

Chapter 1

Introduction

1.1 On 16 March this year the committee tabled an interim report for this inquiry. The report dealt with evidence the committee had gathered in the Northern Territory of strong dissatisfaction with new policies in regard to education funding applications and their approval, and the state of confusion resulting from the hasty implementation of these new procedures. The committee concluded that this was placing the education of students at risk, particularly in regard to participation rates. Also at stake was progress, after years of solid work, in raising literacy and numeracy standards, and in encouraging parents to become involved in the running of the school and the educational program. The committee believed, on the basis of evidence put to it, that the new arrangements would also be likely to jeopardise the considerable progress which had been made in building school-community relations, and result in a climate of distrust between communities and the Government.

1.2 This final report confirms that earlier assessment. It is clear from the evidence taken by the committee that the experience of schools and communities in the Northern Territory is widely shared across the country. In many instances the extent of dismay at what is happening as a result of policy changes is even more evident in some Queensland and Western Australian communities and school systems.

Background to the inquiry and its progress

1.3 On 6 December 2004, the Senate referred to this committee an inquiry into the implications for schools of amendments to the *Indigenous Education Assistance Act 2000*. The Indigenous Education (Targeted Assistance) Amendment Bill 2004, which was introduced in the House of Representatives on 17 November 2004, provides for funding over the 2005-08 quadrennium. The legislation was passed by the Senate the day after this referral and was assented to on 14 December 2004. Referral to the committee was the only way to give the legislation more careful scrutiny than Parliament was able to do in the limited time the bill was before it. There was an urgent need to have funds appropriated for 2005.

1.4 The inquiry was prompted by reports of concern and confusion which emanated from schools toward the end of 2004. Although the detail of the implementation of the new policy was at that time rather vague, there was sufficient reason for many communities to become concerned about the likely end to the Aboriginal Student Support and Parent Awareness Scheme (ASSPA) funding and significant changes to the administration of what was to become the Indigenous Tutorial Assistance Scheme (ITAS). The committee responded quickly to requests for an inquiry, even though its findings would be delivered six months after the passage of the amendments.

1.5 The committee authorised a subcommittee to deal with the reference. It advertised for submissions late in 2004 and held meetings and hearings in the Northern Territory in February 2005, after which the committee tabled its interim report. It resumed the inquiry with further hearings and meetings in Western Australia and Queensland in April 2005. A feature of the committee's inquiry was visits to schools to meet representatives of school communities. Much of the evidence was drawn from these public meetings, conducted, in some instances, in circumstances of informality. Valuable evidence was also heard at meetings of school staff in much the same way. The committee also heard, in more formal hearings, from state and territory education departments, and from the Catholic Education Offices. A list of submissions to the inquiry is in Appendix 1. A list of venues, including schools visited by the committee, is to be found in Appendix 2. The final hearing was in Melbourne on 27 April when the Department of Education, Science and Training (DEST) appeared before the committee.

Observations on the legislation

1.6 In the paragraphs which follow in this section of the chapter, the committee comments on the legislation and identifies and places in the context of national indigenous education policy those program components which are the main focus of its scrutiny.

1.7 The Government's amendments to the Indigenous Education (Targeted Assistance) Act were, at the time of their introduction to Parliament, presented as a continuation of current measures under the act, consistent with the goals of the National Aboriginal and Torres Strait Islander Education Policy. The Government has emphasised its determination to improve the educational outcomes for indigenous students. Its approach with the 2004 amendments has been to redirect funding to programs where there have been demonstrated improvements to learning outcomes, and where students have been most seriously disadvantaged by their remote localities.

1.8 The amending bill appropriates some \$913.2 million for the 2005-2008 quadrennium.¹ This is an increase of \$47.3 million, up from \$865.9 million in the last quadrennium. Of that funding, \$29 million is for the two new programs.

