassessment is necessary because actual income exceeds the original estimate, the reassessment should be based on the lower of either:

- the parental income for the current tax year (i.e. the tax year ending in the year for which benefits are sought); or
- the parental income for the [base tax year](#) (i.e. the tax year ending in the year before the year for which benefits are sought).

Note: The provisions of [6.10](#) (Waiver of Parental Income Test) or [6.8.5](#) (Reverse current income assessment) may override this assessment.

6.8.4 Approval of estimated income

The assessor should consider whether an applicant's estimate of income is reasonable. The estimate should take into account:

- the actual income of the applicant and their [partner](#) (where relevant) for the [current tax year](#) income up to the date of the drop in income;
- any taxable component of redundancy or separation payouts (e.g. superannuation or lump sum leave entitlements);
- indexation increases in remaining wages;
- anticipated income from the date of the drop until the end of the tax year (including earnings from casual employment or occasional overtime).

The assessor should be satisfied that the estimate of the size of the drop is reasonable in the light of available information about such factors as previous earnings and current employment.

6.8.5 Reverse current income (increase in income)

A 'reverse current income' assessment is applied when there is a significant increase in parental income during the [current tax year](#).

This assessment is applied where the parental income for the current tax year is more than 25 per cent of the income for the [base tax year](#). However, if the income for the base tax year

is less than the PIFA (see [6.3.2](#)), the income for the current tax year must also be more than 25 per cent of the PIFA.

Where a reverse current income assessment is called for, the entitlement is reassessed from 1 October (i.e. base tax year assessment applies for the [eligibility period](#) before then).

If an applicant considers that a reverse current income assessment will be necessary, but exact income details are not available, a provisional assessment can be based on an estimate of parental income for the current tax year. When income details for the current tax year are available, a further reassessment may be necessary if the estimate proves to be inaccurate.

Example 1: Income increase below test threshold

Adrian's father is seeking AIC allowances for the year of study. His entitlement to Additional Boarding Allowances is assessed on the basis of a parental income of \$47,000 for the base tax year. During the current tax year (the tax year that ends during the year of study), the parental income increases to \$62,000. Reverse current income does not apply, as the current income is not more than 25 per cent higher than the Parental Income Free Area.

Example 2: Expected income not taken into account

Mr Bushell (a sole parent) is receiving maximum Additional Boarding Allowance for his daughter on the basis of his income in the base tax year. During the current tax year, he works on a very important project that requires large amounts of overtime. He resigns on 20 May and receives a substantial lump sum termination payment that is taxable. As Mr Bushell's current tax year income is more than 25 per cent higher than in the base tax year (and more than 25 per cent of the PIFA), his entitlement must be reassessed using the current tax year. This increased income leaves him eligible for only the Basic Boarding Allowance from 1 October.

Mr Bushell is unable to find work and expects to have a substantially lower taxable income for the following tax year. However, this lower income cannot be considered under the Parental Income Test, as there is no provision for income after the current tax year to be taken into account. Mr Bushell receives the maximum rate of Family Tax Benefit Part A and is issued with a Health Care Card from 11 September so special assessment applies. From that date, he is again eligible for maximum Additional Boarding Allowance.

6.9 AIC Scheme income limits

For current Income Limits refer to the publication [A guide to Australian Government payments](#).

This section defines the current income limits (the PIFA) used in the Parental Income Test.

[6.9.1](#) Parental Income Free Area

6.9.1 Parental Income Free Area (PIFA)

Under the parental income test the Additional Boarding Allowance (ABA) entitlement is reduced by \$1 for every whole \$5 of parental income over the PIFA. However where an ABA student has parental income in common with other dependent young people in the family aged under 22, that is over the PIFA, this reduction of \$1 is shared among the dependent young people via the family pool. For further information see [6.4.2](#) Calculating the Parental Income Test Result (using the family pool).

6.10 Waiver of the Parental Income Test

This section outlines the reasons and basis for waiving the Parental Income Test.

6.10.1	Reasons for waiver
6.10.2	Special assessment
6.10.3	Duration of special assessment
6.10.4	Reassessment after special assessment lapses

6.10.1 Reasons for waiver

The Parental Income Test is waived where:

- [special assessment](#) applies (see [6.10.2](#));
- the applicant or their [partner](#) has been directed or authorised by a court, state or territory Minister or government authority to care for the [student](#) (away from their natural or adoptive parents) under a substitute or foster care arrangement (see [6.10.2](#)); or
- an organisation or institution is the [approved applicant](#) (see [6.10.2](#)).

6.10.2 Special assessment

The [special assessment](#) concession waives the Parental Income Test for any period during which the applicant (or their [partner](#)) either:

- receives one of the types of financial assistance specified in this section;
- holds certain health care cards;
- the [student](#) is on certain foster care arrangements; or
- the applicant is an organisation or institution.

In these cases, the income test is not applied to either person's income and, subject to boarding costs, the student is entitled to the maximum Additional Boarding Allowance during the period.

6.10.2.1 Special assessment as a result of receipt of assistance

Special assessment applies for the period that either the applicant or their [partner](#) is receiving at least one dollar in Australian Government assistance through:

- an income support payment, social security pension/benefit as defined under the Social Security Act 1991;
- a Department of Veterans' Affairs pension, excluding the Disability Compensation Payment (formerly known as Disability Pension), permanent impairment compensation or Special Rate Disability Pension;
- Farm Household Allowance;
- Youth Allowance, Austudy or ABSTUDY Living Allowance; or
- an allowance for full-time vocational training or education.

6.10.2.2 Special assessment as result of receipt of certain health care cards

Special assessment applies for the period the applicant or their partner holds certain valid Australian Government health care cards (including health care cards issued to families in receipt of the maximum rate of the Family Tax Benefit Part A).

However, the special assessment concession does not apply either:

- after the expiry date on the card;
- where a parent holds a Low Income Health Care Card (also known as a Low Income Card);
- where a [parent](#) holds a health care card because they receive a social security Mobility Allowance or Carer Allowance (for a disabled child); or
- where the applicant or their partner holds only a Pensioner Concession Card or a Commonwealth Seniors Health Card.

6.10.2.3 Special assessment because student is in foster care

Subject to their boarding costs, a student in [state-authorised care](#) or a foster care arrangement may receive maximum Additional Boarding Allowance if the foster carer is not receiving a foster care or similar allowance from a government authority (see [5.2.2](#) for eligibility and evidence requirements in such circumstances).

