

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

Submission by
The Independent Schools Council of Australia (ISCA)

Introduction: About ISCA

ISCA is the national peak body representing the Independent school sector. It comprises the eight state and territory Associations of Independent Schools (AISs). Through these Associations, ISCA represents a sector with 1,140 schools and over 617,000 students, accounting for approximately 16 per cent of Australian school enrolments. ISCA's major role is to bring the unique needs of Independent schools to the attention of the Australian Government and to represent the sector on national issues.

Independent schools are a diverse group of non-government 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. The Independent sector is the largest provider of Indigenous boarding school education in Australia.

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.

Many Independent schools have been established by community groups seeking to meet particular needs. Examples include the Independent community schools for Indigenous students in remote areas, special schools for students with disabilities and boarding schools to educate children from rural and remote areas. There are also schools that seek to reflect the religious values of a particular community or that seek to practise an internationally recognised educational philosophy such as Rudolf Steiner or Montessori schools. Independent Catholic schools are a significant part of the sector, accounting for eight per cent of the Independent sector's enrolments.

Most Independent schools are set up and governed independently on an individual school basis. However, some Independent schools with common aims and educational philosophies are governed and administered as systems, for example Lutheran systems. Systemic schools account for 18 per cent of schools in the Independent sector. Four out of five schools in the sector are autonomous non-systemic schools.

Introduction

The Independent Schools Council of Australia (ISCA) welcomes the opportunity to provide this submission in response to the Senate Community Affairs Legislation Committee's Inquiry into the Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019.

Independent schools serve a broad range of students and communities, reflecting the diversity of Australian society, and have a long-standing commitment to supporting quality education and creating educational opportunities for students across Australia.

The autonomy of Independent schools enables them to respond flexibly, effectively and creatively as professional educational organisations to meet the needs of their school community and to develop, innovate, and improve the school to enhance outcomes for students.

The Independent sector is the largest provider of Indigenous boarding school education in Australia. The Independent sector has longstanding concerns about the funding circumstances of Independent boarding schools which cater predominantly for Indigenous students living away from home to attend secondary school. These schools frequently need to provide a range of services beyond those required to provide a quality education in order to address a range of health, wellbeing and pastoral care issues before students are in a position to learn.

ISCA supports the intent of the Bill to extend Family Tax Benefit (FTB) eligibility to the families of ABSTUDY secondary school students who are aged 16 or over and are required to live away from home to attend school. ISCA welcomes the Bill as it addresses a significant area of need for Indigenous families and students who seek to further their education by attending a boarding school away from their home.

Improving the educational outcomes for Indigenous students requires both resourcing levels which recognise their particular circumstances and flexible approaches to support them. ISCA strongly supports the Australian Government's intent to focus on closing the gap in educational attainment between Indigenous and non-Indigenous students, and to support more Indigenous students to complete Year 12.

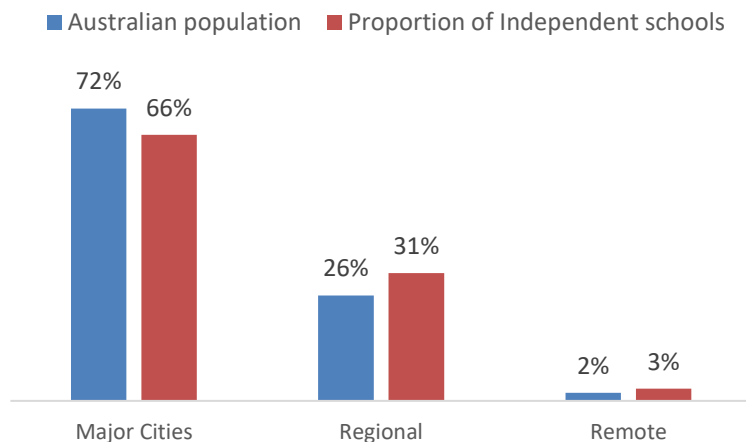
On this basis, ISCA encourages the government to also address issues relating to the funding of Indigenous students, including ensuring the adequacy of ABSTUDY, a matter of longstanding significant concern to students, families, and school communities. ISCA looks forward to working with the Australian Government to address these issues.

This submission focuses primarily on the provision of educational services by Independent schools for Indigenous students furthering their education away from home at an Independent boarding school. Background information about the Independent school sector is also provided.

Relevant Information about the Independent Sector

The Independent school sector serves diverse communities and not exclusively those located in metropolitan areas. The distribution of Independent schools is reflective of the distribution of the Australian population as a whole.

