

# **House of Representatives Standing Committee on Indigenous Affairs**

## **Inquiry into Educational Opportunities for Aboriginal and Torres Strait Islander Students**

### **Submission by The Independent Schools Council of Australia (ISCA)**

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## About Independent Schools

Independent schools are a diverse group of non-government, not-for-profit school (NFP) schools serving a range of different communities. Many Independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education.

Their legal structures can be diverse with many falling into the following categories:

- Schools that are fully owned by a church (e.g. some Uniting Church Schools)
- Schools established by state Acts of Parliament with the specific purpose of establishing the school as a charitable institution (e.g. some Grammar Schools)
- Schools that are an administrative unit operating within an Association or “system” owned by a church
- Schools that are a company. Many of these are limited by guarantee and assets can be owned by an underlying church property trust. In some cases the company owns the school outright
- Public benevolent institutions (e.g. some Indigenous Schools)

Some schools with common aims, religious affiliations and/or educational philosophies also belong to a system within the sector. This means that some operational functions are carried out by the system on behalf of all schools within the system.

Independent schools include:

- Schools affiliated with Christian denominations for example, Anglican, Catholic, Greek Orthodox, Lutheran, Uniting Church, Seventh Day Adventist and Presbyterian schools;
- Non-denominational Christian schools
- Islamic schools
- Jewish schools
- Montessori schools
- Rudolf Steiner schools
- Schools constituted under specific Acts of Parliament, such as grammar schools in some states
- Community schools
- Indigenous community schools
- Schools that specialise in meeting the needs of students with disabilities
- Schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other risk factors.

Independent schools are registered with the relevant state or territory education authority and most are set up and governed independently on an individual school basis. Those that are administered as systems, account for 18 per cent of schools in the Independent sector. Independent Catholic schools are a significant part of the sector, accounting for 8 per cent of the Independent sector’s enrolments. However, all schools have formal boards of governors or committees of management that are the key decision-making bodies for most Independent schools and are responsible for issues such as the school’s educational provision, current and future development, and staffing.

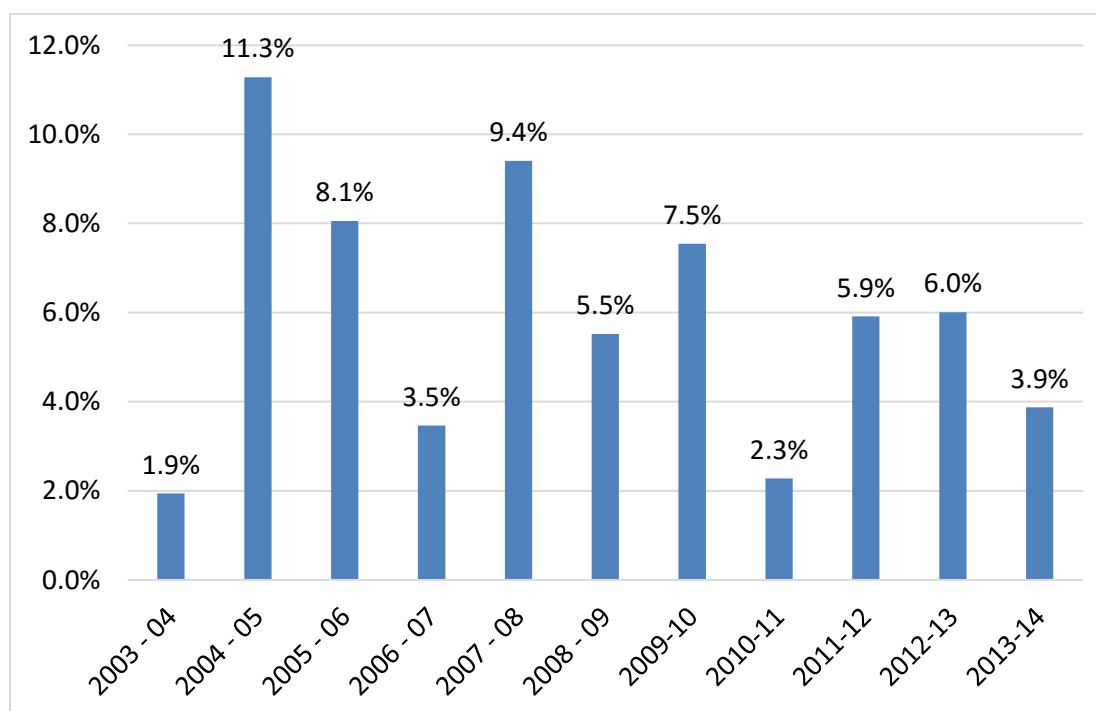
## Independent Schools and Indigenous Education

The Independent Schools Council of Australia (ISCA) welcomes this opportunity to provide this Submission to the House of Representatives Standing Committee on Indigenous Affairs as part of its inquiry into Educational Opportunities for Aboriginal and Torres Strait Islander Students.

Independent schools serve a broad range of students, reflecting the diversity of Australian society and have a long standing commitment to supporting quality education for Indigenous students across Australia. As a group, Indigenous students face significant barriers to educational achievement and in order to overcome these barriers many Indigenous parents enrol their children in Independent schools.

Indigenous student enrolments are dispersed broadly across the Independent sector and in 2014 there were 11,120 Indigenous students enrolled in 776 independent schools. Seventy-two per cent of Independent schools in Australia enrolled Indigenous students in 2014. Enrolments of Indigenous students in Independent schools have grown at an average rate of more than 6 per cent per year over the last two decades.

*Chart 1: Growth in Indigenous Students at Independent Schools 2003-04 to 2013-14*



Indigenous students are educated across a range of settings and in different types of schools in the Independent sector. There are some Independent schools that provide education to significant populations of Indigenous students and some schools are entirely Indigenous. A significant number of these schools are located in rural or remote areas.

The needs of all Indigenous students have similarities in that their educational levels are often behind those of their non-Indigenous peers, many students have significant social and health issues and many have disruptive home lives and disrupted educational journeys. The context and educational environment means that the needs of Indigenous students, and thus of the schools, teachers and support staff, vary by the educational environment.

## Pre-school and Early Childhood Education and Care

The provision of Early Childhood Education and Care (ECEC) programs is an area of significant growth in the Independent sector in recognition of the increased understanding of the importance of the early years of learning. The Australian Institute of Family Studies notes that in relation to Indigenous children

- High-quality early intervention/education improves children's lifelong outcomes across all areas—education, health (mental and physical) and wellbeing
- Early intervention/education is more effective, particularly for vulnerable families, when it is holistic— i.e. addresses children's and families' learning needs taking into account the contexts in which they live
- Closing the gap in outcomes between Indigenous and non-Indigenous Australians requires a focus on early intervention/education of Indigenous young children (from birth), their families and communities<sup>1</sup>

Independent sector ECEC services, particularly in WA and NT, include a number of programs servicing Indigenous children. Children may be located in small communities and not have access to a dedicated service thus relying on mobile services. These services may also include programs for visiting three year olds in remote communities.

In some remote communities Independent schools are often the only service providers, with services provided free of charge or at a low cost to allow children's equity of access to quality ECEC services.

Independent schools operating early childhood services in disadvantaged communities often do so at a much greater cost than schools operating in other areas. It is not uncommon for these schools to provide children with an extended range of non-educational services such as health care, meals, clothing and family support services. These services are always provided free of charge to the children and almost always funded from the school community. These schools are required by their community to provide ECEC services either in a formal setting or sometimes via informal arrangements.

