



# **Report on Changes to Indigenous Education 2005 – 2008 Quadrennial Funding**

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## Background

Brendan Nelson, Federal Minister for Education, Science and Training released the Howard Government's proposed changes to the Indigenous Education funding quadrennium for 2005 – 2008 on the 5<sup>th</sup> April, 2004. \$2.1 billion will be allocated to pre-schools, schools, VET providers and universities, an increase of \$351 million or 20.5%.

### Changes from 2001-2004 to 2005-2008

The Commonwealth Government disperses Indigenous-specific funds to education providers under the banner of the *Indigenous Education (Targeted Assistance) Act* (2000). Program area funding is dispersed under the banner of the Indigenous Education Strategic Initiatives Program (IESIP) and the Indigenous Education Direct Assistance program (IEDA).

For the 2001-2004 quadrennium, funding under IESIP was comprised of:

- Supplementary Recurrent Assistance (SRA) money paid to providers per capita;
- ESL-ILSS money paid to assist English as a Second Language speakers in their first year of schooling;
- NIELNS money paid to support the attainment of objectives under the National Indigenous English Literacy and Numeracy Strategy;
- Away from base – mixed mode delivery (previously Abstudy) money paid to support students in VET institutions and universities who are based in their home communities and either require travel to block delivery sessions on campus, or require teachers to travel to them.

For the same quadrennium, the IEDA program was comprised of:

- the Aboriginal Tutorial Assistance Scheme (ATAS), designed to support out of school tuition and homework centres. In 2004, in-school tuition using ATAS funding was trialled in schools in Cape York, NSW and the Northern Territory;
- the Aboriginal Student Support and Parent Awareness Scheme (ASSPA) to support the involvement of Indigenous parents in school decision-making; and
- the Vocational and Educational Guidance for Aboriginals Scheme (VEGAS) to support projects in relation to future study or careers.

The 2005-2008 quadrennium will see a continuation of IESIP and IEDA funding, although many of the program areas will be redefined, with a significant focus on remote areas.

IESIP funding will be comprised of:

- SRA money paid to providers per capita. Primarily the increase from \$427.2m (2001 – 2004) to \$513.5m (2005 – 2008) can be explained through projected increases in enrolments);
- Strategic Initiatives (SI) funding (a continuation of \$128.1m), which will focus on students in remote areas and cover:
  - NIELNS (a reoriented program based around 'what works' and focusing on skills of teachers and support staff, early schooling preparation, and post-compulsory schooling initiatives – year 12 or VET equivalents);
  - The "Dare to Lead" project (DEST media release refers to a project to 'progress coalitions with school principals');
  - Support for the extension of the 'Scaffolding Literacy' program (\$14m, \$8m of which will support the roll-out of the program across the NT education system, and \$6m for a continuation of support for 'partnership pilots' in other parts of Australia);
  - The ESL-ILSS program;
  - Continuation of funding for Indigenous Education Consultative Bodies (IECBs) and Indigenous Support Units (ISUs);
  - Continuation of funding for Croc Festivals; and
  - Continuation of funding for Mentoring Pilots.

IEDA funding will be significantly changed from 2005. Total funding will be \$280.9m, an increase of \$20.7m (8%) over the next quadrennium. ATAS funding will be replaced with:

- The In-class tuition scheme (\$105.5m), targeting those students not meeting the year 3, 5 and 7 literacy and numeracy benchmarks;
- A tuition scheme targeting year 10, 11 and 12 students (\$41.9m); and
- Bulk funding arrangements to tertiary institutions (including TAFE and other VET providers will continue (\$31.5m);
- Homework centre funding (\$37.8m) will be continued.

ASSPA and VEGAS funding will be combined and replaced with:

- the “Whole of School Intervention Strategy” which will provide \$62.5m for submission-based parent-school partnerships funding with 50% of this funding targeted at remote areas.

### **Funding Shortfall**

It appears in the flurry of numbers (contained in four media releases and one interview transcript) that the figures presented by the Minister do not add up. Table one at the end of this report reveals that the current shortfall in the Minister’s addition is approximately \$274 million.

### **Enrolment growth = funding growth**

The remodelled IESIP funding has 2 components, Supplementary Recurrent Assistance (SRA) funding which is provided on a per capita basis in 2 categories – remote and non-remote – and Strategic Initiatives (SI) funding, which is for targeted Commonwealth initiatives such as the National Indigenous English Literacy and Numeracy Strategy (NIELNS).

SRA funding will increase by \$86.3m or 20.2% - from \$427.2m (01-04) to \$513.5m (05-08). SRA increases are based on *enrolment projections* over the quadrennium. Indigenous enrolments in the schooling sector alone increased by 5.4% from 2001-2002. Increases in funding for the next quadrennium will reflect projected growth in student numbers across all sectors. Therefore, the ‘new’ money indicated in this section can be attributed primarily to growth in Indigenous enrolments.

