

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into indigenous education funding arrangements**

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MC 04/3548

Senator Trish Crossin  
Chair  
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Dear Senator Crossin

Thank you for the opportunity to respond to the inquiry into the new Australian Government Indigenous education funding arrangements.

The new provisions as identified in the Indigenous Education (Financial Assistance) Bill 2004 will have a significant impact on the availability and accessibility of education programs for Aboriginal students in South Australia. A submission detailing the impact of these changes is attached.

Of particular concern is the inequitable distribution of funds between the non-government and government sector, and the changes to the Indigenous Education Direct Assistance programs. The increased administration, reporting and accountability requirements of the new funding arrangements will also have considerable impact.

The South Australian Government is committed to improving the educational outcomes for Indigenous students. I acknowledge that Indigenous specific funding provided by the Australian Government is supplementary to other mainstream funds and is intended for strategic interventions to accelerate Indigenous student learning outcomes. However, the proposed changes to Indigenous education funding focus on accountability requirements and redistribution of existing resources to new programs, yet there is no significant amount of new funding.

I look forward to the findings of the committee's inquiry.

Yours sincerely

Jane Lomax-Smith  
MINISTER FOR EDUCATION AND CHILDREN'S SERVICES  
MINISTER FOR TOURISM

2/11/05

Encl.

# SOUTH AUSTRALIAN GOVERNMENT SUBMISSION TO THE INQUIRY INTO NEW INDIGENOUS EDUCATION FUNDING ARRANGEMENTS

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## TERMS OF REFERENCE

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 Indigenous Education Direct Assistance (IEDA) and Indigenous Education Strategic Initiatives Program (IESIP) programs, with reference to:
  - a) The new tutorial assistance arrangements and Whole of School Intervention strategy under IEDA.

The Australian Government has advised that the new reshaped IEDA program will consist of two key elements:

- Targeted tuition assistance for Indigenous students through a scheme called the Indigenous Tutorial Assistance Scheme (ITAS)
- the introduction of a Whole of School Intervention strategy.

### Indigenous Tutorial Assistance Scheme (ITAS)

From 2005:

- \$105.5 million will target students not meeting the Year 3, 5 and 7 literacy and numeracy benchmark tests. These students will be eligible for tutorial assistance in the following year (ie Years 4, 6 and 8).
- \$41.9 million will be targeted at Year 10, 11 and 12 Indigenous students.
- The remaining \$431.5 million is dedicated to tertiary students.

### *Issues for South Australia*

Research shows that early intervention provides better long-term results for students rather than remediation. Pilots conducted in Port Lincoln in South Australia have shown that intervention in Reception, Year 1 and Year 2 improves outcomes for Aboriginal students. In-school tuition has benefited the younger cohort as the length of the school day impacts on a younger person's ability to engage in homework centres or after school tuition. Under the Australian Government's funding arrangements, in-class tuition is to be provided to students in Years 4, 6 and 8 for students not meeting the Year 3, 5 and 7 benchmarks. The value of a tuition scheme that is not continuous is questionable. In South Australia, students finish primary school in Year 7, therefore, support in Year 8 would need to follow the student to the secondary site.

Metropolitan schools must have more than 20 Indigenous student enrolments in order to be eligible for funding. Many students in South Australia will be disadvantaged as a result of this policy decision. In South Australia, only 53 of the 318 metropolitan schools have more than 20 Indigenous student enrolments. This will result in almost 1,500 South Australian Aboriginal students missing out on

Commonwealth funding through the ITAS program. No justification or rationale has been provided by the Australian Government for this decision.

Statistics show that the mobility of Aboriginal students is generally three times the rate of non-Aboriginal students. Many people from South Australian remote areas travel frequently with their families to regional centres for health and personal reasons, which increases the incidence of transience in these communities. The high inter-school mobility of Aboriginal students in South Australia will impact on eligibility for in-school tuition. Aboriginal students who are assessed as below the benchmark level and are therefore eligible for in-class tuition, will in the following year be denied access to ITAS support if they re-enrol in a school with less than 20 Aboriginal student enrolments. For ITAS funds to be accessed by eligible children, the funding should follow the child, not the school they attend.

