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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Reference: Indigenous education funding arrangements

WEDNESDAY, 27 APRIL 2005

MELBOURNE

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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

Wednesday, 27 April 2005

Members: Senator Crossin (*Chair*), Senators Barnett, Collins, Kirk, Stott Despoja and Troeth

Participating members: Senators Abetz, Bartlett, Buckland, George Campbell, Carr, Chapman, Cherry, Colbeck, Coonan, Denman, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fifield, Forshaw, Harradine, Humphries, Hutchins, Johnston, Knowles, Lightfoot, Ludwig, Mackay, Marshall, Mason, McGauran, McLucas, Moore, Nettle, O'Brien, Payne, Robert Ray, Santoro, Sherry, Stephens, Watson, Webber and Wong

Senators in attendance: Senators Carr, Crossin and Troeth

Terms of reference for the inquiry:

To inquire into and report on:

The implications of the Government's proposed changes to funding arrangements for targeted assistance in Indigenous education, as contained in the Indigenous Education (Targeted Assistance) Amendment Bill 2004, and in particular:

1. Proposed changes to the IEDA and IESIP programs, with reference to:
 - the new tutorial assistance arrangements and Whole of School Intervention strategy under IEDA, and
 - new strategic initiatives for indigenous students in remote areas and the new flagship project for teaching literacy under IESIP.
2. The likely educational outcomes of the Commonwealth's new indigenous-specific funding measures, with reference to:
 - the Indigenous Youth Leadership and Indigenous Youth Mobility Programs, and
 - the Government's objective of accelerating educational outcomes for indigenous students, as stated in the 10-point national agenda for schooling announced in November 2003.
3. The accountability requirements applying to funding agreements made under IEDA and IESIP programs, with reference to:
 - the new framework of performance monitoring and reporting on educational outcomes, and
 - the new financial reporting arrangements.
4. The effect of the proposed funding measures on current state and other systemic indigenous programs, and future implications for the operation of ASSPA committees.
5. The extent of consultation between the Commonwealth and the states and territories, schools and parents, especially ASSPA committees, about policies and details of changes to the Indigenous Education (Targeted Assistance) Act 2000.

WITNESSES

BLOOMFIELD, Ms Auriel Nina, Acting Branch Manager, Indigenous Business Management Branch and Indigenous and Transitions Group, Department of Education, Science and Training, 1

GREER, Mr Anthony, Group Manager, Indigenous and Transitions Group, Department of Education, Science and Training 1

HOFFMAN, Mr Shane, Acting Group Manager, Indigenous and Transitions Group, Department of Education, Science and Training 1

JAMES, Ms Trish, Director, Program Development Team, Indigenous Business Management Branch, Department of Education, Science and Training..... 1

SMITH, Ms Susan, Branch Manager, Indigenous Education Policy Branch, Department of Education, Science and Training 1

Subcommittee met at 1.33 p.m.

BLOOMFIELD, Ms Auriel Nina, Acting Branch Manager, Indigenous Business Management Branch and Indigenous and Transitions Group, Department of Education, Science and Training,

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SMITH, Ms Susan, Branch Manager, Indigenous Education Policy Branch, Department of Education, Science and Training

CHAIR—I declare open this public hearing of the inquiry into Indigenous education funding arrangements. On 6 December 2004 the Senate referred to this committee an inquiry into Indigenous education funding arrangements, with particular reference to the principles underlying funding assistance and the funding model used to deliver it. The committee has been examining the effectiveness of the partnership arrangements between the Commonwealth and states and territories, the effectiveness of current accountability provisions and issues relating to efficiency and effectiveness in the allocation of public funds. The committee is particularly interested in changes made to the processes of parental and community consultation.

I remind witnesses that in giving evidence they are protected by parliamentary privilege and this gives special rights and immunities to people who appear before committees. People must be able to give evidence to committees without prejudice to themselves and any act which disadvantages a witness as a result of evidence given before the Senate or any of its committees is treated as a breach of privilege. I welcome any observers to this public hearing and I also welcome our witnesses from the Department of Education, Science and Training. As officers of the Commonwealth, you will not be required to answer questions which seek an opinion on the merits of government policy. However, you may be asked to describe past and present policy and to discuss matters which public servants take into account when advising on a policy.

As I have done with all the hearings of this committee, I want to begin by formally acknowledging the traditional owners of this country on which we hold today's hearing. As you would know, the committee prefers all evidence to be given in public. I do not for one minute think this will apply to you, but if at any stage you need to give evidence which is either private or in camera we can facilitate that request. The submission which Mr Greer has forwarded to us is submission No 18. Are there any changes or additions that need to be made to that?

Mr Greer—No.

CHAIR—I invite you to make a brief opening statement if that is what you want to do and then we will ask some questions.

Mr Greer—Yes, I would like to make a brief opening statement. The Department of Education, Science and Training welcomes the opportunity to appear before the committee today to enable it to further elaborate, as required, on its submission and to assist the committee as best it can with clarification of matters the committee may have identified in its hearings to date. The committee's suggestion that the department seek to have observers attend most, if not all, of its hearings—particularly those in remote areas—has proven to be quite useful on a number of fronts. That, together with a periodic release of Hansard transcripts, has helped the department to prepare for today's hearings and we trust that we can add some value in that regard. It has enabled the department to hear directly the views of a range of clients, stakeholders and interested others about both what is working well and also where there may be scope for improvement, and it has enabled the department to reflect on aspects of its procedures and seek to continuously finetune its implementation processes for the changes to the program arrangements that have been in place for more than a decade.

We are aware that the committee is to report by 12 May and we seek to assure you of our cooperation in assisting the committee to meet its obligations to the parliament. To that end, to the extent that officials may not be able to fully answer all of your questions today, we will seek to pursue them expeditiously following the hearing. One issue that we noted has arisen consistently throughout the course of the hearings goes to the impact of the 2004 federal election on the process of public consultation during the caretaker period, once the parliament was prorogued at the end of August last year. The department's view was that it would have been contentious to have actively and publicly progressed implementation of the then caretaker government's proposed Indigenous education policy reforms and proposed program directions during the caretaker period. With the outcome of the election known and machinery of government arrangements settled around the middle of October last, the department moved quickly to reinstate momentum to implement the policy settings and directions of the incoming government for the 2005 quadrennium and solid progress has been made and continues to be made on the implementation of the governments Indigenous education policy and program arrangements for the 2005-08 funding quadrennium.

CHAIR—In opening I would like to say that I think it was beneficial that the committee gave your officers an opportunity to travel with us because, from my observation of our travels, it provided people on the ground with the opportunity to talk to those officers at morning tea and at lunch breaks, when that opportunity might not otherwise have been available to them. So I think it was beneficial to us.

Mr Greer—And to ourselves.

CHAIR—No doubt you have had a chance to read our interim report on the inquiry?

Mr Greer—Yes, both the major report and minority report.

CHAIR—What is your response to the interim report, given that what we heard and saw was so distressing to members of the committee after our time in the Northern Territory that we felt compelled to say something to the parliament about what we heard and saw was going on?

Mr Greer—It is not for me to comment on the interim report—that report will be commented on by government, of course—but I can reflect on progress to date. I will look at some of the

headline issues and at the Indigenous Education Agreements per se. In relation to major providers, multinational and bilateral discussions have been held with all major and systemic providers. They were undertaken by the end of February and all of those have been followed through at various levels with detailed consultations and negotiations around targets et cetera. At this stage, three major providers have executed quadrennium agreements for 2005-08: the Catholic Education Commission New South Wales, the Catholic Education Office of Western Australia and the South Australian Commission for Catholic Schools. They have executed those well in advance of the time. They executed them in the previous quadrennium—New South Wales in June 2001, Western Australia in May and South Australia in June as well.

Our expectations are that other major providers will sign progressively during April and May, but perhaps some will slip beyond that. Certainly our expectations are that the balance of the Catholic education commissions will sign within that period. Agreement has also been reached at the level of officials with the Northern Territory Department of Employment, Education and Training and Education Queensland. It is our expectation to formalise the execution of those agreements and we are awaiting the processes of government in those jurisdictions.

Looking at the Northern Territory, if we are in a position to sign off on the 2005 quadrennium agreement in May—which we trust we will—that would be five or six months in advance of the period it took in the previous quadrennium. That particular Indigenous Education Agreement was not signed until October 2001. Similarly, with the Queensland education agreement, we understood that Minister Bligh may have been in a position to sign that before she left for overseas this week, but it will probably not be signed until she returns. We are well advanced with negotiations and target setting with education departments in Western Australia, South Australia and Tasmania. We are also progressing with our negotiations with New South Wales and Victoria. In respect of the minor providers, negotiations have been held with some 190 minor providers of education services. Over 100 of those have been completed and agreement offers have been made. Nearly 90 have signed those agreements, and we are well advanced at other stages with other providers.

In the headline context, if you look at the Whole of School Intervention program to date, projects to the value of some \$6.4 million have been approved at the state and territory level. This is about 26 per cent of the \$24.3 million, which is the Whole of School Intervention Strategy budget for 2005. Of the project approvals—of those \$6.4 million—\$4.6 million relate to PSPI projects. Over 220 projects to date have been approved. If you look at the quantum of the project approvals—the \$4.61 million—it exceeds the flow of funds under the ASSPA program, to compare like with like. At the same time, at the end of April in 2004 I think \$4.29 million of ASSPA funding was in a sense out the door. Our project approvals at this stage are tracking at about 7½ per cent or beyond that.

In some jurisdictions the approvals have considerably outpaced the 2004 cash flow—for instance, in the Northern Territory, by 100 per cent. At the end of April 2004 I think about \$950,000 had passed to ASSPA committees. At this stage in April, twice that amount has been approved for projects. In New South Wales it is up by 82 per cent or an extra \$110,000. In Tasmania it is up by 49 per cent. That is clearly not reflected across all jurisdictions. In Queensland that is not the case. But, in Queensland, our officers are currently looking at \$3 million worth of concept plans that have come forward. In other jurisdictions such as Western Australia, the parties in Western Australia have agreed to a particular pace to progress that.

Likewise, for homework centres, I think there have been nearly \$2 million or \$1.8 million worth of approvals made. On balance there is momentum. Given that this is a convergence of significant changes to programs at the same time as we are negotiating new funding quadrennia with providers, we are quite pleased with some aspects of that.

CHAIR—Can you perhaps explain to this committee the actual policy objectives of the government that are to be pursued by the reform packages?

Mr Greer—Yes. I thought we had set those out or captured them to some degree in the submission. Clearly, the government has indicated that one of its highest education priorities is to close the educational divide between Indigenous and non-Indigenous Australians. In that context, the government's approach for 2005-08 is to make mainstream programs work better for Aboriginal and Torres Strait Islander students, direct resources to programs that have demonstrably improved outcomes and provide greater weighting of resources towards Aboriginal and Torres Strait Islander students at greatest disadvantage—that is, those in remote areas. That, in a nutshell, is the objective.

CHAIR—What do you see as a mainstream program?

Mr Greer—Mainstream programs include state and territory own-sourced funding, but they also include Commonwealth mainstream programs. It includes making the Commonwealth's general recurrent funding for schools work better for Indigenous students. It includes making the SAISO program—that is its former name; it is the \$2 billion over the quadrennium that is provided to the most disadvantaged students for literacy and numeracy—work better for Indigenous students. When looking at mainstream programs, it is not just looking at leveraging the mainstream programs of state, territory and other providers. It is about making the Commonwealth's own mainstream programs work better and then adding to that the supplementary aspects of our limited Indigenous specific funding.

CHAIR—Can you reiterate for me the figures that you gave me last June in estimates? My understanding is that there is around \$16 million for the PSPI program. Is that correct?

Mr Greer—I think that might be correct. If you look at the Whole of School Intervention program, which has got the two elements in it—the PSPIs and the homework centre funding—the aggregate allocation for 2005 is \$24.3 million, in 2006 it is \$24.4 million, in 2007 it is \$25.3 million, and in 2008 it is \$25 million.

CHAIR—And you do not have that split between the PSPI and the homework centres?

Mr Greer—I do not think I have it here, but I could get it—

CHAIR—And the funding for ITAS over those years?

Mr Greer—The funding for ITAS in the global context was \$179 million over the four years, but there are different elements to that.

CHAIR—Perhaps you could take that on notice, because I do not know if the exact amount is relevant for today. How does the policy advance the goal of ending inequality? Can you tell me,

for example, what amount of PSPI funds are currently being given to urban schools versus rural and remote schools? Practically speaking, how do you believe the way in which these new programs are being accessed will ensure that those that are most disadvantaged will receive those funds?

Mr Greer—The government's policy setting on this, as indicated quite unashamedly in statements by the minister, is that funding is being weighted toward those Indigenous students relatively who are at greater disadvantage—that is, Indigenous students in remote areas. In that context, at least 50 per cent of PSPI and homework centre funding is directed to remote areas.

CHAIR—In the case of Queensland, Northern Territory and Western Australia, there is around \$16 million for PSPI. Is there a specific amount you have already decided will go to each state and territory? Are you working on, say, X amount of money for the Northern Territory?

Mr Greer—Yes. As I indicated, there are notional allocations within those aggregate figures. For instance, in 2005, some \$5.64 million of the \$24.3 million aggregate Whole of School Intervention program is allocated to the Northern Territory—at least half of which must be directed to remote areas.

CHAIR—What about Queensland and Western Australia?

Mr Greer—In Queensland, the aggregate—both PSPI and homework centre funding—for 2005 is \$6.447 million. That is the nominal allocation for Queensland in 2005.

CHAIR—And Western Australia?

Mr Greer—It was \$4.463 million.

CHAIR—What about somewhere like Victoria?

Mr Greer—\$886,000.

CHAIR—Therein lies a problem, when you say to us that at least half of those must go to remote communities. Does that include kids from remote communities who might be boarding in cities like Darwin and Alice Springs? Does the new policy, and the way you access the policy, take that into account?

Mr Greer—I need to tread carefully—how can I put this? The current policy settings do not take that into account, but government has listened to those particular issues.