1.9 On the face of it, there is nothing in the Government's drafting of the bill, or in the Minister's speech introducing the bill which suggests a radical shift in policy. The bill consists largely of one schedule listing the appropriations, specifying accountability processes and other terms and conditions for agreements to be made between 'providers' (DEST 'newspeak' for schools and systems) and the Commonwealth, including performance reporting and evaluation. There is no specific reference in the bill itself to the programs described in later paragraphs. The amended act, being a states grants instrument, gives no hint as to the substantial changes to

1 Indigenous Education (Targeted Assistance) Amendment Bill, 2004, Explanatory Memorandum.

implementation detail. Nor is there any such indication in Minister Nelson's second reading speech in introducing the bill. The Minister speaks of 'improved program management', 'better targeted assistance', and 'ongoing initiatives': all suggestive of a continuing program subject to normal incremental change.²

1.10 Yet, the Indigenous Education (Targeted Assistance) Amendment Bill 2004 was not legislation that provided for incremental change, as the committee sees it. There are several new elements that warranted more thorough public discussion and consultations with the states and territories, and other interested parties. These elements are associated with the more direct and intrusive intervention of the Commonwealth in the operation of schools and school systems. This is the focus of the committee's scrutiny.

Leveraging, targeting and accountability

1.11 Commonwealth education funding has long been characterised by the imposition of conditions by the Commonwealth, and by a gradual tightening of accountability procedures. This amendment bill significantly strengthens the accountability arrangements for funding agreements under the act. As the submission from the Department of Education, Science and Training (DEST) points out, an important feature of the new funding arrangements is the leverage of mainstream funding and other resources to ensure that indigenous education gets more access to them. Reporting requirements have been strengthened, with annual statements to be made on how Commonwealth funds are spent. This new performance monitoring and reporting framework is based on current Indigenous Education Strategic Initiatives Program (IESIP) performance indicators.

1.12 To maintain the Government's pressure on the states and on other systems and schools, DEST requires annual statements of achievements and other outcomes. Under the Indigenous Education Agreements now provided for in the act following the 2004 amendment bill, the Commonwealth not only enforces accountability for the funds it provides under the Indigenous Education (Targeted Assistance) Act, but requires school systems and independent schools to report on how they have advanced, or intend to advance, the objects of the act from funding other than that coming directly from the Commonwealth.³ In this way, the Government is informed as to how well its leverage is succeeding.

1.13 The leverage strategy of detailed reporting, however, affects the operations of schools which do not have the resources to deal with the reporting requirements. The submission from the Association of Independent Schools of South Australia makes the point that the level of reporting and accountability, compared to the relatively small amounts of money available, is a continuing issue because different programs have different accountability and reporting requirements. The submission urges that these

2 Hon Brendon Nelson MP, House of Representatives *Hansard*, 17 November 2004, pp.8-9

3 DEST, *Submission 18*, p.14

arrangements be evaluated so as to improve educational outcomes and allow for more effective use of government funds.⁴

1.14 The committee acknowledges the importance of accountability, as would be evident from the committee's scrutiny of the DEST portfolio over many years. As this report shows, however, the committee believes that the accountability processes which are increasingly a feature of DEST-funded programs tend to be out of proportion to the funds provided and are often a burden to administer. They fail to recognise the professional requirements involved in the educational process. Ultimately, they are more ritualistic than authoritative because there are few processes in use to provide independent verification of results. The committee makes further comment on reporting in chapter 4.

The focus of committee scrutiny

1.15 The basic structure for the funding of Commonwealth programs remains substantially unaltered. An important legislative change is that the act now provides funding for both the Indigenous Education Strategic Initiatives Programme (IESIP) and the Indigenous Education Direct Assistance Programme (IEDA) for the period 1 January 2005 to 30 June 2009. Previously, funding to support payments for IEDA was provided annually under Appropriation Act No.1. Bringing IEDA under the 2000 Targeted Assistance Act will allow for quadrennial funding and align this to calendar years. It will also allow for some integrated program delivery in association with IESIP. As noted above, the accountability provisions for IEDA will now be aligned with those for IESIP.