Independent Schools Queensland (ISQ) has noted a range of activities which have proven beneficial for Indigenous students in the provision of pre-school and other ECEC programs. These include:

- 'Mums, Dad and Bubs Playgroups' which assist the transition to the school environment
- Early learning screening and developmental checks for pre-schoolers
- Flexible enrolment procedures in pre-school which allows families to be gradually introduced to formal schooling and assists in ensuring on-going attendance and retention of students
- The use of home / school liaison officers which has proven to establish positive relationships with families in the early years of schooling

## Remote community schools

There are a number of remote community schools which either are entirely Indigenous or very close to 100 per cent Indigenous enrolments. It is often the case that these Independent schools in remote Indigenous communities are the sole providers of education for these communities. There are 21 remote or very remote Independent schools across WA, NT and SA which have Indigenous

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<sup>1</sup> Australian Institute of Family Studies, *Early childhood and education services for Indigenous children prior to starting school*

enrolments of more than 90 per cent. In WA, some of these schools are over seven hours drive from the nearest small regional centre and during the wet season, the only way in or out is by air.

Students in these schools generally have good attendance when in the community but often have long absences due to cultural business or they move between a few schools. Both of these factors result in disrupted education and they may be subject to inconsistent intervention strategies as different schools have different approaches.

These schools need to have quality teachers who are trained to work with Indigenous students for whom English may be a second or third language and who may not receive strong support at home for their education. To achieve this, schools need to have high quality facilities, including teacher housing and internet access, to support student learning but also to support teachers' professional learning and social connectedness.

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"We surveyed every kid in the school last year and every kid in our school wanted to get a job. Every single one, without exception, ranging from people wanting to be school principals to people wanting to work on programs but everybody wanted to work... so this kind of myth about remote people not wanting to work is exactly that. It's a myth.

What our kids do is we actually know we don't actually want to go and work at the resort in Yulara. We don't want to go and work at Alice Springs. We want to do jobs in our communities."

- Principal NT Independent school

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These schools often also provide significant additional services for students such as buses to pick up students, meals and limited health care. For many students, without these additional services, they would not be able to attend school.

### Indigenous students in mainstream schools

Other Independent schools in metropolitan and regional areas also educate Indigenous students. While enrolled in mainstream schools, many Indigenous students still need significant intervention by trained staff. As these students are often a small minority, schools may receive very little additional funding to put in place targeted intervention strategies to bring students' literacy and numeracy skills up to the expected levels. Many of these students also have a number of other social, emotional and health issues and without adequate support in these areas, the students are not ready or able to learn. As with many remote schools some mainstream schools also offer breakfast programs and bus services but these are all funded through general educational resources.

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"In Indigenous education you can't just compartmentalise it as education and funding for education... it needs to be holistic. There's health and other student programs that can be put in and so the funding needs to go more in the grassroots level, and then the government needs to be flexible on what the outcomes are. If the outcome is a Year 10 student, then great. If the outcome is Year 12 onto university, fantastic, whatever, but there needs to be flexible outcomes."

- Principal NT Independent school

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### Special Assistance Schools

Many states have Special Assistance Schools that cater for students at educational risk. In WA, these are known as Curriculum and Re Engagement (CARE) schools and a disproportionately high number of students at these schools are Indigenous. Some of the CARE schools have up to 79% Indigenous students and while these schools are well funded by governments, often this funding is also used to provide many other social and health services. Often these students come from homes where meals and healthcare are irregular and the supportive home environment afforded most young Australians is not their experience.

Many of the young people in CARE schools have had a number of encounters with the justice system and the schools continue to support students when in remand and correctional facilities. For most of these students, the school is the only consistent element in their lives and should a student be absent from school due to incarceration, transition back to school is essential once they are released. This type of support is time consuming and costly for schools and stretches the available funding.

### Indigenous education in boarding schools

As noted above, many Independent schools in Australia educate Indigenous students. A particular focus of this Submission is on the circumstances of boarding schools educating Indigenous students. As the major provider of boarding school education in Australia, the Independent sector is also a major provider of boarding school education for Indigenous students. In fact, the Independent sector is frequently the only option for Indigenous students who choose to board to complete their education.

Of the 2,300 Indigenous boarders in the Independent sector, half attend schools with very large numbers or concentrations of Indigenous boarders. Many of these students come from remote communities where primary level education is the only education available and in order to undertake secondary studies, they have to leave their communities. Some regional centres have hostels in regional centres and students can attend government schools but for many, a Catholic or Independent boarding school is the only option. The needs of these students are very high as many come into the school with low levels of literacy and numeracy and do not have a strong educational background.

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What will work, is actually not only focusing on the behaviour of these students and the fight or flight that they experience, why they don't want to go in classrooms, why they break out of the boarding houses and do all those sorts of things and do whatever they can to get home or whatever it be, is that we need to be targeting the other end. Not only the behavioural end, but we need to be targeting what's affecting these students, what they've been through, what traumas they've been through. We need to really be looking at that end so that when these students, and also train our staff on them, because when these students come into the classroom and they muck up the teacher needs to know that they're mucking up because of X, Y, Z. That's what we need to know about these students."

- Principal NT Independent boarding school

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The Association of Independent Schools of Western Australia (AISWA) noted the example of a 100 per cent Indigenous boarding school in Esperance that has approximately 70 students aged between 15 and 18. All the students go on vocational pathways and many enter apprenticeships or the workforce upon leaving school. Funding is a significant issue for the school as it struggles to cover all the costs associated with the provision of a range of vocational programs that both meet the students' abilities and interests and also have work pathways.

Independent Schools Queensland noted that 'By providing a cultural support, broad education choices and health care support, Independent boarding schools have a positive impact for students who come from communities where education is not a strong focus and where community issues often impact on students' long term outcomes and well-being.'

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"Now we've had Year 12s graduating for a long time. Some of the more recent moments of excitement, we had one young man who was part of our trade training centre in construction. He was able to go back to his community. They got hit by a cyclone and he used the skills that he had been taught to contribute back to the community. He will end up with Cert III, I think, in construction.

Now the young lady last year who we were very excited to see her win an NT Board of Studies award, but she went to community as a teacher's aide and has aspirations to be a teacher one day but sees a pathway that will take her to being a teacher. It isn't a white pathway which says, "Go to uni tomorrow." She wants to go back to the community and she wants to do things with family and all this stuff that is also impacting her. We're really pleased and excited for her. We're seeing a happy side of a contributing member of the community as a young lady.

We've gotten quite used to seeing Year 12s graduate with NTCTs which is exciting in its own right, to just see kids getting certificates and being able to go back to community and contribute back in those communities with some measure of mainstream success. I think that takes us back down to what is a success and what are those long, long term pictures for students?

We've been incredibly blessed with some amazing kids who work phenomenally hard to get to the places they are. They battle each and every day to get there. It's not easy. It's not straightforward and we're incredibly proud."

- Principal NT Independent school

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In addition to schools with very large numbers of Indigenous boarders, there are also many boarding schools with smaller numbers of Indigenous boarders. Some of these schools are very large Independent schools in metropolitan areas. While the numbers of Indigenous students may be small, they are often a significant group in the boarding house.

The educational outcomes for many of the Indigenous boarding students in large Independent boarding schools are generally very good. The schools receive very little additional funding for these students although the students may receive ABSTUDY. Many of these schools provide scholarships to support access to education for Indigenous students or are involved in community-based programs to provide scholarships to students as catering for Indigenous students is seen as part of the school's mission and social responsibility.

In WA alone there are 330 Indigenous boarding students and the number successfully graduating has risen from 10 in 2005 to 58 students across schools in 2015. These students are supported by AISWA



through the Future Footprints program which provides a liaison officer to work across schools to coordinate activities and to provide additional mentoring support. This program is so successful that often graduates from previous years will volunteer to mentor current students.