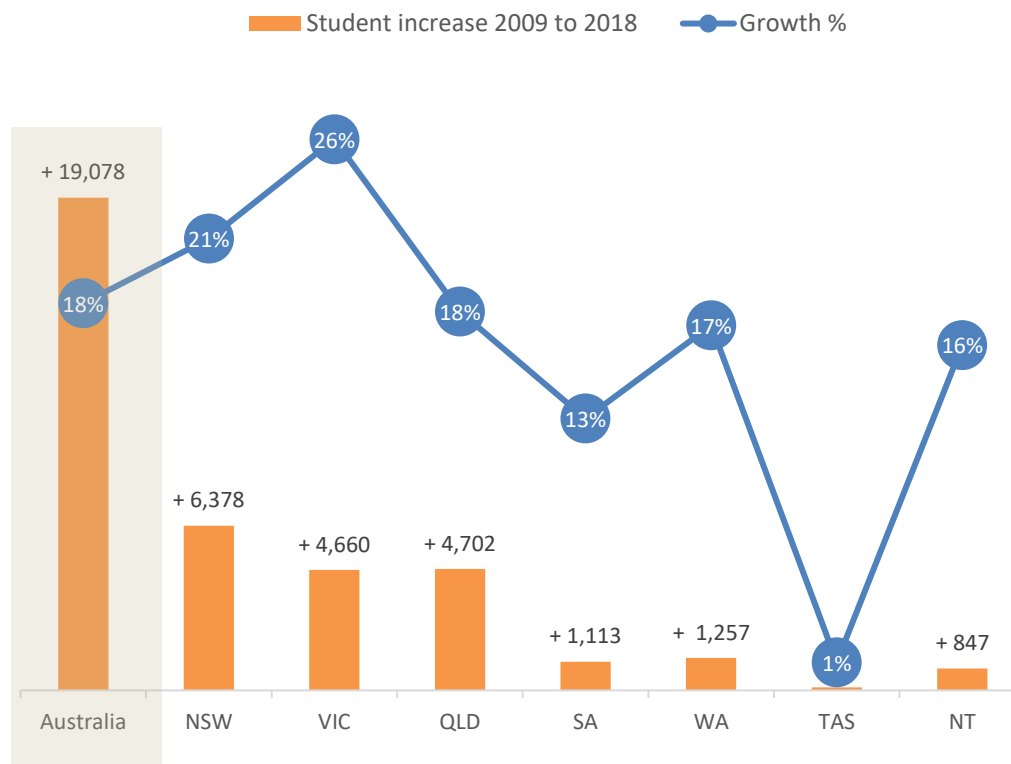
Chart 1: Independent School Location 2018



Source: ACARA My School Dataset and ABS Regional Population Growth Australia, 2017-2018

While 66 per cent of Independent schools are located in metropolitan areas, 31 per cent are in regional areas, and three per cent of Independent schools are located in remote areas

Chart 2: Enrolment Growth in Regional, Rural and Remote Independent Schools 2009 to 2018



Source: DET Non-Government Schools Census 2009, 2018.