In such cases, the applicant is the official foster parent (or their partner), and the Parental Income Test is waived.

6.10.2.4 Special assessment where applicant is an organisation or institution

Where an organisation or institution is the [approved applicant](#), the income test is waived and maximum Additional Boarding Allowance is payable, subject to boarding costs.

6.10.3 Duration of special assessment

[Special assessment](#) either:

- begins from 1 January of the year for which assistance is sought or the date the applicant or their [partner](#) begins receiving one of the types of financial assistance or begins to hold a valid health care card (specified in [6.10.2](#)), whichever is later.
- lapses the day that the applicant or their partner ceases to receive that financial assistance, or when their health care card (specified above) becomes invalid.

Where an applicant or their partner's Farm Household Allowance ceases, they are taken to be receiving a payment under that program until the end of the year in which payments cease. As a result, special assessment continues to apply until the end of the calendar year.

6.10.4 Reassessment after special assessment lapses

Where [special assessment](#) lapses (see [6.10.3](#)), the Parental Income Test will be applied to income for the [base tax year](#), unless the conditions for [current tax year](#) assessment are satisfied (see [6.8](#)).

Example 1: Parents reunite after separating during year of study

Joanne's mother is seeking AIC allowances for the year. Joanne's parents separate on 1 February. Her mother receives a Parenting Payment (Single) (PPS), and Joanne remains with her. Her parents reunite 7 months later, on 1 September and the PPS ceases.

Assessment basis

1 January – 31 January: base tax year assessment on both parents' incomes

1 February – 31 August : special assessment (income test waived)

1 September – 31 December: base tax year assessment on both parents' incomes

Example 2: Parent gains employment

Cameron's father is seeking AIC allowances for the year. He loses his job on 11 April, and receives JobSeeker Payment (JSP). He starts work again on 23 May and his JSP ceases. Cameron's mother has a part-time job.

Assessment basis

1 January – 10 April: base tax year assessment on both parents' incomes.

11 April – 22 May: special assessment.

23 May – 31 December: current tax year or base tax year assessment (special assessment may apply again, if another period of unemployment occurs later in the year and JSP is received).

6.11 Maintenance Income Test

The Maintenance Income Test (MIT) commenced on 1 January 2017 and ceased on 31 December 2018.

Even though the MIT no longer applies to AIC this section has been retained because of MIT Reconciliation which occurs following the end of a financial year. As the MIT applied for part of the 2018-19 financial year, MIT Reconciliation will take place for 2018-19 in the 2019-20 financial year.

The steps for MIT Reconciliation are outlined in section [6.11.5](#) and rely on concepts explained throughout section 6.11.

This section outlines the Maintenance Income Test.

- [6.11.1](#) Exemptions from the Maintenance Income Test
- [6.11.2](#) Annual amount of maintenance income
- [6.11.3](#) Maintenance Income Free Area
- [6.11.4](#) Calculating the Maintenance Income Test Result
- [6.11.5](#) Reconciliation of Estimated Maintenance Income – end of financial year

6.11.1 Exemptions from the Maintenance Income Test

Applicants are exempt from the MIT if the applicant or their partner is permanently blind and is receiving:

- an Age Pension,
- a Disability Support Pension,
- a Service Pension, OR
- an Income Support Supplement (under Part IIIA of the *Veterans' Entitlements Act 1986*).

If the applicant is exempt from the MIT then the **Maintenance Income Test Result** is **nil**.

6.11.2 Annual amount of maintenance income

To work out the annual amount of maintenance income for the applicant and their [partner](#) (if applicable) in regards to the student:

- assume that the student is an FTB child of the applicant; and
- only take into account maintenance income received in relation to the individual student; and
- take into account all maintenance income received in relation to the student including voluntary periodic maintenance paid in cash or in kind (for example the payment of school or university fees)
- in working out whether maintenance income is received in relation to the student, have regard to the considerations that would apply under the [A New Tax System \(Family Assistance\) Act 1999](#); and
- have regard to maintenance income for the financial year current at the point-in-time at which the AIC MIT is applied.

Note: while the MIT uses the current financial year (current at the point-in-time at which the AIC MIT is applied), this is different to parental income that uses the base tax year and current tax year (if applicable).

6.11.3 Maintenance income free area

The maintenance income free area (MIFA) is the amount of maintenance income the applicant and their [partner](#) (if applicable) can receive in relation to the student, before it affects the rate of Additional Boarding Allowance.

The MIFA for AIC draws on some of the principles and thresholds that are used to calculate the Family Tax Benefit (FTB) Part A maintenance income free area.

The FTB Part A MIFA, is made up of:

1. A component for 'fixed costs' allocated in relation to a first 'maintained' child/young person (the 'first child MIFA amount'). In 2017-18 this amount is \$1,587.75.
2. A component allocated for each second and subsequent 'maintained' child/young person (the 'additional child MIFA amount'). In 2017-18 this amount is \$529.25 for each additional child.

The rules for extending a MIFA in respect of each 'maintained' child/young person under the Maintenance Income Test for AIC coordinate the allocation of the MIFA component for 'fixed costs' so that this is applied once only to a parent receiving maintenance. This includes deeming that recognition for 'fixed costs' of maintenance income received has been, or is likely to be, extended under the FTB Part A MIFA.

This creates an 'order of precedence' in the extension of the MIFA component for 'fixed costs'.

The order of precedence is:

1. FTB Child
2. Student attracting AIC Additional Boarding Allowance.

Under the Maintenance Income Test for AIC, any maintained student who attracts AIC Additional Boarding Allowance is deemed to be an FTB child. Therefore the 'first child MIFA amount' amount is assumed to apply to their FTB payment (regardless of whether or not an FTB payment is actually made) and the 'additional child MIFA amount' is applied to the AIC Additional Boarding Allowance payment.

Therefore the only MIFA applicable to AIC Additional Boarding Allowance is the 'additional child MIFA amount'. In 2017-18 this amount is \$529.25.

6.11.4 Calculating the Maintenance Income Test Result

The Maintenance Income Test Result is \$0.50 for every \$1.00 over the Maintenance Income Free Area.

