Indigenous Education (Targeted Assistance) Amendment Bill (No. 2) 2013

Marilyn Harrington
Social Policy Section

Contents

Purpose of the Bill ................................................................. 2
Background ................................................................. 2
Addressing Indigenous disadvantage—the policy framework ... 2
The Indigenous Education (Targeted Assistance) Act 2000 .... 2
Financial implications .................................................. 3
Statement of Compatibility with Human Rights ............... 3
Key issues and provisions ............................................. 3
Concluding comments .................................................... 3

Appendix: Development, education and employment outcomes for Indigenous young people ............................................. 4

Young children's development ........................................ 4
School attendance ........................................................... 4
Literacy and numeracy ..................................................... 4
School retention rates ..................................................... 5
Qualifications and post-school outcomes ......................... 5

Date introduced: 13 November 2013
House: Senate
Portfolio: Indigenous Affairs
Commencement: Sections 1 to 3 will commence on Royal Assent. Items 1, 2 and 4 of Schedule 1 will commence the day after the Act receives Royal Assent. Items 3 and 5 of Schedule 1 will commence on 1 July 2014.

Links: The links to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bill's home page, or through http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation

When Bills have been passed and have received Royal Assent, they become Acts, which can be found at the ComLaw website at http://www.comlaw.gov.au/.
Purpose of the Bill

The primary purpose of the Indigenous Education (Targeted Assistance) Amendment Bill (No. 2) 2013 (the Bill) is to amend the Indigenous Education (Targeted Assistance) Act 2000 (the IETA Act) to change the funding arrangements for non-ABSTUDY payments. The Bill proposes that non-ABSTUDY payments be funded by annual Appropriations Acts from 1 July 2014. These payments are currently funded as special appropriations under the IETA Act.

The Bill also proposes consequential amendments to the IETA Act that will:

- provide ongoing authorisation for the Minister to enter into funding negotiations with service providers from 1 January 2014 and
- remove redundant provisions of the IETA Act that detail appropriations for past non-ABSTUDY payment periods.

Background

Addressing Indigenous disadvantage—the policy framework

In 2007, the Council of Australian Governments (COAG) agreed to six targets for ‘closing the gap’ between Indigenous and non-Indigenous Australians, including, in relation to education achievement:

- to halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade and
- to halve the gap for Indigenous students in Year 12 attainment or equivalent attainment rates by 2020. These targets were formalised in the National Indigenous Reform Agreement (Closing the Gap), first agreed to by COAG in October 2008 and then renewed in 2012.

The Agreement is supported by the National Partnership Agreement on Stronger Futures in the Northern Territory (the National Partnership). Schedule B of the National Partnership relates to the schooling objectives.

As part of COAG’s reform agenda, the Aboriginal and Torres Strait Islander Education Action Plan 2010–2014, endorsed by COAG in May 2011, commits Australian governments to 55 actions aimed at accelerating improvements in the outcomes of Aboriginal and Torres Strait Islander children and young people. These actions are linked to six ‘priority domains’: school readiness; engagement and connections; attendance; literacy and numeracy; leadership, quality teaching and workforce development; and pathways to ‘real’ post-school options.

The Indigenous Education (Targeted Assistance) Act 2000

The IETA Act currently provides funding for a range of targeted programs, collectively known as non-ABSTUDY payments, to support the education objectives for Indigenous students.

Under the previous Government, the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education administered the tertiary and vocational education and training programs. The early childhood education and schooling programs were administered by the Department of Education, Employment

---

7. Ibid.
and Workplace Relations. Following the change in government, Indigenous affairs, including the IETA Act, are now administered by the Department of the Prime Minister and Cabinet.

Financial implications
The Explanatory Memorandum states that there is ‘no anticipated financial impact’ by changing non-ABSTUDY payments from a special appropriation under the IETA Act to an annual allocation through Appropriations Acts.

Statement of Compatibility with Human Rights
The Statement of Compatibility with Human Rights can be found at page 3 of the Explanatory Memorandum to the Bill. As required under Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011 (Cth), the Government has assessed the Bill’s compatibility with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of that Act. The Government considers that the Bill is compatible.

Key issues and provisions
Item 3 of Schedule 1 proposes to add a note to section 13 of the IETA Act that the appropriation for non-ABSTUDY payments is to be included in annual Appropriations Acts. This means that the IETA Act will not have to be amended for each new funding period as currently occurs.

The intention to change the funding arrangements for non-ABSTUDY payments was signalled in the 2013–14 Budget. According to the Minister’s second reading speech, this change ‘better aligns IETA programmes and payment with other similar payments and provides greater transparency and accountability’. This means that funding for non-ABSTUDY programs will be reviewed annually as part of the budget process.

The Bill’s other provisions are consequential to this key provision:

- items 1 and 2 of Schedule 1, in effect, propose to make the IETA Act’s funding provisions open-ended—that is, the Minister will have ongoing authorisation to enter into funding agreements with service providers to deliver non-ABSTUDY targeted programs from 1 January 2014 and

- items 4 and 5 of Schedule 1 propose to remove redundant provisions of the IETA Act that detail appropriations for past non-ABSTUDY payment periods.

