



OUTCOMES - POST IMPLEMENTATION REVIEW INDIGENOUS STUDENT SUCCESS PROGRAM

July-December 2018

Context

During 2015 and 2016 the Department of the Prime Minister and Cabinet undertook extensive consultation and collaboration with the higher education sector including the National Aboriginal and Torres Strait Islander Higher Education Consortium to develop reforms to supplementary assistance to Aboriginal and Torres Strait Islander university students. As a consequence, the Indigenous Student Success Program (ISSP) commenced from 1 January 2017. The Commonwealth Government committed to undertake a post-implementation review from mid-2018 to review transitional measures and to ensure the program was operating as intended.

The summary below outlines the feedback received from the sector. The information in highlighted boxes details the changes to the guidelines or administrative arrangements/support for the Indigenous Student Success Program (ISSP).

Review Process

There were three main elements to the post-implementation review of the ISSP:

- Consultation with stakeholders.
- Health check of the design and operating effectiveness of the Department's administration of the program (conducted by KPMG).
- Legal officers review of the relevant legislative instruments.

In August 2018, a consultation paper was circulated to eligible providers, peak bodies and other relevant stakeholders, including student representative groups. The discussion paper was also promoted and was available on the Department's website. The Department received 38 responses to the discussion paper from universities, peak bodies, student groups and individuals.

The Department also held five teleconferences with stakeholders and met with the National Aboriginal and Torres Strait Islander Higher Education Consortium (NATSHEC).

General feedback

There was widespread endorsement of the value of the ISSP reforms reported in both the submissions and in meetings. Stakeholders welcomed the new flexibilities, with a number already taking advantage of the flexibilities through redesign of assistance for students and other stakeholders with plans to do so in the future. Stakeholders particularly commented on the high level of support that was received from the Department during the transition period of ISSP.

Feedback primarily focused on seeking clarification of definitions and how some of the program conditions should be applied to better administer the program. There was both support for, and



questioning of various elements of the eligibility criteria, funding formula, excluded uses and reporting. Respondents also sought opportunities for good practice to be shared.

The Health Check found that there are appropriate arrangements in place to support most aspects of program management with some relatively minor opportunities for improvement.

Department will develop an ISSP handbook to provide more details for administering the program, complemented with good practice studies drawn from analysis of data and provider performance reports. The handbook will be made available on the Department's website during 2019.

Preserved Scholarships

(Arrangements that preserve scholarship conditions for students who received a Commonwealth Scholarships Program scholarship prior to the introduction of the ISSP.)

Universities supported the continuation of the preserved scholarships arrangements until 30 June 2021.

Some providers recommended retention of unspent preserved scholarship funding within the institution. The Department runs a mid-year scholarships returns process so that unspent returned scholarships can be re-issued to providers through the ISSP funding formula. As preserved scholarship amounts are based on provider estimates, redistributing unspent scholarship funding through the formula applying to all ISSP providers was seen as the fairest way of maximising the use of this funding.

A small number of providers wished to fund subsequent years of a new scholarship award through preserved scholarships. This would minimise the flexibility of funding and potentially increase the amount of funding returned to the Commonwealth by recreating old Commonwealth Scholarship Program type arrangements.

The preserved scholarships will continue until 30 June 2021.

Funding Safety Net

(A cap that ensures Providers do not receive more or less than 15% of the previous year's funding to allow organisations to plan expenditure.)

The majority of providers considered that the safety net provides predictability and security of funding. However, some universities advocated for more generous growth beyond the 15% cap to offer incentives to be more progressive, while others advocated for a tighter 10% cap to better manage year on year adjustments.

Some providers advocated for the introduction of multi-year funding agreements. The Department considers the current funding safety net offers a legislated guarantee of continued funding subject to providers meeting eligibility requirements. However, the Department will conduct further consultations with providers in 2019 to consider whether further arrangements are required.

The 15% funding safety net has been maintained.

Scholarship requirement for remote and regional students



(Requirement for the 2017 and 2018 calendar years that Providers offer scholarships to remote and regional students of at least 95% of the total value of scholarships paid to remote and regional students in the previous calendar year.)

Eleven respondents suggested making the remote and regional requirement permanent to ensure that support for remote and regional students continued to be prioritised.

Seven respondents suggested applying a different remote and regional incentive, such as requiring universities to develop a remote and regional strategy or reporting on their remote and regional cohort as part of the ISSP reporting process. Some universities advocated for an increase in the regional and remote loading (currently 10% of funding). This would offer greater incentive for universities to recruit regional and remote students, but it does not guarantee that funding will go to scholarships. When an increase to the regional and remote loading was modelled, many regional universities would have received less support because urban universities support large numbers of regional and remote students.

Fifteen respondents sought to end the remote and regional scholarship requirement explaining that the decision of a student to take up a scholarship was beyond the university's control. This is why the Government based the requirement on scholarship offers (rather than acceptances), as targeting offers is within university control. However, some commented that the process of recording offers has created significant additional complexity and administrative burden for Providers.

