ABSTUDY: An Investment for Tomorrow's Employment

A review of ABSTUDY for the Aboriginal and Torres Strait Islander Commission
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A Review of ABSTUDY
for the
Aboriginal and Torres Strait Islander Commission

by

Owen Stanley and Geoff Hansen
Commonwealth of Australia, 1998

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Cover: Artwork by Greg King, a descendant of the Punthamara people of Queensland.
The cut-off point for research for this report was 26 September 1997 when a draft report was finalised for submission to the ATSIC Board, to consider at its 50th meeting in October 1997. Since that draft was completed:

- some minor changes have been made to it in response to comments received from DEETYA on an earlier draft dated 12 September, and
- the Government has announced some important changes to ABSTUDY provisions introduced in the 1997-98 Budget.

The ATSIC Chairman sent copies of a draft report to the Minister for Employment, Education, Training and Youth Affairs and the Minister for Aboriginal and Torres Strait Islander Affairs on 12 September 1997 inviting comments before the final draft was completed for submission to the ATSIC Board. On 16 September, ATSIC sent a copy to DEETYA with a similar invitation and requests for specific information. Several days later, following a DEETYA ABSTUDY Review Steering Committee meeting, copies of the 12 September draft were sent to other parties to provide comments if they wished. The deadline for comments was tight given the need to revise the 12 September draft for the ATSIC Board and contractual arrangements with the review team.

ATSIC received comments from DEETYA in early October 1997. These could not be included in the draft report prepared for the ATSIC Board meeting. The authors are grateful for DEETYA's contribution and have taken account of it in this final report.

During the course of this review, the Government announced changes to ABSTUDY in the 1997-98 Budget, some of which were likely to impact substantially on some Indigenous students. As noted in Chapter 1, the authors decided not to prepare a detailed response to the Budget changes because they wished to concentrate on much broader issues which should form a basis for policy debate well after debate on the 1997-98 Budget had finished. Despite this approach, some comment on the Budget changes was inescapable and Recommendations 9 and 10 address the importance of travel benefits, block release programs and interstate travel affected by the Budget.

On 30 October 1997, the Minister for Schools, Vocational Education and Training, Senator Ellison announced important changes to the 1997-98 Budget ABSTUDY provisions. The changes address the issues of travel and block releases favourably for 1998 and were welcomed by the ATSIC Chairman.

While acknowledging these recent changes, the authors have not revised the report to take them into account. The issues underlying Recommendations 9 and 10 are important for Indigenous education and are likely to be considered in the DEETYA review currently being undertaken to determine the future of ABSTUDY.

Finally, the authors express their sincere appreciation to those organisations and individuals that contributed to this review.

OS & GH
December 1997
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<td>Australian Bureau of Statistics</td>
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<td>ABSEG</td>
<td>Aboriginal Secondary Education Grant</td>
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<td>ABSTUDY</td>
<td>Aboriginal Study Assistance Scheme (formerly Aboriginal Study Grants Scheme)</td>
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<td>ACT</td>
<td>Australian Capital Territory</td>
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<td>AECG</td>
<td>Aboriginal Education Consultative Group</td>
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<td>AEDA</td>
<td>Aboriginal Education Direct Assistance</td>
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<td>AEDP</td>
<td>Aboriginal Employment Development Policy</td>
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<tr>
<td>AEP</td>
<td>An abbreviated acronym for NATSIEP (see below) used in some publications</td>
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<td>AEU/</td>
<td>Aboriginal Education Unit/Aboriginal and Torres Strait Islander Education Unit,</td>
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<td>Australian Government Publishing Service</td>
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<td>AHL</td>
<td>Aboriginal Hostels Limited</td>
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<td>Assistance for Isolated Children Scheme</td>
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<td>Australian National Audit Office</td>
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<td>Commonwealth Department of Education and Science</td>
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<td>CoFA</td>
<td>Commonwealth of Australia</td>
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<td>DAA</td>
<td>Department of Aboriginal Affairs</td>
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<td>MCEETYA</td>
<td>Ministerial Council for Employment, Education, Training and Youth Affairs</td>
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<td>NAEC</td>
<td>National Aboriginal Education Committee</td>
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<td>NATSIEP</td>
<td>National Aboriginal and Torres Strait Islander Education Policy</td>
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<tr>
<td>NT</td>
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<td>NSW</td>
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<td>Student Assistance Centre, DEETYA</td>
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<td>TAFE</td>
<td>Technical and Further Education</td>
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<td>Tas</td>
<td>Tasmania</td>
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<td>VEGAS</td>
<td>Vocational Education and Guidance for Aboriginals Scheme</td>
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<td>Victoria</td>
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<td>WA</td>
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EXECUTIVE SUMMARY AND RECOMMENDATIONS

INTRODUCTION

This review of ABSTUDY was commissioned by the Aboriginal and Torres Strait Islander Commission (ATSIC) in accordance with its role in monitoring the effectiveness of policies and programs for Indigenous people administered by other agencies. The main purpose of the review is to provide an input to the wider review of ABSTUDY being conducted by the Department of Employment, Education, Training and Youth Affairs (DEETYA). DEETYA has the portfolio responsibility for Commonwealth education programs and thus for the administration of ABSTUDY. ATSIC decided that, given its responsibility for Indigenous economic development, the ATSIC review of ABSTUDY should address the economic benefits that have flowed from the scheme.

The linkages between improved levels of education and improved employment prospects and incomes for Indigenous people are outlined in this report. However, there is already a general acceptance of the importance of education in providing a basis for improving people's economic and social well-being as clearly expressed by Senator Herron, Minister for Aboriginal and Torres Strait Islander Affairs in the 9th Joe and Enid Lyons Memorial Lecture (1996):

Genuine self-empowerment can only come through education and the learning of management skills. It is the key to unlocking the vicious cycle of unemployment, lack of self-esteem and hopelessness. We must make education more accessible to Indigenous Australians if we are to achieve the goal of social and economic equality of opportunity.

This review sought to show that, to the extent ABSTUDY leads to improved educational outcomes by enabling access and participation, the scheme also leads to improved employment and income outcomes for Indigenous people and therefore is an investment in employment.

Four key principles underpin the review:

• Education expenditure is an investment.
• Improving the economic and social status of Indigenous Australians creates benefits for all Australians.
• Less than universal application of a good policy does not justify it being abandoned.
• Problems with administration should not justify abandonment of good policy.

REVIEW FINDINGS

Summary

Arguably, education has been one of the most successful areas of Indigenous development over the last 30 years. However, the rate of improved outcomes has faltered and today education systems are failing Indigenous people at all levels in terms of equitable participation and achievement. It is expected that this decline will impact adversely on Indigenous employment and income levels which are currently much lower than for other Australians and alarmingly, face substantial deterioration over the next decade.
ABSTUDY and its forerunners have contributed substantially to Indigenous educational successes to date. In light of current declining educational participation and attainment, absolutely in secondary education and relative to population in terms of higher education, and the emerging crisis for Indigenous employment, there remains a need for a continued public investment in a special Indigenous student assistance scheme and thus in employment. These points are amplified in the following sections:

- Education
- Employment and Income
- ABSTUDY and the Need for Special Student Assistance

Education
This review found evidence of a serious situation regarding outcomes in Indigenous education as follows:

- Literacy and numeracy skills of Indigenous students are well below those of non-Indigenous students in primary schools.
- Since 1992, apparent retention rates to Year 10 for Indigenous students have declined at three times the rate for the Australian population as a whole, which has widened the retention rate gap (the different rates between Indigenous and non-Indigenous students) from 16.1% in 1992 to 20.9% in 1996.
- Apparent retention rates for Indigenous students to Year 12 are much lower than for non-Indigenous students, with the retention rate gap being 42.1% in 1996. This retention rate and the gap are likely to get worse as the effects of declining Year 10 retention rates flow through.
- Indigenous disadvantage at the primary and secondary schooling levels flow on to post-secondary education levels, most notably in the TAFE sector where most Indigenous students enrol and graduate in lower level courses designed to improve basic education and basic employment skills.
- The proportion of Indigenous higher education award course completions, compared with all Australian completions, is about one-third of what it should be based on the proportion of Indigenous people in the Australian population. Furthermore, the latest proportion available (1995) indicates declining award completion outcomes, given the higher rate of population growth for Indigenous people and their younger age distribution compared with the overall Australian population.
- Educational outcomes for Indigenous people are much worse in some regions of Australia than others, particularly in rural and remote areas with more traditionally oriented communities. Regional outcomes are “hidden” in averaged national data.
- The declining educational outcomes (falling secondary school retention rates and an increasing under-representation of completion numbers and higher award levels in the tertiary sector) for Indigenous people run counter to the eight year old National Aboriginal and Torres Strait Islander Education Policy (NATSIEP) goals (1989) and the more recent Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) priorities (1995), both endorsed by the Commonwealth and all States and Territories.

Employment and Income
The review found the following regarding Indigenous employment and income:

- The employment status of Indigenous people is much worse than that of the non-Indigenous population and it appears to be getting worse. The longer term prognosis
for Indigenous employment is very alarming given the higher rate of population growth for Indigenous Australians
• There is ample evidence to show that improving the level of education of Indigenous people will improve their employment prospects and their incomes
• Employment prospects for Indigenous higher education graduates are particularly high suggesting a focus is needed to improve the proportion of graduates from the comparatively low level that already exists

ABSTUDY and the Need for Special Indigenous Student Assistance
The review found the following matters pertinent to the relationship between ABSTUDY and education and by extension, between ABSTUDY and improved employment opportunities and income.
• ABSTUDY and its predecessors have been regarded by successive Commonwealth Parliamentary Committees, the Commonwealth Department of Education and its successors, and independent reviewers as successful schemes that have been a major factor in encouraging and enabling Indigenous students to access and participate longer in education
• Given ABSTUDY’s importance in improving access and participation, the scheme should not be judged as failing if educational systems, over which ABSTUDY has no influence, have not produced adequate levels of attainment for ABSTUDY recipients in those systems. However, the improved level of education in the Indigenous community that has followed increased participation should be regarded as an important outcome of the scheme
• Successive reports show that ABSTUDY has been plagued with administration problems for at least a decade, and there is evidence that many of these problems persist today
• A major deficiency in ABSTUDY administration is the lack of data being collected to measure the extent to which ABSTUDY has led to improved educational and employment outcomes for ABSTUDY recipients through greater access to and participation in education
• Any review of ABSTUDY involving those responsible for its administration should give careful consideration to separating good policy objectives from failings in administration so that good policy is not abandoned as a simple means of overcoming administrative problems
• The success of ABSTUDY in reaching its full potential depends on its financial adequacy given the comparatively lower economic status of Indigenous people in terms of employment, income levels and asset bases. There is a need for those responsible for administering ABSTUDY to review the current financial adequacy of the scheme in light of the current declining educational outcomes for Indigenous people.
• ABSTUDY has been important in improving Indigenous participation in education and thus in improving employment prospects and incomes.
• There is a strong case for retaining a special Indigenous student assistance scheme on the grounds that.
  * ABSTUDY has long been acknowledged as a successful scheme for improving participation in education,
* programs aimed at educational institutions to improve Indigenous education outcomes are limited by the extent to which Indigenous people are able to access and participate in education for want of adequate financial assistance,
* ABSTUDY is an investment in employment;
* ABSTUDY is an investment in social well-being;
* some opportunity costs of ABSTUDY are likely to be more costly in economic and social terms in both the shorter and longer terms;
* ABSTUDY, if sufficient, provides an incentive for Indigenous people to pursue education rather than resort to other means of income support that require less effort than education and offer little for future employment prospects, and
* On equity grounds, ABSTUDY offers an opportunity for Indigenous people to overcome the range of economic and social inequities they currently face

RECOMMENDATIONS

Recommendations emanating from this report are grouped under three headings that flow naturally from this review and the fact that DEETYA is conducting a wider review of ABSTUDY. The first group of recommendations relate to the principles underpinning this ATSIC review, the second group relate to Government action that is considered necessary regarding special Indigenous student assistance; and the third group of recommendations relate to matters of importance to the wider DEETYA review.

Principles

Although the four key principles underpinning this review are regarded as equally important, three in particular relate to ABSTUDY and are considered fundamental to Government policy formulation and administration.

Accordingly, it is recommended that the Government:

1. Recognises that education expenditure is an investment in people rather than a cost to society.
2. Recognises that improving the economic and social status of Indigenous people creates benefits for all Australians, and that such action is not simply a matter of catering for narrow sectional interests.
3. When considering the future of ABSTUDY, seeks to distinguish between deficiencies in policy and deficiencies in the administration of that policy so that a problematic administration is not used to justify the abandonment or change of sound policy.

Government Action

The findings of this review raise matters regarding special Indigenous student assistance that require Government action independent of outcomes from the wider review of ABSTUDY being conducted by DEETYA.

Accordingly, it is recommended that the Government
4. Recognises that programs aimed at educational institutions to improve Indigenous education outcomes are limited by the extent to which Indigenous people are able to access and participate in education and accordingly, retains an assistance program for Indigenous students that addresses their special needs  
   (Section 7 2.5)

5. In view of the wishes of the overwhelming majority of Indigenous people interviewed for this review, retains the name ABSTUDY and administers it as a separate scheme.  
   (Section D 2.4)

6. In light of the long-standing and uninformed criticisms of ABSTUDY, defends and explains to the public the scheme's role in overcoming Indigenous educational, economic and social disadvantage  
   (Sections 3 4, D 2.4, D 2.10)

7. Recognises the importance that ABSTUDY and its predecessors have played in improving educational outcomes for Indigenous people and that improved educational attainment leads to improved employment prospects and incomes  
   (Sections 6.4, 7.2)

8. Recognises that improved employment and higher incomes for Indigenous people will lead to improvements in health and housing and reduce their over-representation in the criminal justice system  
   (Sections 7.4.1, 7.4.2)

9. Considers the findings of this report and conducts further research before proceeding with the proposed changes to ABSTUDY announced in the 1997-98 Budget. In particular, careful consideration is required of the importance of travel benefits and the implications of the proposed changes to ABSTUDY for access to block release programs and interstate travel  
   (Part B, Section D.4.11)

10. Recognises the view that the travel benefits available under ABSTUDY are amongst the most important in enabling access to education for people in remote areas where educational disadvantage is greatest.  
    (Sections 5.2, D.4.11)

11. Recognises, when considering any changes to the Income test for ABSTUDY, the very different circumstances that apply to Indigenous and non-Indigenous people and the different effects which a given Incomes Test will have on them.  
    (Sections 7.3.3, D.4.5)

12. Recognises the small number of Indigenous graduates with higher degrees and the need for more graduates in certain professions by establishing, through one of its agencies, a scholarships system  
    (Section 5 2.5.4)

**DEETYA Review of ABSTUDY**

The findings of this review raise matters regarding special Indigenous student assistance that require careful consideration by DEETYA, as the Department responsible for Commonwealth education policy and programs, in its review of ABSTUDY

Accordingly, it is **recommended** that those conducting the DEETYA review of ABSTUDY...
13 Pay particular attention to the eight MCEETYA priorities for Indigenous education with special reference to priorities 3, 4 and 5 which are based on some of the goals in NATSIEP agreed by the Commonwealth and all States and Territories eight years ago.

   (Chapter 5)

14 Take account of the fact that, while there have been considerable improvements in the educational status of Indigenous Australians, it is still true that Indigenous educational disadvantage remains substantial at all levels.

   (Chapter 5)

15 Recognise that, contrary to the longer-term trend, there has been a recent decline in secondary school retention rates for Indigenous students and that this decline has been greater than that for non-Indigenous students. The DEETYA review should investigate the role that ABSTUDY may play in reversing this trend.

   (Section 5.2.2)

16 Recognise that, although TAFE outcomes for Indigenous students in terms of the levels of qualifications attained and employment are much lower than for other Australians, the TAFE colleges do provide a pathway to better education and employment prospects for some Indigenous people who experienced educational disadvantage in primary and/or secondary schooling. The DEETYA review should investigate the role that ABSTUDY may play in assisting Indigenous people to better utilise this pathway.

   (Section 5.2.4)

17 Recognise that the proportion of Indigenous higher education completions is low and is actually declining when account is taken of the higher rate of population growth for Indigenous people and their younger age distribution compared with the overall Australian population. DEETYA should investigate the role that ABSTUDY may play in reversing this trend.

   (Section 5.2.5)

18 Take account of the fact that Indigenous Australians continue to experience substantial disadvantage in terms of employment and income and that the review recognise the considerable evidence demonstrating the link between increasing levels of educational attainment and increasing employment and income.

   (Sections 6.3, 6.4)

19 Take account of the evidence showing that, without overt government action, including investment in education, the unemployment and income status of Indigenous Australians will deteriorate substantially in the near future.

   (Section 6.3.3)

20 Take account of the apparently very high rate of employment of Indigenous higher education graduates when conducting investigations per Recommendation 17.

   (Section 6.4.3)

21 Take account of the evidence that suggests that ABSTUDY benefits are probably insufficient to provide incentive and financial capacity for some Indigenous people to access education.

   (Sections 7.3.3, 7.4.3, D.4.6)

22 Carefully examine the problems raised by organisations and individuals in the course of this review concerning ABSTUDY policy and administration, taking account of previous criticisms made over the last decade. More particularly, the DEETYA review should consider what action it, or other areas of DEETYA (or the new Commonwealth Service Delivery Agency), should take to urgently address the
complaints raised during this review by organisations and individuals concerning the administration of ABSTUDY relating to:
- delays in payment of benefits;
- problems with the information booklet and application forms, and
- poor communications with the Indigenous community

(Section 7.3.2, D 5)

23. In view of the inadequate aggregate data available on the educational, employment and income outcomes associated with ABSTUDY, consider ways for collecting such data so that DEETYA can more effectively gauge the performance of ABSTUDY to assist future policy and administration improvements in the scheme

(Sections 3.2, 7 3.4)

24. Take account of Recommendations 1 to 12 as necessary.
KEY PRINCIPLES

This report is based on certain key principles. The authors regard them as either self-evident or so easily justified by other research and argument that they do not need justifying here. They are:

Education expenditure is investment
That education (or human capital) is a valuable asset to society and one of increasing importance to Australia. With this in mind, education expenditure is an investment and should be evaluated as such. Most importantly, education expenditure should not be seen as simply another recurrent expenditure budget item to be cut in order to meet some budget strategy. The view that education is an investment is well established in economics, and the success of education in promoting development and improvement in lifestyles is often illustrated by reference to the Asian tiger countries.

Improving the economic and social status of Indigenous people creates benefits for all Australians
That the disadvantages that Indigenous Australians experience in terms of limited access to education, low incomes, discrimination, a history of state and private abuse, and poor health are problems for all Australians, and lessening these disadvantages will create benefits to Australians generally. These benefits include making Australia a more just society of which people can be proud, reducing the cost to government of additional expenditures (and implied taxes or benefits forgone by the public at large) associated with these areas of disadvantage, and improving the international community's view of Australia. Investment in the education of Indigenous people is an important way of overcoming some of these problems.

Less than universal application of a good policy does not justify it being abandoned
The fact that a successful program has less than universal application is not an argument for abandoning the program. Rather, these circumstances support the wider application of the program. In the context of this report, this principle means that the fact that some non-Indigenous people may experience disadvantages similar to some ABSTUDY recipients but do not receive ABSTUDY benefits is not a reason for abandoning ABSTUDY. Rather it may be an argument for State or Federal governments providing additional support for those non-Indigenous people (which they do already to some degree).

Problems with administration should not justify abandoning a good policy
A program such as ABSTUDY should be assessed in terms of the effectiveness of its policy on the one hand and its administration on the other. In general, problems with a policy should be solved by changing the laws, rules and guidelines associated with it. Problems with administration should be solved by changing administrative arrangements. In general, a problematic administration should not justify the abandonment of a good policy.
PART 1 BACKGROUND
CHAPTER 1

INTRODUCTION

1.1 THIS REPORT

This report presents the findings of a review undertaken to assist the Aboriginal and Torres Strait Islander Commission (ATSIC) develop a policy position on ABSTUDY as an input to a wider review of the scheme to be undertaken by the Department of Employment, Education, Training and Youth Affairs (DEETYA) Consistent with the Terms of Reference (see Appendix A), this report has been presented in two parts

- Part 1 Background
- Part 2 Findings and Analysis

1.2 BACKGROUND TO THE REVIEW

In August 1996, the Minister for Social Security and Minister for Employment, Education, Training and Youth Affairs circulated the booklet Youth Allowance: A Community Discussion Paper (CofA 1996) canvassing the Government’s proposal to replace a number of income support payments for students and job seekers with a Youth Allowance

Although the discussion paper focused on AUSTUDY in respect of income support for students, the paper noted (CofA 1996, p 8):

> Consideration needs to be given to whether a separate ABSTUDY system is retained for Aboriginal and Torres Strait Islander students, or the means-tested living allowance component of ABSTUDY is incorporated into the Youth Allowance Under the latter alternative, the remaining components of ABSTUDY would be retained to provide additional assistance for indigenous students, in recognition of their continuing educational disadvantage

Following the canvassing of community views on the proposed Youth Allowance and comments from Commonwealth agencies, the Government decided in December 1996 to introduce the new allowance Around this time, ATSIC learned that an ABSTUDY review was proposed for early 1997 and was expected to be conducted by DEETYA

In light of these developments, ATSIC decided to review ABSTUDY to prepare a policy proposal on the scheme pursuant to ATSIC’s legislative coordination functions contained in section 7 of the Aboriginal and Torres Strait Islander Commission Act 1989 ATSIC intended to use the policy proposal as an input to the wider DEETYA review. The Terms of Reference require a focus on the economic benefits that have flowed from ABSTUDY ATSIC wanted to examine linkages between.

- ABSTUDY as an incentive for improving Indigenous education outcomes, and
- these educational outcomes leading to improved employment prospects and incomes

The ATSIC review commenced on 7 April 1997 The review team comprised Associate Professor Owen Stanley, James Cook University as team leader and Mr Geoff Hansen of Canberra
Although the above reference to ABSTUDY in Youth Allowance: A Community Discussion Paper suggested that only the means tested living allowance component might be reviewed by DEETYA, this selective approach had not been confirmed when the ATSIC review commenced. By that time, it was becoming increasingly apparent that the wider ABSTUDY review might not begin in the time frame originally expected. Nevertheless, ATSIC decided to proceed with its review in preparation for whatever form a wider review of, or changes to, ABSTUDY might take.

Since the ATSIC review commenced, the Government announced, in its 1997-98 Budget, changes to ABSTUDY funding, and that ABSTUDY would be reviewed later in 1997. In light of the announced review and the Budget changes, to take effect from the beginning of 1998, ATSIC decided to complete its review, using the initial methodology and time-frame, so that findings could be ready for the wider review. DEETYA formally commenced this wider review in August 1997.

1.3 METHODOLOGY

The methodology used in this review was tailored to the tight time-frame for completion and involved:

- Researching relevant literature
- Collecting statistical data from primary and secondary sources.
- Using the most recent survey of ABSTUDY recipients conducted by DEETYA in an evaluation of the scheme commenced in 1994. There was insufficient time for the ATSIC review team to conduct its own detailed survey but in the course of consultations, the team took every opportunity to speak to Indigenous students receiving ABSTUDY
- Focus groups1 used in consultations were composed of:
  * education department officials in all States and Territories,
  * Aboriginal Education Consultative Groups (AECGs) in States and Territories2;
  * a sample of independent education providers (including Indigenous controlled entities) in areas of high Indigenous student populations,
  * a sample of TAFE colleges;
  * a sample of Universities providing higher education;
  * a sample of current or former long serving ATSIC State and Regional Office staff,
  * Aboriginal Hostels Limited as a student accommodation provider;
  * DEETYA staff including a sample of field staff,
  * the Office of Torres Strait Islander Affairs;
  * individuals with relevant experience or interest in Indigenous education, and
  * ABSTUDY students where opportunities arose

1 A focus group is a small group of people brought together to probe various aspects of an issue. In the context of this review, focus groups provided valuable qualitative data to the team to supplement other data gathered in the review.
2 The Tasmanian AECG cancelled a meeting with the review team when it visited Tasmania. ACT government officials advised that two AECGs had emerged in the ACT. The government recognised neither and was in the process of establishing a new consultative mechanism.
On some occasions, the team was referred to other parties by focus groups. Where possible, the team followed up these suggestions. Since the formal round of consultations, members of the review team have met with other groups and individuals.

In any review of this nature, wide community consultations are desirable. State and Territory AECGs were seen as a conduit for community views and many community representatives were met during consultations. Wider community consultations were generally restricted but the rationale underlying this approach was unambiguous:

- ATSIC wanted the review completed in time for the wider review initially expected to be commenced by DEETYA early in 1997,
- the scope and duration of the expected wider review were not known to ATSIC,
- most, if not all, relevant issues concerning ABSTUDY could be identified using the methodology adopted, and
- the review team had access to data from the DEETYA evaluation commenced in 1994, including telephone survey results from a useable sample of 5,514 ABSTUDY recipients, thus enabling the views from these community members to be used to complement the results of discussions with the ATSIC review’s focus groups.

The decision to complete the review in accordance with the Terms of Reference time frame was vindicated. ATSIC is able to use the findings as an input to the wider DEETYA review of ABSTUDY, which commenced informally in August 1997.

The review was completed to a draft report stage, required by the Terms of Reference, in three months from 7 April to 30 June 1997. During that period, the team visited all State and Territory capital cities, Alice Springs and Batchelor in the Northern Territory, and Townsville in Queensland. Consultations were conducted with some 35 focus groups and over 150 individuals, most representing their organisations. Details of the organisations and individuals formally consulted are given in Appendix B.

Four key principles underpin the review:
- education expenditure is an investment;
- improving the economic and social status of Indigenous Australians creates benefits for all Australians,
- less than universal application of a good policy does not justify it being abandoned; and
- problems with administration should not justify abandonment of good policy.

When establishing this methodology, the review team was acutely aware that there are numerous issues associated with Indigenous education. Some of these lay outside the scope of this review but require a brief mention:

- Firstly, there are inter-related aspects of education that are important to Indigenous people because they impact on educational participation and attainment. These include curricula, education delivery methods, participation in decision-making, Indigenous employment opportunities in education, maintenance of culture, and varying degrees of racism in educational institutions.
- Secondly, there are important benefits that arise from education other than improved employment opportunities and incomes— for example, greater awareness of civil and political rights, an ability to deal better with government institutions, a better
understanding of some health issues, and parents taking up education to provide a role model for their children.

- Thirdly, some people regard policies aimed at improving participation and attainment in the existing education systems as being assimilationist.

On the first point, the review team noted that these matters have already been well researched and are now acknowledged in national education policies (see Chapter 2). Similarly, on the second point, the team acknowledges the importance of education in the wider sense of personal development which, in turn, may lead to positive economic outcomes; for example, cost savings from improved health and less conflict with the criminal justice system. However, the team has not diverted attention to these important issues in depth but rather has maintained a focus on the main objective of the review - that is, to show links between ABSTUDY, educational participation and attainment, and opportunities for improved employment outcomes and incomes.

With regard to the third point, the review team noted that, throughout Australia, nearly all Indigenous people interviewed commented on the importance of education for themselves and their children and recognised its importance for their future economic and social well-being. The issue is really about choice. In relation to ABSTUDY, the team believes that any Indigenous student assistance scheme should provide sufficient support to enable Indigenous people to make choices consistent with their aspirations, including maintenance of their cultural identity.

Finally, a draft report of this review was sent to the Minister for Employment, Education, Training and Youth Affairs and the Minister for Aboriginal and Torres Strait Islander Affairs on 12 September. Both Ministers were invited to comment on the draft report prior to a final being prepared for submission to the ATSIC Board for consideration at its 50th meeting held on 21-23 October 1997. A copy of the draft report was also sent to DEETYA on 16 September inviting general comments and seeking specific information, including any new data that might be available to update the report, to maximise its usefulness as an input to the wider DEETYA review.

1.4 ABSTUDY CHANGES IN THE 1997-98 BUDGET

Changes to ABSTUDY announced in the 1997-98 Budget are briefly summarised in Chapter 3. The review team has not prepared a detailed response to these Budget changes because this report raises serious and much wider issues on Indigenous education that should form a basis for policy debate in the longer term - that is, well after any debates on the 1997-98 Budget have finished. However, the report touches on some changes that appear to have been based on inadequate research regarding their likely adverse impact on Indigenous access to education. The team is aware that other interested parties have raised these and other matters of concern arising from the changes with the Minister for Employment, Education, Training and Youth Affairs and that the issues are under consideration.
CHAPTER 2

POLICY CONTEXT: EDUCATION AND ECONOMIC EMPOWERMENT

2.1 INTRODUCTION

This chapter outlines current national policies relating to Indigenous education and economic empowerment. These policies provide a contemporary contextual framework for ABSTUDY, which was initially developed as a means of improving educational and thus economic outcomes for Indigenous Australians. A national policy on education is currently the subject of a formal agreement between the Commonwealth, States and Territories. Although a national policy on economic empowerment, particularly employment, exists at the Commonwealth level, no formal agreement exists between the Commonwealth and the States and Territories.

2.2 EDUCATION POLICIES

2.2.1 Preamble

The agreed national policy on education has been refined by the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) into an education strategy for Indigenous Australians. Outlines of the national policy and the MCEETYA strategy are provided hereunder. They are supplemented by current policies of the States and Territories because:

- they represent extensions of the agreed national policy tailored to meet educational priorities set by the States and Territories, and
- education remains primarily a State or Territory responsibility at the primary, secondary and TAFE levels of education.

2.2.2 National Aboriginal and Torres Strait Islander Education Policy

A series of inquiries throughout the 1980s identified the extent to which Indigenous people were educationally disadvantaged relative to the rest of the population, namely:

- *Aboriginal Education: The Report of the House of Representatives Select Committee on Aboriginal Affairs on Aboriginal Education* (1985),
- *Report of the Committee of Review of Aboriginal Employment and Training Programs* (1985);
- several National Aboriginal Education Committee reports, and

In response to the state of Indigenous educational disadvantage, the Commonwealth and all States and Territories agreed in 1988 to jointly develop a National Aboriginal and Torres Strait Islander Education Policy (NATSIEP). In 1989, the nine governments endorsed NATSIEP in the *National Aboriginal and Torres Strait Islander Education Policy: Joint Policy Statement* (CofA 1989) which established the long term goals, intermediate priorities and implementation arrangements for the policy. Governments

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3 The NATSIEP is referred to as the Aboriginal Education Policy (AEP) in some documents.
agreed that all action taken under NATSIEP would be in addition to existing programs, with none of the governments diminishing its existing commitment to Indigenous education as a result of the new policy.

Four key areas were identified in the NATSIEP that needed to be addressed to overcome Indigenous educational disadvantage. Within these areas, 21 long-term goals were set and these were endorsed again in a further joint policy statement (CofA 1993(a), pp.12-14). The areas and goals are.

Area 1: Involvement of Aboriginal and Torres Strait Islander People in Educational Decision-making

1. To establish effective arrangements for the participation of Aboriginal and Torres Strait Islander parents and community members in decisions regarding the planning, delivery and evaluation of pre-school, primary and secondary education services for their children.

2. To increase the number of Aboriginal and Torres Strait Islander people employed as educational administrators, teachers, curriculum advisers, teachers assistants, home-school liaison officers and other education workers, including community people engaged in teaching of Aboriginal and Torres Strait Islander culture, history and contemporary society, and Aboriginal and Torres Strait Islander languages.

3. To establish effective arrangements for the participation of Aboriginal and Torres Strait Islander students and community members in decisions regarding the planning, delivery and evaluation of post-school education services, including technical and further education colleges and higher education institutions.

