



**ASSOCIATION of INDEPENDENT SCHOOLS of the  
NORTHERN TERRITORY Inc.**

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Committee Secretary  
House of Representatives Standing Committee on Indigenous Affairs  
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**Submission to the Inquiry into educational opportunities for Aboriginal and  
Torres Strait Islander Students**

**Background**

The AISNT is the peak body for 20 Independent schools in the NT all of which provide education to student bodies which include Indigenous children. It is estimated that of the 6,000 plus students educated in our schools 25% are Indigenous.

More specifically our organisation includes schools that have significant numbers of Indigenous students ranging from 30 to 100% of their total student cohort. We include very remote Indigenous community schools providing day programs through to remote and regional boarding schools providing day and boarding programs. These include, with location and estimated Indigenous student cohort:

- Kormilda College – Darwin; day and boarding programs – 240 plus students;
- Nyangatjatjara College – Yulara, Imanpa, and Docker River; day programs – 120 plus students;
- Tiwi College - Melville Island; boarding program – 75 plus students (increasing to 100);
- St Philip's College - Alice Springs; day and boarding programs – 40 plus students;
- Yipirinya School - Alice Springs; day program – 160 plus students;
- Yirara College of the Finke River Mission - Alice Springs and Kintore; day and boarding programs – 240 plus students;
- Gäwa Christian School - Elcho Island; day program – 40 plus students;
- Mäpuru Christian School - Mäpuru Homeland - North East Arnhem; day program – 40 plus students;
- Marrara Christian School – Darwin; day and boarding programs – 120 plus students; and
- Woolaning Homeland Christian School – Litchfield; boarding program – 50 plus students.

Collectively our schools in the Northern Territory (including those listed above) currently enrol over 1500 Indigenous students drawn from regional and remote communities across the Top End and Central Australia. Of these some 750 are

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enrolled in boarding programs and if viably funded these programs could potentially expand to some 1000 students. The Northern Territory government has always struggled to ensure that remote secondary students in the NT have access to an education. In a country that espouses the expectation of education or training until the end of school age to have more than 5000 remote Indigenous students without reasonable access to secondary education is a catastrophe. Recently the Northern Territory Government has modified its policy and is proceeding with remote students accessing education in boarding schools following the recommendations of Bruce Wilson's *Review of Indigenous Education in the Northern Territory*. Yet, due to ongoing under-funding issues from both levels of governments, even the existing boarding system in the Northern Territory is on the point of collapse.

This difficult situation faced by our boarding schools has been clearly highlighted in the 2013 Project Vale report by Deloitte to the Commonwealth Department of Education and confirmed by more than one Northern Territory internal review.

Many of our schools are on the point of a significant reduction of boarders or complete closure because they cannot continue to sustain the level of financial drain caused by their boarding programs. That will deny even more young remote Indigenous people any option of secondary education. On the other hand, with the implementation of adequate, ongoing funding, our schools would be in a position to increase their capacity and assist governments in resolving the issue of providing successful education to remote Indigenous youth.

Shortfalls in the funding for remote Indigenous schools providing day programs due to the flawed implementation of the NT Government's recurrent funding model are also of concern.

Given the clear policy position of both Northern Territory and Australian governments in relation to Indigenous education, this threat to existing successful programs supporting regional and remote Indigenous students surely demands immediate attention.

Notwithstanding the challenges faced by our schools with regards adequate funding for their programs, these schools are achieving significant success in educational outcomes for students from early learning through to Year 12 completions, with the latter being from boarding programs.

## **FUNDING ISSUES**

### **Widening the Funding Deficit**

From 2010 to 2013 the cost of schooling, as measured by the Australian Government School Recurrent Cost (AGSRC), rose by 14.4%. Our schools have received these increases as applied to recurrent funding from the Australian Government and we are grateful for that commitment to education across Australia to date. Unfortunately these cost increases are not reflected in other funding nor are the transitional arrangements for School's First funding likely to meet the immediate or longer term needs for Indigenous students.

In the same period the Northern Territory Government has only increased its funding to recurrent costs of boarding facilities for remote Indigenous students by 8% (Isolated Students Education Allowance - ISEA). ABSTUDY, which forms the major part of the funding for these schools, has only increased by 0.15% for the same period.

As a result the major funding sources for Indigenous boarding schools in the NT, ABSTUDY and NT ISEA funding, has significantly decreased in real terms.

This period also coincides with the time that remote Indigenous boarding schools have experienced increasing pressure on their budgets. The schools which were already stretched financially prior to 2010 have had to make greater and greater financial commitment to their boarding house from other sources. This is supported as we believe every child of school age has a right to an education.

