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Submission to the Senate Finance and Public
Administration References Committee Inquiry into
the Commonwealth Indigenous Advancement
Strategy Tendering Process

May 2015



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Executive Summary

The university sector has been highly critical of the competence and quality of the first competitive grant round for the Indigenous Advancement Strategy (IAS). It has been compromised as a consequence of a failure to consult with key stakeholders and inadequate planning, leading to poor implementation, inadequate communication, unrealistic timeframes, and inadequate consideration being given to transitional arrangements.

Universities Australia encourages the Committee to consider the following four recommendations to maximise the effectiveness of universities' efforts to improve Aboriginal and Torres Strait Islander higher education attainment, and the demonstrable life benefits that such an education can provide.

Recommendation 1: That the Government's strategy for Aboriginal and Torres Strait Islander advancement clearly incorporate the objective to lift the level of Aboriginal and Torres Strait Islander attainment in higher education.

Recommendation 2: That this objective be supported by long-term policy stability and action-oriented and measurable programmes

Recommendation 3: Aboriginal and Torres Strait Islander higher education funding should be secure and allocated according to simple and transparent formulae.

Recommendation 4: That both Aboriginal and Torres Strait Islander higher education funding and policy development be the responsibility of a single agency with the relevant expertise in Aboriginal and Torres Strait Islander higher education policy and programme delivery.

Introduction

Universities Australia appreciates the opportunity to contribute to the Senate Finance and Public Administration Committee's deliberations on the Commonwealth Indigenous Advancement Strategy (IAS) Tendering Process.

While Universities Australia is not a tendering organisation for IAS funding, our member universities have been directly affected by the Indigenous Tutorial Assistance Scheme – Tertiary Tuition programme having been folded into the Indigenous Advancement Strategy, which is likely to lead to substantially less support being available to Aboriginal and Torres Strait Islander students pursuing higher education.

Recent changes affecting funding programmes supporting Aboriginal and Torres Strait Islander attainment in higher education

Following the 2013 election, five programmes that provided funding to increase Aboriginal and Torres Strait Islander attainment in higher education were transferred to the Department of the Prime Minister and Cabinet (PM&C). These programmes and the approximate amount of funding they provided to public universities in support of Aboriginal and Torres Strait Islander students each year were:

- *Indigenous Tutorial Assistance Scheme – Tertiary Tuition* - \$12-14 million per annum;
- *Indigenous Support Programme* - around \$40 million per annum;
- *Away-from-Base* for 'mixed-mode' delivery – demand driven, but approximately \$26 million per annum;
- *Commonwealth Scholarships Programme* - around \$16.5 million per annum;
- *Indigenous Staff Scholarships* - around \$0.2 million per annum.

The annual total annual funding pool to support Aboriginal and Torres Strait Islander higher education was approximately \$96 million.

The Department of Education and Training retained responsibility for the development of policies to improve Aboriginal and Torres Strait Islander achievement in higher education, including responsibility for supporting the work of the Aboriginal and Torres Strait Islander Higher Education Advisory Council (ATSHEAC), which has been asked to provide advice to the Government on the recommendations of the 2012 *Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People* (the Behrendt Review). The Council is due to report on this matter by third quarter 2015.

In the 2014-15 Budget, the Government announced that more than 150 individual programmes and services would be replaced by five streamlined broad-based programmes under the IAS. The Strategy was to be implemented over the first quarter of the 2014-15 fiscal year and \$4.8 billion over four years was to be invested in the Strategy.

Following the Budget, there was little detail initially available about how the IAS would be implemented, how existing programmes would be affected or what transitional arrangements might be put in place.