CHAIR—That was particularly so when we went to Kormilda College. Unfortunately, we did not have a transcript of that meeting because, from memory, there were only two senators there. That was an issue whereby that school operates mainly on all of the remote communities coming into town. It is the same with a whole range of schools that we met in Alice Springs. They derive a lot of their Indigenous kids from those that have moved into town and are actually in town.

Mr Greer—As I said, that is a message that has been coming—

CHAIR—Is that an issue that is perhaps under reconsideration?

Mr Greer—It is an issue that has been raised in a number of quarters, including through the committee's deliberations.

CHAIR—Okay, because even if a child is care of St John's College, Darwin, they still may come from Maningrida, for example.

Mr Greer—Yes, understood.

Mr Hoffman—Mr Greer indicated that with those allocations at least 50 per cent must be used in remote. Overall, of the \$24.3 million at least 50 per cent must be used in remote. In a place like the Northern Territory, where most of the students are already in remote, the proportion of funding would be equal to the proportion of students who are remote. For instance, of the \$5.5 million allocated to the Northern Territory, if you assume that, say, 80 per cent of students are remote then you would expect that at least 80 per cent of that \$5.5 million would be directed to remote schools. I am not saying that 80 per cent is; I am saying if you assumed that—it could be 75 or 65 per cent or whatever. Similarly in Western Australia there would be a much larger proportion of students in remote, as opposed to Victoria, which has a very small remote population.

CHAIR—Mr Greer, just going back to what you were saying about mainstreaming policies, and making Commonwealth mainstreaming policies work better, what particular measures in the package of the new Whole of School Intervention and the ITAS tutoring do you think will do this and how will they do it?

Mr Greer—One of the requirements under the school's funding and legislation would be to require providers to have Indigenous education statements in respect of how the funding for Indigenous students under its mainstream GRG funding is used by providers. Under our own IESIP program there will be a requirement for the first time, I think, for providers to report on how unsourced funding is used. As these bed down—

CHAIR—How does that translate down though to little schools like Jigalong or Elcho Island, where we went, when they put in their concept plans? What are you specifically looking at when those concept plans are put in?

Mr Greer—The mandatory issues are well captured in the guidelines.

CHAIR—We keep hearing that. We keep hearing these words and that rhetoric, but you would have picked up through our interim report that there is an inconsistency in the application guidelines and there is confusion out there. There are schools we met in Cairns that put in pretty much identical concept plans; one has been accepted and one has not. We are just trying to get a handle on what makes the bar and what does not make the bar and how that is applied consistently.

Mr Greer—The guideline have gone out uniformly to all providers and certainly to all our offices. This very much is a devolved program—that is, the decisions on this program are not

made in Canberra; they are made at the state and territory level, largely through partnership arrangements and so forth.

CHAIR—Is that where the inconsistency arose?

Mr Greer—Some of it may have come through there. We have been alive to that, including through taking a careful note of what has been coming through the transcripts. We have intervened to further finetune some of the guidelines or the directions for greater consistency in handling that. We can talk to those.

CHAIR—On another issue, how does the new package actually direct resources to programs that have demonstrably improved outcomes? What are you looking for when you speak that sort of language? Which programs are in and which programs are out?

Mr Greer—A good example is that the minister indicated when he initially announced these changes back in April last year that a number of programs had demonstrably worked and he was looking at putting in place some flagship arrangements. A good example of that is the \$14 million that has been quarantined to support scaffolding. Ms Smith can talk in detail about that. If you look at the scaffolding initiative—including the joint venture, which we are about to move to with the Northern Territory administration—we are hoping that, by linking our funding and contribution to that of the Northern Territory, the Northern Territory will become a lighthouse jurisdiction to drive the scaffolding approach or the accelerated literacy approach. If we do that, over the four years we will be looking at taking this approach to accelerated learning to 10,000 students—90 per cent of whom are in remote areas—and doing that in 100 schools across the Northern Territory, including retraining 700 teachers in this pedagogical approach.

CHAIR—We have some questions about that a bit later. You would have seen from the transcripts that there are many states and territories who are not happy that all of that money just went to the Territory. We want to explore that a bit later. The thing that we heard the most evidence about and the issue that concerns us the most is about the programs that are being put up through the concept plans. What is in and what is out? What got in, according to what we discovered, depended on how well the school principal could actually write the plan as opposed to consistency in evaluation or performance against any educational outcomes.

Mr Greer—You need to balance that with your own findings, but from where we are sitting the notion of using concept plans was essentially to avoid that. It was to enable schools, particularly schools who may not have the capacities that better resourced schools have, to write applications. It was a simple tool—a three-page document to capture what it was that a school might have wanted to do to enable the department or the assessing group to work with that school to further flesh that out if the thought was mirrored in that. Again, having read some of the transcripts, I think some disappointment may have entered into these arrangements to date because a number of schools, perhaps of their own volition, went beyond in the initial stages filling out the concept plan—a short, three-page format—to actually moving in one fell swoop to a full-blown application.

CHAIR—But we did hear, where schools got some feedback, that they did not provide enough information. They had to revise and resubmit their concept plans. And so the advice that

the officers in the field were giving right across the three states was inconsistent. There was an awful lot of confusion happening out there.

Mr Greer—As I have mentioned, we have been alive to aspects of that and we have taken approaches to try to put greater levels of—

CHAIR—How have you done that? What have you done?

Mr Greer—We have circulated information to all of our jurisdictions, largely on the basis of the overwhelming approach that we received from the first round of concept plans in the Northern Territory. It gave a critical mass of concept plans where you could broadly characterise, in a sense, what is in scope, what is not in scope, what should be looked at from other programs and details like that. For instance, nutrition programs—where it can be shown that the program has an effect on school attendance or educational outcomes, and particularly where the community, or the parent community, is prepared to contribute to that also—were initiatives that should be getting up. I think, if you look at the array of projects that have been approved to date, that character is coming through. Professional development courses, perhaps, should not be getting up. There are mainstream programs and other fundings for that.

CHAIR—I plan to go into that in a bit of detail later, because we have a number of examples that will contradict what you have just said. For the time being, though, let us stay on the issue of holistic funding arrangements. No doubt, under this new proposal, there will be some schools and communities that will get a reduction in their funding from previous years. In a competitive tendering process, some schools will have a reduction. Is that correct?

Mr Greer—It is fair to say that that is probably the case. Let me put it another way: if you look at the ASSPA funding in 2004—I think it was 2004 but it might have been even earlier than that—a table that was produced in the review says that, of the 3,800-odd ASSPA committees that were being funded, nearly 51 per cent—50.6 per cent—of those were receiving less than \$2,000 annually. In fact, 600—a third of them—were receiving less than \$500. Another third were receiving less than \$1,000.

CHAIR—But that is assuming that, if you were receiving less than \$2,000, you would have had a very small number of Indigenous kids in your school; I am assuming that that would probably be an urban school. Your current policy is going to reiterate that, isn't it, because you want to shift the money from urban schools to remote schools?

Mr Greer—The government's policy is to redirect resources to areas of greater disadvantage—that is, remote areas—but to link the funding more demonstrably to improved student outcomes.

CHAIR—On a competitive tendering basis?

Mr Greer—Yes.

CHAIR—Let's discuss Wadeye: the Prime Minister arrived there some weeks ago and, from my memory, announced funding of \$114,000 over three years plus a one-year funding of \$40,000 for a nutrition program. Wadeye tell me that last year they received \$104,000 in ASSPA funding. If you aggregate the 114,000 over three

years—if you break that down on a year by year basis—then surely Port Keats has got a reduction in funds, on a year by year basis for the next three years, compared to what they would have got under ASSPA.

Mr Greer—No, I do not necessarily agree with that. Essentially, reflected in that announcement were projects approved out of the first or second, or first and second, rounds. So it could well be that Wadeye as a community, in the other funding gateway opportunities—because this year there are five gateway opportunities to submit concept plans and applications. What were announced in Wadeye early in April were two project proposals that may have come forward from those first one or two gateways.

CHAIR—But if Port Keats either fail to submit an application in this year for the rest of the rounds or are unsuccessful for the rest of the rounds, their funding for this year will be less than that for last year. Is that correct?

Mr Greer—Alternatively, they may submit concept plans and applications for robust projects that will enhance the student outcomes in that community and attract great levels of funding.

CHAIR—Conversely, if they do nothing else or they are not successful for the rest of the year, it is a reduction from what they had last year.

Mr Hoffman—They may also have projects which they have already submitted as part of their concept plans in round 1 and round 2, which are still being negotiated with them. It is not uncommon—in fact it is very common—for schools, particularly in the Northern Territory, to have put in for a number of projects in their concept plans in round 1 and round 2. Some projects have been approved, some projects are still under discussion, and some projects have been referred to other, more appropriate funding agencies. So it may well be that there are a number of projects which have already been submitted.

CHAIR—Tell me about that. Perhaps we might be digressing here, but you have just said that some have been referred to other appropriate funding agencies. What do you mean by that? Does that mean that any request for a nutrition program has been handballed off to Health?

Mr Greer—Not necessarily. A good example of that might be—and it is my understanding that this is an issue that Senator Carr picked up in a recent release—the PSPI applications put in at Ngukurr School. My understanding is that representatives of the ICC are visiting that community this week, I think it is on Friday, to see how some of those areas, particularly music and the like, may in fact be initiatives that the department of arts and heritage et cetera could pick up.

CHAIR—But there is no discrete funding in Health, FACS or DCITA like the funding there is in Education under the Whole of School Intervention that would automatically fund those—and this is where the inconsistency comes.

Mr Greer—That is one source of funding. A good example might be Maningrida. Sure, as an ASSPA contribution last year, I think they attracted something like \$109,000 at that school. My understanding is that, out of the projects that have been approved to date, there has been one project at least approved there—about \$34,000. But, in addition to that, Maningrida has a

nominal or a notional entitlement to IESIP-SRA, the per capita funding, of \$379,000 or \$380,000. I assume that the school has access to all, most or some of that.

CHAIR—But that \$380,000 is money that is paid through the Northern Territory government.

Mr Greer—Yes, but in respect—

CHAIR—But it may well be used to employ AIEWs or Aboriginal education curriculum advisers. That \$380,000 does not directly go to Maningrida School; it is part of the system.

Mr Greer—But what I am saying is that Maningrida as a school generates \$379,000.

CHAIR—But it is not money that is directly paid for them to use at their discretion. As part of the whole-of-government system, the Northern Territory then decides as a whole how that money is going to be used.

Mr Greer—The Northern Territory may make that decision, but, at the end of the day, what I am saying is that that school has a nominal entitlement of \$380,000.

CHAIR—But you and I know that is not how it works. It does not work like that. It has not worked like that for the last 15 years. The money that you have just quoted to me is part of the millions of dollars that go to the Northern Territory government and provide for their whole-of-government programs or staff or resources for those kids.

Mr Greer—Yes, but, in the Territory, as in other jurisdictions—I do not want to pick on the Territory, but this is what I am saying—in respect of the kids at those schools, not only do they attract state or Territory own-sourced funding for those students; they also attract GRG—general recurrent funding—out of mainstream schools funding. They should be able to be attracting and getting their slice of the SAISO funding. For instance, on my understanding, the SAISO funding is \$25 million.

CHAIR—They probably are, but, under the PSPI, where they would have been used to getting \$109,000 discretely to that school to use at their discretion, to date this year they have only had \$34,000 given to them. We are just digressing a bit. I just want to go back to the Ngukurr example. This is the problem. This is what we heard across the three states. Principals are putting in concept plans. They then get a phone call from DCITA or from the DEST officers, who say, ‘Actually, I think the music program you have put in for might be best funded by DCITA.’ The principals say, ‘Why didn’t I know that before I spent hours writing this concept plan?’ Or it may be: ‘Your nutrition program might be best funded out of Health. Go and write a grant application to Health and see if you can get funding from Health for your breakfast program.’ They say, ‘If that is the case, why did I bother to do this?’

There is mass confusion out there about exactly where the buckets of money are sitting and how people get access to them, whereas last year it was an automatic payment and schools had the discretion. Having read your IEDA review many times, I believe there might have been very few schools which did not use that money with the best intentions to achieve educational outcomes. I suppose one of the things this inquiry has brought up is that there is still mass

confusion out there and no consistency. Why is it that Ngukurr has now been told that other funds might be the best source for their programs? Why can't it be provided out of the PSPI funding?

Mr Greer—Because PSPI is a more limited pool. It is focused on linkages with the school plan and how you might better improve student outcomes. In saying that, there may be aspects of initiatives that the community or the school is looking for that can be better handled in a whole-of-government context by contributions from other mainstream programs—that is, for music, art and language programs, which are not a mainstream responsibility of education.

CHAIR—When are music or art programs not a mainstream responsibility of a holistic educational outcome for a child?

Mr Greer—I think the Indigenous specific aspects of those art programs may have transferred to DCITA. But, as I say, just using that one school as an example, I understand that the relevant ICC is visiting that community this week to look at how some initiatives which may not have the weighting they may have expected under PSPI may be able to be picked up in—

CHAIR—That is another issue. As we have gone around with this inquiry, we get countless letters from communities. We either put out press releases or make public statements. The government seems to then react. They send people from the ICCs. I almost feel I have to go to nearly every community in the Northern Territory to get proper and consistent assistance from this government. It seems that those who are not making the loudest noises are just lost out there in the quagmire.

We have been inundated with schools, by either email or telephone, saying, 'If I contact the senator's office'—either my office or Kim Carr's office—'that's the way that we can get some of this business sorted out.' There are still major problems out there that I do not see being addressed. Ngukurr has to write to us before the ICC decides that it is going to get out there.

Mr Greer—I am not sure what the chronology of that was. I too have seen some recent correspondence from the community to the minister, and copied to yourselves, but I am not sure that has been a causal effect or whether the ICC was not planning to do that. I do know that the ICC is visiting that community.

Senator CARR—Mr Greer, I do not think I have ever seen a more botched program, when it comes to public administration, and I have been involved in this industry now for quite a few years. I may not have been involved in it for as long as you, but I would not be far from it. In terms of what you have read, in relation to the proceedings before this committee, precisely what matters have you changed since these guidelines were announced and since these proceedings of the committee started?

Mr Greer—In what sense?