These schools are generally high SES schools and so receive minimal recurrent grants from governments and minimal funding to address disadvantage for Indigenous students as the population in the school is relatively small. Thus the majority of the cost of educating this group of boarders is borne by the school. If schools reach the point where they feel they are no longer able to support these students financially and these programs ceased or were reduced, it would be at great social cost to Australia.

## The challenges of Indigenous education

The provision of education to Indigenous students, particularly in remote areas of Australia, can be challenging and expensive. In these schools capacity to raise private contributions, in terms of fee income and fundraising, is very limited or in some cases non-existent. Many of these schools face high costs due to their remoteness or distance from large population centres. It is also important to recognise that although Indigenous students may be attending schools in urban or regional areas, they may need additional support due to their specific circumstances, particularly if they are from remote areas.

As noted earlier in this Submission, many Independent schools in remote Indigenous communities are the sole providers of education for these communities. These schools have limited capacity to raise private income and rely heavily on government assistance to maintain their operations. All of these schools operate at resourcing levels significantly lower than government schools serving similar populations as sole providers.

*My School* financial data for schools in the Northern Territory clearly demonstrates that non-government schools are operating at less than half the net recurrent income per student in government schools. The *My School* data for Western Australia shows remote government schools servicing similar populations to remote Independent schools are receiving up to \$40,000 per student more in recurrent funding. Similar data in relation to funding for remote Indigenous students in boarding facilities show that Independent schools are providing services for half the cost of boarding provided by government facilities.

Non-government providers of schooling for Indigenous students whether through remote schools, boarding or as sole providers of education to often significantly disadvantaged communities, should receive at least similar levels of support as government schools. The Emerging Issues Paper prepared as part of the Gonski Review of Funding for Schooling noted the high delivery costs in rural and remote schools and that non-government schools serving these populations “did not appear to benefit from the level of funding provided to government schools servicing communities on a sole provider basis.”<sup>2</sup>

It is ISCA’s view that neither Australian Government nor state and territory government funding arrangements for non-government schools adequately address the very substantial cost differential in school provision for Indigenous students in and from remote locations.

As a group, Indigenous students tend to face greater barriers to educational achievement. Improving the educational outcomes for Indigenous students requires both resourcing levels which recognise the particular circumstances of these students and innovative and flexible approaches to support students. The Independent sector has longstanding concerns about the funding circumstances of Independent schools which cater predominantly for Indigenous students. These schools frequently need to provide a range of services beyond those required to provide a quality education. Before these students are in a position to learn, schools frequently need to address many health, wellbeing and pastoral care issues.

Transport costs are another significant cost, particularly in rural and remote areas. It is critical that governments recognise that these schools are in a unique position to access and assist these

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<sup>2</sup> Review of Funding for Schooling – Emerging issues Paper – December 2010

students and that this opportunity can be missed or not fully utilised due to lack of resources and a lack of recognition of the way resources should be applied.

ISCA also believes that the Australian Government and state and territory governments should commit additional resources to ensure that Indigenous students attending Independent schools are supported to at least a level similar to that which Indigenous students receive in government schools.

Government funding needs to acknowledge the special needs of Indigenous students, particularly those from remote areas. It should also be noted that the attendance of Indigenous students can be erratic and schools can be penalised financially through per capita funding arrangements at a time when they need additional resources to ensure they are in a position to attract and retain these high needs students. Funding models need to acknowledge the unique circumstances of schools serving large numbers of Indigenous students and their often fluctuating student numbers. Current funding arrangements do not specifically address these aspects of need.

Funding models linked entirely to student enrolment numbers determined at a single census point present significant difficulties to schools catering to large numbers of Indigenous students, notably those from remote areas. This is further exacerbated by models that also introduce an attendance criteria such as that used by the NT Department of Education.

Schools need to provide a high level of support services to encourage and support school attendance for students however the funding fluctuations that can result from student non-attendance is counterproductive to providing this support. In recognition of the special services schools need to provide to attract, support and retain their Indigenous students, particularly those from remote areas, schools catering for these students should be provided with a base level of funding not wholly linked to per capita enrolment. This stable source of supplementary funding would allow schools to provide those support services so vital to attract and retain Indigenous students in school education. These services include additional educational, pastoral, recreational, health and community services. Other costs are associated with provision of transport to ensure children can reach their school and strategies to ensure that students who need to be away from their home communities can maintain personal and cultural links with their communities. These additional costs can be incurred by schools located in remote areas as well as in regional and urban schools catering for Indigenous students including boarding schools.

As well as providing additional support for pastoral care, it is clear that most Indigenous students regardless of the location of the school, are not achieving literacy and numeracy outcomes similar to their non-Indigenous peers. These students need innovative strategies and significant additional support to assist them in improving achievement levels in literacy and numeracy. Schools need reliable and stable sources of additional funding clearly targeted to improving Indigenous educational outcomes in order to address these specific learning needs.

Independent schools with significant Indigenous enrolments are also seeking to ensure that their teachers and any other staff are appropriately skilled to deal with the distinct educational and social issues they may encounter with their Indigenous students, including cultural, educational, social, emotional and mental health issues. Providing funding to support professional learning is challenging for these schools, especially if they are located in remote areas or are small schools. Targeted professional learning funding to support teachers, schools and communities is essential to ensure staff are appropriately skilled.

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“I think one of our really exciting things is some of the work we've been doing with training our Indigenous staff in our schools. When we talk about modelling a generational change, we're actually seeing people with a pathway in their own communities that can achieve formal training but also experience that success in the workplace. That comes at an enormous cost.

We're self-funding a person three days a week to actually alongside of those Indigenous staff members to complete their certificate courses, but they had a graduation last year and I don't think I've ever seen anyone at a graduation with more pride and dignity than this group of four Indigenous assistant teachers. They graduated from their certificate training from extremely remote communities in northeast Arnhem Land, so not only is that fulfilling the adults' aspirations but in terms of a role model for the students at the school they can actually see that as a legitimate pathway for them.”

- CEO NT Independent school system

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Independent schools that cater predominantly for Indigenous students also require special consideration in relation to their capital needs, recognising their very limited capacity to raise private funds. The difficulty of providing for new or improved capital infrastructure is compounded in remote areas by the significant additional costs of building in these areas with costs doubled or tripled due to issues such as transport costs, access to construction expertise and delays due to weather.

In relation to boarding schools with large numbers of Indigenous students, specific Indigenous support funding is generally made up of a number of components from both the Commonwealth Government and their respective state or territory governments. Part of the Commonwealth's funding is linked to general recurrent school funding models (previously on a quadrennial basis) and part is linked to ongoing specific family support payments with a focus on education (ABSTUDY). The state/territory payment structures are different for each jurisdiction and can vary greatly, depending on the jurisdictional priorities at the time.

Historically however, the real funding issues became apparent when the negative impact of Australian Government funding structural changes became evident in 2009 with the introduction of the single Indigenous Supplementary Allowance. ISCA has been working with school owners and the Department of Education and Training to seek a greater level of financial support for boarding schools from successive Australian Governments since that time. The financial sustainability of many of these schools has been under threat in recent years.

The legacy of historical funding changes has resulted in declining enrolments for many of the boarding places occupied by students from remote communities in a range of boarding schools. The demise of a boarding school educational model for Indigenous students would be a serious backward step in improving the educational outcomes for these students, as many do not have suitable alternative educational facilities in their homelands.

If Independent school owners are going to continue to facilitate improved educational outcomes for increasing numbers of Indigenous students, there needs to be a multi-faceted approach to the future funding, structure and operations of Independent boarding schools. Schools and school communities cannot, by themselves, take sole responsibility for achieving all of these difficult tasks, they need the coordinated support of all levels of government.

