

Independent Schools Council of Australia (ISCA)

2020-21 PRE-BUDGET SUBMISSION URGENT NEED FOR ADDITIONAL RESOURCING FOR INDIGENOUS BOARDING SCHOOLS

KEY POINTS

Indigenous students from rural and remote communities are the most educationally disadvantaged students in Australia.

Due to the lack of educational facilities and opportunities in their home communities, many Indigenous students from rural and remote communities are educated away from their home communities in boarding schools.

The Independent sector is the largest provider of Indigenous boarding education in Australia.

The additional costs of educating students from rural and remote communities in boarding school away from their families and communities is significant. These additional costs include not only living and educational support, but also health, pastoral and cultural support and costs associated with maintaining links to home communities. For boarding schools where Indigenous students from remote communities make up all or the majority of the student body, these additional costs threaten the financial viability of boarding provision.

These additional costs have been examined, quantified and validated by a number of independent studies and reports commissioned by government in recent years, most recently through the Grant Thornton Report.

As shown in these independent reports, the additional costs of educating Indigenous students in boarding schools with large numbers of these students are not being met. Schools are addressing this demonstrated shortfall through a variety of means, all of which impact on the viability of schools and the quality of education that can be provided.

The number of Independent boarding schools educating both large numbers and large proportions of Indigenous boarding students from remote communities is small, realistically between 10 – 15 schools.

The gap between income and costs for schools providing this critical educational service for Indigenous students must be addressed urgently, in order for the viability of schools educating large numbers of Indigenous boarding students to be maintained.

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.

INDIGENOUS BOARDING SCHOOLS AND THE INDEPENDENT SECTOR

Indigenous students from rural and remote communities are the most educationally disadvantaged students in Australia. For many Indigenous students living in remote communities there is limited or no access to school education, particularly at secondary level. An Independent boarding school is often the only option for Indigenous students from remote and regional communities who must board away from home in order to access education.

The Independent sector is the largest provider of boarding school education for Indigenous students. Indigenous students are educated across a range of settings and in different types of schools in the Independent sector. Some Independent boarding schools provide education to significant numbers of Indigenous students and some schools are entirely Indigenous.

In 2018, twenty Independent boarding schools had more than 30 Indigenous boarding students. Of these schools, four had 100 per cent Indigenous boarding students, totalling 227 enrolments. Of the 2,203 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.

Often these schools serve students and families with limited or no 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.

ADDITIONAL COSTS

To ensure that Indigenous students from remote communities are engaged, retained and supported in culturally appropriate ways in their school education, there are significant additional costs incurred by boarding schools educating large numbers of students from remote Indigenous communities. The types of additional services provided by Independent Indigenous boarding schools include the provision of:

- boarding house parents with low staff to student ratios;
- culturally appropriate training and support to ensure the enrolment and retention of students;
- pastoral care to meet the often complex and high-level needs of students including those from disrupted and traumatic backgrounds;

- health services – students often have complex and chronic health needs, including undiagnosed disabilities, which require ongoing and comprehensive monitoring and treatment;
- social and emotional support for students living away from home who have strong family, community and cultural links with their community;
- the need to ensure staff are familiar with and can build and maintain links and understanding of students’ home communities;
- additional teaching staff to provide educational support outside of school hours;
- transport costs – both staff and students may need to travel multiple times between school and communities for a variety of educational, cultural and pastoral reasons;
- cost of administration of ABSTUDY and other government services on behalf of the school and student families.

These additional support needs of remote Indigenous students are not currently being met by existing funding mechanisms:

- 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;
- Schools cannot charge fees for Indigenous students from remote communities as their families have no capacity to pay;
- The loading for Indigenous students provided under the School Resource Standard funding through the Australia Government Department of Education is for ‘in-school’ education related expenses, not for essential support requirements to engage and retain students whilst living away from home;
- There is no specific Australian Government payment to schools to support the needs of disadvantaged students who can only access school education through boarding;
- The current level of ABSTUDY does not factor in the support requirements of high-needs students living away from home. 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.;
- The level of ABSTUDY transport support is limited and constrained and does not adequately address the costs of essential student travel or permit a desirable level of flexibility in its application.

Schools are currently addressing the short-fall in resources available by:

- cross-subsidising from other essential services;
- operating at a loss;
- providing less than optimal levels of support.

GOVERNMENT COMMISSIONED INDEPENDENT RESEARCH

Governments, both the Australian and state/territory, have commissioned independent research into the additional costs borne by boarding schools educating students from rural and remote Indigenous communities. Inter alia, the Australian Government has commissioned the Project Vale Report and the Grant Thornton Report which are dealt with in detail below.

Other relevant studies and reviews include: the *Review of Funding for Schooling* ('Gonski Review') 2011; the 2013 Wilson Review of Indigenous Education in the Northern Territory; the House of Representatives Standing Committee on Indigenous Affairs Inquiry into Educational Opportunities for Aboriginal and Torres Strait Islander Students *The power of education: From surviving to thriving Educational opportunities for Aboriginal and Torres Strait Islander students* 2017; the 2016 KPMG Non-government Indigenous Boarding Schools Review of funding arrangements for the Northern Territory Department of Education; and the 2017 Study Away Review commissioned by the Department of the Prime Minister and Cabinet; and *Barriers and Bureaucracy, Bridges and Brokers* - Centre for Aboriginal Economic Policy Research for the Independent Schools Council of Australia 2017.