4. To increase the number of Aboriginal and Torres Strait Islander people employed as administrators, teachers, researchers and student services officers in technical and further education colleges and higher education institutions.

5. To provide education and training services to develop the skills of Aboriginal and Torres Strait Islander people to participate in educational decision-making.

6. To develop arrangements for the provision of independent advice from Aboriginal and Torres Strait Islander communities regarding educational discussions at regional, State, Territory and National levels.

Area 2: Equality of Access to Educational Services

7. To ensure that Aboriginal and Torres Strait Islander children of pre-primary school age have access to pre-school services on a basis comparable to that available to other Australian children of the same age.

8. To ensure that all Aboriginal and Torres Strait Islander children have local access to primary and secondary schooling.

9. To ensure equitable access of Aboriginal and Torres Strait Islander people to post-compulsory secondary schooling, to technical and further education, and to higher education.

Area 3: Equity of Educational Participation

10. To achieve the participation of Aboriginal and Torres Strait Islander children in pre-school education for a period similar to that for other Australian children.
11. To achieve the participation of Aboriginal and Torres Strait Islander children in compulsory schooling

12. To achieve the participation of Aboriginal and Torres Strait Islander people in post-compulsory secondary education, in technical and further education, and in higher education, at rates commensurate with those of other Australians in those sectors

**Area 4: Equitable and Appropriate Educational Outcomes**

13. To provide adequate preparation of Aboriginal and Torres Strait Islander children through pre-school education for the schooling years ahead.

14. To enable Aboriginal and Torres Strait Islander attainment of skills to the same standard as other Australian students throughout the compulsory schooling years.

15. To enable Aboriginal and Torres Strait Islander students to attain the successful completion of Year 12 or equivalent at the same rates as for other Australian students.

16. To enable Aboriginal and Torres Strait Islander students to attain the same graduation rates from award courses in technical and further education, and in higher education, as for other Australians.

17. To develop programs to support the maintenance and continued use of Aboriginal and Torres Strait Islander Languages.

18. To provide community education services which enable Aboriginal and Torres Strait Islander people to develop the skills to manage the development of their communities.

19. To enable the attainment of proficiency in English language and numeracy competencies by Aboriginal and Torres Strait Islander adults with limited or no educational experience.

20. To enable Aboriginal and Torres Strait Islander students at all levels of education to have an appreciation of their history, cultures and identity.

21. To provide all Australian students with an understanding of and respect for Aboriginal and Torres Strait Islander traditional and contemporary cultures.

The Royal Commission into Aboriginal Deaths in Custody reinforced the NATSIEP in its recommendations, particularly recommendations 289 to 299 (CoFA 1992, pp 1080-1129). The Commonwealth and all States and Territories supported these specified recommendations where applicable to their operations.

**2.2.3 MCEETYA Strategy**

The MCEETYA comprises relevant ministers from the Commonwealth, States and Territories. In response to a report National Review of Education for Aboriginal and Torres Strait Islander Peoples: Final Report (CoFA 1994(a)), MCEETYA established a Taskforce which produced the report A National Strategy for the Education of Aboriginal and Torres Strait Islander Peoples 1996 - 2002 (MCEETYA 1995).

Due to the repetitive nature of the 21 goals of the NATSIEP, the MCEETYA Taskforce report aggregated these goals into 8 priorities:

1. To establish effective arrangements for the participation of Aboriginal and Torres Strait Islander peoples in educational decision-making (NATSIEP goals 1, 3, 5 and 6)
2. To increase the number of Aboriginal and Torres Strait Islander peoples employed in education and training (NATSIEP goals 2 and 4).
3. To ensure equitable access for Aboriginal and Torres Strait Islander students to education and training services (NATSIEP goals 7, 8 and 9).
4. To ensure participation of Aboriginal and Torres Strait Islander students in education and training (NATSIEP goals 10, 11 and 12).
5. To ensure equitable and appropriate educational achievement for Aboriginal and Torres Strait Islander students (NATSIEP goals 13, 14, 15 and 16).
6. To promote, maintain and support the teaching of Aboriginal and Torres Strait Islander studies, cultures and languages to all Indigenous and non-Indigenous students (NATSIEP goals 17, 20 and 21).
7. To provide community development training services including proficiency in English literacy and numeracy for Aboriginal and Torres Strait Islander adults (NATSIEP goals 18 and 19).
8. To improve NATSIEP implementation, evaluation and resourcing arrangements (All NATSIEP goals).

In particular, priorities 3, 4 and 5 provide the policy framework to underpin a study assistance scheme suitable for the needs of Indigenous Australians.

At its fourth meeting (December 1995), the MCEETYA:
- supported the general direction of the final report of the MCEETYA Taskforce, and
- noted the priority areas identified for action, agreeing that

  Education and Training for Aboriginal People and Torres Strait Islanders be made a national priority to focus the efforts of all to ensure significant continuous improvements in outcomes for indigenous Australians similar to those of non-indigenous Australians.

Since this meeting, *A National Strategy for the Education of Aboriginal and Torres Strait Islander Peoples 1996 - 2002* has demonstrably underpinned development of policies for Indigenous education in most States and Territories.

### 2.2.4 States and Territories School Education Policies

#### 2.2.4.1 Preamble

Given that the Commonwealth and all States and Territories were signatories to the NATSIEP and the agreement reached at the fourth MCEETYA meeting, education policies of the States and Territories are relevant to the policy context underpinning a student assistance scheme such as ABSTUDY. These policies are contained in policy statements, strategic plans and in some cases both forms of document. Relevant documents are noted below with brief summaries of aspects relevant to ABSTUDY.

#### 2.2.4.2 Queensland

Queensland education policy for State schools is outlined in *Partners for Excellence: The Strategic Plan 1997 - 2001 for the Department of Education* (QldDE 1996) which contains a statement of purpose, vision, organisational values, goals, strategies and performance indicators that are applicable to all students.

*Partners for Excellence* will possibly be supported by *A Strategy Plan for Aboriginal Education and Torres Strait Islander Education for the Queensland Department of Education* which is currently in advanced draft form. This draft strategy plan engrosses
the eight MCEETYA priorities for Indigenous education in its goals, strategies and performance indicators. The following summarises the focus relevant to ABSTUDY in the draft plan:

- attaining similar educational outcomes for Indigenous and non-Indigenous students,
- attaining commensurate enrolment, attendance and retention rates for Indigenous and non-Indigenous students, and
- reducing student suspensions and exclusions.

The plan also identifies several key issues relevant to ABSTUDY

- socio-cultural isolation which might preclude fair and equitable access to education regardless of where people live, and
- geographical remoteness for a significant proportion of Indigenous people which limits access to a range of services.

2.2.4.3 New South Wales

The New South Wales policy is contained in the Aboriginal Education Unit, Department of School Education publication *Aboriginal Education Policy* (nd). This policy was developed in conjunction with the NSW Aboriginal Education Consultative Group Inc which the State Government recognises as "the principal source of community based advice on Aboriginal education." In a statement covering the policy, the Minister for Education and Training noted.

The central theme of this policy is to promote educational achievements by Aboriginal students in the context of educating all students about Aboriginal Australia.

The policy contains six principles, two of which are directly relevant to ABSTUDY

- Aboriginal students have an entitlement to appropriate and adequate resources, recognising the effects of past inequities, to enable them achieve educational outcomes from schooling that are comparable with those of the rest of the student population.

Aboriginal students are entitled to high quality, culturally appropriate education and training programs as a foundation for lifelong learning.

2.2.4.4 Victoria

Policy document not provided.

2.2.4.5 Tasmania

The Department of Education, Community and Cultural Development publication *Aboriginal Education: Strategic Plan 1997 - 2002* (nd) contains Tasmania's Indigenous education policy. This plan is described as a "logical development of the 1990 National Education Policy and its 1994 AEP Review Report" and "derives" from the later MCEETYA strategy. All schools and colleges are required to implement relevant sections of the strategy in school plans for 1997-1999.

The strategic plan contains six goals each addressed by the components: outcomes, strategies; responsibilities, and time. The six goals are:

1. To ensure that all Aboriginal students have access to education and attend school regularly.
2. To ensure that all Aboriginal students have access to and participate in a full, relevant and challenging curriculum.
3. To ensure that all Aboriginal students continue at school until the completion of Year 12.
4. To increase the participation of Aboriginal Parents in the school community.
5. To improve the attainment and success of Aboriginal student groups at all levels of schooling.
6. To establish effective arrangements for the participation of Aboriginal and Torres Strait Islander peoples in Educational employment.

2.2.4.6 South Australia
South Australian policy on Indigenous education is contained in the Department for Education and Children's Services publication *Plan for Aboriginal Education 1997-2001* (nd). This plan "exists within the context of a range of state policies and legislation" including the NATSIEP, the MCEETYA strategy and Recommendations of the Royal Commission into Aboriginal Deaths in Custody. It includes goals relating to the issues of improving access, retention and educational achievement (with a particular focus on literacy and numeracy) in respect of Indigenous students.

2.2.4.7 Western Australia
The Education Department of Western Australia has recently published its *Aboriginal Education Operational Plan 1997-1999* (1997) containing six key focus areas that closely follow the eight MCEETYA priorities. This approach is consistent with the Aboriginal Education and Training Council's *Western Australian Strategic Plan for Aboriginal Education and Training for the Triennium 1997 - 1999* (1997) which "complements the broader national commitment" of MCEETYA "by addressing the specific, localised needs of Aboriginal people of Western Australia" (p 3). Three State Ministers have endorsed this plan. Each MCEETYA priority is addressed in the Council's plan by proposed outcomes and strategies. The focuses relevant to ABSTUDY in both plans cover the issues of access, participation and achievement, particularly in the areas of literacy and numeracy.

2.2.4.8 Northern Territory
The Northern Territory Department of Education *1997-1999 Aboriginal and Torres Strait Islander Education Operational Plan* (1997) comprises eight sections specifically devoted to the eight MCEETYA strategy priorities. These sections of the plan comprise several elements each outlining outcome, targets, performance measures and data source, 1996 baseline data, and strategies/programs/activities. The plan seeks to improve educational outcomes for Indigenous people in the Northern Territory.

2.2.4.9 Australian Capital Territory
In the Australian Capital Territory, the Department of Education and Training and Children's, Youth and Family Services Bureau is currently revising a much earlier policy document on Aboriginal education. At this stage, the new policy is a first draft entitled "Aboriginal and Torres Strait Islander Education Policy" which has been circulated for comments. The draft policy is being developed and is "in line" with the NATSIEP and the MCEETYA strategy. The draft policy focuses on the issues of better access, participation and educational outcomes, especially in literacy and numeracy.
2.3 ECONOMIC POLICIES

2.3.1 Preamble
The Commonwealth policy on economic empowerment is the Aboriginal Employment Development Policy (AEDP). It is not the subject of formal agreement with the States and Territories. Some States and Territories have programs which address Indigenous economic issues, but as these are not formally linked with Commonwealth policy like the NATSIEP agreement, they are not enunciated in this report.

ATSIC’s Economic Programme has a range of sub-programmes which address economic development for Indigenous people. These include Sub-Programme 1. Commercial, which assists business development and financially viable regional land purchases, and Sub-Programme 2. Community Development Employment Projects (CDEP) which is the major vehicle for implementing the AEDP.

2.3.2 Aboriginal Employment Development Policy
The AEDP was introduced in 1987 to improve Indigenous people’s participation in the national economy, principally by addressing the high levels of unemployment among Indigenous Australians. The policy was launched in the *Aboriginal Employment Development Policy Policy Statement* (CofA 1987). The policy in fact contained two policies:

- Employment Policy; and
- Education and Training Policy

A key feature among strategies emanating from the policy included greater emphasis on the CDEP Scheme, which has led to a large increase in the number of Indigenous people working for unemployment benefits.

Following a review of the AEDP, the resultant report entited *Review of the AEDP* (CofA 1994(c)) led to the publication *Economic Empowerment The Way Ahead: A Strategy Paper* (Bamblett 1994). This strategy addressed 12 major strategic issues:

1. demographic growth,
2. education,
3. specific programs versus mainstream programs,
4. goals and objectives,
5. the community sector,
6. the public sector;
7. the private sector,
8. industry development;
9. regionalisation - a local focus,
10. links with States and Territories,
11. local government, and
12. policy coordination and reporting

With regard to the second issue, education, the strategy noted Indigenous educational disadvantage and stated:

As education is a key predictor of employment, it is vital to continue efforts to improve equitable access for Indigenous people to education. The knowledge and skills base needs to be across a range of occupations and professions (CofA 1994(c), p 6).
More recently, the current Minister for Aboriginal and Torres Strait Islander Affairs endorsed *Pathways to sustained economic development for Aboriginal and Torres Strait Islander peoples: A Discussion Paper* (ATSIC 1996) to “provoke discussion on strategies to build upon the AEDP”. The paper presented a series of national strategies to underpin economic development including the following on education and training:

There is a direct link between education and training and employment prospects. In remote and isolated rural areas, skills can be gained through participation in education and training opportunities, community development opportunities, local enterprises, and infrastructure development. In urban areas, labour market programs and opportunities offered by educational institutions should be used to secure adequate skills and qualifications required by employers. The Aboriginal Education Policy (AEP) provides an important foundation on which improved educational outcomes can be achieved. This policy builds on the initiatives outlined in the AEP. (ATSIC 1996, p. 11)

Work on the strategies suggested in this discussion paper is continuing in ATSIC.

### 2.3.3 ATSIC’s Commercial Sub-Programme

ATSIC’s Commercial Sub-Programme has two Components:

- **Business Development** which has the objective to promote the economic independence of Aboriginal and Torres Strait Islander individuals and corporations by facilitating their acquisition, ownership and development of commercially viable businesses; and

- **Regional Land Fund** with the objective to enable Regional Councils to provide grants to eligible organisations to purchase commercially viable land.

The Business Development Component has two Sub-Components. One is the Business Funding Scheme (BFS) which enables Indigenous people to apply for low interest business loans using funding criteria closely aligned with those applied by commercial lending institutions. The second Sub-Component is the Indigenous Business Incentive Programme (IBIP) which was recently developed to assist Indigenous people, who might otherwise have difficulty, in entering business with seed funding, training, and other support. Assistance depends on applicants having a sound business proposal with the capacity to create new and sustainable employment. Thus, both Sub-Components enable Indigenous people to access finance to become self-employed and in some cases to become employers.
CHAPTER 3

ABSTUDY

3.1 INTRODUCTION

This chapter:
- outlines the history of ABSTUDY and its precursors,
- provides some comparisons of the scheme with AUSTUDY, Newstart and the new Youth Allowance,
- lists previous reviews conducted on ABSTUDY and its predecessors; and
- outlines changes to ABSTUDY announced in the 1997-98 Budget.

3.2 HISTORY

The purpose of this history is to document the beginning of the first Indigenous student assistance scheme 28 years ago and its evolution through other schemes to its present form. Assistance schemes have had various names which, in order of introduction, are:
- the Aboriginal Study Grants Scheme (Abstudy),
- the Aboriginal Secondary Grants Scheme (ABSEG),
- the Aboriginal Secondary Assistance Scheme (Absec); and
- the current Aboriginal Study Assistance Scheme (ABSTUDY).

Since assistance has been provided by ABSTUDY and its forerunners, there have been notable improvements in Indigenous educational outcomes but recently, the momentum has faltered and declines are occurring in some key education outcomes. More generally, much more remains to be done before equality is achieved for Indigenous people at all levels of education. These issues are dealt with in detail in Chapter 5.

The first scheme, Abstudy, was a Gorton Coalition Government initiative jointly announced by the Minister for Education and Science, Minister for Social Security, and Minister in Charge of Aboriginal Affairs on 19 November 1968. The Government introduced the scheme primarily to improve Indigenous students’ employment prospects. Commencing at the start of 1969, Abstudy grants were available to Indigenous students undertaking full-time or part-time study at universities, colleges of advanced education, technical colleges, agricultural colleges and other approved institutions. Full-time students could receive a living allowance and allowances for textbooks and equipment, travel for studying away from home, payment of compulsory fees, and dependents’ allowances. Part-time students were eligible for a small annual allowance and payment of compulsory fees. In the first year, 115 Indigenous students received Abstudy awards.

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4 This history has been compiled from Annual Reports from CDE, CDES, DEET and DEETYA covering the years 1969 to 1995-96, a DEETYA paper dated 20 September 1996, and the DEETYA ABSTUDY: Policy Guidelines Manual 1997 (DEETYA 1997(a)).

5 Hereafter “Abstudy” denotes the early scheme. In this Chapter, “ABSTUDY” refers to the current scheme and in some cases collectively to all the schemes where such use should not cause confusion.
Table 3.1 provides details of the number of ABSTUDY beneficiaries each year and expenditure since 1969 using both historical and 1996 values. The data need to be regarded with some caution because of the changes made to the scheme and the fact the data were compiled from disparate and non-uniform sources. Nevertheless, the table is of historical value and shows quite clearly that ABSTUDY has contributed to improved access to, and participation in, education by Indigenous people.

The main purpose for introducing Abstudy was to assist Indigenous people improve their employment prospects through post-school training. However, it became evident in the first year of operation that many Indigenous students were not eligible to enter tertiary education because of the gap in educational achievement between compulsory schooling and the normal tertiary entrance requirements. The Commonwealth regarded primary and secondary education as State responsibilities but nevertheless, responded to the poor participation of Indigenous students beyond post-compulsory education by extending Abstudy in 1969 to mature age secondary students. This assistance enabled them to advance to matriculation studies required for tertiary education.


<table>
<thead>
<tr>
<th>Year</th>
<th>ABSTUDY Beneficiaries</th>
<th>Expenditure</th>
<th>Population in Census Years</th>
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<tr>
<td></td>
<td></td>
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<td>1996 Values $,000</td>
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<td>1969</td>
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<td>62</td>
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</tr>
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<td>1970</td>
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<td>4,014</td>
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<tr>
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<td>4,925</td>
<td>3,008</td>
<td>18,295</td>
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<tr>
<td>1973</td>
<td>10,183</td>
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<tr>
<td>1974</td>
<td>11,748</td>
<td>6,997</td>
<td>33,664</td>
</tr>
<tr>
<td>1975</td>
<td>13,109</td>
<td>8,601</td>
<td>36,028</td>
</tr>
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<td>1976</td>
<td>15,069</td>
<td>10,340</td>
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</tr>
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<td>1977</td>
<td>15,313</td>
<td>12,279</td>
<td>40,302</td>
</tr>
<tr>
<td>1978</td>
<td>17,968</td>
<td>15,654</td>
<td>47,598</td>
</tr>
<tr>
<td>1979</td>
<td>18,992</td>
<td>18,072</td>
<td>50,467</td>
</tr>
<tr>
<td>1980</td>
<td>22,143</td>
<td>20,451</td>
<td>51,798</td>
</tr>
<tr>
<td>1981</td>
<td>24,511</td>
<td>27,536</td>
<td>63,561</td>
</tr>
<tr>
<td>1982</td>
<td>23,769</td>
<td>30,799</td>
<td>63,903</td>
</tr>
<tr>
<td>1983</td>
<td>24,625</td>
<td>35,169</td>
<td>66,916</td>
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<tr>
<td>1984</td>
<td>25,564</td>
<td>44,925</td>
<td>81,546</td>
</tr>
<tr>
<td>1985</td>
<td>29,760</td>
<td>53,978</td>
<td>91,855</td>
</tr>
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<td>1986</td>
<td>32,039</td>
<td>64,097</td>
<td>99,985</td>
</tr>
<tr>
<td>1987</td>
<td>40,278</td>
<td>71,900</td>
<td>103,281</td>
</tr>
<tr>
<td>1988</td>
<td>40,813</td>
<td>81,166</td>
<td>108,766</td>
</tr>
<tr>
<td>1989</td>
<td>40,338</td>
<td>74,257</td>
<td>92,474</td>
</tr>
<tr>
<td>1990</td>
<td>44,664</td>
<td>87,579</td>
<td>101,666</td>
</tr>
<tr>
<td>1991</td>
<td>40,281</td>
<td>95,394</td>
<td>107,307</td>
</tr>
<tr>
<td>1992</td>
<td>42,266</td>
<td>107,596</td>
<td>119,907</td>
</tr>
<tr>
<td>1993</td>
<td>42,309</td>
<td>110,682</td>
<td>121,093</td>
</tr>
<tr>
<td>1994</td>
<td>44,271</td>
<td>113,982</td>
<td>122,357</td>
</tr>
<tr>
<td>1995</td>
<td>45,835</td>
<td>118,552</td>
<td>121,597</td>
</tr>
<tr>
<td>1996</td>
<td>48,769</td>
<td>121,631</td>
<td>121,631</td>
</tr>
</tbody>
</table>

Notes: 1. Beneficiaries to 1986 are as at 30 June or to 30 June in the year shown and from 1987 are for calendar years.
2. Expenditure to 1987 is shown for financial years and from 1988 is for calendar years.

Sources: ABSTUDY data To 1987 - CDES, CDE and DAA Annual Reports, 1969 to 1987-88; From 1988 - Student Assistance, DEETYA, September 1997

DEETYA advised that data prior to 1988, when ABSTUDY took its current form, are not comparable, except in the broadest terms, given the changes that occurred to departmental administrative arrangements and changes to the intent, eligibility and format of the scheme.
The Commonwealth continued its focus on Indigenous student participation in secondary education to the tertiary entrance level and introduced ABSEG at the beginning of 1970. Under this scheme, grants were made available to Indigenous students over 14 years of age but under 21, for payment of compulsory fees, a textbook and a uniform allowance. Students living at home could receive an incidental allowance and those living away from home to attend school could receive a living allowance and assistance with boarding costs and fares. In some cases, 14 year olds received ABSEG at primary school.

In 1973, the Commonwealth increased the living allowance for Abstudy grant holders to $25 per week and introduced a special living allowance of $35 per week for mature students or students with dependents. Further, it extended ABSEG to include all Indigenous students (regardless of age) attending secondary school. This change acknowledged the need for the students to receive greater assistance and encouragement in the compulsory schooling years as many were choosing not to undertake senior secondary studies.

The Government introduced a new rate of allowances for Abstudy in mid 1974 for 18 - 20 year olds. The following year, the Government increased living allowances from $27 to $32 per week for students under 18 years of age; from $33 to $38.50 for students aged between 18 and 20, and from $40 to $45 per week for students over 21, married, or single with dependents. Dependents’ allowances also increased. The Government introduced another initiative in 1975 - Aboriginal Overseas Study Awards - enabling members of the Indigenous community to add to their skills and experience through overseas study, observation and discussion.

In 1975, Professor Betty Watts completed a review of ABSEG showing that the scheme had some success in encouraging secondary Indigenous students to stay at school longer but that the proportion who remained after the age of 15 remained markedly less than that for non-Indigenous students. However, she reported that a small but increasing number of students was reaching senior secondary grades. Professor Watts’ recommendations included increasing allowances paid under the scheme and appointing Aboriginal community education advisers. In 1975, more Commonwealth Department of Education staff were dedicated to ABSEG administration on a pilot basis. The Government increased some allowances in 1976 and 1977 including the living allowance and books and clothing allowance, both of which increased for the first time since ABSEG started.

The Government recognised that many students wanting to undertake tertiary studies still lacked the necessary educational preparation and that, in isolated communities, family commitments prevented many people from pursuing studies away from home. It consequently broadened Abstudy to provide a wider range of opportunities for Indigenous students. In 1975 and 1976, Abstudy was extended to cater for Indigenous students in remote areas. Specialist instructors were sent to communities where local expertise was not available.

The years 1978 to 1983 saw some minor changes to ABSEG and Abstudy including increases in allowances. By 1979, the supportive care provided by Education Officers, appointed following the pilot scheme started in 1975, was being highlighted as a positive
feature of ABSEG. At the tertiary level, the Commonwealth Department of Education reported an encouraging trend in 1981 with the increasing number of Abstudy grant-holders completing courses of at least diploma level at higher education institutions.

In 1984, the Government introduced a special category of 100 awards to encourage mature-age students to study for formal teaching qualifications to help achieve its target of 1,000 fully trained teachers in schools by 1990. These awards provided a living allowance of $150 per week above other Abstudy allowances. The ongoing success of ABSEG in 1984 was reflected in the fact that 2,951 Indigenous students remained in school in Years 11 and 12 at the end of that year compared with 1,600 in mid 1982.

The Government changed ABSEG to Absec in 1985 and in 1989, rationalised income support in by amalgamating Abstudy and Absec into the current ABSTUDY with two components - ABSTUDY (Tertiary) and ABSTUDY (Schooling). ABSTUDY (Tertiary) assisted Indigenous students, after leaving school, in courses offered by universities, colleges of advanced education, TAFE colleges, and other educational institutions including Indigenous controlled colleges. ABSTUDY (Schooling) assisted Indigenous students with secondary education. An important feature of the 1989 rationalisation was that ABSTUDY income support became income tested on a basis similar to that applied to AUSTUDY.

Following the announcement of the NATSIIP in 1989, the Commonwealth introduced the Aboriginal Education Strategic Initiatives Program (AESIP) to fund Government and non-Government education providers and TAFE colleges for Indigenous education initiatives. This program complemented financial assistance provided by the Commonwealth for higher education and under the Aboriginal Education Direct Assistance (AEDA) program. AEDA embodied ABSTUDY and three other support elements that continue today:

- The Aboriginal Tutorial Assistance Scheme (ATAS) was established on 1 January 1990 incorporating the tutorial assistance allowance, formerly in ABSTUDY, to assist Indigenous students achieve participation and completion rates equal to other Australians.
- The Aboriginal Student Support and Parent Awareness Program (ASSPA) was established in 1990, incorporating the excursion element of ABSTUDY, to provide funds for school based parent committees; increase educational participation and school attendance by Indigenous students, and develop greater responsiveness in schools to the educational needs and aspirations of these students.
- The Vocational and Educational Guidance for Aboriginals Scheme (VEGAS) was established in 1991 to assist Indigenous people make informed education and employment choices.

The AESIP is now called the Indigenous Education Strategic Initiatives Program (IESIP).

On 1 January 1993, the Government introduced an AUSTUDY/ABSTUDY Supplement to enable eligible students to access voluntary loans, with what were described as generous repayment conditions, from the Commonwealth Bank of Australia. In the same year, the personal income test for AUSTUDY and ABSTUDY was increased by 20% to $6,000. Maximum benefits for both schemes were tied to the Consumer Price Index. Further, in recognition of the difficulties faced by students living independently, the
Government reduced the age of independence from 25 to 24 for 1993 and announced progressive reductions to 22 years of age by 1995.

The Government removed the lower rate of living allowance paid to students in basic tertiary courses in 1994 and reduced the age of independence to 23 years for both ABSTUDY and AUSTUDY recipients. The following year, a Lawful Custody Allowance was introduced together with an ABSTUDY Remote Student application for dependent secondary students from remote communities. Age of independence for both ABSTUDY and AUSTUDY fell to 22 years. In 1996, an ABSTUDY Student in Lawful Custody form was introduced and the incidentals allowance extended to mature age school students.

IESIP was restructured with effect 1 January 1997 with a special emphasis on educational outcomes from institutions that receive IESIP funding. The modified program has attracted substantial increases in appropriations which are linked to performance targets developed in the context of the MCEETYA’s stated commitment to NATSIEP. While IESIP is regarded as an important initiative, it does not warrant special focus in this review as it is aimed at education quality rather than access and retention which are the aims of ABSTUDY (see section 7 2 5).

Further changes to ABSTUDY have been announced in the 1997-98 Commonwealth Budget. These have been criticised by many individuals and organisations familiar with Indigenous education. An outline of the changes is provided in Section 3.5.

### 3.3 ABSTUDY POLICY

Current ABSTUDY policy is contained in the *ABSTUDY Policy Guidelines Manual 1997* (DEETYA 1997(a)). The policy is best described in the manual as follows.

**Government Commitment**

ABSTUDY represents a major component of the Government’s commitment under the AEP to:

- ensure Aboriginal and Torres Strait Islander involvement in educational decision making,
- provide equality of access for Aboriginal and Torres Strait Islander people to education services,
- raise the rates of Aboriginal and Torres Strait Islander participation in education to those of all Australians; and
- achieve equitable and appropriate educational outcomes for Aboriginal and Torres Strait Islander people (p 1-24).

**Objectives**

The main objectives of the ABSTUDY policy are to:

- encourage Aboriginal and Torres Strait Islander people to take full advantage of the educational opportunities available,
- promote equity of educational opportunity; and
- improve educational outcomes (p 1-25).

It is interesting to note how the policy focus has narrowed from the original intention of Abstudy which was “to improve . . . employment prospects” (CDES 1972, p.19) to purely educational outcomes. This narrower focus may have contributed to the situation where data collection and performance measures of ABSTUDY are now inadequate as discussed in Section 7.3.4. It is timely, therefore, that this ATSIC review draws attention again to the importance of ABSTUDY as an investment in employment.
3.4 SOME COMPARISONS - ALLOWANCES PAID UNDER STUDENT ASSISTANCE SCHEMES, NEWSTART AND THE NEW YOUTH ALLOWANCE

A comparison of the availability of entitlements under ABSTUDY, AUSTUDY and the Assistance for Isolated Children Scheme (AIC), together with a break up of ABSTUDY expenditure for 1995-96 are provided in Table 3.2

Table 3.2 shows that, in 1995-96, the amount spent on ABSTUDY components not available to other Australian students from Commonwealth programs totalled $32.7 million. The main elements in expenditure on items available only under ABSTUDY were school term allowance ($9.8 million), school fees allowance ($7.5 million), and away from base assistance ($7.5 million). These are all items that might be expected to be important for a group of people that experience substantial employment and income disadvantage (see Chapter 6) and that have one-third of their population living in rural and remote areas compared with 15% of all Australians (see Chapter 4). Putting this additional outlay in perspective, it represents around $93 per Indigenous person per year and just $1.80 per Australian per year or 3 cents per week!

It should be noted that States and Territories also have various student assistance schemes, some of which specifically exclude ABSTUDY recipients. For example, the Queensland Government provides Living Away From Home Allowances comprising a Remote Area Tuition Allowance, a Remote Area Travelling Allowance, a Remote Area Allowance and a Remote Area Disability Supplement. Similarly, the Northern Territory has a Student Travel Scheme to assist isolated children which excludes those receiving ABSTUDY but not those approved for AIC boarding or the AUSTUDY Away-from-Home rate. Other Northern Territory Schemes that can be accessed by AUSTUDY and AIC recipients and not ABSTUDY recipients are the Mid-Term Travel Scheme, the Supplementary Boarding Allowance Scheme, the Correspondence Site Allowance, the Remote Area Travel Allowance Scheme and the Isolated Students Education Allowance.

These examples illustrate how care needs to be exercised when comparing, in isolation, the Commonwealth schemes in Table 3.2. At some stage, a fuller examination of this situation by ATSIC might be warranted to help dispel some of the myths, which persist regarding uniquely additional benefits paid to Indigenous people, and which gain currency in some political circles from time to time.

