



**NORTHERN TERRITORY VIEWS ON  
2010 REVIEW DRAFT REPORT  
ATTACHMENT 9**

**SCHOOLS EDUCATION**

**September 2009**

### **Key Points**

- The Territory is broadly supportive of the proposed schools education assessment.
- The Commission should use actual rather than assessed post-compulsory enrolments as the methodology used to determine the assessed post-compulsory enrolments delivers an implausible result of 20 per cent of the Territory's actual enrolments being attributable to policy influences.
- Cost weights should be adjusted for Census undercounts.
- Adequate recognition of location and service delivery scale cost disabilities are critical in this assessment.
- The methodology to assess school transport expenses is supported.

### **Introduction**

This submission details the Territory's views on issues raised in the Commonwealth Grants Commission's (the Commission's) 2010 Review Draft Report, Attachment 9, *Schools Education*.

The Commission proposes to assess school education expenses by:

- deriving assessed enrolments using actual enrolments for compulsory ages plus policy neutral enrolments for students 5 and below and 15 and above;
- adjusting pre-compulsory enrolments for Indigenous use and post-compulsory enrolments for policy influences, Indigeneity, socio-economic status (SES), low English fluency, remoteness, unemployment and ACT/NSW cross-border use;
- applying cost weights for Indigenous, low SES and low English fluency students;
- incorporating the impact of differences between government and non-government schools use and costs; and
- recognising location and service delivery scale as cost disabilities.

School transport expenses are proposed to be assessed differentially in this category by determining urban and remote student numbers (the latter adjusted by distance travelled).

The Territory is broadly supportive of this assessment but has concerns regarding some of its components, including the determination of the assessed post-compulsory enrolments and the impact of Census undercounts.

### **Deriving assessed enrolments**

The Territory considers that the assessed post-compulsory enrolments shown in Table 9-4 of the Commission's Draft Report do not withstand reasonable reality testing. These assessed enrolments, which have been derived from a consultant's regression methodology, suggest that 20 per cent of the Territory's actual enrolments are attributable to policy influences. This result is implausible given the socio-demographic characteristics of the Territory's school population and is inconsistent with other work provided by the consultant to the Commission which suggested negligible policy impact on enrolments in the Territory. The data in this table implies that policy influences in the Territory are slightly greater than those for the ACT, and significantly greater for all other states. Again, this does not appear consistent with state socio-demographic characteristics. It also implies that the Territory is providing an above average level of school service provision - the Territory believes that there is no evidence for this assertion.

The Territory understands that other states also have concerns regarding the consultant's methodology and that Commission staff are reconsidering the validity of the assessed post-compulsory enrolments. The Territory strongly supports the issue of post-compulsory enrolments being revisited. Use of actual enrolments would enable a more realistic outcome and would represent a sensible simplification of this component of the assessment.

The need for an adjustment to account for policy influences was originally mooted when population was proposed as the broad indicator for this

assessment. Given that enrolments are now the broad indicator for school education expense, that a majority of states have indicated that they believe policy influences have a small and diminishing impact on post-compulsory enrolment (evidenced by the shift towards older school leaving age and “learn or earn policies”), and that the variation between the actual and assessed post-compulsory enrolments for states is on average 3.4 per cent in the draft report, the use of complex regression analysis to determine assessed post-compulsory enrolments does not appear warranted.

Furthermore, the Territory believes that any attempt to “correct” the deficiencies of the consultant’s modelling such as incorporating a Census undercount factor, would not satisfactorily redress the implausible result. Applying the agreed Census net undercount<sup>1</sup> for each state to the post-compulsory enrolments generated by the consultant’s regression analysis only increases the Territory’s enrolments by five per cent, still leaving 15 per cent as attributable to policy differences alone. It is also likely that any attempt to correct for higher non-response rates in the Northern Territory for specific Census questions that impact directly on the consultant’s apportionment of non-policy influences (e.g. questions on language and employment), would not resolve the disconnect with the reality of post-compulsory education service drivers in the Territory.