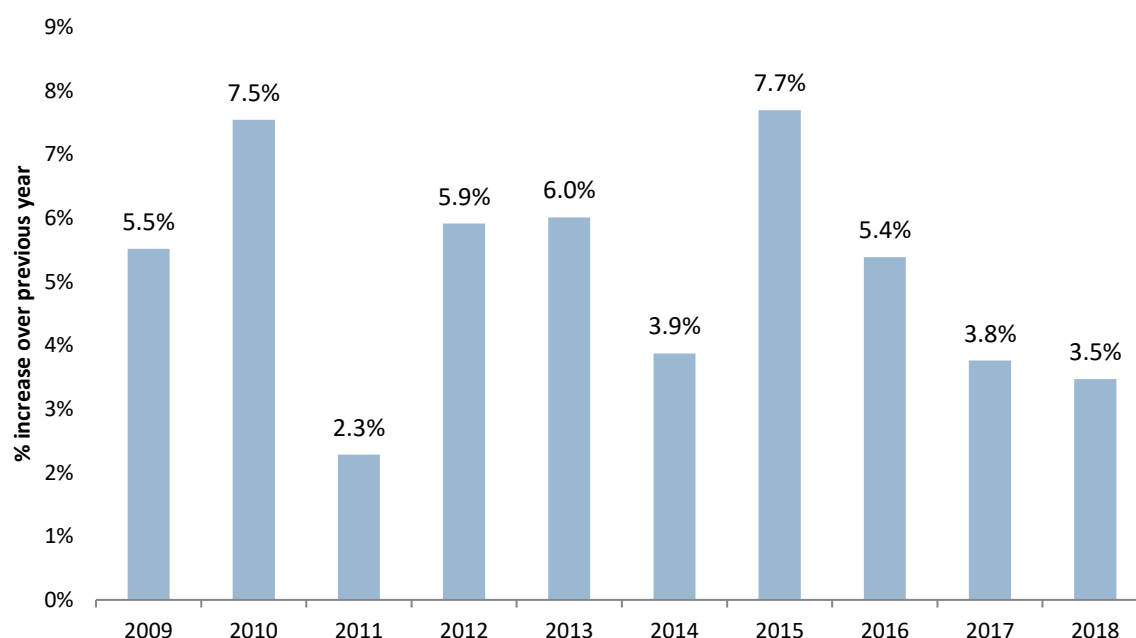
Independent schools make a significant contribution to educating students from Australia's regional, rural and remote areas. Many such students attend boarding schools in the state and territory capital cities or larger regional centres. Alternatively, they may board elsewhere, but attend school as day students. Others attend Independent schools in their local areas, including Indigenous community schools, and some take up the option of distance education.

It is important to note that in a number of remote locations, particularly remote Indigenous communities, Independent schools are the sole providers of school education. There are 13 Independent schools recognised in the current Commonwealth funding model as being remote sole providers; that is, they are the only available school in that location.

Indigenous students

As a group, Indigenous students face significant barriers to educational achievement. In order to overcome these barriers many Indigenous parents enrol their children in Independent schools.

Chart 3: Growth in Indigenous Student Enrolments at Independent Schools 2009 to 2018



Source: DET Non-Government Schools Census 2018.

Indigenous student enrolments are dispersed broadly across the Independent sector and in 2018 there were almost 13,500 Indigenous students enrolled in 887 Independent schools. Over eighty per cent of Independent schools in Australia enrolled Indigenous students in 2018.

Enrolments of Indigenous students in Independent schools have grown at an average rate of 6 per cent per year over the last two decades. ABS data released in March 2019 confirmed the Independent sector as experiencing the largest growth of Aboriginal and Torres Strait Islander enrolments, exceeding the national average growth of 3.3 per cent.

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. Fifty-three schools in the Independent sector have an Indigenous enrolment of more than 50 per cent. A significant number of these schools are located in rural or remote areas.

Many Indigenous students, particularly those from remote and regional communities face considerable educational challenges including 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 setting means that the needs of Indigenous students, and thus of the schools, teachers and support staff, vary according their educational circumstances.

Currently 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. Indigenous students attending Independent schools in remote communities should be supported to the same level as Indigenous students in similar government schools.

Remote Indigenous students attending boarding schools also require substantial additional financial assistance, over and above general education expenses, to meet the additional costs of supporting their participation in education. This issue will be further addressed below when discussing Indigenous boarding students and the particular challenges of Indigenous education.

Boarding schools

The Independent sector includes 148 schools which enrol over 15,800 boarding students. The Independent sector is by far the largest provider of boarding school education for Australian school students, including Indigenous students. A significant number of Independent school boarders are from regional, rural, and remote areas. Independent boarding schools are frequently the only option for students from remote and regional communities who must board away from home in order to further their education. Independent boarding schools provide these students with pastoral and emotional support while they access an education.

Due to issues of remoteness, for many parents there is little choice but to enrol their children in a boarding school. Many of these parents are acutely aware that an emphasis on access to education underpins their children's future success, and that boarding helps alleviate issues connected with isolation in Australia's rural and remote areas.

Indigenous boarding students

The Independent sector is the largest provider of boarding services to Indigenous students. One hundred and sixteen Independent boarding schools enrol Indigenous boarders. Many of these Independent schools provide scholarships which enable Indigenous students from remote areas access to a high-quality education.

Of the over 2,200 Indigenous boarders in the Independent sector, half attend schools with either very large numbers or a high concentration of Indigenous boarders. Many of these students come from remote communities where primary level education is the only schooling

locally available and they have to leave their communities in order to undertake secondary studies.

These boarding schools frequently need to provide a range of services beyond those required to provide a quality day and boarding education in order to address a range of health, wellbeing and pastoral care issues before students are in a position to learn. Boarding is not the same as living at home and the cost of providing adequate emotional and physical support to students who are living away from home is high. Often these schools serve communities with limited capacity to contribute to the costs of their children's educational and boarding needs.