Table 3.3 shows a simplified comparison of the current maximum rate structures for living allowances under ABSTUDY, AUSTUDY, Newstart and the new Youth Allowance which is scheduled to commence on 1 July 1998. Clearly, the Youth Allowance will impact adversely on some client categories but will benefit others. It is unlikely that the Youth Allowance rates will be adequate for Indigenous students given the economic disadvantage they face as a group relative to other Australians and the later age at which they pursue post-schooling education. Educational and economic disadvantage are discussed in Chapters 5 and 6 respectively. The adequacy of ABSTUDY is discussed in Section 7.3.3, and ABSTUDY as an incentive in Section 7.4.3.
Table 3.2: Comparison of Entitlements under Student Assistance Schemes (1996 Rates), and Details of ABSTUDY Expenditure, 1995-96

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>ABSTUDY</th>
<th>AUSTUDY</th>
<th>AIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living allowance</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>means-tested on student and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>parental or partner income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-96 ABSTUDY expenditure:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Tertiary</td>
<td>$57.2 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Schooling</td>
<td>$29.8 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- TOTAL</td>
<td>$87.0 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School term allowance:</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>for under 16 year old at home</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>students, means-tested on parent/guardian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>receiving certain prescribed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commonwealth assistance or holding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a current Health Care Card</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual 1996 entitlement:</td>
<td>$520 a year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-96 expenditure:</td>
<td>$9.8 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boarding allowance:</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>paid for eligible isolated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>students boarding away from home</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>has an additional means-tested</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>component. Individual 1996</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>entitlement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Basic allowance</td>
<td>$2,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Additional component</td>
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<td></td>
</tr>
<tr>
<td>- Primary</td>
<td>$804</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Secondary</td>
<td>$1,166</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-96 expenditure:</td>
<td>$23.6 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correspondence allowance:</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>for eligible isolated students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>who are studying by correspondence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual 1996 entitlement:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Primary</td>
<td>$523</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Secondary</td>
<td>$1,046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-96 expenditure:</td>
<td>$2.3 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second home allowance:</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>for eligible isolated students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(and their siblings) whose</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>families set up a second home</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to enable access to appropriate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>education. Individual 1996</td>
<td>$2,500 a year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>entitlement:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-96 expenditure:</td>
<td>$1.9 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fares allowance:</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>for some tertiary students and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>approved secondary boarding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>students. 1995/96 ABSTUDY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Tertiary</td>
<td>$8.2 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Schooling</td>
<td>$3.4 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- TOTAL</td>
<td>$11.6 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensioner education supplement:</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>paid as a supplement to student's</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pension. (Expenditure included</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>with ABSTUDY living allowance)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995-96 AIC expenditure:</td>
<td>$0.26 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidental allowance:</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>to assist with general</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>course costs for tertiary students,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mature age and Homeless rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>secondary students. 1995-96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenditure:</td>
<td>$6.3 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELEMENT</td>
<td>ABSTUDY</td>
<td>AUSTUDY</td>
<td>AIC</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td><strong>Away from base assistance meal and accommodation costs paid for tertiary students to participate in compulsory course activities and for potential students to attend a selection test or interview for entry into a tertiary course.</strong> 1995-96 expenditure: $7.5 million</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Masters &amp; Doctorate allowances</strong> for full-time students, includes living allowance, relocation allowance, thesis allowance and payment of compulsory course fees or HECS Individual 1996 entitlement**</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>- Living allowance $587.69 f/n</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Relocation allowance up to $1,210</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Thesis allowance up to $400 for Masters, $800 for Doctorate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Compulsory course fees or HECS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1995-96 expenditure:</strong> $1.8 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>School fees allowance</strong> for students up to the age of 16 years who are living at home and approved secondary boarding students. Individual 1996 entitlement:**</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>- at home up to $150 a year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- away from home up to $4,204 a year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1995-96 expenditure:</strong> $3.1 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Under 16 boarding supplement</strong> paid to boarding schools (from 1 July 1995 only) which have a minimum of 10% Aboriginal/Torres Strait Islander boarding students. Per capita entitlement: $1,921.50**</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>1995-96 expenditure:</strong> $1.4 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>School/hostel directed boarding allowance</strong> paid to eligible boarding institutions for some under 16 secondary boarding students (this allowance ceases on 31 December 1996) 1995-96 expenditure:**</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>- ABSTUDY $1.9 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- AIC $0.6 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rent assistance</strong> paid to eligible students receiving Homeless rate and those in State Care <strong>1995-96 expenditure:</strong> $108,500</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Lawful custody allowance</strong> pays essential course costs for prisoners. <strong>1995-96 expenditure:</strong> $23,500</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Loans supplement</strong> available where tertiary students trade in part of their living allowance or pensioner education supplement and some students who do not meet the parental income test</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

**Source:** Indigenous Education Branch, DEETYA, December 1996
Table 3.3: Simplified Comparison of Current Maximum Rate Structures for Living Allowances Under ABSTUDY, AUSTUDY, Newstart and the Youth Allowance

<table>
<thead>
<tr>
<th>CLIENT CATEGORY</th>
<th>ABSTUDY</th>
<th>AUSTUDY</th>
<th>NEWSTART</th>
<th>YOUTH ALLOWANCE (Commences on 1 July 1997)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Components</td>
<td>$ per fortnight</td>
<td>Components</td>
<td>$ per fortnight</td>
</tr>
<tr>
<td>Single, no children, at home</td>
<td>16-17 years</td>
<td>145.00</td>
<td>Under 18 years</td>
<td>145.00</td>
</tr>
<tr>
<td></td>
<td>18-20 years</td>
<td>174 30</td>
<td>18-21 years</td>
<td>174.30</td>
</tr>
<tr>
<td></td>
<td>21 or over</td>
<td>279 60</td>
<td>21 and over</td>
<td>321 50</td>
</tr>
<tr>
<td>Single, away from home/independent</td>
<td>16-17 years</td>
<td>239 30</td>
<td>Under 18 years</td>
<td>239.30</td>
</tr>
<tr>
<td></td>
<td>18-20</td>
<td>264 70</td>
<td>18 and over</td>
<td>264.70</td>
</tr>
<tr>
<td></td>
<td>21 and over</td>
<td>387 20</td>
<td>21 or over</td>
<td>321 50</td>
</tr>
<tr>
<td>Partnered, no children</td>
<td>16-17 years</td>
<td>239 30</td>
<td>Under 18 years</td>
<td>290.80</td>
</tr>
<tr>
<td></td>
<td>18-20 years</td>
<td>264 70</td>
<td>18 or over</td>
<td>290.80</td>
</tr>
<tr>
<td></td>
<td>21 and over</td>
<td>387 20</td>
<td>21 or over</td>
<td>290.10</td>
</tr>
<tr>
<td>Partnered, with children</td>
<td>16-17 years</td>
<td>290 80</td>
<td>Under 18 years</td>
<td>290.80</td>
</tr>
<tr>
<td></td>
<td>18-20 years</td>
<td>290 80</td>
<td>18 or over</td>
<td>290.80</td>
</tr>
<tr>
<td></td>
<td>21 and over</td>
<td>356 50</td>
<td>18 or over</td>
<td>290.10</td>
</tr>
<tr>
<td>Sole parent</td>
<td>16-17 years</td>
<td>341 80</td>
<td>Under 18</td>
<td>341 80</td>
</tr>
<tr>
<td></td>
<td>18-20 years</td>
<td>341 80</td>
<td>18 or over</td>
<td>341.80</td>
</tr>
<tr>
<td></td>
<td>21 and over</td>
<td>407 50</td>
<td>18 or over</td>
<td>347.80</td>
</tr>
</tbody>
</table>

Notes: All the above schemes allow other payments such as rent assistance to be made to eligible recipients and all are income tested

Sources: Abstudy '97 Student Information Guide; Austudy Information Book (and clarification with a Student Assistance Centre), Social Security Payment Rates 1 July-19 September 1997; and Youth Allowance Questions and Answers from 1997-98 Budget.
## 3.5 REVIEWS OF ABSTUDY

Several reviews of ABSTUDY and its predecessors have been conducted since the mid-1970s. Those published are:

- *Access to Education: An Evaluation of the Aboriginal Secondary Grants Scheme*, (Watts 1976);
- *An Evaluation of the Aboriginal Study Grants Scheme: Summary and review of recommendations* (Williams and Chambers 1986);
- *An Evaluation of Some Aspects of Aboriginal Secondary Assistance Scheme (ABSEC)* (Sykes 1986);
- the Auditor-General's *Audit Report No. 4 1989-90: DEET, Aboriginal Student Assistance Schemes* (Auditor-General 1989) which followed two earlier reports published for audit findings in 1987 and 1988; and

The most recent review of ABSTUDY is an evaluation conducted by DEETYA (*Byrne et al* 1995) in 1994-95. The report *An Evaluation of ABSTUDY*, still in draft form, contains references to surveys of ABSTUDY recipients and an evaluation as follows.

- a National Survey of Year 12 ABSTUDY Students, 1992,
- an Evaluation of the AUSTUDY/ABSTUDY Supplement, 1993,
- an ABSTUDY Client Satisfaction Survey, 1992, and
- an ABSTUDY Client Satisfaction Survey 1993

The evaluation by *Byrne et al* sets out to examine a number of issues (1995, p.i) as follows:

- the level of educational participation of Indigenous people over time and the extent to which changes in participation can be attributed to the availability of ABSTUDY;
- access to ABSTUDY according to age, gender, geographic location and other characteristics,
- the adequacy of ABSTUDY allowances in encouraging Aboriginal and Torres Strait Islander people to complete secondary education and enter tertiary education;
- the impact of the income test for an ABSTUDY living allowance on completion rates in secondary education and participation rates in tertiary education;
- the linkages between ABSTUDY and the provision of other forms of income support among Aboriginal people;
- the level of educational achievement of ABSTUDY recipients, and
- ways in which the ABSTUDY program could be made more effective.

The draft report noted (pp.ii to iv) that not all these issues could be examined in detail for a number of reasons. Evaluation findings were reported in the DEETYA *Annual Report 1995-96* (1996(a), p 163) as follows.

The review found that ABSTUDY was a major contributing factor to improving retention rates for indigenous students. It recommended:

- improvements in the linkages between ABSTUDY and other Indigenous education programmes; marketing the scheme, training for delivery staff, forms, guidelines and procedures, and
- some further examination of the means test and some allowances.
The ATSIC review team has commented elsewhere in this report on the findings of the DEETYA evaluation regarding ABSTUDY administration problems (Section 7 3 2 2) and the adequacy of ABSTUDY (Section 7 3 3)

3.6 ABSTUDY CHANGES IN THE 1997-98 BUDGET

3.6.1 Introduction
In its 1997-98 Budget, the Commonwealth Government announced changes to ABSTUDY under the rationale of “Better Targeting of Abstudy” as follows:

These Budget measures ensure that Abstudy funds are more effectively targeted to improve educational outcomes for Indigenous people.

The Government recognises that Aboriginal and Torres Strait Islander peoples are the most educationally disadvantaged people in Australia, with school retention rates well below those of other Australians. Although the number of Indigenous students enrolled at all levels of education has increased, the gap between educational outcomes for Indigenous peoples and other Australians is still unacceptably wide. The Government will continue to provide support to improve the Indigenous outcomes of Indigenous Australians.

The reforms announced in this Budget include changes to travel entitlements, additional incidentals allowance, and the “at home” rate of school fees allowance. An abatement to all living allowances as well as income tests on the Masters and Doctorate Award allowances will also be applied.

In addition, courses which are comprised wholly or substantially of away from base components, such as residential schools and field trips, will no longer be approved and a limit will be placed on the number of tertiary courses at undergraduate and higher levels for which assistance may be required (http://www.deetya.gov.au/budget information.htm#14)

At the same time the Minister for Employment, Education, Training and Youth Affairs announced a review of the current ABSTUDY program, in the context of the Government’s other student assistance programs, to ensure it most effectively promotes increased participation and retention among Indigenous students. The review is also to consider the most appropriate method of paying the means tested ABSTUDY living allowance, and the range of supplementary ABSTUDY benefits. Indigenous people are to be consulted (http://www.deetya.gov.au/budget information.htm#14)

3.6.2 Living Allowance and Dependent Spouse Allowance
From 1 January 1998, an abatement rate will be applied to the calculation of living allowance and the dependent spouse allowance for all students including Masters and Doctorate Award students. The abatement rate removes the present “sudden death” cut off and gradually reduces the assistance as income rises (http://www.deetya.gov.au/budget97/QA/qas.htm#76)

According to information provided by DEETYA the retention rate for all Australians students for the important Year 10 level in secondary education fell 2.4% from 1993 to 1996 whereas the rates for Indigenous students fell 7.2% or 3 times as much. In the same period the retention rate gap increased from 16.1% to 20.9% (see Section 5 2 2)
3.6.3 Additional Incidental Allowance
The additional incidentals allowance of a maximum of $2,000 per year (pro rata for lesser study periods) which currently applies to Masters and Doctoral Award courses is to be extended to other full-time tertiary students in receipt of ABSTUDY. The limit applies to essential course costs above the prescribed amount for students in full-time study. Essential course costs are those which all students must incur to undertake a course. These costs include general purpose fees such as student union fees and laboratory fees, textbooks and stationery but not tuition or course fees or items of equipment such as computers and musical implements.
(http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.4 School Fees Allowance
The School Fees allowance of $150 a year for secondary students under 16 to meet the cost of school fees is not currently income tested. From 1 January 1998, eligibility is to depend on the applicant or partner of the applicant qualifying for Government assistance such as a Department of Social Security benefit, receiving a Community Development Employment Projects scheme wage or holding a current Health Care Card. Students not in the care of a parent or guardian may also be eligible.
(http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.5 Away from Base Allowance
Away from base assistance allows students to undertake minor essential course components such as residential schools, field trips or placements. In the past there was no limit on the number of trips a student could take away from base but this has been changed to a maximum of four weeks and two return trips a year for each approved award.

Tertiary students will no longer be able to travel interstate to undertake certificate level or enabling tertiary courses and this will apply to tertiary students. The rationale of this change is that basic tertiary courses such as TAFE courses are generally available in every State and Territory and study at interstate institutions is unnecessary.
(http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.6 Course Approvals
Courses that are comprised wholly or substantially of away from base components such as residential schools and field trips will no longer be approved for ABSTUDY purposes.

Continuing students will not have entitlements maintained but may need to negotiate with institutions within their home State or Territory for acceptance into a similar course and accreditation of completed results.
(http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.7 Travel for Compassionate Reasons
Travel for compassionate reasons, previously unlimited, will be limited to two return trips a year. Students suspended from school or who are attending away from base activities cannot use travel for compassionate reasons. However, they may be entitled to use the end of term entitlement or the end of activity travel entitlement respectively to return home early.
(http://www.deetya.gov.au/budget97/QA/qas.htm#76)
3.6.8 Travel for Dependents
Dependents' travel is a fares allowance entitlement that enables a dependent partner and any dependent children to travel with the student to live at the place of study. The student must be approved for fares allowance and be
- eligible for the dependent spouse allowance for the partner; or
- the student or student's partner must hold a current Health Care Card and have a dependent child.

The Budget change precludes students being paid an allowance to travel home during the year to reunite with their families if the students have used their fares allowance entitlement to bring family members with them to live at their place of study. (http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.9 Masters and Doctorate Award
From 1 January 1998, Masters and Doctoral students will have the student and partner or parental income tests applied to living allowance, dependent spouse allowance and supplementary benefits provided specifically for Masters and Doctoral students (relocation allowance, HECS or course fees payments and thesis allowance). Income tests will not affect supplementary allowances for fares assistance, incidentals allowance, away from base entitlements and ABSTUDY Supplement. (http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.10 Eligibility and Awards
The number of awards a student can undertake with ABSTUDY assistance is to be limited to one undergraduate and two postgraduate courses, including Masters and Doctorate Award study. No limit is to apply to certificate and enabling courses. The changes will not affect students already enrolled in a second or third undergraduate degree but new courses will not be approved for ABSTUDY assistance. (http://www.deetya.gov.au/budget97/QA/qas.htm#76)

3.6.11 Budget Changes and This Review
As noted in Section 1.4, this review has not focused on these budget changes
CHAPTER 4

OVERVIEW OF SOCIAL AND ECONOMIC INDICATORS

4.1 INTRODUCTION

This chapter provides an overview of social and economic indicators which show that Indigenous Australians, as a group, are substantially disadvantaged compared with other Australians. Indicators used in this section are contained in Social Justice for Indigenous Australians 1993-94 (CofA 1993(b)), Social Justice for Indigenous Australians 1994-95 (CofA 1995), the draft edition of this document for 1995-96 being compiled in ATSIC, and 1996 Census of Population and Housing: Selected Social and Housing Characteristics, Australia (ABS 1997(b)).

Educational, employment and income indicators are given greater focus in Chapters 5 and 6 as these are central to this review. Some of the population information below is important in the analytical components in these two chapters.

4.2 POPULATION

The main source of information currently available about the composition of the Indigenous Australian population is the 1991 Census although population numbers from the 1996 Census have been released recently. In summary, the Indigenous population:

- increased from 265,000 in 1991 to 352,970 in 1996;
- represented 2.0% of the total Australian population in 1996, an increase from 1.6% in 1991;
- had grown twice as fast as the overall population in the 5 years before the 1991 Census, at 3% a year, due to high birth rates and an increasing willingness to identify as being Indigenous;
- was significantly more youthful than the overall population with a median age under 20 years compared with 30 for the overall population in 1991. About 40% of the population were under 15 years of age;
- had a significantly different pattern of geographic distribution with one-third living in rural and remote areas compared with less than 15% for all Australians, and 27% living in urban areas compared with 62% of the national population.

Higher growth rates of between 2 and 5% were expected to continue for the Indigenous population to 2001 compared with the total Australian population growth rate of between 1 and 1.1%. Based on this higher growth rate, it was predicted that the Indigenous population could rise to between 352,000 and 360,000 by that year. As the 1996 Census figures show, the lower end of this estimate has already been reached.

The National Aboriginal and Torres Strait Islander Survey (NATSIS) conducted by the Australian Bureau of Statistics in 1994 (ABS 1995(a)) found:

- 60% of families included in the survey were all-Indigenous with the balance having Indigenous and non-Indigenous members,
• more than 10% of persons aged 25 and over had been separated from their natural families when children;
• around 14% of those aged 13 years and over spoke an Indigenous language, and
• over 13% reported having difficulty with English.

4.3 EDUCATION

According to the 1991 Census and the 1994 NATSIS, there have been some improvements in Indigenous education - for example, steadily increasing numbers of Indigenous students in higher education. However, Indigenous people remain educationally disadvantaged as clearly illustrated below. In 1994:
• nearly half of Indigenous people aged 15 years and over had received no formal education or had not reached Year 10 level in education,
• for almost three in ten, the Year 10 certificate was the highest educational attainment,
• only one in six had obtained a post-school qualification;
• the retention rate to Year 12 for Indigenous students was 33% compared with 75% for all students, and
• only 55% of the Indigenous school population was participating in the last two years of secondary schooling compared with 12.4% for all students

4.4 EMPLOYMENT AND INCOME

The level of disadvantage Indigenous Australians face in employment is reflected in results of the 1994 NATSIS:
• the overall unemployment rate for Indigenous Australians was 38%, more than 4 times the national rate at the time;
• the unemployment rate for 15 to 19 year-olds was 50% and only marginally lower at 46% for 20 to 24 year olds;
• the above high rates of unemployment do not take into account that a large proportion of Indigenous employment is in CDEPs which involves working for unemployment benefits, usually in part-time, low-skilled work, and
• among the unemployed, more than three in four have been looking for work for three months or more and one in two for a year or more.

In 1994, many Indigenous people received low incomes
• nearly three in five persons aged 15 years or more received an annual income of $12,000 or less;
• only one in nine in the same group received more than $25,000 per year, and
• 55% of the people receive Government payments as their main source of income

4.5 HEALTH

The health problems of Indigenous Australians are acute. A report by the Australian Institute of Health, Australia's Health 1996, noted:
• from 1988 to 1994, the rate of death from all causes for all Australians declined by about 10%, whereas it remained steady for Indigenous men and increased for Indigenous women,
• in 1992-94, death rates from diabetes were 12 times higher than that of other Australians for Indigenous men and nearly 17 times higher for Indigenous women,
• Indigenous people die at rates 5 to 7 times those of other Australians in the 22 to 54 year age group,
• Indigenous infant mortality rates remain 3 to 5 times higher than for other Australians, and
• although comprising only 3% of confinements, about 30% of maternal deaths are of Indigenous women.

4.6 HOUSING

The 1991 Census confirmed that Indigenous Australians face a large backlog in the provision of adequate housing:
• in rural and remote areas, around 41,000 Indigenous people lived in overcrowded conditions with about 40% of existing houses requiring repair or replacement; and
• family homelessness and overcrowding are major problems, with an Indigenous family being 16 times more likely to be homeless and 4 times more likely to be overcrowded

In 1991, the proportion of Indigenous housing owned or being purchased was 27% compared with a national proportion of 69%. In the same year, the average size of Indigenous households was 4.6 compared with 2.6 for the non-Indigenous population indicating greater crowding.

4.7 LAW AND JUSTICE

Indigenous Australians are grossly over-represented in police and prison custody. Research conducted by the Australian Institute of Criminology showed that, in August 1995, Indigenous people were in police custody at a rate 27 times that of non-Indigenous Australians. They were over-represented in Australian prisons by a factor of 16 times for the period January 1993 to March 1996.

Despite responses to the Royal Commission into Aboriginal Deaths in Custody inquiry, Indigenous deaths in all forms of custody rose from 13 to 19 between 1994-5 and 1995-96.
PART 2 FINDINGS AND ANALYSIS
CHAPTER 5

EDUCATION

5.1 INTRODUCTION

This chapter examines indicators relating to education for Indigenous Australians. It shows that, although some educational outcomes for Indigenous people have improved in the last 30 years, there is no room for complacency at any education level. The evidence presented here shows that, despite the ideals relating to equitable access, improved participation, and equitable and appropriate educational achievement for Indigenous people contained in the NATSIEP goals agreed almost 8 years ago and incorporated more recently in MCEETYA priorities, Indigenous people remain significantly disadvantaged in terms of their

- comparatively lower levels of educational achievement at primary school level,
- declining participation in secondary schooling where, in recent years, apparent retention rates have fallen by three times that of all Australians at Year 10 level,
- much lower levels of attainment in the TAFE sector, most probably due in part to poor educational outcomes in primary and secondary schooling, and
- substantial under-representation in higher education graduates, a situation which is getting worse proportionally as the Indigenous population grows at a faster rate than the Australian population.

These outcomes raise serious questions about the adequacy of government programs established, presumably, to give effect to policies embraced by governments in the NATSIEP and the MCEETYA priorities.

There are clear links between educational outcomes and levels of employment and income. The educational disadvantage faced by Indigenous people and the consequent disadvantage in employment and income relative to other Australians is dealt with in Chapter 6. The case for retaining special student assistance programs for Indigenous students on educational and economic grounds is presented in Chapter 7.

5.2 EDUCATIONAL DISADVANTAGE

5.2.1 Primary Education

5.2.1.1 Preamble

Although stating the obvious, primary education provides the foundation for higher levels of education. This point was made strongly by many people interviewed during the review, with some adding that pre-school is also particularly important for Indigenous children as a means of improving educational performance in later years. Some evidence outlined here suggests that participation in primary education by Indigenous students is quite high, whereas other evidence contradicts this apparently successful outcome, particularly in rural remote areas. Lower levels of achievement by Indigenous students in primary schools, compared with non-Indigenous students, are less

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8 See Chapter 2 for details of NATSIEP goals and MCEETYA priorities.
ambiguous. Ample evidence is available showing that this relative under-achievement causes disadvantage which flows on to higher education levels.

An important cultural point needs to be made at the outset. In traditionally oriented communities, young Indigenous males can reach adulthood within their communities yet still be classified and treated as children by teachers in schools. The students can find themselves caught between two sets of obligations - on one hand to go to school while on the other, to take on cultural obligations associated with adulthood in their communities. Naturally, such circumstances can lead to misunderstanding, resentment and ultimately withdrawal from the school. Educational policy makers and institutions need to be aware of the impact these circumstances can have on retention rates. The extent to which this issue is downplayed, or ignored in some cases, by those responsible for government education, is a reflection on the poor level of commitment to the NATSIEP and the MCEETYA priorities.

5.2.1.2 Participation
The National Aboriginal and Torres Strait Islander Survey conducted in 1994 reported that:

Almost all 13 and 14 year-old Aboriginal and Torres Strait Islander people (over 98%) were attending school, as could be expected (ABS 1996(a), p 13.)

Thus it might be concluded from this statement that participation during the compulsory schooling years is high and that this level of participation may be similar for the primary school years. However, other evidence outlined below suggests that participation rates in primary schooling are not as high as indicated above.

The earlier National Review of Education for Aboriginal and Torres Strait Islander Peoples (NREATSIP) also revealed some encouraging results on increasing Indigenous participation in primary schooling. It reported (CofA 1994(a), pp 66 and 67) that Indigenous enrolments in Australia rose steadily from 1985 to 1992. On the data available, primary school enrolments increased during the period from 26,600 to almost 55,200. However, these data overstated the increase because data were not available for Victoria from 1985 to 1988 and Queensland from 1985 to 1990. Despite this limitation, the report concluded that the overall increase in Indigenous enrolments was about 40% Australia wide for the period and noted:

There are a number of reasons for this increase, namely high birth rates, increased willingness to identify as an Indigenous person and importantly, actual increases in participation and retention. This pattern of increasing or at least steady enrolments is true of most of the States and Territories except for two where there are large numbers of traditionally oriented people living in remote communities (p 66).

Despite these encouraging increases in enrolments, the NREATSIP noted with caution (CofA 1994(a), p 66) that:

- the enrolment data did not provide an accurate picture of participation because of limited information available on school attendance,
- some evidence suggested that seasonal movements of people, from settlements and towns with schools to outstations without schools, resulted in a lack of full year schooling for students involved; and

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9 The Commonwealth acknowledges the adult status of young Indigenous people who have gone through coming of age ceremonies. They can receive the independent rate of ABSTUDY.
• anecdotal evidence suggested that large groups of school aged students in some major centres did not attend school regularly, with overall attendance in some places possibly being as low as 60-70%.

Education providers gave the review team examples of poor attendance, similar to those reported by the NREATSIP and mostly relating to the more remote communities. Reasons given ranged from cultural priorities (for example, those emanating from adulthood as mentioned in Section 5.2.1.1) to poor resourcing in terms of quantity and quality of education facilities and staff.

Although it was beyond the scope of this review to test this evidence further, the above data indicate that, despite increased enrolments across Australia, there is a significant number of Indigenous students who do not adequately participate in or complete primary school education. The review team concluded that it is most unlikely that participation in primary schooling is as high as the national rate of 98% reported for 1994 suggests. Even if the averaged national rate is correct, it hides poorer regional outcomes.

5.2.1.3 Achievement
While indicators of participation in primary schooling are important, the issue of achievement remains the key to improving higher educational and economic outcomes. Indications are that achievement levels of Indigenous primary students are below those of non-Indigenous students in subject areas fundamental to further education. Data derived from several studies on literacy and numeracy achievement in primary school for Australia (CoFA 1994(b), p 56) show that approximately 45% of Indigenous students have significantly lower achievement levels in these areas compared with 16% of other students. The term “significantly lower achievement” refers to the proportion of Indigenous students with scores equal to one standard deviation below the mean score of other students.

These aggregate and somewhat impersonal data are given a sharper focus in an example provided by Yirara College, Alice Springs. The broad educational objective of this college is to provide a program of accelerated pre-secondary and secondary learning to enable its students, drawn from traditional communities in rural remote areas, access to mainstream secondary or TAFE programs. In its submission to this review, the college stated that, as a result Aboriginal perceptions of, and participation in, educational services in communities

both primary and post-primary age children in community schools commonly only reach lower-primary levels of literacy and numeracy when measured by Western [non-Indigenous] standards, often after many years of schooling. These considerations highlight the fact that Aboriginal children really learn English as a foreign language in the environment of a remote community, and not simply as a second language.

The result of this for a post-primary/secondary school such as Yirara is that a lot of its resources are used in the development of early literacy and numeracy. For example, of 200 students approximately 130 would enter the school with numeracy and literacy levels equivalent to those of an average five to seven year old non-Aboriginal child (1997, p2).

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10 Yirara College also provided a submission to DEETYA in late 1996 on the Government’s proposed Youth Allowance.
Yirara College showed the review team evidence such as classroom displays supporting these statements. The issues raised by Yirara College are not unique. Similar examples were provided orally by people involved in education of Indigenous students from rural remote areas across Australia.

5.2.2 Secondary Education
The most significant readily available indicators of Indigenous student participation in secondary education are apparent retention rates. Table 5.1 compares apparent retention rates for Indigenous students and all Australian students for Years 10, 11 and 12 for the period 1989 to 1996 and clearly shows the level of Indigenous disadvantage.

Table 5.1: Comparative Apparent Retention Rates to Years 10, 11 and 12 for Indigenous Students and All Australian Students, 1989 to 1996

<table>
<thead>
<tr>
<th>School Year</th>
<th>Year</th>
<th>Indigenous Students</th>
<th>All Australian Students</th>
<th>Retention Rate Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 10&lt;sup&gt;2&lt;/sup&gt;</td>
<td>1989</td>
<td>70.1</td>
<td>97.1</td>
<td>27.0</td>
</tr>
<tr>
<td></td>
<td>1990</td>
<td>71.7</td>
<td>98.2</td>
<td>26.5</td>
</tr>
<tr>
<td></td>
<td>1991</td>
<td>78.7</td>
<td>98.8</td>
<td>20.1</td>
</tr>
<tr>
<td></td>
<td>1992</td>
<td>83.0</td>
<td>99.1</td>
<td>16.1</td>
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<td></td>
<td>1993</td>
<td>78.5</td>
<td>98.3</td>
<td>19.8</td>
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<td>1994</td>
<td>78.6</td>
<td>97.0</td>
<td>18.4</td>
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<td></td>
<td>1995</td>
<td>76.5</td>
<td>96.4</td>
<td>19.9</td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>75.8</td>
<td>96.7</td>
<td>20.9</td>
</tr>
<tr>
<td>Year 11&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1989</td>
<td>33.9</td>
<td>77.2</td>
<td>43.3</td>
</tr>
<tr>
<td></td>
<td>1990</td>
<td>36.8</td>
<td>80.5</td>
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<td>41.6</td>
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<td>1993</td>
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<td>87.4</td>
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<td>1994</td>
<td>47.5</td>
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</tr>
<tr>
<td></td>
<td>1995</td>
<td>48.7</td>
<td>83.3</td>
<td>34.6</td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>47.2</td>
<td>83.4</td>
<td>36.2</td>
</tr>
<tr>
<td>Year 12&lt;sup&gt;4&lt;/sup&gt;</td>
<td>1989</td>
<td>14.4</td>
<td>60.3</td>
<td>45.9</td>
</tr>
<tr>
<td></td>
<td>1990</td>
<td>17.6</td>
<td>64.0</td>
<td>46.4</td>
</tr>
<tr>
<td></td>
<td>1991</td>
<td>21.8</td>
<td>71.3</td>
<td>49.5</td>
</tr>
<tr>
<td></td>
<td>1992</td>
<td>24.9</td>
<td>77.1</td>
<td>52.2</td>
</tr>
<tr>
<td></td>
<td>1993</td>
<td>25.2</td>
<td>76.6</td>
<td>51.4</td>
</tr>
<tr>
<td></td>
<td>1994</td>
<td>32.5</td>
<td>74.6</td>
<td>42.1</td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>30.6</td>
<td>72.2</td>
<td>41.6</td>
</tr>
<tr>
<td></td>
<td>1996</td>
<td>29.2</td>
<td>71.3</td>
<td>42.1</td>
</tr>
</tbody>
</table>

Notes: 1. States/Territories started collecting data on Indigenous students in different years. See below Retention rates for NSW, Vic, Tas and the ACT are calculated from a Year 7 base. Rates for Qld, SA, WA, and the NT are calculated from a Year 8 base.
2. 1989 to 1990 - 6 State; 1991 - 7 State; and from 1992 - 8 State

Source: Adapted from CoF/A 1994(b), p 58 and data provided by DEETYA
At Year 10 level, apparent retention rates for Indigenous students are now declining despite some earlier improvements. In the years 1989 to 1992, the rates for Indigenous students rose from 70.1% to 83% compared with 97 1% to 99 1% respectively for all Australians, thus narrowing the retention rate gap (the difference in retention rates between the two groups) from 27% to 16 1%. However, since 1992, the move towards parity has faltered. Rates fell 2.4% to 96.7% in 1996 for all Australian students but alarmingly, in the same period, retention rates for Indigenous students fell threefold, by 7.2%, to 75.8%. This decline increased the retention rate gap between the two groups from 16 1% to 20.9%.