## Funding for Indigenous students

### Commonwealth Funding

With the introduction of the new SRS Funding model from 2014, the Commonwealth funding arrangements have significantly changed for Independent schools.

Under the previous socio-economic status (SES) funding model, schools received general recurrent grants directly from the Commonwealth. Additional funding for Indigenous students was provided under the Indigenous Supplementary Allowance (ISA) which replaced a suite of programs with a single per-capita payment in 2009. There was an additional Indigenous Funding Guarantee (IFG) to compensate those schools that suffered an 'unintended' funding cut on implementation of the ISA designed to maintain their funding at 2008 levels until ISA funding 'caught up'. In recognition of the impact on non-remote boarding schools from 2011 schools with students from remote and very remote communities boarding at a non-remote campus received an additional boarding supplement.

The implementation of the ISA, while providing increased funding to urban schools with Indigenous students significantly negatively impacted on regional and remote schools, a situation from which they are still recovering.

Independent schools with Indigenous students also received funding from the Commonwealth Targeted Programs (CTPs), which were specific programs designed to address areas of educational disadvantage, including the Country Areas Program and Literacy and Special Learning Needs (LSLN) program. This funding was distributed via the Associations of Independent Schools (AISs).

The new SRS funding model theoretically provides base funding and loadings for disadvantage directly to schools. In practice however, school systems, such as government and Catholic systems, receive the SRS funding for all their schools and are able to redistribute their schools' funding entitlements within the system according to their own needs-based methodologies.

This means that the SRS funding entitlements and allocations only apply to the 900 non-systemic Independent schools. Most schools in Australia (90%) will not be funded according to the model, but according to their own jurisdictional or system priorities.

### The SRS funding model

The SRS funding model has two main components.

#### 1. Base funding

The base funding in the SRS funding model is a per student amount which aims to measure the cost of effective and efficient provision of schooling. The base amount is indexed annually by 3.6% to reflect estimated increases in the costs of all schools. In 2015, the base funding amounts are:

Primary - \$9,605

Secondary - \$12,632

The amount of base funding a non-government school receives is reduced by the school community's 'capacity to contribute', measured using the previous funding model's SES scores. Some Independent schools are entitled to as little as \$1,921 per student, and others up to \$11,400 per student, depending on the school's 'capacity to contribute'.

Majority Indigenous schools and remote ‘sole provider’ schools are exempt from the ‘capacity to contribute’ requirement and are entitled to receive the full SRS base per student amount, if and when the full transition occurs.

## 2. Loadings for disadvantage

There are six loadings designed to address different areas of disadvantage. These are school size, school location, Low SES, English Language Proficiency, Students with Disability and a loading for Indigenous students. Any given student could fall into multiple categories and attract multiple loadings to address disadvantage. The loadings are intended to be fully publicly funded.

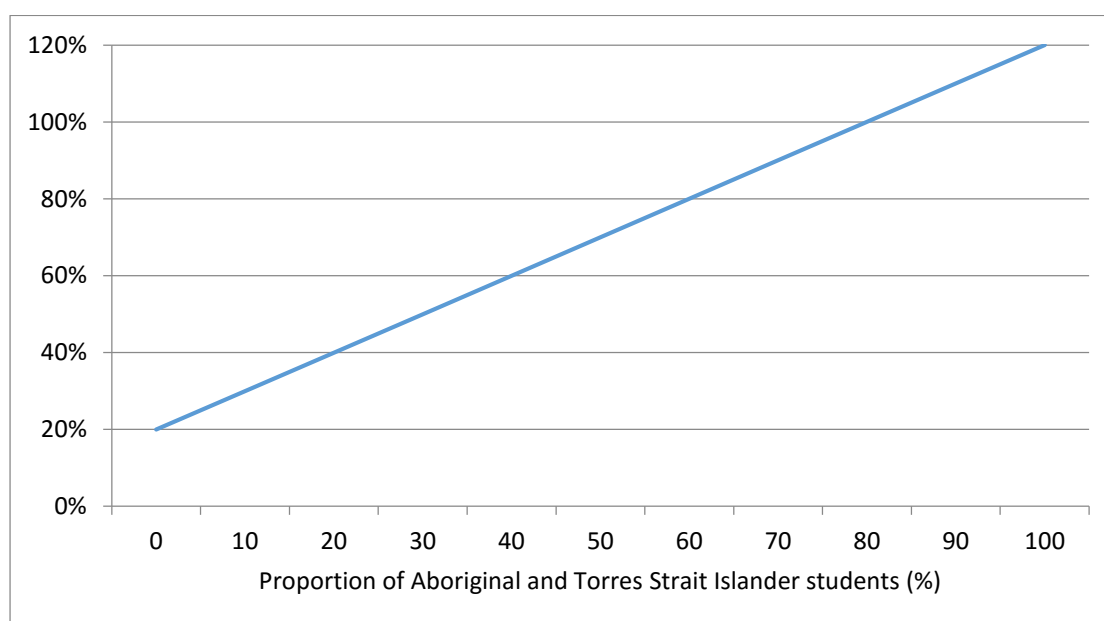
Once a school’s SRS funding entitlement is calculated<sup>3</sup>, the total is split into the Commonwealth share and the state share based on historical Commonwealth / state funding proportions.

However, only new schools will be immediately funded under the new funding model. Funding for all pre-existing schools will transition from the previous funding model to the SRS funding model.

### The loading for Indigenous students

The Indigenous loading is a per capita loading which also increases with concentration. The loading starts at 20 per cent of the per student SRS amount for the first Indigenous student in a school and increases up to 120 per cent per student for schools which have 100 per cent Indigenous students.

*Chart 2: Indigenous Loading Parameters*



### Transition arrangements

While the SRS funding model has been introduced, it is not fully implemented.

- From 2014, schools with a higher SRS entitlement than their previous funding entitlement are transitioning up to their SRS entitlement. They are considered to be ‘below the SRS’

<sup>3</sup> Under the Australian Education Act 2013 funding is calculated for an Approved Authority which may be one or more schools. For the purposes of this Submission, ‘school funding’ is funding for an Approved Authority.

- Schools with a lower SRS entitlement than their previous funding entitlement are transitioning down to their SRS entitlement. They are considered to be 'above the SRS'

Transition funding is not a reflection of a school's SRS funding entitlement. In general terms, schools 'below the SRS' receive their previous year's funding plus 4.7% indexation<sup>4</sup> plus a proportion of additional SRS funding to move them towards their SRS funding entitlement.<sup>5</sup>

Schools 'above the SRS' receive their previous year's funding plus 3% indexation. As the indexation rate for schools above the model is lower than the indexation rate for the SRS, over time these schools transition to their SRS entitlement.

The impact of these transition arrangements means that Independent schools that are in transition are still receiving funding largely on the basis of the previous funding model.

Most Independent schools are in transition. According to the Department of Education and Training, only 16 Independent schools, mostly new schools, are expected to be 'on the SRS' in 2015; that is actually receiving their SRS funding entitlement. Eighty per cent of Independent schools are below the SRS and are transitioning up to their SES entitlement.

Many Indigenous schools which serve remote communities have been assessed as being 'below the SRS'. This means that they are regarded as having a funding shortfall. Twenty Majority Indigenous Student Schools (MISS) across several states and territories are currently receiving less than 75% of their SRS entitlement.

While the transition was originally intended to take six years and to achieve 95% of SRS funding<sup>6</sup>, currently only the first four years of the transition have been guaranteed by the Commonwealth Government. At this point in time, it is unclear whether most schools will ever achieve full SRS funding.