Government funding, including ABSTUDY payments, play a central role in funding these services.

Education funding starts at the school gate and is designed to achieve educational outcomes. The additional support Indigenous students need to travel to school, stay at school and be ready to learn is not part of standard educational funding. It is widely acknowledged that students cannot learn if they are hungry, tired, or distressed.

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

Schools are not currently resourced to provide the broad range of services that are critical to ensure students are 'school ready'. Many Independent schools invest significant resources to fund these ancillary services or are unable to provide more than the most rudimentary services in these areas.

ABSTUDY

The issue of the inadequacy of ABSTUDY, is a matter of longstanding significant concern to students, families, and school communities in the Independent school sector.

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.

ABSTUDY payments are generally designed to cover school student costs including living expenses, accommodation expenses (rent, boarding fees, residential costs, Remote Area Allowance), education expenses (school fees, books and equipment, incidentals), and fares (such as travel to study each term or semester if studying away from home)

Payment rates vary for the different components of ABSTUDY, changing each year and subject to means testing. Rates per student per annum can range from around \$8,000 to around \$20,000, depending on parental income and other circumstances.

While Indigenous students are eligible for ABSTUDY payments to be made directly to schools for boarding costs, the application, qualification and payment structures are extremely complex, and it is difficult for school staff and families to comply with the regulations and processes required to ensure accurate payments.

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 any income to cover the costs of the children’s education.

Further, 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 noted above, schools are often meeting all the basic and more complex health and social/emotional needs of Indigenous students at significant cost. As students’ families can make little or 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 only covers half the cost, leaving a significant funding gap. It is not appropriate that this funding gap be cross-subsidised by the re-direction of funding properly provided to meet students’ academic needs.

The Department of the Prime Minister and Cabinet’s (PM&C) 2017 *Study Away Review*, which examined issues facing Aboriginal and Torres Strait Islander secondary students who study away from home, found that many students and their families experienced ABSTUDY administration to be overly complex.

This finding was consistent with the earlier House of Representatives Standing Committee on Indigenous Affairs 2017 report *The power of education: From surviving to thriving - Educational opportunities for Aboriginal and Torres Strait Islander students* which recommended that

the Federal Government conduct a thorough review of how ABSTUDY is calculated and administered to ensure that Indigenous students are given the support necessary to thrive and to ensure optimal equity and efficiency of operations.¹

ISCA strongly supports this recommendation and looks forward to contributing to any review which seeks to address these issues through meaningful structural reforms.

¹ Recommendation 18

Conclusion

ISCA supports the intent of the Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019 to extend Family Tax Benefit (FTB) eligibility to the families of ABSTUDY secondary school students who are aged 16 or over and are required to live away from home to attend school. ISCA welcomes the Bill as it addresses a significant area of need for Indigenous families and students who seek to further their education by attending a boarding school away from their home.

ISCA strongly supports the Australian Government's intent to focus on closing the gap in educational attainment between Indigenous and non-Indigenous students, and to support more Indigenous students to complete Year 12.

The Independent school sector makes a significant contribution to educating students from Australia's regional, rural, and remote areas, notably Indigenous students who are required to live away from home to attend school. The Independent sector is the largest provider of Indigenous boarding school education in Australia.

Indigenous students as a group tend to face greater barriers to educational achievement than most Australian children. Currently 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.

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.

Independent schools which provide boarding facilities for Indigenous students in remote communities operate at half the expense of boarding services provided by government facilities. While Government funding, including ABSTUDY payments play a central role in funding these services, the current ABSTUDY payment covers only half the cost. This situation leaves a significant funding gap.

The issue of the inadequacy of ABSTUDY, is a matter of longstanding significant concern to students, families, and school communities in the Independent school sector.

On this basis, ISCA encourages governments to also address issues relating to the funding of Indigenous students, especially the inadequacy of ABSTUDY. The Independent sector is keen to partner with the Australian Government to address these issues in order to ensure that these high needs students can continue to be supported to achieve their educational goals.

Appendix 1: Background Information about the Independent Sector

Types of Independent school

There is a common perception, encouraged by media portrayal, that Independent schools are large, urban schools which only cater to high income families. In fact, ninety percent of Independent schools are low to medium fee schools which cater to the full spectrum of Australian society.