An alternative put forward by some of these universities was to require evidence that regional and remote Indigenous students received a significant loading/weighting in university policies regarding the awarding of scholarships. However, as universities each take different approaches to awarding scholarships, the current ISSP requirement was seen as the measure with the widest applicability across the sector that could best promote continued outreach by universities to potential students from regional and remote areas.

The transitional 95% regional and remote scholarship offer requirement has become a permanent feature of the guidelines from 2019.

Requirement to continue services previously offered

(This requires universities who provided tutorial support, pastoral care and other support services before the introduction of the ISSP to continue to offer these services under the ISSP.)

This section of the guidelines aimed to assure students that the ISSP flexibilities did not result in discontinuation of services such as tutorial assistance. The majority of Providers advised that services have not been reduced. One Provider explained that services had been reduced due to a decrease in their ISSP funding allocation. Two responses raised concerns that services have been reduced but did not provide specific examples of this.

The guidelines require providers to continue pre-2017 services (unless otherwise agreed with the Department).

Transitional measures



(These were special arrangements for the first year of the ISSP to ensure a smooth transition to the program e.g. 2017 date for advising funding allocations, transition plans related to excluded activities and special arrangements for calculating the Safety Net in the first year.)

There was support to remove transitional measures that enabled the transition from former programs to ISSP and which assisted alignment with other elements of Higher Education Support Act 2003 administration.

Transitional arrangements that are no longer applicable have been removed from the guidelines.

Provider eligibility requirements

(Requirements to develop 1. an Indigenous Education Strategy, 2. Indigenous Workforce Strategy and 3. an Indigenous Governance Mechanism.)

Universities overwhelmingly supported these three eligibility criteria.

The most common issue raised related to the Indigenous Workforce Strategy, and particularly the 3% Indigenous employment target. Some suggested that states with small Indigenous populations had limited capacity to meet the 3% employment target while universities in other locations were able to recruit staff from larger Indigenous working-aged populations. Others were concerned that universities might meet the target by employing staff at the lower levels or with casual staff. Monitoring against a national population parity target stretch universities to consider innovative strategies similar to the objective of the Indigenous Procurement Policy. However, guidelines have been revised so that the Minister can negotiate higher targets with Providers where the baseline 3% target has been, or is about to be, achieved.

The National Aboriginal and Torres Strait Islander Higher Education Consortium advocated that Government and universities should have the highest aspirations for Aboriginal and Torres Strait Islander employment in the higher education sector. As such, from 2020, the requirement to have plans to encourage or support employment of Indigenous Australians at the Pro Vice-Chancellor or Deputy Vice-Chancellor level has been extended to the Vice-Chancellor position.

While most universities supported the current Indigenous Governance Mechanism arrangement, some providers sought the "mechanism" to include more than one person so all the work and responsibility did not fall to a single person at a University. From 2020, Providers will need to have at least two people identified on the Indigenous Governance Mechanism.

The requirements of the Indigenous Workforce Strategy will be updated to:

- Prioritise the employment of at least one Indigenous person as a senior executive employee at the level of Pro Vice-Chancellor, Deputy Vice-Chancellor or Vice-Chancellor, or equivalent level.
- Set the Indigenous employment target to at least 3%, or other higher percentage agreed between the Minister and Provider.

The updated guidelines will also require a Provider's Indigenous Governance Mechanism to comprise of at least 2 Indigenous persons.

To allow providers time to implement these new eligibility requirement, updates will not apply until 2020.



Eligible students

(This includes Indigenous students who are studying at the enabling, undergraduate and postgraduate levels.)

Universities overwhelmingly supported continued eligibility for ISSP support for postgraduate and Higher Degree by Research students. Some submissions sought further information on responsibilities to confirm whether a student was an Aboriginal and Torres Strait Islander person. The practical application of the Commonwealth's standard requirements will be set out in the proposed ISSP Handbook.

Requirements to confirm a student is an Aboriginal and/or Torres Strait Islander person will be included in the ISSP Handbook.

Eligible activities

(Information in the guidelines explaining the activities an ISSP grant should be used for.)

The majority of universities agreed with the existing list of eligible and ineligible activities.

The current guidelines do not allow ISSP funding to be used for international travel unless it is a requirement of the student's course of study and the student is unable to fund the travel. In the responses to the discussion paper, one Provider expressed agreement to this rule, one Provider advocated for all international travel to be allowed and most Providers did not raise any concerns about travel eligibility.

Additionally, a small number of Providers have sought to allow dual sector Providers to use ISSP for VET students. At the request of State and Territory governments, Commonwealth tutorial and other assistance for Indigenous government-funded VET students was rolled into the funding for the National Agreement on Skills and Workforce Development. While ISSP funds might incidentally assist VET students at a dual sector institution (ie generally encouraging Indigenous students to take up studies with the provider), targeted support for VET students through ISSP would dilute assistance to higher education students and potentially result in shifting costs away from State and Territory Government funding responsibilities.