1.16 The committee has also considered the policy contained in the 2004 amendment in the light of the Government's broader indigenous policies. The determination to leverage mainstream funding at a state level is consistent with the Government's plans to 'mainstream' indigenous services provided by the Commonwealth. The emphasis on 'competitive' funding and a more rigorous reporting regime is also consistent with the policy of removing the emphasis on any distinction applied to indigenous people in the mainstream. This explains, in part, the replacement of ASSPA with PSPI, as explained in a later paragraph and in chapter 3.

1.17 The committee's focus is on Indigenous Education Direct Assistance Program (IEDA). Neither the act, nor the 2004 amendments, refer to IEDA, but under the new Guidelines the conditions attached to two funding components are substantially changed.

ITAS

1.18 The first of these is the Indigenous Tutorial Assistance Scheme (ITAS, and formerly ATAS), which is continued, although as a greatly reduced benefit for fewer

4 AISSA, *Submission 17*, p.5

students and under new arrangements, which are more fully described in chapter 3. The new policy emphasis, as the committee views it, addresses failure rather than promoting success. Furthermore, funding for the program is capped, and may result in a shortfall of tuition places with the significant growth in enrolments.

1.19 The ITAS program provides in-class tutorial assistance for indigenous students who fail to meet national benchmarks in years 3, 5 and 7. Tutorial assistance is provided in the year following the examination at which the student underperformed (that is, years 4, 6 and 8). In other words, under the new arrangements, students must fail to meet national benchmarks before their school becomes eligible for tutorial funding, raising a number of serious practical and pedagogical questions. Tutorial assistance is also provided for students in years 10, 11 and 12. According to the Department of Education, Science and Training (DEST), the program for secondary students has been expanded to allow as many as 50 per cent of remote students to participate.⁵

1.20 The Government's rationale is that its tutorial assistance money is supplementary to the funding and the efforts of all other programs for all students. The Government states that it wants to target its indigenous specific resources at those students who are falling behind in schooling.

1.21 In the Government's view, the best indicator of this is the national literacy and numeracy benchmarks. These benchmarks set the very minimum standard expected of students to progress satisfactorily in schooling. Those who are failing them clearly need additional assistance. However, while the assistance is targeted at those students not reaching the benchmarks, the minister has given education authorities the flexibility to apply some of the funding to those students at other levels, who, without extra support, are at risk of not meeting the benchmarks.

1.22 The committee notes that educational shortcomings in this program were overshadowed by a more basic problem facing schools: that of obtaining any funding in time for the beginning of the 2005 school year, and of finding tutors at such a late stage in the year. Many schools believed that their funding problems would not be resolved until mid-2005.

1.23 The committee acknowledges Minister Nelson's advice to Parliament that the reason for the funding delay is that state and territory governments have not signed their Indigenous Education Agreements with the Commonwealth. Funding can not be legally given to the states and territories to manage the tutorial assistance program until they have signed the Agreements. Having been on the table since January 2005, a number are only now being signed.

ASSPA – PSPI

1.24 Of equal concern, and perhaps of more significance, has been the changed funding arrangement for a program designed more than fifteen years ago, and running with increasing success since 1991: the now discontinued Aboriginal Student Support and Parent Awareness Scheme (ASSPA). This program has been replaced by the Parent School Partnership Initiative (PSPI). As ASSPA, this component guaranteed per capita funding to schools, allowing for family and community agreement on the use of this funding. As PSPI, funding has been reduced, is payable to schools only on application, and according to guidelines which preclude school community responsibility for decisions made about its use.

1.25 DEST commentary on PSPI is rather sparse. The committee is unclear as to whether PSPI bodies are to be subordinated to school councils, with specific responsibility for indigenous matters. The thrust of policy in this vexed area appears to be to give school principals sole responsibility for applications for Commonwealth funds available to a school.

1.26 The committee concludes from the evidence that the Commonwealth may not understand the likely consequences of its failure to continue to support ASSPA. The committee learned very little about the likely operation of the PSPI during the course of this inquiry, probably because no one is quite sure of how it will work. It is not clear whether the Government expects that the spirit of ASSPA will live on in PSPI, and whether parental interest and skills are likely to be retained. PSPI bears all the signs of being a program in search of a policy.