Senator CARR—In your opening submission you indicated that a number of matters had been drawn to the attention of the department, that the proceedings of the committee had proved useful and that they had helped and enabled the department to hear from people reflecting on aspects of your procedures. Mr Greer, could you tell the committee precisely what aspects of

your procedures have now changed as a result of the evidence that has been brought forth by this committee?

Mr Greer—As I mentioned earlier, we have certainly been largely building on the critical mass that we received when we were in the Northern Territory. There has been some finetuning on processes for national consistency in respect of the character and types of projects that may have come forward, be they requests for course fees, transition arrangements, incentives, capital funding, IT, consultancies, employment, nutrition, the finetuning of policy around excursions or cultural activity. Similarly, it could be requests for funding for: Crocfest activity; sport projects that have a sporting characteristic; professional development, whether that is in scope or out of scope; or in-class tuition. As I mentioned before, it could be getting greater consistency around handling issues or projects that might come forward under this program. It might be looking for capital funding for music or parental engagement. In addition, one of the other areas has been—and, again, this is largely as a consequence of the committee's activities—a greater consistency in the department's response to clients, principals and schools and in the advice of informing them how their concept plans or applications have been going. Clearly, some of the committee's work has shone a light on to some inconsistencies that have been going on in that area.

Senator CARR—So, Mr Greer, are you now giving this committee an assurance that we do now have a nationally consistent approach for the administration of Commonwealth programs in Indigenous education?

Mr Greer—We do have a nationally consistent approach. What we are saying is, as I said in our opening statement, we have from the evidence of the committee looked to further finetune aspects of that implementation.

Senator CARR—So is nutrition in or out?

Mr Greer—As I mentioned earlier, where nutrition programs can be linked to an attendance strategy, which therefore may improve literacy and numeracy, and particularly if there is a contribution from the parent or the community, they are demonstrably in.

Senator CARR—Two weeks ago the Principal of Parramatta State School in Queensland was told that excursions, teacher aides, tutors, professional development of teachers, NAIDOC, sports, nutrition programs, resources, artists, workshop presenters, camps and fees are not being funded. This was a fortnight ago. On the one hand how can you tell me that you are finetuning this position, giving us a nationally consistent approach, which I would have thought was absolutely fundamental to the proper administrative practices in any Commonwealth department, while on the other hand we have correspondence here saying that those things are not being funded?

Mr Greer—I think I have a copy of a letter dated 4 March from the manager of the DEST Cairns district office in which he mentions that under the program we will not be funding excursions, teaching aides, tutors, professional development of teachers, NAIDOC, sports and nutrition programs. One of the areas of finetuning was improving communication from the department to applicants. If he was talking there about nutrition programs by themselves that do not have a link to an attendance strategy that will improve education outcomes, I would agree with him.

CHAIR—But it does not say that.

Mr Greer—That is what I am saying; it does not say that. What it should have said and what we are trying to do, again largely as a consequence of some of the issues that the committee has been turning up, is to improve that level of advice—and we have already taken that up—

Senator CARR—You said ‘finetuning’. The word ‘not’ was taken out, so you will be funding?

Mr Greer—No. What I am saying—to put it in its fullest context—is that we would be supporting nutrition programs—

Senator CARR—Mr Greer, how did this level of confusion and chaos and failure to communicate come about?

Mr Greer—You are assuming there is a failure to communicate.

Senator CARR—I think you have just conceded that.

Mr Greer—I am saying that some of our communications could be finetuned, and we are doing that.

Senator CARR—How did it come about? How is it that we are now into the second term of this school year and on 4 March this sort of letter is still going out? How did that happen?

Mr Greer—That is from 4 March. That is going back some time.

Senator CARR—How did it happen? Mr Greer, that is my question.

Mr Hoffman—I think Mr Greer referred earlier in evidence that this program is a devolved program. It is operated by our network; it is not operated out of our national office. It is obviously far easier to keep a consistent approach if it is all done in national office, but it is not. It is very much a decentralised process and a devolved program. It is a new program.

Senator CARR—Mr Hoffman, are you blaming the regions?

Mr Hoffman—No, I am not. I am just saying that with a new program I do not know that it is possible to foresee every situation. When these things are drawn to our attention—that there is a need to finetune the advice that we provided to providers—

Senator CARR—We heard right across the country that the problem was that they could not get clear advice from you—not you personally, but from the central office. So the regional officers say, ‘It’s central office’ and the central office says, ‘It’s regional office.’ Kids miss out.

Mr Greer—No, we are not saying that. You opened this about communication, and Mr Hoffman was saying—

Senator CARR—Sorry, I am not making myself clear—is that what you are saying?

Mr Greer—No. Mr Hoffman was saying that there had been considerable communication. We are not pointing fingers or putting this to our state and district colleagues. Take the Northern Territory, for instance: in the period from April 2004 to April 2005 there were something like 695 DEST officer meetings at 187 schools and communities to work through with those schools and communities these arrangements. If we look at visitations, once the outcomes of the election were known the incidence of visitations by DEST officials to schools between term 3 and term 4 in the Northern Territory increased by 45 per cent. In term 3 something like 294 visits increased to 425 visits to work with communities on these changes.

Senator CARR—Mr Greer, if they are as clear as the advice that you are providing me with, it would not matter if you had a million meetings. Nothing would change. The communication problem, I suggest, comes from the top. We are not clear as to what you are proposing. That is my observation from visiting and talking to people. I am surprised the Commonwealth officers who do this full time could not pick up this information much earlier than they did.

Mr Hoffman—I want to make a point about the nature of the program. The program is designed for local communities and schools to work together—Indigenous parents and schools—to identify local barriers to achieving education outcomes and to identify local solutions to address those. It is not possible to say that nationally the barriers are the same in every local community and the solutions are the same and therefore these are the solutions which we shall prescribe. The nature of the program is such that it was designed to allow flexible approaches at the community level.

Senator CARR—I want to get a few other issues sorted out. There are five officers here today, four of whom are in acting positions—why is that?

Mr Greer—It is a bit of a knock-on effect. The secretary of the department is absent on bereavement leave at the moment. As such, the deputy secretary is acting secretary.

Senator CARR—So it is a temporary arrangement?

Mr Greer—Yes.

Senator CARR—So I cannot look to this as an explanation for there being a lot of change in head office?

Mr Greer—No. The change you are seeing at the table this week is the change for this week.

Senator CARR—That is fair enough. I am trying to find my way through this little difficulty. Coming back to the procedural arrangements that were entered into, you have placed great emphasis on the question of the election as being a reason for there being such a delay in the arrangements. When did you approach the opposition to discuss the implementation of these agreements?

Mr Greer—The opposition was not approached.

Senator CARR—Was not?

Mr Greer—No. Senator, as you would be aware—as you pointed out, I think—the business of government and the ordinary matters of administration still need clearly to be addressed during the caretaker period. As you are aware, successive governments have followed a series of caretaker conventions which aim to ensure that actions do not bind an incoming government or limit its freedom. One key focus is that government, in its caretaker role, should avoid making major policy decisions that are likely to commit an incoming government. Relevant considerations about a matter which is a major policy decision include not only the significance of the decision in terms of policy and resources but also whether the decision is a matter of contention between the government and the opposition in an election campaign.

A major understanding in this context that needs to be considered is whether the commitment involves a routine matter of administration or, rather, implements or entrenches a policy, program or administration structure which is politically contentious. You may be aware that on 9 August 2004, some two to three weeks before the parliament was prorogued, the Deputy Leader of the Opposition and shadow education minister, Ms Macklin, in a debate in the House of Representatives on the Indigenous Education (Targeted Assistance) Amendment Act, stated:

Labor is ... opposed to the measures in the bill that prevent funding from flowing to Aboriginal children until they fail a year 3 literacy test.

... ..

Labor do not support the submission based funding model ... and, if we do win the election, ... Labor in government will introduce a funding system that will promote, not hinder, Indigenous parental involvement in schools.

... ..

We will not make parents write submissions for funding to encourage parental involvement or for the running of breakfast or homework clubs. Labor will make sure that ... literacy ... is available right from the start of a child's education. We will not be waiting until a child fails their year 3 test.

... ..

I want to finish by saying that these changes will not proceed if Labor are elected.

Against that background it was considered that it would have been contentious for the department to have actively and publicly progressed the caretaker government's policy position on its proposed Indigenous education reforms during the caretaker period.

Senator CARR—It is fair enough that you should take those statements at face value, but at no point did you raise these matters with the opposition during the caretaker period.

Mr Greer—That is correct.

Senator CARR—At no point did you discuss the implementation of other aspects of the program which were not contentious.

Mr Greer—What aspects might they be?

Senator CARR—Parental committees, for instance. Do you think that the parental committees issue could have been advanced at all?

Mr Greer—No. Ms Macklin had made clear that the opposition's position on that would be that those changes to ASSPA and ATAS would not proceed if Labor were elected.

Senator CARR—Let us take that at face value. Can I take you to a previous Australian National Audit Office report that expressed concerns about the Indigenous education strategies. I refer you to report No. 43 of 2001-02. Are you familiar with that?

Mr Greer—Yes. I do not have a copy here. It has been some time since I read it.

Senator CARR—I do not expect you to carry that with you. But would you agree with me that the assessment made at the time by the Audit Office was that the department was heavily criticised in the previous rounds of funding because the time frame set by the department for schools and for systems to prepare for the implementation did not allow sufficient time for community consultation, which resulted in division, disagreements, delays and various amendments to agreements? Would you agree with me that that was the thrust of the Audit Office's recommendations to you?

Mr Greer—To put that in context, my recollection is that the Audit Office may have been looking more generally at the IESIP arrangements for the last quadrennium. Those IESIP arrangements were introduced at the same time as the major changes were taking place in schools legislation, particularly in respect of the introduction of SES arrangements and so forth, and jurisdictions were reluctant to move to finalise their position on IESIP until they had finalised their position on the schools legislation. That reflects—

Senator CARR—I see the point you make, but the auditor did not see it that way, did he? He criticised the department directly for its failure to appreciate the time needed to deal with these issues. With this set of changes, which are even more complex, and with an election right smack in the middle of them, why didn't the department take steps to address the concerns that have now been borne out, and repeated, in fact, right across the country with regard to the timetable for the implementation of these agreements?

Mr Greer—If you stand back and look at the context of many of the reports, you will see that, from memory, many of the observations made in respect of the ANAO report—and as I say I have not read it recently—related to the implementation of the IESIP arrangements, not so much the IEDA arrangements. In relation to the IESIP arrangements, the advice of the ANAO was heeded and picked up. One of the observations, from memory, was that before you enter into formal negotiations with providers you should take the opportunity to explain government's position, and that was followed. There were multilateral discussions with all the major providers here in Melbourne on, I think, 3 December last year, immediately following the outcome of the election and the settlement of machinery of government processes, which explained post election what the government's position was. That was before we commenced formal negotiations and bilateral arrangements in January. Similarly, observations in the report about streamlining aspects of accountability and reporting arrangements were picked up and reflected.

Senator CARR—In retrospect, do you think a transitional year would have been helpful?

Mr Greer—In hindsight, it may have been useful if some of the subsequent finetuning we have identified had been anticipated and built in from the start. But at the end of the day we are still not able to formally pass funding through until such time as we have education agreements in place. One of our processes to address that was to offer all the providers the flexibility of entering into an Indigenous Education Agreement without requiring the last dot or target to be set under an SRA schedule. Traditionally, much of the Commonwealth-state argy-bargy is around setting stretch targets and what have you before being able to activate, far earlier in the piece, stand-alone schedules.

CHAIR—But you did not need those to be completed to go ahead with the PSPI funding, because that is a direct Commonwealth-to-schools program.

Mr Greer—For this quadrennium the IEDA program has been brought under the Indigenous Education (Targeted Assistance) Act. In previous quadrenniums—

CHAIR—I know that, Mr Greer, but you did not need state and territory governments to sign off on their four-year agreement for you to have started to fund schools under the PSPI, because you fund schools directly under PSPI.

Mr Hoffman—Not all states allow individual schools to enter into contracts or agreements.

CHAIR—We know that is the case in WA.

Senator CARR—In the case of WA, parents still got the money. It was not deemed as money paid to schools; it was paid to a committee. That is how the Western Australian funding arrangements were made. You did not need a four-year agreement, as the Western Australian officials quite clearly pointed out. That is no excuse whatsoever for a wholly owned Commonwealth program entirely administered by the Commonwealth in terms of the payment of moneys to those committees.

CHAIR—In the Northern Territory and Queensland, you did not need the Northern Territory and Queensland governments to sign off on those four-year agreements.

Mr Greer—Under the guidelines we require funding to be provided to incorporated bodies. The vast majority—

Senator CARR—Is that a change?

Mr Greer—Yes.

Senator CARR—A further change. My point is this, Mr Greer: with the complexity of these arrangements, why was there no transition year? Why didn't you approach the opposition during the caretaker period to give you a transition year?

Mr Greer—I think we have canvassed why we could not.

Senator CARR—That was about why you did not approach them at all, not why you did not approach them about a transition year. Given the nature and complexity of the changes and the previous criticism of the Auditor-General, I cannot for the life of me understand why you did not anticipate this level of chaos.

Mr Greer—I am not sure there is a level of chaos. As I said before, when you look at some of the metrics on this, the rate of approval of funding under the—

Senator CARR—So we have to compare 2001—

Mr Greer—No. I am saying 2004. What I said earlier, Senator, was that the rate of approval of projects under PSPI arrangements to the end of April 2005 has outpaced the rate—

Senator CARR—You have actually confused two concepts. You said the rate of cash flow—

Mr Greer—Sorry.

Senator CARR—and the rate of approvals. I think they are different concepts—but that is neither here nor there. The issue here is not whether or not there is a good comparison between 2004 and 2005. That does not tell us very much other than that things were pretty bad in 2004. Given you have a new set of guidelines in place and you say it is a new program and you have had experience in the past of the Auditor-General providing you with advice, the question is why you did not seek a transition year.

Mr Greer—A transitional year was not envisaged as being required or as necessary.

Senator CARR—That is the issue: you did not think it was necessary. Is that right?

Mr Greer—As I say, Senator, if you look at the passage of approvals, the pace is matching that at which funding was flowing last year.