The current ATAS program is administered by the Commonwealth Department of Education, Science and Technology (DEST) offices in each state and territory. Under the new guidelines, funding payments will be made to the education provider (South Australian Department of Education and Children's Services) who will administer the program utilising the 10% administration cost permissible within the agreement. The proposal that this administration be undertaken by the State will result in significant additional workload despite the 10% administrative cost being provided.

#### Whole of school intervention strategy

The discontinuation of funding to Indigenous parent committees such as Aboriginal Student Support and Parent Awareness (ASSPA) and the Vocational Education and Guidance for Aboriginal Schemes (VEGAS) is of concern to South Australia. Funding to Indigenous parent committees will be replaced by competitive submission based funding. Parent School Partnership groups will be required to submit applications to secure funding to implement programs to address local issues.

South Australia does not support the proposed model because of concerns that funding will be based on the 'best' submission, not on the needs of students. Funding must be directed to schools and community groups most in need to enable the capacity of those communities to become more involved in educational decision making and partnership agreements.

#### **b) New strategic initiatives for indigenous students in remote areas and the new flagship project for teaching literacy under IESIP.**

The guidelines of 50% of funding being provided to isolated and remote schools is not equitable in South Australia as there are some students living in extreme disadvantage in metropolitan and regional areas. Using the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Geographical Location 'remoteness indicator', there are 3924 (58.5%) Aboriginal student enrolments in South Australia's metropolitan and inner regional areas. There are a further 2794 (41.5%) in outer regional, remote and very remote communities. Students in remote and very remote areas of the state constitute 18.2% of the Aboriginal student population. A table outlining this information for South Australia is set out below.

MCEETYA Geographical Locations	Aboriginal students	Percentage
Major Cities of Australia	3310	49.3%
Inner Regional Australia	614	9.2%
Outer Regional Australia	1567	23.3%
Remote Australia	350	5.2%
Very Remote Australia	877	13.0%
TOTAL	6718	100.0%

The Australian Government has announced that the per capita rates for metropolitan areas for Supplementary Recurrent Assistance (SRA) will remain at the 2004 rate, that is, no indexation will be applied. In the past, per capita rates have increased by around 5% per annum. This decision will effectively result in a reduction in funding of 20% for the metropolitan area by 2008. It is noted that preschool funding will continue to be indexed.

It is acknowledged that the decision to freeze metropolitan funding will result in remote indigenous students receiving approximately 2.2 times the metropolitan rate, and as a result more resources are dedicated to the most needy students, those in remote areas. However, the Australian Government has indicated that this arrangement is consistent with its commitment to increasing mainstream service provision for Indigenous students in metropolitan areas. It is not known, nor has it been justified by the Australian Government, how effectively reducing supplementary funding would improve mainstream service provision.

The Australian Government decision to cease indexation for Vocational Education and Training (VET) services in metropolitan areas and for funding to remain at 2004 levels appears to be contrary to its principle that resources are redirected to programs that have been successful and have demonstrated improved outcomes for Indigenous students. Central to the 2001 Australian Government review of Commonwealth funding of Indigenous programs for all portfolios was an assessment of Indigenous funding by the Commonwealth Grants Commission which stated that 'Programs such as VET in schools are potentially of great value to Indigenous secondary students' with Indigenous student participation around Australia increasing from 26,000 in 1995 to over 58,000 in 2001.

Nationally, \$128.1 million is dedicated to ongoing and new strategic projects such as the National Indigenous Education Literacy and Numeracy Strategy (NIELNS) and the 'Scaffolding Literacy' approach. DEST has announced \$14 million over the next quadrennium, specifically for this 'flagship' program, now called the National Accelerated Literacy Program (NALP). The majority of funding is to be directed to the Northern Territory, however, \$6 million has been earmarked for the maintenance of *ongoing* projects. While the Anangu Schools are recognised as ongoing projects under this program, other schools in South Australia may not be eligible for funding as they have not received funding from the Australian Government previously.

**2. The likely educational outcomes of the Commonwealth's new indigenous-specific funding measures, with reference to:**

**a) the Indigenous Youth Leadership and Indigenous Youth Mobility Programs**

The National Indigenous Youth Leadership Group was established by the Australian Government to provide a direct dialogue with young Indigenous Australians and to ensure that their views are taken into consideration in policy-making processes.

