



## **Submission to the Finance and Public Administration References Committee**

### **Senate Inquiry Commonwealth Indigenous Advancement Strategy tendering processes**

The National Aboriginal and Torres Strait Islander Higher Education Consortium (NATSIEHC) is an Aboriginal Corporation (AC) registered under the Office of the Registrar of Indigenous Corporations (ORIC). Members are Aboriginal and Torres Strait Islander people working in Australian universities. The NATSIEHC (AC) and its antecedent organisation, the National Indigenous Higher Education Network (NIHEN) has advocated for Aboriginal and Torres Strait Islander peoples' rights to education across all sectors and particularly within higher education for over 15 years.

The NATSIEHC (AC) welcomes the Senate's Inquiry into the Tender Process implemented for the Indigenous Advancement Strategy (IAS) by the Department Prime Minister and Cabinet.

In 2014, Universities were forced to make submissions under the IAS following the government's decision to absorb the Indigenous Tutorial Assistance Scheme – Tertiary Tuition (ITAS-TT) grant funding into the IAS. The ITAS-TT is an Other Grant listed under the Higher Education Support Act (HESA) 2003. The ITAS-TT program (formerly Aboriginal Tutorial Assistance Scheme) was introduced in 1993 as supplementary funding in pursuit of equality in educational outcomes for Indigenous Australians, as articulated in the National Aboriginal Education Policy (NAEP). Allocated funding could only be used for tutorial assistance, largely for undergraduate students. (From this point in the submission the Indigenous Tutorial Assistance Scheme – Tertiary Tuition will be referred to as ITAS).

To date, 39 Australian universities have been verbally notified their submission for IAS funding was successful and that funding would be provided for 2016 only. This was not consistent with information distributed during the submission process that indicated quadrennial funding was being offered. More than a month has elapsed since verbal notification and institutions are still yet to receive formal written advice and contracts.

Whilst the NATSIEHC (AC) acknowledges the government's move to reduce red tape related to Indigenous funding, as suggested in the Behrendt Review of Higher Education Access & Outcomes for Aboriginal and Torres Strait Islander People, and in principle supports the broad agenda of reform contained within the Indigenous Advancement strategy, the process followed, regarding a significant funding scheme in higher education, has been deeply flawed. Despite the government's attempts to remove streamline funding processes and reduce red tape, the IAS process has resulted in considerable wasted productivity in the Higher Education sector, uncertainty of outcomes and a lost opportunity for innovation.

The NATSIEHC (AC) provides the following comments directly to the Inquiry's Terms of Reference (original lettering applies)

**a. the extent of consultation with service providers concerning the size, scope and nature of services tendered, determination of outcomes and other elements of service and contract design;**

The university sector was effectively forced to apply for funding under the IAS. The announcement of the removal of targeted ITAS funds was made without substantive explanation for or consultation with the sector and it was made on the eve of the opening of the IAS application round.

No clarity was offered on the potential funds available to replace a supplementary tutorial service. No analysis of past performance of the ITAS was discussed with the sector and thus no good practice models were identified for replication. NATSIHEC (AC) observed a lack of coordination between the Department of Education and the Department of Prime Minister and Cabinet.

NATSIHEC (AC) members were acutely aware of the competitive funding pool being the only option for many Aboriginal and Torres Strait Islander community service organizations. As higher education institutions are large corporations with considerable resources, NATSIHEC members were very concerned about competing with small grassroots organizations with fewer resources and staff.

**b. the effect of the tendering timeframe and lack of notice on service collaboration, consortia and the opportunity for innovative service design and delivery;**

Universities are large corporations with dedicated resources and experience in submission writing, grant management, research and analysis, knowledge and engagement with government. However, the timeframe did not allow for sufficient analysis and review to build innovation in a supplementary tutorial program including the identification of potential performance indicators and evidence of impact. Effectively, universities had 1 month to complete their application. The danger of such a short timeframe is universities could default to simply replicating the inefficiencies of the worst parts of the ITAS that continue to hamper effective use of funds that would enable retention and completions. There is an immediate implication regarding the manner in which most Indigenous higher education funding has been calculated. We have seen an almost covert transition from load based funding to a 'formula' based on average expenditure over a set time period. This fails to recognize that previous expenditure patterns are likely to have been influenced by the limitations of the previous inflexible ITAS program which PMC purport to change. This makes the basis of calculation shallow at best and is illogical.

**c. the evidence base and analysis underlying program design;**

The absence of any evidence to suggest that innovation was recognised or operationalised in the ITAS related IAS funding decisions, suggests that the stated intention of the IAS to promote innovation was either superficial or alternatively that the government lacked sufficient expertise in Higher Education to both understand and give effect to this intent.

**d. the clarity of information provided to prospective tenderers concerning service scope and outcomes;**

It has been acknowledged the administrative burden of the ITAS was cumbersome. However, Universities are quite used to regulatory frameworks and complying with requirements but the IAS template for application and information lacked a clear direction and purpose. This

arose because the one size fits all model could not be applied clearly to the specificities of the sectors it had targeted. The very simple and broad application process and instrument that was developed for use by the diversity of sectors, organizations, programs, locations and Aboriginal and Torres Strait Islander communities lacked the clarity and transparency that are required for effective implementation of new policy and procedures.