Calculating the Maintenance Income Test Result

Step	Action
1	<p>Work out whether the:</p> <ul style="list-style-type: none"> • applicant and their partner is exempt from the MIT (6.11.1); OR • applicant and their partner do not receive maintenance for the student; OR • maintenance income does not exceed the maintenance income free area. <p>If the applicant and their partner meet any of the above conditions, they are exempt, then the Maintenance Income Test Result is nil.</p>
2	If the applicant is not exempt, work out the annual amount of maintenance income.
3	Work out the Maintenance Income Free Area (MIFA) that is relevant to the AIC student attracting Additional Boarding Allowance (table above).
4	<p>Work out whether the maintenance income (step 2) exceeds the MIFA (step 3).</p> <p>If the maintenance income does not exceed the MIFA then the Maintenance Income Test Result is nil.</p>
5	<p>If the maintenance income exceeds the MIFA, multiply the excess by 0.5.</p> <p>The result, divided by 26, is the (fortnightly) Maintenance Income Test Result to be used when calculating the Reduction for Parental Income (6.0.3).</p>

6.11.5 Reconciliation of Estimated Maintenance Income – end of financial year

After the end of the income year (financial year), estimated maintenance income for the income year must be reconciled with actual maintenance income, if there is sufficient information to do so.

The aim of MIT reconciliation is to make adjustments to payments retrospectively, through issuing debts or arrears, whereby the rate of payment (previously determined based on estimates of maintenance income) is recalculated based on actual maintenance income. For example, if a parent of a boarding student estimates that they will receive \$5,000 in maintenance for the student for the year, then the annual amount of Additional Boarding Allowance payable will be reduced by \$1,706.13. However, if at the end of the financial year it is found that the parent actually received only \$2,000 in maintenance then annual amount of Additional Boarding Allowance payable should

have been reduced by \$206.13 (not \$1,706.13), so arrears are payable totalling \$1,500 for the year.

See the table below for the steps involved:

6.11.5.1 Reconciling estimated and actual maintenance income

Step	Action
1	<p>In determining a student's rate of Additional Boarding Allowance was an estimate of maintenance income used?</p> <ul style="list-style-type: none"> • If NO then there is no reconciliation to do. • If YES go to step 2.
2	<p>Is there sufficient information to work out the actual amount of maintenance income for the income year without regard to an estimate?</p> <ul style="list-style-type: none"> • If NO then there is no reconciliation to do. • If YES go to step 3.
3	<p>Work out the <i>annualised MIFA</i> using the table at 6.11.5.2 (below).</p>
4	<p>Work out the <i>actual maintenance income</i> for the income year using the table at 6.11.5.3 (below).</p>
5	<p>Work out the <i>annual amount of estimated maintenance income</i> using the table at 6.11.5.4 (below).</p>
6	<p>Is the <i>actual maintenance income</i> less than the <i>annual amount of estimated maintenance income</i>?</p> <ul style="list-style-type: none"> • If YES, then the student's rate of Additional Boarding Allowance must be recalculated in regard to actual maintenance income. <p>If NO go to step 7</p>
7	<p>Is the <i>actual maintenance income</i> less than 125% of the <i>annualised MIFA</i>?</p> <ul style="list-style-type: none"> • If YES, then the existing decision (which calculated the student's rate of Additional Boarding Allowance) is affirmed. <p>If NO go to step 8</p>
8	<p>Is the <i>actual maintenance income</i> less than 125% the <i>annual amount of estimated maintenance income</i>?</p> <ul style="list-style-type: none"> • If YES, then the existing decision (which calculated the student's rate of Additional Boarding Allowance) is affirmed. <p>If NO then the student's rate of Additional Boarding Allowance must be recalculated in regard to actual maintenance income.</p>

6.11.5.2 Calculating the *Annualised MIFA*

Step	Action
1	Using the table at 6.11.3 work out whether the MIFA for the student was the same on all days in the income year. If it was, then that MIFA is the annualised MIFA for the student for the income year.
2	If the MIFA for the student was not the same on all days in the income year, work out for how many days in the income year each MIFA applied.
3	Work out the MIFA share for each such period by using this formula: $\text{MIFA} \times \frac{\text{Number of days in the period}}{\text{Number of days in the income year}}$
4	Add up the MIFA share for each such period in the income year. The result is the annualised MIFA for the income year.

6.11.5.3 Calculating the *actual maintenance income*

Step	Action
1	Is there sufficient information to work out the actual amount of maintenance income for the income year without regard to an estimate? <ul style="list-style-type: none"> • If NO then the actual maintenance income cannot be calculated. • If YES go to step 2
2	To work out the actual maintenance income for the income year: <ul style="list-style-type: none"> • Assume that the student is an FTB child of the parent for the year; and • Only take into account maintenance income received in relation to the student; and • In working out whether maintenance income is received in relation to the student, have regard to the considerations that would apply under the <i>Family Assistance Act</i> – see Family Assistance Guide 3.1.7 Maintenance Income Test. <p>This amount is the actual maintenance income for the income year.</p>

6.11.5.4 Calculating the *annual amount of estimated maintenance*

Step	Action
1	For each estimate of maintenance income that applied in relation to a period in the income year, work out the annualised estimate by multiplying the amount of the estimate by: $\frac{\text{Number of days in income year}}{\text{Number of days in income year for which estimate applied}}$
2	For each annualised estimate worked out in step 1 for the income year, work out the period estimate by multiplying the annualised estimate by: $\frac{\text{Number of days in income year for which estimate applied}}{\text{Number of days in income year}}$
3	Add up all the period estimates for periods that occurred in the income year. This is the annual amount of estimated maintenance income for the income year.

Example 1: Annual amount of estimated maintenance income

Django lives with his dad and his mum pays dad maintenance for Django.

On 1 July Django's estimated maintenance income was expected to be \$3,500 for the whole of the financial year. Consequently, for the period 1 July to 31 December Django's rate of Additional Boarding Allowance was reduced based on an annualised estimate of maintenance income of \$2,500.

On 1 January Django's mum got a higher paying job, and was going to pay more maintenance. Django's estimated maintenance income was revised to be \$4,000 for the whole of the financial year. Consequently, for the period 1 January to 31 March Django's Additional Boarding Allowance was reduced based on an annualised estimate of maintenance income of \$4,000.

On 1 April Django's mum became unemployed and was unable to pay any more maintenance that financial year. Consequently, for the period 1 April to 30 June Django's Additional Boarding Allowance was not reduced due to the maintenance income test, as his annualised estimate of maintenance income for this period was zero.