In answer to a Senate Estimates Question on Notice¹, PM&C indicated that the following higher education programmes would be merged into the IAS Children and Schooling Programme:

- Commonwealth Scholarships programme (higher education)
- Away-from-Base for 'mixed-mode' delivery
- Indigenous Tutorial Assistance Scheme - Tertiary Tuition

¹ Senate Finance and Public Administration Legislation Committee, Budget Estimates 26 May-6 June 2014, Prime Minister and Cabinet Portfolio, question no. 263

At the time of writing, funding for all Aboriginal and Torres Strait Islander higher education programmes in 2015 is being allocated under the pre-IAS arrangements. Only the funding to provide Indigenous Tutorial Assistance for the 2016 year has been provided to universities as a result of the first IAS competitive funding round. The arrangements for Aboriginal and Torres Strait Islander tutorial assistance beyond 2016 and for other Aboriginal and Torres Strait Islander higher education funding programmes beyond 2015 remain unclear.

The Indigenous Tutorial Assistance Scheme – Tertiary Tuition

For many years the Indigenous Tutorial Assistance Scheme – Tertiary Tuition (ITAS) programme provided stable and effective funding to universities for the provision of tutorial assistance to Aboriginal and Torres Strait Islander students who have required special targeted support to ensure they continue and complete their study. The ITAS was funded through a formula based on the number of Aboriginal and Torres Strait Islander students enrolled at each university.

ITAS was not without problems. The programme guidelines were very strict about the ways in which the funding could be spent and this limited universities' ability to undertake new and innovative approaches to delivering tuition support to their Aboriginal and Torres Strait Islander students. As a consequence, every year many universities were required to return unspent ITAS allocations to Government.

The Behrendt Review² recommended that ITAS be reformed to:

- Allow universities greater flexibility to provide locally relevant, tailored support for Aboriginal and Torres Strait Islander students and staff;
- Ensure that funding would be simple to administer;
- Ensure that funding would support clear outcome-focused accountability for universities.

Reforming the ITAS along the lines recommended by the Behrendt Review is currently being considered by the ATSIHEAC.

The roll-out of the IAS

The PM&C website indicates that the IAS Guidelines were released on 1 July 2014. At least one university has indicated that it did not become aware of the Guidelines until receiving a letter from the Minister for Indigenous Affairs on 15 August 2014.

The IAS Guidelines did not identify the programmes (including higher education) that had been rolled into the IAS, or the specific activities for which funding would need to be sought through the first competitive round. This exacerbated the confusion for universities created by inconsistent advice, including in relation to those programmes subject to special appropriations. The Guidelines indicated that:

The Government has committed \$4.8 billion over four years to the Indigenous Advancement Strategy (the Strategy). In addition, a further \$3.7 billion has been allocated through National Partnership Agreements, Special Accounts and Special Appropriations. When taken into account, the total Indigenous-specific funding through the Prime Minister and Cabinet portfolio is \$8.5 billion.

² Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People, Recommendation 13

The Guidelines were reasonably clear that universities would need to seek funding under the Children and Schooling Programme within the IAS. The stated objective of that programme is:

To support families to give children a good start in life through improved early childhood development, care, education and school readiness; get children to school, improve literacy and numeracy, and support successful youth transitions to further education and work.

The Guidelines indicated that this programme will support activity to “*achieve increasing course completions in university-level study*” and that funding will be used to support ‘Away from base for mixed delivery mode’. They indicated that the programme does not cover the Commonwealth Scholarships Programme (*contra* the advice provided to the Senate), Indigenous Staff Scholarships and the Indigenous Support Programme.

On 8 September 2014, the Minister for Indigenous Affairs, Senator the Hon Nigel Scullion, announced that applications for a competitive grant round of the IAS were open and that the round would close six weeks later, on Friday 17 October 2014. Documentation for the grant round indicates that applicants (such as universities) requiring funding for activities commencing from 1 January 2015 were to be advised of the outcome of their application from late November 2014. Multi-year funding applications could be lodged, with PM&C reserving the right to award grants on a single year or multi-year basis at its sole discretion.