Declining apparent retention rates for Indigenous students raise two important issues
- on educational outcomes, the decline is contrary to the equity principles that underpin NATSIEP goals and MCEETYA priorities, and
- an adverse flow-on effect to employment prospects is likely. An analysis of data from the 1994 National Aboriginal and Torres Strait Islander Survey (NATSIS) data (ABS 1996(b), p.70) showed there is a clear underlying trend for increased employment for people with increased educational attainment. More particularly, they found that people whose educational attainment was below Year 10 had reduced chances of employment. This matter is more fully discussed in Chapter 6.

Table 5.1 shows that the declining apparent retention rates in recent years for Year 11 Indigenous and all Australian students are similar. However, the gap of 36.2% between the groups in 1996 indicates a substantially higher attrition rate for Indigenous students.

A comparison between the declining apparent retention rates for both groups of Year 12 students shows a less serious trend for Indigenous students at this stage but this situation will deteriorate. For all Australian students, retention rates have declined 5.8% from a high of 77.1% in 1992 to 71.3% in 1996. Retention rates for Indigenous students have declined 3.3% from a high of 32.5% in 1994 to 29.2% in 1996. Once again, the gap between the groups is high, being 42.1% in 1996. This gap is expected to get worse as the impact of the three times faster rate of decline in retention rates for Indigenous Year 10 students flows on.

Although Australia wide data on secondary apparent retention rates provided in Table 5.1 are sufficient cause for concern, these averaged data hide much worse outcomes in some parts of Australia. For example, 1993 retention rates for Years 10, 11 and 12 in the Northern Territory were 41.2%, 22.2% and 10.3% respectively compared with New South Wales where the rates were 84.8%, 51.9% and 30.2% (CofA 1994(a), p.68).

The misleading impacts of averaging also occur in aggregate data for States and the NT where large regional variations exist. Comparative data on Indigenous youth in each ATSIC Region and the Torres Strait Area who, in 1994, did not complete Year 10 show non-completion rates varied greatly between the States and the NT and against the national average of 36.3% (ABS 1996(a), pp 25-26). These contrasts are illustrated in Table 5.2 where the NT had the worst rate for non-completion (52.8%) and Tasmania the best (10.8%). Intra State/NT variations were also substantial.
Table 5.2: Indigenous Youth (Aged 15 to 24 Years) Who did not Complete Year 10, for Australia, States and the Northern Territory, 1994 (Showing Best and Worst Outcomes1 by ATSIC Regions)

<table>
<thead>
<tr>
<th>Location (States/Territories and ATSIC Regions)</th>
<th>Population (15-24 Years) No.</th>
<th>Did Not Complete Year 10 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>62,500</td>
<td>36.3</td>
</tr>
<tr>
<td>NSW</td>
<td>16,400</td>
<td>45.2</td>
</tr>
<tr>
<td>Bourke Region</td>
<td>1,500</td>
<td>63.4</td>
</tr>
<tr>
<td>Sydney Region</td>
<td>4,800</td>
<td>28.6</td>
</tr>
<tr>
<td>Victoria</td>
<td>3,700</td>
<td>37.5</td>
</tr>
<tr>
<td>Ballarat</td>
<td>2,200</td>
<td>36.9</td>
</tr>
<tr>
<td>Wangaratta</td>
<td>1,600</td>
<td>34.7</td>
</tr>
<tr>
<td>Queensland</td>
<td>17,000</td>
<td>23.7</td>
</tr>
<tr>
<td>Cooktown Region</td>
<td>1,300</td>
<td>46.0</td>
</tr>
<tr>
<td>Townsville Region</td>
<td>3,200</td>
<td>22.2</td>
</tr>
<tr>
<td>South Australia</td>
<td>3,600</td>
<td>33.2</td>
</tr>
<tr>
<td>Port Augusta</td>
<td>1,200</td>
<td>40.8</td>
</tr>
<tr>
<td>Adelaide</td>
<td>2,300</td>
<td>27.1</td>
</tr>
<tr>
<td>Western Australia</td>
<td>9,500</td>
<td>34.4</td>
</tr>
<tr>
<td>Derby</td>
<td>900</td>
<td>38.4</td>
</tr>
<tr>
<td>Kalgoorlie</td>
<td>400</td>
<td>15.8</td>
</tr>
<tr>
<td>Tasmania / Hobart Region</td>
<td>2,300</td>
<td>10.8</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>9,600</td>
<td>52.8</td>
</tr>
<tr>
<td>Aputulu</td>
<td>1,700</td>
<td>84.2</td>
</tr>
<tr>
<td>Darwin</td>
<td>1,500</td>
<td>21.9</td>
</tr>
</tbody>
</table>

Notes: 1 Data assessed by ABS as not reliable has been excluded.

The declining national retention rates for secondary Indigenous students and the sharp contrasts in participation at both State/Territory and regional levels, particularly in some rural remote areas, clearly show the need for policies and programs that focus on the special needs of Indigenous students according to their circumstances. Such a focus is crucial if:
- Indigenous students are to achieve greater access to post-secondary education, and
- the equity principles underpinning the MCEETYA priorities and the NATSIEP are to progress beyond the realms of political rhetoric.

5.2.3 An Overview of Post-Secondary Qualifications
The most recent readily available comparative data on post-secondary qualifications for Australia’s Indigenous and non-Indigenous populations are contained in published results for the 1991 Census. Table 5.3 shows that, in 1991, Indigenous people aged 15 years and over had a much lower level of educational attainment. For example, only 0.8% of the Indigenous population held a degree or higher qualification compared with 7.7% of the non-Indigenous population. At the lowest end of educational achievement, nearly 80% of Indigenous people had no post-secondary qualifications compared with only 61% of non-Indigenous people.
Table 5.3: Post-Secondary Qualifications, Indigenous and Non-Indigenous Australians Aged 15 Years and Over, 1991

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Indigenous Population</th>
<th>Non-Indigenous Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Degree or higher</td>
<td>1,307</td>
<td>8</td>
</tr>
<tr>
<td>Diploma</td>
<td>2,285</td>
<td>14</td>
</tr>
<tr>
<td>Trade qualifications</td>
<td>5,865</td>
<td>37</td>
</tr>
<tr>
<td>Basic qualifications</td>
<td>2,848</td>
<td>18</td>
</tr>
<tr>
<td>Inadequately described</td>
<td>20,097</td>
<td>12.6</td>
</tr>
<tr>
<td>No qualifications</td>
<td>127,303</td>
<td>79.7</td>
</tr>
<tr>
<td>Total</td>
<td>159,705</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Adapted from ABS, Census of Population and Housing 6 August 1991 Australia’s Aboriginal and Torres Strait Islander Population, 1993, p13

5.2.4 Technical and Further Education

5.2.4.1 The Legacy of Primary and Secondary School Educational Disadvantage

Indigenous educational disadvantage in primary and secondary schooling, in terms of participation and/or achievement, impacts substantially on the Technical and Further Education (TAFE) sector. Many Indigenous students look to this sector to access education opportunities previously missed and in the process, to improve their employment prospects through vocational training.

Teasdale and Teasdale (1996, p.32) found that Indigenous students enrolling in TAFE courses have significantly lower pre-entry qualifications than the overall population. This comparative disadvantage is clearly demonstrated in Table 5.4 where 23.2% of enrolling Indigenous students have attained below Year 10 compared with 7% for the overall population. A marked difference also occurred with Year 12 attainment - only 27.8% of Indigenous students reached that level compared with the overall rate of 48%.

Table 5.4: Highest Level of School Achievement

<table>
<thead>
<tr>
<th>Level of School Achievement</th>
<th>Indigenous Students</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Below Year 10</td>
<td>23.2</td>
<td>7.0</td>
</tr>
<tr>
<td>Year 10</td>
<td>35.1</td>
<td>26.0</td>
</tr>
<tr>
<td>Year 11</td>
<td>11.9</td>
<td>16.0</td>
</tr>
<tr>
<td>Year 12</td>
<td>27.8</td>
<td>48.0</td>
</tr>
</tbody>
</table>

Source: Teasdale and Teasdale, Pathways to where?, 1996, p.32.

5.2.4.2 TAFE Enrolment Patterns

The relative disadvantage faced by enrolling Indigenous students is further reflected in the streams of study many of them choose. Table 5.5 shows that, in 1994, 47.3% of
Indigenous students enrolled in lower level Streams 2100 and 2200 for basic education and employment skills or educational preparation, compared with 18.1% of overall students. A further 19.1% of Indigenous students were enrolled in Stream 3100 “Operatives initial”, comprising basic vocational courses, thus bringing the total proportion of Indigenous students enrolled in basic level TAFE courses to 66.4%. Of passing interest is the comparatively small percentage of Indigenous students who enrolled in recreational type courses in Stream 1000. This suggests that Indigenous students are more educationally or employment oriented, possibly by necessity.

**Table 5.5: TAFE Enrolment Patterns, 1994**

<table>
<thead>
<tr>
<th>Stream of Study</th>
<th>Indigenous Students %</th>
<th>All Students %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 recreation, leisure and personal enrichment</td>
<td>11</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Entry to employment or further education:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2100 Basic education and employment skills</td>
<td>25.9</td>
<td>11.8</td>
</tr>
<tr>
<td>2200 Educational preparation</td>
<td>21.4</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Initial vocational courses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3100 Operatives: initial</td>
<td>19.1</td>
<td>16.2</td>
</tr>
<tr>
<td>3211 Recognised trades, partial exempt</td>
<td>1.6</td>
<td>2.3</td>
</tr>
<tr>
<td>3212 Recognised trades, complete</td>
<td>4.2</td>
<td>8.5</td>
</tr>
<tr>
<td>3221 Other skills: partial exempt</td>
<td>7.0</td>
<td>5.9</td>
</tr>
<tr>
<td>3222 Other skills, complete</td>
<td>8.3</td>
<td>7.8</td>
</tr>
<tr>
<td>3300 Trade technician, supervisory</td>
<td>3.5</td>
<td>9.0</td>
</tr>
<tr>
<td>3400 Paraprofessional, technician</td>
<td>0.7</td>
<td>1.4</td>
</tr>
<tr>
<td>3500 Paraprofessional, higher technician</td>
<td>4.0</td>
<td>12.9</td>
</tr>
<tr>
<td>3600 Professional</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Courses subsequent to initial vocational courses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4100 Operatives levels</td>
<td>1.7</td>
<td>2.2</td>
</tr>
<tr>
<td>4200 Skilled level</td>
<td>1.0</td>
<td>5.6</td>
</tr>
<tr>
<td>4300 Trade technician supervisory</td>
<td>0.2</td>
<td>1.0</td>
</tr>
<tr>
<td>4400 Paraprofessional, technician</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>4500 Paraprofessional, higher technical</td>
<td>0.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Teasdale and Teasdale, *Pathways to where?*, 1996, p 43

**5.2.4.3 TAFE Graduates**

An examination of TAFE outcomes shows that Indigenous TAFE graduates are poorly represented in higher level awards. In Table 5.6, the percentage of Indigenous graduates in 1994 was lower than non-Indigenous graduates for all but the lowest level awards. For example, only 11.5% of Indigenous graduates received diplomas or associate diplomas compared with 19.3% of non-Indigenous graduates. This contrasts with 59.1% of Indigenous graduates receiving the lowest awards, described as “Certificate other”, compared with 40.6% of non-Indigenous graduates. The under-representation in all awards but this lowest level indicates that TAFE outcomes fall well short of the equal achievement ideal in the NATSIEP goals and MCEETYA priorities.
Table 5.6: Awards Completed by 1994 TAFE Graduates

<table>
<thead>
<tr>
<th>Award</th>
<th>Indigenous Graduates</th>
<th>Non-Indigenous Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Diploma</td>
<td>7</td>
<td>8.8</td>
</tr>
<tr>
<td>Associate Diploma</td>
<td>89</td>
<td>10.7</td>
</tr>
<tr>
<td>Advanced Certificate. Post Trade</td>
<td>12</td>
<td>1.4</td>
</tr>
<tr>
<td>Advanced Certificate Other</td>
<td>84</td>
<td>10.0</td>
</tr>
<tr>
<td>Certificate. Trade</td>
<td>149</td>
<td>17.9</td>
</tr>
<tr>
<td>Certificate Other</td>
<td>493</td>
<td>59.1</td>
</tr>
<tr>
<td>Total</td>
<td>834</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Adapted from ABS 1995, Graduate Outcomes Technical and Further Education, Australia, 1995, p 17

The 1994 data in Table 5.6 also indicate that all Indigenous TAFE graduates (834) comprise 1.3% of all Australian graduates (64,648) and are thus proportionately under-represented. Using 1991 Census data, where Indigenous people comprised 1.6% of the population, the 1.3% proportion might be regarded initially as a reasonably satisfactory outcome but there are two factors that preclude such an interpretation. Firstly, if graduates with unspecified “other” certificates are excluded from the comparison, the outcome for Indigenous graduates in higher awards falls to just 0.9% of non-Indigenous graduates for the same awards. Secondly, this proportion and the overall proportion of 1.3% are much worse using recently released Census data for 1996 (closer to the example year) showing the Indigenous population had grown to 2.0% of the Australian population.

Furthermore, the extent to which TAFE college education has led to employment for all Australians, particularly Indigenous graduates, is also disturbing. This matter is briefly covered in Chapter 6. While the evidence shows that a TAFE education improves employment prospects, the latest available data on employment of TAFE graduates in Table 6.5 show that 17% of non-Indigenous graduates and 33% of Indigenous graduates in the labour force (nearly double the rate) were unemployed six months after graduation.

5.2.4.4 Study Mode Preferences

Study mode preferences revealed in a survey conducted by Teasdale and Teasdale (1996, p 56) in 1994 provide useful information in the context of the 1996-97 Budget changes to ABSTUDY. The survey showed Indigenous students who access TAFE colleges have different preferred modes of study to the student body as a whole. In Table 5.7, 14.6% of Indigenous students prefer block release courses compared with 8% of all students. Although Teasdale and Teasdale did not focus on reasons for this preference, it is reasonable to conclude that factors such as living in areas without a TAFE campus, students’ community and cultural responsibilities, and financial considerations played some factor in the choice. The Budget changes, which reduce travel assistance, will impact adversely on block release courses and most likely on TAFE student enrolments.
Table 5.7: Modes of Study in TAFE Colleges, 1994

<table>
<thead>
<tr>
<th>Modes of Study</th>
<th>Indigenous Students</th>
<th>All Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attending TAFE classes/centres</td>
<td>80.4</td>
<td>88.0</td>
</tr>
<tr>
<td>Block release</td>
<td>14.6</td>
<td>8.0</td>
</tr>
<tr>
<td>Workplace learning</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>External study</td>
<td>1.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Other</td>
<td>1.2</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: Teasdale and Teasdale, Pathways to where?, 1996, p 56

5.2.4.5 TAFE as a “Pathway” to Education
Despite the apparent shortcomings of TAFE for Indigenous students in terms of employment, TAFE colleges remain an important choice option or “pathway” for them in two ways:
- firstly, as a means of redressing shortcomings in attainment levels in primary and secondary education, and
- secondly, as a means of improving their employment prospects and income levels.

Of these, the first is particularly important. The numbers of Indigenous people who wish to pursue educational opportunities later in life, without prior adequate school attainment, are proportionally higher than the wider community. Interviews conducted for this review with Indigenous higher education students or graduates revealed that many had used TAFE colleges to obtain bridging education for higher education. In 1994, some 222 or 26.6% of Indigenous TAFE graduates were classified as not being in the labour force compared with only 12.1% of non-Indigenous graduates (ABS 1995(b), pp 19 and 37). Although the scope of this review precluded an in depth analysis of this variation, it is reasonable to assume that the high proportion of Indigenous graduates outside the labour force helps confirm what interviewees said about the role TAFE colleges play in correcting shortcomings in primary and secondary schooling for many Indigenous students wanting to pursue further education. The group probably also includes some of the hidden unemployed in education systems.

The importance of education leading to employment is discussed in Section 6.4. Although TAFE education is important for improving employment prospects, actual employment outcomes for Indigenous TAFE graduates fall well short of non-Indigenous TAFE graduates and Indigenous higher education graduates as shown in Sections 6.4.2, 3 and 6.4.3 respectively.

5.2.5 Higher Education
5.2.5.1 Some Positive Trends in Indigenous Graduations
There is ample evidence to show that higher education outcomes for Indigenous Australians have been successful in terms of the rapid growth in the number of graduates over the last 30 years. While it is not clear how many Indigenous graduates there were at, say, the time of the 1967 referendum, it is evident there were very few. Mr Charles Perkins has been cited as the first Indigenous Australian, having graduated in 1966 (Bin-
Sallik 1989, p 12), but more recent evidence suggests there were earlier Indigenous graduates (pers com Joe Lane 4 May 1997). The exact number is not important to this report. Rather, it can be stated with reasonable certainty that there were fewer than 10 Indigenous higher education graduates in 1967. By contrast, the number of Indigenous graduates in 1997 is estimated to be about 8,000.

5.2.5.2 Higher Education Enrolments

The historical trend suggests that the number of graduates should continue to grow as evidenced by the increasing enrolments shown in Table 5.8. However, the apparent growth of Indigenous student enrolments as a proportion of non-Indigenous students from 1991 to 1995 has been modest with a slight decrease for 1996. Furthermore, the 1.1% of Indigenous student enrolments in 1996 as a proportion of all students is still well short of the 2.0% required for equity based on 1996 Census population data (ABS 1997(b), p 1). The comparative disadvantage reflected in this comparison is exacerbated when the younger age profile of the Indigenous population revealed in the 1991 Census (see Section 4.2) is taken into account, that is the much higher proportion of Indigenous people now in age groups normally associated with higher education.

Table 5.8: Australian Student Enrolments in Higher Education, 1988 to 1996

<table>
<thead>
<tr>
<th>Year</th>
<th>Indigenous Students</th>
<th>Non-Indigenous Students</th>
<th>Indigenous Students as a Proportion of All Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>2,565</td>
<td>418,285</td>
<td>0.63</td>
</tr>
<tr>
<td>1989</td>
<td>3,307</td>
<td>437,769</td>
<td>0.80</td>
</tr>
<tr>
<td>1990</td>
<td>3,607</td>
<td>481,466</td>
<td>0.79</td>
</tr>
<tr>
<td>1991</td>
<td>4,807</td>
<td>529,731</td>
<td>0.96</td>
</tr>
<tr>
<td>1992</td>
<td>5,105</td>
<td>554,260</td>
<td>0.98</td>
</tr>
<tr>
<td>1993</td>
<td>5,578</td>
<td>570,039</td>
<td>1.05</td>
</tr>
<tr>
<td>1994</td>
<td>6,264</td>
<td>579,132</td>
<td>1.07</td>
</tr>
<tr>
<td>1995</td>
<td>6,805</td>
<td>597,372</td>
<td>1.12</td>
</tr>
<tr>
<td>1996</td>
<td>6,956</td>
<td>627,138</td>
<td>1.10</td>
</tr>
</tbody>
</table>

Source: Schwab CAEPR 122/1996, p 4 from DEETYA, Higher Education Student Data Collection.

5.2.5.3 Higher Education Completions

Despite successes mentioned in Section 5.2.5.1 in terms of the number of Indigenous graduates of higher education, the proportion of Indigenous students completing higher

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As no alternative estimates of total Indigenous graduates were found, this broad estimate was calculated by adding: (a) the 3,592 self identified Indigenous graduates as at August 1991 (Table 5.3); (b) the 3,597 higher education award completions for the years 1991 to 1995 (Table 5.9); and (c) an estimated 860 (based on 1995 completions - Table 5.9) graduates for 1996. The 8,049 total obtained is expressed as "about 8,000" to acknowledge some graduates after 1991 having more than one award and a difference between "completion" numbers and "graduate" numbers; and to adopt a conservative position. Further precision is not necessary as the point being made is simply that higher education outcomes for Indigenous people have been successful, in terms of numbers, over the last 30 years. The figure could be higher in the 1996 Census if graduates have identified as Indigenous for the first time.
education award courses compared with non-Indigenous students in the years 1989 to 1995 is still quite low as shown in Table 5.9.

Table 5.9: Comparison of Award Course Completions for Indigenous and All Australian Students', 1989 to 1995

<table>
<thead>
<tr>
<th>Year</th>
<th>Indigenous Completions</th>
<th>All Australian Completions</th>
<th>Indigenous Completions as % of All Australian Completions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>549</td>
<td>86,908</td>
<td>0.63</td>
</tr>
<tr>
<td>1990</td>
<td>483</td>
<td>88,879</td>
<td>0.54</td>
</tr>
<tr>
<td>1991</td>
<td>606</td>
<td>100,151</td>
<td>0.60</td>
</tr>
<tr>
<td>1992</td>
<td>646</td>
<td>111,428</td>
<td>0.58</td>
</tr>
<tr>
<td>1993</td>
<td>682</td>
<td>121,796</td>
<td>0.56</td>
</tr>
<tr>
<td>1994</td>
<td>800</td>
<td>125,481</td>
<td>0.64</td>
</tr>
<tr>
<td>1995</td>
<td>863</td>
<td>127,256</td>
<td>0.68</td>
</tr>
<tr>
<td>Total</td>
<td>4,629</td>
<td>761,899</td>
<td>0.61</td>
</tr>
</tbody>
</table>

Note: Overseas completions in Australia excluded
Source: Adapted from DEETYA, Selected Higher Education Statistics, 1996, pp 77, 100 and 116.

In 1991, Indigenous award completions represented 0.6% of all Australian completions, whereas the Indigenous population made up 1.6% of the Australian population. Following two years of decline, the proportion of Indigenous completions increased to 0.64% in 1994 and 0.68% in 1995. These rates fall well short of that required for the equality of attainment outlined in the NATSIEP goals and the MCEETYA priorities.

Furthermore, the apparent small increase in the proportion of Indigenous people completing award courses, from 0.6% in 1991 to 0.68% 1995, is illusory. In reality, the latest proportion represents a decline over the period given that the Indigenous population was increasing at a much faster rate than the Australian population over that period, reaching 2.0% of the wider population at the time of the 1996 Census. Put another way, for the 1% difference in 1991 between the proportion of Indigenous graduates to Australian graduates (0.6%) and the proportion of Indigenous people in the Australian population (1.6%) to be maintained, the proportion of Indigenous completions would have to increase from 0.68% in 1995 to 1% in 1996.

A final point needs to be made. A more overall positive result in post-secondary education might be indicated if Indigenous TAFE graduations compensated the poor outcome in higher education, as described above, by being proportionally higher than the wider community on a population basis. However, Section 5.2.4.3 clearly shows that there has not been a positive offset in the TAFE sector.

12 There are methodological differences between Census and higher education data which could affect the validity of comparisons of these data. However, the general conclusion drawn from these data is considered to be valid.
In contrast to Indigenous TAFE graduates, employment prospects for higher education graduates are high as indicated in Sections 6.4.2.3 and 6.4.3 respectively.

5.2.5.4 Distribution of Fields of Study in Higher Education Course Completions

During the course of the review, a number of interviewees including ATSIC officers referred to the inadequate representation of Indigenous higher education students.

- studying for postgraduate awards, and
- undertaking particular fields of study at undergraduate or postgraduate level

Although not required by the Terms of Reference, the review team undertook to examine relevant data available and to comment, as appropriate, on these issues.

Postgraduate Studies

The number of Indigenous students enrolled in postgraduate work in 1996 was 558 compared with the Australian total of 132,495 (DEETYA 1996(b), pp. 17, 95 and 104). Proportionally, at just 0.45%, this Indigenous student representation is low reflecting yet another level of educational disadvantage. Within the postgraduate group, Indigenous students are concentrated at the lower end of awards available - for example, Indigenous completions of higher research degrees for 1995 totalled just 7 or 0.2% of the 3,430 Australian completions overall (DEETYA 1996(b), pp 76, 101 and 117).

As one person explained this situation, Indigenous people continue to be in “a catch up situation”. One means of addressing this low representation of Indigenous postgraduate students would be to establish an incentive scheme such as Indigenous postgraduate scholarships.

Fields of Study

With regard to all levels of higher education awards, comparative data on the broad field of study for Indigenous and non-Indigenous students who completed award courses over the years 1991 to 1995 are shown in Table 5.10. In the last column, “+” indicates that Indigenous people are over-represented in a field of study and “-” that they are under-represented.
Table 5.10: Award Course Completions for Indigenous Students by Broad Field of Study, 1991 to 1995, and Comparison with Non-Indigenous Completions\(^1\) for 1995

<table>
<thead>
<tr>
<th>Course</th>
<th>Indigenous Completions</th>
<th>Non-Indigenous Completions</th>
<th>Different Course Focus (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Animal Husbandry</td>
<td>9</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>Architecture, Building</td>
<td>5</td>
<td>0.8</td>
<td>6</td>
</tr>
<tr>
<td>Arts, Humanities and Social Sciences</td>
<td>160</td>
<td>26.4</td>
<td>170</td>
</tr>
<tr>
<td>Business, Admin., Economics</td>
<td>76</td>
<td>12.5</td>
<td>63</td>
</tr>
<tr>
<td>Education</td>
<td>237</td>
<td>39.1</td>
<td>260</td>
</tr>
<tr>
<td>Engineering, Surveying</td>
<td>13</td>
<td>2.1</td>
<td>13</td>
</tr>
<tr>
<td>Health</td>
<td>58</td>
<td>9.6</td>
<td>65</td>
</tr>
<tr>
<td>Law, Legal Studies</td>
<td>11</td>
<td>1.8</td>
<td>22</td>
</tr>
<tr>
<td>Science</td>
<td>37</td>
<td>6.1</td>
<td>39</td>
</tr>
<tr>
<td>Veterinary Science</td>
<td>0</td>
<td>0.0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>606</td>
<td>100</td>
<td>646</td>
</tr>
</tbody>
</table>

Note: 1 Overseas completions in Australia excluded

Source: DEETYA, Selected Higher Education Statistics, 1996, pp.77, 100 and 116

Indigenous students are substantially over-represented in the fields of education and the arts, humanities and social sciences. While this over-representation is not seen as a negative indicator, corresponding under-representation in some other fields of study is regarded as detrimental to development in Indigenous affairs. Notably, Indigenous people are under-represented in the fields of business, administration and economics, health, and science.

Given the much publicised criticisms that occur from time to time concerning the management of grant funded Indigenous organisations and the ongoing appalling health of Indigenous people, these fields of study lend themselves as suitable areas for targeting with special study incentives. One means might be to provide additional study assistance, such as that used in the program to achieve 1,000 Indigenous teachers by 1990. Another would be to establish special scholarships for these fields of study.
Either incentive could help overcome the under-representation of Indigenous students in those fields of study and more generally, help improve the proportion of Indigenous graduates in Australia's graduate population.

5.3 CONCLUSION

This chapter has established that education systems are failing Indigenous people at all levels in terms of equitable participation and achievement. In summary:

- Literacy and numeracy skills of Indigenous students are well below those of non-Indigenous students in primary schools.
- Despite a steady improvement in apparent retention rates to Year 10 from 1989 to 1992 for Indigenous students, these rates have declined at three times that of the Australian population as a whole since 1992. This decline has increased the retention rate gap (difference between apparent retention rates for Indigenous and non-Indigenous students) from 16.1% in 1992 to 20.9% in 1996.
- Apparent retention rates for Indigenous students to Years 11 and 12 are much lower than for non-Indigenous students with retention rate gaps being 36.2% and 42.1% respectively in 1996. The retention rates and the gap in these higher levels will probably get worse as the effects of declining Year 10 retention rates flow through.
- Indigenous disadvantage at the primary and secondary school levels flow on to post-secondary education levels, most notably in the TAFE sector where a substantial majority of Indigenous students enrol and graduate in low level courses designed to improve basic education and basic employment skills.
- Despite successful outcomes in higher education in terms of numbers completing award courses, the proportion of Indigenous award course completions compared with all Australian completions is about one-third of what it should be based on the proportion of Indigenous people in the Australian population. Furthermore, the latest proportion available (1995) indicates declining award completion outcomes, given the higher rate of population growth for Indigenous people and their younger age distribution compared with the overall Australian population.
- Most of the above conclusions are based on averaged national data but the educational outcomes are much worse in some regions of Australia, particularly in rural remote areas with more traditionally oriented communities. Any policies and programs that are developed to address Indigenous educational disadvantage should take account of such regional variations.
- The declining educational outcomes (falling retention rates in secondary schools and an increasing under-representation in terms of completion numbers and higher award levels in the tertiary sector) for Indigenous people run counter to the eight year old NATSIEP goals and more recent MCEETYA priorities endorsed by the Commonwealth, States and Territories thus raising questions about the measures needed to address the shortfall between policy and performance.
CHAPTER 6

EMPLOYMENT AND INCOME

6.1 INTRODUCTION

Various ultimate goals have been suggested for the education of Indigenous Australians. They include self-determination, self-management and autonomy at one level, and improving the standard of living, health, access to justice, and general well being at another. The achievement of all of these goals will be assisted by the way in which education assists economic advancement that, in the present context, mainly means increasing the level of employment and improving occupational status. While there are some Indigenous business people at present and they are important in Indigenous development, their numbers are still relatively small. Nevertheless, education will be important in the emergence of more of this group.

6.2 INTERNATIONAL DEVELOPMENT EXPERIENCES

In the context of the broader debate about economic development, education is now considered to be of crucial importance. Most of the world now marvels at the rate of economic growth achieved by Taiwan, Indonesia, Hong Kong, Singapore, Republic of Korea, Malaysia, Thailand and Japan. In its examination of this “East Asian Miracle”, the World Bank found that “the broad base of human capital [educated and trained people] was crucially important to rapid growth” (World Bank 1993, p 349). The returns from education for society and individuals were found to be different, however. The highest returns to society were obtained from investment in primary education, followed by secondary education and finally by higher education, while the highest returns to individuals were obtained from primary education, followed by higher education and then secondary education (op cit p 198).

The outstanding performance of these economies has also led to a revision in the ways in which economists view culture. Until recently, they believed that the Western orientation to the individual rather than the group was the only approach which could generate high economic growth. Colonial governments and governments of independent countries often implemented policies which were designed to destroy the traditional group orientation. Now, however, many economists believe that concern for the group rather than the individual assists economic growth, and in the Asian context they write of the “Confucian Advantage” (Petri 1993, p 20). If this is correct, then the long held belief in Australia that the group orientation of Indigenous Australians inhibits economic development may be wrong and their concerns for community and extended families may assist their economic development.