Senator CARR—That does not fill me with confidence because, the way I hear it, there are thousands of kids across the country going without.

Mr Greer—I am not sure that is necessarily the case.

Senator CARR—You do not think that is right? You have read the transcripts.

CHAIR—We visited an awful lot of schools and, where we could, we facilitated schools to come to us. The day we spent at Ross Park Primary School, we had nearly every school in Alice Springs there. We had roundtables in Darwin. We managed to lock into a conference of remote schools from WA in Perth. So I would say, in the course of our three weeks of hearings, we easily heard from more than 40 schools—I am sorry, but I did not go through the transcript and count up the exact number. Nobody said to us they had a resoundingly clear, comprehensive understanding of the process and that the guidelines were perfectly evident to them about what they were or were not applying for.

Senator CARR—I think there is ample evidence to support the claim that thousands of students are going without.

Mr Greer—I am not sure about that, Senator. I would look at some of the evidence that has been given to the committee, particularly evidence in Western Australia. I think the Western Australian department said that they are settling on a pace that suits that department and jurisdiction. It is ensuring that it is locking into processes that their schools, principals and communities are comfortable with. I think that was the evidence of Mr Somerville. I noticed recent strong support for the parent-school partnership approach by the New South Wales AECG, which fully supports the Parent School Partnerships Initiative.

Senator CARR—You mentioned Western Australia. Let us have a look at their submission. It will give you a chance to deal directly with their claims that have been put to us. I am talking about this whole-of-government approach to Indigenous affairs. Recently Minister Abbott made some comments about the role of vocational education for the new CDEP. He also indicated that the government has some big plan for vocational education.

The submission from the Department of Education and Training in Western Australia states:

The exclusion of Indigenous students enrolled in the Vocational Education and Training sector from ITAS in the new *Indigenous Education Programs Provider Guidelines* is a major anomaly.

... ..

To deny support to Indigenous students in the Vocational Education and Training sector, when their support has clearly been flagged as a national priority, is difficult to comprehend. The anomaly is underlined by the new guidelines allowing Indigenous students enrolled in Vocational Education and Training in schools programs to access tutorial support through ITAS, while students undertaking similar studies within the Vocational Education and Training sector are not.

Can you explain to me why it is that this situation has occurred?

Mr Greer—My understanding is that, by and large, access of VET students to ATAS funding in the previous quadrennium was limited. Those policy settings did not really change. ATAS has not been available to TAFE institutions as such. However, approximately 600-odd students received ATAS tuition for VET subjects during 2004, so there seems to have been some assistance outside of the guideline provision.

Senator CARR—Do you think that is an adequate explanation?

Mr Greer—I am indicating what my understanding of the background to VET access to tutorial assistance has been. Whether or not there is a new policy argument that VET students should have access to tutorial assistance is a separate issue.

Senator CARR—You say that the Western Australians are about to sign up to this agreement?

Mr Greer—Negotiations with Western Australia are well advanced with regard to targets and the like. I will check my records. My understanding is that, following the bilateral discussions on 25 January and subsequent follow-up discussions on 14 February, 4 March and again on 4 April,

agreement had been reached on all but two SRIs or performance indicators at officer levels, the jurisdiction had agreed to report on quartiles, a draft schedule had been provided to the jurisdiction on 6 April but still needed some departmental input in order to finalise, ICT in-class tuition benchmark data had been provided, the WA department had agreed to deliver in-class tuition, the ICT schedule had been agreed to in principle, there were still some negotiations around ESL, and a letter had been received on the 21st suggesting some minor changes in the schedule. Unless you have information to the contrary, we were anticipating that we may be in a position to sign an agreement with Western Australia in the course of May.

Senator CARR—Do you agree with their assertion on page 7 of their submission that the Commonwealth minister has the unilateral power to set or vary performance targets at his discretion?

Mr Greer—No, I do not necessarily agree with that. If I could find the briefing I could tell you why that is the case.

Mr Hoffman—It is not the case. The Commonwealth minister does not have the power either under the act or under the Indigenous Education Agreement. The Indigenous Education Agreement is just that: an agreement between the Commonwealth and another party—in the instance we are talking about, it is the government of Western Australia. The agreement is entered into freely by both parties when both parties agree to the targets that are included in the agreement.

Senator CARR—So does the minister have the power to vary the targets?

Mr Hoffman—Not without the agreement of the other party.

Senator CARR—Under clause 29 of the proposed agreement, does the minister have the power to terminate the agreement in various circumstances?

Mr Hoffman—He does.

Senator CARR—Including where the state is unable to demonstrate progress to our—that is, the Commonwealth's—satisfaction towards achieving the performance targets?

Mr Hoffman—That is correct.

Senator CARR—They are the words in the agreement. Are they still in the agreement or have they been deleted?

Mr Hoffman—They are still in the agreement.

Senator Carr—What is the ordinary meaning of those terms to you, Mr Hoffman? Do they give the minister the power to terminate the agreement?

Mr Hoffman—They certainly give the minister the power to terminate the agreement, but they do not give the minister the power to unilaterally set the targets, which is what was suggested.

Senator CARR—However, if the targets are not being met—

Mr Hoffman—But they are the targets which are agreed.

Senator CARR—Are they unilaterally determined? Who agrees whether the targets are being met or not?

Mr Hoffman—It is pretty obvious. By definition, targets are to achieve a certain level of performance against an indicator, and the evidence which is provided by the provider indicates whether that level of performance is being met.

Senator CARR—So it is unilateral; it does not require agreement that they are not being met?

Mr Hoffman—The issue relates to whether the minister can set or vary the targets unilaterally and I am suggesting to you that the answer is that he cannot.

Senator CARR—You are saying that the targets must be genuinely agreed?

Mr Hoffman—Genuinely agreed between the parties.

Senator CARR—Does the Commonwealth have the power to reduce funding?

Mr Hoffman—The Commonwealth does.

Senator CARR—At what point?

Mr Hoffman—I would have to look at the legislation.

Mr Greer—My understanding of this is that these conditions are not new conditions. These conditions have been attached to previous arrangements. Essentially we are saying that, once there is an agreement in place with agreed stretch targets, that is the agreement that runs for the quadrennium. In the course of that quadrennium there is a robust performance monitoring regime. If, in the course of that monitoring regime, there is a pattern of consistent underachievement, there is an opportunity for the Commonwealth, through the minister, to intervene. That intervention might be to say: ‘Hang on, what’s going on here? Why are we not achieving? Why is the jurisdiction not achieving these targets? Is it an issue of some additional resources that may be required? What is it?’ It may be that some further agreement on strategies should be in place for the duration of that agreement to see how you may bring the performance of that IEA back on an even keel.

Senator CARR—Under the terms of this agreement, the Commonwealth can reduce money when it suits it?

Mr Hoffman—No, not when it suits. The specific condition relating to recovery of payments is that, if a payment is made to a provider under an agreement which sets out one or more conditions and one or more of those conditions are breached, the minister may, by notice sent to the recipient, require the recipient to repay the Commonwealth.

Senator CARR—That is, moneys already paid—

Mr Hoffman—Moneys already paid; if there has been a breach.

Senator CARR—and if the Commonwealth deems there has been a breach.

Mr Hoffman—There would have to be a breach.

Senator CARR—Yes, but the Commonwealth has to deem there is a breach. It does not require the agreement of the other party that there has been a breach.

Mr Hoffman—The other party could take action under the dispute resolution provisions of the Indigenous Education Agreement.

Senator CARR—What are they? Who do you appeal to?

Mr Hoffman—I would have to—

Mr Greer—While Mr Hoffman is looking for that, Senator, the point I would make here is that my understanding is that these arrangements are not new; they have been a feature of schools quadrennium funding for the last quadrennium and they are largely arrangements which were a feature of the IESIP agreements through the last quadrennium.

Senator CARR—Is this what the states were objecting to?

Mr Greer—As I say, our advice from Queensland is that agreement has been reached on the agreement, the targets and so forth, including the level of stretch. According to our advice, that is the case for the Northern Territory as well, certainly in respect of the non-government systems, the Catholic systems—

Senator CARR—Yes. The Catholic education systems are entirely dependent on funding from the Commonwealth. You can understand why they would be anxious to agree. But I have read the submissions, and the impression I get, Mr Greer—this is where I have asked you to correct me if you think that this is not the case—is that the Commonwealth is demanding that these changes occur and the states either agree or do not get any money.

Mr Greer—No, what we are saying is that I thought—again, I do not have the direct quote here—there was also a reference by Mr Somerville in evidence to the committee that in fact the negotiation processes for this quadrennium were on a more conducive basis than in the past quadrennium and that the possibility or the opportunity to set realistic but significant and measurable outcomes was welcomed.

Senator CARR—On the contrary, what the submission to the committee said—

Mr Greer—I am talking about evidence given before the committee.

Senator CARR—Sure, but the submission says:

In addition to more detailed specification of the audit and reporting requirements—

this is on page 7 of the WA department submission—

financial accountability provisions of the Act and Agreement have been expanded to include mandatory reporting of other expenditure on Aboriginal education by the State of Western Australia.

It goes on to say:

While it is not unreasonable for the Commonwealth to demand that State efforts in the field of Aboriginal education ... do not diminish, it is not appropriate to require additional reporting on “Other Funds” as a precondition of funding under the proposed Agreement.

How else could I read that other than as a ‘stand and deliver’ approach by the Commonwealth?

Mr Greer—We did indicate that a feature of the Commonwealth-state schools agreement for the new quadrennium will be a requirement to provide an Indigenous education statement, to identify how Commonwealth funds provided under that agreement—that is, the general recurrent grant funding—is being used by providers. In the course of that, the states may take the opportunity to provide more fulsome descriptions of how they are using their own funds.

Senator CARR—The submission also says that there are unresolved issues, but you are telling me they have now been fixed. But the Western Australian government says that the information the Commonwealth wants collected is not currently collected by the state. Has that matter changed?

Mr Greer—I am not sure what that matter was specifically about. If that matter was about reporting on quartiles, yes, that has changed, and my understanding is that WA has agreed to report on quartiles, as have all jurisdictions.

Senator CARR—So there are no outstanding matters for the state of Western Australia?

Mr Greer—No, I did not say that. I thought when I read my briefing note there that I said that there were a couple of issues. I am not precisely sure what they might be, but I will get back to you on those.

Senator CARR—Mr Greer, you told a Senate Administration of Indigenous Affairs committee on 4 February that the department of education had an objective that they would end inequality between Indigenous and non-Indigenous Australians in education in eight years.

Mr Greer—I think you or Senator Crossin asked a question—

Senator CARR—I asked the question.

Mr Greer—about what our goal was. I think I indicated that our aspiration was to endeavour to look for significant and measurable closure of the gap in this quadrennium. As a proxy of that, we might be looking at 50 per cent. If we could do that over two quadrennium as an aspiration—

Senator CARR—It is an aspiration now, is it?

Mr Greer—From memory, I think you may have mentioned in your own summation that that is not a bad aspiration or goal to have. I do not have the transcript in front of me.

Senator CARR—I have got the transcript in front of me.

Mr Greer—That is not inconsistent with my understanding of the advice of the New South Wales review of Indigenous education, which recommended in that in that state they try to close the gap within ten years. What we were saying was that if this is supplementary funding we may be able to look at accelerating that. For instance, closure of some of those critical ones in some of the negotiations to date reflect that.

Senator CARR—Yes. I will be clear. You said:

The government's approach to Indigenous education—and its Indigenous education policy going into this quadrennium—is quite clearly to close the educational divide between Indigenous and non-Indigenous Australians. We would hope to do that over at least two quadrennia.

I asked you:

So in eight years time we will have closed the gap in inequality in education in Australia?

You replied:

That is the aim.

I put it to you, Mr Greer, that is may well be highly commendable objective. I will not move away from that. What concerns me is the manner in which you are seeking to achieve that. I put to you that you have established this highly ambitious target—aim, objective; however you want to describe it—that you are going to end this extraordinary divide between black and white Australians in eight years. Then you are telling the states that they are the ones who are going to do it. Isn't that what is actually happening here? You have set yourself a highly commendable objective and have not thought through the process by which that is going to happen?

Mr Greer—No, I think around states and territories there is pretty much a shared aspiration to close that divide. At this stage, that is being reflected in negotiations of targets. As I mentioned at the time, what we are looking for is significant and measurable closure. The negotiations to date seem to achieving that.

Senator CARR—So what are the targets? How did you get to that target of closing the gap in eight years? On what basis was that judgment made?

Mr Greer—As I said, what we were saying there is that on some key measures a 50 per cent closure over the quadrennium might proxy for significant and measurable closure.

Senator CARR—Fifty per cent over the first four years?

Mr Greer—Yes.

Senator CARR—In four years time under this program, in what areas—

Mr Greer—No, what I said was that that was a good proxy key for what ‘significant and measurable’ could mean, but against that proxy we would sit down with jurisdictions and see what they are they are prepared to sign up to.

Senator CARR—Mr Greer, you are now in a position to tell us that you have just about got everyone ready to go.

Mr Greer—I am in the position to tell you that, certainly on the non-government side, that aspiration is reflected in the agreements that they have done and, on the government side—certainly in Queensland—the gap closure—

Senator CARR—So how many states have signed up?

Mr Greer—Do you mean state jurisdictions?

Senator CARR—The state of Queensland—has it signed?

Mr Greer—The state of Queensland has not signed, Senator.

Senator CARR—Has the state of South Australia signed?

Mr Greer—No, Senator.

Senator CARR—Western Australia?

Mr Greer—As I said earlier, Senator, no state governments have signed.

Senator CARR—That is what I am getting to.

Mr Greer—But what I did say, Senator, is that our advice is that at least a couple of those states have agreed at officials level with the targets and schedules and they are in the process now of getting government approvals to sign those agreements.

Senator CARR—Like I say, your submission to the committee is that the states are on the cusp of signing up—

Mr Greer—Some states, Senator.

Senator CARR—I would like to know from you—given that you have got this target of ending the divide in eight years—what will we see in four years time? That is the amount of time that we are talking about—the next quadrennium—under the terms of these funding arrangements. In four years time, what changes will we see to close the gap between black and white Australians in education?