There was considerable confusion in the higher education sector about the status of the ITAS. On 11 September 2013, Minister Scullion issued a press release indicating that the programme had not been abolished, stating that “*ITAS is one of the programmes now covered by the new flexible arrangements available through the IAS*” and “*Far from abolishing ITAS, we’re going to get everyone involved to make the service even better*”.

On 8 October 2014, Associate Secretaries from PM&C and the Department of Education and Training convened a roundtable discussion with senior Aboriginal and Torres Strait Islander university representatives in response to the sector’s concerns about the lack of consultation that had occurred in the development of the IAS Guidelines. The purpose of the roundtable was to provide greater clarity about the competitive grant round and the arrangements for programmes that remained outside of the round.

Eight weeks later, on 3 December 2014, the Associate Secretaries advised the participants at the roundtable via email that there would be 12 month contract extensions for ITAS to allow continued tutorial assistance for students through the 2015 calendar year.

This email also advised that the Associate Secretaries “*reiterate that the Indigenous Support Programme, Away from Base and Commonwealth Scholarships Programmes remained outside of the IAS funding round*”. It is not clear to Universities Australia at what point ‘Away from base for mixed mode delivery’ ceased to be part of the funding round.

On 4 March 2015, Minister Scullion announced that “*the Australian Government will invest more than \$860 million under the Indigenous Advancement Strategy’s (IAS) grant funding round*” and a list of the names of 964 organisations recommended for funding was released on the PM&C website.³

Despite some universities lodging multi-year funding applications, Universities Australia understands that funding to universities for tuition assistance from the IAS funding round is only being offered for

³ <http://www.dPM&C.gov.au/indigenous-affairs/grants-and-funding/funding-under-ias> (accessed 30 April 2015)

the 2016 year. At the time of writing, the PM&C website did not appear to provide any details on the 2016 funding for universities.

Comments on the IAS Tender Process

The first competitive grant round for the IAS was characterised by poor implementation and project planning, including a lack of consultation; inadequate communication; unrealistic timeframes; and inadequate consideration of arrangements to assist in making the transition to the new programme. Brief comments relevant to the Inquiry's terms of reference on these matters are provided below.

Consultation and communication with service providers

Universities were not consulted about the redesign of Aboriginal and Torres Strait Islander higher education funding programmes prior to the Budget nor was there meaningful engagement with the sector on the IAS Guidelines or the proposed process for the first competitive grant round prior to its commencement. Communication with universities about the Guidelines and the processes with which they would need to comply was minimal and sporadic.

Despite the Behrendt Review recommendation and the ongoing work of ATSIHEAC, the Government did not seek universities' views on suggestions for ITAS improvement or replacement. The Budget announcement on the rolling into the IAS of existing higher education funding programmes was not foreseen.

Internal university planning and staffing arrangements for 2015 were predicated on the ITAS continuing and were already largely in place. The programme and policy changes post-Budget created uncertainty over funding and confusion over what was now in and out of scope for the competitive grant round and the operation of the new arrangements. The response from universities to the competitive grant round was widespread concern, and required PM&C and the Department of Education and Training to convene at short notice the roundtable discussion mentioned above. It became clear through the roundtable discussion that the uncertainties and confusion experienced by universities had not been fully appreciated. It also highlighted the fact that many of the issues could have been avoided with greater and earlier engagement and consultation.

Communication of the Minister's welcome decision to provide transitional funding for 2015, and the decision to quarantine ITAS money within IAS and defer until 2017 it being made subject to a competitive process was patchy. Some universities report they received informal telephone calls, some others emails, and some note they required several conversations with a number of PM&C staff before they could obtain confirmation of their final funding allocations for 2015.

Timeframes for the first competitive round

Many of the problems encountered during the IAS tender process could have been avoided or ameliorated through PM&C having been given the time to consult effectively with stakeholders – including the university sector – about the nature of the new programme arrangements, the timing of their implementation and the need for transitional arrangements. Additional time would also have assisted in ensuring that effective communication arrangements were in place with all stakeholders.