While this report is not concerned with teaching styles, a point needs to be made here concerning them in relation to the educational achievements of the East Asian Miracle countries. The more wealthy of these countries have achieved very high standards amongst their school children in literacy and numeracy using teaching styles which involve much more group learning than is practised in Australia. This style is likely to be much more effective for Indigenous Australians than the existing one and teaching.
Authorities concerned with Indigenous education should consider changes along these lines. In particular, some Indigenous people said that this alternative style might prove useful in dealing with the conflict between current education systems and young male adulthood in Indigenous society mentioned in Section 5.2.11.

6.3 INCOME AND EMPLOYMENT DISADVANTAGE

6.3.1 Incomes

Despite various reforms and programs outlined earlier in this report, there remains a substantial gap between the average incomes of Indigenous people and other Australians. As seen in Table 6.1, in 1991, at the national level, this gap was over $6,000 for people 15 years and older. The gap varied substantially between States and Territories with the greatest gap occurring in the NT. The NT also had the lowest income for Indigenous people and the second highest income for other Australians. The ratios in the table show Indigenous incomes as a proportion of the incomes of other Australians. For Australia overall, Indigenous incomes were about 70% of others in major and minor urban centres, while in rural Australia they were 57%. That is, the income inequality increased as one moves from major urban to rural Australia. Since incomes were lower in rural Australia than in urban centres this means that Indigenous incomes were significantly lower in the bush than in the cities.


<table>
<thead>
<tr>
<th>Location</th>
<th>Incomes, $</th>
<th>Ratios</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indigenous</td>
<td>Non-Indigenous</td>
<td>Gap</td>
<td>Major urban</td>
<td>Other urban</td>
</tr>
<tr>
<td>NSW</td>
<td>12,591</td>
<td>18,712</td>
<td>6,214</td>
<td>0.67</td>
<td>0.66</td>
</tr>
<tr>
<td>Vic</td>
<td>13,764</td>
<td>18,006</td>
<td>4,242</td>
<td>0.78</td>
<td>0.71</td>
</tr>
<tr>
<td>Qld</td>
<td>11,745</td>
<td>16,968</td>
<td>5,223</td>
<td>0.69</td>
<td>0.68</td>
</tr>
<tr>
<td>SA</td>
<td>11,746</td>
<td>16,603</td>
<td>4,857</td>
<td>0.70</td>
<td>0.68</td>
</tr>
<tr>
<td>WA</td>
<td>11,095</td>
<td>18,086</td>
<td>6,991</td>
<td>0.66</td>
<td>0.60</td>
</tr>
<tr>
<td>Tas</td>
<td>13,638</td>
<td>16,153</td>
<td>2,515</td>
<td>0.76</td>
<td>0.78</td>
</tr>
<tr>
<td>NT</td>
<td>9,666</td>
<td>20,180</td>
<td>10,514</td>
<td>-</td>
<td>0.53</td>
</tr>
<tr>
<td>ACT</td>
<td>18,731</td>
<td>23,446</td>
<td>4,715</td>
<td>0.81</td>
<td>-</td>
</tr>
<tr>
<td>Australia</td>
<td>11,800</td>
<td>18,014</td>
<td>6,214</td>
<td>0.69</td>
<td>0.67</td>
</tr>
</tbody>
</table>

Source: Adapted from CoFA, National Review of Education for Aboriginal and Torres Strait Islander People. Statistical Annex, 1994, p.23

Census data of the type used in the above table are very useful because the Census covers a larger proportion of the population than any survey can do and because it collects data in considerable detail. These data are, however, old although the relativities may not have changed much. At the time of writing, 1996 Census data to update this analysis were not available.
The 1994 National Aboriginal and Torres Strait Islander Survey: Detailed Findings (ABS 1995(a), pp. 48-50) allows some updating of income data. Principal results are:

- The average annual income for Indigenous Australians was only $14,046, composed of $15,448 for males and $12,702 for females.
- Some 59.4% of people received annual incomes of less than $12,000 while only 11.3% received incomes of more than $25,000.
- The proportion of the population over 15 years of age whose main source of income was earned non-CDEP was only 24.1%, while 8.5% depended on CDEP income, 54.9% depended on Government payments and 10.7% had no source of income.
- People in non-CDEP employment had an average annual income of $24,802; those in CDEP employment had $12,403, and those receiving Government payments had $9,576.

### 6.3.2 Employment

Two important reasons why Indigenous people have such low incomes by comparison with other Australians are first, that Indigenous people experience a much higher rate of unemployment and lower rate of work force participation than other people, and the second is that they have lower paying occupations.

Table 6.2 shows the employment status of Indigenous and other people for the Census years of 1986 and 1991. It can be seen from this table that in 1991

- Work force participation rates for Indigenous people were much lower than that for other Australians. The figures were 54.8% for Aborigines and 63.6% for Torres Strait Islanders, as opposed to 73.1% for other Australians. The relative youth and ill health of the Indigenous population are likely to be contributing factors leading to this difference.
- The rates of unemployment were much higher for Indigenous people than for other people. They were 32% for Aborigines and 21.5% for Torres Strait Islanders, as opposed to 11.5% for other Australians.
- These two facts combined mean that from a given population, a much smaller proportion of people in the Indigenous population have employment than in the equivalent non-Indigenous population, with the result that the income earned in the former population is, of course, less that in the latter.
- There was an apparent improvement in the situation for Indigenous people in the 1986-91 inter-censal period because both the participation rates increased and the unemployment rates decreased slightly. Taylor and Altman (1997, p.9), however, point out that over half of the increase in employment in this period was a result of substantial expansion in the CDEP scheme. This means that there was very little, if any, improvement in the employment situation outside of CDEP.
- The last three rows of the table show the average nominal incomes for Aborigines, Torres Strait Islanders and other Australians and the percentage changes between 1986 and 1991. Over the same period, the CPI (weighted average for eight capital cities) rose by 38.67%. It would appear on this basis that all income groups experienced an increase in real income but that the real income gap between Indigenous people and others increased.
### Table 6.2: Employment and Income of Indigenous and Other Australians, Census 1986, 1991

<table>
<thead>
<tr>
<th>Employment and Income Status</th>
<th>1986</th>
<th>1991</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labour Force Status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Rate</td>
<td>33.1</td>
<td>37.3</td>
<td>+4.2</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>36.8</td>
<td>32.0</td>
<td>-4.8</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>52.3</td>
<td>54.8</td>
<td>+2.5</td>
</tr>
<tr>
<td>Torres Strait Islander</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Rate</td>
<td>46.2</td>
<td>49.9</td>
<td>+3.7</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>23.8</td>
<td>21.5</td>
<td>-2.3</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>60.7</td>
<td>63.6</td>
<td>+2.9</td>
</tr>
<tr>
<td>Other Australians</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Rate</td>
<td>64.1</td>
<td>64.7</td>
<td>+0.6</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>9.1</td>
<td>11.5</td>
<td>+2.4</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>70.4</td>
<td>73.1</td>
<td>+2.7</td>
</tr>
<tr>
<td><strong>Income (mean $000)</strong></td>
<td></td>
<td></td>
<td>% change</td>
</tr>
<tr>
<td>Aboriginal</td>
<td>8.1</td>
<td>11.6</td>
<td>+43.21</td>
</tr>
<tr>
<td>Torres Strait Islander</td>
<td>9.4</td>
<td>13.5</td>
<td>+43.62</td>
</tr>
<tr>
<td>Other Australians</td>
<td>13.2</td>
<td>19.3</td>
<td>+46.21</td>
</tr>
</tbody>
</table>

**Source:** Adapted from ATSIC, *Review of the AEDP*, 1994, p 140.

The results of the 1994 National Aboriginal and Torres Strait Islander Survey: *Employment Outcomes for Indigenous Australians* (ABS 1996(b), p 13) allow an updating of some of these data. The results are reproduced in Table 6.3. As can be seen, the unemployment rate amongst Indigenous people was 38%, with about the same rate for males and females. This suggests a considerable worsening of the situation since 1991. As with other data, CDEP workers are considered to be employed so that the underlying level of unemployment is extremely high. Elsewhere in the survey it is reported that the unemployment rate was 50% for people in the 15 to 19 year age group, while it was 46% for those aged between 20 and 24 years of age.

---

13 The different methodologies used in gathering Census and survey data could impact on the validity of data comparisons. Both sets of data are used here given the absence of readily available alternatives.

<table>
<thead>
<tr>
<th>Labour Force Status</th>
<th>Males %</th>
<th>Females %</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment/population ratio</td>
<td>45.1</td>
<td>27.1</td>
<td>35.9</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>37.7</td>
<td>39.0</td>
<td>38.2</td>
</tr>
<tr>
<td>Participation rate</td>
<td>72.3</td>
<td>44.4</td>
<td>58.0</td>
</tr>
<tr>
<td>Total ('000)</td>
<td>(88.5)</td>
<td>(92.9)</td>
<td>(181.5)</td>
</tr>
</tbody>
</table>


In summary, it would appear that the employment status of Indigenous people probably improved slightly between 1986 and 1991, driven partly by the expansion of the CDEP scheme. Since then, however, there appears to have been a substantial deterioration.

The other aspect of the difference in incomes between the Indigenous and other Australians is that the former generally are in lower-paying employment. Table 6.4 shows the differences between the percentage of the non-Indigenous employees in a given occupational group and the percentage of Indigenous employees in the same occupational group. A positive number means that a higher percentage of non-Indigenous employees were employed in the occupational group than the Indigenous employees. For instance, the figure of -19.6 in the 1986 column for “Labourers and related workers” was calculated in this way: 14.6% of non-Indigenous employees were in this occupational group as opposed to 34.2% of Indigenous employees, giving a difference of -19.6%. If the occupational structures were the same for the two groups in a given year, then the table would show zeros in the relevant column. From the table it can be seen that a much higher proportion of non-Indigenous employees are in the higher-paid occupations of managers, administrators, and professionals than Indigenous employees; and a much higher proportion of Indigenous employees are employed in the lower-paid occupations of labourers and other workers. The table shows that there was a slight improvement in the relative occupational status of Indigenous employees between the two Census years.
Table 6.4: Differentials in Employment Distribution between Non-Indigenous and Indigenous Workers by Occupational Major Group, 1986 and 1991

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>Difference in Percent Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1986</td>
</tr>
<tr>
<td>Managers &amp; administrators</td>
<td>8.5</td>
</tr>
<tr>
<td>Professionals</td>
<td>6.9</td>
</tr>
<tr>
<td>Paraprofessionals</td>
<td>0.3</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>1.1</td>
</tr>
<tr>
<td>Clerks</td>
<td>1.1</td>
</tr>
<tr>
<td>Sales, personal service workers</td>
<td>4.2</td>
</tr>
<tr>
<td>Plant &amp; machine operators &amp; drivers</td>
<td>-2.5</td>
</tr>
<tr>
<td>Labourers and related workers</td>
<td>-19.6</td>
</tr>
<tr>
<td>Index of dissimilarity</td>
<td>22.1</td>
</tr>
</tbody>
</table>

Notes: 1 Excludes those inadequately described or not stated. 2 A positive number in the table means the non-Indigenous labour force employed relatively more than the Indigenous work force in the given occupational group. 3 Source: Taylor and Liu, CAEPR 104/1996, p 4 from the 1986 and 1991 Censuses of Population and Housing.

6.3.3 The Difficult Job Ahead
A recent report by Taylor and Altman (1997) warns of the implications of the rapid growth of the Indigenous population and for the growing need for government to develop employment opportunities for Indigenous people. Some of the points made in this report were:
- The Indigenous population is growing at the rate of 2.3% p.a. which is more than twice the rate for the total Australian population.
- The Indigenous age structure is changing so that an increasing proportion is of working age.
- If Indigenous people are to achieve employment equality with non-Indigenous people by the year 2001, then 55,680 additional jobs will have to be found for them; and to achieve equality by the year 2006, there will need to be an additional 72,500 new jobs, giving an Indigenous work force of double its size in 1996.
- In order to avert growing unemployment problems, the government needs to develop a range of policies which include increasing resources “aimed holistically at improving the underlying determinants of poor Indigenous employment outcomes - education, housing, health, incarceration - [and] recognising their interdependence”. (Taylor and Altman 1997, p 7)

6.4 EDUCATION LEADS TO HIGHER RATES OF EMPLOYMENT AND HIGHER INCOMES

6.4.1 Introduction
The evidence that education leads to higher employment rates and incomes for Indigenous people takes various forms. In the following discussion it will be divided into three groups. The first group includes aggregate studies based on surveys, Census and
other aggregate data, the second is composed of records of employment outcomes held by educational institutions, and the third are anecdotal reports (some of which are contained in Appendix D)

6.4.2 Aggregate Studies
6.4.2.1 Education and Employment
The results of the 1994 National Aboriginal and Torres Strait Islander Survey, Employment Outcomes for Indigenous Australians were analysed by its authors to determine, among other things, the impact of education on the probability of an Indigenous person gaining employment. They found that the level of education was the biggest predictor of an Indigenous person having a job and, in addition, that

- People without education were many times less likely to be in employment than those who had completed Year 10 schooling. The chances were even worse if CDEP employment was excluded.
- Completion of Year 12 schooling increased the likelihood of employment over Year 10 schooling but this was more pronounced for women than men.
- Any type of post-school qualification improved the chance of employment for both men and women.
- Having a tertiary qualification increased the chance of employment more than having a vocational qualification for women, but there was little difference between types of qualification for men.
- Having recently attended a training course increased the chances of employment for both men and women, though to a lesser extent than completing a qualification.
- Poor English had almost no effect on the chances of gaining employment though it had more effect if CDEP employment was excluded.

6.4.2.2 Education and Income
CAEPR has undertaken extensive research into the relationship between levels of education of Indigenous people and their employment and incomes using a range of aggregate data. Publications by Daly (1995), Jones (1991) and Ross (1991) have demonstrated that a more educated Indigenous person is more likely to be in employment and to have a higher income, than a less educated Indigenous person.

Perhaps the best summary of the relationship between education and incomes for Indigenous people is presented as Table A1 in CAEPR Discussion Papers by Junankar and Liu (1996) and Daly and Liu (1995). The version from the former publication is shown in this report as Table E.1 in Appendix E. This table shows the regression results for an examination of the way in which Indigenous and non-Indigenous incomes vary with age, education, marital status, dependent children and language characteristics of Indigenous and non-Indigenous people, on the basis of 1991 Census data. The results of this examination are as follows:

*Age of person*

- While income increases as people get older, it increases most for non-Indigenous females, followed by non-Indigenous males, then Indigenous females and then Indigenous males.
Age on leaving school

- Earnings for Indigenous males increase as the age at which they leave school increases and they reach a maximum if the person leaves school at 18 years of age. Although earnings appear to be lower than those for a 15 year old school leaver if the person leaves at 19 years, this result is not statistically significant and should be ignored.
- This pattern exists for all persons. That is, regardless of sex and race, the level of earnings increases as the age on leaving school increases with the exception of a reduction for people leaving at 19 years.
- Indigenous females benefit more from additional schooling than Indigenous males.
- At the aggregate level, one way of increasing Indigenous earnings is by encouraging students to leave school at an older age.

Tertiary education

- The coefficients relating to certificate, diploma and university degree qualifications for Indigenous males and females indicate that the returns in terms of additional earnings (by comparison with the level earned when the person has no such qualifications) are large. In particular, the results indicate:
  1. That the returns from acquiring qualifications are about the same for Indigenous males and females. (It should be noted, however, that this result does not mean that the two groups earn the same income.) The exception is certificates where the returns for males are greater than for females.
  2. The returns for both Indigenous males and females are the greatest for university degrees, followed by those for diplomas and certificates.
  3. The returns to Indigenous people from acquiring certificates, diplomas and degrees were all higher than for non-Indigenous people.

 Married and children

- Earnings are higher for married men than for single men, and are lower for married women than for single women.
- People who have dependent children have higher incomes than those who do not.

Language

- All groups other than non-Indigenous males have lower incomes if their English is poor. Clearly, improved schooling will reduce the problem of poor English and increase Indigenous people's incomes.

To summarise the above findings, it can be said that Indigenous children who stay on at school improve their future incomes, especially the females; that tertiary qualifications make a big difference to both male and female incomes, and a degree brings the greatest return.

Finally, Daly (1995) conducted a detailed study of Indigenous people in the labour market using 1986 and 1991 Census data. Her results broadly confirm the conclusions above concerning income differences between the Indigenous and non-Indigenous incomes and the importance of education in improving Indigenous employment and income.
6.4.2.3 TAFE Education

Table 6.5 presents some data on the employment status of TAFE graduates a short time after they graduated. This table shows that the position of Indigenous TAFE graduates is not very encouraging. Schwab (1997, p.6) points out that, based on the employment/population ratio for each group, Indigenous TAFE graduates benefit more than non-Indigenous graduates in gaining employment. This outcome is possibly due to Indigenous people's poorer employment position overall. Nevertheless, the fact remains that the unemployment rate, amongst Indigenous graduates in the labour force (33.2%), is almost double that for non-Indigenous graduates (16.9%). In the course of the interviews for this review a number of interviewees said that the TAFE sector was not performing as well as the university sector, in particular. It is beyond the scope of this review to consider the reasons for this difference but it is clearly a matter of concern and needs investigating.

Table 6.5: Employment Status of 1994 TAFE Graduates as at 31 May 1995

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Indigenous Graduates Number and (%)</th>
<th>Non-Indigenous Graduates Number and (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LABOUR FORCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time first job</td>
<td>103 (16.9)</td>
<td>13,438 (24.1)</td>
</tr>
<tr>
<td>Full-time not first job</td>
<td>166 (27.3)</td>
<td>19,618 (35.1)</td>
</tr>
<tr>
<td>Total full-time</td>
<td>269 (44.2)</td>
<td>33,056 (59.2)</td>
</tr>
<tr>
<td>Total part-time</td>
<td>117 (19.2)</td>
<td>11,485 (20.5)</td>
</tr>
<tr>
<td>Not stated</td>
<td>21 (3.4)</td>
<td>1,906 (3.4)</td>
</tr>
<tr>
<td><strong>Unemployed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Looking for full-time work</td>
<td>164 (25.9)</td>
<td>6,723 (12.1)</td>
</tr>
<tr>
<td>Looking for part-time work</td>
<td>38 (6.3)</td>
<td>2,681 (4.8)</td>
</tr>
<tr>
<td>Total unemployed</td>
<td>202 (33.2)</td>
<td>9,404 (16.9)</td>
</tr>
<tr>
<td><strong>TOTAL LABOUR FORCE</strong></td>
<td>609 (100.0)</td>
<td>55,905 (100.0)</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not in the labour force</td>
<td>222 (98.7)</td>
<td>7,712 (97.5)</td>
</tr>
<tr>
<td>Not stated</td>
<td>3 (0.3)</td>
<td>197 (2.5)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER</strong></td>
<td>225 (100.0)</td>
<td>7,909 (100.0)</td>
</tr>
<tr>
<td><strong>TOTAL GRADUATES</strong></td>
<td>834</td>
<td>63,814</td>
</tr>
</tbody>
</table>

**Note:** Some graduates not in the labour force could be undertaking further study thus foregoing employment. Alternatively, ongoing students might have continued studies because they could not get work and are thus among the hidden unemployed in educational institutions.

**Source:** Adapted from ABS, *Graduate Outcomes Technical and Further Education*, 1995, pp 19 and 37.
6.4.3 Institutional Data (Higher Education)

6.4.3.1 Preamble
During the consultations for this review, educational institutions were asked if they tracked the employment experience of their graduates. Unfortunately, most institutions have not collected such data, although some indicated they had started to do so. Similarly, DEETYA did not have employment data for higher education completions, nor does it appear the department seeks to obtain such data as a performance measure of the benefits of higher education funding.

Many university Indigenous education units said that their programs were successful and some offered estimates based on "local knowledge" of what their graduates are doing. These estimates were consistent, suggesting an employment rate of "about 95%" for higher education graduates, and the review team has no reason to doubt them. They are strongly supported by the more formal data presented below which were provided by universities that have tracked their Indigenous graduates' employment. Further, the anecdotal and statistical evidence provided in this review supports the conclusions reported by the studies on tertiary education summarised in Section 6.4 2.2.

The apparently high employment rate of higher education graduates signals that investment in higher education over the years has been very successful. There is no doubt that some graduates had employment prior to graduation. However, some of these graduates would have progressed to higher incomes (perhaps previously unattainable), vacated jobs for others to fill, and served as role models in the Indigenous community. All these outcomes are regarded as successes in educational, economic and social terms. By contrast, some TAFE graduates had prior employment but the overall employment results are less encouraging as indicated in Section 6.4 2.3.

6.4.3.2 Deakin University
The Institute of Koorie Education of Deakin University has recorded, where possible, the employment status of its graduate students since an Indigenous program, initially designed for Indigenous teachers, commenced in 1986. As at May 1997, 118 Indigenous students have graduated from the university in five faculties as shown in Table 6.6.

Table 6.6: Koorie Student Graduations, Deakin University, 1987 to 1997

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>3</td>
<td>9</td>
<td>16</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Arts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Health &amp; Behavioural</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sciences</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Management</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Science and Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>9</td>
<td>16</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>11</td>
<td>12</td>
<td>20</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: Institute of Koorie Education, Deakin University, Submission entitled "Review of Proposed Changes to ABSTUDY", 1997
The number of graduates increased steadily from 3 in 1987 to 31 in 1996. The large number of education graduates in 1988 and 1989 is of particular interest. This result can be explained, at least in part, by a Commonwealth Government campaign to have 1,000 trained Indigenous teachers in schools by 1990. To help reach its target, the Government introduced awards in 1984 to encourage mature-age students to study for formal teaching qualifications with a living allowance of $150 per week in addition to other ABSTUDY allowances as an economic incentive. It appears that the program was not evaluated but some inference can be drawn about the success of the scheme and the improved income support offered. The program is discussed further in Section 73.3.

Details of the employment status of the Koorie graduates from Deakin University from 1987 to 1996 are summarised in Table 6.7. Of the 115 Koorie graduates still alive, 104 or 90.43% either have jobs mostly at levels commensurate with their academic qualifications or are undertaking further study, only 1 or 0.86% is known to be unemployed, and the employment status of 10 or 8.69% is unknown. It is reasonable to assume that some of the latter group is employed, thus making the 90.43% employment rate a probable understatement. An alternative approach is to exclude the 10 graduates with unknown employment status. This approach gives an employment rate of 99.05% or an unemployment rate of just 0.95%.

### Table 6.7: Koorie Graduate Employment, Deakin University as at May 1997

<table>
<thead>
<tr>
<th>Employment</th>
<th>BA</th>
<th>BA(Ed) or BA(Ed)/BA(Grad)/BEd</th>
<th>BA/Grad DipEd</th>
<th>BCom</th>
<th>BNSG</th>
<th>GradCer</th>
<th>EnvHer</th>
<th>Interp</th>
<th>MA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher (or Tutor)</td>
<td>2</td>
<td>36</td>
<td>3</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>School Principal</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Lecturer</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Director (University)</td>
<td>4</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Manager¹</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Liaison Officer</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Journalist</td>
<td>1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Laboratory</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Clerk</td>
<td>8</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Community Worker²</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Musician</td>
<td>1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Nurse</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Cultural Worker</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Restaurant¹</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td>1</td>
</tr>
<tr>
<td>Self Employed</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Further studies</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Unknown</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Deceased</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>85</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>18</td>
<td>1</td>
<td>118</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

¹ Includes jobs described as administrator and coordinator.

² Includes jobs described as youth worker.

³ Status as business owner or employee not known.

**Source:** Compiled from data in the Institute of Koorie Education Submission entitled "Review of Proposed Changes to ABSTUDY", 1997.

69
It is obvious from these data that the Deakin program has been very successful in allowing Indigenous people to acquire good jobs and in increasing their incomes.

6.4.3.3 Batchelor College
Batchelor College was also able to supply data on the employment status of its graduates, based on a survey of its graduates undertaken in December 1993. The results are reproduced here as Table 6.8.

Like the Deakin University results, these show a high level of success Most graduates were employed in an area relevant to or related to their education and the unemployment rate was very low.

Table 6.8: Employment Status of Aboriginal Graduates from Batchelor College, 1993

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Number of Graduates</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed in an area relevant to qualifications</td>
<td>155</td>
<td>74</td>
</tr>
<tr>
<td>Employed in an area related to qualifications</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Employed in an area unrelated to qualifications</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Undertaking full-time studies</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>Unemployed</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Deceased</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Unknown or miscellaneous</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>210</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


6.4.3.4 Australian National University
The Australian National University has reported 26 graduates over the years 1990 to 1997. Employment details for these graduates are shown in Table 6.9. If the “Deceased”, “Unknown” and “Further studies” categories are disregarded, the remaining 20 graduates have a 100% employment rate.
Table 6.9: Indigenous Graduate Employment, Australian National University as at August 1997

<table>
<thead>
<tr>
<th>Employment</th>
<th>PhD</th>
<th>MSc</th>
<th>MLitt</th>
<th>GradDip Public Policy</th>
<th>BAHons</th>
<th>BA</th>
<th>BLaw</th>
<th>Diploma</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Academic adviser</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Lecturer</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Research Officer</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Lawyer</td>
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<td></td>
<td>3</td>
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<td></td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Public Servant</td>
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<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Cultural worker</td>
<td></td>
<td></td>
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<td></td>
<td>3</td>
<td></td>
<td></td>
<td>3</td>
<td>3</td>
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<tr>
<td>Artist</td>
<td></td>
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<td></td>
<td></td>
<td>3</td>
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<tr>
<td>Health worker</td>
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<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Consultant</td>
<td></td>
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<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Further studies</td>
<td></td>
<td></td>
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<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Unemployed</td>
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<td>1</td>
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<td>Unknown</td>
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<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Deceased</td>
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<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
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<tr>
<td>Total</td>
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<td>1</td>
<td>1</td>
<td>9</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>26</td>
</tr>
</tbody>
</table>

Notes:  1 Covers positions described as archaeologist, museum employee and senior cultural worker all have BA Hons, Archaeology


6.4.3.5 University of South Australia

The University of South Australia is one of the universities that estimates “about 95%” of its graduates are employed. This university operates the Anangu Teacher Education Program (AnTEP) which was developed primarily for Indigenous students in the remote north west of South Australia, who live in traditionally oriented communities (Gale 1996, p 18). In these communities, English is a second or third language and employment prospects, outside of CDEPs, are low. Data on graduates from this program provide a different example of the relationship between education and employment in that the data relate to traditionally oriented communities.

Since the AnTEP began in 1984, 54 students have graduated from the introductory Stage 1 (Certificate level), 24 from Stage 2 (Associate Diploma level) and 15 from Stage 3 with a Diploma or Batchelor of Teaching (Anangu Education). Most AnTEP graduates are employed by the South Australian Department for Education and Children’s Services (DECS) in Anangu schools. All those from Stage 2 wanting employment are employed in schools as Anangu Education Workers (AEWs). Of the 15 Stage 3 teaching graduates, one is deceased, one is continuing study and the remaining 13 are all employed as Anangu teachers - 11 in schools in north west South Australian (Anangu Pitjantjatjara Lands) communities by DECS and 2 in Alice Springs at Yipirinya School.

14 "Anangu" means "person" in the Western Desert Pitjantjara and Yankunytjatjara languages.
6.4.4 Commonwealth Parliamentary Acknowledgment

The link between Indigenous people's relatively poor access to education and training, and their disadvantage in terms of employment and income opportunity has long been acknowledged by the major political parties in the Commonwealth Parliament. There is no need to cite all relevant references to such acknowledgment, the following sample illustrates the point.

The House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs commented in its report *Mainly Urban: Report of the Inquiry into the needs of urban dwelling Aboriginal and Torres Strait Islander people* (1992, p 15)

The low employment status of Aboriginal and Torres Strait Islander people is related to their relatively poor access to education and training.

Then Coalition Members of the Standing Committee provided a sharper focus on the issue in their dissenting report (pp 235-36) on one Committee recommendation:

The Coalition Members are strongly supportive of any measures that will make a positive contribution towards removing the disadvantaged position of Aboriginals and Torres Strait Islanders in Australian Society. We consider that Recommendation 32 [on affirmative action legislation], alone amongst the Report's recommendations, fails that test. It is impractical and unworkable, as we explain below. ...

1. The recommendation in favour of affirmative action legislation to promote the employment of Aboriginal and Torres Strait Islanders in private industry is simply not practical. Indeed, there is strong evidence that, at the present time there are not the numbers of Aboriginals and Torres Strait Islanders with the requisite skills and training to enable private employers to comply with the proposed legislation. This point is illustrated by Elliott Johnston QC, in his 1991 *Review of Training for Aboriginal Program*.

Several times in the course of this Review speakers (and they were both Aboriginal and non-Aboriginal, both DEET and non-DEET) spoke to me in words to this effect, "If government or big employers said tomorrow, we want 750 (or some such figure) Aboriginal workers, we could not supply them."

These views remain valid today and support the need for urgent action in light of the warnings of Taylor and Altman (1997) outlined in Section 6.3.3.

More recently, the Minister for Aboriginal and Torres Strait Islander Affairs, Senator Herron, commented in the 9th Joe and Enid Lyons Memorial Lecture (1996):

Genuine self-empowerment can only come through education and the learning of management skills. It is the key to unlocking the vicious cycle of unemployment, lack of self-esteem and hopelessness. We must make education more accessible to Indigenous Australians if we are to achieve the goal of social and economic equality of opportunity.
6.5 CONCLUSION

This chapter established the following:

- The employment status of Indigenous people is much worse than that of the non-Indigenous population and it appears to be getting worse. The longer-term prognosis for employment is very alarming and the government needs to take steps now to avert a crisis.

- There is ample evidence that improving the level of education of Indigenous people will improve their employment prospects and their incomes.

- Employment prospects for Indigenous higher education graduates are particularly high, suggesting a focus is needed to improve the proportion of graduates from the comparatively low level that already exists.

- The members of major political parties in the Commonwealth Parliament acknowledge the importance of education in improving employment and income.
CHAPTER 7

THE CASE FOR INDIGENOUS STUDENT ASSISTANCE

7.1 INTRODUCTION

This Chapter completes the analysis required by the Terms of Reference for this review by addressing

- the significance of ABSTUDY in promoting Indigenous access to education,
- areas where ABSTUDY might be improved, and
- the case for special Indigenous student assistance

7.2 THE SIGNIFICANCE OF ABSTUDY IN PROMOTING INDIGENOUS ACCESS TO EDUCATION

7.2.1 Preamble

While it was relatively easy in Chapter 6 to demonstrate the way in which education can lead to economic benefits in the form of employment and increased incomes, it is more difficult to formally demonstrate the significance of ABSTUDY in promoting Indigenous access to education. National statistical data showing links between ABSTUDY and access to education are simply not available.

However, there have been reviews of ABSTUDY and its forerunners, the Aboriginal Study Grants Scheme (Abstudy), the Aboriginal Secondary Grants Scheme (ABSEG), and the Aboriginal Secondary Assistance Scheme (Absec). While changes have been made to these previous schemes as they evolved into ABSTUDY, their fundamental aims and means of assistance remain the same. Each was introduced to increase Indigenous participation in education by providing financial assistance to students or their families. Since ABSTUDY also provides this assistance, some of the key findings from reviews of the earlier schemes remain relevant to an evaluation of ABSTUDY.

Over the years, reports and reviews of ABSTUDY and its forerunners have acknowledged the success of the schemes in improving secondary school retention rates and post-secondary education outcomes. In the absence of national statistical data, this acknowledged success provides an important foundation in any examination of the ongoing importance of ABSTUDY. It supplements supporting evidence obtained by this review.