Django has 3 periods where different estimates of maintenance income applied:

- Period One is (July-December) is for 184 days
- Period Two (January-March) is for 90 days
- Period Three (April – June) is for 91 days

We already know the annualised estimate for each of these three periods:

- Period One (July-December) has an annualised estimate of \$2,500
- Period Two (January-March) has an annualised estimate of \$4,000
- Period Three (April – June) has an annualised estimate of \$0

The period estimates are worked out by multiplying each annualised estimate by:

$$\frac{\text{Number of days in income year for which estimate applied}}{\text{Number of days in income year}}$$

Therefore the period estimate for:

- Period One (July-December)
is \$2,500 (annualised estimate) x 184/365 = \$1,260.27
- Period Two (January-March)
is \$4,000 (annualised estimate) x 90/365 = \$986.30
- Period Two (January-March)
is \$0 (annualised estimate) x 91/365 = \$0

Django's annual amount of estimated maintenance income for the year is worked out by adding all the period estimates for the year together. Therefore Django's annual amount of estimated maintenance income is:

$$\$1,260.27 + \$986.30 + \$0 = \$2,246.57$$

6.11.5.5 Date of effect for the re-calculation for a recipient's rate of payment

Rate increase determination due to reconciliation

If:

- a rate of Additional Boarding Allowance has been recalculated due to the reconciliation of actual maintenance income (as required by the table at 6.11.5.1 - above); and
- this recalculation would result in an increase in the rate of Additional Boarding Allowance;

THEN:

The increase is to be backdated to the date when the rate of Additional Boarding Allowance was originally calculated based on estimated maintenance income. This is to give the same effect as if the actual maintenance income was known when the rate of Additional Boarding Allowance was originally calculated. However, the increase to the rate of Additional Boarding Allowance cannot be backdated further than the first day of the financial year immediately preceding the financial year in which the determination to increase the rate of payment (based on a recalculation that counts actual maintenance income) was made.

Example 1: Rate increase determination due to reconciliation

Ralph's rate of Additional Boarding Allowance was originally calculated on 15 September 2017 using an estimate of his parent's maintenance income. Following reconciliation of his parent's actual maintenance income for 2017-18 with their estimated maintenance income for 2015-16 Services Australia determined (on 8 November 2018) that Ralph's rate of Additional Boarding Allowance must be recalculated resulting in an increase. The date of effect of this increase is taken to be 15 September 2017 and consequently arrears are paid from this date.

Example 2: Limit on backdating rate increase due to reconciliation

Heather's rate of Additional Boarding Allowance was originally calculated on 20 April 2017 using an estimate of her parent's maintenance income. Following reconciliation of her parent's actual maintenance income for 2016-17 and 2017-18, with their estimated maintenance income for 2016 17 and 2017-18, Services Australia determined (on 10 November 2018) that Heather's rate of Additional Boarding Allowance must be re calculated resulting in an increase.

The increase cannot be backdated further than the first day of the financial year immediately preceding the financial year in which the determination to increase the rate of Additional Boarding Allowance was made. Therefore, the date of effect of this increase is taken to be 1 July 2017 (not 20 April 2017) and arrears will only be paid for the period commencing on and after 1 July 2017.

Rate decrease determination due to reconciliation

If:

- a rate of Additional Boarding Allowance has been recalculated due to the reconciliation of actual maintenance income (as required by the table at 6.11.5.1 - above); and
- this recalculation would result in a decrease in the rate of Additional Boarding Allowance;

THEN:

The decrease is to be backdated to the date when the rate of Additional Boarding Allowance was originally calculated based on estimated maintenance income. This is to give the same effect as if the actual maintenance income was known when the rate of Additional Boarding Allowance was originally calculated. There is no time limit as to how far back this backdating can go to take effect.

Example 3: No limit on backdating rate decrease due to reconciliation

Dion's rate of Additional Boarding Allowance was originally calculated on 3 January 2017 using an estimate of his parent's maintenance income. Following reconciliation of his parent's actual maintenance income for 2016-17, 2017-18, and 2018-19 with their estimated maintenance income for these years Services Australia determined (on 19 October 2019) that Dion's rate of Additional Boarding Allowance must be re calculated resulting in a decrease. Consequently, a lower rate of Additional Boarding Allowance was paid to Dion's parent from 19 October 2019 onwards. However, the date of effect of the decrease is taken to be 3 January 2017, therefore a debt is owed to Services Australia due to overpayments from 3 January 2017 until 19 October 2019.

7 Administrative information

7.1 The claim assessment process

This section details the assessment process used when a [claim](#) is submitted.

7.1.1	Initial assessment
7.1.2	When a claim can be lodged
7.1.3	Who can complete a claim
7.1.4	Tax file numbers and exemptions
7.1.5	Supporting evidence required
7.1.6	End of year review
7.1.7	Notice of assessment

7.1.1 Initial assessment

Before a formal decision about assistance can be made by the [decision maker](#), an AIC applicant must make an AIC [claim](#) in accordance with Services Australia's requirements with respect to:

- the manner and form of a [claim](#); and
- how a [claim](#) may be made.

7.1.2 When a claim can be lodged

[Claims](#) must be lodged by 1 March of the year following that for which assistance is sought. No allowance is payable if no claim is lodged by 1 March of the year following that for which assistance is sought.

All documents specified in the claim that are regarded as being within the claimant's control must be submitted to Services Australia by 1 March of the year following that for which assistance is being sought. However, Services Australia may determine on a case by case basis that a document is not within the claimant's control following discussion with the claimant. Assistance may be provided by Services Australia where the claimant has genuine difficulty with obtaining documentation from a third party.

There may be occasions when a claimant in vulnerable circumstances may not be able to lodge a claim or provide the required documentation in a timely manner. Vulnerable claimants may be given an additional 14 days to submit their claim, which can be extended to 13 weeks in some circumstances. In these instances, the claimant is taken to have made a claim for AIC on the day that Services Australia was contacted.

7.1.3 Who can complete a claim

While any person can lodge a [claim](#) for AIC allowances, to be eligible for an AIC allowance, the person must be an [approved applicant](#) (see [2.1](#)).

7.1.4 Tax file numbers and exemptions

The [Student Assistance Act 1973](#) specifies that a person who is making, or has made a claim, or is already receiving AIC benefits, may be requested to provide their TFN to Services Australia. The consequences of not satisfying this request are detailed below. The applicant satisfies the request if, within 28 days of the request being made, they provide either:

- a statement of their TFN (either written or verbal); or
- both of the following:
 - a statement that they have a TFN but do not know what it is and have asked the Commissioner of Taxation, or the Australian Taxation Office (ATO) on behalf of the Commissioner of Taxation, to inform them of their TFN, or that an application for their TFN is pending; and
 - a document in which they authorise the ATO to tell Services Australia their TFN or state whether the application for a TFN is refused or withdrawn.