### **Recurrent funding - Commonwealth**

In 2009 a significant change was made to the funding arrangements for Indigenous students which saw the collapsing of 11 funding programs into a single program, the Indigenous Supplementary Allowance (IAS). This new program, IAS, also broadened eligibility, access and levels of funding to include schools in urban locations to the detriment of funding for regional, remote and very schools. In recognition of this decrease in funding an additional payment, the Indigenous Funding Guarantee (IFG), was implemented to compensate those schools identified as suffering an 'unintended' funding cut on implementation of the ISA. This IFG applied to all non-government schools in the NT and was designed to maintain their funding at 2008 levels until ISA funding 'caught up'. The reality of this IFG was that NT schools had their funding 'frozen' at 2008 levels with no recognition of the impact of increasing costs or increasing enrolments. After significant lobbying with the assistance of the Independent Schools Council Australia (ISCA) a new funding arrangement was put in place for schools with students from remote and very remote communities boarding at a non-remote campus receiving an additional boarding supplement. Overall however, the implementation of this new funding program, ISA, while providing increased funding to urban schools with Indigenous students significantly and negatively impacted on regional and remote schools (ie NT schools), a situation from which they are still recovering.

In its final report the *Gonski Review into School Funding* identified and then recommended that schools with a significant Indigenous student population, and notably Indigenous boarding students, be fully publicly funded under the proposed SRS and loadings model. All NT Indigenous schools and boarding schools have been confirmed as below the SRS funding model and are currently being 'transitioned' under the *School's First* funding model. As this transition period is only over the first four of what was initially proposed to be six years and given the relatively low funding base that these schools were at in 2013, none of these Territory schools is identified as achieving the SRS level by 2017, even with the *Special Boarding School Funding Payment* confirmed in the 2015 Budget.

These schools require immediate transition to full SRS funding in order to provide the resources required to meet the needs of their Indigenous students to address the

well documented and continuing health, socio-emotional, nutritional, and developmental difficulties that most if not all of these students present, and not just the standard educational needs of the 'average' student.

### **Recurrent funding - NT**

In 2012 the NT Department moved to a funding model that, on the face of it, has some similarities to the Commonwealth *School's First* model in that it has a base rate and loadings approach. While there is a specific loading for Indigeneity it is set at 30% of the base in recognition that having Indigenous students in an NT school population is more of the norm than in other jurisdictions. However the model is flawed in two major aspects:

- The base rate is not determined against any minimum resourcing requirement, educational outcome or even a CPI/cost related increase from historical funding. Rather the base figure is 'reverse engineered' to ensure that allocated funding remains within a capped funding pool which is determined as a percentage of the total NT Government direct spend on students at NTG schools. At implementation the percentage was 24% but this was unilaterally reduced to 23.75% in 2014 and 23% in 2015.
- There is no mechanism to increase the funding pool and current determinants for the pool are such that it is based on enrolment and attendance figures which are 12 months out of date. As a result the funding pool is not adjusted to account for new schools with growing enrolments, other changes in enrolment numbers nor for any improvement in attendance. Given the efforts of government to improve attendance through truancy programs and the reduction of secondary programs in remote NT Government schools, as well as improving engagement in boarding programs, there has been a significant increase in funded enrolments at non-government schools in 2015 resulting in an effective 8% reduction in NT recurrent funding to the sector from Semester 1 to Semester 2. Given half of the increase in funded enrolments can be attributed to Indigenous student attendance this has had a significant impact on our schools.

This issue has been recognised by the NT Department and a review of recurrent funding has been promised but is unlikely to have any effect before 2017.

### **Isolated Students Education Allowance**

The NT Government does provide some recurrent operational funding to NT boarding colleges through the Isolated Students Education Allowance (ISEA). This allowance provides financial assistance for homework programs and the recreational and social development of boarding students. It is a contribution towards the living costs only and not linked to the actual broader operational and maintenance cost of running the boarding facility.

In 2014 the allowance was \$3,096 per boarder we are unable to confirm the 2015 figure as the Department no longer provides details of how it is calculating this payment.

The NT Government also provides specific support in the form of subsidy payments to some boarding schools. This has been the case since the early 1990s and ranges from \$250,000 to \$500,000 for each school per annum. It should be noted that these amounts have not changed since they were negotiated in the early 1990s and that no indexation has been applied since the start of these payments. Further, the subsidy is a fixed amount regardless of student enrolment.

With the release of Bruce Wilson's *Review of Indigenous Education in the Northern Territory* and the adoption of his recommendations concerning secondary education, specifically the shift towards the use of boarding programs, there is an immediate need to review and address the recurrent funding requirements for these programs. Accordingly, the NT Minister of Education has directed that a review be conducted to find out if there is enough funding to cover expenses and if not, who should pay the shortfall (NT or Commonwealth), with a view to supporting the development of a sustainable funding model for non-government boarding schools in the NT. Terms of reference have been completed and the review should be completed by mid-2016.