#### Commonwealth Special Boarding School Funding Payment 2014-16

In recognition of the shortfall in funding of remote Indigenous students at a number of boarding schools, the Australian Government announced in the 2014 budget that a special payment of \$6.8 million would be available to non-government schools with Indigenous boarding students. In order to be eligible for this funding a school must have either:

- more than 50 Indigenous boarding students from remote or very remote areas, or
- 50 per cent or more of their boarding students being Indigenous students from remote or very remote areas.

This payment was extended for two more years in April 2015 with additional funding of \$3.6 million in 2015 and a further \$1.9 million for 2016.

In 2014 these payments represented additional funding amount equal to 40% of a schools' Indigenous 'loading' under the SRS funding arrangements. In 2015 this decreased to 20% and will decrease further to 10% in 2016. As this additional funding was calculated as a percentage of the notional 'loading' amount for a school, each school entitled to receive funding is receiving a different per capita amount.

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<sup>4</sup> 4.7% is the indexation rate for the Commonwealth share from 2015.

<sup>5</sup> All SRS funding is calculated on a per capita basis.

<sup>6</sup> Except for the ACT where the projected transition path reaches 100% of SRS in 2019.

This additional allocation is an interim measure to support schools which qualify while a broader welfare review is conducted. While recognition of the additional costs is welcomed, a longer term solution is required for the future viability of these schools.

### Loss of Targeted Programs

As noted above, under the previous funding model, the AISs in each state and territory delivered Commonwealth Targeted Programs (CTPs) which addressed areas of disadvantage in the Independent sector. Under these arrangements, individual Independent schools received both financial assistance and access to expert assistance and advice to help them meet the needs of disadvantaged students and maximise educational outcomes through CTPs.

This provided sectoral capacity to deliver and access central advice and economies of scale in running programs and assessments for Indigenous students, particularly those with a disability. Target Programs accessed by schools with Indigenous students included the Country Areas Program, the School Languages Program and Literacy, Numeracy and Special Learning Needs Program. The loss of these programs means that the Independent sector has lost the capacity to direct funds to extremely high needs students and the capacity of individual schools to purchase services for disadvantaged students may be extremely limited.

Government and non-government systems, including Catholic systemic schools, have retained the ability to distribute loadings across schools to meet differential school and student need. For this reason, the impact of changes to funding arrangements have not impacted systemic schools in the same way that they have impacted non-systemic schools.

As the only non-systemic school sector, the new funding arrangements mean that the only sector to lose their capacity to access coordinated sector-wide support and economies of scale is the Independent sector. This significantly impacts on the capacity of individual Independent schools to address educational disadvantage. It is further recognised that those schools most affected will be schools with the lowest resource capacity which are often those schools which enrol students with the greatest levels of educational disadvantage.

As has already been highlighted, under the transition arrangements, schools will not receive their full entitlement under the loadings until the model is fully implemented. In the absence of full implementation, it is likely that schools will not be provided with sufficient additional funding to enable them to respond to changes in their school community, particularly with changes in the numbers of disadvantaged students.

### Students First Support Fund

To address the removal of Commonwealth Targeted Programs funding in the Independent sector, ISCA and the eight Associations of Independent Schools (AISs) developed a business case seeking a separate appropriation from the Commonwealth to ensure that AISs would be able to continue to work with the sector to support the implementation of government reforms, initiatives and policies in Independent schools. This proposal resulted in the Students First Support Fund (SFSF) allowing them to continue to provide support services to Independent schools. One of the five broad reform areas is Meeting Student Need, the aim of which is to provide support to Indigenous students and students with disability.

One example of the projects undertaken by AISs is the Indigenous Students Program, developed by the Association of Independent Schools of the Northern Territory (AISNT). The Program provides consultation, professional learning and support to Indigenous Independent schools in the Northern



Territory and includes professional development around data use, improving student engagement, and assistance with Indigenous student learning plans, a study tour and an enhanced website.

However, this funding has only been provided for 2014 – 2017 and there is no guarantee that it will continue past 2017. This will leave the Independent sector without the resources to centrally support school improvement strategies unlike the government and Catholic systems which will continue to have access to funds and the ability to redistribute funding according to need within their systems.

### State and Territory funding and supplementary payments

All states and territories provide general recurrent funding to non-government schools for students who attend these schools. The level of funding provided varies significantly between states and territories. Some states and territories are implementing the new SRS funding model and fund schools according to the model, others are continuing to fund schools based on their own state-based methodologies.

In 2013, the average per student government recurrent funding for a student in an Independent school varied from \$1,468 to \$3,065.

*Table 1: Average State/Territory government recurrent funding for Independent schools 2013*

State	Average \$ per student
NSW	\$2,282
VIC	\$1,468
QLD	\$2,011
SA	\$1,721
WA	\$2,711
TAS	\$2,197
NT	\$3,065
ACT	\$1,876

*Source: ACARA My School Data*

Some state and territory governments also provide supplementary payments to schools for the purposes of supporting the needs of Indigenous students.

**Northern Territory** - The NT Government provides additional recurrent operational funding to 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. 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.

**Western Australia** – Many schools in WA attract a range of specific needs-based funding from the State Government which supports the education of Indigenous students. The WA Government has a categorisation system and allocates greater levels of funding for schools with greater needs. Many schools with a majority of Indigenous students attending attract the highest level of state general recurrent funding. This funding can range from \$3,251 for a primary to year six student up to a maximum of \$6,963 per student in secondary years eight through to the end of schooling.

**Queensland** – The Queensland Government provides only a small additional allowance over and above the general recurrent funding to specifically support the education of Indigenous students in Independent schools. It is understood that this payment is in the range of \$400-\$500 per student.

## ABSTUDY

The purpose of the ABSTUDY scheme is to address the distinct educational disadvantages faced by Aboriginal and Torres Strait Islander students by improving educational outcomes to a level commensurate with the Australian population in general. ABSTUDY payments are designed to encourage eligible Indigenous students and apprentices to take full advantage of available educational opportunities and improve their employment opportunities.

Means tested benefits available as part of the ABSTUDY scheme are targeted to those most in need.

The main objectives of the ABSTUDY Scheme are to:

- Encourage Aboriginal and Torres Strait Islander people to take full advantage of the educational opportunities available
- Promote equity of educational opportunities
- Improve educational outcomes

Payment rates vary for the different components of ABSTUDY, changing each year and subject to means testing. However, rates per student per annum can range from around \$7,900 to around \$20,000, depending on parental income and other circumstances. ABSTUDY payments are generally designed to cover school student costs along the following lines:

### Living Expenses

- Living Allowance
- Remote Area Allowance if a student lives in one of the defined remote areas
- Additional Assistance in “exceptional circumstances”

### Accommodation Expenses (rent, boarding fees, residential costs)

- Rent Assistance if a student lives in community housing, pays private rent or board, and lives in a hostel or share accommodation
- Away From Base Assistance for fares and residential costs to participate in residential schools, field trips, work placements or testing and assessment programs
- Under 16 Boarding Supplement can pay boarding fees direct to a school or institution
- Residential Costs Option pay the fees of a residential college or hostel direct to the institution

### Education Expenses (school fees, books and equipment, incidentals)

- School Fees Allowance/School Term Allowance to cover expenses such as books, uniforms and other school costs

- Incidentals Allowance for general course expenses associated with the commencement of studies

Fares (to travel to study each term or semester if studying away from home)

- Fares Allowance for travel between a permanent home and place of study other than daily travel

As a parenting payment, under the legislative control of the Department of Social Services, ABSTUDY requirements are overly complicated and difficult for the average parent and school to understand and ensure that appropriate compliance is achieved.

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“We've actually got policies that are in opposition to each other so that the rhetoric is: we're about improving outcomes and success rates for Indigenous students. But then you have a Department of Social Services policy that says if a family is working then their ABSTUDY entitlement is going to be means-tested. The very families where you have already modelled as successful and those students are then going on to schools.