Independent schools also cater to specific groups of disadvantaged students including: Indigenous students attending remote 100 per cent Indigenous schools in Western Australia and the Northern Territory; high needs students with disability attending special schools; and highly disadvantaged youth who have been excluded from both government and non-government schools and who are now attending Independent special assistance schools.

This diversity has long been considered a major strength of the Australian schooling system, serving well the needs of a geographically dispersed, socially mixed, multicultural and multi-faith population.

Families and communities are the foundation and at the core of all Independent schools and their broader communities wherever they may be situated. It is the partnerships which are developed between the school, parents, students, families, and the wider community that enable Independent schools to create learning environments in which education can happen in innovative and diverse ways in order to meet the needs of the school community.

While the Australian Government is the main provider of public funding to Independent schools, it should be recognised that parents, families and school communities are the primary funders of schools in the Independent sector.

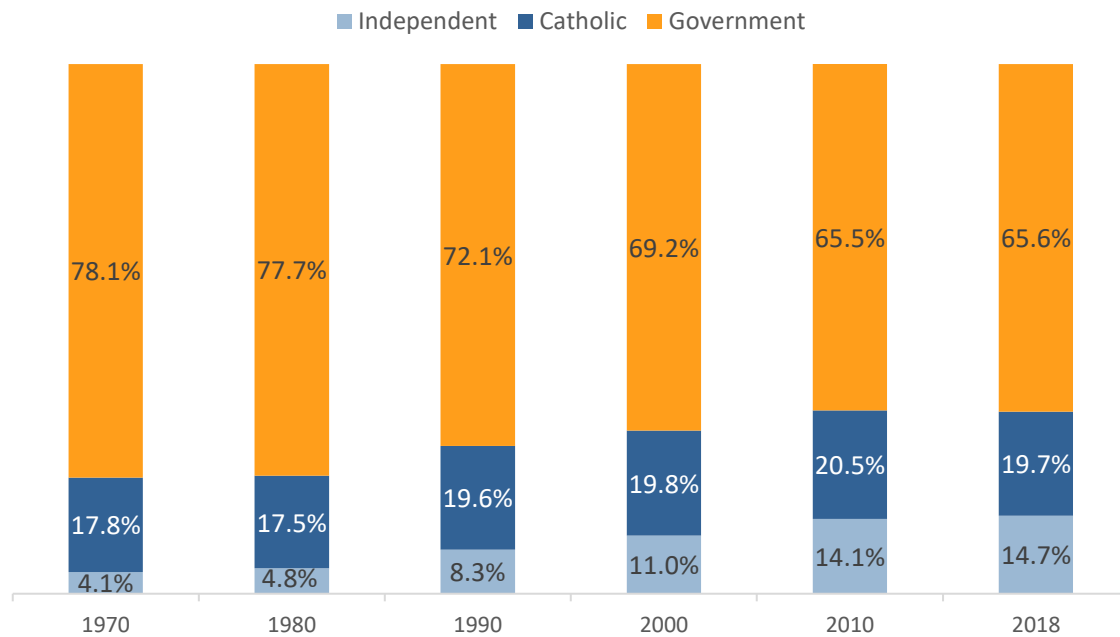
The range of tuition fees paid varies greatly from school to school reflecting the diversity of the sector. The spectrum of fees ranges from schools serving highly disadvantaged communities which charge no fees, through to schools which charge in excess of \$25,000 per year. It should be noted that schools charging in excess of \$25,000 per year represent less than five per cent of Independent schools. The median fees charged per student in Independent schools are \$5,330 per year.

Most of the 148 boarding schools in the Independent sector charge fees for provision of boarding services which are additional to tuition fees paid per student. For many boarding schools enrolling Indigenous boarding students, boarding costs are supported by the amount of ABSTUDY a school receives for individual students. However, this generally does not cover the full costs of boarding.

Independent School Enrolments and Trends

The Independent school sector is the third largest school education provider in Australia (after the New South Wales Government and the Catholic education systems) and at secondary level is the largest provider of schooling services.