It is unclear how the formation of the National Indigenous Youth Leadership program will support improved educational outcomes for the Commonwealth's new Indigenous specific funding measures. It may provide a consultative mechanism for future funding agreements but will have no impact on the provider guidelines for Indigenous education programs for the quadrennium 2005–2008.

It is highly likely that youth selected to participate in these programs would be existing leaders in their communities, that is, they are likely to already be successful in their chosen studies or career. Selection for these programs must ensure that a broad cross-section of young people are selected as advocates and ambassadors for Indigenous communities.

**b) 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.**

It is difficult to determine the likely outcomes of the new funding measures. However in relation to IEDA funding, it is apparent that a large number of students in years 4, 6 and 8 will no longer be eligible for ITAS funding (as outlined in response to terms of reference 1). Based on the number of South Australian students not meeting year 3, 5 and 7 benchmarks, this means that:

- 22.4% of year 3 Aboriginal students in metropolitan schools will not be eligible for ITAS funding in the following year (ie year 4)
- 14.7% of year 5 Aboriginal students in metropolitan schools will not be eligible (in year 6)
- 20.2% of year 7 Aboriginal students in metropolitan schools will not be eligible (in year 8).

This is a backward step that will not improve literacy and numeracy outcomes for these students.

Apparent retention rates for South Australian Indigenous students have been improving steadily for a number of years and this trend should continue. Year 8-12 retention rates have increased from 19.8% in 1999 to 31.4% in 2004.

Attendance rates for students in Anangu schools have improved from 57% in 1999 to around 77% in 2004. Aboriginal attendance across the state has remained very stable at around 82% over the same period.

- 3. The accountability requirements applying to funding agreements made under IEDA and IESIP programs, with reference to:**
- a) the new framework of performance monitoring and reporting on educational outcomes**

The new framework of performance monitoring and reporting raises several concerns for South Australia:

- the requirement to report on 'spelling' – South Australia does not collect data on 'spelling'. DEST have indicated that this will be negotiable during bilateral discussions
- changes to entitlement and reporting under Supplementary Recurrent Assistance (SRA) to align with MCEETYA geo-location descriptors (very remote, remote, provincial and metropolitan) – the low numbers of students in some regions in South Australia will mean that results may not be valid
- literacy and numeracy performance indicators remain the same but targets are yet to be negotiated
- Year 10 literacy and numeracy data collection – South Australia currently has no data collection mechanism for Year 10 literacy and numeracy outcomes
- In-class tuition is a significant change. Funding under the new guidelines is calculated on the number of students who do not meet the benchmarks at Year 3, 5 and 7 by geo-location. The formula as stated in the guidelines is:
  - 1:1 in remote areas
  - 1:1 for 50% of students in non-remote areas and 50% allocated for small groups of students calculated in groups of three
  - no allocation for non-remote sites with less than 20 students
  - no clustering of students
  - rates of \$30 per 1:1 and \$35 per small group x 2.5 hours per week by 32 weeks per year
- The responsibility for the ITAS program will be shifted from the Australian Government (DEST) to the State Government (DECS) which creates a significant administration burden on the State. DECS will be required to administer the program including the disbursement of funds, recruitment of tutors, promotion and marketing of the program to eligible sites, implementation and support to sites, and central coordination of reports and workplans for DEST monitoring and reporting requirements.

**b) the new financial reporting arrangements.**

South Australian supports the changes in the timing of:

- funding from 50% in January and 50% in July to 50% in January, 25% in July and the balance on the finalisation of enrolment data
- reporting by 31 May in each year rather than 31 March in each year.

A penalty will be imposed for acquittals and reporting requirements not received by two months after the due date of 31 May (ie the end of July) of each year of the quadrennium. The penalty equates to 4% of the 10% administration costs of the program. This will be deducted from the following allocation. If the acquittal is a further two months late, a further penalty of 4% of the administrative costs of 10% will be imposed. In effect, this means that 80% of the 10% administration cost could be lost.

**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.**

The Australian Government's changes to Indigenous education funding will have an impact on programs that will be offered in 2005-09.