Concluding comments
The Bill’s provisions are unlikely to be controversial. However, the IETA Act will be significantly changed. If the Bill is passed, the IETA Act will no longer appropriate funds for targeted programs for Indigenous students.

---

12. Ibid., pp. 3–5.
Appendix: Development, education and employment outcomes for Indigenous young people

Various reports and data collections show that the problems of educational achievement and employment outcomes for Indigenous young people remain intransigent.

Young children’s development

The Australian Early Development Index (AEDI) is a national population measure of children’s development when they enter school. The AEDI for 2012 shows:

- 50 per cent of Indigenous children were developmentally on track in each of the domains measured compared to 70 per cent of non-Indigenous children
- Indigenous children were more than twice as likely to be developmentally vulnerable than non-Indigenous children in each domain and
- 43.2 per cent of Indigenous children were developmentally vulnerable in one or more domains compared to 5.9 per cent of non-Indigenous children.\(^{15}\)

School attendance

From 2008 to 2012:

- there was almost no improvement in Indigenous students’ attendance rates in government schools
- Year 10 Indigenous students had lower attendance rates than Year 1 Indigenous students and
- school attendance rates were noticeably lower for Indigenous students compared to non-Indigenous students. In the Northern Territory (NT), South Australia and Western Australia, the difference was greater than ten percentage points across all year levels. The gap for Year 10 NT Indigenous students was 30 percentage points.\(^{16}\)

Literacy and numeracy

The COAG target is to halve each of the 2008 gaps in Year 3, 5, 7 and 9 reading, writing and numeracy achievement between Indigenous and non-Indigenous students by 2018.

The 2012 National Assessment Program: Literacy and Numeracy (NAPLAN) results show:\(^{17}\)

- from 2008 to 2012, reading improved for Year 3 Indigenous students nationally (but only in two jurisdictions) and, for Year 3 numeracy, decreased nationally (and in most jurisdictions). For other year levels, reading and numeracy results were mixed\(^{18}\) and
- in 2012:
  - numeracy achievement for Indigenous students was similar between the different year levels except for Year 5
  - there was a noticeable variation in reading achievement between the different years and
  - the achievement gaps between Indigenous and non-Indigenous students widen in regional and remote areas. In very remote areas, for example, only 39.9 per cent of Year 3 Indigenous students achieved at or above the national minimum standard in reading, compared to 90.4 per cent of non-Indigenous students.\(^{19}\) For Year 9 students, the achievement rates dropped dramatically, with only 24.4 per cent of Indigenous students in very remote areas achieving at or above the national minimum standard in reading, compared to 87.9 per cent of non-Indigenous students in very remote areas.\(^{20}\)


\(^{16}\) Ibid, p. 57.


\(^{19}\) Ibid., pp. 7–8.

\(^{20}\) Ibid., pp. 199–200.
Indigenous and non-Indigenous students achieving at or above the national minimum standard in reading and numeracy, 2012 (%)

<table>
<thead>
<tr>
<th></th>
<th>Reading</th>
<th></th>
<th>Numeracy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>Indigenous</td>
<td>Non-Indigenous</td>
<td>Indigenous</td>
<td>Non-Indigenous</td>
</tr>
<tr>
<td>Year 3</td>
<td>74.2</td>
<td>94.7</td>
<td>72.7</td>
<td>95.1</td>
</tr>
<tr>
<td>Year 5</td>
<td>64.7</td>
<td>93.1</td>
<td>69.2</td>
<td>94.6</td>
</tr>
<tr>
<td>Year 7</td>
<td>75.4</td>
<td>95.1</td>
<td>74.4</td>
<td>94.9</td>
</tr>
<tr>
<td>Year 9</td>
<td>67.2</td>
<td>92.7</td>
<td>74.2</td>
<td>94.7</td>
</tr>
</tbody>
</table>


School retention rates
Indigenous school retention rates have improved. The apparent retention rate from Year 7/8 to Year 12 improved from 47.2 per cent of Indigenous students in 2006 to 51.1 per cent in 2012.

However, these rates remain significantly below that for non-Indigenous Australians—in 2012, the apparent retention rate from Year 7/8 to Year 12 was 81.3 per cent for other students.  

Qualifications and post-school outcomes
The COAG target is to halve, by 2020, the 2006 Year 12 or equivalent attainment rate gap between Indigenous and non-Indigenous aged 20–24 years.

From 2006 to 2011, the percentage of Indigenous Australians aged between 20 and 24 who had achieved a Year 12 or equivalent qualification or Certificate II or above improved from 47.4 percent to 53.9 per cent. However, this rate remained noticeably below that of non-Indigenous Australians in the same age group (86.0 per cent).

In 2011, 60.6 per cent of Indigenous people aged 17–24 year olds were not fully engaged in work or study after leaving school. This rate was more than double the non-Indigenous rate of 26.0 per cent.

23. Ibid.
Indigenous Education (Targeted Assistance) Amendment Bill (No. 2) 2013

Members, Senators and Parliamentary staff can obtain further information from the Parliamentary Library on (02) 6277 2500.