**e. the opportunities created for innovative service design and delivery, and the extent to which this was reflected in the outcomes of the tender process;**

Institutions applied under the IAS for funding to build a supplementary tuition service and despite the short time frame, many included new initiatives beyond current models of engagement and support for Aboriginal and Torres Strait Islander students based on analysis of institutional performance over time. The majority in the sector are reporting the successful notification was only for the tutorial service portion of their application and not for any of the new innovations or initiatives. Universities were listed alongside major sporting clubs, state government departments and large Non-government organizations, rendering us social pariahs for winning funds under the IAS, in the face of community organisations closing. Whilst those of us working in the sector recognised this inherent difficulty, Universities had little choice but to compete under the IAS or lose the supplementary tuition support we know to be effective in enhancing successful outcomes for Aboriginal and Torres Strait Islander higher education students. It now appears the competition was disingenuous and false.

On April 15<sup>th</sup>, 2015, at the Department of Education Indigenous Policy Forum for the Aboriginal and Torres Strait Islander Higher Education Advisory Council (ATSHEAC) to the Minister of Education, University leaders from across the country were informed by an Associate Secretary of the Department of Prime Minister and Cabinet (PM&C), Ms Liza Carroll, that appropriations for the ITAS program had been effectively quarantined by the Department during the IAS process. Effectively, institutions' allocations under the IAS were made based on 2013 expenditure patterns against the previous grant funding with the funding to continue to be quarantined through to 2017.

While this provides some certainty for the sector and the Indigenous students who require this program we fail to understand what is new about the program. To calculate future ITAS funding allocations according to previous average expenditure levels under the former program ITAS guidelines fails to constitute a new approach to ITAS. When future funding levels are to be largely based on expenditure incurred through previous and current activity, in and of themselves, structured by the previous policy guidelines –what actually is the basis of this so-called 'new' approach to Indigenous student tutorial support? How will growth in enrolments be incorporated in the absence of annual load based funding?

At no stage during the submission process was this information provided to applicants and appears to be one of the stop gap measures introduced once it became evident that the IAS process was not working as envisaged. The NATSHEC (AC) members who built alternative supplementary tuition programs and other support initiatives through their bids under the IAS recognise the exercise as pointless now. Given the Department was only ever going to distribute funds equating to 2013 expenditure under the previous funding scheme, this has resulted not in efficiencies but in considerable wasted productivity, particularly by senior Indigenous academic staff and their institutional teams who collaborated to develop the IAS applications.

- k. **the information provided to tenderers about how decisions are made, feedback mechanisms for unsuccessful tender applicants, and the participation of independent experts in tender review processes to ensure fairness and transparency;**

The Department of Prime Minister and Cabinet did not provide any information on the independent experts included in the review process prior to our discussions with PM&C at our national meeting in Darwin, in November, 2014. We were advised by Kate Gumley, at that meeting, that assessment would be undertaken by public servants from regions but not those from where the submissions had originated. We were also advised that PM&C had not spent time developing assessment criteria to use for evaluating the selection criteria that had to be addressed in submissions. PM&C could not provide any information about where these public servants were departmentally located.

NATSIHEC (AC) remains concerned about the level of expertise of assessors and the potential for non-educationalists to be examining education applications without appropriate knowledge or expertise, to ensure effective outcomes. NATSIHEC (AC) observed that decision making under the IAS would be complex with bids either too similar, which would make separation difficult or so dissimilar that comparison would be too complex. The decision to collapse ITAS into the general IAS pool fails to distinguish the specificities of Higher Education funding from those other sectors that sought funding – this would have the effect of unfairly conflating the issues peculiar to Higher Education with other broad categories of activity, not directly related to the sector. Consequently an opportunity has been lost to take up innovation designed to improve outcomes for Aboriginal and Torres Strait Islander students in the university sector.

**NATSIHEC (AC) Recommends:**

1. that Higher Education Indigenous Programs transferred to the Department of Prime Minister and Cabinet be reinstated to the management of the Department of Education and Training;
2. that explicit consultation is undertaken with sector experts prior to the development/implementation of any future policy/programmes which impact upon Aboriginal and Torres Strait Islander higher education;
3. that current quarantined funding be ensured beyond 2017 enabling intuitions to strategically plan for innovative and effective long term programs. This funding must be transparent with clearly identified, measurable outcomes;
4. that growth in enrolment be incorporated into future funding allocations. There has been a change in the funding allocation model from a student-load based funding to a 'formula' based on average expenditure over a set time period. As previous expenditure patterns have been influenced by the limitations/inflexibilities of the ITAS program, this formula runs the risk of not reflecting actual need.

If the opportunity arose to appear before the Committee at a public hearing, NATSIHEC (AC) would be pleased to do so.

Please do not hesitate to contact NATSIHEC (AC) should you have any further queries or require additional information.

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Chair: National Aboriginal and Torres Strait Islander

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