Mr Greer—Senator, my understanding of the agreement that had been reached with officials, say, in Queensland was that the targets set there are to essentially look at closing that gap by in excess of 60 per cent.

Senator CARR—I would like to know precisely where we will see the 60 per cent closure of the gap.

Mr Greer—In literacy and numeracy outcomes—nine out of the nine targets.

Senator CARR—At what levels?

Mr Greer— I think at 3, 5 and 7. I do not have the full detail here.

Senator CARR—Could you please take that on notice?

Mr Greer—Yes, certainly.

Senator CARR—I would like to know precisely how we are going to close the gap by 50 per cent, because that is all—

Mr Greer—I have said, Senator, that what we are seeking to do with these targets is set significant and measurable closure of the gap. A good proxy for that is 50 per cent. If a jurisdiction, for instance, WA or in the Northern Territory, comes to us and indicates that, given the extent of the problem there we agree that it will not be 50 per cent, it will be something less than that—but in settling for something less it is still a considerable stretch and both parties agree on that—that is what we lock into.

Senator CARR—I would like to know what the targets are in four years time, because from what you have told me—and Mr Hoffman has correctly pointed out what the terms of the agreement are—you can cut off the money, you can stop payments, if the targets are not being met. I would like to know what they are.

Mr Greer—What we were saying under the agreement was that if the targets are not being met there are some opportunities to intervene to see why they are not being met. Are there other strategies that we should be looking at? Certainly at one extreme end of the continuum, you may be in a position—

Senator CARR—The point I want to come to is this: it is an awfully big stick for the Commonwealth to have at its disposal. It is a critical component to these arrangements. I think it is therefore incumbent upon the Commonwealth to say what the targets are.

Mr Greer—It is not saying what the targets—

Senator CARR—To close the gap by 50 per cent in four years.

Mr Hoffman—Senator, each performance indicator is negotiated separately. Some can be closed. The target for that particular performance indicator can result in gap closure by more

than 50 per cent. In some it could be less than 50 per cent. But overall it might be 50 per cent. Overall it might be less.

Senator CARR—Mr Hoffman, you will not mind being able to tell us what the targets are then in each area and by each state. Closing the gap by 50 per cent in Victoria is a different proposition from doing that in the Northern Territory. So I would not mind having it done by each jurisdiction.

Mr Hoffman—By each provider?

Senator CARR—No. I am sorry, Mr Hoffman, but I have a lot of trouble with this ‘provider’ concept. I know it is the buzzword—very fashionable—but I am used to the old-fashioned idea of knowing who is responsible. If the government of Western Australia which, I believe, you call a provider—I call it the state of Western Australia, responsible for the public education system in Western Australia—does not meet these targets, they tell us that you can cut off the money and that you, unilaterally, can change it. You dispute that it is unilateral but you do not dispute that you have the capacity to stop their money. I would like to know what the target is.

Mr Greer—Certainly, Senator. When we negotiate and settle on a target with Western Australia—

Senator CARR—But you have already determined the target. You have said that you are going to close the gap in eight years; therefore, the targets must be set. The Commonwealth has already unilaterally determined the targets, because you said, ‘It will be done in eight years.’

Mr Greer—We said our aim would be to do that.

Senator CARR—Now it is an ‘aim’.

Mr Greer—It was an aim on 4 February.

Senator CARR—And now it is an objective. Very fuzzy—a hell of a way to run a system! That is the critical issue here. Are you predetermining an outcome and then telling people they have to agree to it?

Mr Greer—No, I think we have indicated that we would like to see significant and measurable closure of the gap over the quadrennium.

Senator CARR—Thank you.

Proceedings suspended from 3.16 p.m. to 3.31 p.m.

Senator CARR—You have mentioned the role of the ICCs in these new arrangements with DCITA and the arts funding. Does the arts department take responsibility for any other schools programs?

Mr Greer—I am not sure it is a schools program per se, but my understanding is that, when the post ATSSIS-ATSIC functions were mainstreamed, issues such as art, music and Indigenous languages were mapped through the AAOs to DCITA.

Senator CARR—You say this is now working?

Mr Greer—I am only going on the basis of briefing but my understanding is that an ICC team, and presumably we as well, will be visiting Ngukurr this week looking at some of the issues that have come up from the community and the school and seeing how those initiatives may be able to be managed within the mainstream music or Indigenous language policies and programs.

Senator CARR—My other responsibilities in terms of Indigenous affairs have led me to talk to a lot of people about the role of the ICCs, and I have not found anyone that has said anything good about them. Even the strongest supporters of the changes are saying that the ICCs are failing because they do not have effective decision-making powers. Furthermore, I understand from public reports, that even the secretary, Dr Shergold, is saying that the turf wars have to come to an end and that he has had to issue special instructions yet again. I would have thought all of that would have been sorted out, given the rhetoric we heard some time ago. What evidence can you draw to my attention to support the view that we should be confident that schools will be able to attract support for Indigenous arts programs?

Mr Greer—I am not so sure about those matters. My own experience has largely been in dealing with this in Murdi Paaki where, at this stage, we have, I think, eight shared responsibility agreements signed.

Senator CARR—And you are the lead agency there, aren't you?

Mr Greer—Yes, we are the lead agency. In facilitating those, we have been able, in a whole of government context, to bring other Commonwealth players to the party in the same way that our colleague department in New South Wales—New South Wales education—have been able to bring their colleague departments to the party to come up with shared responsibility agreements in that region that involve contributions across a range portfolios. Increasingly, I think that is where we would like to be seeing the ICC generally going—moving beyond the project-specific initiatives to more comprehensive and fulsome ones.

Senator CARR—Would you agree that Secretary Shergold has issued advice from the secretaries group that the turf wars have to come to an end?

Mr Greer—The secretaries group has certainly begun to share the outcomes of their deliberations such that staff right throughout agencies, from the very top, are getting a clear understanding of the decisions, the commitment and the resolve to make these arrangements work.

Senator CARR—Yes. So we can only presume that the issuing of those directives has come about because there is a need to end the turf wars?

Mr Greer—No, I think there is a need to make sure that there is line of sight between decisions taken by secretaries and that that is followed through by all staff.

Senator CARR—Recent discussions in the *Indigenous Times* pointed out that very few departments are actually facilitating work in the community in terms of employment and other services where they do not have to. A recent report of the Australian National University pointed out that 26c in the dollar was spent on education in Wadeye by comparison to other white communities in the Northern Territory. If there is that rate of disparity and there is a need clearly identified by the secretaries saying that the turf wars have to come to an end, why is it that mutual responsibility in fact has meant that someone else always has to pay? Is that what is now occurring, that each department bumps it on to somebody else to take responsibility for what is occurring in any particular locality?

Mr Greer—No, Senator. All agencies are being challenged to make their mainstream programs work better for Indigenous people and secretaries as a group are firm in their resolve to do that. It is that message that is being communicated throughout the APS.

Senator CARR—So what powers do the ICCs have to direct funding to communities?

Mr Greer—The ICCs in those regions are the public face of government—that is, they will lead consultations with the community and are the focal point for negotiations. Increasingly in the ICC offices a range of departments will look for solutions from within their own program mix to bring to the table. One example of that is the recent announcement in Wadeye where shared responsibility was put in place. The key carriage of that shared responsibility was carried by the OIPC state manager but it was able to bring to the party mainstream responses and other responses from a range of portfolios.

Senator CARR—Mr Greer, the problem remains that the individual department has to find the money and has to take administrative responsibility. Is it not the case that, what is occurring—as Dr Shergold is saying—is that the officers from each of those departments look after their own—that coordination is not occurring; that there is no power to direct that money be spent?

Mr Greer—What the communication was endeavouring to get across throughout the APS is the commitment and resolve by secretaries as a group that they will make their mainstream programs work better for Indigenous people. That communication identified that in some context it will be the secretary who will be the—

Senator CARR—Why is it necessary to do that, Mr Greer? The policies were announced some time ago. Why are the departmental secretaries still putting out those sorts of edicts?

Mr Greer—I am not sure whether it is about ‘still putting out those sorts of edicts’. Essentially, this was the first occasion where the secretaries as a group were able to demonstrate and share their collective commitment to the changes that are being pushed through.

Senator CARR—How long have these arrangements been in place? How long has the secretaries group been meeting?

Mr Greer—The secretaries group has been meeting for some time but, in a post-ATSIS arrangement, certainly from July last year.

Senator CARR—But the government effectively gutted ATSIC well over a year ago. Are you saying that this is the first occasion they have had to come together to put their collective commitment?

Mr Greer—I think what may have been in Dr Shergold's mind was that this is another tool or element to a comprehensive communication strategy to make sure that—

Senator CARR—Let us talk about your communication strategy. You clearly have an indication of what I think of the ICCs' communication strategy. We have heard overwhelming evidence that the administration of the policy is a failure. We have had in Queensland a school principal describe it as a mess. In Townsville a CEO director described it as a debacle. We have yet to see any evidence to the contrary. Does the department accept the validity of these judgments?

Mr Greer—I think you need to be more specific. As I said before—

Senator CARR—You have seen the evidence from Queensland?

Mr Greer—I see evidence in Queensland. I know that, in Queensland, there are \$3 million worth of concept proposals currently being worked through. We know that, in Queensland, we are on the cusp of signing off an Indigenous Education Agreement with the state government there—the employer of many of these principals that you are talking about. We are also on the cusp of signing off an Indigenous Education Agreement for the quadrennium with the Catholic Education Commission up there. I mentioned earlier that PSPI funding is one element of funding that those schools attract. Nominally, each of those schools attracts a nominal entitlement to IESIP SRA funding. How much of that funding is actually ending up in schools, I am not sure.

Senator CARR—You have had a chance to look at this now. I take it you have strengthened the monitoring of the regional implementation administrative arrangements?

Mr Greer—As I mentioned in the opening statement, one of the benefits of having our staff attend the sessions with the committee and observe them was to get an early heads-up. That is complemented, of course, by the *Hansard* transcripts that have come out. There have been issues there that we have been able to move on. As I mentioned before—

Senator CARR—Can you tell me what you have done in the department to strengthen the monitoring of the regional implementation arrangements?

Mr Greer—I mentioned earlier that we have certainly sent out directives to all of our state managers to give greater guidance on what is in scope and what is not in scope. I mentioned earlier that, in relation to the nutrition programs, for instance, where there is a nutrition program that is clearly attached to an attendance strategy, which will lead to improved outcomes, particularly where the parent or the community is prepared to contribute to that, that should be in.

Senator CARR—Can we have a copy of one of those directives?

Mr Greer—Yes, we will certainly get those.

Senator CARR—Apart from issuing the directives, have you increased the number of staff?

Mr Greer—It is not necessarily the number of staff that has increased; it is the training of our staff and the skilling-up of those skill profiles that have been the activities that we have invested heavily in over the last 18 months or so. I think we have mentioned that in our submission. I mentioned earlier that one issue that did give us some concern was the generality of some of the advice from some district offices to proponents. We have certainly intervened with relevant state managers where necessary to improve the comprehensiveness and nature of that advice, going more to reasons for not approving them at this point, and offering to work with them. We would hope to see some quality—

Senator CARR—Have you given any consideration to increasing regional staff levels?

Mr Greer—Yes. Currently there is a review of the state office requirements, structures and roles within the department. That review got under way earlier this month. It is due to report towards the end of June. There were meetings of the review committee here in Victoria today. There was a similar meeting with most of our district staff and so forth in Queensland only a week or so ago. Some of our very experienced state managers are enjoined with that process and are helping that review. We are waiting to see what the outcome of that process will be.

Senator CARR—You would expect that one option there would be to increase the level of staff?

Mr Greer—One option may well be to increase the level of staff. Another option may well be to say, ‘Are there functions currently performed at the centre, particularly in relation to contract management and compliance, that would be better performed closer to the coalface, at the state office level?’

Senator CARR—So redeployment of central office staff to the regions?

Mr Greer—It is looking at what is the best mix of functions. Of course, with the best mix of functions, resources should follow function.

Senator CARR—So you are saying it is a possibility that we could see some transfers?

Mr Greer—Either transfers or resource transfers.

Senator CARR—What—people? You will put some people out in the bush?

Mr Greer—As I indicated back on, I think, 4 March, we have quite a heavy footprint across the country. We are in about 41 or 44 different sites.

Senator CARR—I just want to know whether you are thinking of transferring staff out to the regions. I am a strong supporter of the regionalisation of Commonwealth functions. I would be interested to know whether your intention is to transfer people out of Canberra.

Mr Greer—I do not have the terms of reference for the review here, but certainly that would be one of the possibilities—that is, what are the functions that could best be performed at the state and district office level?

Senator CARR—What sorts of levels are we talking about being transferred? Junior staff or senior staff?

Mr Greer—If we are looking at our own patch, I personally think there is scope for some of the contract management activities, not only on our Indigenous front but also on our transitions front as well, being performed well at a state office level.

Senator CARR—You would not be exiling people to the provinces for what appears to be a pretty inept operation, would you?

Mr Greer—No. As I said, these are models and options that the review will be looking into.

Senator CARR—To follow this up, do you think anyone deserves to be transferred? I know that you have to carry the can for this, Mr Greer, but who is responsible for this program? When it comes down to it, who is responsible?

Mr Greer—This program suite is my responsibility.

Senator CARR—Will the review look at that?

Mr Greer—I would imagine that the review will be looking at how our suite of programs is best managed. Are these programs—particularly the contract management aspects of them—best managed centrally for efficiency purposes or are they better managed locally for closer engagement with stakeholders, clients and the like?

Senator CARR—Do you think the National Audit Office ought to have a look at this?

Mr Greer—That is up to the Audit Office. The Audit Office has looked at the Indigenous education programs. As you mentioned earlier, in report No. 43—

Senator CARR—That was useful, wasn't it?

Mr Greer—We found that useful. I think the report offered a fair and balanced exposition, looking at what the government's policy settings and priorities were. I think it looked at our performance monitoring and accountability arrangements and acknowledged that they were best practice when compared to comparable areas. There were lessons in there. I think we have picked up some of those lessons and reflected those in the implementation of the arrangements.