Services Australia is unable to ask an AIC applicant to provide the TFN of a third party. Services Australia are able to obtain a third party's TFN directly from the third party or from the Commissioner of Taxation or ATO.

The handling of TFNs is covered under other legislation including the [Privacy Act 1998](#) and the [Privacy \(Tax File Number\) Rule 2015](#) at www.oaic.gov.au. For details, see [Tax file numbers - Home \(oaic.gov.au\)](#)

Exemptions

Services Australia may exempt certain people from providing a TFN when making a claim for AIC benefits. This includes but is not limited to:

- a customer who has previously notified their TFN to Services Australia;
- if the person is an AIC student;
- a parent or partner who is exempt from providing their TFN because they receive an income support payment under the social security law or a veterans' income support pension or benefit;
- a student, Australian Apprentice, parent or partner who is at risk of harm by another person and whose physical safety could be at increased risk by the disclosure of the TFN;
- an Aboriginal or Torres Strait Islander applicant who is attending a traditional ceremony at the time they lodge their claim— if requested, the date of effect of this request is taken to be the date of the person's return from that ceremony;
- a student, parent or partner who has lost all records of their TFN because of fire or flood damage to their home within the six months preceding the claim for AIC. This ceases to take effect six months after the damage occurred;
- a customer who has lodged an application for a TFN through Services Australia or the ATO but have not yet received advice from ATO;
- a parent who lives permanently outside Australia and who does not earn income in Australia;
- a parent or partner who is temporarily overseas — if requested, the date of effect of this request is the date of that person's return to Australia;
- a person aged 80+ years (no review required);

- a person living in a Natural Disaster Zone (review required, review period is 90 days);
- a person who is homeless (review required, review period is 90 days);
- a person who is profoundly disabled;
- a person who resides in an aged care facility or residential care;;
- a person in psychiatric facility (whether or not part of a hospital); and
- a partner who is not presently contactable (review required, review period is 90 days).

Regarded as having provided a TFN

A person will be regarded as having supplied a TFN if:

- they have provided their TFN to Services Australia for a previous claim and agreed that Services Australia may use their TFN for future claims where necessary; or
- they have provided their TFN for the current claim; or
- they have lodged a TFN application/enquiry form and authorised the Commissioner of Taxation, or the ATO on behalf of the Commissioner of Taxation, to provide their TFN to Services Australia.

Consequences of not giving a Tax File Number

- Where a person has been requested to provide their TFN and they are unable to do so, the following consequences will follow (unless an exemption applies):

If the request was given to a person...	the consequence is...
who is making, but not yet completed a claim for AIC benefits	the benefit is not payable.
who has made a claim for AIC benefits that has not yet been determined	the benefit is not payable.
who is already receiving AIC benefits	28 days after the request was made, the benefit ceases to be payable.

- Where a person has given Services Australia a statement that they do not know their TFN or that their TFN application is pending, and the ATO tells the Secretary that he person has either not applied for a TFN or that their application has been refused or withdrawn, the following consequences will follow (unless an exemption applies):

If the request was given to a person...	the consequence is...
who is making, but not yet completed a claim for AIC benefits	the benefit is not payable.
who has made a claim for AIC benefits that has not yet been determined	the benefit is not payable.
who is already receiving AIC benefits	the benefit ceases to be payable.

- Services Australia has a discretion to exempt a person from the consequences of failing to give their TFN in either of the circumstances above. The exemption will last until Services Australia issues a further request for a person's TFN. When such a request is made, and the person is receiving AIC benefits, the 28-day period will recommence.

7.1.5 Supporting evidence required

Supporting evidence is required under particular circumstances:

- Where this is the first AIC Scheme [claim](#) lodged in respect of the [student](#), proof of the student's age is required, unless Family Tax Benefit, Baby Bonus or Child Care Subsidy has been paid for them.
- Where either the [student](#) or the applicant is not an Australian citizen, evidence of permanent residency and/or settlement is required.
- Where the [student](#) is isolated from schooling for reasons other than distance or travel time, the applicant may need to provide evidence to support the claim that the local state school is inappropriate (see [Section 4](#) for specific requirements).
- Where the claim is for the income-tested Additional Boarding Allowance, proof of income may be required (see [Section 6](#)).

7.1.6 End of year review

AIC applicants must make a new claim annually, usually at the end of every year, to be assessed for continuing AIC payments in the following calendar year.

The purpose of an end of year review is to allow Services Australia to obtain information from AIC applicants about any changes of circumstance that will affect the applicant's entitlement for the new calendar year. Information to be updated may include, but is not limited to, change of principal family home and second family home, travel distance and conditions, the number of children who are dependent on the applicant and their partner, and a change of school.

The end of year review is a type of AIC claim in accordance with Services Australia's requirements with respect to:

- the manner and form of a claim and
- how a claim may be made.

Note: An AIC end of year review may be undertaken as a written or telephone claim process.

7.1.7 Notice of assessment

In response to receipt of an AIC Scheme [claim/end of year review](#), Services Australia will send a written notice of the decision, outlining the outcome of the assessment and, if applicable, providing details of entitlement. Where the applicant or [student](#) is ineligible for assistance under the scheme in respect of the particular student, the reason for ineligibility and information about review and appeal rights will be provided (see [7.3](#) for information about reviews and appeals).

7.2 Applicant's rights and obligations

This section details the rights and obligations of an applicant when an AIC Scheme [claim](#) is submitted.

- [7.2.1](#) Obligations
- [7.2.2](#) Rights to privacy and confidentiality
- [7.2.3](#) Use of information by government

7.2.1 Obligations

By signing the [claim](#) or accepting a payment, the applicant agrees to provide correct information and to notify Services Australia of prescribed events (see 7.2.1.2). Failure to notify Services Australia of a prescribed event may result in the applicant being overpaid due to that event.

Provisions relating to debt recovery matters, including the conditions under which an AIC debt can be waived or written off, are contained in the [Student Assistance Act 1973](#).

7.2.1.1 Supply correct information

Giving false or misleading information is a serious offence. Applicants or their [partners](#) who do so may be prosecuted under the *Criminal Code*.

7.2.1.2 Notify prescribed events

Some events, or a change in circumstances, can affect eligibility for AIC allowances. Under Section 48 of the *Student Assistance Act 1973*, a person who is receiving, or entitled to receive, an amount under the AIC Scheme must notify Services Australia within 14 days of a “prescribed event” happening.