What's actually happening, is that schools are having to fund the difference because those parents who have actually gone out and got a job have had their ABSTUDY reduced. In terms of means testing they've got no independent capacity to pay the difference so it means that our schools are actually funding that.

The government holistically doesn't acknowledge that in any shape or form because you've got different silos making different policy decisions. That's one of the struggles that we have is that there's not a holistic approach to saying are all the elements in play?”

- CEO NT Independent school system

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## Reviews and Inquiries

In recent years there have been a number of reviews and inquiries with direct relevance to any consideration of educational opportunities for Indigenous students.

### Gonski Review of Funding for Schooling

The Final Report of the Gonski Review recognised the particular needs of schools serving significant numbers of Indigenous students, notably Indigenous boarding students, stating “Some non-government schools would be fully publicly funded where they serve students or communities with very high levels of need, for example, special schools, majority Indigenous schools, and remote ‘sole provider’ schools.” The Final Report went on to recommend that:

“Recommendation 18: Australian governments should fully publicly fund the recurrent costs of schooling for non-government schools as measured by the resource standard per student amounts and loadings where the school:

- does not charge compulsory fees and has no real capacity to do so, or
- provides education to students with very high needs, such that without full public funding of the school’s resource standard those needs would not be met.

The Gonski Panel identified four types of non-government schools which it believed met these criteria in the first instance. These are:

- special schools serving children with disability
- special assistance schools catering for students with social, emotional or behavioural difficulties
- majority Indigenous student schools comprised of those with 80 per cent or more Indigenous enrolments, or a very remote school with 50 per cent or more Indigenous enrolments
- sole provider schools in remote locations that are effectively offering a universally accessible service equivalent to a government school.

The Report envisaged that majority Indigenous schools would be fully publicly funded. It further envisaged that sole provider schools in remote locations would be fully publicly funded. These recommendations were not implemented.

### Wilson Review of Indigenous Education in the Northern Territory

In July 2013, the Northern Territory Government commissioned Mr Bruce Wilson to undertake a Review of Indigenous Education in the Northern Territory. The review was the first comprehensive review of Indigenous education in the Northern Territory since 1999 and in his report, Mr Wilson suggested that “... despite substantial investment and dedicated effort ... in some areas the position for many Indigenous children is worse than it was at the time of the last review”. The focus of the review was on government schools and did not incorporate any non-government school structures or activities.

The Wilson Review also highlighted some of the following factors that impact on Indigenous education delivery and outcomes.

“The critical issue for primary schooling in the Northern Territory is English literacy. Indigenous children, especially those in bush schools, are behind both their non-Indigenous counterparts and equivalent cohorts in the rest of Australia. Literacy is the foundation for all subsequent success in schooling. Children who do not achieve effective English literacy are less likely to complete their

schooling, and more likely to be unemployed, earn less over their lifetimes and experience poorer health outcomes.”

“These results confirm the general underperformance of Indigenous students in primary school literacy, the association of increasing underperformance with greater remoteness, and the drastic failure of very remote children. Given the significance of early literacy attainment as an indicator of success in schooling, many Indigenous students, and very remote students in particular, are already unlikely to succeed in schooling by Year 3.”

“Secondary education opens future options to students. The quality of thought required to succeed in secondary schooling is the basis for citizenship, social participation and control over one’s life. It provides access to jobs, training and further education. The lack of a complete secondary education is increasingly a barrier to life chances. At present, too many young people in the Northern Territory do not gain these opportunities. This is not a result of a lack of effort or dedicated attention, but arises from factors that can only be managed by a structural shift in the delivery of secondary education.”

The Review has also identified a number of factors contributing to the many difficulties in delivering secondary education in remote areas:

- Factors that secondary schools cannot control: poor attendance; cultural and social factors affecting the attitudes to schooling of young Indigenous people; disengagement and disruptive behaviour; weakly developed literacy skills; poor local employment opportunities; and social dislocation and negative community attitudes to schooling
- Shortage of staff and resources needed to deliver high quality programs in remote locations and to take advantage of distance education to broaden curriculum options
- Limited curriculum options available with small student numbers
- Secondary programs that do not lead to further education and training or articulate with jobs

The Review believed that despite patches of success and occasional encouraging results from individual schools, the delivery of secondary education outside the larger centres has produced a minimal return for a significant investment.

Whilst acknowledging some difficulties for students associated with undertaking education away from families and communities, the Review concluded that “Despite reservations, there is now a growing view that quality secondary education cannot feasibly be delivered in many bush locations and that residential and boarding facilities are a viable solution.” Noel Pearson, speaking in May, 2013, said he was ‘realistic about the fact that we can’t offer quality secondary education in remote communities’. He indicated his support for ‘the idea of boarding school for children in high school’.

Some communities already embrace the boarding option. The review visited several locations where leaving for boarding school is the preferred option for the delivery of secondary education and in some of these cases it seemed to be effective for most young people.

Importantly, the Review also acknowledged some of the difficulties and limitations that are imposed on schools who choose to educate students from remote areas. The Review concluded that “... it is important to recognise the limits of the reach of education in achieving outcomes for Indigenous young people. The Review identifies areas in which they experience substantial disadvantage, including health, social conditions in some families and communities (e.g. use of drug and alcohol), nutrition, developmental difficulties, non-English speaking backgrounds and low levels of adult education. Schools and school systems cannot control these issues and should not be blamed when matters beyond their control limit their achievements.”

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“We think in terms of getting a job as being successful, but if you go back to your remote community and you make a positive impact on that community and you fix Auntie's car and look after that and do those things, and you don't get paid for it because its family, that's still a job. Its unpaid work that they're doing, and we see that a lot of the graduates will go and do that. They are doing meaningful, good, positive community-building things. Surely that's success.”

- Director NT Independent school system

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The review incorporated a number of recommendations to the Northern Territory Government for improving Indigenous education in its schools, some of which also have particular relevance to the concept of educating students in boarding schools in the Independent sector in all jurisdictions. These key recommendations included:

- Gather together government departments and non-government organisations to deliver an integrated and comprehensive approach to the range of social and economic issues that impact on Indigenous education
- Progressively move to deliver most senior secondary schooling and the majority of middle years schooling in urban schools with a critical mass of students
- Develop residential facilities to accommodate remote students in towns, beginning with trials linked with urban schooling trials
- Direct attendance efforts preferentially to early childhood and primary children aiming to establish regular patterns of attendance, and to secondary children attending on average at least three days a week
- Seek a single, integrated agreement with the Australian Government on funding for Indigenous education that reflects long-term goals, certainty in funding and flexibility
- Provide effective training for principals and teachers to improve community engagement.
- Raise the quality of principals and teachers through cultural training, effective professional learning and coaching

### Project Vale

Following strong advocacy from ISCA and a number of state and territory Associations of Independent Schools, the Australian Government agreed to independently examine the particular circumstances of non-government schools with large numbers of Indigenous boarders. In late 2013 the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) commissioned a consultancy project to Review Funding of Selected Indigenous Boarding Schools conducted by Deloitte Touche Tohmatsu in 2013, entitled Project Vale.

This project reviewed in detail the operational and financial activities of nine schools which had significant Indigenous boarding students from remote areas. The schools reviewed were Tiwi College

NT, Marrara Christian School NT, Woolanig Homeland Christian College NT, Kormilda College NT, St Johns College NT, Yirara College NT, Karalundi Aboriginal Education Community WA, Wongutha Christian Aboriginal Parent-Directed School WA and Worawa Aboriginal College Vic.