NIELNS funding has not been announced at this stage. South Australia has implemented many programs using NIELNS funding in the last quadrennium. It is unclear what funding will be available under NIELNS and what criteria will be attached to this funding.

The cessation of Vocational Education and Guidance for Aboriginals Scheme (VEGAS) programs from IEDA has impacted on DECS' ability to deliver the Aboriginal and Islander Career Aspirations Program (AICAP). AICAP is a state-wide initiative that began in 1994. It has been a joint initiative using VEGAS and State Government funding. AICAP provided Aboriginal and Torres Strait Islander students from year 8-12 and youth in detention with appropriate education and career pathway support, and younger students with similar information to support them through the key transition points of their schooling.

Aboriginal student access to career education programs that support a successful transition from education to employment, training or further education has been limited. The AICAP program provided specific career education programs that Indigenous students found relevant and meaningful.

The discontinuation of funding to Indigenous parent committees (ASSPA) will partially be replaced by competitive submission based funding. Parent School Partnership groups will be required to submit applications to implement programs to address local issues.

Local school management and Aboriginal people's involvement in decision-making are key factors that influence the success of learning outcomes for Aboriginal students. The Yurrekaityarindi is an affiliated body of Aboriginal parents, and parents of Aboriginal children that align to a school governing council. The further development of Yurrekaityarindi committees will ensure that Aboriginal people have a voice in the management and allocation of a school's resources. DECS is working with the South Australian Association of School Parents' Clubs (SAASPC) and the South Australian Association of State Schools' Organisation (SAASSO), Aboriginal community organisations, parents, principals and school staff to provide information to Aboriginal people about the role of Yurrekaityarindi and governing council roles and responsibilities.

DECS is also working with DEST staff to conduct workshops across the state with parents and communities to discuss the changes to IEDA programs, the way that Yurrekaityarindi can influence how a school uses resources to improve outcomes for Aboriginal students, and the support available for parents and schools to access Parent School Partnership initiative resources.

**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.**

In 2001, the Australian Government completed an extensive review of Commonwealth funding of Indigenous programs for all portfolios. The review of the Australian Government Indigenous Education program funding included the gathering and analysis of data from several sources. These included case studies, interviews with teachers, Indigenous parents, principals, tutors and students. ASSPA committees were also invited to provide written responses to questionnaires and discussion papers.

The outcome of this review was that Australian Government funding would be used to:

- redirect resources to programs that have been successful and have demonstrated improved outcomes for Indigenous students
- provide a greater weighting of resources towards Indigenous students of greatest disadvantage, particularly those in remote areas
- improve mainstream service provision for Indigenous students, particularly those in metropolitan areas.

These three principles have been used as the justification for changes made by the Australian Government to Indigenous education funding and support the belief that Aboriginal students in metropolitan or regional areas have equitable access to mainstream services. However, mainstream services are not accessed by Aboriginal people to the same extent as other Australians. It is generally the Aboriginal community organisations that are most successful in providing coordinated services to Aboriginal clients.

The Australian Government's position on IESIP quadrennium funding 2005-08 was circulated to states to form the basis of bilateral discussions between jurisdictions and the Australian Government. These discussions occurred in South Australia in April 2004. The Draft Provider Guidelines for the 2005-8 Quadrennium Aboriginal Education are significantly different in format and content as it relates to the new areas of funding announced by the Federal Minister for Education, Science and Technology.

Despite the comments and concerns gathered from all states and territories in response to the DEST discussion paper during the latter part of 2004, minimal feedback has been taken on board by the Australian Government. A national strategy needs to take into account each state and territory's unique identity and local knowledge to target the best use of supplementary funding. Otherwise, a national 'one size fits all' approach will miss many targets.

The Australian Government must develop an effective mechanism to coordinate with other portfolio agencies, as well as state agencies, to ensure equitable distribution of supplementary funding. The manner in which states and territories are allocated resources must reflect partnering arrangements. For example, the reviewing and changing of allocative mechanisms for Community Development and Employment Programs via Shared Responsibility Agreements invites state and community participation as partners. Many Aboriginal communities are highly dependent on

marginal funding sources and will be further disadvantaged by an applications-based funding mechanism that is heavily reliant on established and effective governance structures.