The following prescribed events are listed in Section 22 to Section 28 of the *Student Assistance Regulations 2021*. The prescribed events relate to such matters as:

- attendance at courses; and
- parents, partners and dependent children; and
- living arrangements; and
- entitlement to other income support payments; and
- income and assets.

Events relating to courses

There are events relating to courses that must be notified to Services Australia — these events are prescribed under Section 23 of the [Student Assistance Regulations 2021](#).

Events relating to personal relationships

There are events relating to personal relationships that must be notified to Services Australia — these events are prescribed under Section 24 of the [Student Assistance Regulations 2021](#).

Events relating to place of residence etc.

There are events relating to place of residence etc. that must be notified to Services Australia — these events are prescribed under Section 25 of the [Student Assistance Regulations 2021](#).

Events relating to benefits etc.

There are events relating to benefits etc. that must be notified to Services Australia — these events are prescribed under Section 26 of the [Student Assistance Regulations 2021](#).

Events relating to income

There are events relating to income (estimated or stated) for income years that must be notified to Services Australia — these events are prescribed under Section 27 of the [Student Assistance Regulations 2021](#).

Other events

There are other events that must be notified to Services Australia — these events are prescribed under Section 28 of the [Student Assistance Regulations 2021](#).

Failure to notify Services Australia of any occurrence of a prescribed event may contravene [the Act](#), which specifies a penalty of imprisonment of up to 12 months. Failure to notify may also be prosecuted under the Criminal Code, which carries a penalty of five years imprisonment.

7.2.1.3 Recovery of payments

Section 39 of the [Student Assistance Act 1973](#) gives [Services Australia](#) the authority to raise and recover a debt where an overpayment of AIC has occurred. Recipients must repay money that they have received as a result of an overpayment (see [7.3.3](#)) unless the debt is waived or written off.

7.2.1.4 Recovery of payments from third party organisations

Where AIC funds have been directed to an incorrect payee/destination (such as a third party organisation) either:

- through administrative error; or
- after an applicant has notified Services Australia, or Services Australia is otherwise aware:
 - that the payment authority previously given by the applicant to that payee has ended; or
 - of a relevant prescribed event or change of circumstances which affects that payment authority or payment to that payee,

a debt will be owed by the incorrect payee. The incorrect payee must repay money they have received in error. Services Australia may issue a debt recovery notice to the incorrect payee to recover funds.

Where AIC funds have been directed to an incorrect payee because the Applicant has not notified Services Australia of a relevant prescribed event or change of circumstances within 14 days, the applicant remains responsible for the overpayment.

Where a third party organisation advises they wish to return a payment received in error, Services Australia may accept this towards repayment of a debt owing by either the applicant or the third party organisation, even if a debt recovery notice has not yet been issued.

7.2.2 Rights to privacy and confidentiality

7.2.2.1 Privacy

DSS and Services Australia are bound by the *Privacy Act 1988*, which contains Australian Privacy Principles (APPs) that prescribe the rules for the handling of personal information by government agencies.

The Privacy Act defines 'personal information' as information or an opinion (whether true or false) about an individual whose identity is apparent or can reasonably be worked out from the information or opinion.

DSS and Services Australia will ensure that:

- personal information is collected in accordance with APPs 3-5;
- suitable storage arrangements, including appropriate filing procedures, are in place (APP 11);
- suitable security arrangements exist for all records containing personal information (APP11);
- access to a person's own personal information held by the organisation is made available to them at no charge (APP 12);
- records are accurate, up to date, complete and not misleading (APP 10);
- where a record is found to be inaccurate, it is corrected (APP 13);
- where the person contends that a record is inaccurate but it is found to be correct, the details of the request for amendment are noted on the record;
- personal information is only used for the purposes for which it was collected, or for other purposes expressly allowed by APP 6;
- personal information is only disclosed in accordance with APP6-9; and
- any collection, storage, security, use or disclosure of Tax File Numbers complies with the Privacy Commissioner's *Tax File Number Guidelines 1992*.

7.2.2.2 Privacy Complaints and Advice

Complaints about breaches of privacy and requests for advice about privacy should be referred to the Legal Services Group in the DSS - National Office.

Privacy complaints can be made directly to the Office of the Australian Information Commissioner (OAIC) (see <https://www.oaic.gov.au/privacy/privacy-complaints>),. However, the Federal Privacy Commissioner prefers that the Department be given an opportunity to deal with the complaint in the first instance.

7.2.2.3 Confidentiality

Provisions in [the Act](#) govern the confidentiality of information obtained to administer the AIC Scheme. These provisions prohibit unauthorised access to, use and disclosure of protected information, which is defined in the Act.

Protected information can only be accessed, used or disclosed in accordance with [the Act](#). Such circumstances may include, but are not limited to, situations in which the access, use or disclosure either:

- has been consented to by the applicant or a person authorised by them;
- is for the purposes of the Act, or other specified Acts such as the [Paid Parental Leave Act 2010](#);
- is in accordance with ministerial guidelines made under the Act, which provide for disclosures in the public interest; or
- is in accordance with the Chief Executive Officer's Instrument that provides for disclosure to other Australian Government departments or authorities.

Unauthorised access to, use of or disclosure of protected information is an offence punishable on conviction by imprisonment.

7.2.3 Use of information by government

7.2.3.1 Compliance investigations

Any information given by the applicant may be checked with third parties, where its accuracy is relevant to eligibility. This includes checking school enrolment and study details with state or territory education authorities and travel details with school transport authorities, local governments and bus contractors.

Services Australia may contact applicants during the year to check on changes of circumstances that could affect eligibility for AIC allowances. Additional special purpose checks are conducted from time to time to investigate specific eligibility and entitlement aspects in more detail.

7.2.3.2 Data-matching program

Under the *Data-Matching Program (Taxation and Assistance) Act 1990*, information provided to claim an AIC allowance may be checked against information held by other Australian Government agencies to prevent fraud and duplication of payments. These agencies include:

- Australian Taxation Office
- Department of Employment
- Department of Social Services
- Department of Veterans' Affairs
- Department of Health and Ageing

7.2.3.3 Freedom of information requests

All documents created or held by Services Australia and DSS connected with the AIC Scheme are subject to the *Freedom of Information Act 1982*. Unless a document falls under an exemption provision, it will be made available to the general public if requested under that Act.

Under the DSS–Services Australia Bilateral Management Agreement, Services Australia and DSS are responsible for managing their own obligations under the relevant legislation concerning Freedom of Information (FOI) requests. DSS and Services Australia must provide each other a copy of any FOI request if it relates to the administration of the AIC Scheme.