Importantly, the Project Vale report “identified shortfalls in incremental funding for Indigenous boarding students in eight of the nine schools reviewed”. This shortfall (on average around \$6,800 for 2013) was expected to improve for only one school by 2019, however this was subject to the full rollout of the new funding model and subsequent benefit from the Indigenous loading as part of this funding model. Despite the anticipated extra funding from the new funding model, seven of the nine schools would have still been in a funding shortfall situation after the full six year transition period. This situation will in fact worsen due to Australian Government policy decisions where only the first four years of the new funding model will actually be delivered.

The report identified the following characteristics of the review group of schools:

- On average, additional costs associated with each Indigenous boarding student amounts to around \$18,500 per annum
- Four of the nine review schools have been identified as potentially experiencing immediate financial distress
- Six of the nine schools required significant capital and/or rectification works
- Schools experience difficulty with the ABSTUDY registration and compliance processes resulting in reduced funding levels
- Many of the review schools experience difficulty in retaining Indigenous students on a term by term basis which negatively impacts funding
- Many of the schools/systems cross subsidise the additional costs for Indigenous students due to the inadequacy of specific funding
- Many of the schools have suffered declining enrolments and/or are operating at well below capacity
- Some restructuring opportunities were identified at both school and sector levels

The Review recommended a number of improvements to drive student enrolments and improve school viability. These recommendations include:

- Improvements to the ABSTUDY application process, stronger relationships with Indigenous education workers in communities and stronger relationships with community leaders
- ABSTUDY processes can be improved by introducing simpler application forms and a range of other reform options, as detailed above. However Deloitte also recommended that further benchmarking be undertaken to identify cost categories in different boarding models so that a basic boarding cost could be agreed for students from those different delivery models
- Schools often experience a shortfall in expected student numbers at the August census, creating financial pressure and cost control issues. A process should be put in place to allow schools to apply for a supplementation payment in December to account for additional FTE student in attendance over the prior 12 months
- Greater management support needs to be provided to some schools in order to cope with balancing administrative overheads and fluctuations in student numbers. Improvements in financial management, particularly in forecasting and monitoring is desirable without negatively impacting on student services. The delivery of educational and other support via shared services could also be considered.

## Key Issues and Recommendations

Independent sector consultation has highlighted a number of key issues for Independent schools educating Indigenous students. These issues are highlighted below along with recommendations for initiatives to assist schools to enhance the learning experiences of Indigenous students.

The support of the Australian Government and state and territory governments will be critical for the effective implementation of these initiatives.

Sector consultation has highlighted a number of policy options that could be considered for implementation by the Australian Government with the support of state and territory governments. Some of this support is in the form of appropriately targeted funding initiatives, some are also in the form of changing operational requirements to reflect an understanding of the challenges in delivering a high quality educational experience to students who are some of the most disadvantaged in Australia.

### Issue: Additional needs of Indigenous students

Many Independent schools educating significant numbers of Indigenous students have little or no capacity to raise private income and are therefore highly reliant on government funding. Despite numerous reviews and changes to funding arrangements, many of these schools are not adequately resourced to meet the particular additional needs of Indigenous students.

Many Indigenous students require additional resources to address need in the areas of English language proficiency, prior learning deficiency, health and social and emotional wellbeing issues, cultural awareness and understanding and teacher professional learning. These costs are significantly higher for students from remote communities who need significant levels of pastoral care and support for virtually every aspect of their life.

Schools often need to attend to students' food, clothing, health and hygiene, dental, immunisation, and severe psychological distress or mental health issues, prior to learning commencing. While considerable funding is provided for these services to Indigenous communities, frequently these services are provided in communities rather than in schools where the students actually are. Alternatively, many remote communities do not have access to these services and this deficit must be addressed by schools.

For schools catering to Indigenous boarders there are significant additional costs associated not only with the services listed above but also with pastoral care to address issues of homesickness, cultural change and inter-student relationships. Schools are dealing with the typical behaviours of teenagers often compounded by the many complex issues that these students bring with them to school.

In addition, many remote Indigenous students are from language backgrounds other than English, and have not had any exposure to the school environment or mainstream cultural expectations. Some students have experienced high levels of trauma and upheaval in their lives and schools need to address these issues before learning can commence. Many students have disabilities associated with hearing loss or other impairments that will affect their learning.

It should also be noted that these issues are not 'one-off's' but need to be constantly addressed. For example, for boarding students returning to school at the beginning of term, many students need significant health and social and emotional support in order to be school ready.



## **Recommendation**

Education funding starts at the school gate and is designed to achieve educational outcomes. The additional support Indigenous students need to actually get to school, stay at school and be ready to learn is not part of standard educational funding.

Schools are not currently resourced to provide the broad range of services that are critical to ensure students are 'school ready'. Many schools divert funds from learning to fund these ancillary services or are unable to provide more than the most rudimentary services in these areas. It is widely acknowledged that students cannot learn if they are hungry, tired, distressed.

Additional government funding is required to address the specific educational needs of Indigenous students and the further "school-readiness" needs of Indigenous students including:

- a. The additional educational needs of Indigenous students including language support, lack of adequate prior learning, additional literacy and numeracy support and disability
- b. The additional health, welfare and school readiness needs of Indigenous students
- c. Schools can and should be used as community hubs for the distribution of a range of health and support services to Indigenous students and their families to encourage school participation.

### **Issue: Emotional well-being and mental health of Indigenous students**

As noted above, the emotional well-being and mental health of Indigenous students is a significant issue for remote, regional and metropolitan schools. It was also noted that often a crisis in one school in a region will impact on a number of schools across sectors in that region where students move regularly between schools.

AISWA have noted that they provide training in schools to support teachers to deal with students with behavioural and mental health issues but they have limited funding available and more training of this type is needed.

Currently in WA, Independent schools receive limited funding from the state government for an educational psychologist to work with schools but most are only able to access this service for a few days per term at best.

## **Recommendation**

Schools require support through the provision of access to mental health professionals. Teachers also require additional professional development in this area including:

- a. The provision of mental health professionals to work across schools and sectors would be of significant assistance to schools, staff and students.
- b. Increased funding is required for teacher training in dealing with students with emotional and mental health issues

### **Issue: Provision of pre-school and other ECEC programs**

As previously noted, Independent schools operating early childhood services in disadvantaged communities often do so at a much greater cost than schools operating in other areas. As with the provision of educational services in the formal years of schooling, schools often also provide a range of non-educational services such as health care, meals, clothing and family support services.

## **Recommendation**

- a. More support to staff and for facilitating school-based early learning activities and programs
- b. Improved access to ECEC programs for families and pre-schoolers in metropolitan, regional and remote locations
- c. Support to schools to provide flexible learning opportunities
- d. Financial support for 'workforce development' to employ Indigenous home/ school liaison staff.

## **Issue: Capital funding**

On average parents and donors in Independent school communities contribute around 80 per cent of funds for capital developments such as school buildings, grounds and equipment. In many schools educating large numbers of Indigenous students there is little or no capacity to raise private income including for capital expenses.

As a consequence, many schools are restricted in their efforts to expand or enhance their services to students due to lack of capital funding. Further, for many schools including boarding schools, facilities are outdated, damaged and/or in need of refurbishment or replacement.

Many schools are seeking to enhance the support they provide students, especially those in, or servicing students from, remote areas. Examples of such initiatives include; the provision of health clinics, crèches or childcare facilities to support students who are parents, or expansion to provide early childhood education to improve school readiness.

Appropriate teacher housing continues to be an issue, particularly for Independent schools located in remote communities. Once again these communities have no capacity to raise income for these necessities and appropriate housing is critical for attracting and retaining teachers.

As noted earlier, it is extremely difficult for schools in these circumstances to maintain or enhance the quality of their capital stock.