7.2.2 ABSEG/Absec

ABSEG was "established in 1970, being designed to encourage Aboriginal students to remain at school after they reach school leaving age" (CDES 1972, p 20). Initially, ABSEG benefits were paid to students over 14 years of age but from the beginning of 1973, the scheme was extended to all secondary students in recognition of the need to encourage Indigenous students to develop their full educational potential at an earlier

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15 Hereafter, "Abstudy" denotes this early post secondary scheme and "ABSTUDY" the present scheme which engrossed Abstudy, ABSEG and Absec.
As early as 1974, the Commonwealth Department of Education noted in its *Annual Report 1974* (CDE 1975, p 14) that.

There is evidence to suggest that the scheme is encouraging more students to remain at school until the final years of the [secondary] course. There is also evidence that Secondary Grant holders are going on to courses for which Study Grant assistance is available.

This early evidence established that improving retention rates were linked to the financial incentives provided by ABSEG.

Professor Watts confirmed the success of ABSEG as a means of improving secondary school participation in a review she completed for the Commonwealth Department of Education in 1975. In commenting on the "holding power" of the scheme in her report *Access to Education: An Evaluation of the Aboriginal Secondary Grants Scheme* (1976), Professor Watts referred to significant increases in the number of Indigenous students aged 15 and over staying longer at secondary school (from 2,232 in 1972 to more than 3,145 in 1974) and noted:

> It is true that we cannot, with absolute certainty, attribute this increase solely to the Grants Scheme but, taking into consideration all known factors, it seems highly likely that the Scheme was the major factor at work. (p 228)

She also noted that the number of Indigenous students achieving the senior grades of secondary education had increased quite considerably over the years of the operation of the Grant, with some levelling off in 1974. We concluded that two aspects of the Scheme had probably prompted this growth - the financial help available and the professional encouragement and support given to the students by education officers. (Watts 1976, p 228)

Professor Watts summed up her views on ABSEG's "holding power" as follows.

> It seems reasonable to conclude
> 1. that the Grants Scheme has achieved some success in encouraging students to stay on longer at secondary school but, also,
> 2. that the proportion of students beyond age 15 who remain in school is markedly lower for Aboriginal and Islander than for other Australian adolescents, and that
> 3. a small but increasing number of students are reaching the senior secondary grades. (Watts 1976, p 228.)

*Access to Education* contained wide-ranging recommendations about ABSEG. Two in particular are relevant to this review:

1. That, in view of its effects, the Aboriginal Secondary Grants Scheme should continue to be offered to Aboriginal and Islander students, with certain modifications as indicated in other recommendations (Watts 1976, p 232).

The second recommendation of note, number 12 (Watts 1976, p 263), addressed adjustments to direct benefits including increases to restore the purchasing power of the original rates and thence "automatic regular adjustments to all allowances based on the Consumer Price Index".

The Commonwealth acknowledged Professor Watts' findings in two ways. Firstly, the Department of Education reported her conclusions on the "holding power" of ABSEG (see above) in its *Annual Report 1975* (CDE 1976, p 21). Secondly, the Commonwealth increased some allowances under the scheme in 1976 (boarding allowances and a new clothing allowance for first time boarders). Following an interdepartmental review of all student assistance schemes, the Minister for Education announced further increases in October 1976 to take effect from 1 January 1977. These included increases to living allowances and the books and clothing allowance which were the first adjustments to these allowances since the scheme started in 1970. (CDE 1977, p16)
Over the next several years, the Commonwealth Department of Education detailed improving Indigenous enrolments in senior secondary levels (Years 11 and 12) when reporting on ABSEG in its annual reports. Although these reports did not directly attribute the improvements to the scheme, the link between the scheme and these outcomes might be inferred given Professor Watts' earlier conclusions and recommendations that were accepted by the Commonwealth. Examples of these reported improvements were increases in senior grades from

- just 116 in 1970, when the scheme started, to 941 at 30 June 1977 (CDE 1978, p. 4),
- 1506 in 1980 to about 1900 in 1981 (CDE 1982, p.5), and

Ten years after Professor Watts completed her review, the House of Representatives Select Committee on Aboriginal Education published its report *Aboriginal Education* (1985). In commenting on the effectiveness of ABSEG, the Committee quoted Professor Watts' conclusions (see above) in its report and commented

> there are many factors which influence a student's decision to stay on at secondary school of which the existence of ABSEG is only one. Nevertheless, on the basis of information given to the inquiry by teachers in secondary schools, the Committee shares the view of Professor Watts that ABSEG has achieved success in encouraging students to stay longer in secondary school (p.133)

While noting the success of the scheme in terms of student(retentions) in secondary schools, the Committee expressed concerns about the effects of the scheme on educational achievement

ABSEG has been widely accepted and approved of by the Aboriginal community. The success of the scheme has only been established in evaluation in terms of the increased retention rates of Aboriginals in secondary schools, particularly in the later years of secondary school. Unfortunately, there is little evidence of whether or not the students who are assisted by the scheme are, in fact, achieving well in their secondary studies. The Committee is concerned that in spite of ABSEG, few Aboriginals are matriculating, many Aboriginal students in secondary schools have low levels of academic achievement and are emerging from the secondary school system without the qualifications to pursue further studies, to enter other forms of vocational training or to obtain jobs in the community.

It is clear that success for Aboriginal students in secondary school is dependent on more than just keeping them at school. There is little point in seeing Aboriginal children progress through secondary school if they are unable to cope with their courses and if they are not achieving in their studies. It is also self-defeating if Aboriginal students are being retained in secondary school because of ABSEG, while the educational programs offered in the school remain irrelevant to Aboriginal needs (pp 133-34).

In light of the findings in Chapter 5 on Indigenous students' declining participation and much lower academic achievements than the wider community, these comments are still relevant today. But they raise a fundamental question about the aim of ABSTUDY that requires discussion to address the potential inference that ABSEG had failed in terms of facilitating educational achievement. That is, should student assistance schemes be judged on their success as an incentive to keep students at school or judged on the success or otherwise of educational outcomes from schooling systems over which assistance schemes have no influence?
The views of the current ATSIC review team on this question are unambiguous. ABSEG and its sister schemes, now engrossed in ABSTUDY, were established to provide financial assistance for Indigenous people to further their education. Despite the recent setbacks reported in Chapter 5 and the ongoing challenges to get much better participation outcomes, improving Indigenous participation in secondary education over the years has coincided with ABSTUDY and its forerunners (see, for example, the retention rates in this section and in Chapter 5). Thus the schemes have had positive results against their original aim. The issue of proportionally poorer educational attainment for Indigenous students is different. Any examination of this issue should focus primarily on the education systems that have failed Indigenous students and not the scheme that was designed to improve their participation in those systems.

In 1985, ABSEG was changed in name to the Aboriginal Secondary Assistance Scheme (Absec). The Commonwealth Department of Education continued to report improvements in enrolments, apparently attributing the increases to Absec, noting in its Annual Report 1986-87:

Expenditure on Absec for the 1986-87 financial year was $32.94 million compared with $32.223 million in 1985-86. During 1986 some 25,100 students received assistance under the scheme, an increase of 3.4 percent over 1985 figures. This growth reflects and contributes to continuing increases in Aboriginal enrolments in secondary schools. The number of students remaining at school for Years 11 and 12 continued to rise, from 2,952 in December 1984, to 3,345 in 1985, to 3,838 in 1986. (CDE 1987, p 45)

Details of improved retention rates followed in a table showing increases for Year 11 from 23.8% in 1980 to 37.2% in 1986 and for Year 12 from 7.7% to 17.0% over the same period (CDE 1987, p 46).

7.2.3 Abstudy

Abstudy was "introduced in 1969 mainly to assist students of Aboriginal and Torres Strait Island descent to improve their employment prospects by undertaking training after leaving school" (CDES 1972, p 19). Benefits of Abstudy were acknowledged early:

During 1972 the number of students in nearly every course category increased, most markedly in the secretarial-typing group. An interesting development in 1972 was the increase in the number of students undertaking special courses over short periods of time, including courses providing pre-vocational and pre-employment training. (CDES 1973 p 16)

In 1979, the Commonwealth Department of Education again heralded the success of Abstudy in its Annual Report 1979:

The Abnginal Study Grants Scheme is the fastest growing student assistance scheme. Reflecting the interest in and the need for this type of assistance, the number of grants made in 1979 totalled 7,473 compared with 4,341 in 1978 and 2,451 in 1977 (CDE 1980, p.7.)

Two years later, the department noted successful achievements under Abstudy in its Annual Report 1981:

An encouraging trend is the increasing number of grant-holders completing courses of at least diploma level at universities and colleges of advanced education. (CDE 1982, p 5)

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The word "apparently" is used to indicate careful consideration was given when interpreting the quotation that follows. In the third sentence, "growth" could apply to either growth in expenditure, growth in recipients, or both. If "growth" refers to student numbers only, the sentence is non-sensical in that it says growth numbers "contributes" to growth in enrolments, that is, numbers. Given that similar wording was used in the previous annual report (p 48), it is assumed that the sentence is not simply poor drafting. Rather, a logical interpretation is that the Department acknowledged that Absec continued to contribute to increases in secondary enrolments and to increased retention rates in senior secondary levels.
No major review of Abstudy was undertaken until the mid-1980s when the Commonwealth Department of Education commissioned Williams and Chambers to evaluate the scheme. They completed a comprehensive report in December 1984 and published their findings in _An Evaluation of the Aboriginal Study Grants Scheme: Summary and Review Findings_ (1986). Williams and Chambers examined achievements associated with Abstudy and concluded:

Abstudy has been a major factor in the increased participation of Aborigines in tertiary education since 1969. However, we believe that a confluence of many other forces has contributed to increased participation and that Abstudy has been essentially a facilitating agent. In spite of the progress, Aboriginal participation rates and achievements in tertiary education, particularly at the higher levels, are still lower than those in the wider Australian society. Because of this, Abstudy has not achieved in the space of sixteen years equality of education attainment.

There is strong support for Abstudy among Aboriginal people. They see it as a means of increasing participation in education at all levels by people who are older than the normal age of secondary school students. Furthermore, they believe that increased participation will one day lead to equality of education attainment. We subscribe to these views but wish to add some qualifications:

The achievement of educational equality will take many years, and we believe it is our responsibility to point this out to the Government. Abstudy is going to be needed well into the twenty-first century to facilitate the attainment of this goal (1986, p 24).

Williams and Chambers identified (1986, p 24) the following reasons for the long term need for Abstudy:

- No more than a few percent of the entire population of Aborigines aged 18 and over would have satisfactorily completed Year 12. Although Abstudy helped these people improve their attainment, it was unlikely that they would reach standards comparable with the wider population in the short term.
- The proportion of Aboriginal students undertaking Year 12 was only about a quarter of the Australian average. It was therefore not simply a matter of providing further educational opportunities to the post-school age population who had missed out because each year the school system added more people below the Australian educational norms.
- There were some traditional Aboriginal people who for good reasons chose not to avail themselves of formal education at the tertiary level. Reasons included:
  - the potentially destructive impact of formal tertiary education in traditional Aboriginal communities through absences to attend tertiary institutions and the need to obtain work after graduation; and
  - the weakening of kinship structures, the functional worth of vernacular languages, and rich cultural heritage.

This discussion is still relevant over a decade later. On the future of Abstudy, Williams and Chambers recommended that:

Abstudy should be maintained primarily as an assistance scheme for individual Aboriginal students until such time as their overall tertiary educational attainments are about the same as those in the wider Australian society. (1986, p 26)

In _Aboriginal Education_, the House of Representatives Select Committee on Aboriginal Education noted the wording of this recommendation and commented that it "supports
this view” (1985, p. 158) Having expressed this support, the Select Committee recommended that the Aboriginal Study Grants Scheme be retained (1985, p. 158).

### 7.2.4 ABSTUDY

Absec and Abstudy were amalgamated in 1988 into the Aboriginal Study Assistance Scheme (ABSTUDY). The new scheme provides continuity of purpose with two components - Schooling and Tertiary (DEETYA 1997(a), p. 1-23)

In 1989, the House of Representatives Standing Committee on Aboriginal Affairs, which comprised Government and Opposition members, gave unequivocal support for ABSTUDY in its report *A Chance for the Future: Training in Skills for Aboriginal and Torres Strait Island Community Management and Development* (1989(a), p. 63)

The Aboriginal Study Assistance Scheme provides financial assistance to Aboriginal and Torres Strait Island students to complete secondary schooling and undertake further education and training. The scheme over the nearly 20 years it has operated has been enormously successful in giving financial support to Aboriginal students to upgrade their skills and acquire additional educational qualifications. The scheme has played a major role in the greatly improved educational standing of the Aboriginal community that has taken place in the last 20 years.

In making its comments the Committee does not derogate from the vital role the scheme has played, and will continue to play, in upgrading educational standards for Aboriginal people. Overall, the scheme is strongly supported by the Committee and must continue as a discrete scheme designed to assist Aboriginal and Torres Strait Islander students.

The continuing importance of ABSTUDY for improving retention rates in secondary schooling in the early 1990s was demonstrated in the following example involving a comparison between retention rates for Indigenous students receiving ABSTUDY with those who were not. The retention rate for ABSTUDY beneficiaries who continued from Year 8 to reach Year 12 in 1991 was reported as 33% (DEET 1992, p. 152). This contrasts substantially with the overall retention rate of 22% for all Indigenous students in the same year (Table 5.1). Unfortunately, the reasons for some students in the latter group not receiving ABSTUDY are not known to the reviewers. However, ABSTUDY was clearly an important factor in the 11% difference between the two groups.

DEETYA has continued to report publicly on the importance of ABSTUDY. Most recently, the Department noted in its *Annual Report 1995-96* (1996(a), p. 163)

An evaluation of ABSTUDY was conducted in 1994-95. The review found that ABSTUDY was a major contributing factor to improving retention rates for Aboriginal and Torres Strait Islander students.

Additional support for the proposition that ABSTUDY has continued to be crucially important for Indigenous access to education is contained in the DEETYA draft evaluation report *An Evaluation of ABSTUDY* by Anne Byrne, *et al.* (1995). As part of the evaluation, the research team conducted a telephone survey in 1994 of over 5,000 secondary and tertiary ABSTUDY recipients. Among other things, it found that:

- Approximately half of all tertiary students and more than a third of secondary school students said that they would leave study if ABSTUDY was not available.
- School students were more likely than tertiary students to consider ABSTUDY support to be adequate.

These findings are discussed in Section 7.3.3 on the adequacy of ABSTUDY.
The strong statements on the success of ABSTUDY (and its predecessors) contained in Commonwealth reports and summarised above, confirm linkages between ABSTUDY and improved Indigenous access to education. These linkages were also confirmed during consultations conducted for this review. Everyone with whom this was discussed considered that ABSTUDY was crucial for Indigenous students to gain an education. Whenever the team raised with interviewees the possible difficulties in establishing this point in the absence of national statistics, those interviewed were surprised that it needed to be established. To them, the benefits were self-evident, based on their experience and knowledge. Most Indigenous interviewees said, in relation to post-secondary ABSTUDY benefits, that “I would not have got an education if it was not for ABSTUDY” or words to that effect. These people talked about their improved circumstances in having a job and many spoke of the role model they played for their family and community members some of whom, in turn, had pursued an education. Others people referred to the current Indigenous leadership throughout the country and commented to the effect that “most of them owe their success to the initial opportunities provided by ABSTUDY.”

Education providers also spoke of the importance of ABSTUDY. They pointed out that delays in the payment of ABSTUDY benefits resulted in students not attending school, not enrolling in post-school education institutions, or discontinuing studies. Education providers, whose courses relied on enrolments by students who accessed the travel benefits and/or the living allowance, were convinced that the elimination of these benefits would cause a dramatic reduction in enrolments because people could not afford such costs.

As mentioned in Chapter 1, the review team met with 35 focus groups composed of over 150 individuals in all States and Territories as well as two groups of students for the purpose of discovering the policy and administrative strengths and weaknesses of ABSTUDY. The views expressed, including those of DEETYA staff interviewed, were remarkably uniform on all major points and they are documented in this report. Some of the main views were:

- That despite some problems, ABSTUDY has been an outstanding success in allowing Indigenous people to gain access to education.
- Minor variations in the availability of benefits cause hardships and non-attendance.
- The name ABSTUDY should stay and it should be administered separately from AUSTUDY.
- Despite the efforts of many DEETYA ABSTUDY staff, there are serious problems with the administration of the scheme and this needs review by DEETYA.

7.2.5 Commonwealth NATSIEP Programs

Although this report focuses on ABSTUDY, the review team acknowledges that other Commonwealth initiatives that seek to pursue the goals of the NATSIEP have most probably contributed to those successes that can be measured in Indigenous education. To reiterate, these programs are:

- IESIP which emphasises educational outcomes and is aimed at government and non-government education providers,
- special allocations in Commonwealth funding of higher education institutions, and
• the key direct assistance programs which, in addition to ABSTUDY, are
  * ATAS,
  * ASSPA, and
  * VEGAS

While noting the importance of the substantial financial support provided to educational institutions under IESIP or other programs aimed directly at institutions, the review team considers it necessary to further develop the point made in Section 7.2.2. A main aim of ABSTUDY is to provide an incentive to encourage greater Indigenous participation in education. If Indigenous people do not access educational institutions and stay in them, they simply cannot obtain benefits offered by IESIP or the special allocations provided to higher education institutions.

The review team notes that, in the course of consultations, most people interviewed spoke highly of ATAS and VEGAS, although some people felt these schemes needed more resources. Views on ASSPA varied. A brief summary of comments on these schemes is given in Section D.6 of Appendix D. The team makes no judgements on these programs but simply records the essence of comments received.

7.3 AREAS WHERE ABSTUDY MIGHT BE IMPROVED

7.3.1 Preamble
The Terms of Reference require the review team to consider areas where ABSTUDY might be improved. There were a large number of complaints and adverse comments about ABSTUDY made by interviewees which need consideration by the wider DEETYA ABSTUDY review. These are contained in Appendix D. This review team has chosen to emphasise two issues which are
• ABSTUDY administration, and
• the adequacy of ABSTUDY financial support

Clearly, the review team is not able to comment definitively on ABSTUDY administration as its role and authority do not include reviewing DEETYA's systems. However, ABSTUDY administration issues were raised constantly throughout consultations and these issues are reported together with relevant supporting evidence found during literature research undertaken for the review. The review team feels it is appropriate to at least record these issues so that they might be addressed.

Any full assessment of the adequacy of ABSTUDY financial support would require an extensive survey of Indigenous people. Such a survey was beyond the scope of this review as noted elsewhere in this report. However, there is evidence to establish a probable link between the number of people accessing ABSTUDY and the financial adequacy of the scheme. This review considers that it is important that the Commonwealth further analyse this link when refining policies to improve Indigenous access to education through financial incentives.
7.3.2 ABSTUDY Administration

7.3.2.1 Comments on ABSTUDY “Rorts” and “Waste”

Some DEETYA staff and Indigenous people told the review team about several “rorts” and “waste” of entitlements available under ABSTUDY. The types of “rorts” mentioned were as follows:

- non-Indigenous students claiming ABSTUDY (isolated instances mentioned in respect of Queensland and New South Wales but the issue was of wider concern in Tasmania),
- ABSTUDY benefits being paid to parents and not being used for educational purposes (the most common example was the non-transfer of school fees to schools), and
- in cases of family breakdown, ABSTUDY living allowances being paid to parents and not to the de facto guardians of a student. Hence, neither the student nor the guardians benefited in the way envisaged.

None of these types of “rorts” were said to be widespread.

Examples of “waste” included:

- ABSTUDY recipients using ABSTUDY benefits to travel interstate for similar or identical courses offered closer to their home base, and
- ABSTUDY recipients using interstate travel entitlements “basic” course year after year.

If such “rorts” and “waste” have occurred, they are clearly inappropriate and indicate failings in the day to day administration or guidelines pertaining to ABSTUDY. Such failings would need to be addressed. However, the review team considers the way such problems are dealt with requires careful consideration. Some of the announced 1997-98 Budget changes would appear to be aimed at these problems - for example, changes to travel assistance in the Away from Base Allowance and for course approvals. Such changes will probably reduce “waste”. But if the changes are universal, and do not take account of geographical issues and are not accompanied by discretionary powers delegated to ABSTUDY administrators, they will impact on students with genuine needs for travel assistance, particularly from areas with inadequate educational facilities.

The review team considers that any problems with “rorts” and “waste” that might exist should be addressed by tightening administration rather than abandoning assistance that can be justified in policy terms (for example, increasing Indigenous access to and participation in education) and in terms of need (for example, undertaking a tertiary enabling course interstate as a prerequisite to a unique higher education course). Such discussion is, of course, somewhat speculative but nevertheless warranted in light of the 1997-98 Budget changes and the current DEETYA review of ABSTUDY.

Given these recent developments, the future of ABSTUDY is uncertain at this time. Equally, the underlying motives that might lead to further changes are uncertain. For example, these motives could include a genuine attempt to improve Indigenous educational outcomes, or political objectives in response to opponents of Indigenous programs, or a way of dispensing with the need to improve (or meet the cost of improving) ABSTUDY administration, or a combination of these and other factors.
To the extent that changes could occur, at least theoretically, as a means of dispensing with administrative problems, a simple example from another context is provided to illustrate the review team's concern with such a measure. If administrative performance problems or systems problems were found to result in social security fraud, the Government would expect the administering department to take action such as improving its systems, adequately resourcing those systems and/or training (or disciplining) the relevant staff. It is unlikely that the problem would be solved by reducing or abolishing social security benefits.

7.3.2.2 Client Dissatisfaction

Client dissatisfaction with the day to day administration of ABSTUDY was widespread and stated repeatedly around Australia. The administration in some States/Territories attracted more criticism than others. Many critics felt that DEETYA staff were trying hard with the limited resources available. The complaints made to the review team are contained in Section D.5 of Appendix D and are summarised below:

- ABSTUDY applicants said they experienced substantial delays in receiving benefits in 1997. Many applicants from all States and Territories were still waiting to receive payments when interviews were conducted in the period April to June.
- Nearly all interviewees who had used the ABSTUDY '97 Student Information Guide complained that it was user-unfriendly in layout and was confusing. The review team concurs with these views, believing the guide is overly couched in bureaucratic language that is inappropriate for use by the general public.
- All interviewees who had dealings with the application forms made complaints about them. Details are contained in Section D 5 3 in Appendix D.
- Many education institutional institutions complained that the ABSTUDY information guide and applications were received very late for 1997. They stressed that this documentation should be available in the September before a school/academic year. This reform would reduce lengthy delays in payments and overcome student disillusionment and attrition.
- Many interviewees said that DEETYA ABSTUDY staff worked very hard but that more staff training was necessary, particularly for temporary staff employed to assist in the peak application period. Some people also said that staff needed better guidelines to reduce the rate of inconsistent decisions.
- People said that DEETYA did not adequately inform people about ABSTUDY and changes to it. They suggested that more field staff are needed to visit educational institutions and communities as was done in the past. At present, much of the responsibility for communications is being carried out by schools, TAFE systems and universities.

The suggestion was made in the NT that some information be provided in the main Aboriginal languages, to parallel what is done in the major southern cities in foreign languages.

- There is a high turnover of DEETYA ABSTUDY staff, particularly the more competent and committed staff, so that people trying to access the scheme and thus education, or educationists trying to assist them, continually have to deal with new and inexperienced staff.
- Some universities and schools said that they do much of the administration of ABSTUDY, thus acting as an unresourced agent for the Commonwealth.
Many interviewees were concerned about the administration of ABSTUDY by the new Commonwealth Service Delivery Agency. They felt the Agency might integrate the administration of ABSTUDY and AUSTUDY and opined that the existing integrated offices of DEETYA were not as effective as the non-integrated ones for these schemes. They also felt the use of non-Indigenous staff would lower the level of understanding the administrators would have of Indigenous people and their problems dealing with Government agencies.

Most of these criticisms are not new.

The House of Representatives Standing Committee on Aboriginal Affairs examined critical comments on ABSTUDY made by the Auditor-General. In its report Review of Auditor-General’s Report on Aboriginal Student Assistance Schemes (1989(b)) the Committee examined three reports of the Auditor General presented in 1987, 1988 and 1989-90, which raised some of the issues referred to in Section 7.3.2.1 and in this Section, and commented:

The Committee concludes that the Department of Employment, Education and Training’s (DEET) poor management and administration of the Aboriginal Student Assistance Schemes as revealed in successive Auditor-General’s reports limit the potential of such schemes of student assistance. The Committee expects the Department to significantly improve its administration of ABSTUDY, implement and monitor performance indicators, plans and objectives so that the full potential of the scheme can be realised (p. v)

Problems caused by the late release of the ABSTUDY guidelines for 1997 seem similar to those reported by the Auditor-General in 1991 and accompanied by the following recommendations:

a) The Department ensure that a properly approved Policy Manual or advice of changes to policy is forwarded to State and Territory Offices prior to the start of each academic year.
b) There should be a correlation between procedures to avoid confusion and to ensure that all relevant and necessary information is obtained initially to minimise possible delays in later stages of processing (1991, p. 15)

More recently, the DEETYA evaluation of ABSTUDY conducted in 1994-95 addressed many of the problems reported to this review team and contained in the Auditor-General’s reports covering the late 1980s. The DEETYA evaluation team concluded:

- There appear to be deficiencies in the provision of advice and support in relation to ABSTUDY. In particular clients and intermediaries appear to be ill informed about the range of ABSTUDY benefits available. Also, the role of intermediaries in supporting and facilitating ABSTUDY needs to be examined more carefully. Better training of staff who are working with ABSTUDY clients was seen as a priority.
- Particular concern was expressed in relation to the provision of support for clients and intermediaries who are located in remote areas. An ABSTUDY remote area strategy may need to be developed to address these concerns.
- Delays in processing applications were seen to present major problems. It was considered necessary for procedures to be developed to ensure such delays are avoided. Overpayments of ABSTUDY benefits were seen to present real difficulties for many students. Students are often not provided with appropriate advice and choice in how overpayments can be recovered.
- There was general agreement that application forms and guidelines should be more straightforward and user friendly.
- As mentioned above, concern was also expressed that Aboriginal people were not fully aware of the eligibility criteria for ABSTUDY support or alternative income support arrangements available to them (Byrne, et al 1995, pp. 58-59)
Without the benefit of formally reviewing ABSTUDY administration, the review team is not in a position to establish the full extent of the problems reported. Views expressed to the review team were widely held and provided by people who were variously expert - for example, having worked with ABSTUDY for many years or worked in institutions which have dealt with ABSTUDY recipients and administrators for many years. Given the consistency of anecdotal evidence, coupled with the above findings of DEETYA's evaluation, the team believes there is a range of administrative and procedural problems that need to be addressed by the wider ABSTUDY review being conducted by DEETYA, or in an internal review by DEETYA and/or the new Commonwealth Service Delivery Agency.

The example about responses to hypothetical social security fraud give in Section 7.3.2.1 is also relevant here. So to is one of the four key principles that underpin this review - "problems with administration should not justify abandonment of good policy".

7.3.3 Adequacy of ABSTUDY

As mentioned in Section 7.2.4, the DEETYA draft evaluation report An Evaluation of ABSTUDY (Byrne, et al. 1995) found in its sample of secondary and tertiary recipients that:

- Approximately half of all tertiary students and more than a third of secondary school students said that they would leave study if ABSTUDY were not available;
- School students were more likely than tertiary students to consider ABSTUDY support to be adequate.

Whether existing ABSTUDY benefits are adequate to allow the majority of Indigenous people to access education cannot be concluded by the responses of existing ABSTUDY receivers, however.

By sampling only those people who were already involved in education and receiving ABSTUDY, the Evaluation sampled from people for whom ABSTUDY benefits were sufficient when they decided to continue study. Those for whom ABSTUDY benefits were insufficient, and hence were not being educated, were not included in the sample. This fact can lead to a misleading interpretation of the survey results. For example, suppose that only 5% of Indigenous tertiary students surveyed considered that ABSTUDY support was inadequate. On the basis of this, a reviewer may judge that the program was not too bad. However, in reality, the ABSTUDY support may have been so bad that ABSTUDY excluded 90% of all people wishing to gain a tertiary education from doing so. With this in mind, the reviewer would reverse his/her judgement. The way to overcome this problem, of course, is to sample from the whole Indigenous population. Also, care needs to be taken when interpreting the finding that school students were more likely than tertiary students to consider ABSTUDY to be adequate. Obvious questions that follow are whether these secondary students were in a position to know the full impact of their education on the financial affairs of their families and

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17 The study found that ABSTUDY recipients, who did not continue their education, left for reasons such as lack of school support, lack of family support and racism; these being more important than financial considerations. While such non-financial issues are important, they do not affect the point argued in this paragraph.
whether their parents should have been surveyed on the question of adequacy rather than the students

Since, in reality, Indigenous participation rates in secondary and tertiary education are much lower than those for the non-Indigenous population, it might be that many of them are excluded because of the relatively low level of support offered by ABSTUDY. Although there is an absence of broad survey data, this point is illustrated in a case study conducted by the Australian National University (Bygrave 1991) Although some of the information is dated (for example, ABSTUDY rates and accommodation fees), the university still regards the conclusions of the study as being relevant today. The study noted some of the administrative problems mentioned in Section 7.3.2 and found that ABSTUDY was insufficient to meet the costs associated with undertaking tertiary studies Furthermore, it developed possible solutions and was submitted to the former DEET for consideration. A summary of the problems identified with ABSTUDY and the possible solutions to them is reproduced in Appendix F. The probable inadequacy of ABSTUDY might also help explain the 11% difference in retention rates between ABSTUDY recipients and all Indigenous students in 1991 referred to in Section 7.2.4.

The need for caution about the methodology used to comment on adequacy is confirmed by data revealed in the National Aboriginal and Torres Strait Islander Survey 1994: Detailed Findings (ABS 1995(a)) which found that An estimated 46% of people aged 15 years and over, who had left school, wanted to do further study or training. Approximately 70% of these people felt they would have problems attending study or training courses and the main difficulties were:

- lack of transport/travel, 19%
- financial problems, 19%
- lack of child care 15% (p 36.)

Thus 53% of this group who said they wanted to undertake further education have indicated they could not do so for reasons that could be associated with insufficient income. While the level of awareness about ABSTUDY is not known, it is reasonable to assume (unless communications about the scheme have failed dismally) that ABSTUDY would not have provided sufficient financial incentive for many of these people to return to education.

The importance of financial assistance under ABSTUDY was strongly emphasised during consultations. Education providers said that Indigenous participation is very responsive to non-payment or late-payment of ABSTUDY benefits. Students who complained that they had not received ABSTUDY payments, or who had received them late, spoke about personal hardships. They also told about acquaintances in similar circumstances who had simply “dropped out” of education.

Another example which shows the income sensitivity of ABSTUDY is found in the response to the Commonwealth’s campaign to place 1,000 Indigenous teachers in class rooms by 1990. To help reach its target, the Government introduced awards in 1984 to encourage 100 mature age students to study for formal teaching qualifications and continued the program with further awards for several years. These awards provided a living allowance of $150 per week in addition to other ABSTUDY allowances. The program clearly recognised the financial incentive involved:

The intention of the program is to encourage the re-entry of mature age Aborigines into education to enable them to acquire or upgrade their teaching qualifications. The awards
provide an appreciably higher living allowance than the normal Abstudy living allowance, in recognition of the different financial needs of mature age students (CDE 1984, p 18)

During the review consultations, several people mentioned that the awards were very successful and the final target of 1,000 education graduates was exceeded. One criticism was that some graduates chose careers other than teaching but this has to be weighed against the overall employment outcomes which were said to be high. DEETYA advised that the program was not evaluated but some inference can be drawn about a link between the success of the scheme and the improved income support offered.