### **Redefining remoteness**

Remoteness boundaries will be redefined according to the 2000 census and all ‘new’ SRA funds will be targeted to remote areas. Funding for those providers who have been reclassified from remote to non-remote and funding for students in engaged in schooling and VET in State capital cities and Canberra will have their funding maintained at 2004 levels.

### **The unanswered question of indexation**

Information attained by the AEU at a DEST briefing on education funding and indexation has lead us to believe that *indexation applies to IESIP funding at a much lower rate* than all other schools funding. Current indexation rates are - Primary – 7.8%; Secondary – 7.4%; Targeted Programs – 5.6%; Capital Expenditure – 3.6%. DEST officers informed the AEU that it was their belief that IESIP was being indexed at a lower rate than Capital Expenditure. The AEU wrote to DEST in December 2003 requesting information on IESIP indexation rates. We are yet to receive a reply.

### **Previous losses in funding**

Funding for the NIELNS program under the Strategic Initiatives banner was initially quarantined from the existing IESIP Transitional Program Assistance (TPA) budget in 2000. Providers received up to

80% of their former TPA funding in the form of initiatives targeted to NIELNS. Under these arrangements, funding to support NIELNS initiatives has diminished annually from 2000 – 2004.

Substantial changes made to Abstudy, which came in to effect in January 2000 were estimated at the time to produce savings to Government as high as \$18.8m in the first three months of implementation to March 2000<sup>1</sup>(ATSIC, 2000) or savings of approximately \$75.2m for the year 2000 alone. These changes have provided substantial savings to Government over the 2001-2004 quadrennium.

The IEDA review (2004) revealed that funding for the program in its previous incarnation “has not received any major increases in funding since its establishment (1991-92), however, it does receive annual indexation.”<sup>2</sup> Therefore the 8% or \$20.7m increase in this quadrennium’s IEDA funding could be seen as making up for the lack of growth in the programs’ funds since its inception 12 years ago. Over a 16 year time-frame (1991 – 2005) \$20.7m cannot be seen as a substantial increase in funds.

### **Redefining disadvantage**

Rather than increase funding in any substantial way, the Howard Government has chosen to redefine Aboriginal and Torres Strait Islander peoples according to their ‘levels of disadvantage’ relative to each other, rather than relative to the rest of the community. Hence, funding in the next quadrennium will be redistributed from the ‘least’ disadvantaged Indigenous peoples (read – those living in urban/rural areas) to the ‘most’ disadvantaged Indigenous peoples (read – those living in remote areas).

The AEU has argued for substantial increases to Indigenous-specific education funding, rather than a redistribution. Redistributing funds from one group of Indigenous people to another has the potential to undo many of the positive gains made in the past. As the Commonwealth Grants’ Commission’s Indigenous Funding Inquiry pointed out:

*“Indigenous people in all regions have high needs relative to the non-Indigenous population. An important question is whether new methods of distribution should be applied to existing programs and funds. Any change in methods of distributing existing resources means that some regions would lose funding and others would gain. Large redistributions risk losing the benefits of investments made over long periods of time, including those in developing organizational capacity and people. The real costs of redistribution may be high”<sup>3</sup> (p xvi).*

### **ATAS Tutors – Independent contractors**

It is not clear as to whether the new in-school tuition funds will be linked to bulk funding arrangements to schools/systems or whether tutors will continue to be employed as independent contractors through the Department of Employment, Science and Trainings Indigenous Support Units. The independent contractor model has raised a range of issues for those employed under this method including those AIEWs who are employed both by the State/Territory system and DEST in dual roles, with very little job security and access to minimal or no entitlements.

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<sup>1</sup> ATSIC (2000) Abstudy 2000 report – Dissemination and Alternative Support for Mature Age Indigenous Students Final Report 2000 – Unpublished Document.

<sup>2</sup> DEST (2004) *Review of the Indigenous Education Direct Assistance Program – Final Report* Australian Government, Department of Education Science and Training, Canberra

<sup>3</sup> Commonwealth Grants Commission (2001) *Report on the Indigenous Funding Inquiry*, Commonwealth Government, Canberra.

### **Submission-based funding replacing ASSPA committees**

Again, 50% of this funding (\$62.5m) will be targeted to remote areas. The DEST media release states: “the discontinuation of formula-based funding for ASSPA committees supports the findings of the IEDA review, which found this funding model was no longer an appropriate approach.”<sup>4</sup>

Interestingly, a reading of the review document does not reveal these ‘findings’ anywhere, although it does state that the “ASSPA program in itself is no longer an appropriate intervention” to achieve the involvement of Indigenous parents in educational decision-making. It is unclear how submission-based funding will enhance the participation of Indigenous parents in educational decision-making. It is also unclear as to how the writing and acquittal of submission-based funding is any less onerous than the current operations of ASSPA committees.