## **Recommendation**

The particular circumstances of schools providing education for significant numbers of Indigenous students with little capacity to raise private income be recognised through enhanced capital funding:

- a. Funding to ensure that capital facilities can be appropriately maintained. A possible approach could be through a 'bed maintenance rate'
- b. Injection of capital funding for major building upgrading and maintenance in recognition that many facilities have not been improved or updated for many years
- c. Continued injection of capital funding for teacher housing in remote communities (acknowledging the funding received through the Stronger Futures program in NT)
- d. Capital to support initiatives to enhance the educational opportunities for students from remote Indigenous communities such as health centres or clinics, support for students who are parents and Early Learning Centres

## **Issue: Cultural awareness and building relationships with students**

Building effective student/teacher relationships is critical in building the necessary trust, understanding and respect for learning. Effective Indigenous education acknowledges and supports that students are straddling two cultures. Understanding the importance and value of culture and community is critical to ensuring the wellbeing of Indigenous students and necessary prior to learning. For many students from remote communities school attendance is their first exposure to a different language and culture. Many schools believe it is critical for effective teaching and building

effective relationships to devote resources to ensure teachers have an understanding of their students' communities and culture. This can include visiting communities and providing teaching mentors for teachers new to teaching Indigenous students.

### **Recommendation**

Current resourcing for schools educating significant numbers of Indigenous students, especially those from remote communities, is not sufficient to cover the additional costs associated with ensuring that teachers are sufficiently supported to develop essential understanding and skills.

Provide greater support to Independent schools to facilitate their capacity to:

- a. Provide effective training for principals and teachers to improve community engagement
- b. Raise the quality of principals and teachers through cultural training, effective professional learning and coaching

### **Issue: Boarding schools catering to large numbers of Indigenous boarders**

Boarding schools operate in a difficult educational environment with growing and sometimes conflicting demands on the limited educational resources. There is a significant funding issue for boarding schools with either a large number of Indigenous students from remote and very remote areas or with a high percentage of their boarders from these areas. These schools face considerable revenue pressures as the parents of these children generally do not have the capacity to pay fees and so they rely almost exclusively on government support to deliver their educational services.

Under the SRS funding model's transitional arrangements, the total available funding is not growing at a rate that will guarantee the long term survival of these schools with the total level of funding not sufficient to support the tuition and support needs of these educationally disadvantaged students.

The Australian Government is providing some short term boarding school assistance in recognition of these issues which has been greatly appreciated by the sector. However, this short-term funding does not provide a long-term solution to a structural problem of inadequate resources to ensure the viability of these schools.

### **Recommendation**

- a. Implement the full Indigenous loading immediately and bring all boarding school students from remote areas up to the full 120% level (irrespective of the schools current transition arrangements) as provided for in the current funding model
- b. Consider the implementation of a "bed maintenance rate" in order to help schools maintain serviceable infrastructure to allow for a simpler process for the expansion of enrolments
- c. Greater per student funding contribution from state and territory governments in recognition of the educational load that these schools lift from the government sector schools

### **Issue: Indigenous boarders in mainstream boarding schools**

The cost of educating an Indigenous student at a mainstream boarding school is generally in the order of \$40,000 - \$50,000 for school fees and boarding costs. Schools often also have liaison officers and will also pay for a range of interventions, counsellors, camps, and excursions etc. Often these schools receive minimal additional funding to meet this cost.

## **Recommendation**

Mainstream boarding schools should receive the full base funding amount for Indigenous boarding students plus loadings.

### **Issue: Review ABSTUDY to better meet the needs of Indigenous students and their families**

The ABSTUDY application, qualification and payment structures are extremely complicated. This means that it is difficult for school staff and student families to comply with the regulations and processes required to ensure accurate payments.

The quantum of ABSTUDY is not sufficient to cover the reasonable costs of meeting the accommodation and day-to-day needs of Indigenous boarding students. As extensively noted in this Submission, schools are meeting all the basic and more complex health and social/emotional needs of these students at significant cost. As students' families can make no contribution to their ongoing care, these costs must be met by schools. When compared to the cost of boarding provision in government facilities, the current ABSTUDY payment is meeting only half of these expenses.

ABSTUDY provides only limited and tightly controlled travel between school and a student's community, usually limited to school term travel. Frequently if a student has to return home in term time for a range of reasons including authorised absences, there is no capacity to fund the student's travel arrangements. The school may need to find these resources from within its limited budget or the student may not be able to return to school until the following term.

Where Indigenous parents are successful in obtaining paid employment, even minimal income can significantly affect the level of their ABSTUDY payments for their children. This means that a successful outcome of employment results in parents no longer being able to fund the boarding education of their children – or alternatively the boarding school no longer receiving adequate income to cover the costs of the education of these students.

Often these Indigenous parents are graduates of these boarding schools and are seeking the same quality of education for their own children. However, by virtue of their successful employment outcomes and likely positive contribution to their communities, they are precluded by the resultant reduction in ABSTUDY from providing their own children with these educational benefits. Were these parents to remain unemployed, their children would be able to access full ABSTUDY payments. There is, therefore, a major incentive for parents to remain unemployed in order to ensure their children can access a quality boarding education.

## **Recommendations**

- a. Application forms must be simplified and access to student information relating to payments must be facilitated for schools
- b. Rebase ABSTUDY to bring it in line with current school cost structures
- c. Refine qualification processes, especially in relation to family income means testing and school attendance monitoring
- d. Reduce barriers to access boarding schools, particularly in regard to mandatory requirements to attend local schools (unless adverse family circumstances are declared)
- e. Increase resources for locally based ABSTUDY teams so that issues can be addressed in a more timely manner
- f. Improve travel booking and management procedures to facilitate quicker student attendance at schools

- g. Review the decision to move all application processes and communication activities online as this is not always possible for family members to access
- h. Review travel requirements to include provision for additional authorised travel between school and communities

These recommendations were supported by Deloitte in Project Vale.

It is further recommended that existing disincentives to employment inherent in the current administration of ABSTUDY be reviewed.

#### Issue: Data reliability

Some schools have difficulty in accessing their full loading entitlements due to poor quality parental data and a lack of resources or capacity to fully complete the collection of these data.

#### Recommendation

That greater support be provided to schools so that their data quality can be reviewed to ensure that full loading entitlements are received and that this process be facilitated by the Commonwealth Department of Education and Training (DET) and the Australian Curriculum, Assessment and Reporting Authority (ACARA).

#### Issue: School Management Support

There are many schools, especially community schools and non-systemic schools, which would benefit from increased access to specific support for management, leadership and governance training.

#### Recommendation

Specific school leadership, governance and business management training should be developed for smaller boarding schools so that improvements can be made in educational operational structures, financial reporting, economic forecasting and governance activities.

## Conclusion

The Australian Government should take a leading role in facilitating the development of a long-term policy framework with the support of the state and territory governments to ensure that Independent schools educating Indigenous students, particularly large numbers of Indigenous students, receive adequate resourcing.

A number of Reviews and Inquiries have demonstrated that these schools are currently not receiving adequate levels of resourcing.

The Australian Government SRS funding arrangements are currently being transitioned in for all Australian schools and it is currently unclear whether the transition to full implementation will continue beyond 2017. Even with the full implementation of the SRS funding arrangements, it is clear that for schools educating large numbers of Indigenous students, particularly from remote areas, funding will continue to be inadequate to fully meet the needs of these students.

A notable concern is the critical funding situation of Independent boarding schools which provide boarding facilities for large numbers of Indigenous boarding students. This model of education delivery is currently under threat unless an injection of long-term funding is identified. A longer term funding solution needs to be found so that schools have the flexibility and confidence to continue investing in Indigenous education.

Independent Schools Council of Australia

30 October 2015