Senator CARR—One of the options for us is to recommend that the Audit Office have another look at this. Do you think that would be a reasonable approach?

Mr Greer—The committee will recommend what the committee recommends. It is not for me to say.

Senator CARR—But, as you say, it was useful last time; it might be useful again.

CHAIR—I want to go over the ASSPA and ITAS stuff. I will go to ASSPA first and to some of the issues that we found during our time out in the field. I have now read your IEDA review document quite a number of times. I have to say that, each and every time I read it, I do not see an overwhelming criticism of the ASSPA program. I see some comments about it needing to be finetuned, but I do not see unequivocal comments that it was so bad that it needed to be totally and drastically changed or, in fact, abolished and replaced. Can you advise me on what evidence you based your decision to abolish ASSPA?

Mr Greer—I think, as we mentioned in our briefing and certainly on other occasions, the government, when reviewing its policy settings and program directions for the Indigenous education suite for 2005-08, drew on the findings of the IEDA review amongst other issues.

CHAIR—What particular findings of this review did you draw on that lead to any correlation of what is now in place?

Mr Greer—On page 59 of the review, under the heading ‘What hasn’t worked’, one of the observations is:

There is limited evidence that IEDA has had any major impact on school decision-making or policy (although there were some good examples in the trial and case study sites of where this has occurred).

It goes on to say:

Evidence suggests that there are little or no connections between school-based plans and ASSPA plans. In most cases, there are often mismatches between school planning and ASSPA planning processes.

One of the recommendations there is:

Program guidelines be rewritten to clearly articulate a single overarching outcomes-focussed goal of accelerating the learning outcomes of Indigenous students.

CHAIR—But, similarly, the report says that the review believes that the ASSPA committee structure has proven to be appropriate as a method of increasing the access of parents of Indigenous students to decision-making structures. If you read through this page by page you will see more positive things than problems with the way ASSPA committees worked. There might have been some problems, but we consistently heard during this inquiry that people believe that you threw the baby out with the bathwater rather than working on and improving where there might have been problems—for example, ASSPA committees perhaps not expending funds that did not fit in with a school plan. They believe there should have been work done to improve the current system.

Mr Greer—I understand. There are observations from both sides of the fence throughout the report. All I am saying is that on balance the government drew on the report.

CHAIR—Or used the report as an excuse.

Mr Greer—Drew on it. If you look at page 44 of the report, you will see that it was found that the involvement of Indigenous parents and communities in education is still an appropriate policy response, but that the ASSPA program in itself is no longer an appropriate intervention to achieve this.

CHAIR—On page 44 it also says that the ASSPA program has opened the school gate to a greater proportion of Indigenous parents. What we consistently heard as we went around was that more and more of these parents were now walking away from the school. We heard story after story of that happening where there had been active and involved Indigenous committees. The transcript will show you time and time again that Indigenous parents indicated to us that they were no longer interested in being in the business of writing concept plans and having little influence over the money, and they were voting with their feet. Surely this is an unintended consequence of the changes that you did not envisage and you must surely now rework it and try and rectify it.

Mr Greer—I think it is fair to say, and I think it is reflected in the intent in the guidelines, that the government is looking to encourage and secure parental and community involvement in these processes. One of the lessons is that, if we get a sense that that is not happening or it is not happening as effectively as it might, we need to look at how we can finetune these arrangements to ensure that we get better parental engagement and community buy-in to this process.

CHAIR—But you must surely have sensed when you read the transcripts day after day that that was not happening, except where the school council might have been all Indigenous and the school council and ASSPA committee were one and the same. Let us go to Shepherdson College, where they had an ASSPA committee separate from the school council. All the parents there are Indigenous. We heard time and time again that ASSPA committees were not functioning any more and parents had walked away from them. I am not sure how many more days on the road this committee needs to prove that to you. I would have thought that somewhere along the line someone would have said, ‘Gosh, we never intended that this would happen as a result of us rejigging the program.’

Mr Greer—That is a message that is coming through from reading some of the transcripts. I think one of the challenges to us is how to better engage and involve parents in these processes as we go forward.

CHAIR—One of the reasons that was put to us consistently was that people believed they were better engaged when they had control of the money—maybe not all of the money. Maybe it could be rejigged so that schools get a specific amount and bid for the rest. I think we were actually at Elcho Island the day they were told that, out of their concept plan, only one or two of the concepts had got the tick. Indigenous people there were pretty angry that someone else who is totally removed from their community had decided what was best for them. They had looked at it and, given the professional operation of the school, I have no doubt at all that the five concepts would have been linked somehow to the educational outcomes. They were pretty angry that somebody sitting in Darwin, Gove or Canberra had the power to override them in what they wanted as parents. What are you going to do now to rebuild those relationships?

Mr Greer—It is difficult without the detail of the concept plans that were not approved to be taken forward to the next stage from Shepparton. It would be useful to look at those and see if some of the initiatives are really aligning with PSPIs. Are they better aligning with other program responses that the department or governments can make—either us or the NT government—or are they elements that might form part of a whole-of-government response to—

CHAIR—But on the actual form for the concept plans it says: ‘Which of the following objectives will your projects aim to achieve.’ There are five areas. ‘Increased retention of Indigenous students from year 10 to 12’ and ‘Increased level of successful year 12 completions’ do not apply to primary school. The only objectives that apply to primary school would be: ‘Improve attendance’, ‘Improve literacy and numeracy skills’, and then there is a box that says ‘Other’. How are schools to know whether their plans are in or out? You have professional principals here who have now written the concept plans. It is not the parents, because the concept is just way too hard for any of the parents to have written any of those plans. We heard evidence that principals are spending hours—not just seconds or minutes but hours if not days—putting together their concept plan, and there are really only three boxes here that are applicable to primary schools.

Mr Greer—Was that in the concept plan?

CHAIR—My understanding is that on the cover page for the concept plan you tick the box for each of your objectives. Two of those five do not apply to primary schools.

Mr Greer—Yes, essentially what those objectives are reflecting are the objectives the government has set, in a sense, as we mentioned earlier, for Indigenous education through the quadrennium. It asks: what is working? In closing the divide, how do we get the mainstream to work better for Indigenous students? How do we get behind programs that have demonstrably worked? How do we weight resources to students at most disadvantage? We are doing that by looking at the transition and preparation of young Indigenous children from preschool to school, improving attendance, literacy and numeracy, improving engagement and retention to year 12 or its vocational equivalent and improving the quality of teaching.

CHAIR—I understand all that. Principals we spoke to understand all of that rhetoric, but I will be blown if I can work out how it translates to what you guys are actually trying to do when it comes to giving schools money under PSPI. Walk me through the process: once the school writes its concept plan, where does it go? Does it go to a regional office?

Mr Greer—It varies.

CHAIR—Then what happens? Who actually ticks or crosses the concept plan? Who actually says, ‘Yes, that idea is in,’ or, ‘No, it’s not’? Take me through the process.

Mr Hoffman—It varies in each jurisdiction. In the Northern Territory, for instance, there is a regional assessment panel.

CHAIR—Who is on that?

Mr Hoffman—The regional assessment panel comprises the DEST district office manager—

CHAIR—Does he or she have an educational qualification?

Mr Hoffman—He or she may—

CHAIR—They may not? They may not have a diploma or a degree in education?

Mr Hoffman—They may not.

CHAIR—Who else is on the panel?

Mr Hoffman—The ICC managers will also—

CHAIR—They may or may not have a degree in education?

Mr Hoffman—That is correct. Northern Territory DEET regional managers are also invited to participate.

CHAIR—I assume they at least have educational qualifications.

Mr Hoffman—We assume.

CHAIR—But they are invited; it is not mandatory?

Mr Hoffman—We cannot make it mandatory for them to be on it, but certainly the invitation is there for them to be a member.

CHAIR—And that is it—the three of them?

Mr Hoffman—That is right. In the case of the first round, the state manager or the assistant state manager with responsibility for Indigenous education also participated as basically a quality assurance process.

CHAIR—If the Northern Territory DEET person does not turn up when the concept plans are first looked at, what educational expertise is brought to bear in assessing those concept plans? Isn't that a bit like giving me a structural engineering design for a bridge when I have no idea what I am looking at? If these people are not qualified in education and have no classroom experience—let alone any classroom experience in an Indigenous school like Elcho—what professional expertise do they bring to be able to assess a concept plan that has been written by a principal, who probably has either a degree or a master's of education and years of experience? You basically have bureaucrats assessing an educational program. How do you reconcile that?

Mr Hoffman—They are not making decisions about education issues; they are making decisions about whether a particular proposal meets the program guidelines.

CHAIR—Of course that is an educational decision. If a school submits to you a program that is going to improve literacy and numeracy skills—let us say for example that the program is an excursion once a year to Darwin—in assessing that how do those bureaucrats make that

professional link between the educational outcomes that an excursion brings compared to the improvement of literacy and numeracy skills if they do not have an educational background? It would be an unknown concept for people who do not have an educational background. Every single decision that the concept committee looks at must bring an understanding of educational pedagogy with it in order to assess whether the programs meet the guidelines or not. I cannot see how you can differentiate the two.

Mr Hoffman—The proponent or the proposer of the concept plan should show how the project or concept they are proposing furthers the program objectives, such as improving attendance or improving literacy and numeracy.

CHAIR—I do not disagree with that.

Mr Hoffman—The assessment committee could ask: is a one-time trip to Darwin as a literacy program as effective as some other program that may be suggested by another school?

CHAIR—Therein lies two inherent problems. Firstly, you are comparing one school with another school: is this school's proposal to go to Darwin for an excursion better at achieving literacy outcomes than, say, Maningrida's proposal to go hunting in the local creek? Who is to say that? There is an assessment of what one parents group thinks is appropriate compared to another. This is an example of the anger we saw the day we were at Elcho.

Secondly, if those people do not have an educational background and have not had three or four years of education training behind them, how on earth do they even start to assess the concept plans? To me it is a ludicrous proposal. It would be like, as I said, someone trying to get me to assess a structure in a bridge building exercise. I would have no idea of what I should be looking for. What confidence do you have that your bureaucrats are suitably qualified to make these assessments? Because the criticism we heard time and time again was that bureaucrats are making these assessments without any educational background and without any knowledge of what their school's aspirations are. I would have thought that, if there were one thing that you would do out of this inquiry, it would be to mandate that each panel has on it somebody with educational expertise or experience. Can you give me any justification as to why you think that is a fair and equitable way to handle all the assessments of concept plans?

Mr Greer—As Mr Hoffman has indicated, the arrangements on the ground vary from jurisdiction to jurisdiction. The arrangement in WA, for instance, locks into an existing arrangement—as we have heard from WA—that has a background of experience in dealing with IESIP funding and proposals at the local level. The mechanism in New South Wales is a bit different again. It has very strong support from the New South Wales Aboriginal Education Consultative Group, which means that those projects are assessed by the New South Wales Department of Education and Training and by the AECG. I take on board your observations, and as part of the finetuning we will look at aspects of those.

CHAIR—This poor school in Queensland got a letter from the manager of the district office which was not even signed. This letter says:

... your Concept Plan does not meet the assessment criteria ... the project does not demonstrate that it has been developed by the school and Indigenous parents and communities.

That principal gave us a copy of his concept plan, which had attached to it a letter signed by the President of the Parents and Citizens Association, minutes of meetings attended by teachers, assistant teachers and Indigenous teacher aides, minutes of meetings with the P&C president and vice president and letters of support from the RATEP coordinator and even the local council mayor. What else do you have to do to prove that it meets the criteria? It may not have been developed by the parents. I put it to you that I think there are very few Indigenous parents out there who would have the skills to write a concept plan, but the committee was absolutely baffled as to how it would not have met that criterion, given all the documented evidence supporting the concept plan. I do not expect you to have here thousands and thousands of concept plans.

Mr Hoffman—We do not get to see the concept plans, generally.

CHAIR—We were absolutely baffled. The principal said to us, ‘What else do I have to attach? Do I have to attach everybody’s signature?’ There was inconsistency there similar to the Ngukurr case.

Mr Greer—On that issue, as we indicated earlier, one of the areas which is open to improvement and which we have raised—particularly with our colleagues in Queensland—was a need for greater usefulness of advice to proponents. We have seen some of the letters that have gone to proponents, and we are taking urgent steps to improve the quality and comprehensiveness of that advice.

CHAIR—I put it to you, Mr Greer, that we are not talking here about millions of dollars for each school. In terms of the total education bucket, \$30,000 or \$100,000 each year is really chicken feed. I would have thought that if any school put in a plan to link an educational outcome with a nutrition program, it would get a tick. Either it encourages kids to come to school early or it ensures that Maslov’s triangle of operation is met—that is, you cannot do anything at all if you have an empty tummy. I would have thought that if any school said to you, ‘We want \$10,000 this year for our breakfast program,’ the benefits would be blindingly obvious.

Mr Greer—As we have indicated here today, the advice that we have been putting out to our colleagues is that where nutrition programs can be seen as part of an attendance strategy, to improve literacy or numeracy outcomes—particularly where there may be some parental or community contribution—they are demonstrably in scope.

CHAIR—Can I just ask you about the acquittal of ASSPA accounts? Were people aware that they needed to acquit ASSPA accounts before any concept plans could be accepted? We had evidence that people got feedback on their concept plans and were told that they could not be looked at because the ASSPA accounts were not acquitted. Of course they had enormous problems then trying to find signatures and whatever. At what point in time were people clearly made aware that the acquittal of ASSPA accounts was a prerequisite?

Mr Greer—Again, largely through the benefit of the committee’s hearings, we too have been alerted to some dysfunctions. This was one. Clearly, in hindsight, acquittals should not have been a reason for not considering a concept plan. Failure to acquit clearly is a reason why further funding should not be given. The acquittal may be needed as a trigger before you might get

funding to a proponent but the acquittal itself is not a sufficient reason not to continue to consider a concept plan. That is another issue that we have taken up and clarified with some of our officers.

CHAIR—Can I ask you to clarify, then, the answer in writing you gave to me to question No. E661-05? I asked if ASSPA were to be abolished where the funds would actually go? You said in your answer to me:

Where the legal entity is other than an ASSPA Committee, the entity is accountable for managing the funds ...