### **Potential impacts on Indigenous employment**

The significant refocus of funding to remote areas is likely to have an impact on Aboriginal and Torres Strait Islander peoples who have been employed using Commonwealth funds, particularly in State systems and the ACT. This is most likely to effect the 1,723<sup>5</sup> Aboriginal and Torres Strait Islander Education workers in Government schools, many of whom are precariously employed due to a reliance on IESIP funding.

### **Performance measures tied to funding**

Many of the performance measures outlined in the DEST media release are already in operation under the IESIP agreements that States and Territories sign off with the Commonwealth. Disaggregated data will be a feature of the new reporting framework, which, depending on the way information is used, can be seen as both a positive and a negative.

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<sup>4</sup> DEST Media Release – \$2.1 Billion to accelerate Indigenous Education Outcomes, 5<sup>th</sup> April 2004

<sup>5</sup> DEST (2002) *National Report to Parliament on Indigenous Education and Training*, Commonwealth Government, Canberra

**Table 1 - Indigenous Education Funding 2005 – 2008 – outline of proposals and funding in DEST media release**

<b>Program/Sub-Program</b>	<b>Elements</b>	<b>Funding (\$m)</b>
Indigenous Education Direct Assistance (IEDA)/Better Targeted Tuition Assistance	<ul style="list-style-type: none"> <li>• In-class tuition</li> <li>• 10, 11 &amp; 12 tuition</li> <li>• Tertiary bulk-funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ 105.5</li> <li>▪ 41.9</li> <li>▪ 31.5</li> <li><b>Sub-total 178.9</b></li> <li><b>(179)*</b></li> </ul>
Indigenous Education Direct Assistance (IEDA)/Whole of School Intervention Strategy	<ul style="list-style-type: none"> <li>• Parent-school partnerships</li> <li>• Homework centres</li> </ul>	<ul style="list-style-type: none"> <li>▪ 62.5</li> <li>▪ 37.8</li> <li><b>Sub-total 100.3</b></li> <li><b>(102)</b></li> </ul>
Indigenous Education Strategic Initiatives Program (IESIP)	<ul style="list-style-type: none"> <li>• Supplementary Recurrent Assistance</li> <li>• Strategic Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ 513.5</li> <li>▪ 128.1</li> <li><b>Sub-total 641.6</b></li> <li><b>(641.6)</b></li> </ul>
Abstudy	<ul style="list-style-type: none"> <li>• Living allowance and supplementary benefits (means tested)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 905.3</li> <li><b>Sub-total 905.3</b></li> <li><b>(905.3)</b></li> </ul>
		<b>Total \$1 826 100 000</b> <b>(\$2, 100, 000, 000)</b>

**Table 2 - Indigenous Education Funding 2005 - 2008 – Summary of Changes and Funding**

<b>Funding Type</b>	<b>Changes</b>	<b>2005-2008 (\$m)</b>
IESIP – Supplementary Recurrent Assistance (SRA)	<ul style="list-style-type: none"> <li>• Per-capita increase in funding based on projected enrolments</li> <li>• Remoteness boundaries to be updated based on 2000 census</li> <li>• Reclassified areas to maintain 2000-2004 funding</li> </ul>	513.5
IESIP – Strategic Initiatives (SI)	<ul style="list-style-type: none"> <li>• Projects will focus on remote areas</li> <li>• Re-oriented NEILNS</li> <li>• Scaffolding Literacy roll-out across the NT (\$8m) and other States and Territories (\$6m)</li> </ul>	128.1
IEDA – Better Targeted Tuition Assistance	<ul style="list-style-type: none"> <li>• In-class tuition for students not meeting benchmarks</li> <li>• Tuition targeting years 10, 11 &amp; 12</li> <li>• Bulk funding for tertiary education institutions</li> </ul>	178.9
IEDA – Whole of School Intervention Strategy	<ul style="list-style-type: none"> <li>• VEGAS funding discontinued</li> <li>• New submission-based “Parent-School-Partnerships” model – 50% of funding focusing on remote areas</li> <li>• Continuation of Homework centres</li> </ul>	100.3
Abstudy	<ul style="list-style-type: none"> <li>• Funding to be continued</li> </ul>	905.3

\* Note – Figures in brackets denote figures outlined in DEST media releases – see \$2.1 billion to Accelerate Indigenous Education Outcomes (DEST 5<sup>th</sup> April 2004); Indigenous Education Strategic Initiatives Programme (DEST 5<sup>th</sup> April 2004); \$14million To Improve Indigenous Student Literacy (DEST 5<sup>th</sup> April 2004); \$179 Million Boost for School-Based Indigenous Tutoring (DEST 5<sup>th</sup> April 2004) – from <http://www.dest.gov.au/ministers/nelson/main.asp>