Project Vale – Final Report to Review funding of Selected Indigenous Boarding Schools – Deloitte 2013

Project Vale was commissioned to review the funding for a sample group of non-remote and remote non-government schools with substantial numbers of Indigenous boarding students from remote Indigenous communities. Deloitte was requested by the then Australia Government Department of Education, Employment and Workplace Relations and ISCA to look at nine boarding schools catering to Indigenous students predominately from remote areas.

Project Vale concluded that the current funding for Indigenous students is insufficient to cover their costs in seven of the nine schools. Four of the nine schools were potentially experiencing immediate financial distress. Site visits also showed significant capital and rectification work required in six of nine schools.

The findings of Project Vale in terms of the immediate financial distress of these schools has been validated with two schools having since closed and another being taken over by a larger institution.

The study showed that the additional costs associated with Indigenous students from remote communities meant that there was a shortfall in funding across schools in the study. The practical implication of this is that funding intended for conventional educational costs was being used to subsidise the additional costs associated with Indigenous students attending the Review Schools and that funding structures did not reflect the cost structure of these schools. As an example, the study showed that there is a disconnect between the ABSTUDY funding components for boarding and tuition when compared to the underlying boarding and tuition costs.

Grant Thornton (Boarding: investing in outcomes for Aboriginal and Torres Strait Islander students – An analysis of the investment in support for Aboriginal and Torres Strait Islander students attending boarding schools and facilities) – June 2019

The Department of the Prime Minister and Cabinet commissioned Grant Thornton to improve the understanding of the benefits and impacts of existing investments in boarding provision for Indigenous students. The review examined 27 boarding providers providing boarding for around 1,900 Aboriginal and Torres Strait Island secondary students.

The Report confirms the findings of previous reviews and reports that the boarding revenue of Aboriginal and Torres Strait Islander boarding providers is insufficient to meet the full costs of boarding for Aboriginal and Torres Strait Islander students.

The three-year average annual revenue per boarder from 2015 to 2017 at the 27 Aboriginal and Torres Strait Islander boarding providers analysed for this report was \$16,679 and the comparative average cost per boarder was \$22,927, representing an average shortfall of \$6,248 per boarder. Across the three-year average of 1,918 Aboriginal and Torres Strait Islander boarders in the boarding providers included in the analysis, the shortfall per boarder represents a total annual revenue shortfall of \$11,982,732. The median average revenue and cost per boarder for the Aboriginal and Torres Strait Islander boarding providers in 2017 was \$18,697 and \$25,012 respectively—a shortfall of \$6,315 per boarder.

The Report also highlights provider concerns and issues regarding ABSTUDY, including the adequacy of ABSTUDY to meet the true cost of boarding, the complex and inflexible administration and challenges communicating with ABSTUDY administration.

The Report concludes that the higher the proportion of boarders which are Indigenous, the greater the significance of the increase in the cost to boarding providers and recommends supporting boarding providers to address the financial pressures they face when educating the highly disadvantaged Indigenous boarders they enrol.

Grant Thornton recommends a range of additional financial supports for Indigenous boarding schools to address a range of challenges including health support, needs-based funding for support services and improvements to ABSTUDY administration

The Grant Thornton Review Report also reinforces the findings of the Final Report of the Royal Commission into Institutional Responses to Child Sexual Abuse, Recommendation 14.3, which states “The Australian Government and state and territory governments should ensure that needs-based funding arrangements for Aboriginal and Torres Strait Island boarding students are sufficient for schools and hostels to create child safe environments”. The Report makes it clear that there is a need for additional needs-based funding for Aboriginal and Torres Strait Islander boarding students in order that schools have the capacity to provide the necessary child safe environments.

CAPITAL

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.

This means boarding schools which cater to large numbers of Indigenous students from remote communities struggle to provide and maintain appropriate boarding facilities which meet the

needs of these highly disadvantaged students and support an environment conducive to supporting students living away from home.

CONCLUSION

It is critical that governments recognise that Indigenous boarding schools are in a unique position to access and assist Indigenous students from rural and remote communities 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.

It has been well researched and recognised over many years that there is an urgent need to provide additional resources to support schools educating these students. Numerous government and Independent sector reviews provide a significant body of evidence which all reach the same unanimous conclusion that additional, targeted support is justified and essential to meet the complex needs of these students.

The number of schools which require targeted government assistance to meet the needs of Indigenous boarding students from rural and remote communities is small, and it is critical that additional support be tightly targeted to focus on schools meeting particular criteria. Further, the level of additional support required to ensure the viability of these schools, whilst small in terms of government outlays, is of major significance to the schools concerned. The costs of losing these Indigenous students to education will be significantly greater over their lifetime than appropriately resourcing their school education.

The Independent Schools Council of Australia is seeking Australian Government action to address the needs of these schools. A number of schools serving large numbers of Indigenous boarding students have already closed. These schools are doing much of the heavy lifting in educating Australia's most disadvantaged students and if additional support is not urgently provided, more of these outstanding schools will disappear and the future of their students is uncertain.