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National Indigenous  
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NIAA

Education and Youth Policy Branch

*Working with Aboriginal and Torres Strait Islander peoples*

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Ms Jeanette Radcliffe  
Committee Secretary  
Senate Standing Committee on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Ms Radcliffe,

**NIAA Submission to Senate Community Affairs Legislation Committee**

Please find attached a submission by NIAA to the Senate Community Affairs Legislation Committee Inquiry into the Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019.

Thank you for providing NIAA with the opportunity to make a submission to this inquiry.

Yours sincerely,

Patrick Burford

28 August 2019

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## THE SENATE STANDING COMMITTEE ON COMMUNITY AFFAIRS Legislation Committee

### Inquiry into the Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019

NIAA Submission - August 2019

#### Introduction and benefits of the changes

The National Indigenous Australians Agency (the Agency) is committed to improving the lives of all Aboriginal and Torres Strait Islander people. The Agency works to influence policy across the Australian Government and State and Territory governments and works with peak bodies and service providers to ensure Indigenous programs and services are delivering for Aboriginal and Torres Strait Islander peoples. This submission has been prepared by the Education and Youth Policy Branch within the Agency. The role of this Branch includes leading efforts on Indigenous boarding policy for secondary students.

The Agency supports extending Family Tax Benefit (FTB) to families of ABSTUDY students who board away from home. These changes are to be introduced in the *Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019*.

This is a relatively low cost change targeted to a cohort of ABSTUDY secondary students, aged 16 years and over, who need to study away from home. For these students, studying away from home is often their only option to attend secondary school. Administrative data held by the Department of Human Services shows that under current rules, the number of ABSTUDY boarding students drops by approximately 60 per cent between the ages of 15 and 17. The changes aim to encourage students to continue attending secondary school until they complete Year 12 and improve retention rates.

The changes align with Closing the Gap targets. The Closing the Gap 2019 report outlines that the target to close the gap between Indigenous and non-Indigenous school attendance is not on track and further improvements are needed. Consistent school attendance lays a foundation for improved outcomes for Aboriginal and Torres Strait Islander students (Closing the Gap, 2019). The changes will assist in meeting this target.

They will build on recent changes to ABSTUDY introduced in the 2018-19 Budget, which invested \$38.1 million over five years to better support school attendance, retention and Year 12 attainment for over 5,000 Aboriginal and Torres Strait Islander students who need to study secondary school away from home, and their families.

Some schools and boarding providers rely heavily on income received from students' ABSTUDY entitlements. ABSTUDY payments are particularly important for boarding providers with majority Aboriginal and Torres Strait Islander students who do not receive Commonwealth recurrent funding, for example Aboriginal Hostels Limited student hostels. This change means that for ABSTUDY students who continue to study away from home, schools and boarding providers would continue to receive students' ABSTUDY entitlements, while families could also retain their FTB payments.

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By removing the financial disincentive for families to choose FTB rather than ABSTUDY support, this measure could improve financial viability for boarding providers who may see more ABSTUDY students continuing to attend school once they turn 16 years.

Under this measure, the ABSTUDY criteria for approval to study away from home are not being changed. This means that if there are appropriate secondary school programs in the student's home location they would generally not be approved for ABSTUDY to study away from home. For this reason, the Agency does not believe this measure would significantly increase the total number of students eligible for ABSTUDY to study away from home.

## Impact of current rules on Aboriginal and Torres Strait Islander students

Families of Aboriginal and Torres Strait Islander students entitled to ABSTUDY Away from Home payments do not directly receive ABSTUDY payments. ABSTUDY Away from Home payments are paid directly to boarding providers and schools to cover boarding fees and school tuition costs, with agreement from parents.

The purpose of FTB is to help families with the cost of raising children. Under current rules, families of Aboriginal and Torres Strait Islander students turning 16 years entitled to ABSTUDY Away from Home payments are not able to continue to receive FTB. These families are forced to choose whether their child continues to study away from home or whether the family continues to receive FTB. Families who choose for their child to continue studying away from home and keep ABSTUDY, can lose up to \$6,900 per year in FTB payments depending on the family circumstances. This acts as a disincentive for families of ABSTUDY students studying away from home to keep their children in school once they turn 16 years.

For families of Aboriginal and Torres Strait Islander students studying away from home, the costs of raising their children do not stop once the student turns 16 years. These costs could include daily incidentals while the student is away at school such as clothing and medicine as well as the student's living costs while they are home during school holidays.

Current rules disadvantage Aboriginal and Torres Strait Islander students who need to study away from home. Families of non-Indigenous students aged 16 to 19 years continue to receive Family Tax Benefit if the student is dependent and studying full time. This could include families of non-Indigenous students attending boarding school (not entitled to ABSTUDY). However, families of Aboriginal and Torres Strait Islander students aged 16 years and over who are entitled to ABSTUDY Away from Home payments are unable to continue to receive FTB. These rules apply despite the fact that the families do not directly receive the students' ABSTUDY Away from Home entitlements, which are paid to the school and/or boarding provider. Addressing this inequity would ensure families of Aboriginal and Torres Strait Islander students are not further disadvantaged by receiving less financial support than other families.

## Why Aboriginal and Torres Strait Islander students need to study away from home

The ABSTUDY scheme includes specific criteria for approval of ABSTUDY Away from Home payments. The student must not have reasonable access to an appropriate education institution while living at home or cannot reasonably be expected to study while living at home. If there are appropriate secondary school programs available to the student in their home community they would generally not be approved for ABSTUDY Away from Home payments. There are some exceptions to these rules, including if the student has been offered a scholarship approved for ABSTUDY purposes.

Many Aboriginal and Torres Strait Islander children living in remote and very remote communities do not have access to a full secondary education up to Year 12. For secondary students from these communities, studying away from home is the only option. Of the roughly 6,000 students entitled to ABSTUDY Away from Home payments, most are from remote or very remote areas (Study Away Review, 2017).

The Study Away Review (the Review)-*Review of Support for Aboriginal and Torres Strait Islander Secondary Students Studying Away From Home* (published 22 December 2017), found that the majority (around 80%) of Aboriginal and Torres Strait Islander students studying away from home do so because of limited access to secondary school in their home community. Of secondary students who need to study away from home, around 38% were from Queensland, 21% from the Northern Territory, 16% from Western Australia, 13% from New South Wales, 6% from South Australia and 6% from Victoria.

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The Prime Minister’s Closing the Gap 2019 report states that school attendance rates for Aboriginal and Torres Strait Islander students are lower in remote areas. In 2018, attendance rates for Aboriginal and Torres Strait Islander students ranged from 86% in Inner Regional areas to 63% in very remote areas.

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