The program established three important points
- the targeting of mature-aged students recognised, whether intentionally or not, the reality that many Indigenous people pursued an education pathway much later in life than non-Indigenous people,
- that additional income was needed as an incentive for Indigenous people to return to study later in life when they were likely to have greater family and financial obligations; and
- that the provision of additional financial incentives was linked to the success of the scheme, at least in terms of a rapid acceleration of the number of Indigenous graduates.

Thus, the signal for today is clear. Given sufficient financial incentive, successful outcomes in Indigenous education can be accelerated.

In light of the above discussion on the income sensitivity of ABSTUDY participation, it is appropriate to reiterate the following points made in Chapter 6 on incomes of Indigenous people.
- For Australia overall in 1991, Indigenous incomes were about 70% of others in major and minor urban centres, while in rural Australia they were 57%.
- In 1994, some 59.4% of Indigenous people received annual incomes of less than $12,000 while only 11.4% received incomes of more than $25,000.

These data need to be considered against the following economic circumstances relevant to most Indigenous people and raised during review consultations (Section D 4.5)
- For a given level of income, non-Indigenous students and families have a larger asset backing than Indigenous people because they have inherited or have been given resources from relatives who themselves have been wealthier than their Indigenous counterparts. Thus non-Indigenous people have more choices to finance education. It will take many years before this difference is eliminated.
- While some Indigenous people now receive high incomes, they have not had them for long and the positions they hold are often temporary.
- For cultural reasons, Indigenous people usually have extended family obligations involving relatives who are very poor and need financial or other support from recipients of ABSTUDY. These obligations do not exist to anywhere near the same extent in most of Australia's non-Indigenous population.
- Unlike ABSTUDY recipients, a high proportion of ABSTUDY recipients live in rural and remote areas where there are few opportunities to supplement their ABSTUDY income. Thus ABSTUDY is generally the only source of income.
- The cost of living varies considerably across the country but it is generally much higher in rural and remote communities than in urban areas. Thus the real value of an ABSTUDY $ to the recipient is higher in urban areas (where most ABSTUDY recipients live) than in rural areas.
recipients live) than is the ABSTUDY $ for recipients living in remote areas and communities

7.3.4 Outcomes and Performance Data
Throughout this review, the team had difficulty obtaining some important outcome data associated with ABSTUDY. Details of ABSTUDY numbers and expenditure for each year were available from DEETYA and other sources, and were useful in showing that the scheme was important for participation in education. However, DEETYA did not have readily available data showing the educational outcomes of students who had received ABSTUDY assistance. The review team commented in Section 7.2.2 that ABSTUDY should not be judged as failing if educational systems, over which the scheme has no influence, have not produced adequate levels of attainment for ABSTUDY recipients in those systems. Nevertheless, it would be useful to have data that can show attainment levels linked to access and participation enabled by ABSTUDY. It is not contradictory to suggest that successful attainments resulting from increased access and participation enabled by ABSTUDY should be regarded as an important outcome of the scheme.

Similarly, data on employment flowing from educational achievements of ABSTUDY recipients were not readily available. This lack of data could be due, in part, to the narrower policy focus on education that is now given to ABSTUDY (Section 3.3). However, data showing successful transitions from education to employment would be an important economic performance indicator for the scheme.

In summary, the lack of performance data on the educational and employment outcomes of ABSTUDY is a major deficiency in current ABSTUDY administration. Without such data, it is difficult to understand how those responsible for administering ABSTUDY can properly evaluate the scheme and provide effective advice on policy and/or administrative improvements to it.

7.4 THE CASE FOR INDIGENOUS STUDENT ASSISTANCE

7.4.1 ABSTUDY as an Investment
7.4.1.1 Employment
Section 7.2 of this Chapter established the long standing and significant contribution ABSTUDY and its forerunners have made to improving Indigenous access to, and participation in, secondary and tertiary education. Chapter 6 showed the extent to which education attainment improves employment and income opportunities. It therefore follows that ABSTUDY is an important investment in employment.

7.4.1.2 Social Well-being
Although the review team did not formally research this area, it is likely that education, both in itself and by improving employment and incomes, has led to increased access to home ownership, improved health, higher social status and lower representation in the criminal justice system. Also, improvements in economic status have undoubtedly lowered the need to access welfare schemes. ABSTUDY has contributed to these improvements and thus is an investment in social terms as well.
7.4.2 Opportunity Costs
In considering the additional costs that might be associated with an Indigenous student scheme the Government needs to consider the following opportunity costs:

- the cost of providing education institutions (particularly in rural and remote areas) as an alternative to ABSTUDY travel benefits if the Government wishes to fulfil its obligation regarding access, participation and achievement contained in the NATSIEP,
- the cost of income support for those who do not get a job as a result of poor education, and
- the large social and economic costs associated with poor health, inadequate housing and contact with the criminal justice system which result from poor education.

Given the successes that have resulted from ABSTUDY, adequate expenditure on Indigenous student assistance must be regarded as a good investment for the nation.

7.4.3 ABSTUDY as an Incentive
At present, ABSTUDY provides no incentive for single people who are 16 years or older at home with no children rather than access Newstart or consider participating in a CDEP if available. It can be seen from Table 3.3 that the ABSTUDY Living Allowance is either the same as or substantially less than that for Newstart. These rates provide either no incentive, or a disincentive, for people who are poor and for whom, consequently, cash flow (rather than the return on their investment in their education) is the overriding issue. The recognition of ABSTUDY as an investment with positive returns suggests that these rates should be substantially higher to provide more encouragement for education. The recent decline in the education outcomes (falling retention rates in secondary schools and under-representation in terms of completion numbers and higher award levels in the tertiary sector) also suggests that more support is needed.

There are other client categories in Table 3.3 where ABSTUDY Living Allowance rates are the same as Newstart rates that similarly provide no incentive for people to participate in study.

7.4.4 Equity
While equity issues have not been discussed in detail in this report, there is a clear equity case for special assistance for the education of Indigenous Australians. Overall they experience considerable disadvantage in terms of incomes, education, housing, health and access to justice. In addition, a significant proportion of them live in areas with a very limited range of educational institutions. Financial support for their education is an important way in which these inequities may be lessened.

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Opportunity cost is a term used by economists to describe that which is foregone when one option is chosen over other options. Thus the benefits contained in the options foregone are the opportunity costs of the option chosen. For example, a person with $10 might consider the options of saving the money, buying a book or buying a meal. If that person chooses to buy the book, the opportunity costs are the savings or the meal.

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7.5 CONCLUSION

This chapter has established

- ABSTUDY and its predecessors have been regarded by successive Commonwealth Parliamentary Committees, the Commonwealth Department of Education and its successors, and independent reviewers as successful schemes that have been a major factor in encouraging and enabling Indigenous students to access and participate longer in education.

- Given ABSTUDY’s importance in improving access and participation, the scheme should not be judged as failing if educational systems, over which ABSTUDY has no influence, have not produced adequate levels of attainment for ABSTUDY recipients in those systems. However, the improved level of education in the Indigenous community, which has followed increased participation, should be regarded as an important outcome of the scheme.

- Successive reports show that ABSTUDY has been plagued with administration problems for at least a decade, and there is evidence that many of these problems persist today.

- A major deficiency in ABSTUDY administration is the lack of data being collected to measure the extent to which ABSTUDY has led to improved educational and employment outcomes for ABSTUDY recipients through greater access to and participation in education.

- Any review of ABSTUDY involving those responsible for its administration should give careful consideration to separating good policy objectives from failings in administration so that good policy is not abandoned as a simple means of overcoming administrative problems.

- The success of ABSTUDY in reaching its full potential depends on its financial adequacy given the comparatively lower economic status of Indigenous people in terms of employment, income levels and asset bases. There is a need to review the current levels of financial assistance which may be inadequate given the current declining educational outcomes for Indigenous people.

- There is a strong case for retaining a special Indigenous student assistance scheme on the grounds that

  * ABSTUDY has long been acknowledged as a successful scheme for improving participation in education,

  * programs aimed at educational institutions to improve Indigenous education outcomes are limited by the extent to which Indigenous people are able to access and participate in education for want of adequate financial assistance,

  * ABSTUDY is an investment in employment,

  * ABSTUDY is an investment in social well-being,

  * some opportunity costs of ABSTUDY are likely to be more costly in economic and social terms in both the shorter and longer terms,

  * ABSTUDY, if sufficient, provides an incentive for Indigenous people to pursue education rather than resort to other means of income support that offer little for future employment prospects; and

  * ABSTUDY offers an opportunity for Indigenous people to overcome the range of economic and social inequities they currently experience.
APPENDIX A

TERMS OF REFERENCE
DEVELOPMENT OF ATSIC POLICY PROPOSAL ON ABSTUDY

Preamble
In December 1996, the Government proposed the introduction of a Youth Allowance to replace the major forms of income support for unemployed young people and full-time students. ABSTUDY was excluded from the proposal pending a review of the scheme to be conducted during 1997, possibly by the Department of Employment, Education, Training and Youth Affairs (DEETYA).

The Aboriginal and Torres Strait Islander Commission (ATSIC) has decided to develop a policy proposal on ABSTUDY which, among other things, will be provided as a Commission input to the wider ABSTUDY review. To minimise potential duplication of the wider review, ATSIC proposes to focus primarily on the economic (rather than educational) benefits associated with ABSTUDY and their relevance to the Commission's Economic Program.

Part of the Economic Program Objective is:

- To facilitate and increase the economic empowerment of Aboriginal Peoples and Torres Strait Islanders, improve their relative economic status within the Australian community, and for enhancing levels of Employment, Education, Training and Land Ownership.

ATSIC proposes to engage a consultant to assist with developing the policy proposal. Terms of Reference for the consultancy are provided below.

Terms of Reference
1. The consultant is required to assist ATSIC to develop a policy proposal on ABSTUDY. The policy proposal should be based on appropriate research and consultations, and underpinned by a report which contains:

   Background
   a) relevant economic and social indicators for Indigenous Australians,
   b) relevant policies linked to Indigenous education and economic development;
   c) relevant education comparisons between Indigenous and other Australians,

   Analysis
   d) an assessment of ABSTUDY with particular focus on:
      • the significance of ABSTUDY in promoting Indigenous access to education,
      • the economic benefits (particularly employment) of education for Indigenous Australians, and
      • areas where ABSTUDY might be improved; and
   e) the case for the retention of ABSTUDY in its present or a modified form.

2. In preparing the policy proposal and associated report, the consultant is required to work closely with
a) two ATSIC Commissioners who will oversight development of the policy proposal,

b) ATSIC staff involved in the exercise,

c) individuals, organisations and communities identified for consultations, and

d) as required, DEETYA staff as appropriate in the wider ABSTUDY review

3. The ATSIC policy proposal and associated report is to be completed in final draft form by mid June 1997 for consideration by the ATSIC Executive. Timing for completion and possible publication of the final report will be determined by the Executive and the Commissioners overseeing development of the policy proposal.
## APPENDIX B

### ORGANISATIONS AND INDIVIDUALS CONSULTED

21 April to 25 June 1997

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Representatives</th>
<th>Date and Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal Affairs Department, WA</td>
<td>Cedric Wyatt, Chief Executive Officer</td>
<td>13 May, Perth</td>
</tr>
<tr>
<td>Aboriginal Education and Training Council (AETC) and Guests, WA</td>
<td>May O'Brien, Interim Chair&lt;br&gt;Terry Werner, Director, Office of Education Policy and Coordination, Department of Education Services&lt;br&gt;Bronnie Parkin, Director, Office of Non-Government Education, WA Department of Education Services&lt;br&gt;Roger Walsh, Coordinator School Resources, Catholic Education Office for Therese Temby, AETC Member&lt;br&gt;Helen Stokes, A/Coordinator, Operations and Program Development, WA Department of Training for Mara West&lt;br&gt;Bev Rebeek, Program Development Officer, WA Department of Training for Mara West&lt;br&gt;Juliet Marlier,† Manager, Liaison and ABSTUDY, DEETYA, WA</td>
<td>13 May, Perth</td>
</tr>
<tr>
<td>Aboriginal Employment Education Development Branch, SA</td>
<td>Les Nader (Director)&lt;br&gt;Mary Shadford (Manager, Education)&lt;br&gt;Christel Murray</td>
<td>12 May, Adelaide</td>
</tr>
<tr>
<td>Aboriginal and Islander Independent Community School Inc, Brisbane</td>
<td>Phillomena Downey&lt;br&gt;Faith Green&lt;br&gt;Terry Green</td>
<td>26 May, Brisbane</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Commission (Long-serving Field Officers)</td>
<td>Phil Donnelly, State Manager, New South Wales&lt;br&gt;Richard Preece, Regional Manager, Alice Springs&lt;br&gt;Bill Muddle, Dep Regional Manager, Alice Springs</td>
<td>28 April, Sydney&lt;br&gt;3 June, Alice Springs</td>
</tr>
<tr>
<td>Australian Catholic University (Yalbalinga), Sydney</td>
<td>Ken Ralph,† Director</td>
<td>3 June, Sydney</td>
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<td>Batchelor College, Batchelor</td>
<td>David McClay, Deputy Director&lt;br&gt;Holly Maryrson, Registrar&lt;br&gt;William Baird, Manager, Students and Program Support Unit&lt;br&gt;Sue Retallick, Assistance Business Manager, Student Services</td>
<td>22 April, Batchelor</td>
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<tr>
<td>Catholic Education Office, Darwin</td>
<td>David Parish</td>
<td>21 April, Darwin</td>
</tr>
<tr>
<td>Curtin University of Technology, Centre for Aboriginal Studies, Perth</td>
<td>Pat Dudgeon,† Head&lt;br&gt;Ken McCluskey, Executive Officer&lt;br&gt;Leanne Roberts, Director&lt;br&gt;Carolyn Pitt Coordinator, Aboriginal Bridging Course&lt;br&gt;Tara Trewern, Admin and Finance Officer&lt;br&gt;Jill Abdulla, Coordinator, Post Graduate Program&lt;br&gt;John Mallard, Coordinator, Aboriginal Health Program&lt;br&gt;Darlene Oxenham, Program Coordinator, Aboriginal Community Management and Development Program&lt;br&gt;Martin Hine, Coordinator, Associate Degree in Science and Technology</td>
<td>13 May, Perth</td>
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<tr>
<td>Deakin University (Institute of Koorie Education), Geelong</td>
<td>Wendy Brabham,†</td>
<td>30 April, Melbourne</td>
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<td>Department of Education and Children's Services, SA</td>
<td>Sherylee Dawe&lt;br&gt;Patricia Walsh</td>
<td>5 May, Adelaide</td>
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<tr>
<td>Organisation</td>
<td>Contact Person</td>
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<tr>
<td>Department of Education Services, SA</td>
<td>Ken Wyatt, Manager, Aboriginal Education Unit</td>
<td>12 May, Perth</td>
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</tbody>
</table>
| Department of Education, Queensland                                          | Shane Williams, Principal Education Officer, Aboriginal and Torres Strait Islander Education Unit  
Barry Ruddsford, Aboriginal and Torres Strait Islander Education Support Centre | 26 May, Brisbane   |
| Department of Education and Training etc, ACT                                | Alison McGregor, A/g Manager, Focus Program Section  
Sue Boyce, Executive Officer, Aboriginal Student Unit, Focus Program Section | 20 May, Canberra   |
| Department of Education, Community and Cultural Development, Tasmania       | Graham Harrington, Deputy Secretary, Education  
Arthur Hamilton, Principal Curriculum Officer, Education Programs Branch         | 19 May, Hobart     |
| Department of Education, NT                                                 | Peter Jones, A/g Director, Schools Policy Branch  
Chris Ross, (A/g Manager, Aboriginal and Torres Strait Islander Educators Support Unit  
Tracey Masterton, Project/Research Officer, Human Resource Development           | 21 April, Darwin   |
| Department of Employment, Education, Training and Youth Affairs (DEETYA)     | Peter Grant (Deputy Secretary)  
Colin Walters (First Assistant Secretary)  
Peter Whitney (Assistant Secretary, Student Assistance Policy Branch)  
Athol Prior (Director, Indigenous Education Policy)  
Phil Potterton (Evaluation Branch)  
Linda Lip (Evaluation Branch)  
Ann Pedler, Manager, SAC, Townsville  
Lyn Manns, ABSTUDY Team Leader  
Brenda Lucas, Senior Assessor  
Miles Lenoy, Assessor  
Sandra Pilot, Assessor  
Darren Smith, Assessor                                                        | 2 May, Canberra     |
| Office of Schools, Victorian Department of Education                         | Angela Singh, Co-Manager, Koone Education Development Unit  
Jane Weston Co-Manager, Koone Education Development Unit  
Des Smith, Koone Cross Sectional Coordinator, Namalaata Koone Education Centre  
Paul Richardson, Koone Cross Sectional Coordinator, Namalaata Koone Education Centre | 30 April, Melbourne |
| Federation of Aboriginal Independent Education Providers                    | Representatives from  
- Aboriginal Dance Theatre, Redfern  
- Institute for Aboriginal Development  
- National Aboriginal & Torres Strait Islander Skills Development Association  
- Tauondi Inc  
- Tranby Aboriginal Cooperative College                                      | 6 May, Adelaide     |
| Indigenous Australian Higher Education Association                           | Jill Milroy, Chair  
Pat Dudgeon, Executive Committee Member  
Laurel Williams, Chair, AHEN, NSW/ACT  
Ken Ralph, Deputy Chair, AHEN, NSW/ACT                                       | 13 May, Perth       |
<p>|                                                                               |                                                                        | 3 June, Sydney      |</p>
<table>
<thead>
<tr>
<th>Institution</th>
<th>Members and Contact Details</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>Institute for Aboriginal Development (IAD), Alice Springs</td>
<td>Debra Macdiment, Deputy Director&lt;br&gt;Eileen Shaw, Administrator&lt;br&gt;Sharon Hayes, Student Services&lt;br&gt;Rodney Diggens, Higher Education Coordinator&lt;br&gt;Lana Quall, *Curriculum Development Unit&lt;br&gt;Adrian Burkenhagen, *Council Support Officer</td>
<td>2 June, Alice Springs</td>
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<tr>
<td>James Cook University of North Queensland (</td>
<td>Jeannie Herbert, Director&lt;br&gt;Ench Barkmeyer, Lecturer&lt;br&gt;Sally Bateman, Lecturer&lt;br&gt;Martha Mollison, Lecturer&lt;br&gt;Maria Pappalardo, Lecturer&lt;br&gt;Ann Quitsch, Lecturer&lt;br&gt;Roxanne Ross, Clerk/Typist&lt;br&gt;Kevin Sqn, Lecturer&lt;br&gt;Leanora Spry, Lecturer</td>
<td>23 June, Townsville</td>
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<td>Kormilda College (Anglican and Uniting Churches)</td>
<td>Meredith Saunders, Business Manager</td>
<td>21 April, Darwin</td>
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<tr>
<td>Joe Lane</td>
<td>PhD Student</td>
<td>4 May, Adelaide</td>
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<td>Macquarie University (Warawara), Sydney</td>
<td>Tracey Hill, Director</td>
<td>3 June, Sydney</td>
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<td>Murdoch University, (Kulbardi Aboriginal Centre), Perth</td>
<td>Nellie Green, A/g Coordinator, KAC</td>
<td>13 May, Perth</td>
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<td>NSW Aboriginal Education Consultative Group Inc</td>
<td>Linda Burney, President</td>
<td>29 April, Sydney</td>
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<tr>
<td>NT Aboriginal Education Consultative Group (NTAECG)</td>
<td>Lana Quall, *Chair&lt;br&gt;Adrian Burkenhagen, Member&lt;br&gt;Maria Stephens, Executive Officer&lt;br&gt;Theresa Roe, Member&lt;br&gt;Lenore Dembski (Director, Aboriginal Development Unit, Northern Territory Department of Education)</td>
<td>2 June, Alice Springs</td>
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<td>Northern Territory University, Darwin</td>
<td>Isaac Brown, Dean, Faculty of Aboriginal and Torres Strait Islander Studies&lt;br&gt;Wally Nickels, Faculty of Aboriginal and Torres Strait Islander Studies</td>
<td>21 April, Darwin</td>
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<td>Notre Dame University, Broome</td>
<td>Sister Pat Rhatigan</td>
<td>13 June, telephone consultation</td>
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<td>Office of Aboriginal Affairs, Tasmania</td>
<td>Rod Gibbins, Manager</td>
<td>19 May, Hobart</td>
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<td>Queensland Aboriginal and Torres Strait Islander Education Consultative Committee (QATSIECC)</td>
<td>Lesa Norman, Executive Services Officer&lt;br&gt;Ken Riddiford, Executive Officer&lt;br&gt;Priscilla Saunders, Assistant Executive Officer, Early Childhood Education&lt;br&gt;Sonia Williams, Assistant Executive Officer, Post Compulsory Education&lt;br&gt;Colleen Spencer, Assistant Executive Officer, Higher Education</td>
<td>27 May, Brisbane</td>
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<td>Queensland University of Technology (Oodgeroo Unit), Brisbane</td>
<td>Victor Hart, Lecturer&lt;br&gt;Tania Armstrong, Associate Lecturer&lt;br&gt;Sherre Collins, Senior Administrative Officer&lt;br&gt;Alfred Smig, Student, Justice Studies&lt;br&gt;Jason Davies Student, Justice Studies</td>
<td>27 May, Brisbane</td>
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<td>Shalom Christian College (Uniting Church), Townsville</td>
<td>Shayne Blackman, Chairman&lt;br&gt;Neville Marsh, Executive Officer&lt;br&gt;Dennis Mulville, Senior Administration Officer</td>
<td>23 June, Townsville</td>
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<td>South Australian Aboriginal Education and Training Advisory Committee</td>
<td>Frank Lampard, Chairperson&lt;br&gt;Bill Wilson, Member (Director, Taouandi College&lt;br&gt;Sharon Lucas, Member(Student, Yunggorendi Marde, Flinders University)</td>
<td>5 May, Adelaide</td>
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<td>South Bank Institute of TAFE (Kangaroo Point Campus)</td>
<td>Des Egan (Manager, Aboriginal and Torres Strait Islander Co-ordination Unit), Barbara Jack (Associate Director, Faculty of Indigenous Australian People), Patricia Daanen (Teacher), Wayne Luciardiello (Student Support Officer), James Sandy (Student Support Officer), Hedley Martin (Student), Grant Scully (Student), Brett Yarrie (Student), Albert Bernard Hayward (Student), Jacqui Carter (Student)</td>
<td>26 May, Brisbane</td>
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<td>Southern Cross University (Gungal Jindibah Centre, College of Indigenous Australian Peoples), Lismore</td>
<td>Heidi Norman</td>
<td>3 June, Sydney</td>
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<td>St John's College (Catholic Church)</td>
<td>Father Bob Irwin, Headmaster, Elsabe Bott, Aboriginal Unit, Pat O’Brien, Indigenous Registrar</td>
<td>21 April, Darwin</td>
</tr>
<tr>
<td>The University of Newcastle (Wollotuka Aboriginal and Torres Strait Islander Education Centre), Newcastle</td>
<td>Laurel Williams, A/g Director</td>
<td>3 June, Sydney</td>
</tr>
<tr>
<td>Tranby College, Sydney</td>
<td>Robert Stanley</td>
<td>28 April, Sydney</td>
</tr>
<tr>
<td>University of South Australia</td>
<td>Professor Colin Bourke, A/Professor Eleanor Bourke</td>
<td>5 May, Adelaide</td>
</tr>
<tr>
<td>University of Technology, Sydney, Jumbunna CAISER</td>
<td>Bob Morgan, Director, James Lukabyo, Academic Coordinator, Norman Hatch, Student Representative and Law Student, Lucy de Bruce, Research and Policy Coordinator, Jennifer Newman, Course Coordinator, ATSI Programs, School of Adult Education, Billy Ardler, Lecturer, ATSI Programs, School of Adult Education, Christine Smith, Coordinator, Aboriginal Employment Strategy</td>
<td>3 June, Sydney</td>
</tr>
<tr>
<td>University of Western Australia (Centre for Aboriginal Programs)</td>
<td>Jill Milroy, Director*</td>
<td>13 May, Perth</td>
</tr>
<tr>
<td>Victorian Aboriginal Education Association Inc (VAEAI)</td>
<td>Wendy Brabham,* Treasurer, Gary Bamblett, Schools Representative, VAEAI, Daryl Rose Primary Representative, VAEAI</td>
<td>30 April, Melbourne</td>
</tr>
<tr>
<td>Yirara College (Lutheran Church)</td>
<td>Pastor Mark Doecke, Principal, Lester Kerber, Bursar</td>
<td>2 June, Alice Springs</td>
</tr>
</tbody>
</table>

Note: An asterisk (*) appears beside the names of people who represented more than one organisation.
APPENDIX C

ORGANISATIONS THAT PROVIDED FORMAL SUBMISSIONS TO THE REVIEW

Aboriginal Hostels Limited, Canberra
Batchelor College, Batchelor
Curtin University of Technology (Centre for Aboriginal Studies), Perth
Deakin University (Institute of Koorie Education), Geelong
Federation of Independent Education Providers, Canberra
Institute for Aboriginal Development, Alice Springs
Yirara College of the Finke River Mission Inc.

Note  In addition to the formal submissions listed above, many organisations provided published and unpublished papers prepared for other purposes but which were relevant to the review. Others contributed specific data of interest to the review team.
APPENDIX D

VIEWS OF INDIVIDUALS AND INSTITUTIONS INTERVIEWED

D.1 INTRODUCTION

During the consultation phase of this study, meetings were held with a total of 150 people in all States and the Territories, and with two groups of students, for the purpose of ascertaining views on philosophic, policy and administrative matters related to ABSTUDY. The following is a summary of the main views provided orally or in the form of written submissions. The views have been grouped in a way appropriate to this report and are not necessarily in the order in which they arose in discussions. No attempt is made here to assess the validity of these views. They should, however, be examined carefully in the proposed wider DEETYA review of ABSTUDY.

D.2 PHILOSOPHIC AND GENERAL ISSUES

D.2.1 Need for special assistance

Almost all of the Indigenous individuals and organisations, and many others interviewed, emphasised the need to continue special education assistance to Indigenous people to help them overcome the education and workforce disadvantages they experience. As one interviewee said, "ABSTUDY support started in 1977 and the problems cannot be solved in one generation."

D.2.2 Education expenditure is an investment

The view was expressed by some that ABSTUDY should be regarded as an investment in people rather than a cost and that the benefits of Indigenous education are widespread. The cost of ABSTUDY support per person is similar to unemployment benefits but ABSTUDY increases the chances of a person gaining a job and remaining off unemployment benefits in the future. Employment also has benefits to the individual, families and communities in addition to increases in income. Economic and social development, improvement in health and access to justice are dependent on education. A more educated Indigenous population is also more able to participate in politics and policy making and implementation. Benefits will also exist for the non-Indigenous population.

D.2.3 Benefits to Indigenous and non-Indigenous Australians

By improving the level of education, ABSTUDY improves the standard of living of Indigenous people. It does, however, also confer benefits to non-Indigenous people in the following ways:

(a) Employment amongst Indigenous people will increase and this will lower the costs of unemployment benefits and reduce government expenditure.
(b) Employment will reduce social problems in Indigenous communities and the government expenditure required to solve them.
(c) Poor people are more likely to commit crime than others so the costs of crime will decrease.
(d) A more educated Indigenous population will raise Australia's standing in the international community.
D.2.4 The name ABSTUDY
Interviewees were asked whether the name ABSTUDY should be changed, or redefined so that it referred to only those parts of the current ABSTUDY program for which there is no equivalent for non-Indigenous people through AUSTUDY, AIC and other Commonwealth programs. The argument in favour of this is that such a change would reduce the false impression which some members of the public have that all of ABSTUDY is a benefit in addition to that which is available to non-Indigenous people. With the exception of only two Indigenous people and one non-Indigenous person, all interviewees with whom this issue was raised were strongly against the idea and argued that ABSTUDY should remain as a separate program with its existing name. Those in favour of this used expressions such as “it is precious”, “it has been a focus”, “it is part of the Indigenous educational landscape” and “it belongs to us”, and were prepared to defend it against bad publicity. The three interviewees who wanted the name changed did so because of the bad publicity associated with it, partly inspired by Hansonite developments, and said things such as “it is the most divisive issue here” and “the name is used to bash blacks”.

D.2.5 The success of ABSTUDY
All groups interviewed considered that ABSTUDY overall was a very successful program in allowing Indigenous people access to education. Many of the people interviewed had received ABSTUDY and said that they would not have gained an education without ABSTUDY. One person, however, said the “the extra support provided by ABSTUDY goes no where near redressing the inequalities between Indigenous and mainstream society”.

D.2.6 Increasing need for ABSTUDY
Some interviewees said that the worsening employment position for Indigenous people, caused partly by reductions in public sector employment, meant that more effort is needed to train and educate Indigenous people.

D.2.7 Replace ABSTUDY
Two Indigenous interviewees said that the ABSTUDY scheme should be replaced by a system of cadetships and scholarships.

D.2.8 Non-indexing of benefits
It was mentioned that the benefits available under ABSTUDY have not been indexed to cost of education and the real value of some benefits has fallen over time.

D.2.9 Resentment because of ABSTUDY
Some interviewees said that some non-Indigenous people resented the special benefits available under ABSTUDY but that this was not sufficient reason to abandon the scheme.

D.2.10 Government defence of ABSTUDY
A number of interviewees were concerned that many people in the public thought that ABSTUDY benefits could be received in addition to those available under AUSTUDY, and that other people simply resented the special benefits provided. It was said that ABSTUDY is a government policy and that the government has an obligation to explain...
and defend its policy. This is especially important currently given the increase in racism in Australia

D.3 THE YOUTH ALLOWANCE PROPOSAL

D.3.1 Children below 16 years of age
It was argued that the Youth Allowance proposal does not address the needs of youth below the age of 16 years. By not providing support for this group, fewer Indigenous children will attend school and others will not be able to access schools outside their immediate area. This will have a flow-on to schooling in later years and will reverse many of the educational gains made in the past. A number of institutions will close, including some Aboriginal Hostels and some boarding schools (which provide education to the non-Indigenous community as well).

D.3.2 Disadvantages for tertiary students
The proposal also disadvantages tertiary students. For example, those over 21 will have their “away” entitlements reduced by $94 per fortnight and those over 25 years lose their entitlement altogether. Since many Indigenous students are over 25 years of age, many will be unable to continue their studies and others will be unable to commence them.

D.3.3 Disincentive to study
The Youth Allowance proposes to pay a common rate of benefit regardless of whether a person is unemployed or studying. Considering the likely benefits to society from a person studying and gaining employment, there should be additional benefits to encourage people to do so.

D.3.4 Historical disadvantage which Indigenous people experience
Some interviewees said that the proposal does not appear to recognise or take into account the historical disadvantages which Indigenous people face and it is inconsistent with the Government’s agenda on Reconciliation and with its responsibilities under the Royal Commission into Aboriginal Deaths in Custody.

D.4 ABSTUDY POLICY

D.4.1 Courses covered by ABSTUDY
D.4.1.1 Short and unaccredited courses
Some interviewees in the informal education sector argued that many of the most beneficial courses provided to Indigenous people have been short and unaccredited courses and enrolment in these is not supported by ABSTUDY. It was said that most of the courses in art and craft in the NT were of this type and that they have led to the development of a very successful adapted art and craft industry. This industry has created considerable employment in the communities and especially amongst the old, women, and unemployed. The examples of Utopia and Nguu were cited. The fact that ABSTUDY does not support enrolments in such courses, it was said, created delays and rigidities in the provision of important types of education and training and slowed economic development. The contrary view was also put, especially by providers in the formal sector. Some said that there was considerable waste in the provision of
unaccredited courses and that participation in them was usually supported by other programs

**D.4.1.2 Delays in accreditation**

Some institutions reported that delays in getting courses accredited had resulted in their students being disadvantaged by not receiving ABSTUDY. Due to the consequential lack of students, development of courses and programs were further delayed.