## **ABSTUDY**

ABSTUDY is a critical funding source to meet the difference between government recurrent payments and the actual cost of providing schooling and boarding for Indigenous students and provides the equivalent of the school and boarding fees otherwise paid by non-Indigenous parents for their children to attend a non-government school. Given the significant economic disadvantage of Indigenous families in even regional communities not to mention remote and very remote locales there is no capacity, even from those few who have attained some level of employment (more on this later) to contribute to the costs of their children's schooling.

From a school's perspective ABSTUDY is provided under two broad categories:

- School Fees Allowance (SFA), in most instances students are entitled to Group 2 SFA and this is paid to schools that provide boarding or where the school is the sole provider for a level of schooling in the community (eg Middle School). Prior to 2010 the level of the SFA payment was considered more than adequate to meet the gap between recurrent payments and costs, however with the removal of the School's Drought Assistance Package in that year the SFA payment was reduce by nearly \$1 000 per student. SFA is also means tested to a minimum payment (\$9 407 reducing to \$7 897 in 2015) which further impacts on the ability of schools to cover costs for an increasing number of students. Additionally, given annual SFA increases have generally been well less than 3% pa while the AGSRC has been increasing at an average of 4.9% pa, the SFA payment has only just returned to 2009 levels and remains well below the real increase in costs. As a result SFA largely no longer meets the

gap between recurrent funding and educational program costs and this gap will continue to widen unless the annual increase is adjusted to meet real, education delivery cost increases.

- Boarding Allowances, there are a number of payments which are provided collectively to meet the costs of boarding. Depending on the age of the student (there are differing rates for under 16 versus over 16 students but there is a compensating Under 16 Supplementary Boarding Allowance) the total of these payments is between \$12 500 and \$15 100. However with the exception of the Remote Allowance, these various elements can be means tested to zero. Further, annual increases to these allowances are restricted to the national cpi which in no way accounts for the actual costs and annual increases to those costs for regional, remote and very remote schools.

The 2013 Deloitte's Project Vale review identified a funding shortfall for Indigenous boarding students in the order of \$18 500 per student. Anecdotal evidence from the NT Departments suggests that the annual per capita cost to government for students boarding at a government run facility is in the order of \$30 000 per student. If we then deduct the ABSTUDY boarding allowances component from this cost the result is then very similar to that identified by Project Vale which is only partially met by the NT Government's payments to boarding schools.

There is an urgent need to address this significant funding shortfall before NT boarding schools are forced to further reduce their provision of programs for remote Indigenous students.

### **Accessing ABSTUDY**

While the representatives from ABSTUDY who visited our schools in late 2014 were clearly motivated to assist our Indigenous families there were limitations placed on what they could do as part of the behemoth which is the Department of Human Services.

To be blunt, the ABSTUDY process in the Northern Territory is asking people who are partly nomadic, marginally literate in the English language and with negligible understanding of the use of money or its value to operate within the ABSTUDY application process and its ongoing processes. No matter how the process is modified within the requirements of DHS, the processes will still be designed for the dominant user group and remain mystifying for the vast majority of remote Indigenous families. Even with support offered by DHS officers and the Principals of local government primary schools, applications are still rejected because they are not correctly completed to DHS requirements.

### **ABSTUDY Census Dates**

Students in our boarding programs come from very remote communities. In the top end of Australia the Wet is a seasonal event that cuts off communities for weeks and months at a time. These conditions can mean that students are not able to be picked up to start a new term or they may be cut off in another community. Similar factors

can also affect the availability of students to travel from other regions. Families do not have the same understanding of time that the dominant culture has; they are not motivated to send their children away from their home, language and culture; and they do not understand the urgency and imperative of being back at school on time, despite the implementation of truancy programs by both governments.

The conditions imposed by ABSTUDY having a census day in the third week of every term means that invariably a significant percentage of students are not counted and each boarding school is only funded for the time that a student is present. Almost always these delays in students arriving are not within the control of the schools. Yet the schools must have their full teaching and boarding staff in place from the beginning of term. We are unable to be flexible enough with staffing to meet the staggered return of students. Schools are punished due to circumstances that are beyond their control.

We have been advised that where the delay to a student commencing school is due to a weather or cultural event outside of the schools control the school can seek a waiver from DHS/Centrelink on the census date requirement. As yet no school has successfully achieved such a waiver.

Accordingly, there is a requirement for a base level of recurrent funding that supports boarding schools to maintain staffing levels and allows for such delays in student arrivals, perhaps something similar to the size loading as applied under the *School's First* recurrent funding or a base rate per bed.