Programme design and clarity of information

There has been a lack of clarity on the programmes that are to be administered by PM&C as part of the Indigenous Advancement Strategy. The sector was also uncertain about which programmes were to be subject to the first competitive grant funding round and whether (and when) further programmes would be brought within the ambit of future funding rounds. The timing and processes for making decisions about these matters is also unclear.

The Children and Schooling Programme within the IAS is heavily focussed on schooling and achievement to year 12. Within this programme's objective there is reference to improving post-school educational outcomes but no specific mention of higher education. Elsewhere in the IAS Guidelines a single line reference indicates that increasing course completions in university-level study is an outcome that may be funded. The stated outcome indicator is the number and proportion of Aboriginal and Torres Strait Islander 20-64 year olds with or working towards post school qualification in AQF Certificate III level (or above).

This approach created considerable uncertainty about the nature of funding priorities and the likelihood of universities securing funding for previously supported activities. This was exacerbated by a lack of clarity on which of the former programmes would continue.

The programme design and information materials did not suggest that achievement in higher education was a high priority, despite the labour market trend toward a demand for advanced qualifications and the comparatively low participation rate of Aboriginal and Torres Strait Islanders in higher education.

While the IAS is intended to make it easier to apply for funding and reduce red tape, this has not been the experience of universities seeking funding to support tutorial assistance for Aboriginal and Torres Strait Islander students.

Decision making on funding applications

The stated priorities of the Schooling and Children programme, and the other four programmes of the IAS meant that applications could be expected from institutions and organisations involved in a wide range of activities – extending from family support and early childhood education through to higher education. These activities range from direct delivery of specific programmes to community support and outreach projects.

Despite the wide range of activities eligible for funding, all applications were assessed against the same five selection criteria. These are:

- Demonstrate a good understanding of the need for the outcome in the chosen community and/or target group
- Describe how the implementation of their proposal will achieve the outcomes required as well as demonstrate value for money;
- Demonstrate their experience and/or capacity in effectively developing, delivering, managing and monitoring grant funding to achieve outcomes in the chosen community and/or across the target group;
- Demonstrate their capability (experience and qualifications) to deliver outcomes in the chosen community and/or target group including the ability to manage financial affairs and strong governance arrangements; and
- Demonstrate a commitment to Indigenous participation in the design and delivery of the activity, in particular:
 - By ensuring that relevant Indigenous communities are consulted in the development of the project and support the delivery of the project; and
 - through a commitment to employing Indigenous Australians.

As both a community project in northern Cape York and a major higher education support programme at a large metropolitan university could equally meet these criteria, they would inevitably have introduced an inappropriately high degree of subjectivity, without reference to any higher education policy objective, into the decision making processes.

During the Senate Estimates hearing on 27 February 2015, PM&C revealed that approximately half of all applications received were considered to be non-compliant, and that after the tender period had ended a decision had been made to assess all applications regardless of their formal compliance. Although Universities Australia understands the rationale behind this decision – to ensure that smaller, less prepared organisations were not cut out of the process at the first hurdle – this only served to make the assessment and selection process appear even more subjective and opaque.

Ad-hoc decision making about processes and transitional arrangements

The IAS competitive grant round has been punctuated by mid-stream changes in methodology, most notably the late decision to allow assessment of non-compliant applications and the decision to authorise transitional funding roll-overs of six or twelve months for organisations previously funded through the IAS' source programmes.

These changes have led to ongoing confusion for all parties concerned. As late as 15 April 2015, PM&C was unable to advise with confidence on how the quarantining until 2017 of ITAS funding within the IAS would work or the total value of the ITAS pool allocated for 2016.

Changes mid-stream suggest that the process was rushed resulting in significant design flaws and confusion over the policy outcomes being sought.

Contracts and outcomes

We understand that 36 universities are receiving funding offers for the provision of tuition assistance during 2016 through the IAS.