1.27 If it is the Government's intention to retain some of the old ASSPA spirit, then according to the evidence received by the committee, this is unlikely to happen. PSPI committees risk being regarded by indigenous people as token bodies since being stripped of their old powers and responsibilities. The committee concludes that for indigenous people a loss of recognition of their status in the school community, which ASSPA gave them, may involve a sense of being marginalised.

1.28 Finally, all the funding to be made available must now be applied for in a cumbersome two stage process, described in more detail in chapter 4. Under new arrangements, payments from DEST based on indigenous enrolments will no longer be made through PSPI or any other program. Rather, school administrators must now make a submission for funding, with reference to the *Indigenous Education Programmes Provider Guidelines 2005-2008*. Having had reference to the Guidelines, schools must then generate a 'concept plan', which is essentially an expression of intent, providing an opportunity for a school to outline its ideas on the purpose and functioning of a project, together with a brief description of the initiative and the results which are expected to be achieved.

1.29 It appears from the guidelines that applications will not be made for the quadrennium: most projects are anticipated to last one to two years. The committee imagines that while teachers will become more confident about making submissions,

depending on the results of their first applications, they will remain stressful and time-consuming exercises. So far as is known, reporting may be more frequent than once each year.⁶

1.30 The committee reported in 2000 on the wide community support for IEDA programs, noting that they had provided consistent, supplementary levels of assistance across the country. The committee called for increased flexibility in the use of discretionary funds. In a recommendation the committee called for direct funding for schools. It is a matter of interest that Minister David Kemp supported neither of these recommendations. In relation to direct grants to schools the Minister stated that it was not the practice of the Commonwealth to specify funding for regions below the state or territory level.⁷

New programs

1.31 In addition, the bill provided funding for two new programs that come within IEDA: the Indigenous Youth Leadership Program and the Indigenous Youth Mobility Program. These new programs are funded out of savings made from reductions in appropriations to ITAS and PSPI. The committee has not reported on these programs, which have yet to be implemented. The committee awaits with interest the publication of the guidelines.

IESIP

1.32 The second main program, running concurrently to, and complementing IEDA, is the Indigenous Education Strategic Initiatives Program (IESIP). This is continued without major change. It provides largely per capita recurrent funding and funding for research and for curriculum innovation. IESIP funding goes mainly to schools and school systems. It provides recurrent supplementary assistance to schools, based on per capita rates, determined by the relative remoteness of the school, among other factors. Rates to non-government schools are higher, as Commonwealth funding assumes that most recurrent expenditure on indigenous education in government schools is covered by state or territory sourced appropriations. In addition to recurrent funding IESIP includes funding for specific purpose projects known as 'strategic initiatives'. For instance, in 2005-08 this will include continued funding for a literacy program called 'Scaffolding', to be jointly funded by the Northern Territory Government.

6 DEST, *Indigenous Education Programme Provider Guidelines 2005-2008*, p.65

7 Government Response to the Senate report on the inquiry into the effectiveness of education and training programs for indigenous Australians, March 2001, p.3

Policy implementation issues

The response from the states and territories

1.33 The intersection of Commonwealth policy and its administration with state operations is a matter of considerable interest to the committee, but it was touched on only in discussions with officials of the Western Australian Education Department. While senior state and territory officials have been closely involved in negotiating the funding agreements with the Commonwealth, the committee has gained an impression that state and territory officials (with the exception of those from Western Australia) have been, at most, marginally involved in the implementation processes which have taken up so much of the time of principals and their staff in departmental schools. DEST has invited state departmental officers to sit on panels which assess the applications for ITAS and PSPI funding, but these offers have not always been taken up.

1.34 While the committee finds this indifference remarkable, possibly indicating a lack of departmental support for principals and teachers in their dealings with an outside agency, it may also indicate a tension that results from the Commonwealth usurping a states role. State officials may not have accepted that they had any co-responsibility role in administering DEST policies, which in most cases were not supported with any enthusiasm (to say the least) by state ministers.

1.35 If questions about these policy processes and views of state and territory officials were not pressed by the committee, it was because of the unlikelihood of its getting straightforward answers. State officials are understandably circumspect in the evidence they provide to the committee, whether in relation to their own operations, or about the Commonwealth's programs. Whether they approve of Commonwealth programs and DEST methods, or not, they have to work with them.