All FOI requests received by DSS are to be referred immediately to the Freedom of Information Coordinator in the Legal Services Group, in the Department's National Office. Decisions regarding requests for access will be made by DSS's authorised decision-maker in accordance with the requirements of the FOI Act.

FOI requests for Services Australia information can be made at any Service Centre. Further information on Services Australia's processes can be found at www.servicesaustralia.gov.au/organisations/about-us/access-information/freedom-information.

7.3 Reviews and appeals

This section outlines the review and appeals processes available to the AIC Scheme applicant.

- [7.3.1](#) Assessments, reassessments and reviews
- [7.3.2](#) Appeals about assessments or eligibility
- [7.3.3](#) Recovery of debt

7.3.1 Assessments, reassessments and reviews

In assessments, reassessments and reviews, the [decision maker](#) must use the principles and requirements in these guidelines.

7.3.1.1 Assessments

The decision maker must not be biased, and the applicant must be given a fair chance to put their case before a decision is made.

For an assessment, these requirements are satisfied by:

- allowing the applicant to provide all relevant information on the [claim](#);
- giving the applicant an opportunity to comment, if evidence other than that provided by them is taken into account; and
- ensuring that a notice of decision to the applicant includes reasons for the decision and information about appeals and internal reviews.

7.3.1.2 Reassessments

At any time, a claim may be reassessed and entitlement recalculated on the basis of additional information or evidence provided to Services Australia.

7.3.1.3 Applicant's right of review

If an applicant disagrees with a decision about their assessment (or reassessment) and believes that the policy for the AIC Scheme has not been applied correctly, they or their agent can ask for an internal review of the decision. The request can be made to Services Australia by phone, in person at any of their Service Centres or in writing.

There is no time limit for requesting reviews of AIC eligibility or entitlement.

7.3.1.4 Internal review of assessment decisions

For internal reviews or appeals, a [review officer](#) must consider an applicant's request for a review of the matter. The applicant should be invited to put their case in writing.

In an internal review, the review officer must either:

- affirm the decision;
- vary the decision; or
- set the decision aside and substitute a new decision.

The review officer must give the applicant a written notice of the decision that includes an explanation of the original decision and:

- sets out the reasons for the decision;
- sets out the findings on material questions of fact; and
- refers to the evidence or other material on which those findings were based.

The notice must also advise the applicant that they may appeal against the decision to the [Minister](#) responsible for the AIC Scheme.

If the original assessment (or reassessment) decision is varied, any benefit withheld and now payable is to be paid retrospectively from the relevant effective date.

7.3.2 Appeals about assessments of eligibility and/or entitlement

7.3.2.1 Appeals to the [Minister](#)

If the applicant continues to disagree with a decision by a [review officer](#) they can appeal in writing to the [Minister](#).

The Minister or a person authorised by the Minister must consider all relevant circumstances of the appeal, including any new matters raised by the applicant. Relevant factors include:

- the financial implications for the Australian Government if access to the AIC Scheme is granted;
- whether granting access to the scheme would contravene any other government decision or requirement.

The power to undertake reviews of decisions regarding AIC Scheme eligibility and entitlement under AIC policy has been authorised to the DSS Branch Manager with responsibility for AIC.

Requests for a review of an AIC decision can be made by writing to:

Branch Manager
Carer, Disability and Student Payments Branch
Department of Social Services
GPO Box 9820
Canberra ACT 2601

If after considering an appeal, the Minister or a person authorised by the Minister has

- affirmed the review officer's decision;
- varied the review officer's decision; or
- set aside the review officer's decision and substituted a new decision,

then any further appeals on the same matter should not be considered by the Minister or a person authorised by the Minister, unless new and compelling evidence is provided.

7.3.2.2 Appeals to the Administrative Review Tribunal

A decision by the [Minister](#) or a person authorised by the Minister relating to eligibility of payments cannot be appealed to the Administrative Review Tribunal (ART).

However, a dissatisfied applicant may seek a judicial review of an assessment decision by applying directly to the Federal Court or the High Court.

7.3.3 Recovery of debt

7.3.3.1 Government's right to recover debt

Under [the Act](#), recovery action may be taken where an overpayment has been made. The power to make decisions about debt recovery is authorised to certain Services Australia officers.

Any person affected by a decision made under the Act can ask for an internal review of that decision.

7.3.3.2 Types of debt recovery decisions

Decisions about recovering a debt include:

- calculation of debts;
- imposing late payment charges and/or interest;
- allowing payment of debt by instalments;
- writing off a debt;
- waiving the right to recover a debt.

7.3.3.3 Debt recovery after an unsuccessful appeal

Where an applicant appeals to the [Minister](#) about an assessment decision that resulted in a debt and the appeal is not upheld, a Services Australia [review officer](#) will review the debt recovery decision. This means the applicant or their agent does not have to lodge a formal request for an internal review of the debt recovery decision.

The outcome of this review will be notified in writing by Services Australia to the applicant.

7.3.3.4 Internal review of debt recovery decisions

An applicant who is dissatisfied with a debt recovery decision can apply to Services Australia for an internal review of the decision by phone, in person at any of their Service Centres or in writing. There is a 3-month time limit for requesting reviews under the *Student Assistance Act 1973*. If there are special circumstances, Services Australia may extend the deadline in accordance with paragraph 304(2)(b) of the *Student Assistance Act 1973*.

The debt recovery decision is not subject to review by the [Minister](#).

The review officer must give the applicant a written notice of the decision that includes an explanation of the original decision and:

- sets out the reasons for the decision;
- sets out the findings on material questions of fact; and
- refers to the evidence or other material on which those findings were based.

The notice must also advise the applicant that they may appeal against the decision to the ART.

7.3.3.5 Appeals to the Administrative Review Tribunal about debt recovery

If the applicant receives an unfavourable decision from the internal review, they can seek an independent review by the ART.

The applicant has three months after the day on which the review decision was made to lodge an appeal with the ART. The ART is able to extend the deadline in special circumstances in accordance with paragraph 312(1)(b) of the *Student Assistance Act 1973*.

Appeals to the ART must be lodged directly with the ART.

7.3.3.6 Appeals to the Federal Court about debt recovery

If the applicant disagrees with a debt recovery decision, they may appeal to the Federal Court on a matter of law. The Federal Court may, for example, order that the ART decision is affirmed or set aside, or may remit the case to the ART to be heard and decided again.