Chart 4: Enrolment Share by Sector 1970 to 2018



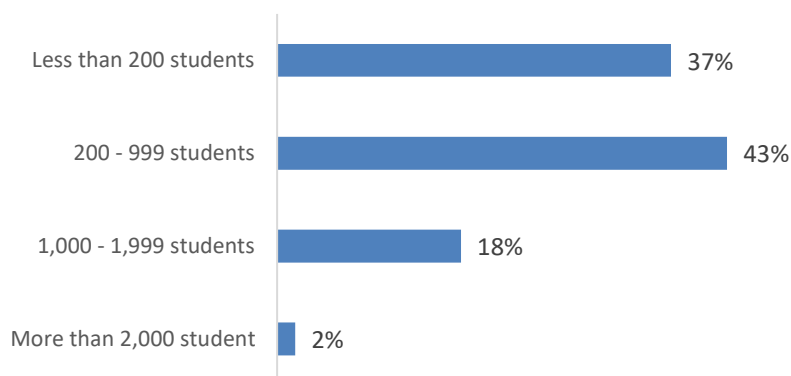
Source: ABS Schools Australia. Excludes Independent Catholic schools from Independent school share.

Enrolments in Independent schools have grown steadily since the 1970s. According to ABS data, in 2018 Independent schools accounted for 14.7 per cent of total student enrolments (18.7 per cent of secondary enrolments) compared to 4 per cent in 1970. Full time enrolments have increased from around 124,000 in 1970 to nearly 570,000 in 2018. Including independent Catholic school enrolments, the sector enrolment is almost 620,000 students.

Independent School Size

Independent schools vary greatly in size with the average Independent school size in 2018 being 528 students. This compares with an average of 384 students at government schools. Thirty-seven per cent of Independent schools have fewer than 200 students; 12 per cent have fewer than 50 students.

Chart 5: Independent School Size 2018



Source: DET Non-Government Schools Census 2018.

Appendix 2: The Challenges of Indigenous education

Indigenous students as a group tend to face greater barriers to educational achievement than most Australian children. Students from remote Indigenous communities are the most educationally disadvantaged in Australia. This fact has been well established by numerous reviews and inquiries over many years which have considered the particular educational challenges for Indigenous students.²

The provision of education to Indigenous students can be challenging and expensive. 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 adequacy of funding for 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. Schools frequently need to address many health, wellbeing and pastoral care issues before these students are in a position to learn.

As noted earlier, the capacity of these Independent schools to charge fees or raise private contributions, is very limited or in some cases non-existent. Many of these schools face high costs due to their remoteness and/or distance from large population centres. It is also important to recognise that Indigenous students attending schools in urban or regional areas may need additional support.

As also noted earlier in this submission, many Independent schools in remote Indigenous communities are the sole providers of education for these communities. These schools have severely 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 of 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 services 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

² These include the Review of Funding for Schooling ('Gonski Review'), the 2013 Wilson Review of Indigenous Education in the Northern Territory, the 2013 Australian Government Department of Education, Employment and Workplace Relations (DEEWR) Review Funding of Selected Indigenous Boarding Schools conducted by Deloitte Touche Tohmatsu ('Project Vale'), the 2015 House of Representatives Standing Committee on Indigenous Affairs Inquiry into Educational Opportunities for Aboriginal and Torres Strait Islander Students, the 2016 KPMG Non-government Indigenous Boarding Schools Review of funding arrangements for the Northern Territory Department of Education, and the Department of the Prime Minister and Cabinet's 2017 *Study Away Review*.

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.”

Recommendation 18 of the Final Report of the Gonski Review also recognised that:

“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.”

Among the non-government schools, the Report identified as meeting these criteria were

- “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.

Therefore, currently 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. Indigenous students attending Independent schools in remote communities should be supported to the same level as Indigenous students in similar government schools.

Government funding needs to acknowledge the special needs of Indigenous students, particularly those from remote areas. While it is the case that the attendance of some Indigenous students can be erratic, current funding arrangements can result in schools being penalised at a time when they need all possible 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.

The current Australian Government funding model which relies on student enrolment numbers determined at a single census point present significant difficulties to schools catering to large numbers of Indigenous students, particularly those from remote areas. This is further exacerbated by state or territory funding models that also utilise attendance criteria.

Schools need to provide a high level of support services to encourage and support school attendance, however the funding fluctuations that can result from student non-attendance are 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 students 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. It is critical that governments recognise that these schools are in a unique position to access and assist these students and that this opportunity can be lost due to a lack of resources and a lack of recognition of the way resources should be applied.

As well as providing additional support for pastoral care, many 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 providing education to students from remote Indigenous communities 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.

Independent schools that cater predominantly for Indigenous students also require special consideration in relation to their capital needs. On average, parents and donors in Independent school communities contribute ninety per cent of funds for capital developments. Independent schools that cater predominantly for Indigenous students have very limited capacity to raise private income in order to meet their capital needs. 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.