**D.4.1.3 Two part-time enrolments do not made a full-time enrolment**

Tertiary students enrolled in, say, two part-time courses are not considered as being enrolled full-time for the purpose of ABSTUDY. This means that such students cannot receive the ABSTUDY living allowance.

**D.4.1.4 Children leaving correctional centres**

Children in correctional centres have some expenses paid for them under the Incidentals Allowance. There are, however, problems with children when they leave correctional centres and return to school. There should be programs for them before they return to school with appropriate income support. ABSTUDY should be a source of this.

**D.4.2 Changing university enrolments**

**D.4.2.1 Little knowledge of opportunities**

Many students enter university with very little educational experience, or knowledge of the courses and opportunities available to graduates. For this reason, some students change enrolment, though providers said that it is relatively uncommon.

**D.4.2.2 Repeating TAFE bridging courses**

In Perth it was said that a significant proportion of Indigenous students in TAFE bridging courses repeated them. The reason for this was not clear but one suggestion was that students feared enrolling in mainstream courses.

**D.4.3 People excluded from receipt of ABSTUDY**

**D.4.3.1 Receipt of other government assistance**

The NT Department of Education complained that a change in the application of DEETYA guidelines this year has caused a substantial disincentive for its Assistant Aboriginal Teachers to gain further qualifications. For the last ten years the Department had encouraged Assistant Aboriginal Teachers to gain formal teacher qualifications through Batchelor College by paying them an amount equal to the difference between their salary as an Assistant and their ABSTUDY allowance. This “bursary” resulted in no loss of income. This year DEETYA decided that the students can receive either ABSTUDY or the bursary but not both. The result is that the Assistants will incur a loss of income of $8,040 per annum while studying. The NT Health Services was intending to follow the Department’s scheme. Clearly the decision by DEETYA causes a substantial disincentive in a context where the benefits of further education are very substantial.
D.4.4 Independent status

D.4.4.1 Independence age
In order to receive the ABSTUDY independent rate on the grounds of age a student must be at least 25 years of age. This is culturally inappropriate since Indigenous people achieve adulthood and are independent of their families at a much younger age.

D.4.5 Income test

D.4.5.1 Comparison between ABSTUDY and AUSTUDY income test
Almost all groups interviewed raised issues related to the income means test for recipients of ABSTUDY. It was generally said that the move to have a similar means test for ABSTUDY and AUSTUDY would be unjust because:

(a) For a given level of income, non-Indigenous students and families have a larger asset backing than Indigenous people because they have inherited or have been given resources from relatives who themselves have been wealthier than their Indigenous counterparts. It will take many years before this difference is eliminated.

(b) While some Indigenous people now receive high incomes, they have not had them for long and the positions they hold are often temporary.

(c) For cultural reasons, Indigenous people usually have extended family obligations involving relatives who are very poor and need financial or other support from recipients of ABSTUDY.

(d) Unlike AUSTUDY recipients, a high proportion of ABSTUDY recipients live in rural and remote areas where there are few opportunities to supplement their ABSTUDY income so that ABSTUDY is generally the only source of income.

(e) The cost of living varies considerably across the country but it is generally much higher in the remote areas and communities than in urban areas. Thus the real value of an AUSTUDY $ to the recipient is higher in urban areas (where most AUSTUDY recipients live) than is the ABSTUDY $ for recipients living in remote areas and communities.

D.4.6 Living allowance

D.4.6.1 Cost of living in remote areas.
The living allowance is low in real terms in remote areas because of the high cost of living.

D.4.6.2 Level of the allowance for tertiary students.
Many students at Tranby College, Sydney, for instance, found the Living Allowance inadequate and have left the College. They were also affected by homesickness. University students generally found it difficult to live on the Living Allowance.

D.4.6.3 Lack of incentive.
The living allowance under ABSTUDY is low in relation to unemployment benefits and thus it does not provide an incentive for study and improved employment prospects.
D.4.6.4  **ABSTUDY Living Allowance often the only source of income**  
Unlike many AUSTUDY recipients, ABSTUDY recipients are unable to supplement their ABSTUDY Living Allowance with additional income because they live in areas where there are no jobs.

D.4.6.5  **Up-front payments**  
Expenditures on books, clothes, accommodation etc., by tertiary and TAFE students, and by parents on behalf of school students, are greater at the beginning of the year than at other times. Thus there is a case for a lump-sum payment at that time.

D.4.6.6  **Mature age students and part-time enrolment**  
Many Indigenous people leave school with inadequate education and return to study later when they have family and part-time work obligations. This results in these people being enrolled in, or wishing to be enrolled in part-time study. ABSTUDY Living Allowance is not normally provided for these students, and since there are many people in this situation, the lack of support is an important restraint on such people improving their employment prospects.

D.4.6.7  **Benefits not passed on to children**  
It was said that in some cases the parents treated the ABSTUDY support for their children like a pension and the children received little or no benefit. In the worst cases, the children are supported by grandparents or other relatives or friends.

D.4.6.8  **Debts of university graduates**  
Concern was expressed that because of the low incomes and asset base of Indigenous people, they graduate with substantial HECS, ABSTUDY Supplement Loan and other debts, and it is difficult for them to improve their economic status after graduating. The need to repay these debts also prevents them from accepting lower-paid but important employment such as those in communities or in organisations. Any financial assistance which is available through ABSTUDY lessens this problem.

D.4.7  **School Fees Allowance**  
D.4.7.1  **Non-payment of school fees by parents**  
The School Fees Allowance is paid to the parent/guardian who in turn is supposed to use it to pay school fees. In some cases the parent/guardian does not pay the fees. The child concerned is often excluded from school functions, gets discouraged and leaves school.

D.4.8  **Course fees**  
D.4.8.1  **TAFE course fees**  
In recent years there have been large increases in some TAFE course fees and ABSTUDY has not been changed to reflect this.

D.4.8.2  **University fees**  
Universities are introducing substantial up-front fees and concern was expressed that these will stop Indigenous people from gaining a university education. The view was expressed that ABSTUDY should assist graduates to avoid becoming heavily in debt.
D.4.9 Incidentals Allowance

D.4.9.1 Its importance
The incidentals allowance was said by a number of interviewees to be very important for both school children and tertiary students.

D.4.9.2 Lower age limit
Students are not eligible for the incidentals allowance unless they are 18 or older on 1 January. Some TAFE students enrol while 17 years of age and it was said that these people should be eligible for the allowance.

D.4.10 Meals allowance

D.4.10.1 No increase
Some interviewees said that the meals allowance has not increased for a long time (one person said 10 years).

D.4.11 Travel benefits

D.4.11.1 Importance of the travel benefits of ABSTUDY
It was commonly said that the travel benefits available through ABSTUDY were the most important elements for students and the most effective way of providing access to education for the large proportion of Indigenous people who live in areas of inadequate or inappropriate education facilities.

D.4.11.2 The provision of travel benefits or education facilities
Interviewees concerned with schooling for Indigenous children living in remote areas emphasised that the government (Commonwealth or State and Territory) has a responsibility to provide adequate access to education for all citizens. This means that the government must provide either adequate travel support for children or provide the school and other education facilities in remote areas that are available to citizens generally. Travel support, it was said, is much cheaper than providing facilities and is an inexpensive way for governments to discharge their responsibility. As an example, one interviewee said that the cost of constructing an appropriate school in the Pitjantjatjara Homelands in SA (which would still involve travel and boarding for many students) would be about $40 million.

D.4.11.3 Dependence of schools on travel benefits
A large number of boarding schools rely for their survival on enrolments of Indigenous students and would close if travel benefits were significantly restricted. Interviewees from Catholic Schools made this point strongly, as well as representatives from St Johns and Kormilda Colleges in Darwin, Yirara College in Alice Springs and Shalom College in Townsville. Some of these schools also accept non-Indigenous students, so that the decline or loss of a school because of reduced travel benefits for Indigenous students will also disadvantage non-Indigenous students, many of whom also come from remote areas. Similarly, Aboriginal Hostels Limited would have to close a number of hostels and these facilities for Indigenous people generally would be reduced.

D.4.11.4 Dependence of university ATSI units on travel benefits
All of the university ATSI institutions emphasised how dependent they and their students are on the travel support provided by ABSTUDY. It is needed to make block release and in-course travel possible, and to allow students who came from distant places to attend
the university. Many of the units said that they would close without it and that since they were all different, any restriction on travel benefit would limit the educational choice students would have and limit the effectiveness of university education. University education for Indigenous people has been an outstanding success and it needs continuing support.

D.4.11.5 The success of block release
The universities said that the block release mode of teaching is extremely successful. This is so because it allows important people to remain in their communities, the students do not get homesick, which they would if they had to move away, and it allows people with dependents to discharge their obligations. Block release would not be possible without travel support.

D.4.11.6 Within-course travel
Within-course travel was said to be very important from an educational point of view and is used in many equivalent mainstream courses. It was said to be especially important in science and cultural studies.

D.4.11.7 Development of university courses for Indigenous students
Some university educators said that the government wanted universities to develop programs for Indigenous students but it has been reluctant to support students in these programs through ABSTUDY.

D.4.11.8 Lack of school facilities in remote Australia
There are no schools in Indigenous communities providing education to year 12 in the NT, most of remote WA and SA and in western Queensland, so that Indigenous students wishing to attend such schools must travel from home. Without the travel and boarding components of ABSTUDY, Indigenous children from remote areas would find it very difficult to obtain education to a level which would allow them entry to tertiary institutions.

D.4.11.9 Lack of universities in most of Australia
Australia does not have a university college system such as that in the USA. This means that students often have to travel large distances to gain a university education.

D.4.11.10 Travel to culturally appropriate schools
In Victoria, two KODE (Koorie Open Door Education) schools have been opened and two more are being developed. Those interviewed said that these were important education initiatives but that students were having difficulty gaining approval for ABSTUDY travel support to attend these schools. This point was also raised in relation to WA schools where parents wanted to send their children to a school with a given religious orientation but DEETYA were reluctant to provide ABSTUDY support.

D.4.11.11 Funds for parents to visit schools in remote areas
Children become more interested in education if the parents are interested. In remote areas the parents are not able to visit the school without assistance and ABSTUDY does not provide it.
D.4.11.12 Restrictions on interstate travel for education

There are restrictions on the ABSTUDY support for all students wishing to travel interstate for education. This is based on fallacies and causes distortions. The fallacies are that each state has institutions which are the same or so similar that they are interchangeable for educational purposes. This is clearly not so, especially in the area of tertiary education where there is a high level of specialisation. The other fallacy is that it is cheaper for education to be provided in the state or territory where the student lives. This is clearly not so for people living in northern SA where it is cheaper for them to travel to Alice Springs for education than to go to Port Augusta or Adelaide, and it is cheaper for people living in the eastern Kimberleys to travel to Darwin than to go to Perth for tertiary education.

Distortions occur in the educational process because of this. An example is the courses provided by the Anton Breinl Centre for Tropical Health and Medicine of James Cook University of North Queensland. The courses provided at this Centre are most relevant to people living in tropical Australia, which includes northern Queensland, the NT and northern WA, and it draws many of its students from northern WA. This restriction will prevent most of the students from WA and the NT finishing their degrees and others from starting. Further, the Centre provides national courses involving clinical placement and in the past provided placement where the best educational facilities were available. This would no longer be possible.

D.4.11.13 Travel support not provided for part-time studies

Travel support is not available for part-time studies and this restricts access to some important programs for people who are not able to attend full-time courses.

D.4.11.14 Culturally appropriate teaching mode

Batchelor College, for example, relies heavily on the travel component of ABSTUDY. It delivers courses in mixed mode. This involves a combination of community-based studies, work experience and intensive workshops held at Batchelor College. Without travel support, this mode would not be possible. The consequences would be that fewer Indigenous people would be able access these courses, costly accommodation would have to be provided, and education would be provided in a less appropriate form.

D.4.11.15 Advantages of studying away from home

While most interviewees agreed that students preferred to study in the neighbourhood of their own homes, some saw advantages of students studying away from home. These advantages are those associated with travel generally and include becoming aware of alternative and better ways to live, of different employment and educational possibilities and gaining more knowledge of the wider world. In the case of children with behavioural problems, there may be advantages of moving them to a different school and environment.

D.4.11.16 Support for community members to travel for graduation ceremonies

When graduation ceremonies are held at Batchelor College, NT, senior members of the graduate’s community and relatives try to attend. Their attendance has the important beneficial effect on the home community of raising the standing and prestige of graduates and of education. Because community people are so poor, few can usually attend and
the NT Department of Education put the view that travel assistance for such people would be a good investment

**D.4.11.17 Remoteness**
It is common to think of remoteness in an excessively restrictive way. It is usually defined in terms of distance. Indigenous people in urban environments are often small minorities in an alien and discriminatory culture and feel remote from their culture and support. The government should be more prepared to grant ABSTUDY travel support in these cases.

**D.4.11.18 Programs designed to take advantage of travel benefits**
DEETYA expressed the view that some Indigenous education providers have developed their courses to take advantage of travel support and that in some cases the type and extent of travel currently provided is not necessary for educational purposes. This issue was raised with education providers which had programs with a travel component. All denied this allegation and said that the travel was necessary for educational purposes.

**D.4.12 ABSTUDY and CDEP**

**D.4.12.1 Coordination**
CDEP and work programs and education and training programs need to be coordinated so as provide the best opportunity for people to gain education and training.

**D.4.12.2 Information**
More information needs to be provided to CDEP workers on the educational and training opportunities available to them and the ABSTUDY support which they would receive when undertaking a course.

**D.4.12.3 CDEP incomes**
In the past, DEETYA did not pay the ABSTUDY Living Allowance to students on CDEP because CDEP income was considered to be "other government help". This has been changed for CDEP workers not involved in training, and CDEP income is included in the Income Test like most other income. However, while a CDEP worker may get ABSTUDY by undertaking training or education, an ABSTUDY student cannot join a CDEP scheme and retain ABSTUDY. Some interviewees could not understand the reason for this asymmetry.

**D.4.13 Work experience**

**D.4.13.1 Lack of ABSTUDY support for work experience**
Work experience is important for school children who are about to enter the work force. It does, however, involve additional costs to the family in the forms of clothes and travel expenses and some families cannot afford these. The result is that the children do not engage in work experience and are disadvantaged when attempting to gain employment. Interviewees who raised this said that there should be support provided under these circumstances.
D.4.14 Jobs for graduates
D.4.14.1 Teacher educated
The majority of people who graduated in teacher training in the NT were lost to employment with better pay and conditions. This is less so now than in the past. This problem was also mentioned in Victoria.

D.4.14.2 University graduates gaining employment
In the NT, Indigenous graduates usually get high paying employment. A study by one interviewee of Aboriginal graduates from South Australian universities for 1996 found that by now they all either had employment or were enrolled in further education.

D.4.15 Other beneficial effects of ABSTUDY
D.4.15.1 Escaping racism
In NSW and Queensland, in particular, it was mentioned that ABSTUDY has allowed children to attend private schools where there is less racism than in many public schools, especially in rural areas. This is likely to be a general problem.

D.4.15.2 Keeping children at school
In NSW it was said that ABSTUDY had been very successful in keeping children at school.

D.4.15.3 Changing attitudes
One of the benefits of ABSTUDY is that by improving the level of education it is changing the attitudes of non-Indigenous people towards Indigenous people for the better and is improving the self-esteem of Indigenous people.

D.4.15.4 Improving the quality of life
Education improves the quality of life.

D.4.15.5 Encouraging university education for traditional people
People from traditional communities who have a secondary education are reluctant to gain a university education because of the lack of role models. By encouraging this generation of traditional people to gain a university education, ABSTUDY is helping to provide these role models.

D.5 ABSTUDY ADMINISTRATION

D.5.1 Delays in receipt of ABSTUDY benefits
It seems that ABSTUDY applicants experienced very substantial delays in receiving benefits in 1997. Many applicants from all States and Territories were still waiting to receive payments when interviews were undertaken for this study were undertaken in April to June. These delays caused hardship for students and resulted in many people not enrolling in courses.

D.5.2 ABSTUDY Student Information Guide
All interviewees who had to use the Information Guide complained that it was user-unfriendly in layout and was confusing.
D.5.3 ABSTUDY application forms
All interviewees who had dealings with the applications forms made complaints about them. Some of these complaints were:
(a) The questions are not in logical order.
(b) They ask for information which is not necessary.
(c) Some of the questions are unclear. For example, the question "Will you be living away from home to study in 1997?" (question 24 in the secondary or tertiary application form) is confusing. A student may move from Mt Isa to Brisbane specifically for education, will remain in Brisbane for the duration of his/her study, but intends returning to Mt Isa. Such a student may be confused as to whether Brisbane or Mt Isa is home.
(d) In many cases, unanswered questions resulted in the form being placed in a pile which is processed much later in the year. One interviewee suggested that on the back of the forms there should be a checklist with a heading "Do not submit your form unless you have included the following.

D.5.4 Availability of guides and application forms
Many educational institutions stressed that the ABSTUDY guide and application forms need to be available well before the end of the year preceding the payment year. One interviewee said that the guide and forms for TAFE should be available in September. Such a reform, it was said, would reduce the lengthy delays in the payment of ABSTUDY.

D.5.5 Staff training for DEETYA ABSTUDY staff
Many interviewees said that DEETYA ABSTUDY staff worked very hard but that more staff training was needed, especially for temporary staff who were employed during the peak application period. Some also said that the staff needed better guidelines to reduce the rate of inconsistent decisions.

D.5.6 Poor communications by DEETYA about ABSTUDY
It was said that DEETYA did not adequately inform people about ABSTUDY and changes in it. More field staff are needed to visit educational institutions and communities, as was done in the past. Much of the responsibility for communications is being carried out by schools, TAFE systems, and universities. The suggestion was made in the NT that some information be provided in the main Aboriginal languages, to parallel what is done in the major southern cities in foreign languages.

D.5.7 Who administers ABSTUDY?
Some universities and schools said that they do much of the administration of ABSTUDY.

D.5.8 Who should administer ABSTUDY?
Some interviewees said that ABSTUDY should be administered by the State and Territory Governments on the grounds that these run the education and training system and have better knowledge of the institutions and students.

D.5.9 Interpretation of DEETYA ABSTUDY guidelines
It was said that DEETYA regional offices interpret the guidelines differently.
D.5.10 The new Service Delivery Agency
Many interviewees were concerned about the administration of ABSTUDY by the new Service Delivery Agency. Issues raised were
(a) The Agency may integrate the administration of ABSTUDY and AUSTUDY. A number of interviewees expressed the view that the integrated offices of DEETYA were not as effective as the non-integrated ones.
(b) The use of non-Indigenous staff would lower the level of understanding the administrators would have of Indigenous people and their problems.

D.5.11 Good program
One interviewee in Tasmania said that ABSTUDY had a good reputation for flexibility and supported people when they failed.

D.5.12 Absences from school
ABSTUDY benefits are stopped after five unexplained absences from school. However, it often takes a long time before this happens and parents are required to repay the overpayment. This creates great hardship. A related issue is that schools are required to inform DEETYA if a child leaves the school but given the high mobility of many Indigenous families, it is often difficult for the school to determine if this has happened.

D.5.13 Family breakdown
It is often difficult for a student to prove that he/she is not living at home, because of family breakdown, if they remain in the same area as their parents.

D.5.14 “Aboriginality”
A number of issues were raised in relation to the definition of “Aboriginality” (used in the ABSTUDY Student Information Guide to refer to people of Aboriginal or Torres Strait Islander descent) and its implementation. Some interviewees said that ATSIC should take on the responsibility of certifying Aboriginality. The specific problems mentioned were
(a) It needs to be more rigorously policed because some Pacific Islanders, Indians and others are receiving ABSTUDY.
(b) The implementation of the definition is difficult when the applicant comes from interstate because their status requires confirmation from an Indigenous organisation which may be difficult to contact.
(c) Some of the Indigenous organisations from which people must gain verification of Aboriginality meet infrequently and internal political disputes can result in delays.

D.6 ATAS, ASSPA, VEGAS

D.6.1 ATAS
D.6.1.1 Success
A very high proportion of interviewees concerned with school and university students said that the ATAS program was an outstanding success. Descriptions included “one of the best programs for Indigenous people”, “crucial”, “essential for most students”.

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D.6.1.2 Resentment by non-Indigenous students
The ATAS program has caused some resentment amongst some non-Indigenous students and parents.

D.6.1.3 Late payment of ATAS wages
It was mentioned in one meeting that the length of time required for tutors to be paid deterred some tutors from continuing.

D.6.1.4 Forms
One university student interviewed said that the lecturer was reluctant to complete the ATAS forms because, it was supposed, the need for ATAS tuition reflected badly on his/her teaching.

D.6.1.5 Queensland schools
ATAS is not used much in Queensland schools.

D.6.1.6 ATAS tutorials available during school time
While most interviewees concerned with ATAS for schools said that the tutorials should be provided during school hours but were not allowed, some schools have been allowed to do so.

D.6.1.7 Recent cutbacks
Interviewees complained about the recent cutback in the availability of ATAS tutorials, saying that it is unwarranted considering how successful the scheme is.

D.6.2 ASSPA
D.6.2.1 Problems with ASSPA
Views on the success of the ASSPA program varied. Some of the problems mentioned were the following.
(a) It was often reported that many school principals dominated the ASSPA school committees and manipulated them so that ASSPA funds were used for items which should have been funded from school budgets. This was particularly contentious in schools with both Indigenous and non-Indigenous students. Examples quoted included the top dressing of a school sports field, the purchase of gym equipment and library books. A small number of interviewees said that the ASSPA program should be abandoned and the funds given to the VEGAS program. Most people, however, said that the use of the funds should be more intensively monitored by DEETYA and committee members should be provided with training.
(b) Some interviewees said that none of the schools that they knew of had changed their culture because of ASSPA.
(c) ASSPA has caused resentment amongst non-Indigenous students and parents.
(d) The program should support curriculum development.

D.6.3 VEGAS
D.6.3.1 Good program
Many interviewees said that VEGAS was a good program but needed more money. The funds had been used for a wide range of purposes including:
(a) Mutton birding trips in Tasmania - these were said to be successful in teaching students about their culture and raising the self-esteem of students.
Some schools had camps which involved the elders
(c) Team building
(d) Running an employment Expo for Indigenous students and workshops on employment

D.7 The 1994 DEETYA Evaluation of ABSTUDY

D.7.1 Changes
A number of interviewees asked about the survey conducted as part of the evaluation and were concerned about the changes in circumstances since then. The main changes related to increases in the costs of education which resulted from the introduction of up-front fees (especially in TAFE) and the need to have access to computers including connection to the Internet.

D.7.2 Results of the evaluation
DEETYA review collected data on the basis of telephone surveys, case studies and focus groups. Some of the findings which are relevant to the ATSIC review are

- In telephone surveys it was found that approximately half of all tertiary students and more than a third of secondary school students said that they would leave study if ABSTUDY was not available.
- School students were more likely than tertiary students to consider ABSTUDY support to be adequate.
- Secondary and tertiary students who intended to continue their studies were likely to be receiving ATAS tuition.
- With respect to administration, it was found that recipients had inadequate information about the program, that there were delays in processing application forms, and that the application forms and guide should be more user friendly.

While the data used in this evaluation are reasonably old, the first three results are likely to still have relevance today. It is interesting to note that the administration problems identified in the last point seem to have remained unsolved.
## APPENDIX E

### COMPARATIVE EARNINGS FUNCTION IN AUSTRALIA

Table E.1: Earnings Function for Indigenous and Non-Indigenous Australians by Gender, 1991

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indigenous Males</th>
<th>Indigenous Females</th>
<th>Others Males</th>
<th>Others Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>7.8101 (224.4) a</td>
<td>7.4795 (157.8) b</td>
<td>7.3264 (184.5) b</td>
<td>6.7494 (131.7) b</td>
</tr>
<tr>
<td>Age</td>
<td>0.0889 (43.4) b</td>
<td>0.0983 (34.1) b</td>
<td>0.1188 (52.7) b</td>
<td>0.1243 (40.9) b</td>
</tr>
<tr>
<td>Age squared</td>
<td>-0.0010 (-37.6) b</td>
<td>-0.0012 (-29.2) b</td>
<td>-0.0014 (-49.1) b</td>
<td>-0.0015 (-37.8) b</td>
</tr>
<tr>
<td>Age on leaving school d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Schooling</td>
<td>-0.3834 (-15.4) b</td>
<td>-0.2671 (-6.6) b</td>
<td>-0.2720 (-3.0) b</td>
<td>-0.3452 (-2.16) b</td>
</tr>
<tr>
<td>&lt;=14 years</td>
<td>-0.0606 (-5.4) b</td>
<td>-0.0425 (-2.6) b</td>
<td>-0.0412 (-2.7) b</td>
<td>-0.0335 (-1.4)</td>
</tr>
<tr>
<td>16 years</td>
<td>0.0519 (5.3) b</td>
<td>0.1333 (10.7) b</td>
<td>0.1432 (13.0) b</td>
<td>0.2176 (15.1) b</td>
</tr>
<tr>
<td>17 years</td>
<td>0.1208 (10.1) b</td>
<td>0.2414 (16.7) b</td>
<td>0.1858 (15.7) b</td>
<td>0.2864 (18.9) b</td>
</tr>
<tr>
<td>18 years</td>
<td>0.1591 (9.7) b</td>
<td>0.2388 (12.0) b</td>
<td>0.1964 (13.8) b</td>
<td>0.2693 (14.0) b</td>
</tr>
<tr>
<td>19 years</td>
<td>-0.0303 (-1.3) b</td>
<td>0.0920 (3.3) b</td>
<td>0.1363 (6.7) b</td>
<td>0.2641 (9.6) b</td>
</tr>
<tr>
<td>Qualifications d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate</td>
<td>0.3495 (33.7) b</td>
<td>0.2278 (13.3) b</td>
<td>0.1702 (18.5) b</td>
<td>0.1546 (9.1) b</td>
</tr>
<tr>
<td>Diploma</td>
<td>0.4178 (15.4) b</td>
<td>0.4147 (20.4) b</td>
<td>0.2997 (16.7) b</td>
<td>0.2952 (16.7) b</td>
</tr>
<tr>
<td>University Degree</td>
<td>0.5759 (19.4) b</td>
<td>0.5772 (20.3) b</td>
<td>0.5226 (38.1) b</td>
<td>0.4393 (25.2) b</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>0.1398 (14.9) b</td>
<td>-0.1414 (-11.8) b</td>
<td>0.1628 (13.4) b</td>
<td>-0.1524 (-9.8) b</td>
</tr>
<tr>
<td>Other</td>
<td>0.0974 (6.6) b</td>
<td>0.0537 (3.2) b</td>
<td>0.1056 (5.9) b</td>
<td>0.1239 (5.8) b</td>
</tr>
<tr>
<td>Dependent Children</td>
<td>0.0089 (8.0) b</td>
<td>0.0242 (17.6) b</td>
<td>0.0167 (13.9) b</td>
<td>0.0568 (37.9) b</td>
</tr>
<tr>
<td>Language</td>
<td>-0.4528 (-19.0) b</td>
<td>-0.3188 (-9.5) b</td>
<td>0.0978 (0.8)</td>
<td>-0.1070 (0.8)</td>
</tr>
<tr>
<td>R²</td>
<td>0.23</td>
<td>0.19</td>
<td>0.30</td>
<td>0.26</td>
</tr>
</tbody>
</table>

a. 't' statistics in parentheses  
b. Significant at 1 percent level  
c. Significant at 5 percent level  
d. Joint F-test significant at 1 percent level (one-side or two-side tests as appropriate)

Source: Junankar and Liu, CAEPR Discussion Paper No 123/1996 from the 1991 Census

This is a complicated table and some explanation is required. The most important numbers are those without brackets (coefficients). The sign of these numbers (+ or -) indicates how a person's earnings can be expected to change as the variable increases.
For example, the earnings of all categories of people increase as their age increases. The numbers in brackets indicate whether the relationship between the variable and earnings is significant.

The coefficients for the "Age on leaving school" indicate how earnings vary as the age on leaving school varies from 15 years. For example, Indigenous males have lower incomes than the 15 year old school leavers if they leave school at age less than 15 years or if they have no schooling (the coefficients are -0.0606 and -0.3834 respectively).

Interpretative results from Table E1 are contained in Section 6.4.2.2 of this report.
## APPENDIX F

### IDENTIFICATION OF PROBLEMS EXPERIENCED WITH ABSTUDY AT THE ANU

<table>
<thead>
<tr>
<th>Identified and/or Experienced Problems</th>
<th>Present Situation</th>
<th>Solution</th>
<th>Responsibility</th>
<th>Time-frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delayed payments of Aboriginal study awards experienced by new and returning students</td>
<td>Students have waited from 1-3 months for payments, sometimes longer</td>
<td>DEET to revise Database/computer program</td>
<td>DEET at the central office level</td>
<td>Commence research immediately</td>
</tr>
<tr>
<td>Inability to meet tertiary fees</td>
<td>ABSTUDY incidentals insufficient to cover fees as well as other requirements</td>
<td>Separate funding allocation to enclaves responsible for Aboriginal students</td>
<td>DEET to set up guidelines</td>
<td>Immediate consideration and preparation of guidelines for 1992 intake</td>
</tr>
<tr>
<td>Insufficient monies available to purchase all books needed for courses</td>
<td>Students are not purchasing required books, leading to difficulties in successfully completing courses</td>
<td>Students able to negotiate with DEET for additional funds</td>
<td>DEET to research the costs of books in subject areas to develop more appropriate allocations</td>
<td>Immediate with review every 2 years</td>
</tr>
<tr>
<td>Affordable accommodation is not readily available</td>
<td>Because of the difficulties in finding affordable accommodation students either do not commence studies or leave tertiary education early</td>
<td>Establish Aboriginal Student Hostel, or DEET to subsidise accommodation, or funds be taken from institutional allocations and given to enclaves to make subsidies</td>
<td>DEET should discuss with relevant institutions the availability of accommodation and decide upon best way to assist</td>
<td>An immediate commencement of discussions is essential to avoid difficulties in 1992 and the future</td>
</tr>
<tr>
<td>Insufficient money to budget for full fortnight food requirements</td>
<td>Ongoing approaches to welfare agencies, friends, and other students to assist with purchase of food</td>
<td>Realistic review of monies paid to students</td>
<td>Approaches by DEET to educational institutions to review cases of students on a national basis</td>
<td>Immediate, in preparation for the 1992 academic year</td>
</tr>
<tr>
<td>Due to insufficient money, students are unable to purchase medications and basic toiletries</td>
<td>Students continue to borrow until they find themselves in various levels of debt</td>
<td>Review of ABSTUDY payments</td>
<td>Research by DEET officers</td>
<td>Immediate</td>
</tr>
<tr>
<td>Canberra’s extreme temperatures require special clothing</td>
<td>Students find themselves sick for most of the winter</td>
<td>Review of ABSTUDY payments</td>
<td>Research by DEET Officers</td>
<td>Immediate</td>
</tr>
</tbody>
</table>

Source: Bygrave, Aboriginal and Torres Strait Island Program, 1991, p 13
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