My understanding from evidence we received in the inquiry was that ASSPA committees had to be closed down in the sense that any bank accounts they held had to be closed and funds disbursed, and that any assets ASSPA committees had—like stereos, TVs or fridges—had to be given to the school or sold. Is that not the case?

Mr Hoffman—That is the case where the ASSPA committee was not an incorporated body or an incorporated committee. It did not mean that the committee had to disband. It is basically a mechanism for dealing with assets which were funded by the Commonwealth.

CHAIR—So how many ASSPA committees were not incorporated?

Mr Hoffman—Almost all of them.

CHAIR—I thought so, because they would not have had a constitution or set themselves up like a school council, would they?

Mr Hoffman—Almost all ASSPA committees were not incorporated.

CHAIR—They would have seen themselves as either a subcommittee of the school council or an advisory committee in some way, wouldn't they?

Mr Hoffman—When we provided formula funding to ASSPA committees we took out some sort of public liability protection for parents involved in those activities but with the ceasing of funding of the ASSPA program we ceased providing that coverage. But that did not mean ASSPA committees should cease to exist or that the Commonwealth saw that as desirable. In fact I am sure that in the minister's letters to principals in April last year, the minister indicated that it would be a desirable thing for ASSPA committees to continue.

CHAIR—By and large, ASSPA committees have disbanded and have had to shut their bank accounts and sell off assets. Why bother to make those parents do that? Under the new scheme, couldn't the PSPI money have gone to those committees once their concept plans or approvals were submitted? Why were they made to do that?

Mr Hoffman—Because the ASSPA committees were not incorporated entities.

CHAIR—Why not make them become incorporated rather than shut them down, sell off their assets and discourage parents from being involved?

Mr Hoffman—We could not make them become incorporated. That was certainly an option that was open to them.

Mr Greer—And still is.

CHAIR—I put it to you that most of them have just given up because it was all too hard. It was not worth it. The evidence is there in the transcript. Most people have walked away, saying: ‘I don’t want to get involved anymore. There are too many hurdles here now.’ Besides, they had taken 10 years to start to operate effectively and they feel that the shutters were brought down on them. I do not think I came across anyone who thought that being incorporated was an option for being maintained as an ASSPA committee. Quite clearly I do not think people believed that was an option. Was this another unintended consequence?

Mr Greer—No. All I am saying—and I think we have been very clear—is that if you look at the guidelines the funding goes to incorporated bodies. If ASSPA committees were incorporated, funding could be provided directly to them. Picking up your other point, even if ASSPA committees do not incorporate, one of the challenges you have thrown out to us—and we have certainly heard—is how we might ensure within existing arrangements that committees can have a greater engagement with or empowerment from the funding provided. It is certainly open to look at that.

CHAIR—How much money has DEST actually recovered from ASSPA committees that was not expended at 31 December last year?

Mr Greer—I do not have that with me. We could take advice from our state and territory officers on that and get back to you.

CHAIR—My other question is: in good faith, why was that money not just rolled over to schools in some form?

Mr Greer—Again, we will see what we can find out on that for you.

Ms James—I would like to clarify that we did not really encourage ASSPA committees to close their bank accounts, but some ASSPA committees found it necessary to close their bank accounts in order to acquit their funding. Also, we did not encourage ASSPA committees to sell their assets but it was something that they could do. We encouraged ASSPA committees to transfer their assets to schools, preschools or homework centres.

CHAIR—The evidence we got was that most ASSPA committees did transfer the assets but we also had evidence of ASSPA committees being advised that they had to do that in order to get any benefit out of the concept plans. Again, this goes to the inconsistency of advice that was given around the country and the misunderstanding about what the plan meant. It was similar with the unexpended funds. I put it to you that if in good faith schools had been allowed to keep those funds in order to register sporting teams by a cut-off date or fund nutrition programs for the first four to six weeks of the year the relationship between DEST and the schools would have been much better than it currently is.

Mr Greer—We can certainly take that on notice. I may be wrong on this but my advice on the acquittal issue is that it became a real issue only in the Townsville district. I would need to test that but my advice is that this was the case. This was a particular issue in one district and it happens to be a district that the committee visited. As I say, we have taken some corrective action around that interpretation.

CHAIR—Can I ask for clarification on why it was decided to have a two-stage process? Principals put to us that they had been spending many hours putting together a concept plan, mainly because a lot of them did not know whether to put a little detail or a lot of detail in the concept plan. Why was there not just a one-stop application process, where people just put in an application and that was it? People feel they have wasted a lot of time in this two-stage arena.

Mr Hoffman—The two-stage process was designed so that, in the initial stage, we were looking at simple ideas and concepts worked out between the schools and the parents. There was a relatively simple three-page concept plan template to assist in that process—for school communities to engage Indigenous parents in the process. When this program was being designed it was felt that having that as a first stage, rather than going to the application stage first, would assist in parental involvement. It also meant we could provide feedback to the school-community partnership which put in the concept plan. We could go back to them and provide them with feedback about their proposals and provide them with assistance before they put in a fully developed, fully worked up application.

CHAIR—This is feedback from people who do not have any educational expertise?

Mr Greer—It was trying to address a perception that a submission process would address only those who are well-versed in the preparation of submissions and what have you. This was a mechanism whereby we could get into a range of more isolated and remote schools and work with them at the very rudimentary stage to go forward.

CHAIR—The rhetoric is there, but it is not happening.

Mr Greer—Some of the lessons may be that, going forward, we need to review whether a two-phased approach is the best approach unilaterally or whether it should be an optional approach.

CHAIR—All schools are getting a standard, pro forma response.

Mr Greer—We have mentioned that that is one of the issues we have addressed.

CHAIR—At least four schools in the Northern Territory have rung me to say that DEST are returning their concept plans to them with demands that they make alterations or rewrite them, and that they have given them only 24 or 48 hours to do so. If it is supposed to be a simple three-page application, why is this the case? Why is that happening?

Mr Greer—I would need to check.

Mr Hoffman—The concept plan is only three pages. It may well be that, in order to get more information about the projects being proposed, the officers have gone back to the schools and

asked for further information to assist in deciding whether they should go forward to the application stage.

CHAIR—Are sporting related trips, excursions and NAIDOC Week activities in as long they can be linked to literacy and numeracy or attendance? Are they in or out? There is a lot of inconsistency there. Some schools have been told there is no point in putting in a concept plan for NAIDOC Week activities because that is now DCITA's responsibility. But clearly, if you want to enhance a child's cultural and historic knowledge, NAIDOC Week activities are an educational activity. They can be linked to literacy and numeracy outcomes.

Mr Greer—Mr Hoffman is looking for some notes on that. In relation to NAIDOC, I note that, in the ASSPA committees, ASSPA guidelines and the ASSPA program, NAIDOC activities were functions that should not have been paid for under ASSPA funds.

CHAIR—If you can clearly link your whole week's activities around NAIDOC to a literacy or numeracy program, are you saying that it would be funded?

Mr Greer—I am trying to check what our advice on this has been.

Mr Hoffman—In guidance we have provided to our state officers in the network, we have suggested that cultural programs, which a lot of the NAIDOC activities were, would not normally be supported as parent-school partnership initiatives. Culturally inclusive curricula is a core deliverable within all schools with significant Indigenous student populations. Schools should look to get school core funding for those activities.

CHAIR—Wasn't the benefit of ASSPA that it gave them that extra edge on some of those related activities?

Mr Greer—Picking up your point, the advice also indicated that if you were able to demonstrate that those cultural projects were an integral part of a project which related to improving preschool or school participation rates, attendances or outcomes then they would be in scope.

CHAIR—How do schools now get funds for homework centres?

Mr Hoffman—Schools can either put in a concept plan and then be requested to put in an application or they can put in an application. There is an application form.

CHAIR—This is where the whole thing, for me and for many of the principals I spoke to, is very confusing. It is like nutrition programs. I would have thought that if a school requested to run a homework centre there would be a clear educational link to providing additional supported assistance for those kids who have dysfunctional homes, who would not have a place at home to do homework, who are not encouraged to do homework, for whom homework is probably not something that families have been used to doing for decades. Why does each school have to reinvent the wheel about putting a homework centre in their concept plan? When would a school not get funded for a homework centre?

Mr Hoffman—There are still some requirements of what they need to demonstrate in relation to the homework centre.

CHAIR—What is that?

Mr Hoffman—The mandatory conditions are that the application has been developed by the school and the Indigenous communities and parents in partnership.

CHAIR—We will take that as a given everywhere.

Mr Hoffman—Taking that as a given, it must meet the objectives of the program. We could also take that as a given. Homework centres must have clearly defined milestones and performance measures. So in putting in the application they have indicated that by running a homework centre they will meet specific educational objectives.

CHAIR—What is a performance measure for a homework centre? Is it the number of kids who are there each night? Is it the amount of homework they complete and hand in the next day? What is a measure for a homework centre?

Mr Hoffman—We would rather move it away from the outputs, which is the number of students who are there, because in some instances—last year, in fact—we found that 895 year 1 minus 1 students attended homework centres that we funded. One would have to wonder what homework a year 1 minus 1 student was doing.

CHAIR—If you have an educational background, the answer to that is blindingly obvious. Everybody is encouraged to read to their child for at least 10 minutes a night. If you have an Aboriginal family where either mum or dad cannot read, will not read or does not have a book in that home, I would have thought sending a five- or six-year-old to a homework centre for half an hour four nights a week would instil in them reading religiously every night of the week. It is blindingly obvious, then, why a homework centre would benefit a five- or six-year-old, even if you just got them to practise writing their name every night or counting out the bananas everyone was going to eat that night. It would reinforce what probably is not happening in an Indigenous family, with all due respect. What is the problem with funding a homework centre in that instance?

Mr Greer—Going back to your question, homework centres are being funded, as I think I mentioned earlier. To date, I think we have already funded about 88 of these—47 in the Northern Territory.

CHAIR—Where are homework centres not being funded? What criteria are they not meeting when they do not attract funding?

Mr Greer—I am not sure. I do not have the details of homework centre proposals that have not been supported; I have the details of those that have. I assume that those that have have clearly met the conditions set out in the guidelines.

CHAIR—Does it just boil down to how well people can articulate the link between what they are trying to achieve and the conditions or is it based on an acceptance that all homework centres would provide some educational good and benefit?

Mr Greer—I am not seeing evidence that homework centre proposals are not being approved. I am not sure whether that is coming through in your hearings.

CHAIR—By the time we got to our last school, lots of people had said to us, ‘It’s just all too hard. I’m not going to bother putting any applications in anymore because it’s not worth my time or energy when clearly I’ve got to reinvent the wheel.’ I do not know if that was specific to homework centres. People are baffled as to what they have to write to have a successful application for a homework centre. Clearly, some people write better applications than others and some are funded and some are not.

Mr Greer—I thought the guidelines and the application process for homework centres had been streamlined. I am not getting feedback that there is an issue about the non-approval of homework centres.

CHAIR—You cannot put an application in for a homework centre in the concept plan. Does it have to be a separate application?

Mr Greer—No, I think we were saying it is either/or. It is a choice.

CHAIR—We certainly came across quite a number of people who had had their homework centre proposals under their concept plans knocked back. To what extent is it possible to link many of these programs to the objectives? How is that done?

Mr Greer—In what sense?

CHAIR—You have a list of objectives and a list of proposals under concept plans. How are they linked?

Mr Greer—You are looking for how these concept plans link to preparing Indigenous children in early childhood for school, how they link with attendance strategies and improving literacy and numeracy outcomes and how they link to the re-engagement or retention of Indigenous students to year 12 or vocational equivalents.

CHAIR—Does the differential burden fall to each principal to prove that to you?

Mr Greer—The burden is to demonstrate those linkages in the project proposals, recognising that this is not an infinite funding pool. There have been proposals received—I am not necessarily putting the fault for this with principals—that far outstrip the funding available. Funding proposals have come forward that clearly ought to be looking at the other sources of funding: mainstream funding, jurisdictional loan funding and the like. We are trying to work with schools as they come forward to point to that. Where it may not be a PSPI approach or initiative, we point them in other directions.

I think a good example of that was in some evidence you took at Yarrabah recently. There was an existing program for transitional assistance for a number of students who needed to go to Cairns to get VET in Schools assistance. That was another program funding those kids. We were able to move to get a contract variation in under that program arrangement as distinct from the PSPI. I think the delegate approved something like \$25,000 for that recently.

CHAIR—Do you have at the moment the number of concept plans that have been received?

Mr Greer—I am not sure I have.

CHAIR—Do you want to take it on notice for us?

Mr Greer—Certainly.

CHAIR—I am afraid I am going to have to email you questions that we have not be able to get through today.

Mr Greer—Yes.

CHAIR—We would like to know the number that have been either fully or partially successful and the number that have been totally unsuccessful.

Mr Greer—Yes.

CHAIR—That would be useful. We have heard from a number of schools which have had concept plans rejected. To what extent would you agree that the sheer number of rejected plans goes to show that the new arrangements are failing?

Mr Greer—Again, I would come back to some of the—

CHAIR—Isn't the ultimate indicator of your success the number of concept plans that are in fact successful in the program?

Mr Hoffman—If, as in the case of the Northern Territory for round 1, you receive \$16 million worth of projects in the concept plan stage and you have \$5.5 million, I would suggest that that is an indication that there is a strong demand for the program.

CHAIR—To my mind, if the government were serious about bridging the divide between black and white education outcomes, they would find that \$16 million. But that is not the case. ASSPA funding has actually been cut by \$3 million in this financial year. Isn't that the case? Aren't you trying to slot these jigsaw pieces into a defined bucket of funding? That is the problem with this, isn't it? Is that why so many concept plans have been rejected?

Mr Greer—You are right—the funding bucket for the IEDA program is the same. It has not been—

CHAIR—I know it is the same, because time and time again we have had this discussion. You have moved money out of ASSPA—

Mr Greer—Into ITAS.

CHAIR—into ITAS—I know that. But if you were serious about the divide, you would have increased funding.

Mr Greer—No, we are serious about that.

CHAIR—You would have left it at \$19 million and just increased the ITAS funding.