Current eligible activity requirements have been maintained.

New ISSP Scholarships

(Scholarships offered under the ISSP from 2017 onwards.)

Most universities commented positively on the flexibility to choose their own scholarships, including the ability to decide duration, value and type, the ability to offer scholarships to part-time students and to provide more support to enabling programs/activities and postgraduate students. Many of the universities have developed innovative scholarship offerings as a result of the new flexibilities.

The most common issue raised related to the disqualifying relationship between the ISSP Scholarships and Centrelink payments and loans. This included questioning why a student cannot receive both an ISSP education costs scholarship and a Centrelink administered Start-up Loan. Some advocated for improved information for students that take up Centrelink Relocation Costs



scholarships or the ABSTUDY residential costs option. These issues are complex and there were also difficulties with this issue under the previous Commonwealth Scholarship arrangements.

Improvements to reporting are planned to mitigate disqualifying payment issues by drawing on scholarship offer information. However, the Department will consult with relevant agencies and Providers to investigate further solutions. No changes were made to ISSP guidelines or Social Security Law for 2019 pending the outcome of this further work.

Support other than scholarships

(Tutorial assistance, supplementary academic support, pastoral care, cultural competence learning and engagement activities.)

Some universities have commenced restructuring tutorial support, expanding to post-graduate students, and offering residential and 24 hour online tutoring access. Universities are supportive of the extra flexibility.

Responses were supportive of the ability to offer Indigenous support services such as mentoring, cultural competency training and safe Indigenous spaces. Some universities have developed new programs and are supporting a wider range of students. The Department was encouraged by some Providers make it clearer that career guidance could be offered to students with ISSP funds.

In response to the Royal Commission into Institutional Responses to Child Sexual Abuse, guidelines have been reviewed to ensure clear arrangements are in place to protect young and vulnerable people in our community.

Guidelines were updated to make it clearer that career advice can be supported and to strengthen working with vulnerable people requirements.

Funding Formula

(The formula used to determine funding allocations under the ISSP – it allocates 30% for enrolments, 30% for success rates, 30% for completions and a 10% remote and regional student loading.)

Ten ISSP Providers were happy with the funding formula, but five universities suggested the component for success and completion is too high and would like greater weighting on enrolment to better recognise the front end costs of attracting and supporting students. The Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People recommended that funding have a greater emphasis on retention and completion rates. The equal weighting given to enrolments, success rate and completions in the funding formula appears to offer most Providers the right balance to supplement mainstream higher education in a way that encourages strategies to attract students to university and support them through to completion.

Regional universities highlighted a situation where regional universities attract and support students through their early years of study, but once successfully engaged, students subsequently transfer to metropolitan universities to complete their studies. Investigation of this issue found it relates to a small number of Aboriginal and Torres Strait Islander students. The Department will work with Providers that are most affected to consider options for the future.

In addition, a number of Institutions requested that funding allocations be advised to Providers prior to 24 December of the preceding year to assist with forward Budget planning. The Department will



share indicative ISSP entitlements once university statistics are published, noting these may be subject to change.

The Department's review of the guidelines found there was insufficient clarity given to the arrangements for Providers that exit the program (for example if the Provider becomes ineligible) or for those that join or re-join the program because the organisation becomes eligible.

No changes have been made to the funding formula, but revised guidelines now explain the funding treatment for providers that enter or exit the program.

ISSP Reporting

(Providers are required to submit a performance report and financial acquittal in April for the previous year's ISSP activities.)

More than half of the respondents considered the current reporting timeframe is appropriate as it lies outside of busy administrative times for the university.

Some universities sought further clarification about the recording of funds other than ISSP funding and the presentation of information on scholarship offers and awards. The 2019 reporting template has included further clarification on reporting requirements. The proposed Handbook will also offer further clarification of reporting requirements.

A quarter of universities felt ISSP reporting duplicates reporting subsequently requested by Universities Australia as part of the sector's Indigenous Strategy. The Department will work with Providers and Universities Australia to minimise duplication between the two reporting arrangements.

Providers were keen to share best practice examples of attracting, supporting and driving completion for Indigenous students. The reporting template includes opportunities for Providers to report on successful practice. However, the Department will work with Providers to include case studies and good practices in the proposed Handbook.

No changes were made to the guidelines regarding reporting, but changes were made to the reporting template.

KPMG Health Check

KPMG conducted a program health check on the design and operating effectiveness of the Department's administration of the ISSP in October 2018. KPMG found that there are appropriate arrangements in place to support most aspects of the program management. KPMG recommended:

- Development of publicly available explanatory material to supplement the ISSP Guidelines;
- Documenting risks and risk mitigation strategies consistent with the Department's Risk Management Framework.

KPMG noted the Department's intention to develop an ISSP Handbook. The Department will also document risks and risk management strategies based on revised guidelines issued in response to the ISSP post-implementation review.

No changes were required to the ISSP guidelines as a result of the KPMG Health Check.