1.36 The relevance of noting this matter here is that the Commonwealth has placed some emphasis on the fact that funding is allocated on the basis of competition, among other criteria. The Guidelines for PSPI applications state that it is a competitive process, and not all applications can receive funding.⁸ This is a ground-breaking development, intended, the committee presumes, to imbue principals with a competitive spirit. It appears to be based on the premise that some unknown proportion of principals are passive 'time-servers', lacking, perhaps, the 'dynamic and entrepreneurial' qualities needed for the position; that some of them require a sharp 'incentive' to improve their performance.

1.37 In the circumstances of reduced funding, this competitive factor has the potential to deprive some public and other systemic schools of the funding they would have been entitled to under the old scheme. School systems have no choice other than to acquiesce with this policy. The committee presumes that where Commonwealth

8 DEST, *Indigenous Education Programme Provider Guidelines 2005-2008*, para A10.5.1

funding is not forthcoming, for whatever reason, state education departments and Catholic Education Offices will have to make up for the funding shortfall in the interests of equity. This may result in some difficult budgetary decisions at system level.

1.38 The committee's reflections on the implications for public school governance of measures that come within this legislation are to be found in chapter 4. The committee makes the point here that schools should not be burdened with the task of dealing with two levels of government. Principals of public schools are not employed by the Commonwealth, and it is the appropriate role of state education department officials to deal with DEST. The committee is surprised that state ministers have appeared so nonchalant about the bureaucratic demands made by the Commonwealth on their employees in regard to indigenous and other funding arrangements.

1.39 At last report, in early June 2005, two state systems, Queensland and the Northern Territory had signed the quadrennial funding agreements with the Commonwealth, along with most state Catholic Education Commissions or Offices and two state TAFE authorities. DEST claimed that all other systems were on the 'cusp' of signing.⁹

The timing of policy implementation

1.40 The committee has noted a degree of vagueness and uncertainty in the recollection of some witnesses in regard to the consultation program and timetable for the implementation of new funding rules. The committee has found the 'paper trail' difficult to follow, as have a good number of those who have given evidence. This information has not been formally sought by the committee, but the vagueness of the recollections suggests a lack of focus on implementation.

1.41 Much has been attributed to the fact that the federal election in October 2004 came at an inconvenient time: that it prevented consultation and planning. The committee rejects this excuse. The rules regarding the 'care-taker' period before an election should not have resulted in work being stopped on this administration. Regardless of the election outcome, funding legislation for the quadrennium would have been required, and in the event of the Government's return, its preferred legislation submitted in the form of amendment following agreement signed with states and systems.

1.42 This is one view. Government party senators on the committee note the evidence from DEST that its view of continuing work on implementing change was influenced by a statement from the Opposition spokeswoman expressing firm opposition to the Government's indigenous education funding. It was unlikely that an

9 Mr Tony Greer, *Committee Hansard* (Estimates), 2 June 2005, p.56

approach to the Opposition, as suggested by one committee member, would have resulted in any agreement to proceed with planning during the election period.¹⁰

The Guidelines

1.43 As previously noted, the act is silent on the program details it covers. The Indigenous Education (Targeted Assistance) Amendment Bill 2004 is in effect a states grants bill, fulfilling the requirements of section 96 of the Constitution. It does not go beyond the appropriation and the conditions that go with it. It is necessary to turn to the *Indigenous Education Programmes Provider Guidelines 2005-2008* to find the devil in the detail. The Guidelines cannot be regarded as 'legislative' in the formal sense, although it may be argued that they are legislative in character, being extraordinarily detailed and prescriptive, for the purposes of micro-management of the programs by DEST. There are parallel instances of this micro-management trend in DEST's regulation of higher education, although at least much of the detail there is set out in legislation.

1.44 Notwithstanding this, the committee notes that its indigenous education report of 2000 recommended that schools be directly funded by the Commonwealth. It also notes that state officials are asked to sit on the panels to determine those projects to receive funding. Government senators on the committee also point out that the Investing in Our Schools program, a current Government initiative providing direct funding for schools, is very strongly supported by schools.