While the final details of the 2016 allocations are not yet publicly available, it is Universities Australia's understanding that universities have received substantially less funding under the IAS than had previously been allocated under the ITAS model – as little as 30 per cent of the previous amount in some cases. As an example, one university has advised that it would receive \$18,000 to support a year's worth of tuition for 80 students, a fraction of the amount considered necessary.

Although many universities applied for funds for other, non-tuition support purposes or programmes, Universities Australia is unaware of any of these having been successful. Only tuition support appears to have received funding in the first IAS funding round.

It is clear from this that the capacity of universities to support Aboriginal and Torres Strait Islander students attain a higher education qualification has been diminished.

Conclusion and Recommendations

The inclusion of the ITAS in the IAS has been a backward step for supporting Aboriginal and Torres Strait Islander participation in higher education. As the Behrendt Review found, the ITAS was not a perfect programme but its problems were minor and fixable.

The IAS Guidelines and the first competitive grant round were developed and undertaken on a very truncated timeline, and without consultation with affected community groups and organisations. This directly contributed to the problems that have occurred and the negative outcomes that have eventuated. These difficulties should have been foreseen.

Universities Australia urges the Committee to adopt the following recommendations to maximise the effectiveness of universities' efforts to improve Aboriginal and Torres Strait Islander higher education achievement.

Recommendation 1: That the Government's strategy for Aboriginal and Torres Strait Islander advancement clearly incorporate the objective to lift the level of Aboriginal and Torres Strait Islander attainment in higher education.

Higher education is often overlooked as a strategic government priority for Aboriginal and Torres Strait Islander policy. Full participation in Australia's economic life demands that the opportunity to achieve a university education should be open, encouraged, and support for all.

While Universities Australia understands the need to improve school completion rates for Aboriginal and Torres Strait Islander people, we strongly suggest that governments aim higher in their policies and programmes, and align the educational achievement expected from those communities with that expected from the wider population.

Recommendation 2: That this objective be supported by long-term policy stability and action-oriented and measurable programmes

The government has commissioned the Aboriginal and Torres Strait Islander Higher Education Advisory Council to provide advice on how to advance the Behrendt Review's policy recommendations, which were broadly accepted by Government.

Universities Australia believes that major changes to policy and funding arrangements relevant to Aboriginal and Torres Strait Islander higher education achievement should not be made until the Council's advice has been considered by both the Government and the community, and a jointly-agreed long-term strategy has been developed.

Recommendation 3: Aboriginal and Torres Strait Islander higher education funding should be secure and allocated according to simple and transparent formulae.

Universities Australia believes that funding for Aboriginal and Torres Strait Islander higher education purposes should return to a certain, transparent and formula-driven basis.

Education programmes are long-term initiatives that often do not reach full maturity and impact for several years. Competitive funding programmes do not allow for security and continuity of necessary resources, and can lead to insufficient commitment as organisations and individuals are reluctant to co-invest in programmes that may be abbreviated, abolished or defunded in the short term.

Recommendation 4: That both Aboriginal and Torres Strait Islander higher education funding and policy development be the responsibility of a single agency with the relevant expertise in Aboriginal and Torres Strait Islander higher education policy and programme delivery.

Aboriginal and Torres Strait Islander higher education policy – particularly the implementation of the Behrendt Review recommendations – remains the responsibility of the Department of Education and Training, while the funding for Aboriginal and Torres Strait Islander higher education programmes is the responsibility of PM&C. Universities Australia does not consider this is a secure foundation for ensuring a stable and coherent policy and funding environment.

Universities Australia suggests instead that funding and policy responsibilities should be brought together within the Department of Education and Training, which has traditionally had the responsibility, as well as the necessary expertise.

Funding for the ITAS has been quarantined within the IAS until 2017, which does provide universities short term funding stability. However, as universities will soon begin detailed planning for the 2017 academic year, we would strongly support the transfer of these important programmes back to the Department of Education and Training.