### **Cost weights**

The Territory supports the use of cost weights for Indigenous, low SES and low English fluency students. The Territory is concerned that the assessed enrolments for low SES and low English fluency may be underestimated as these have been derived from Census data that is not adjusted for undercount or non-response to these questions. The Territory proposes adjusting the assessed low SES and low English fluency enrolments by the net

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<sup>2</sup> ABS Cat No. 2940.0

undercounts to more accurately reflect the relevant population proportions<sup>2</sup>. This adjustment is shown in Table 2.

**Table 2. Adjusted additional enrolments for high cost students, 2007-08**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Indigenous students</b>									
Draft report additional enrolments	12 985	2 574	12 788	6 427	2 502	1 520	296	4 127	43 218
<b>Low SES</b>									
Draft report additional enrolments	20 450	13 797	11 794	3 490	5 934	2 540	3	667	58 675
Census 2006 net undercount	2.4	2.3	3.7	3.2	2.3	2	1.2	7.6	
Revised additional enrolments	20 941	14 114	12 230	3 602	6 071	2 590	3	718	60 270
<b>low English fluency</b>									
Draft report additional enrolments	11 154	6 883	2 582	1 665	1 131	104	342	600	24 461
Census 2006 net undercount	2.4	2.3	3.7	3.2	2.3	2	1.2	7.6	
Revised additional enrolments	11 422	7 041	2 678	1 718	1 157	106	346	645	25 113
<b>Total additional enrolments</b>									
Draft report	44 590	23 253	27 165	11 582	9 567	4 163	641	5 394	126 355
Revised	45 348	23 729	27 696	11 747	9 729	4 216	645	5 490	128 601
Difference	759	476	532	165	162	53	4	96	2 247

An adjustment should also be made to the low SES cost weight to recognise the Territory's comparatively high number of Census Collection Districts (CDs) without Socio-Economic Index for Area (SEIFA) scores as students in these CDs may not have been included in the generation of the cost weight. The Territory has the highest proportion of CDs without a SEIFA score (arising from the Territory's high non-response rates to questions that inform these scores). The Territory believes that these CDs should be considered highly disadvantaged areas. In the development of the National Partnership on Low SES School Communities, Northern Territory government schools that were located in CDs without SEIFA scores were recognised by the Commonwealth Department of Education, Employment and Workplace Relations as if they were in CDs with the lowest SEIFA scores. There are 31 of these schools (Attachment 1), comprising around nine per cent of the Territory's school population. The Territory believes that an adjustment should be made to reflect this underestimation.

<sup>2</sup> ABS Cat No. 2940.0

### **Location and Service Delivery Scale**

The Territory strongly supports the inclusion of location and service delivery scale cost disabilities in the schools education assessment. However the Territory is concerned that its schools education location and service delivery scale expenses are not adequately recognised in the Commission's Draft Report. The specifics of the Territory's concerns are detailed in its location and service delivery scale submission.

### **School transport**

The Territory supports the Commission's proposed school transport assessment which recognises the differential expenses incurred transporting students to and from urban and remote schools using the 2004 Review travel distance data, apportioned between urban and remote costs using GFS student transport cost data. The Territory believes that this methodology adequately differentiates between urban and remote costs.

**Attachment 1: Northern Territory Government Schools in CDs without SEIFA scores**

<b>School</b>	<b>Estimated Enrolment Term 1 2009</b>
Alekarenge School	
Alpurrurulam School	
Ampilatwatja School	
Angurugu School	
Areyonga School	
Canteen Creek School	
Docker River School	
Epenarra School	
Gochan Jiny - Jirra School	
Gunbalanya School	
Imanpa School	
Kiana School	
Laramba School	
Maningrida School	
Milingimbi School	
Milyakburra School	
Mt Allan School	
Murray Downs School	
Neutral Junction School	
Newcastle Waters School	
Nyirrpi School	
Papunya School	
Pigeon Hole School	
Umbakumba School	
Urapunga School	
Walungurru School	
Watiyawanu School	
Willowra School	
Yilparrra School	
<b>Total</b>	<b>3778</b>