7.3.3.7 Waiver of the right to recover a debt

Under [the Act](#), the DSS Secretary, or their delegate, can waive the Australian Government's right to recover a debt or write off the debt, in whole or in part, including in cases:

- of administrative error by Services Australia, where this is the sole cause of the overpayment, as long as the person received the payments in good faith (this only applies where the debt was not raised within six weeks from the first payment that caused the debt or within six weeks of the person notifying Services Australia of a change in circumstance that affected their entitlement);
- where a person has been convicted of an offence that gave rise to some or all of the debt and the court has imposed a larger custodial sentence on the person because they were unwilling or unable to pay the debt;
- where the debt is less than \$50 and it is not cost-effective for the Commonwealth to take action to recover it;
- where part of a debt has been repaid;
- where special circumstances (other than financial hardship alone) make it better to waive recovery than to write off the debt and the person or another person has not knowingly provided false information or failed to comply with a provision of the Act, and the resulting non-compliance gave rise to the debt.

7.4 Roles and responsibilities for administration of the scheme

DSS is responsible for AIC Scheme policy. Policy changes are approved by the [Minister](#).

The [Minister](#) has authority to review all AIC Scheme assessment decisions (see [7.3.2](#)). Reviews can result in recommendations for policy changes.

Services Australia administers the scheme under DSS–Services Australia Bilateral Management Agreement and the Family Service Arrangement. Services Australia conducts assessments, processes [claims](#) and makes payments.

Under [the Act](#), the DSS Secretary is responsible for general administration of AIC Scheme, subject to directions from the [Minister](#). The Secretary has delegated all of their powers relating to the administration of the AIC Scheme to the Chief Executive Officer of Services Australia. The Chief Executive Officer of Services Australia has subsequently conferred these powers onto certain Services Australia officers.

Under the [Financial Framework \(Supplementary Powers\) Act 1997](#), the DSS Secretary has delegated to the Chief Executive Officer of Services Australia the power to approve, cancel, vary or

suspend proposals for expenditure of AIC Scheme funds. The Chief Executive Officer of Services Australia has subsequently conferred these powers on certain Services Australia officers.

The AIC Scheme Guidelines are published on DSS's website and provided to Services Australia in writing.

Where the Minister approves a change to the Guidelines (e.g. as a result of an appeal), that change should be taken into account in all current and later cases, including internal reviews of assessment decisions (see [7.3.1](#)) and appeals to the Minister or a person authorised by the Minister about assessment decisions (see [7.3.2](#)).

8 Appendix

Appendix A: AIC Rates Tables (1 January 2025)

Assistance for Isolated Children Allowance Rates	Per Fortnight	Per Annum
Boarding Allowance		
Basic Boarding Allowance (No income test)	\$397.61	\$10,388.00
Additional Boarding Allowance (subject to parental income test and boarding costs)	\$114.03	\$2,965.00
TOTAL	\$511.46	\$13,303.00
Distance Education Allowance		
Per Student	\$198.80	\$5,169.00
Second Home Allowance		
Per student (up to 3 students in a family)	\$301.13	
Assistance for Isolated Children Pensioner Education Supplement		
Per student	\$62.40	
Parental Income Test		
Reduced payment if income exceeds		\$65,189.00

Summary of changes

September 2022	
Throughout the AIC Guidelines	Typographic, formatting and legislative issues are corrected where identified.
Definitions	Aligned the terms ' dependent child ' and ' second family home ' with the <i>Student Assistance Amendment (2022 Measures No. 1) Regulations 2022</i>
Chapter 3	Section 3.3.1 has been amended in response to the <i>Australian Education Amendment (South Australia Year 7 Schools) Regulations 2021</i> . This amendment included changes that recognise year 7 as secondary school across all schools in South Australia
Chapter 4	Section 4.4.2 Parental work requires frequent moves has been amended to include examples of itinerant working arrangements that are likely to be approved.
Chapter 5	Sections 5.2.1.2 , 5.2.1.4 and 5.3.2 have been amended to reflect the expiration of the coronavirus temporary provisions.
Chapter 7	Section 7.1 has been amended to clarify Services Australia's capability to request a Tax File Number in accordance with the <i>Privacy (Tax File Number) Rule 2015</i> . A new section (7.1.2 End of Year Review) has been created which outlines what an end of year review is, how it is conducted, and that it satisfies the requirements of applicants to claim AIC within the eligibility period.
Sections 5.1.6, 7.2.1 and 7.2.1.3	These sections have been amended to clarify under what circumstances Services Australia may recover debt from applicants and third party organisations. The basis for these changes is within the <i>Student Assistance Act 1973</i> and the <i>Public Governance, Performance and Accountability Act 2013</i>
Sections 6.3.7 and 6.10.2.1	These sections have been updated in response to the <i>Veterans' Affairs Legislation Amendment (Exempting Disability Payments from Income Testing and Other Measures) Act 2021</i> .

January 2023	
Throughout the AIC Guidelines	Typographic, formatting and legislative issues are corrected where identified.
Chapter 4	Section 4.2.3.1 has been amended to clarify that an applicant meets Rule 3 where there has been a disruption to the typical school route, which affects the required travel duration to an extent that would otherwise be approved under AIC.

March 2023	
Throughout the AIC Guidelines	Typographic, formatting and legislative issues are corrected where identified. Examples have been updated to reflect new Parental Income Threshold limits.

September 2023

Throughout the AIC Guidelines	Typographic, formatting and legislative issues are corrected where identified. Examples have been updated to reflect new Parental Income Threshold limits.
Appendix A	Implemented the AIC Payment rates into the Guidelines.

January 2024

Throughout the AIC Guidelines	Examples have been updated to reflect new Parental Income Threshold limits. Worked examples “years” also updated.
Appendix A	AIC Payment Rates updated as per the increase to the allowances beginning January.

January 2025

Throughout the AIC Guidelines	Examples have been updated to reflect new Parental Income Threshold limits. Worked examples “years” also updated.
Chapter 5	Section 5.4.4 has been amended to allow for payment coverage of Distance Education Allowance relating to renewal application for home schooling or education to the relevant state or territory authority.
Chapter 7	Section 7.3.2.2 has been updated to reflect the name change of the Administrative Appeals Tribunal (AAT) to Administrative Review Tribunal (ART). All references made through this document have also been updated. A further update to Section 7.3.2.2 reflects the Minister’s delegations in decision making.
Appendix A	AIC Payment Rates updated as per the increase to the allowances beginning January.