

Chapter 1

Majority Report

1.1 On 15 June 2005, the Senate referred to this committee for report the provisions of the Indigenous Education (Targeted Assistance) Amendment Bill 2005. The bill had been introduced in the House of Representatives by the Minister for Education, Science and Training, the Hon. Brendon Nelson MP, on 25 May 2005, passed that chamber on 2 June, was transmitted to the Senate and introduced on 14 June 2005.

1.2 The purpose of this bill is to amend the *Indigenous Education (Targeted Assistance) Act 2000* in order to appropriate additional funding for the Indigenous Tutorial Assistance Scheme (ITAS) and to transfer funding for independent vocational education and training providers to appropriations under the Skilling Australia's Workforce Bill 2005.¹

1.3 Until 2000, Commonwealth assistance to indigenous education was provided through the *Indigenous Education (Supplementary Assistance) Act 1989*. Although this Act was not repealed, the *Indigenous Education (Targeted Assistance) Act 2000* is now the primary mechanism through which funding is provided and Government policy implemented. The 2000 Act provides appropriations for the Indigenous Education Strategic Initiatives Programme (IESIP) to assist indigenous students in government and non-government schools, including small independent indigenous schools. Funding may go to all education sectors from pre-school to higher education. It includes funding for ABSTUDY students living away from home to attend compulsory course activities and funding for special projects. Funding is provided through agreements made with education systems and with schools. The method through which this funding is disbursed was the partial subject of an Employment, Workplace Relations and Education References Committee inquiry, the final report of which was tabled in June 2005.²

1.4 The bill will reduce the appropriation under the Act by a net \$3.7 million over 2006-2008. The transfer will come from funds currently provided to four independent vocational education and training providers since 1997 under Transitional Project Assistance (TPA). The providers are the Institute for Aboriginal Development (IAD), Tranby Aboriginal Co-operative College, Aboriginal Dance Theatre Redfern and Tauondi Incorporated. The bill transfers \$10.9 million to be spent under the Skilling Australia's Workforce Bill 2005, so that the four providers will now be required to compete for funding in a joint funding pool under a proposed new Commonwealth

1 The description of the bill and its history is largely drawn from Bills Digest 1 June 2005, no. 174, ISSN 1328-8091, Parliamentary Library, 2005

2 Senate Employment, Workplace Relations and Education References Committee, *Indigenous Education Funding*, Commonwealth of Australia, June 2005

State funding agreement. Under the agreement, state and territory governments will be required to match the funding provided by the Commonwealth, thus boosting the funds available to indigenous vocational education providers from the current \$11.6 million to \$23.3 million over 2006-08.³

1.5 The bill also includes new spending of \$7.2 million to fund a measure announced in the 2005 budget: the ‘Remote Indigenous Students – tutorial support for students leaving their communities’, which will cost \$8.7 million over the four years to 2008-09, or \$7.2 m to 2008. This funding is derived from efficiencies made in other areas of expenditure in the DEST portfolio, and represents new money to the indigenous education sector.

1.6 This initiative will provide tutorial support for mainly secondary indigenous students who move from their remote communities to undertake schooling. These 2 040 students will receive up to four hours tuition per week in their first year away from home. It complements two initiatives – the Indigenous Youth Leadership Programme and the Indigenous Youth Mobility Programme – funded in the Indigenous Education (Targeted Assistance) Amendment Bill 2004. This bill continues the Government’s emphasis on providing a greater weighting of resources towards indigenous students in remote areas considered by the Government to be at greatest disadvantage.

1.7 Taken together, these measures will see funding for indigenous education and training over 2006-2008 increase by up to \$19.3 million.⁴ The bill implements a recommendation of the EWRE References Committee which called for improved support for indigenous students studying away from home. This is being funded through efficiencies in other areas of the portfolio, and not from reclaimed Transitional Project Assistance (TPA) funding to indigenous VET providers. The TPA assistance which the bill seeks to redeploy to a joint funding pool was always intended to be temporary, and the Department of Education, Science and Training (DEST) have been in discussions with the organisations involved for a number of years, so that from their perspective the government's move is not a sudden one.

Supplementary tutorial assistance

1.8 The issue of Commonwealth tutorial assistance being determined solely through geographical indicators, rather than by student need, was addressed by the Employment Workplace Relations and Education References Committee in its reports on indigenous education funding, tabled in March and June of 2005. In its final report, the committee recommended that the Government amend its policy to ensure that students who leave remote areas to study at boarding schools in urban locations remain eligible for tutorial funding assistance.