### **Means testing ABSTUDY**

ABSTUDY families are means tested. On the surface that seems like a good policy. Families who have made the transition from welfare recipients to productive members of the economy are generally those who are most committed to their children receiving an education. We have growing numbers of these students in our schools. Their presence means that the ABSTUDY funding that schools receive is extensively curtailed.

While we understand the expectation is for parents to pay the difference the reality is that this is impossible. These families are usually in lower paid employment and living in a remote location where living expenses are extreme and are also subject to cultural expectations to support their wider family. In reality they do not have the disposable income available to bolster their children's education costs.

This results in either the school bearing the difference between reduced ABSTUDY funding and the cost of education or expelling the student. If we followed the later strategy, and some school may soon be forced into that position, then students who are generally succeeding in their education are rejected and demoralised. The very families who are "closing the gap" are being disadvantaged by the system. It seems inappropriate that a family may be forced to choose to give up their jobs so that their children have an opportunity to have a secondary education. Yet that is what some families do.

To this point schools have chosen to bear the burden of reducing government funding for remote Indigenous education but that time is reaching the end of

economic possibility. Our schools are willing to make sacrifices to ensure a remote Indigenous education program is maintained, whether they be local, community based programs or boarding programs, because we see it as our responsibility, as part of the Australian community, but there are limits to our ability to do so.

## **OTHER ISSUES**

### **Access and Support**

Our member schools provide programs which provide engagement and achievement for students in remote areas. These schools also provide support for families and communities to assist in their children experiencing success in their education through choice from a range of different models of educational services. Our schools also provide, or facilitate the provision of, programs that meet the health, socio-emotional, nutritional, and developmental needs of their students who, often, are suffering from the effects of significant trauma (eg PTSD), health challenges (eg Rheumatic Heart Fever, Scabies, Otitis Media etc), and disabilities.

The cost of providing these program is significant, not just the direct cost but also in the cost of training required to ensure staff in the classroom, the boarding house and even in the front office understand the background of the students with which they interact on a daily basis and every staff member contributes to the support those students, and their families, require to succeed.

### **Family support for students**

As for any parent there is a desire for their children to succeed at school. As noted above families have little or no capacity to contribute to the costs of school and boarding programs, however families do support their children by ensuring they have suitable clothes to attend their community school or to travel to and from their boarding school. For those with boarding students under the age of 16 many parents provide some 'pocket money' by diverting all or part of the Family Tax Benefit (FTB) payment (known as 'baby money' in communities). Given the current proposals to reduce the age limit for payment of this benefit this will have a significant impact on the ability of families to provide any level of support towards the education of their children.

## **SUMMARY**

Past and recent reviews by both the Northern Territory and Commonwealth Governments have concluded that there is inadequate funding assistance for schools with significant Indigenous student cohorts and for those that provide boarding programs for students from remote and very remote communities. To ensure that these students succeed in their educational and boarding programs unique services are required, particularly around health and well-being, which are essential and costly. However, without adequate funding there will be a continuing failure to address the significant education gap for these students.

AISNT recommends that:



- The Inquiry panel to visit NT Independent schools and experience firsthand the programs and supports they provide and the challenges they face. AISNT could assist in preparing a visit itinerary and escorting the panel.
- The Inquiry host a forum of school Principals, AIS and ISCA representatives from across the nation to further identify the successes and challenges in the provision of Indigenous education.
- Schools with a significant Indigenous student cohort (ie schools with more than 50 Indigenous students or where more than 50% of students are Indigenous) transition immediately to full SRS funding in order to provide the resources required to address the well documented and continuing health, socio-emotional, nutritional, and developmental difficulties that most if not all of these students present, and not just the standard educational needs of the 'average' student.
- A new recurrent boarding per capita payment be developed, in conjunction with states and territories that meets the real and full costs to deliver a benchmark safe, supportive and compliant boarding program suitable for students from remote communities. This might replace ABSTUDY or be delivered in conjunction with it.
- ABSTUDY be reviewed to ensure that annual increases are at least in line with the real cost of service delivery and to remove the means testing of regional and remote Indigenous families.
- There be a full review of ABSTUDY application processes and support services to better meet the needs of remote families and boarding schools in applying for and receiving ABSTUDY payments.
- A base level of recurrent funding be introduced that supports boarding schools to maintain staffing levels and allows for delays in student arrivals, perhaps something similar to the size loading as applied under the *School's First* recurrent funding or a base rate per bed.
- Provides funding to professionally develop and maintain all staff in schools with a significant Indigenous cohort so they may understand the background of the students with which they interact on a daily basis and ensure every staff member contributes to the support those students, and their families, require to succeed.
- The Inquiry consider the impact on Indigenous families to contribute to the needs of their children if FTB is removed for children over 13.