1.45 These trends represent a new phenomenon in Australian public administration which has yet to attract the attention of commentators. The committee's concern in relation to the Guidelines has been with the discretionary powers of local and regional DEST officers in relation to funding applications from schools, and the unnecessarily time-consuming impositions they place on school principals and their staff.

Concept plans

1.46 In the weeks when the committee was visiting schools, a great deal of the time of the committee was taken up with complaints about having to submit concept plans as a first stage in the application for funding. Apprehension about these plans was fuelled by reports that a high proportion of them were being rejected in the first instance. News of this filtered through to Canberra, and the committee was advised of efforts made by DEST to refine application guidelines. Even so, as late as early June 2005, the committee learned that only 57 per cent of concept plans submitted earned the response of an invitation to make a formal application for funding.¹¹

1.47 The committee is concerned that the guidelines instituted for indigenous education programs will eventually be replicated for broader DEST funding programs,

10 Mr Tony Greer, *Committee Hansard*, 27 April 2005, p.15

11 Mr Tony Greer, *Committee Hansard* (Estimates), 2 June 2005, p.51

and therefore affect all government and systemic schools. The effect on independent schools will be less dramatic because in most instances they deal directly with DEST and have little contact with state and territory education departments. These processes appear to be the result of a determination to raise a consciousness of the importance of 'accountability' out of all proportion to the extent to which it presents a problem. Furthermore, the gate-keepers in this exercise appear to be less than qualified for their task. The committee considers that local DEST officials are likely to be placed in the position of stepping beyond their field of competence in the exercise of discretions which the Guidelines give them.

1.48 The committee has problems with this bureaucratic trend on principle. The committee questions whether it is the proper role of Commonwealth officers to stand in judgement on the merits of school program proposals. DEST does not run schools and would probably lay no claim to any official or recognised expertise in curriculum matters beyond what it can purchase from consultants. It is an imposition on schools for the Commonwealth, which does not control schools, to require them to spend disproportionate time on submissions for relatively small amounts of funding. The politics of Commonwealth indigenous education funding is seriously affecting, and interfering with, what were once successful programs.

1.49 Commonwealth funding arrangements are complex. Their complexity results from policy of long-standing by which the Commonwealth injects funding to schools to ensure that innovation is maintained, that particular sectors are maintained and that needs that may otherwise be overlooked by states are looked after. Increasingly, the Commonwealth has taken a strong and direct interest in particular areas of the curriculum, giving them, for a specific time, national priority status. This happened with citizenship education, and continues now with literacy and numeracy.

1.50 Successive Commonwealth governments, both Labor and Coalition, have sought to take on national education policy leadership through the vehicle of MCEETYA. Scepticism of the effectiveness and quality of state education policies and administration is not hard to find among those elected to the Commonwealth Parliament and who take a strong interest in education. According to some commentators, the current Coalition government has been more interventionist than its predecessors in its determination to press for national educational benchmarks. While the practice of leveraging state legislation and other action as a condition of the receipt of grants is long-standing practice, it appears to have been more rigorously applied in the case of education funding under the current Government.

1.51 The committee has always held the view, across the party divides, that without Commonwealth expenditure initiatives, and the conditions attached to them, some states would be likely to reduce their own expenditure on education. Some state education officials have been known to privately acknowledge this reality, even while suffering the Commonwealth's interference in matters where the states consider their own expertise and experience is being overridden in the process. Whether these developments have had an adverse effect on the culture of educational leadership and

policy innovation in the states is an issue that appears to have attracted little commentary or analysis so far.

1.52 The committee's view is that the conditions which apply to Commonwealth funding need to be commensurate with the amount of funding received, and that educational outcomes should result from genuine agreement in MCEETYA, rather than because of Commonwealth insistence, reinforced by the funds that are never rejected. The Commonwealth may buy in the educational advice which underpins its policy, but systems have the experience of running schools, and rather more knowledge of what are practicable and achievable outcomes.