3 Department of Education, Science and Training (DEST), *Submission 6*, p.1. This figure includes estimated indexation.

4 DEST, *Submission 6*, p.1

1.9 The Government recognises that remote area students continue to be relatively disadvantaged when they leave home in order to attend school, and that they require a significant level of support in adapting to life in larger towns and cities. DEST submitted that students benefiting from the initiative will be those between school years seven and twelve. The initiative will provide up to four hours tuition per week for up to 32 weeks in a student's first year away from home. Tuition assistance will be delivered through government and non-government schools and each student will have an individual work plan, to be developed by a tutor in collaboration with the student's school.

Transfer of TPA assistance

1.10 The other key plank of the bill is the transfer of funds which from 1997 have been deployed as Temporary Project Assistance (TPA) for four indigenous VET providers, to a joint Commonwealth-state funding pool.

1.11 Temporary assistance was originally provided to provide for a transition from project-based funding program, to an outcome-based program under the Government's Indigenous Education Strategic Initiatives Program (IESIP). The TPA was designed to bridge the gap between a provider's per capita entitlement and the previous funding level. Always intended as a temporary measure, TPA funding was reduced over time as enrolments increased and per capita entitlements rose. Between 2001 and 2004, TPA assistance was completely phased out for major government and non-government systemic providers, leaving a number of independent providers across the pre-school, school and VET sectors still in receipt of TPA funds. This group of recipients includes the four indigenous VET providers collectively in receipt of the \$3.6 million this bill aims to transfer.

1.12 It is important to note that, even after the passage of this bill, some twelve schools and thirty two pre-schools will continue to receive TPA assistance through to the end of 2006 at the earliest. These payments total some \$2.6 million per year.

1.13 The transfer of TPA assistance from VET providers should come as no surprise. The department has been working with independent indigenous VET providers since 2002 to determine appropriate funding arrangements for the future. The four organisations have identified their need for stable, triennial funding after an independent review in 2003 recommended that funding for these providers should be coordinated with other state and Commonwealth mainstream VET funding.

1.14 As noted in other reports of the committee on education funding, the Government's policy has been to provide commencement and transitional funding for post-secondary institutions.⁵ Once institutions have been established on a firm footing, and enrolments assured, Commonwealth funding can be reduced and may eventually

5 Employment, Workplace Relations and Education References Committee, *Indigenous Education Funding – Interim Report*, Commonwealth of Australia, March 2005, p.13

cease. There is no guarantee that funding can be maintained indefinitely, especially given the competing need for Commonwealth assistance.

1.15 The decision to phase out dedicated assistance for some established schools and institutions, and to make that funding available to be drawn on by a broader range of providers, was made on the bases of fairness and equity. Currently, not all education providers are able to access additional funding support, highlighting the relative advantage of those which are.

1.16 Currently, the level of assistance is determined with primary reference to the amount traditionally received by an organisation in question. In other words, an organisation receives funding because it has received it in the past. On any logical analysis, such a method of allocation lacks both rigour and fairness.

The operation of the Joint Funding Pool

1.17 The establishment of a joint fund will offer other advantages over TPA. Providers will be eligible to apply to the fund when they serve either a large number or a high proportion of indigenous students, and they achieve success in developing their skills and potential. Eligibility will also rest on meeting specific criteria, such as demonstrated community engagement in the management of the provider's programs. Critically, the fund will tie continued funding to improved outcomes, rather than the institution being an historical recipient of assistance. The fund will also be open to application from community-based providers who can demonstrate an ability to deliver results.

1.18 A typical process of assessment might involve an open tender process in each state or territory, with submissions being assessed jointly by a panel comprising representatives of the state and federal governments, and with other content expertise imported on an *ad hoc* basis. In keeping with existing government policy, more weighting will be given to providers servicing remote areas.

1.19 A number of submissions have indicated concern that there is no requirement that institutions competing with Tranby and other affected institutions need to be indigenous controlled. The committee notes that there are four criteria on which applications will be judged. Providers need to demonstrate:

- outcomes for indigenous clients that are higher than the indigenous national benchmarks (for example, improved module completion and success rates);
- indigenous community involvement in provider governance arrangements;
- indigenous staff involvement in training delivery and support; and
- community support to expand the range of training offered to indigenous people.

1.20 Indigenous controlled education providers will not be disadvantaged under these criteria. The committee believes that education providers need to be well-versed in the cultural needs of indigenous communities.

1.21 To complement the Indigenous Funding Pool, the Commonwealth-State agreement for Skilling Australia's Workforce will require states and territories to increase the number of training places for indigenous clients, over the life of the agreement through to 2008.

1.22 This bill seeks to make no momentous changes, other than to provide generous assistance to indigenous students studying away from home. It simply fine tunes existing Government policy, and levels the playing field for institutions seeking to make use of Commonwealth assistance to VET training. As such, it is a bill based firmly on the principles of fairness and equity.

Recommendation

The committee commends the bill to the Senate and recommends its passage without amendment.

**Senator Judith Troeth
Chair**