Mr Greer—I think government is serious about the divide, but it is saying that many of the issues that you need to address to close that divide are systemic, and you will not necessarily drive the systemic change you need by an overreliance on a relatively small pot of Indigenous specific funds. That is why, collectively, we have to make mainstream programs work better for Indigenous students. That is what we are trying to do.

CHAIR—But, by and large, your review was not showing that it was that bad, was it? The IEDA review was showing that in the majority of cases the ASSPA committees were working, or starting to work, after 10 years. I suppose we could go around in circles and have this debate forever, but is there not a problem with the number of concept plans that have been rejected, either because there is not enough money or because people have just not worked out how to do it right yet?

Mr Greer—If you took the view that every concept plan was a valid plan and ought to be funded, I think it drives you to this point: where should it be funded from? Which of these should mainstream, own-source funding initiatives be getting behind? As I say, we are talking about a bucket of money that has probably \$100 million. If you look at the whole-of-school intervention program—that is, the PSPI and the homework centres—the PSPIs are \$62 million over four years. You add to that the homework centre funding and that bucket is about \$100 million. But, as I mentioned earlier, there is a further \$530 million of per capita funding going into or being attracted by each of the schools that have got—

CHAIR—Yes, we know that.

Mr Greer—Now, is one of the issues—

CHAIR—I discredit that, because it is just part of the supplementary funding.

Mr Greer—how you get a greater proportion of that funding tracking down to the schools that are triggering its eligibility?

CHAIR—That is where I hope that your state and territory agreements or your provider agreements are fundamentally different in this triennium.

Mr Greer—Because it may show that much of that funding is in fact being used to substitute for what jurisdictional own-source funding should be providing or what Commonwealth mainstream funding should be providing.

CHAIR—Is that a fundamental change you are looking at trying to achieve in this quadrennium?

Mr Greer—One of the things we are trying to achieve in this quadrennium is this: by putting some of these measures in place over the quadrennium, we can talk with a fair degree of confidence about what aggregate funding in totality, from the Commonwealth and the states and territories, is going into Indigenous education. You cannot find that in any place at the moment. And then we can look at our outcomes and ask the question: are we getting an adequate return for that investment and, if not, why not?

CHAIR—I am running out of time. I do want to touch on ITAS, but I just want to ask Ms Smith about scaffolding. Far be it from me not to acknowledge what is going to be happening in the Territory, but we did get a lot of criticism from WA and Queensland. People asked: why should the Territory get such a large bucket of money—why should the Territory get a large amount of support—and why was it not seen that the programs should be rolled out around the country to, say, schools in need? So a rationale for that would be useful.

Ms Smith—Thank you for the question. The government has decided to put aside, out of IESIP money, \$14 million for the quadrennium for scaffolding. It has decided to continue projects where it has funded scaffolding in the past—that is, to some 15 of the Western Australian Aboriginal independent community schools and to Shalom College. That is on the basis that those projects are demonstrating good improvements in literacy for the students involved in those schools as well as changing classroom practice and so on. In relation to the Northern Territory, it has decided to put in a funding agreement where the Northern Territory matches the Australian government funding—we are putting in \$8 million over four years—to systematically roll out scaffolding within the jurisdiction with the aim of making it a lighthouse jurisdiction, as Mr Greer has indicated.

CHAIR—So that is \$8 million over four years?

Ms Smith—Yes, and that is to provide scaffolding literacy methodology to 700 teachers—to train 700 teachers—and 10,000 students in 100 schools, primarily remote schools. It is on the basis that the scaffolding methodology has been shown to be effective. The Australian Council for Educational Research did an evaluation in 2002. It showed that, using this methodology, children were able to be moved through the reading levels very significantly in a fairly short period of time. The Western Australian Aboriginal independent schools have been able to demonstrate that. For example, last year they could move their junior primary, their middle and upper primary and their secondary students through reading levels fairly quickly—and we are talking about from term 1 to term 3. So there is significant data available to say that this is working.

The idea of focusing on the Northern Territory is that it is an area of need. Certainly there are other areas of need but it was a partnership with both levels of government and Charles Darwin University working through and putting in matching funds for the two levels of government to systematically roll it out so that we are taking it from the project base to a systemic roll-out.

CHAIR—There was criticism that some of the schools in Queensland, particularly where there was a whole Indigenous population, would miss out. It was fair criticism: ‘Why should the

Territory get all the money and we get nothing?’ I am not talking about Geelong; I am talking about the other mainly government schools we went to. Do they have to wait for the four years before they will get some benefit about what is happening with this new project? How will other schools, say in WA or in Queensland, get access to this project if they do not take it on as an initiative amongst staff and the school? Is there any obligation for people in the Territory to attend conferences and conduct professional development days around the country or anything like that?

Ms Smith—In relation to the undertaking in the Territory, the two existing projects in WA—AICS and Shalom—are connected with what we are calling the national accelerated literacy project. There is an obligation there for the sharing of information about what is working and how it can be achieved. In relation to demands from other jurisdictions, decisions have not been taken about approaches there. The government has decided to put aside \$14 million at this stage.

CHAIR—If \$8 million is going to the Territory, what has happening to the other \$6 million?

Ms Smith—Up to \$6 million is allocated to existing projects and we are in negotiations now.

CHAIR—Is that WA, Shalom?

Ms Smith—That is right.

CHAIR—There will be no spare money?

Mr Greer—There will be, Senator. Certainly nearly \$9 million will be going into—we are contributing \$600,000 kick-start funding to the Northern Territory as well. Around \$4 million may be there for the existing initiatives and of course there will be a couple of million dollars to look at other projects. What we are trying to demonstrate in the Northern Territory, as Ms Smith has said, is how a system can roll this out and pick this up as a mainstream approach to teaching. If we can make that work there, other systems should be trying to learn and pick up that best practice, not necessarily relying on limited Indigenous-specific funding to do that but why can’t jurisdictions use some of the \$2 billion in say-so funding which is provided across jurisdictions for disadvantaged students, or look at unsourced funding to be picking this up? It does not necessarily have to be waiting on catalytic funding from this limited capacity? If it is proving that it can work, and that is what the metrics are telling us, why is it not being picked up in a mainstream context? I am not saying that it is the be all and end all but it is one initiative that is demonstrating that it works—one of a number.

Ms Smith—I point out that the South Australian government jurisdiction is already funding from its own sources a scaffolding approach, systemically.

Senator TROETH—Your submission was glowing about the effects, which was excellent, I thought.

CHAIR—Quite effective. Do you have any educational advice or research upon which you based the changes to the ITAS funding?

Mr Greer—In what sense?

CHAIR—In the sense that you have to fail to reach the benchmarks in order to be included in the numbers that generate the funding formula? What educational advice or research have you based that on?

Mr Greer—Essentially, we are saying that all jurisdictions have signed up—they signed up as long ago as 1998 or 1999—that meeting the minimum benchmarks for all children, including Indigenous children, was a national target. Considerable funding has flown to providers—states, territories and others—to do that. If that is already a mainstream responsibility and mainstream funds should be going in to assist all children, particularly the most disadvantaged, to meet those levels, the government is saying that in this quadrennium it wanted to more strategically focus its Indigenous specific funding such that, if the key testing points in the mainstream were year 3, year 5 and year 7, and the mainstream—for want of a better description—was failing these kids at those points, strategically let us use those funds to provide intensive support to those kids there. No-one is saying that there should not be tutorial assistance provided in early schooling but that is not necessarily the strategic use of IESIP. Why is unsourced funding? Why aren't the general recurrent grants used for that? Why isn't IESIP SRA being used?

CHAIR—I understand what you are saying, Mr Greer, and it is an answer we continually get; that is, that this is all top-up money and it should be coming out of mainstream funding from providers. We understand all that. As opposed to those children who could get tutorial assistance, you have based the numbers on which you generate the funding on those who fail years 3, 5 and 7.

Mr Greer—That is correct.

CHAIR—Was that an educational assessment? Was it based on educational advice, as opposed to, say, the number of kids enrolled in year 1 or the number of kids who ought to be in year 3 that year? If you do not turn up on the day that the test is conducted, you are not a statistic on the range. I want to know whether there was some educational advice that made you pick failure at years 3, 5 and 7 rather than being in grade 1 and attending that year. Why do those figures not generate the funding formula?

Mr Greer—I think that it is fair to say, Senator, that the decisions were taken at those points where the mainstream can demonstrate who is or who is not meeting those mainstream targets. It was in those areas. You will recall that following the initial application of that policy the minister subsequently introduced some flexibility—

CHAIR—There has been a change, I understand that. The flexibility is there but it still does not change the number of students who generate the formula. We have seen in the Northern Territory that only 1,666 students generate the formula as opposed to 3,800. I want to put this to you, and these are two issues that have come up in the inquiry: firstly, what about those students who sit the year 3 exam and fail it in the education system but move to a government system by the time they are in year 5? How do you account for that movement of students in a system under this new funding formula? That funding would have been given to the Catholic system but if a student then moves to a government system in year 4 or at the start of year 5 the non-government system has to wait until they fail year 5.

Mr Greer—I have some briefing here on that issue, but looking at the briefing I am not sure that it is going to the heart of the question. I know the question you are posing but I am not confident that my briefing is specific to answering that question.

CHAIR—I will leave it with you and perhaps you could provide us with an answer in writing. This is the other issue that this new funding mechanism does not accommodate, and I feel that you need to think about this seriously. Ngaanyatjarra College at Yulara would have received about \$35,000 last year in tutorial assistance and I think they are down to about \$12,000 this year. This is why: it is a secondary college so they would get kids at years 8, 9, 10, 11 and 12. But they have a significant number of kids who are petrol sniffers who have never been to school and have never sat the year 3, 5 or 7 tests because they have just been out there sniffing in the desert. But the school is becoming successful to the point that they are turning up in year 8 or year 9. They do not attract tutorial assistance because they were never on the books for years 3, 5 or 7. I would have thought that these are the very kids that you would want to provide that extra assistance to. Ngaanyatjarra College only take kids from three communities—Docker River, Amanpa and Mutijulu. When they had \$35,000 they were able to have a part-time tutor in those three communities. That stopped this year because they do not have the funds. Your system does not allow for kids like this. Those kids have been so dysfunctional and have never gone the school for the whole of their primary school lives and now suddenly they turn up in year 8. How do the new funding arrangements accommodate extra assistance for those kids?

Mr Greer—The new funding arrangements for ITAS as currently constructed, I think it is fair to say, do not. But that is not say that IESIP should not and what we may need to be looking at is—

CHAIR—I understand that, but they cannot afford to move funds out of IESIP. They are busy trying to struggle with these kids—

Mr Greer—I am not saying that. Maybe there are other solutions we need to look at for that cohort of students as distinct from trying to tweak the strategic approach to ITAS per se.

CHAIR—I think that it is a scenario that you need to take on board and look at. It is also an issue that I have picked up in another Aboriginal community where kids—mainly petrol sniffing kids—have not been around for year 3 and have turned up in the grade 4. You talk about flexibility but these are kids that have probably not been to school for four, five or even seven years of their lives. They need more one-to-one assistance than you could believe and I do not think that these changes accommodate those particular kids and I just ask you to think about that.

Mr Greer—I agree. I am not sure whether the issue is to change ITAS per se or look at a solution—something that might sit alongside or—

CHAIR—In estimates I look forward to your solution. It is just another consequential flow-on of these funding arrangements that I do not think people have realised or thought through. Brendan Nelson is talking about these kinds of kids who would be forced into TAFE. Ngaanyatjarra College rings me and says, ‘How are we supposed to do this if we have got diminished funds?’ The way in which the formula is generated significantly affects them. They put to me, quite legitimately, that the most disadvantaged kids are now even more disadvantaged because the funding formula does not pick them up.

Mr Greer—We will have a look at that one, Senator. Just going back to the 1,666 kids in the NT. It has increased to 1,796 and I would just like to take you through the scenario, if I could, of

how the flexibility provision applies here. If you look at those 1,796 kids who attract that notional entitlement of 2.5 hours a week for 32 weeks, there is a nominal pool of 143,600-odd tuition hours. In the Territory, we understand—and NT DEET has advised us of this in the past—the average tuition in ICT is about 1.4 hours per week. So of 143,000 hours 80,000-odd could be used, if they were maintaining that average, to provide support for that cohort. That would mean that the 63,000 hours that would become potentially flexible could accommodate another 1,400 students. The flexibility provision based on one-to-one tuition means that you could provide on those assumptions tuition to 3,200-odd students. If, as is suggested in the Northern Territory's ICT guidelines—I think that it is at page 3 or 5—that schools look flexibly at putting ICT in a small group, if a small group were two in addition to the 1,796 core you could in aggregate support 4,600. If the small group were three, you might support 6,000.

CHAIR—It is a good try, Mr Greer. If you look at it, either kids are getting less time or there has been a reduction in money. You are right, the way around it is to group kids in groups of three, four or five and then they would just have—

Mr Greer—A flexible capacity.

CHAIR—I appreciate the way in which you have played with the statistics—I acknowledge that.

Mr Greer—Thank you, Senator.

CHAIR—Thank you very much. I am sorry if I have gone over time and we are very sorry that we have dragged you out of Canberra but it was going to be the best arrangement. If we give you questions, what is your capacity to answer them to the point where we could write the report?

Mr Greer—As we indicated earlier, we are conscious of the time line you have and we will do what we can to respond to questions.

CHAIR—It is probably not going to be realistic. We might have to keep them until estimates. As this is probably our last public hearing of this committee, I thank the DEST officials particularly those people who flew with us and made themselves available in WA, the Northern Territory and Queensland. I particularly want to thank all of the schools and the principals and Aboriginal parents that we met. The hospitality that we received in schools either in the provision of morning tea or lunch, or principals who went to the trouble of gathering numerous members of the community to meet with us was quite outstanding and overwhelming, really. A lot of people went to a lot of trouble to make sure that what we heard was maximised in the communities. I want to place on the public record that it has not gone unnoticed and we certainly do appreciate the work that is happening out there. There are some fantastic principals and teachers doing an almighty good job against the odds out there and we do not recognise their efforts enough sometimes. So, thanks very much.

Subcommittee adjourned at 5.08 p.m.